

OFFER INFORMATION STATEMENT DATED 27 AUGUST 2008

(Lodged with the Monetary Authority of Singapore on 27 August 2008)

THIS OFFER INFORMATION STATEMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

United Overseas Bank Limited (“**UOB**”) proposes to issue and offer in Singapore 10,000,000 Class E non-cumulative, non-convertible preference shares (the “**Class E Preference Shares**” or the “**Preference Shares**”), for subscription by investors at the issue price of \$100 (the “**Issue Price**”) per Preference Share, subject to the Upsize Option (as defined below). If applications or indications of interest are received for more than 10,000,000 Preference Shares, UOB reserves the right, at its sole discretion, to increase, at any time on or prior to the Closing Date (as defined herein), the Offering (as defined herein) from 10,000,000 Preference Shares to up to 15,000,000 Preference Shares (the “**Upsize Option**”).

A copy of this Offer Information Statement has been lodged with the Monetary Authority of Singapore (the “**Authority**”). The Authority assumes no responsibility for the contents of this Offer Information Statement. Lodgment of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”), or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Preference Shares being offered, or in respect of which an invitation is made, for investment.

Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the listing of and quotation for the Preference Shares on the Main Board of the SGX-ST. The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained and opinions expressed in this Offer Information Statement. Approval in-principle granted by the SGX-ST for the listing of and quotation for the Preference Shares on the Main Board of the SGX-ST is not to be taken as an indication of the merits of UOB, its subsidiaries, the Preference Shares, or the Offering.

The Preference Shares have been rated Aa3 by Moody’s Investors Services, Inc (“**Moody’s**”), A- by Standard & Poor’s Rating Services (“**Standard & Poor’s**”) and A+ by Fitch Ratings Ltd (“**Fitch**”). None of Moody’s, Standard & Poor’s or Fitch has consented for the purposes of Section 249 of the SFA to the inclusion of the credit ratings quoted above which are publicly available and is thereby not liable for such information under Sections 253 and 254 of the SFA. UOB and the Joint Lead Issue Managers and Joint Bookrunners (as defined herein) have included the above credit ratings in their proper form and context and have not verified the accuracy of such information.

No Preference Share shall be allotted on the basis of this Offer Information Statement later than six months after the date of lodgment of this Offer Information Statement with the Authority.

Investing in the Preference Shares involves risks, some of which are described on pages 45 to 49 of this Offer Information Statement.



UNITED OVERSEAS BANK LIMITED

(Incorporated in the Republic of Singapore on 6 August 1935)
(Company Registration No.: 193500026Z)

OFFER AND PLACEMENT OF 10,000,000 CLASS E NON-CUMULATIVE, NON-CONVERTIBLE PREFERENCE SHARES (SUBJECT TO THE UPSIZE OPTION) AT A FIXED DIVIDEND RATE OF 5.05% PER ANNUM BY WAY OF:

- (A) **AN OFFERING OF 8,000,000 PREFERENCE SHARES AT THE ISSUE PRICE OF \$100 PER PREFERENCE SHARE TO INSTITUTIONAL AND OTHER INVESTORS IN SINGAPORE (THE “PLACEMENT”); AND**
- (B) **AN OFFERING OF 2,000,000 PREFERENCE SHARES AT THE ISSUE PRICE OF \$100 PER PREFERENCE SHARE TO THE PUBLIC IN SINGAPORE THROUGH THE ATMS OF THE PARTICIPATING BANKS (THE “ATM OFFER”).**

Sole Arranger



Joint Lead Issue Managers and Joint Bookrunners



Co-Managers

**CITICORP INVESTMENT BANK
(SINGAPORE) LIMITED**

UOB KAY HIAN PRIVATE LIMITED

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NOTICE TO INVESTORS

Capitalised terms used below which are not otherwise defined herein shall have the same meanings as ascribed to them under the “Definitions” section of this Offer Information Statement.

This Offer Information Statement is confidential. Prospective investors may not reproduce or distribute this Offer Information Statement, in whole or in part, and may not disclose any of the contents of this Offer Information Statement or use any information herein for any purpose other than for considering an investment in the Preference Shares. Prospective investors agree to the foregoing by accepting delivery of this Offer Information Statement.

This Offer Information Statement has been prepared solely for the purpose of the Offering. Persons wishing to subscribe for the Preference Shares offered by this Offer Information Statement should, before deciding whether to so subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of the affairs of UOB or the UOB Group, including but not limited to, the assets and liabilities, profits and losses, financial position, performance and prospects of UOB or the UOB Group, and the rights and liabilities attaching to the Preference Shares. Nothing in this Offer Information Statement shall be construed as a recommendation to subscribe for the Preference Shares. Prospective investors should rely, and shall be deemed to have relied, on their own independent enquiries and investigations of the affairs of UOB or the UOB Group, including but not limited to, the assets and liabilities, profits and losses, financial position, performance and prospects of UOB and the UOB Group, as well as any bases and assumptions upon which financial projections, if any, are made or based, and their own independent appraisal and determination of the merits of investing in UOB or the UOB Group. No information in this Offer Information Statement should be considered to be business, financial, legal or tax advice. Persons in doubt as to the action they should take should consult their business, financial, legal, tax or other professional advisers before deciding whether to subscribe for the Preference Shares.

No person has been authorised to give any information or to make any representation, other than those contained in this Offer Information Statement, in connection with the Offering or the issue of the Preference Shares and, if given or made, such information or representation must not be relied upon as having been authorised by UOB, the UOB Group, the Joint Lead Issue Managers and Joint Bookrunners or the Co-Managers. Nothing contained herein is, or may be relied upon as, a promise or representation to any person as to the future performance or prospects of UOB or the UOB Group or the legality of an investment in the Preference Shares by such person under any investment or any other laws or regulations. Neither the delivery of this Offer Information Statement nor the issue of the Preference Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no change in the affairs of UOB or the UOB Group, including but not limited to, the assets and liabilities, profits and losses, financial position, performance or prospects of UOB or the UOB Group, or any of the information contained herein since the date hereof. Where such changes occur or new circumstances arise after the date hereof but prior to the issue of the Preference Shares and are material, or are required to be disclosed by law and/or the SGX-ST, UOB may make an announcement of the same to the SGX-ST and, if required, lodge a supplementary or replacement document with the Authority. Investors should take note of any such announcement, or supplementary or replacement document and, upon the release of such announcement or lodgment of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes. Investors should note that applications for the Preference Shares received by UOB prior to the release of such announcement will remain valid and irrevocable notwithstanding the release of such announcement. If a supplementary or replacement document is lodged, such supplementary or replacement document will set out the additional terms and conditions relating to applications for the Preference Shares and applications received by UOB prior to the lodgment of such supplementary or replacement document will be subject to such terms and conditions.

NOTICE TO INVESTORS

This Offer Information Statement may not be used for the purpose of, and does not constitute, an offer, invitation to, or solicitation of, anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

The distribution of this Offer Information Statement may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions. Investors or any other person having possession of this Offer Information Statement are required by UOB, the Joint Lead Issue Managers and Joint Bookrunners and the Co-Managers to keep themselves informed of and observe such prohibitions and restrictions.

References to any website in this Offer Information Statement or any website, directly or indirectly, linked to such website is not incorporated by reference into this Offer Information Statement and should not be relied upon.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in press releases and oral statements that may be made by UOB or the UOB Group or their respective officers, directors or employees acting on their behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words such as, without limitation, “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or other similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding UOB’s or the UOB Group’s expected financial position, operating results, business strategies, plans and prospects are forward-looking statements. These forward-looking statements, including but not limited to, statements as to UOB’s or the UOB Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause UOB’s or the UOB Group’s actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks, uncertainties and other factors that may cause UOB’s or the UOB Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements. UOB’s or the UOB Group’s actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements. None of UOB, the UOB Group, the Joint Lead Issue Managers and Joint Bookrunners, the Co-Managers or any other person represents or warrants that UOB’s or the UOB Group’s actual future results, performance or achievements will be as discussed in those statements.

Further, each of UOB, the UOB Group, the Joint Lead Issue Managers and Joint Bookrunners and the Co-Managers disclaims any responsibility to update any of those forward-looking statements or publicly announce any revision to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. Where such developments, events or circumstances occur after the date hereof but prior to the issue of the Preference Shares, and are material, or are required to be disclosed by law and/or the SGX-ST, UOB may make an announcement of the same to the SGX-ST and, if required, lodge a supplementary or replacement document with the Authority.

DEFINITIONS

For the purpose of this Offer Information Statement, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

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| “Application Forms” | : | The “Placement Preference Shares Application Forms” to be used for the purpose of the Placement and which form part of this Offer Information Statement |
| “Articles” | : | The Articles of Association of UOB |
| “ATM” | : | Automated teller machine |
| “ATM Offer” | : | The offering of Preference Shares to the public in Singapore through the ATMs of the Participating Banks pursuant to the Offering |
| “Authority” or “MAS” | : | Monetary Authority of Singapore |
| “Banking Act” | : | Banking Act, Chapter 19 of Singapore, as amended or modified from time to time |
| “Board” | : | The board of directors of UOB |
| “Business Day” | : | A day, other than a Saturday or Sunday, on which commercial banks are open for business in Singapore |
| “CDP” | : | The Central Depository (Pte) Limited |
| “Closing Date” | : | The closing date of the Offering, which is expected to be 12 September 2008 at 12.00 noon. Applications for the Preference Shares under the Placement and the ATM Offer must be submitted during the time periods described in the section “Expected Timetable of Key Events” of this Offer Information Statement |
| “Co-Managers” | : | Citicorp Investment Bank (Singapore) Limited and UOB Kay Hian Private Limited. For the avoidance of doubt, neither of the Co-Managers is an issue manager for the Offering |
| “Companies Act” | : | Companies Act, Chapter 50 of Singapore, as amended or modified from time to time |
| “Directors” | : | The directors of UOB, as at the date of this Offer Information Statement |
| “Fitch” | : | Fitch Ratings Ltd |
| “FY” | : | Financial year ended or, as the case may be, ending 31 December |
| “HSBC” | : | The Hongkong and Shanghai Banking Corporation Limited |
| “Issue Date” | : | The issue date of the Preference Shares, which is expected to be 15 September 2008 |
| “Issue Price” | : | The issue price of each Preference Share under the Offering, being \$100 |

DEFINITIONS

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| “Joint Lead Issue Managers and Joint Bookrunners” | : | UOB and HSBC |
| “Latest Practicable Date” | : | 20 August 2008, being the latest practicable date prior to the printing of this Offer Information Statement |
| “Liquidation Preference” | : | The liquidation preference of each Preference Share under the Offering, being \$100 |
| “Listing Manual” | : | The listing manual of the SGX-ST, as amended or modified from time to time |
| “Market Day” | : | A day on which the SGX-ST is open for trading in securities in Singapore |
| “Moody’s” | : | Moody’s Investors Services, Inc |
| “NPAT” | : | Net profit after tax |
| “Offer Information Statement” | : | This document and all other accompanying documents, including any supplementary or replacement document which may be issued by UOB in connection with the Offering |
| “Offering” | : | The offering of 10,000,000 Preference Shares by UOB for subscription at the Issue Price (subject to the Upsize Option) pursuant to the Placement and the ATM Offer |
| “Participating Banks” | : | UOB and its subsidiary, Far Eastern Bank Limited, DBS Bank Ltd. (including POSB) (“ DBS Bank ”) and Oversea-Chinese Banking Corporation Limited (“ OCBC Bank ”) |
| “Placement” | : | The offering of Preference Shares to institutional and other investors in Singapore, pursuant to the Offering |
| “Preference Shareholders” | : | Persons who are registered as holders of Preference Shares, except that where such registered holder is CDP, the term “ Preference Shareholders ” shall, in relation to such Preference Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Preference Shares are credited. Any reference to Preference Shares held by or shareholdings of Preference Shareholders shall include Preference Shares standing to the credit of their respective Securities Accounts |
| “Preference Shares” or “Class E Preference Shares” | : | Class E non-cumulative, non-convertible preference shares in the capital of UOB |
| “Securities Account” or “CDP Account” | : | Securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent |
| “SFA” | : | Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time |

DEFINITIONS

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| “SGX-ST” | : | Singapore Exchange Securities Trading Limited |
| “Share Registrar” | : | Boardroom Corporate & Advisory Services Pte. Ltd. |
| “Shares” | : | Ordinary shares of UOB |
| “Singapore” | : | The Republic of Singapore |
| “Sole Arranger” | : | UOB |
| “Standard & Poor’s” | : | Standard & Poor’s Rating Services |
| “Substantial Shareholders” | : | Shareholders who hold directly and/or indirectly not less than five per cent. of the total issued and voting Shares of UOB |
| “UOB”, the “Bank” or the “Company” | : | United Overseas Bank Limited |
| “UOB Group” | : | UOB, its subsidiaries and its associates |
| “Upsize Option” | : | The option, exercisable by UOB at its sole discretion, to increase the size of the Offering to up to 15,000,000 Preference Shares |
| “U.S.” | : | The United States of America |
| “%” or “per cent.” | : | Percentage or per centum |
| “1H2008” | : | The six months ended 30 June 2008 |
| “PHP” | : | Philippine Peso |
| “RMB” | : | Renminbi |
| “\$”, “S\$”, “SGD” and “cents” | : | Singapore dollars and cents, respectively |
| “US\$” | : | U.S. dollars |
| “VND” | : | Vietnamese Dong |

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them in Section 130A of the Companies Act.

The term “**subsidiary**” shall have the same meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Offer Information Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA or the Listing Manual, or any modification thereof and used in this Offer Information Statement shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA or the Listing Manual, or such modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and dates in this Offer Information Statement shall be a reference to Singapore time and dates unless otherwise stated.

DEFINITIONS

Any discrepancy in figures included in this Offer Information Statement between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

References in this Offer Information Statement to “**we**”, “**our**” and “**us**”, and other grammatical variations thereof, refer to UOB, its subsidiaries and its associates.

In this Offer Information Statement, the number of Preference Shares to be issued under the Offering has been assumed (the “**Assumed Offering Size**”) to be 10,000,000 Preference Shares, being the maximum size of the Offering on the basis that the Upsize Option is not exercised at all. All information in this Offer Information Statement relating to the number of Preference Shares issued under the Offering is expressed using the Assumed Offering Size. The Assumed Offering Size used in this Offer Information Statement is for illustrative purposes only.

SUMMARY OF THE OFFERING

The following is a summary of the principal terms and conditions of the Offering and is derived from, and should be read in conjunction with, the full text of this Offer Information Statement, and is qualified in its entirety by reference to information appearing elsewhere in this Offer Information Statement. Unless otherwise defined, capitalised terms used in this section of the Offer Information Statement shall be read and construed in the context of this section only.

- Issuer** : UOB.
- Preference Shares** : Class E non-cumulative, non-convertible preference shares qualifying as Tier 1 capital of UOB redeemable at the option of UOB (i) five years after the Issue Date (as defined below); (ii) 10 years after the Issue Date and (iii) on each Dividend Date (as defined below) thereafter (that is, after the date falling 10 years after the Issue Date).
- The rights, preferences and restrictions attached to the Preference Shares are set out in Article 7E of the Articles of Association of UOB (the “**Articles**”), which is reproduced in Appendix B of this Offer Information Statement.
- Offering** : 10,000,000 Preference Shares offered under the Placement and the ATM Offer (subject to the Upsize Option).
- UOB may scale down the size of the Offering if the total number of Preference Shares subscribed for under the Offering is less than 10,000,000 Preference Shares provided that UOB reserves the right not to proceed with the Offering if the total number of Preference Shares subscribed for under the Offering is less than 2,000,000 Preference Shares.
- Placement** : 8,000,000 Preference Shares offered at the Issue Price to institutional and other investors in Singapore.
- ATM Offer** : 2,000,000 Preference Shares offered at the Issue Price to the public in Singapore through the ATMs of the Participating Banks.
- Upsize Option** : If applications or indications of interest are received for more than 10,000,000 Preference Shares, UOB reserves the right, at its sole discretion, to increase, at any time on or prior to the Closing Date, the Offering from 10,000,000 Preference Shares to up to 15,000,000 Preference Shares.
- Method of Application** : Applications for the Preference Shares must be made through Application Forms under the Placement, through ATMs of the Participating Banks under the ATM Offer, or by such other forms of application as UOB deems appropriate. This Offer Information Statement may be obtained on request, subject to availability, during operating hours from:

United Overseas Bank Limited
UOB 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 this Offer Information Statement is also available on the Authority’s OPERA website <http://masnet.mas.gov.sg/opera/sdrprosp.nsf>.

SUMMARY OF THE OFFERING

Applications for the Preference Shares under the Offering must be made in lots of 100 Preference Shares or higher integral multiples thereof. An application for Preference Shares under the Placement is subject to a minimum of 500 Preference Shares per applicant. An application for Preference Shares under the ATM Offer is subject to a minimum of 100 Preference Shares per applicant.

UOB reserves the right to reject or accept any application in whole or in part, or to scale down or ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on its decision will be entertained. This right applies to applications made by way of Application Forms and by way of ATMs of the Participating Banks, and by such other forms of application as UOB deems appropriate.

Prospective investors applying for the Preference Shares under the Placement and the ATM Offer must follow the application procedures set out in “Terms, Conditions and Procedures for Application and Acceptance” in Appendix G of this Offer Information Statement.

- Re-allocation** : The Preference Shares may be re-allocated between the Placement and the ATM Offer at the sole discretion of UOB.
- Issue Date** : 15 September 2008 (the “**Issue Date**”).
- Issue Price** : \$100 for each Preference Share.
- Liquidation Preference** : \$100 for each Preference Share (the “**Liquidation Preference**”).
- Dividends** : Subject to “**Dividends at Board’s Discretion**”, “**Dividend Restrictions**” and “**Dividend Limitation Notice**” below, the Preference Shares shall entitle the Preference Shareholders to receive a non-cumulative preferential cash dividend (“**Dividend**”) based on the Liquidation Preference.
- The Dividend shall be payable semi-annually in arrears on 15 March and 15 September in each year (each such date, a “**Dividend Date**”), in each case when, as and if declared by the Board.
- Based on the Issue Date of 15 September 2008, the first Dividend Date will be 15 March 2009.
- Non-cumulative Dividends** : No Preference Shareholder shall have any claim in respect of any Dividend or part thereof not due or payable pursuant to “**Dividends at Board’s Discretion**”, “**Dividend Restrictions**” and “**Dividend Limitation Notice**” below. Accordingly, such amount shall not accumulate for the benefit of the Preference Shareholders or entitle the Preference Shareholders to any claim in respect thereof against UOB.
- Fixed Dividend Rate** : When, as and if declared by the Board, Dividends on the Preference Shares for each Dividend Period (as defined below) shall be payable in Singapore dollars at a fixed rate per annum of 5.05 per cent. of the Liquidation Preference thereof, calculated on the basis of the actual number of days in the relevant period divided by 365.

SUMMARY OF THE OFFERING

“**Dividend Period**” means the period from, and including, the Issue Date to, but excluding, the first Dividend Date and each successive period thereafter from, and including, a Dividend Date to, but excluding, the next succeeding Dividend Date.

Dividends at Board’s Discretion

: The Board shall have sole and absolute discretion regarding the declaration or payment of any Dividend on the Preference Shares. Nothing in the Articles shall impose on the Board any requirement or duty to resolve to distribute, declare or pay in respect of any fiscal year or period the whole or any part of the profits of UOB available for distribution. No Dividend or any part thereof shall become due or payable on any Dividend Date unless the Board has declared or resolved to distribute such Dividend or part thereof with respect to that Dividend Date.

Dividend Restrictions

: Dividends may only be declared and paid out of Distributable Reserves (as defined below). Notwithstanding that the Board may have declared or resolved to distribute any Dividend on any Dividend Date, UOB shall not be obliged to pay, and shall not pay, such Dividend on that Dividend Date (and such Dividend shall not be considered to be due or payable) if:

- (1) UOB is prevented by applicable Singapore banking regulations or other requirements of the Authority from making payment in full of dividends or other distributions when due on Parity Obligations (as defined below); or
- (2) UOB is unable to make such payment of dividends or other distributions on Parity Obligations without causing a breach of the Authority’s published consolidated or unconsolidated capital adequacy requirements from time to time applicable to UOB; or
- (3) the aggregate of the amount of such Dividend (if paid in full), together with the sum of any other dividends and other distributions originally scheduled to be paid (whether or not paid in whole or part) during UOB’s then-current fiscal year on the Preference Shares or Parity Obligations, would exceed the Distributable Reserves as of the relevant Dividend Determination Date (as defined below).

“**Distributable Reserves**” means, at any time, the amounts for the time being available to UOB for distribution as a dividend in compliance with Section 403 of the Companies Act (“**Available Amounts**”) as of the date of UOB’s latest audited balance sheet; *provided that* if the Board reasonably believes that the Available Amounts as of any Dividend Determination Date are lower than the Available Amounts as of the date of UOB’s latest audited balance sheet and are insufficient to pay the Dividend and for payments on Parity Obligations on the relevant Dividend Date, then two directors of UOB shall be required to provide a certificate, on or prior to such Dividend Determination Date, to the Preference Shareholders accompanied by a certificate of UOB’s auditors for the time being of the Available Amounts as of such Dividend Determination Date (which

SUMMARY OF THE OFFERING

certificate of the two directors shall be binding absent manifest error) and “**Distributable Reserves**” as of such Dividend Determination Date for the purposes of such Dividend shall mean the Available Amounts as set forth in such certificate.

“**Dividend Determination Date**” means, with respect to any Dividend Date, the day falling two Business Days prior to that Dividend Date.

“**Parity Obligations**” means (i) any preference shares or other similar obligations of UOB that constitute Tier 1 capital of UOB on an unconsolidated basis (including, without limitation, the Class A preference shares, the Class B preference shares, the Class C preference shares, the Class D preference shares, the Preference Shares and the Class F preference shares) or have characteristics similar to securities that could qualify as Tier 1 capital of UOB on an unconsolidated basis and are not expressly stated to rank in all material respects senior or junior to the Class A preference shares, the Class B preference shares, the Class C preference shares, the Class D preference shares, the Preference Shares and the Class F preference shares or (ii) any preference shares or other similar obligations of any subsidiary of UOB that constitute Tier 1 capital of UOB on an unconsolidated basis or have characteristics similar to securities that could qualify as Tier 1 capital of UOB on an unconsolidated basis and are not expressly stated to rank in all material respects senior or junior to the Class A preference shares, the Class B preference shares, the Class C preference shares, the Class D preference shares, the Preference Shares and the Class F preference shares.

Dividend Limitation Notice : Without prejudice to “**Dividends at Board’s Discretion**” above, if UOB does not propose or intend to pay and will not pay its next dividend (whether interim or final) on its Shares, UOB shall give, on or before the relevant Dividend Determination Date, a notice (“**Dividend Limitation Notice**”) to its share registrar and the Preference Shareholders that it will pay no dividends or less than full dividends on such Dividend Date, in which case no dividends or less than full dividends as set out in the Dividend Limitation Notice shall become due and payable on such Dividend Date.

Pro Rata Dividend Payment : If, whether by reason of “**Dividend Restrictions**” above or the terms of a Parity Obligation, on the relevant Dividend Date, a Dividend which has been declared is not paid in full on the Preference Shares or dividends or other distributions are not paid in full on any Parity Obligations, but on such Dividend Date there are Distributable Reserves, then each Preference Shareholder shall be entitled to receive the Relevant Proportion (as defined below) of any such Dividend if UOB shall have declared and paid dividends or other distributions on any Parity Obligations during UOB’s then-current fiscal year.

“**Relevant Proportion**” means, in relation to any partial payment of a Dividend, the amount of Distributable Reserves as of the relevant Dividend Determination Date divided by the sum of:

- (1) the full amount originally scheduled to be paid by way of Dividend (whether or not paid in whole or part) during UOB’s then-current fiscal year; and

SUMMARY OF THE OFFERING

- (2) the sum of any dividends or other distribution or payments in respect of Parity Obligations originally scheduled to be paid (whether or not paid in whole or part) during UOB's then-current fiscal year,

converted where necessary into the same currency in which Distributable Reserves are calculated by UOB.

Dividend Stopper

: In the event any Dividend is not paid in full for any reason on any Dividend Date, UOB shall not:

- (1) declare or pay any dividends or other distributions in respect of, or (if permitted) repurchase or redeem, its Shares or any other security of UOB ranking *pari passu* or junior to the Preference Shares (or contribute any moneys to a sinking fund for the payment of any dividends or other distributions in respect of, or for the redemption of, any such Shares or securities); or
- (2) declare or pay, or permit any subsidiary of UOB (other than a subsidiary of UOB that carries on banking business) to declare or pay, any dividends or other distributions in respect of any Parity Obligations, or (if permitted) repurchase or redeem any Parity Obligations (or contribute any moneys to a sinking fund for the payment of any dividends or other distributions in respect of, or for the redemption of, any Parity Obligations),

in each case until it has paid Dividends in full in respect of such number of consecutive Dividend Periods as shall be equal to or exceed 12 calendar months (or an amount equivalent to the Dividends to be paid in respect of such number of consecutive Dividend Periods as shall be equal to or exceed 12 calendar months has been paid or irrevocably set aside in a separately designated trust account for payment to the Preference Shareholders).

No Further Rights to Participate in Profits

: Save as summarised above and set out in Article 7E of the Articles, the Preference Shares shall not confer any right or claim as regards participation in the profits of UOB.

Prescription

: Any Dividend unclaimed after a period of six years from the date of declaration of such Dividend shall be forfeited and revert to UOB. No Dividends or other moneys payable on or in respect of a Preference Share shall bear interest against UOB.

Rights Upon Liquidation

: In the event of the commencement of any dissolution or winding-up of UOB (other than pursuant to a Permitted Reorganisation (as defined below)), before any redemption of the Preference Shares, the Preference Shares shall rank:

- (1) junior to depositors and all other creditors (including the holders of subordinated debt) of UOB;
- (2) *pari passu* with all Parity Obligations of UOB; and
- (3) senior to the holders of Shares and any other securities or obligations of UOB that are subordinated to the Preference Shares.

SUMMARY OF THE OFFERING

On such a dissolution or winding up, each Preference Share shall be entitled to receive in Singapore dollars an amount equal to the Liquidation Distribution (as defined below).

“**Liquidation Distribution**” means, upon a dissolution or winding-up of UOB, the Liquidation Preference together with, subject to “**Dividend Restrictions**” above and unless a Dividend Limitation Notice is in effect, an amount equal to any accrued but unpaid Dividend (whether or not declared) from, and including, the commencement date of the Dividend Period in which the date of the dissolution or winding-up falls to but excluding the date of actual payment.

“**Permitted Reorganisation**” means a solvent reconstruction, amalgamation, reorganisation, merger or consolidation whereby all or substantially all the business, undertaking and assets of UOB are transferred to a successor entity which assumes all the obligations of UOB under the Preference Shares.

Pro Rata Liquidation Distribution

: If, upon any such dissolution or winding-up of UOB, the amounts available for payment are insufficient to cover the Liquidation Distribution and any liquidation distributions on any Parity Obligation, but there are funds available for payment so as to allow payment of part of the Liquidation Distribution, then each Preference Shareholder shall be entitled to receive the Relevant Proportion (as defined below) of the Liquidation Distribution.

“**Relevant Proportion**” means, in relation to any partial payment of any Liquidation Distribution (as defined above), the total amount available for any such payment and for making any liquidation distribution on any Parity Obligations divided by the sum of:

- (1) the full Liquidation Distribution before any reduction or abatement hereunder; and
- (2) the amount (before any reduction or abatement hereunder) of the full liquidation distribution on any Parity Obligations,

converted where necessary into the same currency in which liquidation payments are made to creditors of UOB.

No Further Rights to Participate in Assets

: Save as summarised above and set out in Article 7E of the Articles, the Preference Shares shall not confer any right or claim as regards participation in the assets of UOB.

Redemption

: The Preference Shares are perpetual securities with no fixed final date of redemption. The Preference Shares may be redeemed at the option of UOB (but not the Preference Shareholders) in the circumstances described under “**Optional Redemption**”, “**Tax Event Redemption**” and “**Special Event Redemption**” below.

Optional Redemption

: UOB may, at its option, redeem in whole, but not in part, the Preference Shares for the time being issued and outstanding:

- (1) on the date falling five years after the Issue Date;

SUMMARY OF THE OFFERING

- (2) on the date falling 10 years after the Issue Date; and
- (3) on each Dividend Date thereafter (that is, after the date falling 10 years after the Issue Date),

in each case subject to the satisfaction of the Redemption Conditions (as defined below) and to Singapore law.

“Redemption Conditions” means that:

- (a) the prior written consent of the Authority to the redemption, if then required, has been obtained and that any conditions that the Authority may impose at the time of any consent, if then required, have been satisfied; and
- (b) the Distributable Reserves of UOB and/or Replacement Capital (as defined below) as at the date for redemption equals at least the Liquidation Preference and the full amount of any accrued but unpaid Dividend (whether or not declared) in respect of the Dividend Period in which the relevant redemption falls.

“Replacement Capital” means Shares and/or Parity Obligations issued for the purpose of funding the redemption of the Preference Shares.

Tax Event Redemption

: If at any time a Tax Event (as defined below) has occurred and is continuing, then the Preference Shares may be redeemed, in whole but not in part, at the option of UOB, subject to:

- (1) the satisfaction of the Redemption Conditions; and
- (2) UOB attaching to the relevant notice of redemption:
 - (a) a certificate signed by two directors of UOB stating that UOB is entitled to effect such redemption; and
 - (b) an opinion of counsel to UOB experienced in such matters to the effect that a Tax Event has occurred.

The delivery of such opinion shall constitute conclusive evidence of the occurrence of a Tax Event.

“Tax Event” means that, as a result of any change after the date of issuance of the Preference Shares in, or amendment to, any law or regulation of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of any law or regulation by any relevant body in Singapore, payments to the Preference Shareholders:

- (i) would be subject to deduction or withholding for or on account of tax; or
- (ii) would give rise to any obligation of UOB to account for any tax in Singapore at a rate in excess of the rate in effect immediately prior to such issuance,

SUMMARY OF THE OFFERING

and such obligation cannot in each case be avoided by UOB taking reasonable measures available to it.

Special Event Redemption : If at any time a Special Event (as defined below) has occurred and is continuing, then the Preference Shares may be redeemed, in whole but not in part, at the option of UOB, subject to:

- (1) the satisfaction of the Redemption Conditions; and
- (2) UOB attaching to the relevant notice of redemption:
 - (a) a certificate signed by two directors of UOB stating that UOB is entitled to effect such redemption; and
 - (b) an opinion of counsel to UOB experienced in such matters to the effect that a Special Event has occurred.

The delivery of such opinion shall constitute conclusive evidence of the occurrence of a Special Event.

“**Special Event**” means for any reason there is more than an insubstantial risk that for the purposes of the Authority’s published consolidated or unconsolidated capital adequacy requirements from time to time applicable to UOB, the Preference Shares may not be included in the Tier 1 capital of UOB on a consolidated or unconsolidated basis.

Redemption Amount : Any redemption of the Preference Shares shall be made in cash. The cash amount (“**Redemption Amount**”) payable on redemption is an amount equal to the Liquidation Preference, together with, subject to “**Dividend Restrictions**” above and unless a Dividend Limitation Notice is in effect, an amount equal to any accrued but unpaid Dividends (whether or not declared) in respect of the period commencing on the first day of the Dividend Period in which the relevant redemption falls to but excluding the date of such redemption. Any such redemption shall not prejudice the rights of the Preference Shareholder to be so redeemed to receive any accrued but unpaid Dividend payable on the relevant date of redemption.

Voting Rights : Except as provided below, the Preference Shareholders shall not be entitled to attend and vote at general meetings of UOB.

The Preference Shareholders shall be entitled to attend class meetings of the Preference Shareholders. Every Preference Shareholder who is present in person at such class meetings shall have on a show of hands one vote and on a poll one vote for every Preference Share of which he is the holder.

If Dividends with respect to the Preference Shares in respect of such number of consecutive Dividend Periods as shall be equal to or exceed 12 months have not been paid in full when due, then the Preference Shareholders shall have the right to receive notice of, attend, speak and vote at general meetings of UOB on all matters, including the winding-up of UOB, and such right shall continue until after the next following Dividend Date on which a Dividend in respect

SUMMARY OF THE OFFERING

of the Preference Shares is paid in full (or an amount equivalent to the Dividend to be paid in respect of the next Dividend Period has been paid or irrevocably set aside in a separately designated trust account for payment to the Preference Shareholders). Every Preference Shareholder who is present in person at such general meetings shall have on a show of hands one vote and on a poll one vote for every Preference Share of which he is the holder.

Purchases : UOB may at any time and from time to time exercise any powers conferred by applicable Singapore law in purchasing the Preference Shares. No repurchase of any Preference Shares shall be made without the prior consent of the Authority (for so long as UOB is required to obtain such consent).

Taxation : All payments in respect of the Preference Shares shall be made after deducting or withholding all amounts for or on account of any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of Singapore or any authority thereof or therein having power to tax and which are required by applicable law to be deducted or withheld.

UOB shall not pay any additional amounts in respect of any such deduction or withholding from payments in respect of the Preference Shares for or on account of any such present or future taxes, duties, assessments or governmental charges.

No payment in respect of the Preference Shares shall be made by UOB to any Preference Shareholder without deduction or withholding for or on account of any such present or future taxes, duties, assessments or governmental charges unless such Preference Shareholder shall have provided a statutory declaration or other evidence satisfactory to UOB that the beneficial owner of such payment:

- (1) is a resident in Singapore for tax purposes; or
- (2) is otherwise entitled to receive such payment free of any such deduction or withholding.

If requested by a Preference Shareholder, UOB shall procure that such person shall be furnished with a certificate specifying the gross amount of such payment, the amount of tax deducted or withheld and the net amount of such payment.

Variations of Rights and Further Issues : Unless otherwise required by applicable law, any variation or abrogation of the rights, preferences and privileges of the Preference Shares by way of amendment of the Articles or otherwise (including, without limitation, the authorisation or creation of any securities or ownership interests of UOB ranking, as to participation in the profits or assets of UOB, senior to the Preference Shares) shall require:

- (1) the consent in writing of the holders of at least 75 per cent. of the outstanding Preference Shares; or

SUMMARY OF THE OFFERING

- (2) the sanction of a special resolution passed at a separate class meeting of the Preference Shareholders (the quorum at such class meeting to be such number of Preference Shareholders holding or representing not less than two-thirds of the outstanding Preference Shares),

provided that:

- (a) no such consent or sanction shall be required if the change is solely of a formal, minor or technical nature or is to correct an error or cure an ambiguity (but such change shall not reduce the amounts payable to the Preference Shareholders, impose any material obligation on the Preference Shareholders or materially adversely affect their voting rights);
- (b) no such consent or sanction shall be required for the creation or issue of further shares of UOB ranking *pari passu* with or junior to the Preference Shares (the creation or issue of such other shares, regardless of the dividends and other amounts payable in respect of such shares and whether and when such dividends and other amounts may be so payable, shall not be deemed to be a variation or abrogation of the rights, preferences and privileges of the Preference Shares);
- (c) no such consent or sanction shall be required for the redemption, purchase or cancellation of the Preference Shares in accordance with the Articles; and
- (d) no provision of the Preference Shares may be amended without the prior written consent of the Authority if such amendment would result in the Preference Shares not being treated as Tier 1 capital of UOB on a consolidated or unconsolidated basis.

Transfers

- : The Preference Shares are in registered form. Any instrument of transfer of a share which is in certificated form must be in writing in any usual form or other form approved by the directors of UOB and must be executed by or on behalf of the transferor and by or on behalf of the transferee. The transferor shall remain the holder of the shares transferred until the name of the transferee is entered in the register of members of UOB in respect thereof.

The directors of UOB may, in the case of transfers of Preference Shares in certificated form, at their absolute discretion and without assigning any reason therefor, refuse to register:

- (a) any transfer of a Preference Share (not being a fully paid Preference Share); provided that where any Preference Shares are listed on the SGX-ST or any other stock exchange or quotation system, such discretion may not be exercised in such a way as to prevent dealings in the Preference Shares from taking place on an open and proper basis; and

SUMMARY OF THE OFFERING

(b) any transfer of a Preference Share on which UOB has a lien.

The directors of UOB may also decline to register a transfer unless the instrument of transfer is duly stamped (if so required). The registration of share transfers may be suspended at such times and for such periods as the directors of UOB may determine not exceeding 30 days in any year.

- Book Entry; Delivery and Form of Preference Shares** : The Preference Shares will be represented by global share certificates ("**Global Certificates**"). The Preference Shares will be held in book-entry form (by delivery of the Global Certificates to CDP and deposit into the Securities Accounts of successful applicants) pursuant to the rules of the SGX-ST and CDP.
- Governing Law** : The Preference Shares will be issued pursuant to, and governed by, the laws of the Republic of Singapore.
- Listing** : Approval in-principle has been obtained from the SGX-ST for the listing of and quotation for the Preference Shares on the Main Board of the SGX-ST. The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained and opinions expressed in this Offer Information Statement. Approval in-principle granted by the SGX-ST for the listing of and quotation for the Preference Shares on the Main Board of the SGX-ST is not to be taken as an indication of the merits of UOB, its subsidiaries, the Preference Shares or the Offering.
- Rating** : The Preference Shares have been rated Aa3 by Moody's, A- by Standard & Poor's and A+ by Fitch.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency. None of Moody's, Standard & Poor's or Fitch has consented for the purposes of Section 249 of the SFA to the inclusion of the credit ratings quoted above which are publicly available and is thereby not liable for such information under Sections 253 and 254 of the SFA. UOB and the Joint Lead Issue Managers and Joint Bookrunners have included the above credit ratings in their proper form and context and have not verified the accuracy of such information.

EXPECTED TIMETABLE OF KEY EVENTS

| | | |
|---|---|---------------------------------|
| Lodgment of Offer Information Statement | : | 27 August 2008 |
| Opening date and time for the Offering | : | 28 August 2008 at 9.00 a.m. |
| Closing date and time for the Offering | : | 12 September 2008 at 12.00 noon |
| Balloting of applications under the ATM Offer (if necessary) | : | 15 September 2008 |
| Issue Date of the Preference Shares | : | 15 September 2008 |
| Date for commencement of trading of the Preference Shares on the SGX-ST | : | 16 September 2008 |

The timetable for the events which are scheduled to take place after the lodgment of this Offer Information Statement is indicative only and is subject to change at UOB's absolute discretion. UOB may, at its discretion, and with the approval of the SGX-ST (where required) and subject to all applicable laws, extend, shorten or modify the above timetable including the period during which the Offering is open and the periods during which applications under the Placement and/or the ATM Offer may be made. In the event that there are any changes to the timetable for the Offering, UOB will publicly announce the same through a SGXNET announcement to be posted on the Internet at the SGX-ST's website <http://www.sgx.com>.

TRADING

Listing of and Quotation for the Preference Shares

Approval in-principle has been obtained from the SGX-ST for the listing of and quotation for the Preference Shares on the Main Board of the SGX-ST. The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained and opinions expressed in this Offer Information Statement. Approval in-principle granted by the SGX-ST for the listing of and quotation for the Preference Shares on the Main Board of the SGX-ST is not to be taken as an indication of the merits of UOB, its subsidiaries, the Preference Shares or the Offering.

Upon listing and quotation on the Main Board of the SGX-ST, the Preference Shares, when issued, will be traded in Singapore dollars under the book-entry (scripless) settlement system of CDP. All dealings in and transactions (including transfers) of the Preference Shares effected through the SGX-ST and/or CDP shall be made in accordance with the terms and conditions for the operation of Securities Accounts and any other terms and conditions issued thereunder to provide for or in relation to the Preference Shares, including the terms and conditions for CDP to act as depository for the Preference Shares (as any of them may from time to time be amended, modified or supplemented by CDP).

CERTAIN TAX CONSIDERATIONS

Singapore Taxation

The statements made herein regarding taxation are general in nature and based on certain aspects of the tax laws of Singapore, announced 2008 budget measures and administrative guidelines issued by the relevant authorities in force as of the date of this Offer Information Statement and are subject to the enactment of such budget measures, and any changes in such laws or administrative guidelines, or in the interpretation of these laws or guidelines, occurring after such date, which changes could be made on a retrospective basis. These laws and guidelines are also subject to various interpretations and the Singapore tax authorities or Courts could later disagree with the explanations or conclusions set out below. The statements below are not to be regarded as advice on the tax position of any holder of the Preference Shares or of any person acquiring, selling or otherwise dealing with the Preference Shares or on any tax implications arising from the acquisition, sale or other dealings in respect of the Preference Shares.

The statements made herein do not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Preference Shares and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. Prospective holders of the Preference Shares are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposition of the Preference Shares.

A. Income Tax

The Preference Shares

Dividend distributions

With effect from 1 January 2008, all Singapore-resident companies are under the one-tier corporate tax system ("**one-tier system**").

Under this new corporate tax system Singapore does not impose withholding or other income tax on dividends paid by a Singapore resident company to a Singapore resident or non-Singapore resident shareholder.

Accordingly, under the one-tier system, dividends declared and paid by the Issuer should not be subject to Singapore tax in the hands of Preference Shareholders.

Gains on disposal of Preference Shares

Singapore does not currently impose tax on gains of a capital nature but imposes tax on income. There are no specific laws or regulations which deal with the characterisation of whether a gain is income or capital in nature. Gains arising from the disposal of the Preference Shares may be construed to be of an income nature and subject to Singapore income tax, especially if they arise from activities which the Inland Revenue Authority of Singapore (the "**IRAS**") regards as the carrying on of a trade or business in Singapore.

In addition, Preference Shareholders who apply, or who are required to apply, the Singapore Financial Reporting Standard 39 Financial Instruments - Recognition and Measurement ("**FRS 39**") for the purposes of Singapore income tax may be required to recognise gains or losses (not being gains or losses in the nature of capital) in accordance with the provisions of FRS 39 (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of Preference Shares is made. Preference Shareholders who may be subject to such provisions should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, ownership of or disposition of the Preference Shares.

CERTAIN TAX CONSIDERATIONS

B. Goods and Services Tax

A sale of the Preference Shares by a GST-registered investor belonging in Singapore to another person belonging in Singapore is an exempt sale under the Goods and Services Tax Act, Chapter 117A of Singapore (“**GSTA**”) and not subject to Goods and Services Tax (“**GST**”). Any GST (for example, GST on brokerage) incurred by the investor in respect of the Preference Shares sold by him may become an additional cost to the investor. Where the Preference Shares are supplied by a GST-registered investor in the course of or in furtherance of a business carried on by him contractually to and for the direct benefit of a person belonging outside Singapore, the sale is a taxable supply subject to GST at zero rate. Consequently, any GST (for example, GST on brokerage) incurred by him in respect of the Preference Shares sold by him should, subject to the provisions of the GSTA, be available as a credit against the GST chargeable by him on the supply of any goods or services made by him in the course of or furtherance of his business, and where there is any excess input tax, such excess input tax may be available as a refund from the IRAS. Services such as brokerage and handling services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor’s purchase or sale of the Preference Shares will be subject to GST at the prevailing rate (currently 7.0% from 1 July 2007). Similar services rendered by a GST-registered person contractually to and for the direct benefit of an investor belonging outside Singapore should be subject to GST at zero rate.

C. Stamp Duty

There is no stamp duty payable in respect of the issuance and holding of the Preference Shares. Where an instrument of transfer is executed in respect of Preference Shares which is registered in Singapore, stamp duty is payable on such instrument of transfer at the rate of \$0.20 for every \$100 or any part thereof, computed on the consideration for, or market value of the Preference Shares, whichever is higher.

The purchaser is liable for stamp duty, unless there is an agreement to the contrary. No stamp duty is payable if no instrument of transfer is executed. Where the instrument of transfer is executed outside Singapore, stamp duty may be payable within 30 days of receipt of such instrument of transfer in Singapore.

The above stamp duty is not applicable to electronic transfers of the Preference Shares through the CDP system.

D. Estate duty

It was announced in the Singapore Budget Statement 2008 that estate duty is abolished with respect to all deaths occurring on or after 15 February 2008.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

PART II – IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

Directors

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.

| Name of Directors | Address |
|----------------------------|--------------------------------------|
| Mr. Wee Cho Yaw | 2 Jalan Asuhan, Singapore 299323 |
| Mr. Wee Ee Cheong | 5 Camden Park, Singapore 299795 |
| Mr. Ngiam Tong Dow | 4 Chestnut Avenue, Singapore 679490 |
| Prof. Cham Tao Soon | 10 First Avenue, Singapore 268745 |
| Mr. Wong Meng Meng | 6A Rochalie Drive, Singapore 248236 |
| Mr. Philip Yeo Liat Kok | 55 West Coast Park, Singapore 127662 |
| Prof. Lim Pin | 2 Jalan Harum, Singapore 268476 |
| Mr. Michael Lien Jown Leam | 3A Goodwood Hill, Singapore 258899 |
| Mr. Reggie Thein | 16A Ladyhill Road, Singapore 258682 |

Advisers

2. Provide the names and addresses of —

(a) the issue manager to the offer, if any;

| | | |
|--|---|--|
| Joint Lead Issue Managers and Joint Bookrunners | : | United Overseas Bank Limited 80 Raffles Place UOB Plaza Singapore 048624 |
| | | The Hongkong and Shanghai Banking Corporation Limited 21 Collyer Quay #03-01 HSBC Building Singapore 049320 |
| Co-Managers | : | Citicorp Investment Bank (Singapore) Limited 3 Temasek Avenue #17-00 Centennial Tower Singapore 039190 |
| | | UOB Kay Hian Private Limited 80 Raffles Place #30-01 UOB Plaza 1 Singapore 048624 |

For the avoidance of doubt, neither of the Co-Managers is an issue manager for the Offering.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

(b) the underwriter to the offer, if any; and

The Offering is not underwritten.

(c) the legal adviser for or in relation to the offer, if any.

Legal Adviser to UOB : Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989

Registrars and Agents

3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities being offered, where applicable.

Share Registrar and Share Transfer Office : Boardroom Corporate & Advisory Services Pte. Ltd.
3 Church Street
#08-01 Samsung Hub
Singapore 049483

Receiving Banker : United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

PART III – OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state the number of the securities being offered.

UOB proposes to issue and offer in Singapore 10,000,000 Preference Shares (subject to the Upsize Option), for subscription by investors at the Issue Price of \$100 per Preference Share. UOB may scale down the size of the Offering if the total number of Preference Shares subscribed for under the Offering is less than 10,000,000 Preference Shares provided that UOB reserves the right not to proceed with the Offering if the total number of Preference Shares subscribed for under the Offering is less than 2,000,000 Preference Shares.

If applications or indications of interest are received for more than 10,000,000 Preference Shares, UOB reserves the right, at its sole discretion, to exercise the Upsize Option to increase, at any time on or prior to the Closing Date, the Offering from 10,000,000 Preference Shares to up to 15,000,000 Preference Shares.

The Offering will comprise the Placement and the ATM Offer.

The Placement comprises an offering of 8,000,000 Preference Shares offered at the Issue Price to institutional and other investors in Singapore.

The ATM Offer comprises an offering of 2,000,000 Preference Shares offered at the Issue Price to the public in Singapore through the ATMs of the Participating Banks.

The Preference Shares may be re-allocated between the Placement and the ATM Offer at the sole discretion of UOB. To the extent that the Preference Shares offered under the Placement are not fully subscribed for, UOB may, at its sole discretion, apply such unsubscribed Preference Shares to satisfy any excess demand for Preference Shares under the ATM Offer, to the extent there is such

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

excess demand. To the extent that the Preference Shares offered under the ATM Offer are not fully subscribed for, UOB, may, at its sole discretion, apply such unsubscribed Preference Shares to satisfy any excess demand for Preference Shares under the Placement, to the extent there is such excess demand.

Upon the listing and quotation of the Preference Shares on the SGX-ST, the Preference Shares will be traded on the SGX-ST under the book-entry (scripless) settlement system of CDP. For the purposes of trading on the SGX-ST, each board lot of Preference Shares will comprise 100 Preference Shares.

Method and Timetable

- 2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to —**
- (a) the offer procedure; and**
 - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.**

Please see below.

- 3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgment of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.**

Applications for the Preference Shares must be made through Application Forms under the Placement or ATMs of the Participating Banks under the ATM Offer.

This Offer Information Statement may be obtained on request, subject to availability, during operating hours from:

United Overseas Bank Limited
UOB 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 this Offer Information Statement is also available on the Authority's OPERA website <http://masnet.mas.gov.sg/opera/sdrprosp.nsf>.

Applications for the Preference Shares under the Offering must be made in lots of 100 Preference Shares or higher integral multiples thereof. An application for Preference Shares under the Placement is subject to a minimum of 500 Preference Shares per applicant. An application for Preference Shares under the ATM Offer is subject to a minimum of 100 Preference Shares per applicant. Applications for any other number of Preference Shares will be rejected.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Placement

The Placement will commence on 28 August 2008 at 9.00 a.m. and is expected to close on 12 September 2008 at 12.00 noon.

The opening date and time for the submission of applications for the Preference Shares under the Placement by way of the Application Forms is **9.00 a.m. on 28 August 2008**.

The last date and time for the submission of applications for the Preference Shares under the Placement by way of the Application Forms is **12.00 noon on 12 September 2008**.

Please refer to the section "Expected Timetable of Key Events" of this Offer Information Statement. As at the Latest Practicable Date, UOB does not expect the timetable under the section "Expected Timetable of Key Events" to be modified. However, UOB may, at its discretion, and with the approval of the SGX-ST (where required) and subject to all applicable laws, extend, shorten or modify the timetable including the period during which the Offering is open and the period during which applications under the Placement may be made. In that event, UOB will publicly announce the same through a SGXNET announcement to be posted on the Internet at the SGX-ST's website <http://www.sgx.com>.

The procedures for, and terms and conditions applicable to, the applications for subscription of the Preference Shares under the Placement are contained in Appendix G of this Offer Information Statement.

ATM Offer

The ATM Offer is expected to commence on 28 August 2008 at 9.00 a.m. and close on 12 September 2008 at 12.00 noon.

The opening date and time for the submission of applications for the Preference Shares under the ATM Offer by way of the ATMs of Participating Banks is **9.00 a.m. on 28 August 2008**.

The last date and time for the submission of applications for the Preference Shares under the ATM Offer by way of the ATMs of Participating Banks is **12.00 noon on 12 September 2008**.

Please refer to the section "Expected Timetable of Key Events" of this Offer Information Statement. As at the Latest Practicable Date, UOB does not expect the timetable under the section "Expected Timetable of Key Events" to be modified. However, UOB may, at its discretion, and with the approval of the SGX-ST (where required) and subject to all applicable laws, extend, shorten or modify the timetable including the period during which the Offering is open and the period during which applications under the ATM Offer may be made. In that event, UOB will publicly announce the same through a SGXNET announcement to be posted on the Internet at the SGX-ST's website <http://www.sgx.com>.

An investor will have to pay for the Preference Shares at the Issue Price upon application for such Preference Shares at the ATMs of the Participating Banks. An investor must use cash to apply for the Preference Shares under the ATM Offer. The Central Provident Fund ("CPF") account savings of CPF members under the CPF Investment Scheme – Ordinary Account ("CPF Funds") and Supplementary Retirement Scheme ("SRS") monies may not be used to apply for the Preference Shares.

Only one application for the Preference Shares under the ATM Offer may be made for the benefit of one person. Multiple applications for the Preference Shares under the ATM Offer will not be accepted.

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The procedures for, and the terms and conditions applicable to, the applications for subscription of the Preference Shares under the ATM Offer, are contained in Appendix G of this Offer Information Statement.

- 4. State the method and time limit for paying up for the securities and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.**

Placement

Payment by subscribers for the Preference Shares under the Placement shall be made in accordance with the "Terms, Conditions and Procedures for Application and Acceptance" in Appendix G of this Offer Information Statement.

ATM Offer

Payment by subscribers for the Preference Shares under the ATM Offer shall be made in the manner described in paragraph 3 of Part III – "Offer Statistics and Timetable" above and in accordance with the "Terms, Conditions and Procedures for Application and Acceptance" in Appendix G of this Offer Information Statement.

- 5. State, where applicable, the methods of and time limits for -**

- (a) **the delivery of the documents evidencing title to the securities being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
- (b) **the book-entry transfers of the securities being offered in favour of subscribers or purchasers.**

Upon the completion of the Offering, UOB shall issue global share certificates representing the relevant number of subscribed Preference Shares to CDP and CDP shall credit the Securities Account of each successful applicant with the appropriate number of Preference Shares for which the successful applicant has subscribed and has been allotted. CDP will send to each successful applicant a notification letter stating the number of the Preference Shares credited to his Securities Account.

- 6. In the case of any pre-emptive rights to subscribe for or purchase the securities being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.**

Not applicable.

- 7. Provide a full description of the manner in which results of the allotment or allocation of the securities are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).**

UOB will announce the results of the Placement and the ATM Offer through a SGXNET announcement to be posted on the Internet at the SGX-ST's website <http://www.sgx.com>.

UOB reserves the right to reject or accept, in whole or in part, or to scale down, or ballot any application for the Preference Shares, without assigning any reason therefor, and no enquiry or correspondence on UOB's decision will be entertained.

Where an application for the Preference Shares under the Placement is not successful, or is accepted or rejected in part only, the full amount of the application moneys or any balance of the application moneys, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicants, at their own risk, within 14 Market Days of the Closing Date, in accordance with the procedures set out in Appendix G of this Offer Information Statement.

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Where an application for the Preference Shares under the ATM Offer is not successful, or is accepted or rejected in part only, the full amount of the application moneys or any balance of the application moneys, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicants, at their own risk, within 24 hours after balloting, in accordance with the procedures set out in Appendix G of this Offer Information Statement.

Where the Offering does not proceed for any reason, the full amount of application moneys for the Preference Shares (without interest or any share of revenue or other benefit arising therefrom) will, within 14 Market Days after the Offering is discontinued, be returned to the applicants at their own risk, in accordance with the procedures set out in Appendix G of this Offer Information Statement.

PART IV – KEY INFORMATION

Use of Proceeds from Offer and Expenses Incurred

- 1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.**

Please see below.

- 2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.**

Assuming a total of 10,000,000 Preference Shares are issued at the Issue Price of \$100 for each Preference Share, the estimated amount of proceeds from the Offering, after taking into account the estimated expenses for the Offering of approximately \$4 million, is expected to be approximately \$996 million.

If the Upsize Option is exercised in full, the estimated amount of proceeds from the Offering, after taking into account the estimated expenses for the Offering of approximately \$6 million, is expected to be approximately \$1,494 million.

- 3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities.**

The net proceeds from the issue of Preference Shares will be used for the general corporate funding purposes of UOB.

UOB reserves the right not to proceed with the Offering if the total number of Preference Shares subscribed for under the Offering is less than 2,000,000 Preference Shares.

There is no minimum amount which, in the reasonable opinion of the Directors, must be raised by the Offering.

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- 4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.**

Assuming a total of 10,000,000 Preference Shares are issued at the Issue Price of \$100 for each Preference Share, for each dollar of the gross proceeds from the Offering, the estimated amount that will be allocated to UOB's general corporate funding purposes is approximately 99.6 cents (representing approximately 99.6% of the gross proceeds) and the estimated amount that will be used to pay for expenses incurred in connection with the Offering is approximately 0.4 cents (representing approximately 0.4% of the gross proceeds).

- 5. If any of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined.**

The net proceeds from the Offering will not be used, directly or indirectly, to acquire or refinance the acquisition of an asset that is not in the ordinary course of business of UOB.

- 6. If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.**

As at the date of this Offer Information Statement, UOB does not intend to use the proceeds to finance or refinance the acquisition of another business.

- 7. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**

The net proceeds from the Offering are intended to be used in the ordinary course of business of UOB. The proceeds will become part of the general funding pool which may be used to discharge, reduce or retire the indebtedness of UOB which are of different currencies, maturities, and from different sources.

- 8. In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**

The Offering is not underwritten. As at the Latest Practicable Date, UOB has not agreed to any discounts or commissions to any placement or selling agents in relation to the Offering. If UOB were to agree to any discounts or commissions to any placement or selling agents in relation with the Offering, these will be in line with market rates.

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Information on the Relevant Entity

9. Provide the following information:

- (a) the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office);**

Registered Office and Principal Place of Business : 80 Raffles Place
UOB Plaza
Singapore 048624

Telephone number : (65) 6533 9898

Facsimile number : (65) 6534 2334

- (b) the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;**

Overview

The UOB Group's vision is to be a premier banking group in the Asia-Pacific region, committed to providing quality products and excellent customer service. To achieve this goal, the UOB Group has set the following objectives: to be a leader in personal and institutional financial services in Singapore; to pursue focused regional expansion, particularly in Southeast Asia and Greater China, to create shareholder value; to ultimately increase the relative contribution of overseas operations to 40.0% of the UOB Group's pre-tax profit; and to ultimately derive 50.0% of the UOB Group's operating income from non-interest income activities.

Currently, the UOB Group derives most of its revenue in Singapore. As a major banking group in Singapore, the UOB Group provides its customers with a wide range of financial products and services through its domestic branch network, comprising 64 branches, 409 ATMs and other delivery channels as at 30 June 2008. The UOB Group's business includes Personal Financial Services, Institutional Financial Services, Global Markets & Investment Management, property-related activities, general and life insurances and stockbroking services.

In line with its vision, the UOB Group has been expanding its regional network. As at the Latest Practicable Date, the UOB Group has a network of more than 500 offices in 18 countries and territories throughout the Asia-Pacific, Western Europe and North America. The UOB Group has also established a presence in the economies of certain member states of the Organisation for Economic Co-operation and Development (OECD) for risk and income diversification across business and geographical boundaries.

As at 30 June 2008, the UOB Group had \$180,797 million in total assets, consisting primarily \$97,395 million in net customer loans, \$15,625 million in placements and balances with banks and agents, \$31,645 million in investment, government and trading securities and \$18,607 million in cash, balances and placements with central banks. In addition, the UOB Group had \$109,004 million in non-bank customer deposits and balances, \$36,455 million in deposits and balances of banks and agents and \$16,583 million in shareholders' equity. UOB accounted for approximately 79% of the UOB Group's total assets as at 30 June 2008.

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UOB has received long-term ratings of Aa1 from Moody's, A+ from Standard & Poor's and AA- from Fitch.¹

A list of the principal activities of the major subsidiaries of the UOB Group and their places of incorporation is set out in Appendix A of this Offer Information Statement.

Key Businesses

The UOB Group's businesses are organised into four segments based on the types of products and services provided. These segments are Personal Financial Services, Institutional Financial Services, Global Markets & Investment Management and Others, which includes property-related activities and insurance businesses. The Personal Financial Services segment encompasses consumer, privilege and private banking. The Institutional Financial Services segment encompasses commercial banking, corporate banking, transaction banking, structured trade and commodity finance, ship finance, corporate finance, debt capital markets, venture capital/private equity investments and fund management activities. The Global Markets & Investment Management segment encompasses treasury products and services, asset management activities, as well as the management of excess liquidity and capital funds.

Personal Financial Services

The UOB Group offers a comprehensive range of personal financial services, including housing loans, automobile loans, overdraft facilities, personal loans, share financing and other consumer lending products, credit cards, debit cards, savings accounts, fixed deposits, structured deposits, checking accounts, fund management accounts and investment-related insurance products, as well as treasury products. In Singapore, the UOB Group is one of the market leaders in the private residential home loan business as well as the credit and debit cards business.

Besides offering its customers in Singapore general banking services denominated in Singapore dollars, the UOB Group also provides certain banking services denominated in foreign currencies. The product range offered includes proprietary and third party products.

The UOB Group recognises that the needs of individuals with respect to banking can vary significantly according to their affluence, life-stage and financial objectives. Thus, the UOB Group is gradually shifting toward a segment marketing approach in order to improve its effectiveness in delivering relevant and appropriate products and services to its individual customers.

The Privilege Banking group has a dedicated team of relationship managers to serve the more affluent customers who meet certain designated criteria. It provides such customers with financial advisory services and wealth management solutions in six Privilege Banking Centres across Singapore.

For accredited investors and high net-worth individuals, the Private Banking group provides an elevated level of personal financial services and consultation. The UOB Group strives to distinguish itself by providing value and tailored solutions to its customers through its wealth management services. The Private Banking group aims to offer its customers "best of breed" investment products from either within the UOB Group or from third-party product providers.

¹ None of Moody's, Standard & Poor's or Fitch has consented for the purposes of Section 249 of the SFA to the inclusion of the credit ratings quoted above which are publicly available and is thereby not liable for such information under Sections 253 and 254 of the SFA. UOB and the Joint Lead Issue Managers and Joint Bookrunners have included the above credit ratings in their proper form and context and have not verified the accuracy of such information.

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Institutional Financial Services

The UOB Group's institutional banking activities encompass commercial banking, corporate banking, transaction banking, structured trade and commodity finance, ship finance, corporate finance, debt capital markets, venture capital/private equity investments and fund management activities.

The Commercial Banking group serves small and medium-sized enterprises ("**SME**") both in Singapore and in overseas markets through the UOB Group's network of subsidiaries and branches. It provides customers with, among other things, a broad range of products and services including credit facilities, deposit products, trade finance, ship financing, remittance, foreign exchange and other services. The Corporate Banking group's focus is on the cultivation and management of banking relationships with large private companies, public-listed companies on the SGX-ST, multinational companies with operations in Singapore, government-linked companies, statutory boards and government agencies. Its portfolio is characterised by a diversified base of customers across a wide range of industries and its relationship managers are grouped by way of industrial specialisations to facilitate business management, credit assessment and delivery of a comprehensive package of value-added services. Its responsibility also extends to cross-marketing its customer base on a global basis and providing non-credit related services, such as deposits, transaction banking, corporate finance, fund management, treasury and credit card operations. Both the Commercial Banking and the Corporate Banking groups are supported by product specialists to identify opportunities for the provision of innovative financial packages and new product offerings to meet the needs of the UOB Group's core customer groupings.

Recognising the growing needs of customers in the area of transaction services, the Transaction Banking group now covers the full range of payments, collections, liquidity management, trade finance and custody services for corporate and financial institutions. In addition, it offers customers the option of electronic delivery channels by means of internet banking or through host to host link for timely and controlled account management. It seeks to understand the business requirements, needs and challenges of customers and offer solutions that will help customers increase their efficiency and productivity.

The Structured Trade & Commodity Finance group is focused on the bulk trade/commodity business such as energy (crude oil, petroleum products, coal and petrochemicals), metals (ferrous and non-ferrous) and agricultural commodities (including fertilizers), and has expanded the range of structured trade products from the basic shipment sales financing, stock and receivables financing to include prepayment, pre-export and tolling finance. The Ship Finance group was set up in February 2007 to service ship owners and operators in the region by offering innovative and comprehensive financing solutions to meet their financing requirements.

The Corporate Finance group manages and underwrites initial public offerings and secondary equity placements, as well as provides corporate advisory services in mergers and acquisitions, corporate restructuring and other corporate actions. The Debt Capital Markets group arranges and underwrites financing for clients, including acquisition financing, leveraged buy-out financing, project financing and general corporate financing. It also lead manages bonds and other debt securities issues. The Venture Management group manages, advises and invests private equity funds on behalf of UOB and third-party investors while the Alternative Investment group invests in third-party funds on behalf of UOB.

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Global Markets & Investment Management

The UOB Group's Global Markets & Investment Management group is well-established in the Singapore market. The Global Markets group offers a comprehensive range of treasury products and services, including foreign exchange, money market, fixed income, derivatives, margin trading and futures broking, and an array of structured products as well as asset management activities. The UOB Group is a major player in the wholesale banknotes market in Hong Kong and the ASEAN region and offers a comprehensive range of gold investment products. In terms of volume execution for futures broking, UOB's subsidiary, UOB Bullion and Futures Limited, is among the leading futures broking houses in Singapore.

To meet an increase in consumer demand for yield-enhancement products, the Global Markets group has expanded its range of structured products linked to foreign exchange, interest rates, credits and equity instruments. The Global Markets group uses Wall Street and Calypso treasury management systems which provide straight-through processing of trades from deal capture to settlement. The systems enable the UOB Group to improve operational efficiency, reduce operational risk and monitor its traders' positions and performance in real time.

The Asset Management group manufactures and distributes third party and proprietary asset management products and services through subsidiaries in Singapore, Southeast Asia, Greater China and the U.S. The UOB Group intends to continue expanding its asset management products and services through organic growth as well as strategic alliances and joint ventures, where appropriate. Over the past few years, countries such as Thailand and Malaysia have liberalised gradually to allow investors to invest globally. The UOB Group has taken this opportunity to make available its regional and global funds and capabilities in these countries. New territories are also being penetrated with new mandates being won from Europe and North Asia.

Regional Network

In order to increase the relative contribution of overseas operations to the UOB Group's net profit, the UOB Group has expanded its regional business through organic growth, mergers and acquisitions and strategic alliances. The UOB Group's core strengths lie in its market knowledge of Asia, consumer and SME banking expertise, proven technology, risk management and corporate governance frameworks. It will ride on these factors to provide sustainable and profitable growth in the Asia-Pacific region.

Malaysia is the UOB Group's second largest market after Singapore. The UOB Group's Malaysian operations are covered principally by UOB's wholly-owned subsidiary, United Overseas Bank (Malaysia) Bhd ("**UOB Malaysia**"), and by UOB Labuan Branch. The UOB Group's operations in Malaysia contributed \$109 million or 7.4% to the UOB Group's pre-tax profit before intangible assets amortisation in 1H2008, and 10.0% to the UOB Group's assets (excluding intangible assets) as at 30 June 2008. With 42 branches as at 30 June 2008 and an established banking and customer base, UOB Malaysia is one of the leading banks in Malaysia.

Following a series of acquisitions in Thailand, UOB currently owns 99.7% of United Overseas Bank (Thai) Public Company Limited ("**UOB (Thai)**"). Through its 154 branches as at 30 June 2008, UOB (Thai) provides retail and commercial financial services to customers in Thailand and is well-positioned to become a significant player in the Thai banking and finance industry.

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The UOB Group has two banking subsidiaries in Indonesia, the 99.0% owned PT Bank UOB Indonesia (“**UOB Indonesia**”) and the 61.1% owned PT Bank UOB Buana Tbk (“**UOB Buana**”). In June 2008, UOB, through its wholly-owned subsidiary, UOB International Investment Private Limited (“**UOBII**”), proposed and the boards of UOB Buana agreed to the proposal for UOB Buana to be de-listed from the Indonesia Stock Exchange and be converted from a public to a private company. Such de-listing and conversion are subject to the approval of UOB Buana’s independent shareholders and the Indonesian regulatory authorities. UOB Buana has a strong record in servicing SME customers and UOB Indonesia focuses its efforts on strengthening its corporate banking business. Together, they have a network of 216 branches as at 30 June 2008.

In line with its long-term strategy and commitment to make China one of its key markets, UOB obtained approval from the Chinese regulatory authorities in December 2007 to operate a locally incorporated bank in China. The new wholly-owned subsidiary bank, United Overseas Bank (China) Limited (“**UOB China**”), commenced business in January 2008 when UOB’s seven branches and one sub-branch in China were transferred to UOB China. UOB China will tap the vast consumer and corporate banking segments by expanding its distribution network and banking services denominated in Renminbi. In July 2008, UOB subscribed for 260 million ordinary shares in Evergrowing Bank Co., Limited, China (“**Evergrowing Bank**”), representing approximately 15.4% of the enlarged issued capital of Evergrowing Bank, making UOB the second largest shareholder in Evergrowing Bank. The investment in Evergrowing Bank affords UOB an opportunity to participate actively in the growth of the Chinese market. As a joint-stock bank with nation-wide licence, Evergrowing Bank plans to build up its distribution network and product capabilities. As a strategic shareholder, UOB’s knowledge, expertise and experience in building a strong and sound banking business can be leveraged by Evergrowing Bank to enhance their financial services and products.

In the Philippines, UOB has a wholly-owned subsidiary, United Overseas Bank Philippines (“**UOB Philippines**”), whose focus is on wholesale banking and fee-based business. In Vietnam, UOB has a branch in Ho Chi Minh City and has invested in an initial 10% stake in The Southern Commercial Joint Stock Bank (“**Southern Bank**”). Southern Bank is one of the leading banks in Vietnam with a total charter capital of VND1,434.2 billion as at 31 December 2007.

- (c) **the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since —**
- (i) **the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or**
 - (ii) **the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;**

Key Businesses

Personal Financial Services

In 2007, the UOB Group launched several products: the UOB One Card, the first contactless credit card in Singapore and Malaysia; the UOB High Yield Account, a checking account that pays premium interest based on a customer’s total assets with UOB; and the UOB Empire World MasterCard for Business, which offers priority commercial banking services and travel privileges to UOB’s SME clients.

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The UOB Group also set up new wealth management centres in Singapore and overseas and laid the foundation for further growth in the burgeoning regional wealth management market.

In addition, the UOB Group strengthened its presence in the region with the UOB International Home Loan, a property financing scheme for customers purchasing properties in Singapore, Malaysia, Thailand and China (Shanghai).

In April 2008, UOB and China Unionpay (“**CUP**”) signed a landmark agreement to allow Chinese visitors and tourists to use their CUP credit and debit cards to make purchases at participating merchants. This agreement is a first for any Singapore-headquartered bank. The arrangement allows more than 1.3 billion CUP card members to have a convenient mode of payment when visiting Singapore.

Institutional Financial Services

In 2007, the UOB Group reorganised its Commercial Banking group to establish new teams of industry specialists and business development units to better serve customers’ needs. The UOB Group also strengthened its expertise in areas like structured trade and commodity finance, transaction banking and ship finance.

Through the UOB Group’s global relationship managers and global business development unit, support was provided for customers’ cross-border expansion, leveraging on UOB’s extensive regional footprint and overseas branch network.

Global Markets & Investment Management

In 2007, the UOB Group’s Global Markets & Investment Management group penetrated into the regional markets for structured products through its asset management arms in Malaysia, Thailand, Taiwan and Brunei as well as through tie-ups in South Korea, Japan and China.

Other Activities

In 2005, the UOB Group’s assets grew by 7.6% from \$134.9 billion to \$145.1 billion. Its overseas network grew to over 500 branches and offices covering 18 countries and territories throughout the Asia-Pacific, Western Europe and North America. The UOB Group recorded a net profit of \$1,709 million for 2005, representing an increase of \$257 million or 17.7% over the \$1,452 million registered in 2004. The increase was mainly due to higher fee and commission income, higher net interest income, discontinuation of intangible assets amortisation, and higher other operating income. These were partly offset by lower share of profit of associates, higher operating expenses, and write off of intangible assets in respect of UOB Philippines. Share of pre-tax profit of associates decreased 67.5% to \$100 million for 2005 compared to the \$307 million for 2004. The decrease was mainly due to the cessation of equity accounting for United Overseas Land Limited (“**UOL**”) with effect from 1 January 2005, coupled with an exceptional gain recorded by UOL in 2004 from the divestment of its holdings in Shares.

In December 2005, UOB’s wholly-owned subsidiary, UOB Cayman I Limited issued US\$500 million non-cumulative non-convertible guaranteed preference shares. The issue qualified as Tier 1 capital for UOB.

In 2006, reflecting the buoyant economy and boosted by gains from the divestment of Overseas Union Enterprise Limited (“**OUE**”) as well as Hotel Negara Limited (“**HNL**”), the UOB Group closed the year with a NPAT of \$2,570 million, an increase of 50.4% over that of \$1,709 million registered in 2005. The increase was largely due to a one-time gain of \$689 million,

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comprising special dividend received from OUE and gains from the divestment of OUE and HNL, recorded by the UOB Group in 2006. Excluding the one-time gain, the UOB Group's NPAT would be \$1,882 million, representing an increase of 10.1% over 2005. The growth was mainly attributed to higher net interest income and higher fee and commission income, partly offset by higher operating expenses. Share of pre-tax profit of associates grew 171.6% to \$271 million mainly due to the UOB Group's share of an exceptional gain of \$120 million from the special dividend received from OUE and gains from the divestment of OUE and HNL, as recorded by its associates. Excluding the exceptional gain, share of pre-tax profit of associates would be \$152 million, an increase of 51.7% from 2005.

2007 was a tumultuous year for the financial community. Problems in the U.S. sub-prime mortgages, collateralised debt obligations and special investment vehicles markets led to a serious credit crunch in the U.S. and Western Europe. However, buttressed by strong economic growth in Singapore and the region, the UOB Group's NPAT grew by 12.1%¹ to \$2,109 million.

Operating profit of \$2,854 million was 14.7%¹ higher than that of 2006. Total operating income grew 15.3%¹ to \$4,872 million, driven mainly by higher fee and commission income across all business activities, and higher net interest income from expanded loan base and improved asset mix. Operating expenses increased 16.3% to \$2,018 million. The increase was primarily on staff costs, revenue-related expenses and occupancy-related expenses. Expense-to-income ratio rose 0.3% point to 41.4%. Impairment charges rose 66.0% to \$300 million, mainly due to provision for a long-term investment, and higher provision set aside for collateralised debt obligations. Share of pre-tax profit of associates grew 36.8% to \$207 million as a result of higher contributions from the major associates.

For 1H2008, the UOB Group recorded a NPAT of \$1,130 million, up 2.5% from the first half of 2007. Operating profit in 1H2008 grew by 10.6% to \$1,675 million.

Regional Network

The UOB Group has actively expanded and strengthened its regional network in the past three financial years.

UOB consolidated its two banking subsidiaries in Thailand by transferring the business of UOB Radanasin Bank Public Company Limited to UOB (Thai) in 2005. In March 2006, UOB undertook a de-listing tender offer exercise for the remaining shares in UOB (Thai) not held by it. At the close of this tender offer exercise, UOB's stake in UOB (Thai) was increased to 99.6% and UOB (Thai) was de-listed from the Stock Exchange of Thailand in August 2006.

In Indonesia, the UOB Group increased its stake in UOB Buana from 23% to 61.1% through an acquisition of an additional 30% stake and the consequential mandatory tender offer in 2005. In 2008, UOB proposed and the boards of UOB Buana agreed to the proposal for UOB Buana to be de-listed from the Indonesia Stock Exchange and be converted from a public to a private company. Such de-listing and conversion are subject to the approval of UOB Buana's independent shareholders and the Indonesian regulatory authorities. As the UOB Group currently has two banking subsidiaries in Indonesia, it is required by the Indonesian regulatory authorities to comply with their "Single Presence Policy" by 2010. The UOB Group is working with its two banking subsidiaries towards compliance and an announcement will be made in due course.

In the Philippines, UOB Philippines was converted into a thrift bank to focus on wholesale banking and fee-based business following the sale of its branch assets to the Banco de Oro Universal Bank Group in December 2005.

¹ Excluding one-time gain, comprising special dividend received from OUE and gains from the divestment of OUE and HNL, recorded by the UOB Group in 2006.

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In line with the UOB Group's regionalisation strategy, UOB subscribed for an initial 10% stake in Southern Bank in 2007 in Vietnam.

In China, the UOB Group received approval from the Chinese regulatory authorities in December 2007 to operate a locally incorporated bank in China. The new wholly-owned subsidiary bank, UOB China, commenced business in January 2008. This was a significant milestone and underscores UOB's commitment to making China a key market for growth. The UOB Group plans to tap the vast consumer and corporate segments in China through widening its product range and distribution network and expanding its banking services denominated in Renminbi.

On 26 June 2008, UOB signed a subscription agreement for the subscription of 260 million ordinary shares in Evergrowing Bank, representing approximately 15.4% of the enlarged issued capital of Evergrowing Bank. The subscription for 260 million ordinary shares of Evergrowing Bank was approved by the Chinese regulatory authorities and payment of RMB780 million for the subscription was effected in July 2008. Following the completion of the subscription, UOB is the second largest shareholder in Evergrowing Bank.

In August 2008, UOB obtained a banking license from the Reserve Bank of India to set up a maiden branch in Mumbai.

As at the Latest Practicable Date, UOB is waiting for regulatory approval to set up a 25%:75% joint venture company with Ping An Securities Company Limited in China to carry out fund management business.

The UOB Group's operations in North America and Europe remain as key markets for risk and income diversification across business and geographical boundaries. Notwithstanding the turmoil created by the sub-prime mortgage crisis, the UOB Group experienced positive growth in these markets in 2007. The UOB Group's pre-tax profits from outside Singapore, Malaysia, Thailand, Indonesia and Greater China rose 36.7% during 2007.

(d) the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing —

(i) in the case of the equity capital, the issued capital; or

(ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;

Issued share capital (as at the Latest Practicable Date) : \$1,895,646,722⁽¹⁾

Number of issued Shares (as at the Latest Practicable Date) : 1,505,608,625⁽²⁾

Loan capital (as at the Latest Practicable Date) : Nil

Notes:

(1) Excludes amount of \$360,263,485 paid up on Shares held in treasury.

(2) Excludes 18,320,000 Shares held in treasury.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

(e) where —

- (i) the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or
- (ii) the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;

The interest of the Substantial Shareholders, as extracted from the Register of Substantial Shareholders, as at the Latest Practicable Date is set out below:

| Substantial Shareholder | Shareholdings registered in the name of Substantial Shareholders | | Other shareholdings in which Substantial Shareholders are deemed to have an interest | | Total Interest | |
|-------------------------------------|--|------------------|--|------------------|----------------|------------------|
| | No. of Shares | % ⁽¹⁾ | No. of Shares | % ⁽¹⁾ | No. of Shares | % ⁽¹⁾ |
| Estate of Lien Ying Chow, deceased | 316,516 | 0.02 | 81,331,554 ⁽²⁾ | 5.40 | 81,648,070 | 5.42 |
| Lien Ying Chow Private Limited | — | — | 81,231,771 ⁽²⁾ | 5.40 | 81,231,771 | 5.40 |
| Wah Hin and Company Private Limited | 81,221,771 | 5.39 | 10,000 ⁽³⁾ | — | 81,231,771 | 5.40 |
| Sandstone Capital Pte Ltd | 10,000 | — | 81,221,771 ⁽⁴⁾ | 5.39 | 81,231,771 | 5.40 |
| Wee Cho Yaw | 16,390,248 | 1.09 | 244,459,557 ⁽⁵⁾ | 16.24 | 260,849,805 | 17.33 |
| Wee Ee Cheong | 2,865,357 | 0.19 | 146,030,553 ⁽⁵⁾ | 9.70 | 148,895,910 | 9.89 |
| Wee Ee Chao | 141,164 | 0.01 | 115,802,696 ⁽⁵⁾ | 7.69 | 115,943,860 | 7.70 |
| Wee Ee Lim | 1,606,834 | 0.11 | 146,033,758 ⁽⁵⁾ | 9.70 | 147,640,592 | 9.81 |
| Wee Investments Private Ltd | 112,809,021 | 7.49 | 171,021 | 0.01 | 112,980,042 | 7.50 |

Notes:

- (1) Based on 1,505,608,625 issued Shares (excluding Shares held in treasury) as at the Latest Practicable Date.
- (2) Estate of Lien Ying Chow, deceased and Lien Ying Chow Private Limited are each deemed to have an interest in the 81,231,771 Shares in which Wah Hin and Company Private Limited has an interest.
- (3) Wah Hin and Company Private Limited is deemed to have an interest in the 10,000 Shares held by Sandstone Capital Pte Ltd.
- (4) Sandstone Capital Pte Ltd is deemed to have an interest in the 81,221,771 Shares held by Wah Hin and Company Private Limited.
- (5) Wee Cho Yaw, Wee Ee Cheong, Wee Ee Chao and Wee Ee Lim are each deemed to have an interest in Wee Investments Private Ltd's total direct and deemed interests of 112,980,042 Shares.

- (f) **any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;**

As at the date of this Offer Information Statement, the Directors are not aware of any litigation or arbitration proceedings to which the UOB Group is a party or which is pending or known to be contemplated that may have or would have had in the 12 months immediately preceding the date of lodgment of this Offer Information Statement, a material effect on the financial position or profitability of the UOB Group. Persons wishing to subscribe for the Preference Shares should however take note of the UOB Group's involvement in the following:

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

- (1) Industrial & Commercial Bank Limited (“**ICB**”), a former Singapore bank subsidiary of UOB which was merged into UOB on 28 August 2002, was involved in two connected disputes with Intesa Sanpaolo S.p.A. (formerly Banca Intesa S.p.A., which took over all the assets and liabilities of Banco Ambrosiano Veneto S.p.A. (“**BAV**”) pursuant to a merger effective as at 1 January 2001). The first dispute related to BAV’s denial of liability under two standby letters of credit issued by BAV to ICB as security for credit facilities to a mutual customer, alleging fraud on the part of its employee and an ICB employee. ICB obtained judgment against BAV in Singapore and recovered approximately US\$13 million plus interest under the letters of credit. BAV’s appeal to the Singapore Court of Appeal was dismissed with costs in October 2001. BAV has no further avenue of appeal in Singapore.

The second dispute involves proceedings commenced by BAV in Italy against various parties, including ICB, seeking a declaration that the two letters of credit are null and void and the repayment of approximately US\$26 million of advances made by BAV on cheques drawn on accounts in ICB prior to the cheques being cleared. BAV’s claim relating to the cheques and denial of liability for payment under the letters of credit are based on the alleged complicity of ICB’s employee in the alleged fraud. Following the merger of ICB into UOB, UOB has assumed all the assets and liabilities of ICB. UOB is of the view that BAV’s claim has no merit. The matter is still pending before the courts in Italy.

- (2) Several claims were brought against UOB Philippines by private complainants who had lent money to certain borrowers through the agency of Westmont Investment Corporation (“**Wincorp**”), a Philippine investment company alleged to be associated with the former management and owners of UOB Philippines. Some of the loans were allegedly made by the complainants through Wincorp using certain branches of UOB Philippines prior to UOB’s acquisition of UOB Philippines. The complainants alleged fraud on the part of Wincorp, UOB Philippines and certain of their officers. A number of these cases have been settled by Wincorp and/or dismissed by the Philippine courts. The exposure from the remaining cases is about PHP 40.5 million based on the case pleadings. There has been no movement on the cases that would significantly increase or reduce the estimated potential contingent liability.
- (3) Two judgments were obtained against Overseas Union Bank Limited (“**OUB**”) in Indonesia in respect of a loan granted to an Indonesian company, secured by a charge over certain fixed deposits in Singapore. One judgment was for an apology and damages, and the other judgment was for the return of about US\$12 million, being approximately half of the deposits. Following the merger of OUB into UOB in 2002, UOB has assumed all the assets and liabilities of OUB. UOB has been advised that the judgments obtained in Indonesia are unlikely to be enforceable or recognised in Singapore.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

(g) where any securities or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date -

(i) if the securities or equity interests have been issued for cash, state the prices at which the securities have been issued and the number of securities or equity interests issued at each price; or

During the 12 months immediately preceding the Latest Practicable Date, UOB issued the following Shares upon the exercise of options pursuant to the UOB 1999 Share Option Scheme:

| | No. of Shares | Exercise Price per Share (\$) | Aggregate Exercise Price (\$) |
|--------------|---------------|----------------------------------|----------------------------------|
| | 85,000 | 11.67 | 991,950.00 |
| | 94,000 | 13.67 | 1,284,980.00 |
| Total | 179,000 | N.A. | 2,276,930.00 |

(ii) if the securities or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities or equity interests; and

Not applicable.

(h) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgment of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.

As at the date of this Offer Information Statement, the Directors are not aware of any material contract which has been entered into outside the ordinary course of the UOB Group's business, for the period of two years immediately preceding the date of lodgment of this Offer Information Statement.

PART V – OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Results

1. Provide selected data from -

(a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and

(b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.

Please refer to Appendices C and F to this Offer Information Statement.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and shall in addition include the following items:

- (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
- (b) earnings or loss per share; and
- (c) earnings or loss per share, after any adjustment to reflect the sale of new securities.

| | FY2005 | FY2006 | FY2007 | 1H2008 |
|-------------------------------------|--------|---------------------|--------|--------|
| Basic earnings per Share (\$) | 1.11 | 1.20 ⁽¹⁾ | 1.36 | 1.47 |
| Net dividend per Share (cents) | 70.8 | 81.2 | 73.7 | 20.0 |
| Adjusted earnings per Share (cents) | n.m. | n.m. | n.m. | n.m. |

Notes:

- (1) Excluding one-time gain, comprising special dividend received from OUE and gains from the divestment of OUE and HNL, recorded by the UOB Group in 2006.
- (2) "n.m." means not material.

Please also refer to Appendices C and F to this Offer Information Statement.

3. In respect of -

- (a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and
- (b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

FY2005

Overview

The UOB Group's results should be read in the following perspective:

- (a) Full year results of UOB (Thai) and its subsidiaries were included for 2005 as opposed to only 5 months for 2004.¹
- (b) Full year results of UOB Buana were included for 2005 (10 months as an associate and two months as a subsidiary) as opposed to only seven months as an associate for 2004.²

The UOB Group recorded a net profit of \$1,709 million for 2005, representing an increase of \$257 million or 17.7% over the \$1,452 million registered in 2004. The increase was mainly due to higher fee and commission income, higher net interest income, discontinuation of intangible assets amortisation, and higher other operating income. These were partly offset by lower share of profit of associates, higher operating expenses, and write off of intangible assets in respect of UOB Philippines.

Share of pre-tax profit of associates decreased 67.5% to \$100 million for 2005 compared to the \$307 million for 2004. The decrease was mainly due to the cessation of equity accounting for UOL with effect from 1 January 2005, coupled with an exceptional gain recorded by UOL in 2004 from the divestment of its holdings in Shares.

Net interest income

Net interest income of the UOB Group increased 8.9% to \$2,348 million for 2005 compared to \$2,155 million for 2004. The growth was mainly from increased average loan volume contributed by the acquisition of UOB (Thai) and improved loan yields. These were partially offset by the increase in average cost of funds. Net interest income continued to be the major contributor of total income, accounting for 62.4% (2004: 66.1%) of total income.

Average interest margin was lower at 1.99% for 2005 as compared to 2.10% a year ago. The decrease was mainly due to higher cost of funds in a rising interest rate environment and a flat yield curve, partially offset by improved loan yields.

Non-interest income

Non-interest income of the UOB Group increased 28.1% to \$1,414 million for 2005 compared to \$1,104 million for 2004. The growth was primarily from higher fee and commission income mainly from investment-related and fund management activities, and net gain on trading securities, government securities and derivatives as against losses for 2004. These were partially offset by lower gains on investment securities. The UOB Group's non-interest income for 2005 accounted for 37.6% of total income, up 3.7% points from 33.9% for 2004.

¹ UOB (Thai) was acquired by UOB as a subsidiary on 27 July 2004.

² On 31 May 2004, UOB's wholly-owned subsidiary, UOBII acquired a 23% stake in UOB Buana. On 14 October 2005, an additional 30% stake was acquired, making UOB Buana a subsidiary of the UOB Group. On 19 December 2005, following the close of the tender offer for the remaining shares not held by UOBII, a further 8.1% interest was acquired, resulting in UOBII holding a total stake of 61.1% in UOB Buana.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Operating expenses

Total operating expenses increased 16.1% to \$1,424 million for 2005 compared to \$1,227 million for 2004, attributed mainly to the acquisition of UOB (Thai). Consequently, the expense-to-income ratio of the UOB Group increased to 37.9% for 2005 from 37.6% for 2004.

Staff costs increased 16.4% to \$684 million for 2005 compared to \$587 million for 2004, largely from wages and salaries due to a higher headcount. Other operating expenses increased 15.8% to \$740 million for 2005 from \$639 million for 2004. The increase was mainly from depreciation of fixed assets, rental and maintenance charges, advertising expenses and professional fees.

Other impairment charges

Other impairment charges of \$174 million for 2005 was 16.9% lower than the \$209 million for 2004. The decrease was mainly due to lower impairment charges on investment securities and loans, partially offset by lower write-back of collective impairment.

FY2006

Overview

The UOB Group's NPAT of \$2,570 million in 2006 was an increase of 50.4% over that of \$1,709 million registered in 2005. The increase was largely due to a one-time gain of \$689 million, comprising special dividend received from OUE and gains from the divestment of OUE and HNL, recorded by the UOB Group in 2006. Excluding the one-time gain, the UOB Group's NPAT would be \$1,882 million, representing an increase of 10.1% over 2005. The growth was mainly attributed to higher net interest income and higher fee and commission income, partly offset by higher operating expenses.

Share of pre-tax profit of associates grew 171.6% to \$271 million mainly due to the UOB Group's share of an exceptional gain of \$120 million from the special dividend received from OUE and gains from the divestment of OUE and HNL, as recorded by its associates. Excluding the exceptional gain, share of pre-tax profit of associates would be \$152 million, an increase of 51.7% from 2005.

Net interest income

Net interest income grew 15.5% over 2005 to \$2,710 million in 2006. The increase was largely contributed by higher loan yield and volume.

Net interest margin of 1.99% for 2006 was the same as that for 2005.

Non-interest income

Non-interest income rose 50.4% over 2005 to \$2,127 million in 2006, mainly contributed by the one-time income of \$613 million (comprising special dividend received from OUE of \$284 million and gains from the divestment of OUE and HNL of \$329 million). Excluding the one-time income, non-interest income grew by 7.1% over 2005. The increase was largely contributed by higher fee and commission income mainly from fund management and loan-related activities.

Operating expenses

Total operating expenses increased 21.9% to \$1,736 million in 2006. Expense-to-income ratio of the UOB Group increased to 41.1% (excluding the one-time income) in 2006 as compared to 37.9% in 2005.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Staff costs increased 26.8% to \$867 million for 2006 compared to \$684 million for 2005, largely on wages and salaries due to a higher headcount. Other operating expenses increased 17.4% to \$869 million in 2006 mainly on professional fees, commission and brokerage, business promotions and IT maintenance.

Other impairment charges

Other impairment charges increased 4.1% over 2005 to \$181 million in 2006. The increase was mainly attributed to the write-back of collective impairment a year ago and higher impairment charges on investment securities, partially offset by lower impairment charges on loans.

FY2007

Overview

The UOB Group's NPAT increased 12.1%¹ over 2006 to \$2,109 million in 2007. Operating profit of \$2,854 million was 14.7%¹ higher than that of 2006.

Total operating income grew 15.3%¹ to \$4,872 million, driven mainly by higher fee and commission income across all business activities, and higher net interest income from expanded loan base and improved asset mix.

Operating expenses increased 16.3% to \$2,018 million. The increase was primarily on staff costs, revenue-related expenses and occupancy-related expenses. Expense-to-income ratio rose 0.3% point to 41.4%.

Impairment charges rose 66.0% to \$300 million, mainly due to provision for a long-term investment, and higher provision set aside for collateralised debt obligations.

Share of pre-tax profit of associates grew 36.8% to \$207 million as a result of higher contributions from the major associates.

Net interest income

Compared to 2006, net interest income rose 10.0% to \$2,980 million in 2007 mainly contributed by loan growth.

Net interest margin increased 5 basis points to 2.04% for 2007 as a result of improved asset mix.

Loan margin decreased 4 basis points to 3.21% for 2007 mainly due to narrowing of interest spread.

Non-interest income

Against 2006, non-interest income increased 25.0% to \$1,892 million in 2007. The growth was driven by higher fee and commission income across all business activities, particularly fund management, and higher gain on sale of foreclosed securities.

Non-interest income accounted for 38.8% of total income in 2007.

¹ Excluding one-time gain, comprising special dividend received from OUE and gains from the divestment of OUE and HNL, recorded by the UOB Group in 2006.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Operating expenses

Total operating expenses increased 16.3% over 2006 to \$2,018 million in 2007.

Staff costs rose 20.6% to \$1,046 million, largely due to higher headcount to support business expansion, increased salaries driven by the tight labour market, and higher bonus provision in line with better business performance.

Other operating expenses increased 11.9% to \$972 million, mainly on revenue-related expenses and occupancy-related expenses. Expense-to-income ratio was 0.3% point higher at 41.4%.

Impairment charges

Group impairment charges increased by 66.0% over 2006 to \$300 million in 2007. The increase was due mainly to provision for a long-term investment, higher provision for collateralised debt obligations and loans, and lower write-back of provision for properties. These were partly offset by lower impairment charges on equity securities.

1H2008

Please refer to Appendix F to this Offer Information Statement.

Financial Position

4. **Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of -**
- (a) **the most recent completed financial year for which audited financial statements have been published; or**
 - (b) **if interim financial statements have been published for any subsequent period, that period.**

Please refer to Appendices D and F to this Offer Information Statement.

5. **The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:**
- (a) **number of shares after any adjustment to reflect the sale of new securities;**
 - (b) **net assets or liabilities per share; and**
 - (c) **net assets or liabilities per share after any adjustment to reflect the sale of new securities.**

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

| | <u>As at</u> | | <u>Adjusted 30 June 2008 after issuance of Preference Shares</u> |
|--|-------------------------------|---------------------------|--|
| | <u>31 December 2007</u> | <u>30 June 2008</u> | |
| Number of issued Shares (excluding Shares held in treasury) | 1,512,162,625 | 1,505,578,625 | 1,505,578,625 |
| Number of Preference Shares | Not applicable | Not applicable | 10,000,000 |
| | <u>As at 31 December 2007</u> | <u>As at 30 June 2008</u> | |
| Net assets per Share before valuation surplus and before issue of Preference Shares (\$) | 10.91 | 10.46 | |
| Net assets per Share before valuation surplus and after issue of Preference Shares (\$) | 10.91 | 10.46 | |

Please also refer to Appendices D and F to this Offer Information Statement.

Liquidity and Capital Resources

6. **Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of —**
- (a) **the most recent completed financial year for which financial statements have been published; and**
- (b) **if interim financial statements have been published for any subsequent period, that period.**

FY2007

Operating activities of the UOB Group provided \$7,474 million in net cash. Funds for the UOB Group were provided through a combination of sources, primarily from customer deposits and inter-bank activities. These were mainly used to fund loans to non-bank customers. Net cash used in investing activities was \$2,021 million mainly for the acquisition of investment securities. For financing activities, net cash used was \$1,442 million mainly for payment of dividends.

1H2008

Net cash provided by operating activities was \$2,215 million. The main source of funds was from customer deposits used to fund non-bank customer loans. Investing activities generated net cash of \$507 million mainly from the disposal of investment securities. For financing activities, net cash used was \$1,166 million primarily for dividends payment.

Please also refer to Appendices E and F to this Offer Information Statement.

7. **Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgment of the offer information statement, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided.**

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

The activities of UOB are funded primarily by deposits of non-bank customers, which constitute debts payable on demand or on contractual maturities. Accordingly, the concept of working capital is not applicable to UOB. The Directors are of the opinion that, as at the date of lodgment of this Offer Information Statement, taking into consideration the total assets of the UOB Group, the UOB Group has sufficient resources for its present requirements.

8. **If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity, provide -**
- (a) **a statement of that fact;**
 - (b) **details of the credit arrangement or bank loan; and**
 - (c) **any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).**

The Directors are not aware of any breaches of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect UOB's financial position and results or business operations, or the investments by holders of securities in UOB.

Trend Information and Profit Forecast or Profit Estimate

9. **Discuss, for at least the current financial year, the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**

Business and Financial Prospects of the UOB Group

The first six months of 2008 have been challenging, and it is expected that the rest of 2008 will not be any easier as global institutions seek to rebuild their balance sheets and economies cope with slowdowns and inflation.

The UOB Group is mindful of the risks amidst these challenges and will remain prudent and disciplined in managing its business. At the same time, it will stay focused in pursuing its long-term goal of building a premier regional bank and continue to strengthen its core franchise and invest in its regional platform. The UOB Group will be nimble in seizing business opportunities, while striking a balance between short-term gains and long-term viability to ensure balance sheet quality and sustainability.

Uncertainties, Demands, Commitments or Events

There are uncertainties, demands, commitments or events that may have a material and adverse impact on the business, results of operations, financial condition and prospects of the UOB Group. This section is only a summary, and is not an exhaustive description, of all the trends, uncertainties, demands, commitments or events. There may be additional uncertainties, demands, commitments or events not presently known to the UOB Group, or that the UOB Group may currently deem immaterial, which could affect its business, results of operations, financial condition and prospects.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

Risks Relating to the UOB Group

Economic downturns may materially and adversely affect the UOB Group's operations and asset quality.

As at 30 June 2008 and 31 December 2007, 66.0% and 65.2% respectively, of the UOB Group's assets (excluding intangible assets) were in Singapore. For 1H2008 and FY2007, 64.7% and 60.5% respectively, of the UOB Group's revenue and 74.4% and 69.8% respectively, of the UOB Group's pre-tax profit before intangible assets amortisation, were from its operations in Singapore. The UOB Group's performance and the quality and growth of its assets are therefore substantially dependent on the Singapore economy. The latter is primarily dependent on trade and investment which may be significantly impacted by a variety of external factors, including economic developments throughout the Asia-Pacific region as well as in the U.S. and elsewhere.

The UOB Group's mission is to be a premier regional bank. Outside of Singapore, the UOB Group has subsidiary banks in Malaysia, Thailand, Indonesia and China. The UOB Group also has branches in Hong Kong, Taiwan, Japan, Vietnam, South Korea, Australia, Western Europe and North America. Therefore, its business is also directly affected by the economic environment in these countries. Factors such as a pandemic outbreak, financial crisis, acts of war or terrorism or any other adverse social or political incident may severely affect the economic conditions in these countries, which may materially and adversely affect the UOB Group's business, financial condition and results of operations and its level of non-performing loans. See "— Risks Relating to the UOB Group — A substantial increase in non-performing assets may impair the UOB Group's financial condition."

Problems in the U.S. sub-prime mortgage market and the related turmoil in global financial markets may adversely affect the UOB Group's results of operations.

Since July 2007, adverse developments in the U.S. sub-prime mortgage sector have created much uncertainty and volatility in financial markets globally. The turmoil in the financial markets may result in mark-to-market losses on the UOB Group's investment and trading portfolios, including its holdings of collateralised debt obligations. As at 30 June 2008 and 31 December 2007, UOB made allowances of \$81 million and \$40 million, respectively, for its investments in asset-backed securities (ABS) collateralised debt obligations, which amounted to 100% of the portfolio as at 30 June 2008 and 46.5% of the portfolio as at 31 December 2007. However, if further adverse developments in the financial markets lead to a U.S. or global economic slowdown or recession, this may have a material adverse effect on the UOB Group's business, financial condition or results of operations.

Increased competition may result in decreased loan margins and reduced market share.

The UOB Group's primary competitors consist of other major Singapore banks, foreign banks licensed in Singapore and other financial institutions in Southeast Asia, Greater China and other markets in which the UOB Group operates. In recent years, the Singapore Government has taken steps to liberalise the Singapore banking industry, which has resulted in increased competition among domestic and foreign banks operating in Singapore, leading to reduced margins for certain banking products. In particular, the Authority, which regulates banks in Singapore, has granted Qualifying Full Bank ("QFB") licenses to six foreign financial institutions since 1999. QFBs are permitted to establish operations in up to 25 service locations in Singapore which can be used for branches or off-site ATMs. QFBs are also permitted to share ATMs among themselves. Foreign banks granted such licenses will face fewer restrictions on their Singapore dollar deposit-taking and lending activities. In recent years, the Singapore Government has also allowed more foreign banks to obtain "wholesale banking" licenses to enable them to expand their Singapore dollar wholesale banking business in Singapore and to broaden the scope of Singapore dollar banking activities in which foreign banks may participate. As at 31 July 2008, there were 39 foreign licensed wholesale

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banks in Singapore. There can be no assurance that the UOB Group will be able to compete successfully with other domestic and foreign financial institutions or that increased competition will not materially and adversely affect the UOB Group's business, financial condition and results of operations.

Expansion into the Southeast Asia and Greater China markets may materially and adversely affect the UOB Group's results of operations.

The UOB Group continues to target expansion into the Southeast Asia and Greater China markets, and has established an objective to ultimately derive at least 40% of pre-tax profits from its non-Singapore operations. The UOB Group has acquired majority interests in various banks in Malaysia, Thailand and Indonesia. As at 31 December 2007, the UOB Group had 34.8% of its total assets (excluding intangible assets) outside Singapore, of which 21.7%, were in other Asia-Pacific countries, including Malaysia, Thailand, Indonesia and Greater China. While this regional expansion may be positive for the UOB Group's long-term position and may enhance revenue diversification, such expansion also increases the UOB Group's operational risk (including the political, legal and economic environment of each country and territory in which it operates), and its exposure to asset quality issues and places additional demands on the UOB Group's management and resources. Although the UOB Group actively manages risks in its overseas operations in a manner consistent with risk management for its Singapore operations, there can be no assurance that the UOB Group's business, financial condition and results of operations will not be materially and adversely affected by any economic downturn, political instability or any other political, legal, economic or other developments in or affecting the countries or regions in which it operates, or that its credit and provisioning policies will be adequate in relation to such risks.

Liquidity shortfalls may increase the cost of funds.

Most of the UOB Group's funding requirements are met through a combination of funding sources, primarily in the form of deposit-taking activities and inter-bank funding. A portion of the UOB Group's assets has long-term maturities, creating a potential for funding mismatches. As at 31 December 2007, approximately 76.9% of the UOB Group's funding requirements were attributable to non-bank customer deposits while approximately 23.1% came from inter-bank liabilities. This compares to 74.1% and 25.9%, respectively, as at 31 December 2006. As at 31 December 2007, a substantial portion of the UOB Group's non-bank customer deposits had current maturities of one year or less or were payable on demand. In the past, a substantial portion of such non-bank customer deposits have been rolled over upon maturity and have been, over time, a stable source of funding. No assurance can be given, however, that this trend will continue. If a substantial number of depositors, within or outside Singapore, fail to rollover deposited funds upon maturity or withdraw such funds from the UOB Group, the UOB Group's liquidity position could be materially and adversely affected. In such a situation, the UOB Group could be required to seek short-term and long-term funds, which may be more expensive than current funding sources, to finance operations, and this may materially and adversely affect the UOB Group's business, financial condition and results of operations.

A substantial increase in non-performing assets may impair the UOB Group's financial condition.

Non-performing assets of the UOB Group were \$1,839 million as at 30 June 2008, and \$1,715 million and \$3,165 million as at 31 December 2007 and 31 December 2006, respectively. As a percentage of total assets, the UOB Group's non-performing assets were 1.0% as at 30 June 2008, and 1.0% and 2.0% as at 31 December 2007 and 31 December 2006, respectively. The UOB Group's non-performing loans (non-performing assets excluding debt securities) as a percentage of customer loans and advances were 1.5% as at 30 June 2008, and 1.8% and 4.0% as at 31 December 2007 and 31 December 2006, respectively.

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Any worsening of economic conditions in Singapore or the region may lead to an increase in non-performing assets in the future. A substantial increase in non-performing assets may materially and adversely affect the UOB Group's business, financial condition and results of operations.

A decline in collateral values or inability to realise collateral value may necessitate an increase in the UOB Group's provisions.

A significant portion of the UOB Group's loan portfolio is secured by real estate. While the price index of private residential properties released by the Urban Redevelopment Authority of Singapore rose from 112.8 as at 31 December 2003 to 170.8 as at 31 December 2007¹, in the event of a downturn in the real estate markets, a portion of the UOB Group's loans may exceed the value of the underlying collateral. Any decline in the value of the collateral securing the UOB Group's non-performing loans, inability to obtain additional collateral or inability to realise the expected value of collateral may require the UOB Group to increase its individual impairment, which may materially and adversely affect the UOB Group's business, financial condition and results of operations.

The UOB Group could be subject to volatility in its global treasury trading operations.

Treasury income from trading activities is vulnerable to volatility in the market caused by changes in exchange rates, interest rates, equity prices and other factors. Treasury income is hence a less stable source of income than other banking activities. The UOB Group's Global Markets & Investment Management business segment (including its trading operations) comprised 23.4% and 15.3% of the UOB Group's net profit before tax, minority interests, unallocated corporate expenses and share of profits of associates in the years ended 31 December 2007 and 2006, respectively. Any decrease in income from treasury trading activities due to market volatility may materially and adversely affect the UOB Group's business, financial condition and results of operations.

The UOB Group enters into new product lines and explores new service arrangements in which it may not be successful.

The UOB Group intends to continue exploring new products and services in its various businesses inside and outside Singapore. The UOB Group does not typically expect these products and services to be profitable in the initial years of operation, and there can be no assurance that the UOB Group will have accurately estimated the time these products and services will take to become profitable or the risks and costs associated with these new products. The UOB Group's new products and services may not be successful, which may materially and adversely affect the UOB Group's business, financial condition and results of operations.

Significant fraud, systems failure or calamities could adversely impact the UOB Group's business.

The UOB Group seeks to protect its computer systems and network infrastructure from physical break-ins as well as fraud and systems failures. The UOB Group employs physical access control mechanisms and 24/7 external surveillance security systems, including firewalls, tokens and password encryption technologies, designed to minimise and mitigate the risk of security breaches. Although the UOB Group continues to implement security technologies, conduct regular vulnerability assessments and network penetration tests, and establish operational procedures to prevent break-ins, damages and failures, there can be no assurance that these security measures will be successful. In addition, although the UOB Group's centralised data center and back-up systems are separately located in different areas of Singapore, there can be no assurance that both systems will

¹ Source: <http://www.ura.gov.sg>. The Urban Redevelopment Authority of Singapore has not consented for the purposes of Section 259 of the SFA to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the SFA. UOB and the Joint Lead Issue Managers and Joint Bookrunners have included the above information in its proper form and context and have not verified the accuracy of such information.

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not be simultaneously damaged or destroyed in the event of a major disaster. A significant failure of security measures or back-up systems may have a material and adverse effect on the UOB Group's business, financial condition and results of operations. The UOB Group seeks to maintain internal controls in line with international best practices. However, a significant breakdown in internal controls, fraudulent activities by employees or failure of security measures or back-up systems may have a material adverse effect on the UOB Group's business, financial condition and results of operations.

The UOB Group's income and expenses relating to its international operations and its foreign assets and liabilities are exposed to foreign currency fluctuations.

The UOB Group's overseas operations are subject to fluctuations in foreign currency exchange rates against the Singapore dollar. In addition, a portion of the UOB Group's assets and liabilities in Singapore are denominated in foreign currencies. To the extent that the UOB Group's foreign currency denominated assets and liabilities are not matched in the same currency or appropriately hedged, fluctuations in foreign currency exchange rates against the Singapore dollar may materially and adversely affect the UOB Group's business, financial condition and results of operations. In addition, fluctuations in foreign exchange rates will create foreign currency translation gains or losses.

The UOB Group may be affected by changes in laws and regulations.

The UOB Group's operations in the respective jurisdictions in which it has operations are subject to the prevailing laws and regulations in those jurisdictions. Accordingly, the UOB Group's business may be affected by any changes in such laws and regulations and may incur higher costs of compliance for the UOB Group. In addition, the UOB Group may be subject to the imposition of fines and/or other penalties by the relevant authorities if it fails to comply with the applicable laws and regulations and this could also materially and adversely impact the revenues and profitability of the UOB Group's businesses or otherwise materially and adversely affect its operations.

Risks Relating to the Preference Shares

Dividend payments on the Preference Shares are non-cumulative.

Dividend payments on the Preference Shares will be paid when, as and if declared by the Board on each dividend payment date out of distributable profits. If payment of dividends will result in, among other things, UOB breaching the Authority's published capital adequacy requirements applicable to it, no such dividends will be paid. In addition, if UOB does not pay its next normal interim or final dividend on its Shares, UOB may elect not to make dividend payments on the Preference Shares in respect of the relevant dividend date under the terms of the Preference Shares. If dividend payments on the Preference Shares are not made as a result of the above limitations, Preference Shareholders will not be entitled to receive such payments whether or not funds are or subsequently become available.

Furthermore, if in the future, dividend payments are not made on the Preference Shares for whatever reason, the Preference Shares may trade at a lower price. If a Preference Shareholder sells his Preference Shares during such a period, he may not receive the same return on investment as a Preference Shareholder who continues to hold his Preference Shares until dividend payments are resumed.

No redemption obligation on the part of UOB.

UOB, while having the right to redeem the Preference Shares (subject to certain conditions), is under no obligation to redeem the Preference Shares at any time and the Preference Shareholders have no right to call for their redemption.

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No restriction on issuing other classes of preference shares.

Save for the classes of preference shares comprised in the share capital of UOB, there is no restriction on the amount or number of other classes of preference shares that UOB may issue which rank *pari passu* with the Preference Shares. The issue of such other classes of preference shares may reduce the amount recoverable by Preference Shareholders in the event of any dissolution or winding-up of UOB.

Limited liquidity of the Preference Shares may affect the market price of the Preference Shares.

The Preference Shares are a new issue of securities by UOB with no established trading market. A liquid or active trading market for the Preference Shares may not develop. If an active trading market for the Preference Shares does not develop or does develop and is not maintained, the market price of the Preference Shares may be adversely affected. If the Preference Shares are traded, they may trade at a discount from their initial issue price, depending on prevailing interest rates, the market for similar securities, the UOB Group's performance and other factors. Approval in-principle has been obtained from the SGX-ST for the listing of and quotation for the Preference Shares on the Main Board of the SGX-ST. However, if for any reason the listing is not obtained, the liquidity of the Preference Shares may be negatively impacted.

A downgrade in ratings may affect the market price of the Preference Shares.

UOB has received long-term ratings of Aa1 from Moody's, A+ from Standard & Poor's and AA- from Fitch.¹ The ratings reflect the ability of UOB to make timely payment of principal and interest on senior unsecured debts. The Preference Shares have been rated Aa3 by Moody's, A- by Standard & Poor's and A+ by Fitch.¹ There can be no assurance that the ratings will remain in effect for any given period or that the ratings will not be revised by the rating agencies in the future if, in their judgment, circumstances so warrant. Should the ratings be downgraded, the market price of the Preference Shares may be materially and adversely affected.

Terrorist attacks, war and other events have led to volatility in international capital markets, which may materially and adversely affect the market price of the Preference Shares.

Terrorist activities have resulted in substantial and continuing volatility in international capital markets. Any further terrorist activities could have a material adverse effect on worldwide financial markets, the Singapore economy and regional economies. In addition, an outbreak of pandemic in Asia or elsewhere could exacerbate this volatility. Any material change in the financial markets or the Singapore economy or regional economies as a result of these events or developments may materially and adversely affect the market price of the Preference Shares.

- 10. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**

No profit forecast is disclosed in this Offer Information Statement.

¹ None of Moody's, Standard & Poor's or Fitch has consented for the purposes of Section 249 of the SFA to the inclusion of the credit ratings quoted above which are publicly available and is thereby not liable for such information under Sections 253 and 254 of the SFA. UOB and the Joint Lead Issue Managers and Joint Bookrunners have included the above credit ratings in their proper form and context and have not verified the accuracy of such information.

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11. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.

No profit forecast or profit estimate is disclosed in this Offer Information Statement.

12. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.

No profit forecast is disclosed in this Offer Information Statement.

13. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part —

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or
- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

No profit forecast is disclosed in this Offer Information Statement.

14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part —

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or
- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

No profit forecast is disclosed in this Offer Information Statement.

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Significant Changes

15. Disclose any event that has occurred from the end of —

- (a) the most recent completed financial year for which financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period,

to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.

Save as set out in this Offer Information Statement, there is no event that has occurred from 30 June 2008 to the Latest Practicable Date which has not been publicly announced which may have had a material effect on the UOB Group's results and financial position.

Meaning of "published"

16. In this Part, "published" includes publications in a prospectus, in an annual report or on the SGXNET.

PART VI – THE OFFER AND LISTING

Offer and Listing Details

1. Indicate the price at which the securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgment of the offer information statement, the method by which the offer price is to be determined must be explained.

The Issue Price of the Preference Shares is \$100 for each Preference Share. The expenses incurred in the Offering will not be specifically charged to subscribers of the Preference Shares.

2. If there is no established market for the securities being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.

The Issue Price of the Preference Shares is based on the Liquidation Preference of the Preference Shares, which is \$100 for each Preference Share.

3. If -

- (a) any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities being offered; and
- (b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,

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indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

Not applicable.

4. If securities of the same class as those securities being offered are listed for quotation on any securities exchange -

(a) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities -

(i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and

(ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or

The Preference Shares are a new issue of securities with no established trading market.

(b) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities -

(i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and

(ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;

Not applicable.

(c) disclose any significant trading suspension that has occurred on the securities exchange during the 3 years immediately preceding the latest practicable date or, if the securities have been listed for quotation for less than 3 years, during the period from the date on which the securities were first listed to the latest practicable date; and

Not applicable.

(d) disclose information on any lack of liquidity, if the securities are not regularly traded on the securities exchange.

Not applicable.

5. Where the securities being offered are not identical to the securities already issued by the relevant entity, provide -

(a) a statement of the rights, preferences and restrictions attached to the securities being offered; and

(b) an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities, to rank in priority to or *pari passu* with the securities being offered.

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Please refer to Appendix B of this Offer Information Statement for the rights, preferences and restrictions attached to the Preference Shares.

The shareholders of UOB had on 30 April 2008, at the 66th Annual General Meeting of UOB, granted authority to the directors of UOB to allot and issue Class A preference shares, Class B preference shares, Class C preference shares, Class D preference shares, Class E Preference Shares and Class F preference shares referred to in the Articles and/or make or grant offers, agreements or options that might or would require such preference shares to be issued, at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit, which shall continue in force unless revoked or varied in a General Meeting, until the conclusion of the next Annual General Meeting of UOB or the date by which the next Annual General Meeting of UOB is required by law to be held, whichever is earlier.

Plan of Distribution

- 6. Indicate the amount, and outline briefly the plan of distribution, of the securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.**

UOB proposes to issue and offer in Singapore 10,000,000 Preference Shares (subject to the Upsize Option), for subscription by investors at the Issue Price of \$100 per Preference Share. UOB may scale down the size of the Offering if the total number of Preference Shares subscribed for under the Offering is less than 10,000,000 Preference Shares provided that UOB reserves the right not to proceed with the Offering if the total number of Preference Shares subscribed for under the Offering is less than 2,000,000 Preference Shares.

If applications or indications of interest are received for more than 10,000,000 Preference Shares, UOB reserves the right, at its sole discretion, to exercise the Upsize Option to increase, at any time on or prior to the Closing Date, the Offering from 10,000,000 Preference Shares to up to 15,000,000 Preference Shares.

The Offering will comprise the Placement and the ATM Offer.

The Placement comprises an offering of 8,000,000 Preference Shares offered at the Issue Price to institutional and other investors in Singapore.

The ATM Offer comprises an offering of 2,000,000 Preference Shares offered at the Issue Price to the public in Singapore through the ATMs of the Participating Banks.

The Preference Shares may be re-allocated between the Placement and the ATM Offer at the sole discretion of UOB. To the extent that the Preference Shares offered under the Placement are not fully subscribed for, UOB may, at its sole discretion, apply such unsubscribed Preference Shares to satisfy any excess demand for Preference Shares under the ATM Offer, to the extent there is such excess demand. To the extent that the Preference Shares offered under the ATM Offer are not fully subscribed for, UOB, may, at its sole discretion, apply such unsubscribed Preference Shares to satisfy any excess demand for Preference Shares under the Placement, to the extent there is such excess demand.

Upon the listing and quotation of the Preference Shares on the SGX-ST, the Preference Shares will be traded on the SGX-ST under the book-entry (scripless) settlement system of CDP. For the purposes of trading on the SGX-ST, each board lot of Preference Shares will comprise 100 Preference Shares.

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7. **Provide a summary of the features of the underwriting relationship together with the amount of securities being underwritten by each underwriter.**

The Offering is not underwritten.

PART VII – ADDITIONAL INFORMATION

Statements by Experts

1. **Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**

No statement or report made by an expert is included in this Offer Information Statement.

2. **Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert -**

- (a) **state the date on which the statement was made;**
- (b) **state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
- (c) **include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**

No statement or report made by an expert is included in this Offer Information Statement.

3. **The information referred to in paragraph 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 26(2) or (3) applies.**

Consents from Issue Managers and Underwriters

4. **Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**

UOB has given, and has not withdrawn, its written consent to being named in the Offer Information Statement as one of the Joint Lead Issue Managers and Joint Bookrunners for the Offering.

HSBC has given, and has not withdrawn, its written consent to being named in the Offer Information Statement as one of the Joint Lead Issue Managers and Joint Bookrunners for the Offering.

For the avoidance of doubt, neither of the Co-Managers is an issue manager for the Offering. Each of the Co-Managers does not make, or purport to make, any statement in this Offer Information Statement or any statement upon which a statement in this Offer Information Statement is based, and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any liability to any person which is based on, or arises out of, the statements, information or opinions in this Offer Information Statement.

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Other Matters

5. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly -

- (a) the relevant entity's business operations or financial position or results; or
- (b) investments by holders of securities in the relevant entity.

The Directors are not aware of any other matter not disclosed in this Offer Information Statement which could materially affect, directly or indirectly, the business operations, financial position, or results of UOB or investments by holders of securities in UOB.

Where new material circumstances arise and are required by law and/or the SGX-ST to be disclosed by UOB, UOB shall make an announcement of the same to the SGX-ST. Persons wishing to subscribe for the Preference Shares are advised to refer to <http://www.sgx.com> for such announcements.

PART VIII – ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR UNITS OF DEBENTURES

Not applicable.

PART IX – ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES

Not applicable.

PART X – ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES BY WAY OF RIGHTS ISSUE

Not applicable.

APPENDIX A – MAJOR SUBSIDIARIES OF THE UOB GROUP

A list of the principal activities of the major subsidiaries of the UOB Group and their places of incorporation as at Latest Practicable Date is enclosed.

| Name of subsidiaries | Country of incorporation | Effective interest held by the UOB Group (%) | |
|--|--------------------------|--|------------------------|
| | | As at the Latest Practicable Date | As at 31 December 2007 |
| Commercial Banking | | | |
| Far Eastern Bank Limited | Singapore | 78 | 78 |
| United Overseas Bank (Malaysia) Bhd | Malaysia | 100 | 100 |
| United Overseas Bank (Thai) Public Company | Thailand | 99.6 | 99.6 |
| PT Bank UOB Buana Tbk. | Indonesia | 61 | 61 |
| PT Bank UOB Indonesia | Indonesia | 99 | 99 |
| United Overseas Bank Philippines | Philippines | 100 | 100 |
| United Overseas Bank (China) Limited | China | 100 | 100 |
| Merchant Banking | | | |
| UOB Asia Limited | Singapore | 100 | 100 |
| UOB Asia (Hong Kong) Limited | Hong Kong | 100 | 100 |
| UOB Australia Limited | Australia | 100 | 100 |
| Leasing | | | |
| UOB Leasing (Thai) Co., Ltd. | Thailand | 99.6 | 99.6 |
| Insurance | | | |
| UOB Life Assurance Limited | Singapore | 99 | 99 |
| United Overseas Insurance Limited | Singapore | 58 | 58 |
| UOB Insurance (H.K.) Limited | Hong Kong | 58 | 58 |
| Investment | | | |
| UOB.com Pte. Ltd. | Singapore | 100 | 100 |
| UOB Holdings Private Limited | Singapore | 100 | 100 |
| UOB Capital Investments Pte Ltd | Singapore | 100 | 100 |
| UOB Capital Management Pte Ltd | Singapore | 100 | 100 |
| UOB Equity Holdings (Pte) Ltd | Singapore | 100 | 100 |
| UOB Finance (H.K.) Limited | Hong Kong | 100 | 100 |
| UOB Holdings (USA) Inc. | United States | 100 | 100 |
| UOB Property Investments Pte. Ltd. | Singapore | 100 | 100 |
| UOB Realty (H.K.) Limited | Hong Kong | 100 | 100 |
| UOB Venture Management (Shanghai) Co., Ltd | China | 100 | 100 |
| UOB International Investment Private Limited | Singapore | 100 | 100 |

APPENDIX A – MAJOR SUBSIDIARIES OF THE UOB GROUP

| Name of subsidiaries | Country of incorporation | Effective interest held by the UOB Group (%) | |
|--|--------------------------|--|------------------------|
| | | As at the Latest Practicable Date | As at 31 December 2007 |
| Investment Management | | | |
| UOB Asset Management (Thai) Co., Ltd. | Thailand | 99.6 | 99.6 |
| UOB Asset Management Ltd | Singapore | 100 | 100 |
| UOB Bioventures Management Pte Ltd | Singapore | 100 | 100 |
| UOB Global Capital LLC | United States | 70 | 70 |
| UOB Investment Advisor (Taiwan) Ltd | Taiwan | 100 | 100 |
| UOB Venture Management Private Limited | Singapore | 100 | 100 |
| UOB-OSK Asset Management Sdn. Bhd. | Malaysia | 70 | 70 |
| Gold/Futures Dealing | | | |
| UOB Bullion and Futures Limited | Singapore | 100 | 100 |
| UOB Bullion & Futures (Thai) Company Limited | Thailand | 100 | 100 |
| Computer Services | | | |
| UOBF Schneider Trading Private Limited | Singapore | 75 | 75 |
| Property | | | |
| Chung Khiaw Realty, Limited | Singapore | 99.5 | 99.5 |
| Industrial & Commercial Property (S) Pte Ltd | Singapore | 100 | 100 |
| UOB Realty (USA) Ltd Partnership | United States | 100 | 100 |
| Property Management | | | |
| UOB Developments Private Limited | Singapore | 100 | 100 |
| Travel | | | |
| UOB Travel Planners Pte Ltd | Singapore | 100 | 100 |

APPENDIX B – DESCRIPTION OF THE PREFERENCE SHARES

The following description relating to the Preference Shares has been extracted from the Memorandum and Articles of Association of UOB, and is qualified in its entirety by, and is subject to, the Memorandum and Articles of Association of UOB. Investors should read, in its entirety, the Memorandum and Articles of Association of UOB, a copy of which may be inspected during operating hours at 80 Raffles Place, UOB Plaza, Singapore 048624.

“7E. Class E Preference Shares

The Class E Preference Shares shall have the following rights and be subject to the following restrictions.

(1) Liquidation Preference

Each Class E Preference Share shall have a liquidation preference of S\$100 (or such other amount as the Board of Directors of the Company (or an authorised committee thereof) (“**Board**”) may determine in its absolute discretion on or prior to the date of issue of the Class E Preference Shares) (“**Liquidation Preference**”).

(2) Dividends

(a) **Non-Cumulative Preferential Dividends.** Subject to **Articles 7E(2)(c), (e) and (f)** below, the Class E Preference Shares shall entitle the holder thereof (each, a “**Class E Preference Shareholder**”) to receive a non-cumulative preferential cash dividend (“**Dividend**”) on the Liquidation Preference thereof calculated on the basis set out in **Article 7E(2)(b)** below. The Dividend shall be payable semi-annually in arrear on 15 March and 15 September in each year (each such date, a “**Dividend Date**”), in each case when, as and if declared by the Board.

The first Dividend Date shall:

- (i) if the date (“**Issue Date**”) on which the Class E Preference Shares are first allotted and issued falls before 15 March in any calendar year, be on 15 March in that calendar year;
- (ii) if the Issue Date falls **(I)** on or after 15 March in any calendar year and **(II)** before 15 September in the same calendar year, be on 15 September in that calendar year; and
- (iii) if the Issue Date falls on or after 15 September in any calendar year, be on 15 March in the next calendar year.

If any Dividend Date would otherwise fall on a day which is not a Business Day (as defined below), payment of the Dividend otherwise payable on such date shall be postponed to the next day which is a Business Day.

No Class E Preference Shareholder shall have any claim in respect of any Dividend or part thereof not due or payable pursuant to **Articles 7E(2)(c), (e) and (f)** below. Accordingly, such amount shall not accumulate for the benefit of the Class E Preference Shareholders or entitle the Class E Preference Shareholders to any claim in respect thereof against the Company.

“**Business Day**” means a day other than a Saturday or Sunday on which commercial banks are open for business in Singapore.

APPENDIX B – DESCRIPTION OF THE PREFERENCE SHARES

- (b) **Fixed Dividend Rate.** Each Class E Preference Share in issue shall entitle the holder thereof to receive for each Dividend Period (as defined below), Dividends (when, as and if declared by the Board) payable in Singapore dollars at a fixed rate per annum of not less than two per cent. and not more than 25 per cent. as the Board may determine in its absolute discretion on or prior to the Issue Date, of the Liquidation Preference thereof, calculated on the basis of the actual number of days in the relevant period divided by 365.

“**Dividend Period**” means the period from, and including, the Issue Date to, but excluding, the first Dividend Date and each successive period thereafter from, and including, a Dividend Date to, but excluding, the next succeeding Dividend Date.

- (c) **Dividends at Board’s Discretion.** Any decision regarding the declaration or payment of any Dividend on the Class E Preference Shares shall be at the sole and absolute discretion of the Board. Nothing herein contained shall impose on the Board any requirement or duty to resolve to distribute, declare or pay in respect of any fiscal year or period the whole or any part of the profits of the Company available for distribution. No Dividend or any part thereof shall become due or payable on any Dividend Date for the purposes of this **Article 7E** unless the Board has declared or resolved to distribute such Dividend or part thereof with respect to that Dividend Date.

- (d) **Ranking.** The Class E Preference Shares shall rank as regards participation in profits *pari passu* with all other shares of the Company to the extent that they are expressed to rank *pari passu* therewith and in priority to the Company’s ordinary shares. The Company may from time to time and at any time create or issue any other shares ranking, as to participation in the profits or the assets of the Company, *pari passu* with or junior to:

- (i) the Class E Preference Shares; or
- (ii) any other Parity Obligations (as defined below),

in each case without the prior approval of the Class E Preference Shareholders and the holders of all other Parity Obligations and the creation or issue by the Company of such shares (regardless of the dividends and other amounts payable in respect of such shares and whether and when such dividends and other amounts may be so payable) shall be deemed not to constitute a variation of the rights attached to the Class E Preference Shares.

The Company shall not create or issue any other shares ranking, as to participation in the profits or the assets of the Company, senior or in priority to:

- (aa) the Class E Preference Shares; or
- (bb) any other Parity Obligations,

unless approved by the Class E Preference Shareholders and the holders of all other Parity Obligations, acting as a single class in accordance with **Article 7E(5)** below.

“**Parity Obligations**” means **(I)** any preference shares or other similar obligations of the Company that constitute Tier 1 capital of the Company on an unconsolidated basis (including, without limitation, the Class A Preference Shares, the Class B Preference Shares, the Class C Preference Shares, the Class D Preference Shares,

APPENDIX B – DESCRIPTION OF THE PREFERENCE SHARES

the Class E Preference Shares and the Class F Preference Shares) or have characteristics similar to securities that could qualify as Tier 1 capital of the Company on an unconsolidated basis and are not expressly stated to rank in all material respects senior or junior to the Class A Preference Shares, the Class B Preference Shares, the Class C Preference Shares, the Class D Preference Shares, the Class E Preference Shares and the Class F Preference Shares or **(II)** any preference shares or other similar obligations of any subsidiary of the Company that constitute Tier 1 capital of the Company on an unconsolidated basis or have characteristics similar to securities that could qualify as Tier 1 capital of the Company on an unconsolidated basis and are not expressly stated to rank in all material respects senior or junior to the Class A Preference Shares, the Class B Preference Shares, the Class C Preference Shares, the Class D Preference Shares, the Class E Preference Shares and the Class F Preference Shares.

- (e) **Dividend Restrictions.** Dividends may only be declared and paid out of Distributable Reserves (as defined below). Notwithstanding that the Board may have declared or resolved to distribute any Dividend on any Dividend Date, the Company shall not be obliged to pay, and shall not pay, such Dividend on that Dividend Date (and such Dividend shall not be considered to be due or payable for the purposes of this **Article 7E**) if:
- (i) the Company is prevented by applicable Singapore banking regulations or other requirements of the Monetary Authority of Singapore (“**MAS**”) from making payment in full of dividends or other distributions when due on Parity Obligations; or
 - (ii) the Company is unable to make such payment of dividends or other distributions on Parity Obligations without causing a breach of the **MAS**’ published consolidated or unconsolidated capital adequacy requirements from time to time applicable to the Company; or
 - (iii) the aggregate of the amount of such Dividend (if paid in full), together with the sum of any other dividends and other distributions originally scheduled to be paid (whether or not paid in whole or part) during the Company’s then-current fiscal year on the Class E Preference Shares or Parity Obligations, would exceed the Distributable Reserves as of the relevant Dividend Determination Date (as defined below).

“**Distributable Reserves**” means, at any time, the amounts for the time being available to the Company for distribution as a dividend in compliance with Section 403 of the Companies Act, Chapter 50 of Singapore (“**Available Amounts**”) as of the date of the Company’s latest audited balance sheet; *provided that* if the Board reasonably believes that the Available Amounts as of any Dividend Determination Date are lower than the Available Amounts as of the date of the Company’s latest audited balance sheet and are insufficient to pay the Dividend and for payments on Parity Obligations on the relevant Dividend Date, then two Directors of the Company shall be required to provide a certificate, on or prior to such Dividend Determination Date, to the Class E Preference Shareholders accompanied by a certificate of the Company’s auditors for the time being of the Available Amounts as of such Dividend Determination Date (which certificate of the two Directors shall be binding absent manifest error) and “**Distributable Reserves**” as of such Dividend Determination Date for the purposes of such Dividend shall mean the Available Amounts as set forth in such certificate.

APPENDIX B – DESCRIPTION OF THE PREFERENCE SHARES

“**Dividend Determination Date**” means, with respect to any Dividend Date, the day falling two Business Days prior to that Dividend Date.

- (f) **Dividend Limitation Notice.** Without prejudice to the discretion of the Board under **Article 7E(2)(d)** above, if the Company does not propose or intend to pay and will not pay its next normal dividend (whether interim or final) on its ordinary shares, the Company shall give, on or before the relevant Dividend Determination Date, a notice (“**Dividend Limitation Notice**”) to the share registrar of the Company for the time being (“**Registrar**”) and the Class E Preference Shareholders that the Company will pay no dividends or less than full dividends on such Dividend Date, in which case no dividends or less than full dividends as set out in the Dividend Limitation Notice shall become due and payable on such Dividend Date. The Dividend Limitation Notice shall include a statement to the effect that the Company does not propose or intend to pay and will not pay its next normal dividend (whether interim or final) on its ordinary shares and identify the specific dividend on the ordinary shares that will not be paid.

Each Dividend Limitation Notice shall be given in writing by mail to each Class E Preference Shareholder except that where the Class E Preference Shares are listed on one or more stock exchanges, the Company may, in lieu of giving notice in writing by mail to such shareholder, determine to publish such notice on such stock exchange(s). So long as the Class E Preference Shares are listed on one or more stock exchanges and the rules of such stock exchange(s) so require, notices shall also be published in such manner as the rules of such stock exchange(s) may require. In addition, for so long as the Class E Preference Shares are listed on Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and the rules of the SGX-ST so require, each Dividend Limitation Notice shall be published in accordance with **Article 7E(10)(b)** below.

- (g) **Pro Rata Dividend Payment.** If, whether by reason of the provisions of **Article 7E(2)(e)** above or the terms of a Parity Obligation, on the relevant Dividend Date, a Dividend which has been declared is not paid in full on the Class E Preference Shares or dividends or other distributions are not paid in full on any Parity Obligations, but on such Dividend Date there are Distributable Reserves, then each Class E Preference Shareholder shall be entitled to receive the Relevant Proportion (as defined below) of any such Dividend, if the Company shall have declared and paid dividends or other distributions on any Parity Obligations during the Company’s then-current fiscal year.

“**Relevant Proportion**” means:

- (i) in relation to any partial payment of a Dividend, the amount of Distributable Reserves as of the relevant Dividend Determination Date divided by the sum of:
- (aa) the full amount originally scheduled to be paid by way of Dividend (whether or not paid in whole or part) during the Company’s then-current fiscal year; and
 - (bb) the sum of any dividends or other distribution or payments in respect of Parity Obligations originally scheduled to be paid (whether or not paid in whole or part) during the Company’s then-current fiscal year,

converted where necessary into the same currency in which Distributable Reserves are calculated by the Company; and

APPENDIX B – DESCRIPTION OF THE PREFERENCE SHARES

- (ii) in relation to any partial payment of any Liquidation Distribution (as defined below), the total amount available for any such payment and for making any liquidation distribution on any Parity Obligations divided by the sum of:
 - (aa) the full Liquidation Distribution before any reduction or abatement hereunder; and
 - (bb) the amount (before any reduction or abatement hereunder) of the full liquidation distribution on any Parity Obligations,

converted where necessary into the same currency in which liquidation payments are made to creditors of the Company.
- (h) **Payments; No Further Rights to Participate in Profits.** Payments of Dividends shall, if due and payable under this **Article 7E**, be made to the Class E Preference Shareholders on the register at any date selected by the Board not less than six Business Days prior to the relevant Dividend Date. Save as set out in this **Article 7E**, the Class E Preference Shares shall not confer any right or claim as regards participation in the profits of the Company.
- (i) **Dividend Stopper.** In the event any Dividend is not paid in full for any reason on any Dividend Date, the Company shall not:
 - (i) declare or pay any dividends or other distributions in respect of, or (if permitted) repurchase or redeem, its ordinary shares or any other security of the Company ranking *pari passu* or junior to the Class E Preference Shares (or contribute any moneys to a sinking fund for the payment of any dividends or other distributions in respect of, or for the redemption of, any such shares or securities); or
 - (ii) declare or pay, or permit any subsidiary of the Company (other than a subsidiary of the Company that carries on banking business) to declare or pay, any dividends or other distributions in respect of any Parity Obligations, or (if permitted) repurchase or redeem, any Parity Obligations (or contribute any moneys to a sinking fund for the payment of any dividends or other distributions in respect of, or for the redemption of, any Parity Obligations),

in each case until it has paid Dividends in full in respect of such number of consecutive Dividend Periods as shall be equal to or exceed 12 calendar months (or an amount equivalent to the Dividends to be paid in respect of such number of consecutive Dividend Periods as shall be equal to or exceed 12 calendar months has been paid or irrevocably set aside in a separately designated trust account for payment to the Class E Preference Shareholders).
- (j) **Prescription.** Any Dividend unclaimed after a period of six years from the date of declaration of such Dividend shall be forfeited and revert to the Company. No Dividends or other moneys payable on or in respect of a Class E Preference Share shall bear interest against the Company.
- (k) **Net Dividends.** For the avoidance of doubt:
 - (i) while the Company remains on the imputation system of taxation (which shall not be longer than the Transition Period (as defined below)), all references in this **Article 7E** to any amount of Dividends payable by the Company shall be construed as references to net Dividend amounts, exclusive of Tax Credits (as defined below); and

APPENDIX B – DESCRIPTION OF THE PREFERENCE SHARES

- (ii) nothing in these **Articles** obliges the Company (whether during or after the Transition Period):
 - (aa) to pay, or make available to any Class E Preference Shareholders, any Tax Credits in respect of any Dividends or otherwise to compensate any Class E Preference Shareholders for not paying or not making available such Tax Credits;
 - (bb) to remain on the imputation system of taxation, regardless of whether the Company has any Tax Credits; or
 - (cc) to ensure that it has any Tax Credits at any time, regardless of whether any Class E Preference Shares are outstanding as of such time.

“**Tax Credits**” means the amounts representing tax paid by the Company which is imputed to, and deemed to be paid on behalf of, the Class E Preference Shareholders when the Company distributes taxed income as dividends or other moneys payable on or in respect of a Class E Preference Share.

“**Transition Period**” means the five-year transitional period from 1 January 2003 to 31 December 2007 allowed by the Inland Revenue Authority of Singapore in its circular of 15 August 2002 for Singapore resident companies with unutilised Section 44 of the Income Tax Act balances as of 31 December 2002 to remain on the imputation system (before moving to the new one-tier corporate tax system) for the purpose of paying franked dividends (that is, dividends that carry tax credit).

(3) **Liquidation Distributions**

- (a) **Rights Upon Liquidation.** In the event of the commencement of any dissolution or winding up of the Company (other than pursuant to a Permitted Reorganisation (as defined below)) before any redemption of the Class E Preference Shares, the Class E Preference Shares shall rank:
 - (i) junior to depositors and all other creditors (including the holders of subordinated debt) of the Company;
 - (ii) *pari passu* with all Parity Obligations of the Company; and
 - (iii) senior to the holders of the Company’s ordinary shares and any other securities or obligations of the Company that are subordinated to the Class E Preference Shares.

On such a dissolution or winding up, each Class E Preference Share shall be entitled to receive in Singapore dollars an amount equal to the Liquidation Distribution.

“**Liquidation Distribution**” means, upon a dissolution or winding up of the Company, the Liquidation Preference together with, subject to the restrictions in **Article 7E(2)(e)** above and unless a Dividend Limitation Notice is in effect, an amount equal to any accrued but unpaid Dividend (whether or not declared) from, and including, the commencement date of the Dividend Period in which the date of the dissolution or winding up falls to but excluding the date of actual payment.

APPENDIX B – DESCRIPTION OF THE PREFERENCE SHARES

“**Permitted Reorganisation**” means a solvent reconstruction, amalgamation, reorganisation, merger or consolidation whereby all or substantially all the business, undertaking and assets of the Company are transferred to a successor entity which assumes all the obligations of the Company under the Class E Preference Shares.

- (b) **Pro Rata Liquidation Distribution.** If, upon any such dissolution or winding up of the Company, the amounts available for payment are insufficient to cover the Liquidation Distribution and any liquidation distributions on any Parity Obligation, but there are funds available for payment so as to allow payment of part of the Liquidation Distribution, then each Class E Preference Shareholder shall be entitled to receive the Relevant Proportion of the Liquidation Distribution.
- (c) **No Further Rights to Participate in Assets.** Save as set out in this **Article 7E**, the Class E Preference Shares shall not confer any right or claim as regards participation in the assets of the Company.

(4) **Redemption**

- (a) **Optional Redemption.** The Company may, at its option, redeem in whole, but not in part, the Class E Preference Shares for the time being issued and outstanding:
 - (i) on the date falling five years after the Issue Date;
 - (ii) on the date falling 10 years after the Issue Date; and
 - (iii) on each Dividend Date thereafter (that is, after the date falling 10 years after the Issue Date),

in each case subject to the satisfaction of the Redemption Conditions (as defined below) and to Singapore law.

“**Redemption Conditions**” means that:

- (aa) the prior written consent of the MAS to the redemption, if then required, has been obtained and that any conditions that the MAS may impose at the time of any consent, if then required, have been satisfied; and
- (bb) the Distributable Reserves of the Company and/or Replacement Capital (as defined below) as at the date for redemption equals at least the Liquidation Preference and the full amount of any accrued but unpaid Dividend (whether or not declared) in respect of the Dividend Period in which the relevant redemption falls.

“**Replacement Capital**” means ordinary shares and/or Parity Obligations issued for the purpose of funding the redemption of the Class E Preference Shares.

- (b) **Merger Event Redemption.** In the event the Class E Preference Shares are issued for the purpose of a merger with, or acquisition by, the Company and such merger or acquisition is aborted by the Company in its absolute discretion, then the Company may redeem, in whole but not in part, the Class E Preference Shares for the time being issued and outstanding, subject to the satisfaction of the Redemption Conditions and to Singapore law.

APPENDIX B – DESCRIPTION OF THE PREFERENCE SHARES

- (c) **Tax Event Redemption.** If at any time a Tax Event (as defined below) has occurred and is continuing, then the Class E Preference Shares may be redeemed, in whole but not in part, at the option of the Company, subject to:
- (i) the satisfaction of the Redemption Conditions; and
 - (ii) the Company attaching to the relevant Redemption Notice (as defined in **Article 7E(4)(f)** below):
 - (aa) a certificate signed by two Directors of the Company stating that the Company is entitled to effect such redemption; and
 - (bb) an opinion of counsel to the Company experienced in such matters to the effect that a Tax Event has occurred.

The delivery of such opinion shall constitute conclusive evidence of the occurrence of a Tax Event for all purposes of this **Article 7E**.

“**Tax Event**” means that, as a result of any change after the date of issuance of the Class E Preference Shares in, or amendment to, any law or regulation of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of any law or regulation by any relevant body in Singapore, payments to the Class E Preference Shareholders:

- (i) would be subject to deduction or withholding for or on account of tax; or
- (ii) would give rise to any obligation of the Company to account for any tax in Singapore at a rate in excess of the rate in effect immediately prior to such issuance,

and such obligation cannot in each case be avoided by the Company taking reasonable measures available to it.

- (d) **Special Event Redemption.** If at any time a Special Event (as defined below) has occurred and is continuing, then the Class E Preference Shares may be redeemed, in whole but not in part, at the option of the Company, subject to:
- (i) the satisfaction of the Redemption Conditions; and
 - (ii) the Company attaching to the relevant Redemption Notice:
 - (aa) a certificate signed by two Directors of the Company stating that the Company is entitled to effect such redemption; and
 - (bb) an opinion of counsel to the Company experienced in such matters to the effect that a Special Event has occurred.

The delivery of such opinion shall constitute conclusive evidence of the occurrence of a Special Event for all purposes of this **Article 7E**.

“**Special Event**” means for any reason there is more than an insubstantial risk that for the purposes of the MAS’ published consolidated or unconsolidated capital adequacy requirements from time to time applicable to the Company, the Class E Preference Shares may not be included in the Tier 1 capital of the Company on a consolidated or unconsolidated basis.

APPENDIX B – DESCRIPTION OF THE PREFERENCE SHARES

- (e) **Cash Redemption.** Any redemption of the Class E Preference Shares shall be made in cash.
- (f) **Redemption Notice.** If the Class E Preference Shares are to be redeemed, a notice of redemption (each, a “**Redemption Notice**”) shall be mailed to each holder of the Class E Preference Shares to be redeemed, not less than 30 days nor more than 60 days prior to the relevant date of redemption (“**Redemption Date**”), except that where the Class E Preference Shares are listed on one or more stock exchanges, the Company may, in lieu of mailing the notice to such shareholder, determine to publish such notice on such stock exchange(s) not less than 30 days nor more than 60 days prior to the Redemption Date. So long as the Class E Preference Shares are listed on one or more stock exchanges and the rules of such stock exchange(s) so require, notices shall also be published in such manner as the rules of such stock exchange(s) may require. In addition, for so long as the Class E Preference Shares are listed on the SGX-ST and the rules of the SGX-ST so require, each Redemption Notice shall be published in accordance with **Article 7E(10)(b)** below.

Each Redemption Notice shall specify *inter alia*:

- (i) the Redemption Date;
- (ii) the Class E Preference Shares to be redeemed on the Redemption Date;
- (iii) the Redemption Amount (as defined below); and
- (iv) the place or places where the Class E Preference Shareholders may surrender share certificates (if applicable) in respect of the Class E Preference Shares and obtain payment of the Redemption Amount.

No defect in the Redemption Notice or in its mailing shall affect the validity of the redemption proceedings.

- (g) **Redemption Amount.** The cash amount (“**Redemption Amount**”) payable on redemption is an amount equal to the Liquidation Preference, together with, subject to the restrictions in **Article 7E(2)(e)** above and unless a Dividend Limitation Notice is in effect, an amount equal to any accrued but unpaid Dividends (whether or not declared) in respect of the period commencing on the first day of the Dividend Period in which the relevant redemption falls to but excluding the date of such redemption. Any such redemption shall not prejudice the rights of the holder of the Class E Preference Shares to be so redeemed to receive any accrued but unpaid Dividend payable on the Redemption Date.
- (h) **Payments.** Payments in respect of the amount due on redemption of a Class E Preference Share shall be made by cheque or such other method as the Directors of the Company may specify in the Redemption Notice not later than the date specified for the purpose in the Redemption Notice. Payment shall be made against presentation and surrender of the share certificate (if applicable) in respect of the relevant Class E Preference Shares at the place or one of the places specified in the Redemption Notice.
- (i) **Discharge.** A receipt given by the holder for the time being of any Class E Preference Share (or in the case of joint holders by the first-named joint holder) in respect of the amount payable on redemption of the Class E Preference Share shall constitute an absolute discharge to the Company.

APPENDIX B – DESCRIPTION OF THE PREFERENCE SHARES

(5) Voting

- (a) **General.** Except as provided in this **Article 7E(5)**, the Class E Preference Shareholders shall not be entitled to attend and vote at general meetings of the Company.
- (b) **Class Meetings.** The Class E Preference Shareholders shall be entitled to attend class meetings of the Class E Preference Shareholders. Every Class E Preference Shareholder who is present in person at such class meetings shall have on a show of hands one vote and on a poll one vote for every Class E Preference Share of which he is the holder.
- (c) **General Meetings.** If Dividends with respect to the Class E Preference Shares in respect of such number of consecutive Dividend Periods as shall be equal to or exceed 12 months have not been paid in full when due, then the Class E Preference Shareholders shall have the right to receive notice of, attend, speak and vote at general meetings of the Company on all matters, including the winding-up of the Company, and such right shall continue until after the next following Dividend Date on which a Dividend in respect of the Class E Preference Shares is paid in full (or an amount equivalent to the Dividend to be paid in respect of the next Dividend Period has been paid or irrevocably set aside in a separately designated trust account for payment to the Class E Preference Shareholders). Every Class E Preference Shareholder who is present in person at such general meetings shall have on a show of hands one vote and on a poll one vote for every Class E Preference Share of which he is the holder.

(6) Purchases

The Company may at any time and from time to time exercise any powers conferred by applicable Singapore law in purchasing the Class E Preference Shares. No repurchase of any Class E Preference Shares shall be made without the prior consent of the MAS (for so long as the Company is required to obtain such consent).

(7) Taxation

All payments in respect of the Class E Preference Shares shall be made after deducting or withholding all amounts for or on account of any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of Singapore or any authority thereof or therein having power to tax and which are required by applicable law to be deducted or withheld.

The Company shall not pay any additional amounts in respect of any such deduction or withholding from payments in respect of the Class E Preference Shares for or on account of any such present or future taxes, duties, assessments or governmental charges.

No payment in respect of the Class E Preference Shares shall be made by the Company to any Class E Preference Shareholder without deduction or withholding for or on account of any such present or future taxes, duties, assessments or governmental charges unless such Class E Preference Shareholder shall have provided a statutory declaration or other evidence satisfactory to the Company that the beneficial owner of such payment:

- (a) is a resident in Singapore for tax purposes; or
- (b) is otherwise entitled to receive such payment free of any such deduction or withholding.

APPENDIX B – DESCRIPTION OF THE PREFERENCE SHARES

If requested by a Class E Preference Shareholder, the Company shall procure that such person shall be furnished with a certificate specifying the gross amount of such payment, the amount of tax deducted or withheld and the net amount of such payment.

For the avoidance of doubt, this **Article 7E(7)** shall not apply in respect of any deduction of tax made or deemed to be made under Section 44 of the Income Tax Act (which gives effect to the imputation system referred to in **Article 7E(2)(k)** above).

(8) **Variations of Rights and Further Issues**

Unless otherwise required by applicable law and notwithstanding **Article 9** below, any variation or abrogation of the rights, preferences and privileges of the Class E Preference Shares by way of amendment of the **Articles** or otherwise (including, without limitation, the authorisation or creation of any securities or ownership interests of the Company ranking, as to participation in the profits or assets of the Company, senior to the Class E Preference Shares) shall require:

- (a) the consent in writing of the holders of at least 75 per cent. of the outstanding Class E Preference Shares; or
- (b) the sanction of a special resolution passed at a separate class meeting of the Class E Preference Shareholders (the quorum at such class meeting to be such number of Class E Preference Shareholders holding or representing not less than two-thirds of the outstanding Class E Preference Shares),

provided that:

- (i) no such consent or sanction shall be required if the change is solely of a formal, minor or technical nature or is to correct an error or cure an ambiguity (but such change shall not reduce the amounts payable to the Class E Preference Shareholders, impose any material obligation on the Class E Preference Shareholders or materially adversely affect their voting rights);
- (ii) no such consent or sanction shall be required for the creation or issue of further shares of the Company ranking *pari passu* with or junior to the Class E Preference Shares (the creation or issue of such other shares, regardless of the dividends and other amounts payable in respect of such shares and whether and when such dividends and other amounts may be so payable, shall not be deemed to be a variation or abrogation of the rights, preferences and privileges of the Class E Preference Shares);
- (iii) no such consent or sanction shall be required for the redemption, purchase or cancellation of the Class E Preference Shares in accordance with these **Articles**; and
- (iv) no provision of the Class E Preference Shares may be amended without the prior written consent of the MAS if such amendment would result in the Class E Preference Shares not being treated as Tier 1 capital of the Company on a consolidated or unconsolidated basis.

The Company shall cause a notice of any meeting at which any Class E Preference Shareholder is entitled to vote, and any voting forms, to be mailed to each Class E Preference Shareholder in accordance with **Article 7E(10)** below. Each such notice shall include a statement setting forth **(aa)** the date, time and place of such meeting, **(bb)** a description of any resolution to be proposed for adoption at such meeting on which such holders are entitled to vote and **(cc)** instructions for the delivery of proxies.

APPENDIX B – DESCRIPTION OF THE PREFERENCE SHARES

(9) **Transfer of Preference Shares**

An instrument of transfer of a share which is in certificated form must be in writing in any usual form or other form approved by the Directors of the Company and must be executed by or on behalf of the transferor and by or on behalf of the transferee. The transferor shall remain the holder of the shares transferred until the name of the transferee is entered in the register of members of the Company in respect thereof.

The Directors of the Company may, in the case of transfers of Class E Preference Shares in certificated form, at their absolute discretion and without assigning any reason therefor, refuse to register:

- (a) any transfer of a Class E Preference Share (not being a fully paid Class E Preference Share); *provided that* where any Class E Preference Shares are listed on the SGX-ST or any other stock exchange or quotation system, such discretion may not be exercised in such a way as to prevent dealings in the Class E Preference Shares from taking place on an open and proper basis; and
- (b) any transfer of a Class E Preference Share on which the Company has a lien.

The Directors of the Company may also decline to register a transfer unless the instrument of transfer is duly stamped (if so required).

The Class E Preference Shares are in registered form. The registration of share transfers may be suspended at such times and for such periods as the Directors of the Company may determine not exceeding 30 days in any year.

(10) **Notices or Other Documents**

- (a) **Delivery of Notice.** Any notice or other document may be served by the Company upon any holder of the Class E Preference Shares in the manner provided in these **Articles**. Any such notice or document shall be deemed to be served and delivered in accordance with these **Articles**.
- (b) **Newspaper Publication.** For so long as the Class E Preference Shares are listed on the SGX-ST and the SGX-ST so requires, notice shall also be published in a leading English language daily newspaper having general circulation in Singapore.

(11) **Others**

In the event of any conflict or inconsistency between the provisions of this **Article 7E** and the other provisions of these **Articles**, then the provisions of this **Article 7E** shall prevail. In particular, the provisions of **Article 7** above shall not apply to the Class E Preference Shares.”

**APPENDIX C – CONSOLIDATED INCOME STATEMENTS OF THE UOB GROUP
FOR FY2005, FY2006 AND FY2007⁽¹⁾**

| | FY2005 S\$m | FY2006 S\$m | FY2007 S\$m |
|--|----------------|----------------|----------------|
| Interest income | 4,882 | 6,962 | 7,371 |
| Less: Interest expense | 2,534 | 4,252 | 4,390 |
| Net interest income | 2,348 | 2,710 | 2,980 |
| Dividend income | 60 | 328 | 54 |
| Fee and commission income | 900 | 1,003 | 1,278 |
| Rental income | 64 | 64 | 77 |
| Other operating income | 391 | 732 | 484 |
| Total non-interest income | 1,414 | 2,127 | 1,892 |
| Total operating income | 3,761 | 4,837 | 4,872 |
| Less: Staff costs | 684 | 867 | 1,046 |
| Other operating expenses | 740 | 869 | 972 |
| Total operating expenses | 1,424 | 1,736 | 2,018 |
| Operating profit before amortisation and impairment charges | 2,337 | 3,101 | 2,854 |
| Less: Intangible assets amortised/impaired | 60 | 13 | 11 |
| Impairment charges | 174 | 181 | 300 |
| Operating profit after amortisation and impairment charges | 2,104 | 2,908 | 2,543 |
| Share of profit of associates | 100 | 271 | 207 |
| Profit before tax | 2,204 | 3,179 | 2,750 |
| Less: Tax | 472 | 553 | 573 |
| Profit for the financial year | 1,731 | 2,625 | 2,177 |
| Attributable to: | | | |
| Equity holders of the Bank | 1,709 | 2,570 | 2,109 |
| Minority interests | 22 | 55 | 67 |
| | 1,731 | 2,625 | 2,177 |

Note:

- (1) The Consolidated Income Statements of the UOB Group for FY2005, FY2006 and FY2007 presented to the nearest million are based on the audited financial statements of the UOB Group for the financial years ended 31 December 2005, 31 December 2006 and 31 December 2007.

**APPENDIX D – CONSOLIDATED BALANCE SHEET OF THE UOB GROUP
AS AT 31 DECEMBER 2007⁽¹⁾**

| | FY2007 S\$m |
|--|------------------------|
| Equity | |
| Share capital | 2,014 |
| Subsidiary preference shares | 832 |
| Capital reserves | 3,714 |
| Statutory reserves | 3,132 |
| Revenue reserves | 7,328 |
| Share of reserves of associates | 310 |
| Equity attributable to equity holders of the Bank | <u>17,329</u> |
| Minority interests | 398 |
| Total equity | <u>17,726</u> |
| Liabilities | |
| Deposits and balances of: | |
| Banks and agents | 32,091 |
| Non-bank customers | <u>106,967</u> |
| | 139,059 |
| Bills and drafts payable | 1,824 |
| Derivative financial liabilities | 5,163 |
| Other liabilities | 3,753 |
| Tax payable | 624 |
| Deferred tax liabilities | 135 |
| Debts issued | 6,666 |
| Total liabilities | <u>157,224</u> |
| Total equity and liabilities | <u>174,950</u> |
| Assets | |
| Cash, balances and placements with central banks | 17,667 |
| Singapore Government treasury bills and securities | 8,806 |
| Other government treasury bills and securities | 3,482 |
| Trading securities | 410 |
| Placements and balances with banks and agents | 12,943 |
| Loans to non-bank customers | 92,669 |
| Derivative financial assets | 5,068 |
| Assets pledged | 2,647 |
| Investment securities | 19,362 |
| Other assets | 4,214 |
| Investment in associates | 1,261 |
| Properties and other fixed assets | 2,081 |
| Deferred tax assets | 76 |
| Intangible assets | 4,265 |
| Total assets | <u>174,950</u> |
| Off-balance sheet items | |
| Contingent liabilities | 13,082 |
| Financial derivatives | 388,058 |
| Commitments | <u>48,359</u> |

Note:

- (1) The Consolidated Balance Sheet of the UOB Group as at 31 December 2007 presented to the nearest million is based on the audited financial statements of the UOB Group for the financial year ended 31 December 2007.

**APPENDIX E – CONSOLIDATED CASH FLOW STATEMENT
OF THE UOB GROUP FOR FY2007⁽¹⁾**

| | FY2007 S\$m |
|---|------------------------|
| Cash flows from operating activities | |
| Operating profit before amortisation and impairment charges | 2,854 |
| Adjustments for: | |
| Depreciation of assets | 141 |
| Net gain on disposal of assets | (216) |
| Share-based payment | 3 |
| Operating profit before working capital changes | 2,782 |
| Changes in working capital | |
| Increase in deposits | 10,058 |
| Increase in bills and drafts payable | 1,435 |
| Increase in other liabilities | 1,551 |
| Decrease in trading securities | 74 |
| Decrease in placements and balances with banks and agents | 9,324 |
| Increase in loans to non-bank customers | (15,949) |
| Increase in other assets | (1,235) |
| Cash generated from operations | 8,040 |
| Income tax paid | (567) |
| Net cash provided by operating activities | 7,474 |
| Cash flows from investing activities | |
| Net cash flow on disposal/(acquisition) of: | |
| Investment securities and associates | (1,812) |
| Properties and other fixed assets | (348) |
| Change in minority interests | (5) |
| Dividends received from associates | 144 |
| Net cash used in investing activities | (2,021) |
| Cash flows from financing activities | |
| Proceeds from issue of shares | 6 |
| Net increase/(decrease) in debts issued | 70 |
| Share buyback | (240) |
| Dividends paid on ordinary shares | (1,185) |
| Dividends paid on subsidiary preference shares | (44) |
| Dividends paid to minority interests | (50) |
| Net cash used in financing activities | (1,442) |
| Currency translation adjustments | (20) |
| Net increase in cash and cash equivalents for the financial year | 3,991 |
| Cash and cash equivalents at beginning of the financial year | 26,292 |
| Cash and cash equivalents at end of the financial year | 30,283 |

Note:

- (1) The Consolidated Cash Flow Statement of the UOB Group for FY2007 presented to the nearest million is based on the audited financial statements of the UOB Group for the financial year ended 31 December 2007.



United Overseas Bank Limited

Incorporated in the Republic of Singapore
Company Registration Number: 193500026Z

**Group Financial Report
for the First Half / Second Quarter 2008**

APPENDIX F – FIRST HALF 2008 UOB GROUP FINANCIAL REPORT



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Notes:

- 1 The financial statements are presented in Singapore dollars.
 - 2 Certain comparative figures have been restated to conform with the current period's presentation.
 - 3 Certain figures in this report may not add up to the respective totals due to rounding.
 - 4 Amounts less than \$500,000 in absolute term are shown as "0".
- "NM" denotes not meaningful.

APPENDIX F – FIRST HALF 2008 UOB GROUP FINANCIAL REPORT



Financial Highlights

| | 1H08 | 1H07 | + / (-) % | 2Q08 | 1Q08 | + / (-) % | 2Q07 | + / (-) % |
|---|-------|-------|--------------|-------|-------|--------------|-------|--------------|
| Profit and Loss Summary (\$m) | | | | | | | | |
| Net interest income | 1,725 | 1,523 | 13.3 | 873 | 852 | 2.5 | 761 | 14.7 |
| Non-interest income | 964 | 968 | (0.3) | 550 | 414 | 32.9 | 536 | 2.7 |
| Total income | 2,690 | 2,490 | 8.0 | 1,424 | 1,266 | 12.4 | 1,297 | 9.8 |
| Less: Total expenses | 1,015 | 976 | 4.0 | 518 | 496 | 4.4 | 504 | 2.9 |
| Operating profit | 1,675 | 1,515 | 10.6 | 905 | 770 | 17.6 | 793 | 14.2 |
| Less: Intangible assets | 5 | 6 | (13.0) | 3 | 3 | (3.0) | 3 | (15.9) |
| Less: Impairment charges | 269 | 168 | 59.8 | 180 | 89 | 102.2 | 81 | 122.5 |
| Add: Share of profit of associates | 56 | 112 | (50.0) | 34 | 22 | 54.3 | 65 | (47.8) |
| Less: Tax and minority interests | 327 | 350 | (6.6) | 156 | 171 | (8.6) | 190 | (17.7) |
| Net profit after tax ¹ | 1,130 | 1,103 | 2.5 | 601 | 529 | 13.5 | 585 | 2.7 |
| Financial Indicators | | | | | | | | |
| Income mix (%) | | | | | | | | |
| Net interest income | 64.1 | 61.1 | 3.0% pt | 61.3 | 67.3 | (6.0)% pt | 58.7 | 2.6% pt |
| Non-interest income | 35.9 | 38.9 | (3.0)% pt | 38.7 | 32.7 | 6.0% pt | 41.3 | (2.6)% pt |
| Profit distribution (%) | | | | | | | | |
| Singapore | 74.4 | 73.5 | 0.9% pt | 79.3 | 69.0 | 10.3% pt | 74.5 | 4.8% pt |
| Overseas | 25.6 | 26.5 | (0.9)% pt | 20.7 | 31.0 | (10.3)% pt | 25.5 | (4.8)% pt |
| Basic earnings per ordinary share (\$) ^{2, 3} | 1.47 | 1.42 | 3.5 | 1.57 | 1.38 | 13.8 | 1.51 | 4.0 |
| Return on average ordinary shareholders' equity (%) ^{2, 3} | 13.8 | 13.2 | 0.6% pt | 14.8 | 12.7 | 2.1% pt | 13.9 | 0.9% pt |
| Return on average total assets (%) ³ | 1.25 | 1.32 | (0.07)% pt | 1.32 | 1.17 | 0.15% pt | 1.38 | (0.06)% pt |
| Net interest margin (%) ³ | 2.22 | 2.10 | 0.12% pt | 2.23 | 2.20 | 0.03% pt | 2.04 | 0.19% pt |
| Expense / Income ratio (%) | 37.7 | 39.2 | (1.5)% pt | 36.4 | 39.2 | (2.8)% pt | 38.9 | (2.5)% pt |
| Net dividend per ordinary share (¢) | | | | | | | | |
| Interim | 20.0 | 16.4 | 22.0 | 20.0 | - | NM | 16.4 | 22.0 |
| Special interim | - | 12.3 | (100.0) | - | - | NM | 12.3 | (100.0) |
| Total | 20.0 | 28.7 | (30.3) | 20.0 | - | NM | 28.7 | (30.3) |

Notes:

1 Refer to profit attributable to equity holders of the Bank.

2 Calculated based on profit attributable to equity holders of the Bank net of subsidiary preference share dividend incurred for the financial period.

3 Computed on an annualised basis.

APPENDIX F – FIRST HALF 2008 UOB GROUP FINANCIAL REPORT



Financial Highlights (cont'd)

| | Jun-08 | Mar-08 | + / (-) % | Jun-07 | + / (-) % |
|--|----------------|---------|--------------|---------|--------------|
| Financial Indicators (cont'd) | | | | | |
| Customer loans (net) (\$m) | 97,395 | 94,373 | 3.2 | 82,461 | 18.1 |
| Customer deposits (\$m) | 109,004 | 109,580 | (0.5) | 104,469 | 4.3 |
| Loans / Deposits ratio (%) ¹ | 89.3 | 86.1 | 3.2% pt | 78.9 | 10.4% pt |
| NPL ratio (%) ² | 1.5 | 1.6 | (0.1)% pt | 2.8 | (1.3)% pt |
| Total assets (\$m) | 180,797 | 185,784 | (2.7) | 170,063 | 6.3 |
| Shareholders' equity (\$m) ³ | 16,583 | 16,992 | (2.4) | 17,511 | (5.3) |
| Revaluation surplus (\$m) ⁴ | 3,270 | 3,273 | (0.1) | 1,896 | 72.5 |
| Net asset value ("NAV") per ordinary share (\$) ⁵ | 10.46 | 10.73 | (2.5) | 10.95 | (4.5) |
| Revalued NAV per ordinary share (\$) ⁵ | 12.63 | 12.91 | (2.2) | 12.20 | 3.5 |
| Net tangible asset per ordinary share (\$) ⁵ | 7.66 | 7.92 | (3.3) | 8.15 | (6.0) |
| Capital adequacy ratios (%) | | | | | |
| Tier 1 | 10.2 | 10.7 | (0.5)% pt | 10.8 | (0.6)% pt |
| Total | 14.4 | 15.6 | (1.2)% pt | 15.7 | (1.3)% pt |

Notes:

- 1 Refer to net customer loans and customer deposits.
- 2 Refer to non-performing loans (excluding debt securities and contingent assets) as a percentage of gross customer loans.
- 3 Refer to equity attributable to equity holders of the Bank.
- 4 Refer to revaluation surplus on properties not recognised in the financial statements.
- 5 Subsidiary preference shares were excluded from the computation.

APPENDIX F – FIRST HALF 2008 UOB GROUP FINANCIAL REPORT



Performance Review

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") with modification to FRS39 Financial Instruments: Recognition and Measurement in respect of loan loss provisioning, as provided in Notice to Banks No. 612 "Credit Files, Grading and Provisioning" issued by Monetary Authority of Singapore ("MAS"). The accounting policies and computation methods adopted in the financial statements for the first half of 2008 are the same as those adopted in the audited financial statements for the financial year ended 31 December 2007.

First Half 2008 ("1H08") versus First Half 2007 ("1H07")

The Group's net profit after tax ("NPAT") was \$1,130 million in 1H08, an increase of 2.5% from \$1,103 million recorded in 1H07. The growth was mainly attributed to higher net interest income, partially offset by higher impairment charges, lower contributions from associates and higher operating expenses.

Total operating income rose 8.0% to \$2,690 million. Net interest income grew 13.3% to \$1,725 million, driven by expanded loan volume and higher contributions from interbank money market activities. Non-interest income was flat at \$964 million as higher investment income and rental income were offset by lower other income.

Total operating expenses increased 4.0% to \$1,015 million. Staff costs increased 6.4% to \$545 million largely due to higher headcount. Other operating expenses rose 1.3% to \$469 million mainly on occupancy-related expenses, partly offset by lower IT-related expenses. Expense-to-income ratio improved 1.5% points to 37.7%.

Impairment charges increased 59.8% to \$269 million largely due to collective impairment provision for loans and collateralised debt obligations ("CDO") and individual impairment charges on CDO. These were partially offset by lower individual impairment charges on loans.

Share of pre-tax profit of associates decreased 50.0% to \$56 million mainly due to lower profits recorded by the major associates.

Net customer loans increased 18.1% to \$97,395 million as at 30 June 2008. Non-performing loans of \$1,547 million was 1.5% (30 June 2007: 2.8%) of gross customer loans.

Second Quarter 2008 ("2Q08") versus First Quarter 2008 ("1Q08")

Group NPAT increased 13.5% to \$601 million in 2Q08, with operating profit grew 17.6% to \$905 million.

Operating income increased 12.4% to \$1,424 million. Net interest income rose 2.5% to \$873 million, mainly from securities and money market activities, due to lower funding costs. Non-interest income grew 32.9% to \$550 million, largely due to higher investment income and dividend income, partly offset by lower other income and fee and commission income.

Total operating expenses increased 4.4% to \$518 million. The increase was mainly on staff costs, occupancy-related and revenue-related expenses. Expense-to-income ratio improved 2.8% points to 36.4%.

Impairment charges were \$180 million in 2Q08 compared to \$89 million in 1Q08. The increase was largely due to higher individual impairment charges on loans and CDO, coupled with higher collective impairment provision for loans.

Net customer loans increased 3.2% to \$97,395 million as at 30 June 2008. Non-performing loans of \$1,547 million was 1.5% (31 March 2008: 1.6%) of gross customer loans.

APPENDIX F – FIRST HALF 2008 UOB GROUP FINANCIAL REPORT



Performance Review (cont'd)

Second Quarter 2008 ("2Q08") versus Second Quarter 2007 ("2Q07")

Group NPAT increased 2.7% to \$601 million for 2Q08, with operating profit grew 14.2% to \$905 million.

Net interest income rose 14.7% to \$873 million, mainly attributed to increased loan volume and higher contributions from money market activities. Non-interest income increased 2.7% to \$550 million, mainly due to higher investment income, partly offset by lower fee and commission income and other income.

Total operating expenses increased 2.9% to \$518 million, primarily due to higher staff costs and occupancy-related expenses. Expense-to-income ratio improved 2.5% points to 36.4%.

Impairment charges increased 122.5% to \$180 million largely due to higher collective and individual impairment charges on loans.

Net customer loans increased 18.1% to \$97,395 million as at 30 June 2008. Non-performing loans of \$1,547 million was 1.5% (30 June 2007: 2.8%) of gross customer loans.

APPENDIX F – FIRST HALF 2008 UOB GROUP FINANCIAL REPORT



Net Interest Income

Net Interest Margin

| | 1H08 | | | 1H07 | | |
|---|-----------------|---------------------|--------------|-----------------|---------------------|--------------|
| | Average Balance | Annualised Interest | Average Rate | Average Balance | Annualised Interest | Average Rate |
| | \$m | \$m | % | \$m | \$m | % |
| Interest bearing assets | | | | | | |
| Customer loans | 94,392 | 4,651 | 4.93 | 79,434 | 4,701 | 5.92 |
| Interbank balances | 31,570 | 1,133 | 3.59 | 38,998 | 1,692 | 4.34 |
| Securities | 30,344 | 1,187 | 3.91 | 27,708 | 1,245 | 4.49 |
| Total | 156,306 | 6,970 | 4.46 | 146,140 | 7,638 | 5.23 |
| Interest bearing liabilities | | | | | | |
| Customer deposits | 108,711 | 1,990 | 1.83 | 101,646 | 2,657 | 2.61 |
| Interbank balances / other | 42,519 | 1,511 | 3.55 | 39,731 | 1,910 | 4.81 |
| Total | 151,230 | 3,501 | 2.32 | 141,377 | 4,567 | 3.23 |
| Loan margin | | | 3.10 | | | 3.31 |
| Net interest income / margin¹ | | 3,469 | 2.22 | | 3,071 | 2.10 |

| | 2Q08 | | | 1Q08 | | | 2Q07 | | |
|---|-----------------|---------------------|--------------|-----------------|---------------------|--------------|-----------------|---------------------|--------------|
| | Average Balance | Annualised Interest | Average Rate | Average Balance | Annualised Interest | Average Rate | Average Balance | Annualised Interest | Average Rate |
| | \$m | \$m | % | \$m | \$m | % | \$m | \$m | % |
| Interest bearing assets | | | | | | | | | |
| Customer loans | 95,613 | 4,537 | 4.75 | 93,128 | 4,765 | 5.12 | 80,184 | 4,682 | 5.84 |
| Interbank balances | 31,880 | 1,057 | 3.32 | 31,834 | 1,209 | 3.80 | 40,302 | 1,711 | 4.25 |
| Securities | 29,836 | 1,129 | 3.78 | 30,766 | 1,244 | 4.04 | 28,818 | 1,267 | 4.40 |
| Total | 157,328 | 6,723 | 4.27 | 155,728 | 7,218 | 4.63 | 149,304 | 7,660 | 5.13 |
| Interest bearing liabilities | | | | | | | | | |
| Customer deposits | 110,444 | 1,846 | 1.67 | 108,417 | 2,134 | 1.97 | 103,959 | 2,663 | 2.56 |
| Interbank balances / other | 42,091 | 1,365 | 3.24 | 42,763 | 1,658 | 3.88 | 40,770 | 1,944 | 4.77 |
| Total | 152,536 | 3,211 | 2.10 | 151,181 | 3,791 | 2.51 | 144,729 | 4,607 | 3.18 |
| Loan margin | | | 3.08 | | | 3.15 | | | 3.28 |
| Net interest income / margin¹ | | 3,512 | 2.23 | | 3,426 | 2.20 | | 3,053 | 2.04 |

Note:

¹ Net interest margin represents annualised net interest income as a percentage of total interest bearing assets.

APPENDIX F – FIRST HALF 2008 UOB GROUP FINANCIAL REPORT



Net Interest Income (cont'd)

Volume and Rate Analysis

| | 1H08 vs 1H07 | | | 2Q08 vs 1Q08 | | | 2Q08 vs 2Q07 | | |
|----------------------------|---------------|--------------|--------------|---------------|--------------|--------------|---------------|--------------|--------------|
| | Volume Change | Rate Change | Net Change | Volume Change | Rate Change | Net Change | Volume Change | Rate Change | Net Change |
| | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m |
| Interest income | | | | | | | | | |
| Customer loans | 439 | (464) | (25) | 32 | (88) | (57) | 225 | (261) | (36) |
| Interbank balances | (160) | (118) | (277) | 0 | (38) | (38) | (89) | (74) | (163) |
| Securities | 59 | (87) | (29) | (9) | (19) | (29) | 11 | (46) | (35) |
| Total | 338 | (669) | (331) | 23 | (146) | (123) | 147 | (380) | (234) |
| Interest expense | | | | | | | | | |
| Customer deposits | 92 | (422) | (331) | 10 | (81) | (72) | 41 | (245) | (204) |
| Interbank balances / other | 59 | (257) | (198) | (7) | (66) | (73) | 13 | (158) | (144) |
| Total | 151 | (679) | (528) | 3 | (148) | (144) | 55 | (403) | (348) |
| Change in number of days | - | - | 5 | - | - | - | - | - | (2) |
| Net interest income | 187 | 11 | 202 | 19 | 2 | 21 | 92 | 22 | 112 |

1H08 vs 1H07

Net interest income rose 13.3% to \$1,725 million, driven by expanded loan volume and higher contributions from interbank money market activities. Net interest margin increased 12 basis points to 2.22% mainly due to improved asset mix. The decrease in loan margin by 21 basis points to 3.10% was partly due to higher interest recovery on non-performing loans in 1H07.

2Q08 vs 1Q08

Net interest income grew 2.5% to \$873 million, mainly from securities and interbank money market activities. Net interest margin increased 3 basis points to 2.23% as a result of lower funding costs. The decrease in loan margin by 7 basis points to 3.08% was due to lower loan yield.

2Q08 vs 2Q07

Net interest income increased 14.7% to \$873 million. The growth was attributed to increased loan volume and higher contributions from interbank money market activities. Net interest margin increased 19 basis points to 2.23%, mainly contributed by improved asset mix and lower funding costs. The decrease in loan margin by 20 basis points to 3.08% was mainly due to lower loan yield.

APPENDIX F – FIRST HALF 2008 UOB GROUP FINANCIAL REPORT



Non-Interest Income

| | 1H08 | 1H07 | +/(–) | 2Q08 | 1Q08 | +/(–) | 2Q07 | +/(–) |
|---|------------|------------|--------------|------------|------------|--------------|------------|---------------|
| | \$m | \$m | % | \$m | \$m | % | \$m | % |
| Fee and commission income | | | | | | | | |
| Credit card | 90 | 80 | 13.2 | 47 | 44 | 7.5 | 42 | 11.7 |
| Fund management | 101 | 161 | (37.3) | 46 | 55 | (17.0) | 99 | (53.9) |
| Futures broking | 18 | 17 | 5.0 | 8 | 9 | (6.4) | 8 | 11.3 |
| Investment-related | 65 | 95 | (30.9) | 36 | 30 | 19.3 | 55 | (35.5) |
| Loan-related | 143 | 89 | 62.0 | 69 | 74 | (7.4) | 45 | 54.3 |
| Service charges | 40 | 41 | (2.2) | 19 | 21 | (8.0) | 23 | (16.4) |
| Trade-related | 105 | 92 | 13.4 | 51 | 53 | (3.8) | 50 | 2.2 |
| Other | 30 | 15 | 98.4 | 13 | 17 | (23.4) | 8 | 59.4 |
| | 592 | 589 | 0.6 | 289 | 303 | (4.7) | 330 | (12.4) |
| Dividend income | 43 | 38 | 13.7 | 41 | 3 | NM | 35 | 16.9 |
| Rental income | 51 | 33 | 54.0 | 27 | 24 | 10.8 | 17 | 57.8 |
| Other operating income | | | | | | | | |
| Net gain / (loss) from: | | | | | | | | |
| Trading activities | (29) | 72 | (139.8) | (35) | 6 | (678.1) | 43 | (181.2) |
| Non-trading activities | | | | | | | | |
| Financial instruments measured at fair value to profit and loss | (41) | 38 | (207.7) | 12 | (53) | NM | 22 | (45.3) |
| Available-for-sale assets and other | 261 | 55 | 375.0 | 181 | 79 | 128.0 | 22 | 715.5 |
| | 191 | 165 | 15.8 | 159 | 32 | 391.7 | 87 | 81.7 |
| Other income | 86 | 142 | (39.3) | 35 | 51 | (32.4) | 67 | (47.8) |
| | 277 | 307 | (9.7) | 194 | 84 | 131.2 | 154 | 25.7 |
| Total | 964 | 968 | (0.3) | 550 | 414 | 32.9 | 536 | 2.7 |
| | | | | | | | | |
| Fee and commission income / Total income (%) | 22.0 | 23.7 | (1.7)% pt | 20.3 | 24.0 | (3.7)% pt | 25.4 | (5.1)% pt |
| Non-interest income / Total income (%) | 35.9 | 38.9 | (3.0)% pt | 38.7 | 32.7 | 6.0 % pt | 41.3 | (2.6)% pt |

1H08 vs 1H07

Non-interest income was flat at \$964 million, as higher investment income and rental income were offset by lower other income.

2Q08 vs 1Q08

Non-interest income grew 32.9% to \$550 million. The increase was mainly due to higher investment income and dividend income, partly offset by lower other income and fee and commission income.

2Q08 vs 2Q07

Non-interest income increased 2.7% to \$550 million. The increase was largely contributed by higher investment income, partially offset by lower fee and commission income and other income.

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Operating Expenses

| | 1H08 | 1H07 | + / (-) | 2Q08 | 1Q08 | + / (-) | 2Q07 | + / (-) |
|---------------------------------|---------------|--------|-----------|---------------|--------|-----------|--------|-----------|
| | \$m | \$m | % | \$m | \$m | % | \$m | % |
| Staff costs | 545 | 513 | 6.4 | 279 | 267 | 4.5 | 272 | 2.7 |
| Other operating expenses | | | | | | | | |
| Revenue-related | 234 | 232 | 1.1 | 119 | 116 | 2.7 | 117 | 1.2 |
| Occupancy-related | 96 | 82 | 16.9 | 51 | 45 | 13.3 | 42 | 20.2 |
| IT-related | 76 | 84 | (9.3) | 39 | 37 | 4.0 | 42 | (7.2) |
| Other | 63 | 65 | (3.8) | 31 | 32 | (2.0) | 31 | 1.1 |
| | 469 | 463 | 1.3 | 240 | 230 | 4.3 | 232 | 3.1 |
| Total | 1,015 | 976 | 4.0 | 518 | 496 | 4.4 | 504 | 2.9 |
| Of which: | | | | | | | | |
| Depreciation of assets | 67 | 70 | (4.2) | 34 | 33 | 0.9 | 35 | (3.0) |
| Total IT costs ¹ | 137 | 141 | (2.3) | 71 | 67 | 6.0 | 71 | (0.2) |
| Total IT costs / | | | | | | | | |
| Total operating expenses (%) | 13.5 | 14.4 | (0.9)% pt | 13.6 | 13.4 | 0.2 % pt | 14.1 | (0.5)% pt |
| Expense / Income ratio (%) | 37.7 | 39.2 | (1.5)% pt | 36.4 | 39.2 | (2.8)% pt | 38.9 | (2.5)% pt |
| Manpower (number) | 22,149 | 20,752 | 1,397 no. | 22,149 | 21,818 | 331 no. | 20,752 | 1,397 no. |

1H08 vs 1H07

Total operating expenses increased 4.0% to \$1,015 million. Staff costs increased 6.4% to \$545 million mainly due to higher headcount to support business expansion. Other operating expenses increased 1.3% to \$469 million largely due to higher occupancy-related expenses, partly offset by lower IT-related expenses. Expense-to-income ratio improved 1.5% points to 37.7%.

2Q08 vs 1Q08

Total operating expenses increased 4.4% to \$518 million. The increase was mainly due to higher staff costs, occupancy-related and revenue-related expenses. Expense-to-income ratio improved 2.8% points to 36.4%.

2Q08 vs 2Q07

Total operating expenses increased 2.9% to \$518 million, mainly on higher staff costs and occupancy-related expenses. Expense-to-income ratio improved 2.5% points to 36.4%.

Note:

¹ Comprise IT staff costs and other IT-related expenses.

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Impairment Charges

| | 1H08 | 1H07 | + / (-) | 2Q08 | 1Q08 | + / (-) | 2Q07 | + / (-) |
|--|-------------|------|---------|-------------|------|---------|------|---------|
| | \$m | \$m | % | \$m | \$m | % | \$m | % |
| Individual impairment on loans | | | | | | | | |
| Singapore | (12) | 31 | (139.4) | (9) | (3) | (193.1) | 2 | (493.8) |
| Malaysia | 58 | 35 | 65.2 | 51 | 7 | 638.5 | 12 | 326.0 |
| Thailand | 30 | 58 | (48.1) | 24 | 6 | 344.6 | 22 | 9.4 |
| Indonesia | (1) | (4) | 67.9 | (1) | (0) | NM | (6) | 76.3 |
| Greater China ¹ | 2 | (2) | NM | 0 | 2 | (97.5) | 2 | (97.9) |
| Other | (1) | 1 | (222.6) | (0) | (1) | 80.3 | 0 | NM |
| | 75 | 119 | (36.8) | 65 | 10 | 563.4 | 33 | 99.4 |
| Individual impairment on securities and other assets | 82 | 50 | 65.9 | 51 | 32 | 60.6 | 48 | 5.2 |
| Collective impairment | 112 | - | NM | 64 | 48 | 34.7 | - | NM |
| Total | 269 | 168 | 59.8 | 180 | 89 | 102.2 | 81 | 122.5 |

1H08 vs 1H07

Impairment charges increased 59.8% to \$269 million. The increase was largely due to collective impairment provision for loans and CDO, individual impairment charges on CDO, partly offset by lower individual impairment on loans.

2Q08 vs 1Q08

Impairment charges increased 102.2% to \$180 million. The increase was largely due to higher individual impairment charges on loans and CDO, coupled with higher collective impairment provision for loans.

2Q08 vs 2Q07

Impairment charges increased 122.5% to \$180 million, largely due to higher collective and individual impairment charges on loans.

Note:

¹ Comprise China, Hong Kong S.A.R. and Taiwan.

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Customer Loans

| | Jun-08 | Mar-08 | Dec-07 | Jun-07 |
|-----------------------------|---------------|---------------|---------------|---------------|
| | \$m | \$m | \$m | \$m |
| Gross customer loans | 99,369 | 96,257 | 94,583 | 84,571 |
| Less: Individual impairment | 625 | 597 | 645 | 834 |
| Collective impairment | 1,350 | 1,286 | 1,270 | 1,276 |
| Net customer loans | 97,395 | 94,373 | 92,669 | 82,461 |

By Industry

| | | | | |
|---------------------------------------|---------------|---------------|---------------|---------------|
| Transport, storage and communication | 5,809 | 5,508 | 5,312 | 4,720 |
| Building and construction | 12,644 | 12,297 | 11,024 | 8,517 |
| Manufacturing | 10,152 | 10,029 | 9,840 | 9,477 |
| Non-bank financial institutions | 16,695 | 15,893 | 16,277 | 13,694 |
| General commerce | 13,624 | 12,742 | 12,825 | 11,985 |
| Professionals and private individuals | 11,996 | 11,391 | 11,222 | 10,452 |
| Housing loans | 22,976 | 22,879 | 22,598 | 20,724 |
| Other | 5,473 | 5,518 | 5,487 | 5,003 |
| Total (gross) | 99,369 | 96,257 | 94,583 | 84,571 |

By Currency

| | | | | |
|-------------------|---------------|---------------|---------------|---------------|
| Singapore dollar | 53,427 | 52,002 | 50,361 | 43,723 |
| US dollar | 16,032 | 14,559 | 14,146 | 12,789 |
| Malaysian ringgit | 11,019 | 11,141 | 10,821 | 9,839 |
| Thai baht | 6,246 | 6,370 | 6,967 | 6,724 |
| Indonesian rupiah | 2,501 | 2,443 | 2,332 | 2,274 |
| Other | 10,144 | 9,741 | 9,956 | 9,221 |
| Total (gross) | 99,369 | 96,257 | 94,583 | 84,571 |

By Maturity

| | | | | |
|---------------------------------|---------------|---------------|---------------|---------------|
| Within 1 year | 38,614 | 37,244 | 38,499 | 35,132 |
| Over 1 year but within 3 years | 17,589 | 16,414 | 13,764 | 11,295 |
| Over 3 years but within 5 years | 13,839 | 13,650 | 14,324 | 11,879 |
| Over 5 years | 29,326 | 28,949 | 27,996 | 26,265 |
| Total (gross) | 99,369 | 96,257 | 94,583 | 84,571 |

Net customer loans grew 3.2% and 18.1% over 31 March 2008 and 30 June 2007 respectively to \$97,395 million as at 30 June 2008. The increase was broad-based across most industries.

APPENDIX F – FIRST HALF 2008 UOB GROUP FINANCIAL REPORT



Total Deposits

| | Jun-08 | Mar-08 | Dec-07 | Jun-07 |
|----------------------------|----------------|---------|---------|---------|
| | \$m | \$m | \$m | \$m |
| Banker deposits | 36,455 | 39,531 | 32,091 | 31,738 |
| Customer deposits | 109,004 | 109,580 | 106,967 | 104,469 |
| Total | 145,459 | 149,111 | 139,059 | 136,207 |
| | | | | |
| Loans / Deposits ratio (%) | 89.3 | 86.1 | 86.6 | 78.9 |

By Maturity

| | | | | |
|---------------------------------|----------------|---------|---------|---------|
| Within 1 year | 141,802 | 145,542 | 135,332 | 132,507 |
| Over 1 year but within 3 years | 1,829 | 1,583 | 1,564 | 1,552 |
| Over 3 years but within 5 years | 1,298 | 1,539 | 1,707 | 1,669 |
| Over 5 years | 530 | 448 | 456 | 479 |
| Total | 145,459 | 149,111 | 139,059 | 136,207 |

Customer Deposits by Product Group

| | | | | |
|------------------|----------------|---------|---------|---------|
| Fixed deposits | 67,481 | 68,614 | 68,738 | 69,048 |
| Savings deposits | 22,753 | 22,523 | 19,044 | 17,980 |
| Current accounts | 15,915 | 15,261 | 15,369 | 13,336 |
| Other | 2,856 | 3,183 | 3,817 | 4,105 |
| Total | 109,004 | 109,580 | 106,967 | 104,469 |

Customer deposits was flat at \$109,004 million as at 30 June 2008 compared to 31 March 2008. Against 30 June 2007, customer deposits grew 4.3% largely contributed by higher savings deposits.

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Debts Issued

| | Jun-08 \$m | Mar-08 \$m | Dec-07 \$m | Jun-07 \$m |
|---------------------------------|---------------|---------------|---------------|---------------|
| Subordinated debts | | | | |
| Due after one year (unsecured) | 5,027 | 5,294 | 5,242 | 5,213 |
| Other debts issued | | | | |
| Due within one year (secured) | - | - | - | 773 |
| Due within one year (unsecured) | 852 | 469 | 923 | 920 |
| Due after one year (unsecured) | 457 | 443 | 502 | 432 |
| | 1,309 | 912 | 1,425 | 2,125 |
| Total | 6,337 | 6,206 | 6,666 | 7,338 |

Shareholders' Equity

| | | | | |
|--|---------------|--------|--------|--------|
| Shareholders' equity | 16,583 | 16,992 | 17,329 | 17,511 |
| Add: Revaluation surplus | 3,270 | 3,273 | 3,263 | 1,896 |
| Shareholders' equity including revaluation surplus | 19,853 | 20,265 | 20,592 | 19,407 |

Shareholders' equity decreased 2.4% over 31 March 2008 to \$16,583 million as at 30 June 2008. The decrease was largely due to dividend payment, foreign exchange translation and higher revaluation loss on available-for-sale assets, partly offset by higher retained profits. Against 30 June 2007, shareholders' equity was 5.3% lower, attributed mainly to revaluation loss on available-for-sale assets, foreign exchange translation and purchase of treasury shares, partially offset by higher retained profits.

As at 30 June 2008, revaluation surplus of \$3,270 million on the Group's properties was not recognised in the financial statements.

Changes in Ordinary Shares of the Bank

| | 1H08 | 1H07 | 2Q08 | 2Q07 |
|--|------------------|-----------|-----------|-----------|
| Issued ordinary shares | | | | |
| Balance at beginning of period | 1,523,760 | 1,523,276 | 1,523,806 | 1,523,512 |
| Exercise of share options granted under the UOB 1999 Share Option Scheme | 139 | 426 | 93 | 190 |
| Balance at end of period | 1,523,899 | 1,523,702 | 1,523,899 | 1,523,702 |
| Treasury shares | | | | |
| Balance at beginning of period | (11,597) | - | (18,320) | - |
| Share buyback | (6,723) | (601) | - | (601) |
| Balance at end of period | (18,320) | (601) | (18,320) | (601) |
| Total | 1,505,579 | 1,523,101 | 1,505,579 | 1,523,101 |

| | Jun-08 '000 | Mar-08 '000 | Dec-07 '000 | Jun-07 '000 |
|--|----------------|----------------|----------------|----------------|
| Number of new shares that would have been issued upon exercise of all outstanding options under the UOB 1999 Share Option Scheme | 301 | 407 | 453 | 526 |

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Non-Performing Assets

| | Jun-08 | Mar-08 | Dec-07 | Jun-07 |
|--|--------------|--------------|--------------|--------------|
| Non-Performing Assets ("NPA") (\$m) | | | | |
| Loans ("NPL") | 1,547 | 1,602 | 1,713 | 2,380 |
| Debt securities | 292 | 284 | 2 | 2 |
| Total | 1,839 | 1,886 | 1,715 | 2,382 |
| Cumulative Impairment (\$m) | | | | |
| Individual | 881 | 832 | 647 | 836 |
| Collective | 1,366 | 1,312 | 1,270 | 1,276 |
| Total | 2,247 | 2,144 | 1,917 | 2,112 |
| Ratios (%) | | | | |
| NPL ratio ¹ | 1.5 | 1.6 | 1.8 | 2.8 |
| NPA ratio ² | 1.0 | 1.0 | 1.0 | 1.4 |
| Cumulative impairment as % of gross customer loans ³ | 2.0 | 2.0 | 2.0 | 2.5 |
| Cumulative impairment as % of total assets | 1.2 | 1.2 | 1.1 | 1.2 |
| Collective impairment as % of gross customer loans net of individual impairment ³ | 1.4 | 1.3 | 1.4 | 1.5 |

Group NPA of \$1,839 million as at 30 June 2008 constituted 1.0% (31 March 2008: 1.0% and 30 June 2007: 1.4%) of total assets.

Group NPL continued to manage down to \$1,547 million as at 30 June 2008. NPL ratio improved to 1.5% from 1.6% and 2.8% as at 31 March 2008 and 30 June 2007 respectively.

Notes:

- 1 Refer to non-performing loans (excluding debt securities and contingent assets) as a percentage of gross customer loans.
- 2 Refer to non-performing assets (excluding contingent assets) as a percentage of total assets.
- 3 Debt securities and contingent assets were excluded from the computation.

APPENDIX F – FIRST HALF 2008 UOB GROUP FINANCIAL REPORT



Non-Performing Assets (cont'd)

| | Jun-08 | Mar-08 | Dec-07 | Jun-07 |
|----------------------------------|--------------|--------------|--------------|--------------|
| | \$m | \$m | \$m | \$m |
| NPA by Grading | | | | |
| Substandard | 957 | 1,040 | 1,106 | 1,642 |
| Doubtful | 234 | 326 | 76 | 171 |
| Loss | 648 | 520 | 533 | 569 |
| Total | 1,839 | 1,886 | 1,715 | 2,382 |
| Secured NPA | | | | |
| Secured | 852 | 928 | 1,001 | 1,367 |
| Unsecured | 987 | 958 | 714 | 1,015 |
| Total | 1,839 | 1,886 | 1,715 | 2,382 |
| Ageing of NPA¹ | | | | |
| Current | 535 | 529 | 203 | 285 |
| ≤ 90 days | 170 | 151 | 216 | 154 |
| 91 to 180 days | 187 | 161 | 202 | 327 |
| ≥ 181 days | 947 | 1,045 | 1,094 | 1,616 |
| Total | 1,839 | 1,886 | 1,715 | 2,382 |

| | Jun-08 | | Mar-08 | | Dec-07 | | Jun-07 | |
|---|--------------|------------|--------------|------------|--------------|------------|--------------|------------|
| | Individual | | Individual | | Individual | | Individual | |
| | NPL | Impairment | NPL | Impairment | NPL | Impairment | NPL | Impairment |
| | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m |
| Restructured NPL for the quarter | | | | | | | | |
| Substandard | 15 | 3 | 6 | 1 | 16 | 1 | 22 | 1 |
| Doubtful | 1 | 1 | - | - | 3 | 2 | - | - |
| Loss | 15 | 15 | 15 | 15 | 5 | 5 | 5 | 5 |
| Total | 31 | 19 | 21 | 16 | 24 | 8 | 27 | 6 |
| NPL by Industry | | | | | | | | |
| Transport, storage and communication | 19 | 14 | 18 | 12 | 20 | 12 | 65 | 14 |
| Building and construction | 129 | 46 | 132 | 44 | 145 | 46 | 261 | 80 |
| Manufacturing | 405 | 208 | 424 | 202 | 418 | 206 | 573 | 268 |
| Non-bank financial institutions | 137 | 29 | 164 | 31 | 179 | 33 | 277 | 63 |
| General commerce | 299 | 150 | 313 | 152 | 347 | 171 | 436 | 190 |
| Professionals and private individuals | 238 | 100 | 251 | 104 | 272 | 111 | 381 | 159 |
| Housing loans | 239 | 30 | 245 | 31 | 263 | 35 | 311 | 25 |
| Other | 81 | 48 | 55 | 21 | 69 | 31 | 76 | 35 |
| Total | 1,547 | 625 | 1,602 | 597 | 1,713 | 645 | 2,380 | 834 |

Note:

1 Where payment of interest or principal of an account is overdue, all outstanding balances of that account are deemed non-current and aged accordingly.

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Non-Performing Assets (cont'd)

| | NPL | Cumulative Impairment | NPL Ratio | Secured NPL as % of respective NPL | Cumulative Impairment as % of respective NPL |
|----------------------|--------------|--------------------------|--------------|--|--|
| | \$m | \$m | % | % | % |
| NPL by Region | | | | | |
| Singapore | | | | | |
| Jun 08 | 512 | 798 | 0.8 | 59.6 | 155.9 |
| Mar 08 | 555 | 754 | 0.9 | 59.3 | 135.9 |
| Dec 07 | 628 | 726 | 1.1 | 60.2 | 115.6 |
| Jun 07 | 1,005 | 842 | 2.0 | 57.7 | 83.8 |
| Malaysia | | | | | |
| Jun 08 | 522 | 398 | 4.3 | 55.6 | 76.2 |
| Mar 08 | 504 | 362 | 4.1 | 61.5 | 71.8 |
| Dec 07 | 495 | 368 | 4.2 | 61.8 | 74.3 |
| Jun 07 | 585 | 376 | 5.5 | 62.6 | 64.3 |
| Thailand | | | | | |
| Jun 08 | 367 | 318 | 5.3 | 40.6 | 86.6 |
| Mar 08 | 393 | 315 | 5.6 | 45.5 | 80.2 |
| Dec 07 | 436 | 348 | 6.5 | 45.6 | 79.8 |
| Jun 07 | 403 | 330 | 6.3 | 45.7 | 81.9 |
| Indonesia | | | | | |
| Jun 08 | 64 | 98 | 1.7 | 73.4 | 153.1 |
| Mar 08 | 68 | 98 | 1.8 | 73.5 | 144.1 |
| Dec 07 | 73 | 103 | 2.0 | 74.0 | 141.1 |
| Jun 07 | 94 | 123 | 2.7 | 59.6 | 130.9 |
| Greater China | | | | | |
| Jun 08 | 16 | 70 | 0.4 | 75.0 | 437.5 |
| Mar 08 | 16 | 65 | 0.5 | 75.0 | 406.3 |
| Dec 07 | 18 | 66 | 0.6 | 94.4 | 366.7 |
| Jun 07 | 10 | 50 | 0.4 | 80.0 | 500.0 |
| Other | | | | | |
| Jun 08 | 66 | 293 | 0.6 | 74.2 | 443.9 |
| Mar 08 | 66 | 289 | 0.6 | 72.7 | 437.9 |
| Dec 07 | 63 | 304 | 0.6 | 73.0 | 482.5 |
| Jun 07 | 283 | 389 | 2.6 | 60.8 | 137.5 |
| Group NPL | | | | | |
| Jun 08 | 1,547 | 1,975 | 1.5 | 55.1 | 127.7 |
| Mar 08 | 1,602 | 1,883 | 1.6 | 57.9 | 117.5 |
| Dec 07 | 1,713 | 1,915 | 1.8 | 58.4 | 111.8 |
| Jun 07 | 2,380 | 2,110 | 2.8 | 57.4 | 88.7 |

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Performance by Business Segment

| | \$m | | | | |
|-----------------------------------|---------------|---------------|---------------|--------------|----------------|
| | PFS | IFS | GMIM | Other | Total |
| 1H08 | | | | | |
| Operating income | 939 | 1,050 | 542 | 159 | 2,690 |
| Operating expenses | (443) | (336) | (191) | (5) | (975) |
| Impairment charges | (18) | (66) | (68) | (117) | (269) |
| Amortisation of intangible assets | (2) | (3) | - | - | (5) |
| Segment profit | 476 | 645 | 283 | 37 | 1,441 |
| Unallocated corporate expenses | | | | | (40) |
| Share of profit of associates | | | | | 56 |
| Profit before tax | | | | | 1,457 |
| Segment assets | 35,766 | 66,122 | 71,886 | 1,470 | 175,244 |
| Intangible assets | 1,186 | 2,308 | 667 | 80 | 4,241 |
| Investment in associates | | | | | 1,183 |
| Unallocated assets | | | | | 129 |
| Total assets | | | | | 180,797 |
| Segment liabilities | 59,175 | 48,110 | 54,923 | 820 | 163,028 |
| Unallocated liabilities | | | | | 822 |
| Total liabilities | | | | | 163,850 |
| Other information | | | | | |
| Gross customer loans | 34,972 | 64,397 | - | - | 99,369 |
| Non-performing loans | 477 | 1,070 | - | - | 1,547 |
| Individual impairment on loans | 130 | 495 | - | - | 625 |
| Capital expenditure | 26 | 28 | 5 | 11 | 70 |
| Depreciation of assets | 23 | 23 | 5 | 16 | 67 |
| 1H07 | | | | | |
| Operating income | 843 | 1,048 | 656 | (57) | 2,490 |
| Operating expenses | (387) | (307) | (204) | (23) | (921) |
| Impairment charges | (44) | (77) | (1) | (46) | (168) |
| Amortisation of intangible assets | (2) | (4) | - | - | (6) |
| Segment profit | 410 | 660 | 451 | (126) | 1,395 |
| Unallocated corporate expenses | | | | | (55) |
| Share of profit of associates | | | | | 112 |
| Profit before tax | | | | | 1,453 |
| Segment assets | 31,592 | 55,356 | 76,190 | 1,280 | 164,418 |
| Intangible assets | 1,197 | 2,347 | 672 | 80 | 4,296 |
| Investment in associates | | | | | 1,280 |
| Unallocated assets | | | | | 69 |
| Total assets | | | | | 170,063 |
| Segment liabilities | 57,502 | 44,500 | 48,350 | 929 | 151,281 |
| Unallocated liabilities | | | | | 875 |
| Total liabilities | | | | | 152,156 |
| Other information | | | | | |
| Gross customer loans | 31,176 | 53,395 | - | - | 84,571 |
| Non-performing loans | 692 | 1,688 | - | - | 2,380 |
| Individual impairment on loans | 184 | 650 | - | - | 834 |
| Capital expenditure | 22 | 24 | 4 | 291 | 341 |
| Depreciation of assets | 25 | 26 | 5 | 14 | 70 |

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Performance by Business Segment (cont'd)

The Group's businesses are organised into four segments based on the types of products and services that it provides. These segments are Personal Financial Services ("PFS"), Institutional Financial Services ("IFS"), Global Markets and Investment Management ("GMIM") and Other.

Personal Financial Services

PFS segment covers Consumer, Privilege and Private Banking. Consumer Banking serves the mass individual customers with a wide range of products and services, including deposits, loans, investments, credit and debit cards and life assurance products. Privilege Banking provides an extended range of financial services, including wealth management, offshore and restricted products such as structured notes, funds of hedge funds, and high networth insurance plans to the wealthy and affluent customers. For the accredited investors and high networth individuals, Private Banking provides an elevated level of personal services and consultation.

Segment profit rose 16.1% to \$476 million in 1H08. The increase was mainly from higher net interest income driven by loan growth, higher non-interest income from structured products and credit cards, and lower impairment charges on loans. These were partly negated by higher revenue-related expenses to support increased business activities.

Institutional Financial Services

IFS segment encompasses Commercial Banking, Corporate Banking, Corporate Finance and Capital Markets. Commercial Banking serves the small and medium-sized enterprises. Corporate Banking serves large local corporations, government-linked companies and agencies, including non-bank financial institutions. Both Commercial Banking and Corporate Banking provide customers with a broad range of products and services that include current accounts, deposits, lending, asset finance, trade finance, structured finance, cash management and cross-border payments. Corporate Finance provides services that include lead managing and underwriting equity offerings and providing corporate advisory services. Capital Markets specialises in solution-based structures to meet clients' financing requirements in structuring, underwriting and arranging syndicated loans, project finance and structured finance, and underwriting and lead managing bond issues.

Segment profit reduced 2.3% to \$645 million in 1H08. The decrease was mainly due to lower contribution from overseas operations, lower gain on foreclosed securities and lower fee income on investment-related activities resulting from the unfavourable market conditions. These were partly negated by higher net interest income on strong loan growth and higher fee income on loan-related activities from Singapore operations.

Global Markets and Investment Management

GMIM segment provides a comprehensive range of treasury products and services, including foreign exchange, money market, fixed income, derivatives, margin trading, futures broking, gold products, as well as an array of structured products. It is a dominant player in Singapore dollar treasury instruments as well as a provider of banknote services in the region. It also engages in asset management, proprietary investment activities and the management of excess liquidity and capital funds.

Segment profit decreased 37.3% to \$283 million in 1H08 as performance was partly affected by the continuing deterioration of the global equity and credit markets. The decrease was mainly attributed to mark-to-market losses from trading activities and securities, and lower fee income from asset management activities. These were partly offset by higher realised gain on investment securities.

Other

Other segment includes property-related activities and insurance businesses.

The segment recorded a profit of \$37 million in 1H08 compared to a loss of \$126 million in 1H07, mainly due to higher realised gain on investment securities and higher rental income on properties. These were partly offset by provision for a long-term investment and higher collective impairment provision for the expanded loan portfolio.

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Performance by Geographical Segment¹

| | 1H08 | 1H07 | 2Q08 | 1Q08 | 2Q07 |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|
| | \$m | \$m | \$m | \$m | \$m |
| Total Operating Income | | | | | |
| Singapore | 1,739 | 1,540 | 948 | 792 | 800 |
| Malaysia | 281 | 287 | 137 | 144 | 146 |
| Thailand | 230 | 220 | 116 | 114 | 113 |
| Indonesia | 132 | 143 | 66 | 65 | 73 |
| Greater China | 77 | 82 | 48 | 29 | 46 |
| Other | 231 | 218 | 109 | 122 | 119 |
| Total | 2,690 | 2,490 | 1,424 | 1,266 | 1,297 |

Profit before Tax

| | | | | | |
|-----------------------------|--------------|--------------|------------|------------|------------|
| Singapore | 1,087 | 1,073 | 602 | 485 | 579 |
| Malaysia | 109 | 144 | 29 | 80 | 75 |
| Thailand | 41 | (25) | 9 | 31 | (22) |
| Indonesia | 49 | 77 | 22 | 27 | 40 |
| Greater China ² | 17 | 50 | 21 | (4) | 27 |
| Other | 159 | 140 | 76 | 83 | 78 |
| | 1,462 | 1,459 | 759 | 703 | 777 |
| Intangible assets amortised | (5) | (6) | (3) | (3) | (3) |
| Total | 1,457 | 1,453 | 757 | 700 | 774 |

| | Jun-08 | Mar-08 | Dec-07 | Jun-07 |
|---------------------|----------------|----------------|----------------|----------------|
| | \$m | \$m | \$m | \$m |
| Total Assets | | | | |
| Singapore | 116,544 | 118,591 | 111,305 | 105,456 |
| Malaysia | 17,756 | 17,680 | 15,771 | 16,026 |
| Thailand | 8,800 | 9,724 | 9,740 | 10,084 |
| Indonesia | 4,040 | 3,960 | 3,943 | 4,096 |
| Greater China | 7,613 | 7,947 | 7,644 | 7,863 |
| Other | 21,803 | 23,632 | 22,282 | 22,242 |
| | 176,557 | 181,534 | 170,685 | 165,767 |
| Intangible assets | 4,241 | 4,250 | 4,265 | 4,296 |
| Total | 180,797 | 185,784 | 174,950 | 170,063 |

Notes:

- Based on the location where the transactions and assets are booked which approximates that based on the location of the customers and assets. Information is stated after elimination of inter-segment transactions.
- Revaluation loss on the USD capital injected in China was \$11m for 2Q08 (1Q08: \$30m). This was offset by a corresponding revaluation gain in Singapore where the USD exposure was hedged back-to-back. Excluding the revaluation loss, Greater China would have recorded a pre-tax profit of \$32m for 2Q08 (1Q08: \$26m).

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Capital Adequacy Ratios

| | Jun-08 \$m | Mar-08 \$m | Dec-07 \$m | Jun-07 \$m |
|--|----------------|----------------|----------------|----------------|
| Tier 1 capital | | | | |
| Share capital | 1,895 | 1,894 | 2,014 | 2,239 |
| Subsidiary preference shares | 832 | 832 | 832 | 832 |
| Disclosed reserves / other | 13,762 | 14,134 | 13,894 | 13,620 |
| Capital deductions | | | | |
| Intangible assets | (4,253) | (4,264) | (4,279) | (4,309) |
| Other | (606) | (585) | - | - |
| | 11,630 | 12,011 | 12,461 | 12,382 |
| Upper Tier 2 capital | | | | |
| Cumulative collective impairment / other | 730 | 724 | 1,511 | 1,557 |
| Subordinated notes | 4,718 | 5,249 | 5,196 | 5,163 |
| Capital deductions | (606) | (585) | - | - |
| | 4,842 | 5,388 | 6,707 | 6,720 |
| Capital deductions | - | - | (1,086) | (1,128) |
| Total capital | 16,472 | 17,399 | 18,082 | 17,974 |
| Risk-weighted assets ¹ | 114,368 | 111,850 | 124,772 | 114,842 |
| Capital adequacy ratios ("CAR") | | | | |
| Tier 1 | 10.2% | 10.7% | 10.0% | 10.8% |
| Total | 14.4% | 15.6% | 14.5% | 15.7% |

The Group adopted Basel II framework for its CAR computation in accordance with the revised MAS Notice 637 with effect from January 2008.

Group tier 1 CAR reduced 0.5% point over 31 March 2008 to 10.2% as at 30 June 2008 largely due to dividend payment in the quarter. Group total CAR decreased 1.2% points to 14.4% as at 30 June 2008. The decrease was due mainly to amortisation of, and fair value adjustment attributable to interest rate risk on subordinated debts, as well as dividend payment.

Group tier 1 CAR and total CAR as at 30 June 2008 were 4.2% points and 4.4% points above the minimum 6% and 10% required by MAS respectively.

Note:

¹ Include operational risk (with effect from January 2008) and market risk.

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Appendix 1

Consolidated Profit and Loss Account (Unaudited)

| | 1H08 | 1H07 | + / (-) | 2Q08 | 1Q08 | + / (-) | 2Q07 | + / (-) |
|--|--------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|
| | \$m | \$m | % | \$m | \$m | % | \$m | % |
| Interest income | 3,466 | 3,787 | (8.5) | 1,672 | 1,795 | (6.9) | 1,910 | (12.5) |
| Less: Interest expense | 1,741 | 2,265 | (23.1) | 798 | 943 | (15.3) | 1,149 | (30.5) |
| Net interest income | 1,725 | 1,523 | 13.3 | 873 | 852 | 2.5 | 761 | 14.7 |
| Dividend income | 43 | 38 | 13.7 | 41 | 3 | NM | 35 | 16.9 |
| Fee and commission income | 592 | 589 | 0.6 | 289 | 303 | (4.7) | 330 | (12.4) |
| Rental income | 51 | 33 | 54.0 | 27 | 24 | 10.8 | 17 | 57.8 |
| Other operating income | 277 | 307 | (9.7) | 194 | 84 | 131.2 | 154 | 25.7 |
| Total non-interest income | 964 | 968 | (0.3) | 550 | 414 | 32.9 | 536 | 2.7 |
| Total operating income | 2,690 | 2,490 | 8.0 | 1,424 | 1,266 | 12.4 | 1,297 | 9.8 |
| Less: Staff costs | 545 | 513 | 6.4 | 279 | 267 | 4.5 | 272 | 2.7 |
| Other operating expenses | 469 | 463 | 1.3 | 240 | 230 | 4.3 | 232 | 3.1 |
| Total operating expenses | 1,015 | 976 | 4.0 | 518 | 496 | 4.4 | 504 | 2.9 |
| Operating profit before amortisation and impairment charges | 1,675 | 1,515 | 10.6 | 905 | 770 | 17.6 | 793 | 14.2 |
| Less: Intangible assets amortised | 5 | 6 | (13.0) | 3 | 3 | (3.0) | 3 | (15.9) |
| Impairment charges | 269 | 168 | 59.8 | 180 | 89 | 102.2 | 81 | 122.5 |
| Operating profit after amortisation and impairment charges | 1,401 | 1,340 | 4.5 | 723 | 678 | 6.6 | 709 | 1.9 |
| Share of profit of associates | 56 | 112 | (50.0) | 34 | 22 | 54.3 | 65 | (47.8) |
| Profit before tax | 1,457 | 1,453 | 0.3 | 757 | 700 | 8.1 | 774 | (2.3) |
| Less: Tax | 315 | 315 | (0.0) | 152 | 163 | (7.0) | 170 | (11.0) |
| Profit for the financial period | 1,142 | 1,138 | 0.4 | 605 | 537 | 12.6 | 604 | 0.2 |
| Attributable to: | | | | | | | | |
| Equity holders of the Bank | 1,130 | 1,103 | 2.5 | 601 | 529 | 13.5 | 585 | 2.7 |
| Minority interests | 12 | 35 | (65.6) | 4 | 8 | (43.5) | 19 | (77.5) |
| | 1,142 | 1,138 | 0.4 | 605 | 537 | 12.6 | 604 | 0.2 |
| Earnings per ordinary share (\$) ¹ | | | | | | | | |
| Basic | 1.47 | 1.42 | 3.5 | 1.57 | 1.38 | 13.8 | 1.51 | 4.0 |
| Diluted | 1.47 | 1.42 | 3.5 | 1.57 | 1.38 | 13.8 | 1.51 | 4.0 |

Note:

1 Annualised

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Appendix 2

Consolidated Balance Sheet (Unaudited)

| | Jun-08 | Mar-08 | Dec-07 ¹ | Jun-07 |
|--|----------------|---------|---------------------|---------|
| | \$m | \$m | \$m | \$m |
| Equity | | | | |
| Share capital | 1,895 | 1,894 | 2,014 | 2,239 |
| Subsidiary preference shares | 832 | 832 | 832 | 832 |
| Capital reserves | 2,720 | 3,024 | 3,714 | 4,215 |
| Statutory reserves | 3,132 | 3,132 | 3,132 | 3,130 |
| Revenue reserves | 7,760 | 7,847 | 7,328 | 6,778 |
| Share of reserves of associates | 244 | 263 | 310 | 317 |
| Equity attributable to equity holders of the Bank | 16,583 | 16,992 | 17,329 | 17,511 |
| Minority interests | 364 | 384 | 398 | 396 |
| Total | 16,947 | 17,375 | 17,726 | 17,908 |
| Liabilities | | | | |
| Deposits and balances of banks and agents | 36,455 | 39,531 | 32,091 | 31,738 |
| Deposits and balances of non-bank customers | 109,004 | 109,580 | 106,967 | 104,469 |
| Bills and drafts payable | 1,970 | 1,971 | 1,824 | 479 |
| Other liabilities | 10,084 | 11,120 | 9,675 | 8,132 |
| Debts issued | 6,337 | 6,206 | 6,666 | 7,338 |
| Total | 163,850 | 168,408 | 157,224 | 152,156 |
| Total equity and liabilities | 180,797 | 185,784 | 174,950 | 170,063 |
| Assets | | | | |
| Cash, balances and placements with central banks | 18,607 | 21,222 | 17,667 | 20,434 |
| Singapore Government treasury bills and securities | 9,173 | 8,690 | 9,134 | 9,623 |
| Other government treasury bills and securities | 3,745 | 4,650 | 3,482 | 3,266 |
| Trading securities | 411 | 525 | 410 | 561 |
| Placements and balances with banks and agents | 15,625 | 18,940 | 15,207 | 19,595 |
| Loans to non-bank customers | 97,395 | 94,373 | 92,669 | 82,461 |
| Investment securities | 18,316 | 18,625 | 19,417 | 18,714 |
| Other assets | 10,055 | 11,229 | 9,359 | 7,734 |
| Investment in associates | 1,183 | 1,229 | 1,261 | 1,280 |
| Properties and other fixed assets | 2,047 | 2,051 | 2,081 | 2,099 |
| Intangible assets | 4,241 | 4,250 | 4,265 | 4,296 |
| Total | 180,797 | 185,784 | 174,950 | 170,063 |
| Off-Balance Sheet Items | | | | |
| Contingent liabilities | 13,819 | 12,810 | 13,082 | 11,013 |
| Financial derivatives | 447,758 | 399,869 | 388,058 | 437,557 |
| Commitments | 48,872 | 48,988 | 48,359 | 47,149 |
| Net asset value per ordinary share (\$) | 10.46 | 10.73 | 10.91 | 10.95 |

Note:

¹ Audited.

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Appendix 3

Consolidated Statement of Changes in Equity (Unaudited)

| | Equity Attributable to Equity Holders of the Bank | | | | | | | | |
|---|---|------------------------------|------------------|--------------------|------------------|---------------------------------|---------|--------------------|--------------|
| | Share Capital | Subsidiary Preference Shares | Capital Reserves | Statutory Reserves | Revenue Reserves | Share of Reserves of Associates | Total | Minority Interests | Total Equity |
| | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m |
| Balance at 1 January 2008 | 2,014 | 832 | 3,714 | 3,132 | 7,328 | 310 | 17,329 | 398 | 17,726 |
| Currency translation adjustments | - | - | (316) | - | - | - | (316) | (18) | (335) |
| Change in available-for-sale reserve | - | - | (678) | - | - | - | (678) | (5) | (684) |
| Net change in fair value | - | - | (678) | - | - | - | (678) | (5) | (684) |
| Transferred to profit and loss account on disposal / impairment | - | - | (6) | - | - | - | (6) | (0) | (6) |
| Change in share of associates' reserves | - | - | - | - | - | (66) | (66) | - | (66) |
| Total losses recognised directly in equity | - | - | (1,001) | - | - | (66) | (1,067) | (24) | (1,091) |
| Profit for the financial period | - | - | - | - | 1,130 | - | 1,130 | 12 | 1,142 |
| Total gains / (losses) recognised for the financial period | - | - | (1,001) | - | 1,130 | (66) | 63 | (12) | 51 |
| Transfer from / (to) revenue reserves | - | - | (0) | 1 | (1) | - | - | - | - |
| Change in minority interests | - | - | - | - | - | - | - | (0) | (0) |
| Dividends | - | - | - | - | (697) | - | (697) | (21) | (718) |
| Share buyback - held in treasury | (120) | - | - | - | - | - | (120) | - | (120) |
| Share-based payment | - | - | 7 | - | - | - | 7 | - | 7 |
| Issue of shares under share option scheme | 2 | - | - | - | - | - | 2 | - | 2 |
| Balance at 30 June 2008 | 1,895 | 832 | 2,720 | 3,132 | 7,760 | 244 | 16,583 | 364 | 16,947 |
| Balance at 1 January 2007 | 2,247 | 832 | 3,969 | 3,130 | 6,356 | 257 | 16,791 | 385 | 17,176 |
| Currency translation adjustments | - | - | 135 | - | - | - | 135 | 1 | 136 |
| Change in available-for-sale reserve | - | - | 280 | - | - | - | 280 | 3 | 283 |
| Net change in fair value | - | - | 280 | - | - | - | 280 | 3 | 283 |
| Transferred to profit and loss account on disposal / impairment | - | - | (73) | - | - | - | (73) | (0) | (73) |
| Change in share of associates' reserves | - | - | - | - | - | 55 | 55 | - | 55 |
| Transfer to revenue reserves upon disposal of associates | - | - | - | - | (5) | 5 | - | - | - |
| Total gains / (losses) recognised directly in equity | - | - | 342 | - | (5) | 60 | 398 | 4 | 401 |
| Profit for the financial period | - | - | - | - | 1,103 | - | 1,103 | 35 | 1,138 |
| Total gains recognised for the financial period | - | - | 342 | - | 1,098 | 60 | 1,500 | 39 | 1,539 |
| Transfer from / (to) revenue reserves | - | - | (96) | 0 | 96 | - | - | - | - |
| Change in minority interests | - | - | - | - | - | - | - | (1) | (1) |
| Dividends | - | - | - | - | (772) | - | (772) | (27) | (799) |
| Share buyback - held in treasury | (14) | - | - | - | - | - | (14) | - | (14) |
| Issue of shares under share option scheme | 6 | - | - | - | - | - | 6 | - | 6 |
| Balance at 30 June 2007 | 2,239 | 832 | 4,215 | 3,130 | 6,778 | 317 | 17,511 | 396 | 17,908 |

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Appendix 3.1

Consolidated Statement of Changes in Equity (Unaudited)

| | Equity Attributable to Equity Holders of the Bank | | | | | | | | |
|--|---|------------------------------------|---------------------|-----------------------|---------------------|---------------------------------------|--------|-----------------------|-----------------|
| | Share Capital | Subsidiary Preference Shares | Capital Reserves | Statutory Reserves | Revenue Reserves | Share of Reserves of Associates | Total | Minority Interests | Total Equity |
| | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m | \$m |
| Balance at 1 April 2008 | 1,894 | 832 | 3,024 | 3,132 | 7,847 | 263 | 16,992 | 384 | 17,375 |
| Currency translation adjustments | - | - | (190) | - | - | - | (190) | (12) | (202) |
| Change in available-for-sale reserve | | | | | | | | | |
| Net change in fair value | - | - | (129) | - | - | - | (129) | (11) | (141) |
| Transferred to profit and loss account on disposal / impairment | - | - | 12 | - | - | - | 12 | 9 | 21 |
| Change in share of associates' reserves | - | - | - | - | - | (20) | (20) | - | (20) |
| Total losses recognised directly in equity | - | - | (307) | - | - | (20) | (327) | (15) | (342) |
| Profit for the financial period | - | - | - | - | 601 | - | 601 | 4 | 605 |
| Total gains / (losses) recognised for the financial period | - | - | (307) | - | 601 | (20) | 274 | (11) | 263 |
| Transfer from revenue reserves | - | - | - | 0 | (0) | - | - | - | - |
| Change in minority interests | - | - | - | - | - | - | - | 0 | 0 |
| Dividends | - | - | - | - | (687) | - | (687) | (8) | (696) |
| Share-based payment | - | - | 3 | - | - | - | 3 | - | 3 |
| Issue of shares under share option scheme | 1 | - | - | - | - | - | 1 | - | 1 |
| Balance at 30 June 2008 | 1,895 | 832 | 2,720 | 3,132 | 7,760 | 244 | 16,583 | 364 | 16,947 |
| Balance at 1 April 2007 | 2,250 | 832 | 4,148 | 3,130 | 6,858 | 288 | 17,507 | 386 | 17,893 |
| Currency translation adjustments | - | - | 75 | - | - | - | 75 | 6 | 81 |
| Change in available-for-sale reserve | | | | | | | | | |
| Net change in fair value | - | - | 118 | - | - | - | 118 | 2 | 120 |
| Transferred to profit and loss account on disposal / impairment | - | - | (30) | - | - | - | (30) | (0) | (30) |
| Change in share of associates' reserves | - | - | - | - | - | 29 | 29 | - | 29 |
| Total gains recognised directly in equity | - | - | 163 | - | - | 29 | 191 | 8 | 199 |
| Profit for the financial period | - | - | - | - | 585 | - | 585 | 19 | 604 |
| Total gains recognised for the financial period | - | - | 163 | - | 585 | 29 | 776 | 27 | 803 |
| Transfer from / (to) revenue reserves | - | - | (96) | 0 | 96 | - | - | - | - |
| Change in minority interests | - | - | - | - | - | - | - | (0) | (0) |
| Dividends | - | - | - | - | (761) | - | (761) | (17) | (778) |
| Share buyback - held in treasury | (14) | - | - | - | - | - | (14) | - | (14) |
| Issue of shares under share option scheme | 3 | - | - | - | - | - | 3 | - | 3 |
| Balance at 30 June 2007 | 2,239 | 832 | 4,215 | 3,130 | 6,778 | 317 | 17,511 | 396 | 17,908 |

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Appendix 4

Consolidated Cash Flow Statement (Unaudited)

| | 1H08 | 1H07 | 2Q08 | 2Q07 |
|--|---------------|---------------|----------------|---------------|
| | \$m | \$m | \$m | \$m |
| Cash flows from operating activities | | | | |
| Operating profit before amortisation and impairment charges | 1,675 | 1,515 | 905 | 793 |
| Adjustments for: | | | | |
| Depreciation of assets | 67 | 70 | 34 | 35 |
| Net gain on disposal of assets | (157) | (64) | (154) | (30) |
| Share-based payment | 7 | - | 3 | - |
| Operating profit before working capital changes | 1,592 | 1,521 | 789 | 798 |
| Changes in working capital | | | | |
| Increase / (decrease) in deposits | 6,400 | 7,207 | (3,652) | 2,823 |
| Increase / (decrease) in bills and drafts payable | 146 | 91 | (1) | 48 |
| Increase / (decrease) in other liabilities | 473 | (73) | (1,008) | (313) |
| (Increase) / decrease in trading securities | (1) | (78) | 114 | (75) |
| (Increase) / decrease in placements and balances with banks and agents | (418) | 4,937 | 3,316 | 4,419 |
| Increase in loans to non-bank customers | (4,897) | (5,706) | (3,161) | (3,452) |
| (Increase) / decrease in other assets | (718) | 397 | 1,159 | 421 |
| Cash generated from operations | 2,578 | 8,296 | (2,445) | 4,669 |
| Income tax paid | (363) | (255) | (183) | (198) |
| Net cash provided by / (used in) operating activities | 2,215 | 8,041 | (2,628) | 4,470 |
| Cash flows from investing activities | | | | |
| Net cash flow on disposal / (acquisition) of: | | | | |
| Investment securities and associates | 501 | (848) | 319 | (346) |
| Properties and other fixed assets | (25) | (299) | (23) | (272) |
| Change in minority interests | (24) | 3 | (15) | 8 |
| Dividends received from associates | 55 | 55 | 54 | 48 |
| Net cash provided by / (used in) investing activities | 507 | (1,089) | 335 | (562) |
| Cash flows from financing activities | | | | |
| Proceeds from issue of shares | 2 | 6 | 1 | 3 |
| Net (decrease) / increase in debts issued | (330) | 742 | 131 | 782 |
| Share buyback | (120) | (14) | - | (14) |
| Dividends paid on ordinary shares | (678) | (750) | (678) | (750) |
| Dividends paid on subsidiary preference shares | (20) | (22) | - | - |
| Dividends paid to minority interests | (21) | (19) | (8) | (9) |
| Net cash (used in) / provided by financing activities | (1,166) | (57) | (554) | 12 |
| Currency translation adjustments | (313) | 137 | (189) | 74 |
| Net increase / (decrease) in cash and cash equivalents for the financial period | 1,242 | 7,031 | (3,036) | 3,995 |
| Cash and cash equivalents at beginning of the financial period | 30,283 | 26,292 | 34,561 | 29,328 |
| Cash and cash equivalents at end of the financial period | 31,525 | 33,323 | 31,525 | 33,323 |
| Represented by: | | | | |
| Cash, balances and placements with central banks | 18,607 | 20,434 | 18,607 | 20,434 |
| Singapore Government treasury bills and securities | 9,173 | 9,623 | 9,173 | 9,623 |
| Other government treasury bills and securities | 3,745 | 3,266 | 3,745 | 3,266 |
| Cash and cash equivalents at end of the financial period | 31,525 | 33,323 | 31,525 | 33,323 |

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Appendix 5

Balance Sheet of the Bank (Unaudited)

| | Jun-08 \$m | Mar-08 \$m | Dec-07 ¹ \$m | Jun-07 \$m |
|--|----------------|----------------|----------------------------|----------------|
| Equity | | | | |
| Share capital | 1,895 | 1,894 | 2,014 | 2,239 |
| Capital reserves | 3,060 | 3,060 | 3,597 | 3,972 |
| Statutory reserves | 2,753 | 2,753 | 2,753 | 2,753 |
| Revenue reserves | 5,996 | 6,061 | 5,623 | 5,435 |
| Total | 13,703 | 13,768 | 13,987 | 14,399 |
| Liabilities | | | | |
| Deposits and balances of banks and agents | 33,101 | 37,073 | 30,142 | 27,695 |
| Deposits and balances of non-bank customers | 87,687 | 86,498 | 84,312 | 81,268 |
| Deposits and balances of subsidiaries | 3,742 | 3,461 | 4,047 | 4,072 |
| Total deposits and balances | 124,531 | 127,032 | 118,502 | 113,035 |
| Bills and drafts payable | 217 | 161 | 372 | 299 |
| Other liabilities | 7,382 | 8,156 | 7,013 | 5,667 |
| Debts issued | 6,418 | 6,688 | 6,665 | 6,480 |
| Total | 138,547 | 142,036 | 132,551 | 125,480 |
| Total equity and liabilities | 152,251 | 155,805 | 146,538 | 139,879 |
| Assets | | | | |
| Cash, balances and placements with central banks | 14,628 | 16,838 | 14,976 | 17,006 |
| Singapore Government treasury bills and securities | 9,054 | 8,598 | 9,052 | 9,530 |
| Other government treasury bills and securities | 2,266 | 2,848 | 1,878 | 2,293 |
| Trading securities | 314 | 333 | 110 | 239 |
| Placements and balances with banks and agents | 12,314 | 16,268 | 13,220 | 15,251 |
| Loans to non-bank customers | 74,883 | 71,793 | 71,994 | 63,073 |
| Placements with and advances to subsidiaries | 3,487 | 2,946 | 646 | 795 |
| Investment securities | 17,278 | 17,362 | 18,205 | 16,913 |
| Other assets | 8,522 | 9,320 | 7,687 | 6,030 |
| Investment in associates | 372 | 373 | 373 | 373 |
| Investment in subsidiaries | 4,604 | 4,602 | 3,859 | 3,820 |
| Properties and other fixed assets | 1,345 | 1,340 | 1,357 | 1,374 |
| Intangible assets | 3,182 | 3,182 | 3,182 | 3,182 |
| Total | 152,251 | 155,805 | 146,538 | 139,879 |
| Off-Balance Sheet Items | | | | |
| Contingent liabilities | 11,345 | 10,444 | 11,089 | 8,801 |
| Financial derivatives | 428,460 | 381,893 | 377,779 | 430,463 |
| Commitments | 40,365 | 39,661 | 39,872 | 38,442 |
| Net asset value per ordinary share (\$) | 9.10 | 9.15 | 9.25 | 9.45 |

Note:

1 Audited.

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Appendix 6

Statement of Changes in Equity of the Bank (Unaudited)

| | Share Capital \$m | Capital Reserves \$m | Statutory Reserves \$m | Revenue Reserves \$m | Total Equity \$m |
|--|-------------------------|----------------------------|------------------------------|----------------------------|------------------------|
| Balance at 1 January 2008 | 2,014 | 3,597 | 2,753 | 5,623 | 13,987 |
| Currency translation adjustments | - | (3) | - | - | (3) |
| Change in available-for-sale reserve | | | | | |
| Net change in fair value | - | (536) | - | - | (536) |
| Transferred to profit and loss account on disposal / impairment | - | (5) | - | - | (5) |
| Total losses recognised directly in equity | - | (544) | - | - | (544) |
| Profit for the financial period | - | - | - | 1,050 | 1,050 |
| Total gains / (losses) recognised for the financial period | - | (544) | - | 1,050 | 506 |
| Dividends | - | - | - | (678) | (678) |
| Share buyback - held in treasury | (120) | - | - | - | (120) |
| Share-based payment | - | 7 | - | - | 7 |
| Issue of shares under share option scheme | 2 | - | - | - | 2 |
| Balance at 30 June 2008 | 1,895 | 3,060 | 2,753 | 5,996 | 13,703 |
| Balance at 1 January 2007 | 2,247 | 3,818 | 2,753 | 4,989 | 13,807 |
| Currency translation adjustments | - | 2 | - | - | 2 |
| Change in available-for-sale reserve | | | | | |
| Net change in fair value | - | 272 | - | - | 272 |
| Transferred to profit and loss account on disposal / impairment | - | (72) | - | - | (72) |
| Total gains recognised directly in equity | - | 202 | - | - | 202 |
| Profit for the financial period | - | - | - | 1,147 | 1,147 |
| Total gains recognised for the financial period | - | 202 | - | 1,147 | 1,349 |
| Transfer to revenue reserves | - | (48) | - | 48 | - |
| Dividends | - | - | - | (750) | (750) |
| Share buyback - held in treasury | (14) | - | - | - | (14) |
| Issue of shares under share option scheme | 6 | - | - | - | 6 |
| Balance at 30 June 2007 | 2,239 | 3,972 | 2,753 | 5,435 | 14,399 |

APPENDIX F – FIRST HALF 2008 UOB GROUP FINANCIAL REPORT



Appendix 6.1

Statement of Changes in Equity of the Bank (Unaudited)

| | Share Capital \$m | Capital Reserves \$m | Statutory Reserves \$m | Revenue Reserves \$m | Total Equity \$m |
|--|-------------------------|----------------------------|------------------------------|----------------------------|------------------------|
| Balance at 1 April 2008 | 1,894 | 3,060 | 2,753 | 6,061 | 13,768 |
| Currency translation adjustments | - | (6) | - | - | (6) |
| Change in available-for-sale reserve | | | | | |
| Net change in fair value | - | 3 | - | - | 3 |
| Transferred to profit and loss account on disposal / impairment | - | (1) | - | - | (1) |
| Total losses recognised directly in equity | - | (4) | - | - | (4) |
| Profit for the financial period | - | - | - | 612 | 612 |
| Total gains / (losses) recognised for the financial period | - | (4) | - | 612 | 608 |
| Dividends | - | - | - | (678) | (678) |
| Share-based payment | - | 3 | - | - | 3 |
| Issue of shares under share option scheme | 1 | - | - | - | 1 |
| Balance at 30 June 2008 | 1,895 | 3,060 | 2,753 | 5,996 | 13,703 |
| Balance at 1 April 2007 | 2,250 | 3,951 | 2,753 | 5,366 | 14,320 |
| Currency translation adjustments | - | 4 | - | - | 4 |
| Change in available-for-sale reserve | | | | | |
| Net change in fair value | - | 95 | - | - | 95 |
| Transferred to profit and loss account on disposal / impairment | - | (30) | - | - | (30) |
| Total gains recognised directly in equity | - | 69 | - | - | 69 |
| Profit for the financial period | - | - | - | 770 | 770 |
| Total gains recognised for the financial period | - | 69 | - | 770 | 839 |
| Transfer to revenue reserves | - | (48) | - | 48 | - |
| Dividends | - | - | - | (750) | (750) |
| Share buy back - held in treasury | (14) | - | - | - | (14) |
| Issue of shares under share option scheme | 3 | - | - | - | 3 |
| Balance at 30 June 2007 | 2,239 | 3,972 | 2,753 | 5,435 | 14,399 |

APPENDIX F – FIRST HALF 2008 UOB GROUP FINANCIAL REPORT



Appendix 7

Collateralised Debt Obligations ("CDO")

| | Jun-08 \$m | Mar-08 \$m | Dec-07 \$m | Jun-07 \$m |
|----------------------|---------------|---------------|---------------|---------------|
| ABS CDO | | | | |
| Exposure | 81 | 82 | 86 | 92 |
| Allowance | 81 | 82 | 40 | - |
| Corporate CDO | | | | |
| Exposure | 183 | 186 | 229 | 304 |
| Allowance | 76 | 54 | 59 | 34 |
| Total | | | | |
| Exposure | 264 | 268 | 315 | 396 |
| Allowance | 157 | 136 | 99 | 34 |

As at 30 June 2008, 67% of the corporate CDO portfolio were rated by FITCH or Standard & Poor's with 56% rated A and above. The underlying assets of the ABS CDO were dominantly in residential mortgages.

The information is provided with reference to the disclosure guidelines of the Financial Stability Forum ("FSF"). In the context of the FSF, the Group had no exposure to special purpose entities as at 30 June 2008.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

Applications are invited for the subscription of the Preference Shares at the Issue Price subject to the following terms and conditions:

1. **YOUR APPLICATION MUST BE MADE IN LOTS OF 100 PREFERENCE SHARES OR HIGHER INTEGRAL MULTIPLES THEREOF. APPLICATIONS FOR ANY OTHER NUMBER OF PREFERENCE SHARES WILL BE REJECTED. AN APPLICATION FOR PREFERENCE SHARES UNDER THE PLACEMENT IS SUBJECT TO A MINIMUM OF 500 PREFERENCE SHARES PER APPLICANT. AN APPLICATION FOR PREFERENCE SHARES UNDER THE ATM OFFER IS SUBJECT TO A MINIMUM OF 100 PREFERENCE SHARES PER APPLICANT.**
2. Applications for the Preference Shares under the Placement (the “**Placement Preference Shares**”) may only be made by way of **original printed BLUE** Placement Preference Shares Application Forms (the “**Application Forms**”) (or in such other manner as UOB may in its absolute discretion deem appropriate). Your application for the Preference Shares under the ATM Offer (the “**ATM Preference Shares**”) may be made through the ATMs of the Participating Banks (“**Electronic Applications**”) (or in such other manner as UOB may in its absolute discretion deem appropriate). **YOU MAY NOT USE YOUR CPF FUNDS OR SRS MONIES TO APPLY FOR THE PREFERENCE SHARES.**
3. You may apply for the Placement Preference Shares via the Preference Shares Application Forms from **9.00 a.m. on 28 August 2008 to 12.00 noon on 12 September 2008**. You may apply for the ATM Preference Shares via the ATMs of the Participating Banks from **9.00 a.m. on 28 August 2008 to 12.00 noon on 12 September 2008**. UOB may, and with the approval of the SGX-ST (where required), change the date(s) and/or time(s) stated above at its discretion, subject to all applicable laws and regulations.
4. **Only one application for the ATM Preference Shares may be made for the benefit of one person in his own name. Multiple applications for the ATM Preference Shares will be rejected, except in the case of applications by approved nominee companies where each application is made on behalf of a different beneficiary.**

A person, other than an approved nominee company, who submits an application for the ATM Preference Shares in his own name should not submit any other application for the ATM Preference Shares for any other person. Such separate applications will be deemed to be multiple applications and shall be rejected.

Joint or multiple applications for the ATM Preference Shares shall be rejected. Persons submitting or procuring submissions of multiple applications for the ATM Preference Shares may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the SFA, and such applications may be referred to the relevant authorities for investigation.

Multiple applications may be made in the case of applications by any person for (i) Placement Preference Shares offered under the Placement or (ii) Placement Preference Shares offered under the Placement together with a single application for the ATM Preference Shares under the ATM Offer.

5. UOB will not accept applications from any person under the age of 21 years, undischarged bankrupts, sole-proprietorships, partnerships, non-corporate bodies, joint Securities Account holders and applicants whose addresses (furnished in their Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Banks, as the case may be) bear post office box numbers. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account in the deceased's name at the time of application.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

6. UOB will not recognise the existence of a trust. Any application by a trustee or trustees must be made in his/their own name(s) and without qualification. Applications made by way of an Application Form in the name(s) of an approved nominee company or approved nominee companies must comply with paragraph 7 below.
7. **UOB WILL ONLY ACCEPT NOMINEE APPLICATIONS FROM APPROVED NOMINEE COMPANIES.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies shall be rejected.
8. **IF YOU ARE NOT AN APPROVED NOMINEE COMPANY, YOU MUST MAINTAIN A SECURITIES ACCOUNT IN YOUR OWN NAME AT THE TIME OF YOUR APPLICATION.** If you do not have an existing Securities Account in your own name at the time of your application, your application will be rejected (if your application is by way of an Application Form), or you will not be able to complete your Electronic Application (if your application is by way of an Electronic Application). If you have an existing Securities Account but fail to provide your Securities Account number or provide an incorrect Securities Account number in Section B of the Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected. Subject to paragraph 9 below, your application shall be rejected if your particulars such as name, NRIC/passport number, nationality, permanent residence status and Securities Account number provided in your Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank, as the case may be, differ from those particulars in your Securities Account as maintained with CDP. If you possess more than one individual direct Securities Account, your application shall be rejected.
9. If your address stated in the Application Form or, in the case of an Electronic Application, in the records of the relevant Participating Bank, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment and other correspondence from the CDP will be sent to your address last registered with CDP.
10. UOB reserves the right to reject any applications for Preference Shares where it believes or has reason to believe that such applications may violate the securities laws of any jurisdiction.
11. No person in any jurisdiction outside Singapore receiving this Offer Information Statement or the Application Forms may treat the same as an offer or invitation to subscribe for any Preference Shares.
12. UOB reserves the right to reject any application which does not conform strictly to the instructions set out in the Application Form and this Offer Information Statement or which does not comply with the instructions for Electronic Applications or with the terms and conditions of this Offer Information Statement or, in the case of an application by way of an Application Form, which is not made on the **original printed BLUE** Application Form, or which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn or improper form of remittance. UOB further reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in this Offer Information Statement (including the instructions set out in the Application Forms and the Electronic Applications) or with the terms and conditions of this Offer Information Statement, and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

13. **UOB reserves the right to reject or accept any application in whole or in part, or to scale down or ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on its decision will be entertained. This right applies to applications made by way of Application Forms and by way of Electronic Applications, and by such other forms of application as it deems appropriate.**
14. The Preference Shares may be re-allocated between the Placement and the ATM Offer at UOB's sole discretion. To the extent that the Preference Shares offered under the Placement are not fully subscribed for, UOB may, at its sole discretion, apply such unsubscribed Preference Shares to satisfy any excess demand for Preference Shares under the ATM Offer, to the extent there is such excess demand. To the extent that the Preference Shares offered under the ATM Offer are not fully subscribed for, UOB may, at its sole discretion apply such unsubscribed Preference Shares to satisfy any excess demand for Preference Shares under the Placement, to the extent there is such excess demand.
15. Share certificates will be registered in the name of CDP or its nominee and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the Closing Date, a statement of account stating that your Securities Account has been credited with the number of Preference Shares allotted to you. This will be the only acknowledgement of application moneys received and is not an acknowledgement by UOB. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the Preference Shares allotted to you. This authorisation applies to applications made by way of Application Forms and by way of Electronic Applications.

You consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, Securities Account number, CPF Investment Account number (if applicable) and share application amount to the Share Registrar and Share Transfer Office, Securities Clearing Computer Services (Pte) Ltd (the "SCCS"), the SGX-ST, CDP, the CPF Board (if applicable), UOB, the UOB Group, the Joint Lead Issue Managers and Joint Bookrunners and the Co-Managers.

16. By completing and delivering an Application Form and, in the case of an Electronic Application, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key or any other relevant key on the ATM in accordance with the provisions herein, you:
 - (a) irrevocably offer, agree and undertake to subscribe for the number of Preference Shares specified in your application (or such smaller number for which the application is accepted) at the Issue Price and agree that you will accept such Preference Shares as may be allotted to you, in each case on the terms of, and subject to the conditions set out in, this Offer Information Statement and the Memorandum and Articles of Association of UOB;
 - (b) agree that where new circumstances arise, or changes in the assets and liabilities, profits and losses, financial position and performance or prospects of UOB or the UOB Group or any of the information contained herein since the date hereof, occur after the date of this Offer Information Statement but prior to the issue of the Preference Shares, and are material, or are required to be disclosed by law and/or the SGX-ST, and UOB makes an announcement of the same to the SGX-ST, your application for the Preference Shares which was received by UOB prior to the release of such announcement will remain valid and irrevocable notwithstanding the release of such announcement. If a supplementary or replacement document is lodged, such supplementary or replacement document will set out the additional terms and conditions relating to applications for the Preference Shares and applications received by UOB prior to the lodgment of such supplementary or replacement document will be subject to such terms and conditions;

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

- (c) agree that in the event of any inconsistency between the terms and conditions for application set out in this Offer Information Statement and those set out in the ATMs of the Participating Banks, the terms and conditions set out in this Offer Information Statement shall prevail;
 - (d) in the case of an application by way of an Electronic Application, agree that the aggregate Issue Price for the Preference Shares applied for is due and payable to UOB upon application;
 - (e) in the case of an application by way of an Application Form or such other forms of application as UOB may deem appropriate, agree that the aggregate Issue Price for the Preference Shares applied for is due and payable to UOB upon application, unless otherwise agreed by UOB, provided that the aggregate Issue Price for the Preference Shares applied for is due and payable latest on the Closing Date;
 - (f) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by UOB in determining whether to accept your application and/or whether to allot any Preference Shares to you; and
 - (g) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and UOB will not infringe any such laws as a result of the acceptance of your application.
17. You irrevocably authorise CDP to disclose the outcome of your application, including the number of Preference Shares allotted to you pursuant to your application, to UOB, the UOB Group, the Joint Lead Issue Managers and Joint Bookrunners, the Co-Managers and/or any other parties so authorised by CDP, UOB, the UOB Group, the Joint Lead Issue Managers and Joint Bookrunners and/or the Co-Managers.
18. No application will be held in reserve.
19. No Preference Shares shall be allotted on the basis of this Offer Information Statement later than six months after the date of lodgment of this Offer Information Statement with the Authority.
20. Additional terms and conditions for applications by way of Application Forms are set out in the section “Additional Terms and Conditions for Applications using Printed Application Forms” on pages G-4 to G-7 of this Offer Information Statement.
21. Additional terms and conditions for applications by way of Electronic Applications are set out in the section “Additional Terms and Conditions for Applications for Electronic Applications” on pages G-7 to G-14 of this Offer Information Statement.
22. Any reference to “you” or the “applicant” in this section shall include an individual, a corporation, an approved nominee company and trustee applying for the Preference Shares by way of an Electronic Application or Application Form (or in such other manner as UOB may in its absolute discretion deem appropriate).

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING PRINTED APPLICATION FORMS

You shall make an application by way of an Application Form on and subject to the terms and conditions of this Offer Information Statement including but not limited to the terms and conditions appearing below as well as those set out under the section “Terms, Conditions and Procedures for Application and Acceptance” on pages G-1 to G-4 of this Offer Information Statement, as well as the Memorandum and Articles of Association of UOB.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

1. Application for Placement Preference Shares must be made using the **original printed BLUE** Application Form forming part of this Offer Information Statement (or in such other manner as UOB may in its absolute discretion deem appropriate).

Attention is drawn to the detailed instructions contained in the Application Form and this Offer Information Statement for the completion of the Application Form which must be carefully followed. **UOB reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Form and this Offer Information Statement, or which are not made on the original printed BLUE Application Form, or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn or improper forms of remittances.**

2. Your Application Forms must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.
3. All spaces in the Application Forms except those under the heading “**FOR OFFICIAL USE ONLY**” must be completed and the words “**NOT APPLICABLE**” or “**N.A.**” should be written in any space that is not applicable.
4. Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full name as it appears in your identity card (if you have such an identification document) or in your passport and, in the case of a corporation, in your full name as registered with a competent authority. If you are not an individual and you are completing the Application Form under the hand of an official, you must state the name and capacity in which that official signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your memorandum and articles of association or equivalent constitutive documents. If you are a corporate applicant and your application is successful, a copy of your memorandum and articles of association or equivalent constitutional documents must be lodged with the Share Registrar and Share Transfer Office. UOB reserves the right to require you to produce documentary proof of identification for verification purposes.
5.
 - (a) You must complete Sections A and B on page 2, and sign page 1 of the Application Form.
 - (b) You are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Form. Where paragraph 7(a) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).
 - (c) If you fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.
6. You (whether an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50% of the issued share capital of or interests in such corporation. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Preference Shares is a citizen or permanent resident of Singapore or a corporation (whether incorporated or unincorporated and wherever incorporated or constituted) in which citizens or permanent residents of Singapore or any body corporate (whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore) have an interest in the aggregate of more than 50% of the issued share capital of or interests in such corporation.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

7. You may apply for the Preference Shares using only cash. Each application must be accompanied by a cash remittance in Singapore currency for the full amount payable at the Issue Price of \$100 for each Preference Share in respect of the number of Preference Shares applied for, in the form of a **CASHIER'S ORDER** or **BANKER'S DRAFT** drawn in Singapore dollars on a bank in Singapore, made out in favour of "**UOB PREFERENCE SHARE ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**" with the name, NRIC/passport number, Securities Account number, contact number and address of the applicant written clearly on the reverse side, or such other method of payment agreed by UOB, but in any event, application moneys for the Preference Shares under the Placement must be paid in full latest by the Closing Date, whereupon the proceeds of the Placement (after deducting any commission and expenses (if any)) shall be paid to the "**UOB PREFERENCE SHARE ISSUE ACCOUNT**".

Applications not accompanied by any payment or instructions for payment or accompanied by any other form of payment will not be accepted, unless otherwise agreed by UOB. No combined banker's draft or cashier's order for different Securities Accounts shall be accepted. Remittances bearing "NOT TRANSFERABLE" or "NON-TRANSFERABLE" crossings will be rejected. No acknowledgement of receipt will be issued for applications and application moneys received.

8. The completed and signed Application Form and your remittance in accordance with the terms and conditions of this Offer Information Statement for the full amount payable in respect of the number of Preference Shares applied for must be enclosed and sealed in an envelope to be provided by you. Only one application should be enclosed in each envelope. You must affix adequate Singapore postage and thereafter the sealed envelope must be **DESPATCHED BY ORDINARY POST** at your own risk to **UNITED OVERSEAS BANK LIMITED, 80 RAFFLES PLACE, UOB PLAZA 1, #03-03, SINGAPORE 048624** to arrive by 12.00 noon on 12 September 2008 (or such other time and date as UOB may decide). **Local Urgent Mail or Registered Post must NOT be used**. Applications for the Preference Shares under the Placement may also be submitted in such other manner as agreed with UOB.
9. Moneys paid in respect of unsuccessful applications are expected to be returned to you by ordinary post or such other method as UOB may decide (without interest or any share of revenue or other benefit arising therefrom) within 14 Market Days of the Closing Date at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application moneys, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post or such other method as UOB may decide at your own risk within 14 Market Days of the Closing Date provided that the remittance accompanying such application which has been presented for payment or other processes, has been honoured and the application moneys have been received in the designated share issue account. If the Offering does not proceed for any reason, the application moneys received will be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post or such other method as UOB may decide at your own risk within 14 Market Days after the Offering is discontinued.
10. Capitalised terms used in the Application Forms and defined in this Offer Information Statement shall bear the meanings assigned to them in this Offer Information Statement.
11. By completing and delivering the Application Form, you agree that:
- (a) In consideration of UOB having distributed the Application Form to you and agreeing to close the Offering at 12.00 noon on 12 September 2008 or such other time or date as UOB may decide and by completing and delivering the Application Form:
- (i) your application is irrevocable; and

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

- (ii) your remittance will be honoured on first presentation and that any application moneys returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom;
 - (b) all applications, acceptances and contracts resulting therefrom under the Offering shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (c) in respect of Placement Preference Shares for which your Application Form has been received and not rejected, acceptance of your application shall be constituted by written notification by or on UOB's behalf and not otherwise, notwithstanding any payment received by or on UOB's behalf;
 - (d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
 - (e) in making your application, reliance is placed solely on the information contained in this Offer Information Statement and none of UOB, the UOB Group, the Joint Lead Issue Managers and Joint Bookrunners, the Co-Managers or any other person involved in the Offering shall have any liability for any information not so contained;
 - (f) you irrevocably authorise CDP to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the Preference Shares that may be allotted to you; and
 - (g) you irrevocably agree and undertake to subscribe for the number of Preference Shares applied for as stated in the Application Form or such smaller number of Preference Shares that may be allotted to you in respect of your application. In the event that UOB decides to allot any smaller number of such Preference Shares or not to allocate any Preference Shares to you, you agree to accept such decision as final.
12. No acknowledgement of receipt will be issued for any application or remittance received.
13. Applications that are not made on the **original printed BLUE** Application Form, or that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or improper form of remittance or remittance not honoured upon their first presentation are liable to be rejected.

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

The procedures for Electronic Applications at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks. For illustration purposes, the procedures for Electronic Applications at ATMs of the UOB Group (the "**Steps**") are set out in the section "Steps for Electronic Applications" appearing on pages G-12 to G-14 of this Offer Information Statement. Please read carefully the terms of this Offer Information Statement, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. Any reference to "you" or the "applicant" in this section "Additional Terms and Conditions for Electronic Applications" and the Steps shall refer to you making an application for Preference Shares through an ATM of a Participating Bank.

The Steps set out the actions that you must take at ATMs of the UOB Group to complete an Electronic Application. The actions that you must take at ATMs of other Participating Banks are set out on the ATM screens of the relevant Participating Banks.

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before you can make an Electronic Application at the ATMs of that Participating Bank. An ATM card issued by one Participating Bank cannot be used to apply for Preference Shares at an ATM belonging to another Participating Bank. Upon the completion of your Electronic Application transaction, you will receive an ATM transaction slip ("**Transaction Record**"), confirming the details of your Electronic Application. The Transaction Record is for retention by you.

You must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. If you fail to use an ATM card issued in your own name or do not key in your own Securities Account number, your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own Securities Account number with an ATM card which is not issued to you in your own name will render your Electronic Application liable to be rejected.

Your Electronic Application shall be made on the terms and subject to the conditions of this Offer Information Statement, including but not limited to, the terms and conditions appearing below and those set out under the section headed "Terms, Conditions and Procedures for Application and Acceptance" on pages G-1 to G-4 of this Offer Information Statement, as well as the Memorandum and Articles of Association of UOB.

1. In connection with your Electronic Application for ATM Preference Shares, you are required to confirm statements to the following effect in the course of activating your Electronic Application:
 - (a) **that you have received a copy of this Offer Information Statement and have read, understood and agreed to all the terms and conditions of application for Preference Shares in this Offer Information Statement prior to effecting the Electronic Application and agree to be bound by the same;**
 - (b) **that you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, Securities Account number, CPF Investment Account number (if applicable) and share application amount (the "Relevant Particulars") from your account with that Participating Bank to the Share Registrar and Share Transfer Office, CDP, the CPF Board (if applicable), the SCCS, the SGX-ST, UOB, the UOB Group, the Joint Lead Issue Managers and Joint Bookrunners and the Co-Managers (the "Relevant Parties"); and**
 - (c) **that the Electronic Application made is your only application for ATM Preference Shares and it is made in your own name and at your own risk.**

Your application will not be successfully completed and cannot be recorded as a completed transaction unless you press the "Enter" or "OK" or "Confirm" or "Yes" key or any other relevant key in the ATM. By doing so, you shall be treated as signifying your confirmation of each of the three statements. In respect of statement 1(b) above, your confirmation, by pressing the "Enter" or "OK" or "Confirm" or "Yes" or any other relevant key, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore including Section 47(2) of the Banking Act, Chapter 19 of Singapore to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

2. **By making an Electronic Application, you confirm that you are not applying for ATM Preference Shares as nominee of any other person and that any Electronic Application that you make is the only application made by you as beneficial owner. You shall make only one Electronic Application for the ATM Preference Shares and shall not make any other application for the ATM Preference Shares.**

APPENDIX G – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE

3. You must have sufficient funds in your bank account with your Participating Bank at the time you make your Electronic Application, failing which your Electronic Application will not be completed. **Any Electronic Application made at the ATMs of the relevant Participating Banks which does not conform strictly to the instructions set out in this Offer Information Statement or on the screens of the ATMs of the relevant Participating Banks through which the Electronic Application is being made shall be rejected.**
4. You may apply and make payment for your application for the ATM Preference Shares in Singapore currency through any ATM of the Participating Banks using only cash by authorising the Participating Bank to deduct the full amount payable from your bank account(s) with the Participating Bank. An application for Preference Shares under the ATM Offer is subject to a minimum of 100 Preference Shares per applicant.
5. You irrevocably agree and undertake to subscribe for and to accept the number of ATM Preference Shares applied for as stated on the Transaction Record or any lesser number of ATM Preference Shares that may be allotted to you in respect of your Electronic Application. In the event that UOB decides to allot any lesser number of such ATM Preference Shares or not to allot any ATM Preference Shares to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “OK” or “Confirm” or “Yes” key or any other relevant key on the ATM) of the number of ATM Preference Shares applied for shall signify and shall be treated as your acceptance of the number of ATM Preference Shares that may be allotted to you and your agreement to be bound by the Memorandum and Articles of Association of UOB.
6. **UOB will not keep any application in reserve.** Where your Electronic Application is unsuccessful, or is accepted or rejected in part only, the full amount of the application moneys, or any balance of the application moneys, as the case may be, will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank within 24 hours of balloting.

If the Offering does not proceed for any reason, the application moneys received will be returned (without interest or any share of revenue or other benefit arising therefrom) to you within 14 Market Days after the Offering is discontinued.

Responsibility for timely refund of application moneys (whether from unsuccessful or partially unsuccessful Electronic Applications or otherwise) lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank as to the status of your Electronic Application and/or the refund of any moneys to you from an unsuccessful or partially successful Electronic Application or otherwise, to determine the exact number of ATM Preference Shares allotted to you, if any, before trading the Preference Shares on the SGX-ST. None of the SGX-ST, CDP, the SCCS, the Participating Banks, UOB, the UOB Group, the Joint Lead Issue Managers and Joint Bookrunners or the Co-Managers assumes any responsibility for any loss that may be incurred as a result of your having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

7. If your Electronic Application is made through an ATM of one of the Participating Banks and is unsuccessful, no notification will be sent by the Participating Banks.

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If your Electronic Application is made through an ATM of one of the following Participating Banks, you may check the provisional results of your Electronic Application as follows:

| Bank | Telephone | Available at | Operating Hours | Service expected from |
|-----------|---|--|-----------------|------------------------------|
| UOB Group | 1 800 222 2121 | ATM "Other Transactions – IPO Enquiry"/ Phone Banking/ Internet Banking http://www.UOBgroup.com ⁽¹⁾ | 24 hours a day | Evening of the balloting day |
| OCBC Bank | 1 800 363 3333 | ATM/ Phone Banking/ Internet Banking http://www.ocbc.com ⁽²⁾ | 24 hours a day | Evening of the balloting day |
| DBS Bank | 1 800 339 6666 (POSB account holders) 1 800 111 1111 (DBS account holders) | ATM Phone Banking/ Internet Banking http://www.dbs.com ⁽³⁾ | 24 hours a day | Evening of the balloting day |

Notes:

- (1) If you have made your Electronic Application through the ATMs of the UOB Group, you may check the results of your application through UOB Personal Internet Banking, the UOB Group's ATMs or UOB Phone Banking services.
- (2) If you have made your Electronic Application through the ATMs of OCBC Bank, you may check the results of your application through OCBC ATMs, OCBC Personal Internet Banking or OCBC Phone Banking services.
- (3) If you have made your Electronic Application through the ATMs of DBS Bank, you may check the results of your application through DBS Bank ATMs, DBS Internet Banking or DBS Phone Banking services.

8. Electronic Applications shall close at 12.00 noon on 12 September 2008 or such other time and date as UOB may decide.
9. You are deemed to have irrevocably requested and authorised UOB to:
 - (a) register the ATM Preference Shares allotted to you in the name of CDP for deposit into your Securities Account;
 - (b) send the relevant Preference Share certificate(s) to CDP;
 - (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the full amount or the balance of the application moneys in Singapore currency, should your Electronic Application be rejected, or accepted in part only, as the case may be, by automatically crediting your bank account with your Participating Bank with the relevant amount within 24 hours of balloting; and
 - (d) return or refund (without interest or any share of revenue or other benefit arising therefrom) the full amount of the application moneys in Singapore dollars, should the Offering not proceed for any reason, by automatically crediting your bank account with your Participating Bank with the relevant amount within 14 Market Days after the Offering is discontinued.

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10. You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God and other events beyond the control of the Participating Banks, UOB, the UOB Group, the Joint Lead Issue Managers and Joint Bookrunners and the Co-Managers and if, in any such event, UOB, the UOB Group, the Joint Lead Issue Managers and Joint Bookrunners, the Co-Managers and/or the relevant Participating Bank do not record or receive your Electronic Application, or data relating to your Electronic Application or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against UOB, the UOB Group, the Joint Lead Issue Managers and Joint Bookrunners, the Co-Managers and/or the relevant Participating Bank for the ATM Preference Shares applied for or for any compensation, loss or damage.
11. UOB does not recognise the existence of a trust. Any Electronic Application by a trustee must be made in his own name(s) and without qualification. UOB will reject any Electronic Application by any person acting as nominee except those made by approved nominee companies only.
12. All particulars in the records of your Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after making your Electronic Application, you shall promptly notify your Participating Bank.
13. **You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, your Electronic Application is liable to be rejected.** You should promptly inform CDP of any change in address, failing which the notification letter on successful allotment and other correspondence from the CDP will be sent to your address last registered with CDP.
14. By making and completing an Electronic Application, you are deemed to have agreed that:
 - (a) In consideration of UOB making available the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Offering at 12.00 noon on 12 September 2008 or such other time or date as UOB may decide, and by making and completing an Electronic Application:
 - (i) your Electronic Application is irrevocable; and
 - (ii) your Electronic Application, UOB's acceptance and the contract resulting therefrom under the Offering shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (b) none of UOB, the UOB Group, the Joint Lead Issue Managers and Joint Bookrunners, the Co-Managers, the Participating Banks or CDP shall be liable for any delay, failure or inaccuracy in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to UOB or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 10 above or to any cause beyond their respective controls;
 - (c) in respect of ATM Preference Shares for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on UOB's behalf and not otherwise, notwithstanding any payment received by or on UOB's behalf;
 - (d) you will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of your application; and

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- (e) in making your application, reliance is placed solely on the information contained in this Offer Information Statement and that none of UOB, the UOB Group, the Joint Lead Issue Managers and Joint Bookrunners, the Co-Managers or any other person involved in the Offering shall have any liability for any information not so contained.

Steps for Electronic Applications

Instructions for Electronic Applications will appear on the ATM screens of the respective Participating Banks. For illustration purposes, the steps for making an Electronic Application through the ATMs of the UOB Group are shown below. Instructions for Electronic Applications appearing on the ATM screens of the other Participating Banks may differ from those represented below.

Due to space constraints on the screen of the UOB Group's ATMs, the following terms will appear in abbreviated form:

| | | |
|------------------|---|---|
| "&" | : | and |
| "A/C" AND "A/CS" | : | ACCOUNT AND ACCOUNTS, respectively |
| "ADDR" | : | ADDRESS |
| "AMT" | : | AMOUNT |
| "APPLN" | : | APPLICATION |
| "CDP" | : | THE CENTRAL DEPOSITORY (PTE) LIMITED |
| "CPF" | : | CENTRAL PROVIDENT FUND BOARD |
| "CPFINVT A/C" | : | CPF INVESTMENT ACCOUNT |
| "IC/PSSPT" | : | NRIC or PASSPORT NUMBER |
| "NO" OR "NO." | : | NUMBER |
| "PERSONAL NO" | : | PERSONAL IDENTIFICATION NUMBER |
| "REGISTRARS" | : | SHARE REGISTRARS |
| "SCCS" | : | SECURITIES CLEARING & COMPUTER SERVICES (PTE) LTD |
| "SGX-ST" | : | SINGAPORE EXCHANGE SECURITIES TRADING LIMITED |
| "TRANS" | : | TRANSACTIONS |

Steps for Electronic Applications through the ATMs of the UOB Group

- | | | | |
|------|---|---|--|
| Step | 1 | : | Insert your personal Unicard, Uniplus card or UOB VISA/MASTER card and key in your personal identification number. |
| | 2 | : | Select "CASHCARD/OTHER TRANSACTIONS". |
| | 3 | : | Select "SECURITIES APPLICATION". |

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- 4 : Select the share counter which you wish to apply for.
- 5 : Read and understand the following statements which will appear on the screen:
- **THIS OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/DOCUMENT OR SUPPLEMENTARY DOCUMENT. ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) WILL NEED TO MAKE AN APPLICATION IN THE MANNER SET OUT IN THE PROSPECTUS/DOCUMENT OR SUPPLEMENTARY DOCUMENTS.**
(Press “ENTER” to continue)
 - **PLEASE CALL 1800-22-22-121 IF YOU WOULD LIKE TO FIND OUT WHERE YOU CAN OBTAIN A COPY OF THE PROSPECTUS/DOCUMENT OR SUPPLEMENTARY DOCUMENT.**
 - **WHERE APPLICABLE, A COPY OF THE PROSPECTUS/DOCUMENT OR SUPPLEMENTARY DOCUMENT HAS BEEN LODGED WITH AND REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE WHO ASSUMES NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS/DOCUMENT OR SUPPLEMENTARY DOCUMENT.**
(Press “ENTER” to continue)
- 6 : Read and understand the following terms which will appear on the screen:
- **YOU HAVE READ, UNDERSTOOD & AGREED TO ALL THE TERMS OF THE PROSPECTUS/DOCUMENT OR SUPPLEMENTARY DOCUMENT & THIS ELECTRONIC APPLICATION.**
(Press “ENTER” to continue)
 - **YOU CONSENT TO DISCLOSE YOUR NAME, IC/PSSPT, NATIONALITY, ADDR, APPLN AMT, CPFINVT A/C NO & CDP A/C NO FROM YOUR A/CS TO CDP, CPF, SCCS, REGISTRARS, SGX-ST & ISSUER/VENDOR(S).**
 - **THIS IS YOUR ONLY FIXED PRICE APPLN AND IS IN YOUR NAME AND AT YOUR RISK.**
(Press “ENTER” to continue)
- 7 : Screen will display:
- NRIC/PASSPORT NO: XXXXXXXXXXXXX**
- IF YOUR NRIC NO/PASSPORT NO IS INCORRECT, PLEASE CANCEL THE TRANSACTION AND NOTIFY THE BRANCH PERSONALLY.**
(Press “CANCEL” or “CONFIRM”)
- 8 : Select mode of payment i.e. “CASH ONLY”. You will be prompted to select Cash Account type to debit (i.e. “CURRENT ACCOUNT/I-ACCOUNT”, “CAMPUS” or “SAVINGS ACCOUNT/TX-ACCOUNT”). Should you have a few accounts linked to your ATM card, a list of linked account numbers will be displayed for you to select.

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- 9 : After you have selected the account, your Securities Account number will be displayed for you to confirm or change (this screen with your Securities Account number will be shown if your Securities Account number is already stored in the ATM system of the UOB Group). If this is the first time you are using the UOB Group's ATM to apply for shares, your Securities Account number will not be stored in the ATM system of the UOB Group, and the following screen will be displayed for your input of your Securities Account number.
- 10 : Read and understand the following terms which will appear on the screen:
1. **YOU ARE REQUIRED TO ENTER YOUR CDP ACCOUNT NUMBER FOR FIRST IPO APPLICATION. THIS ACCOUNT NUMBER WOULD BE DISPLAYED FOR FUTURE APPLICATIONS.**
 2. **DO NOT APPLY FOR JOINT ACCOUNT HOLDER OR THIRD PARTIES.**
 3. **PLEASE ENTER YOUR OWN CDP ACCOUNT NUMBER (12 DIGITS) AND PRESS <ENTER>.**
(If you wish to terminate the transaction, please press "CANCEL")
- 11 : Select your nationality status.
- 12 : Key in the number of Preference Shares you wish to apply for and press "ENTER" key.
- 13 : Check the details of your Electronic Application on the screen and press "ENTER" key to confirm your Electronic Application.
- 14 : Select "NO" if you do not wish to make any further transactions and remove the Transaction Record. You should keep the Transaction Record for your own reference only.

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Offer Information Statement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Offer Information Statement are fair and accurate in all material respects as at the date of this Offer Information Statement and there are no material facts the omission of which would make any statement in this Offer Information Statement misleading in any material respect. Where information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Offer Information Statement.

Dated this 27th day of August 2008

THE DIRECTORS OF UNITED OVERSEAS BANK LIMITED

Mr. Wee Cho Yaw
Chairman

Mr. Wee Ee Cheong
Deputy Chairman and Chief Executive Officer

Mr. Ngiam Tong Dow⁽¹⁾
Director

Prof. Cham Tao Soon⁽²⁾
Director

Mr. Wong Meng Meng⁽³⁾
Director

Mr. Philip Yeo Liat Kok⁽⁴⁾
Director

Prof. Lim Pin⁽⁵⁾
Director

Mr. Michael Lien Jown Leam⁽⁶⁾
Director

Mr. Reggie Thein⁽⁷⁾
Director

Notes:

- (1) Signed by Mr. Wee Ee Cheong for and on behalf of Mr. Ngiam Tong Dow pursuant to a Letter of Authority dated 26 August 2008.
- (2) Signed by Mr. Wee Ee Cheong for and on behalf of Prof. Cham Tao Soon pursuant to a Letter of Authority dated 26 August 2008.
- (3) Signed by Mr. Wee Ee Cheong for and on behalf of Mr. Wong Meng Meng pursuant to a Letter of Authority dated 26 August 2008.
- (4) Signed by Mr. Wee Ee Cheong for and on behalf of Mr. Philip Yeo Liat Kok pursuant to a Letter of Authority dated 26 August 2008.
- (5) Signed by Mr. Wee Ee Cheong for and on behalf of Prof. Lim Pin pursuant to a Letter of Authority dated 26 August 2008.
- (6) Signed by Mr. Wee Ee Cheong for and on behalf of Mr. Michael Lien Jown Leam pursuant to a Letter of Authority dated 26 August 2008.
- (7) Signed by Mr. Wee Ee Cheong for and on behalf of Mr. Reggie Thein pursuant to a Letter of Authority dated 26 August 2008.

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