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## NEWS RELEASE

### **United Overseas Bank Launches the UOB 168 Deposit**

*Risk Averse Retail Customers Will Benefit From Its Special Feature*

**02 October 2006, Singapore** - Are you a risk averse investor? If you are, then the UOB Structured Deposit – 168 Structured Deposit (“UOB 168 Deposit”) may just be the product which will meet your needs. United Overseas Bank Limited (“UOB”) has launched the UOB 168 Deposit today.

The UOB 168 Deposit is a structured deposit that pays more than 6% guaranteed fixed interest for the 1st year, and up to 8% p.a. variable interest every 6 months thereafter. In addition, there is possibility of early redemption once the maximum variable interest is paid on any interest payment date. If early redemption by UOB does not occur, the maximum tenor for UOB 168 Deposit in SGD is 4 years 11 months 2 weeks. (For USD and AUD, the maximum tenor is 4 years.)

Each semi-annual variable interest payout depends on the number of shares under-performing the Dow Jones Global Titans 50 Index<sup>SM</sup> (DJGT) by more than the downside buffer<sup>++</sup>. If none of the shares under-perform the DJGT, the maximum variable interest will be paid and early redemption will occur. This investment strategy is aimed at achieving potentially higher returns.

The unique features of this product, designed to facilitate early redemption as well as achieve potentially higher variable interest, are: (1) large downside buffer<sup>++</sup> of between 10% to 25%, depending on currency of deposit; (2) only two quarterly observation dates in each 6 month period which are used to determine the number of shares under-performing DJGT. This lowers the risk of unfavourable daily fluctuations compared to daily observation frequency; and (3) an auto-correction feature. With the auto-correction feature, at the end of every 6 month period

from the 2nd year onwards, the worst performing share is automatically removed from the underlying basket if it underperforms DJGT by 50% or more on the 2nd observation date during the same period.

UOB 168 Deposit allows investors to gain exposure to the share performance of some of the world largest companies relative to the performance of DJGT Index, but without risking their capital. At the end of the first year, it also pays out an attractive guaranteed interest of 6.28% for SGD deposit, 6.5% for USD deposit and 7.0% for AUD deposit; a semi-annual variable interest (if any) up to 4% (or 8% p.a.) will be paid thereafter. The minimum effective interest rates for SGD, USD and AUD deposits are 1.2975% p.a. 1.6644% p.a. and 1.7958% p.a. respectively.

Said Dr Ang Kian Ping, Senior Director of UOB Global Treasury, Structured Products Group :“Usual investments are biased towards long-assets strategy. The UOB 168 Deposit uses the relative performance of the underlying shares versus the performance of the underlying index to determine the variable interest payout. Therefore, regardless of market direction, it is possible to receive some payout as long as not more than 2 shares under-perform the underlying index by more than the downside buffer<sup>++</sup>.”

Mr Tay Han Chong, UOB’s Regional Head of Deposits, Investment and Insurance Strategy said: “In our constant drive to meet customers’ needs, we have been able to deliver products which are different from what the market offers. This is just one of the many innovative products that UOB has lined up for customers to provide a complete personal wealth solution.”

*\* UOB 168 Deposit is also available in USD and AUD.*

**Footnotes:**

<sup>1</sup> The fixed interest is only payable if UOB 168 Deposit is held to the end of the 1st year. Assuming no other interest is paid for the entire tenor, the minimum effective interest rate for would be 1.2975% per annum for SGD deposit, 1.6644% per annum for USD deposit and 1.7958% per annum for AUD deposit.

<sup>2 ++</sup> Downside buffer will be determined by the Bank on deposit start date and will be conveyed to the investor via a confirmation letter. This will be sent within 14 business days after the deposit start date.

<sup>3</sup> Dow Jones Global Titans 50 Index<sup>SM</sup>, are service marks of Dow Jones & Company Inc. and have been licensed for use for certain purposes by UOB . UOB 168 Deposit which is based on the Dow Jones Global Titans 50 Index<sup>SM</sup> is not sponsored, endorsed, sold or promoted by Dow Jones, and Dow Jones makes no representation regarding the advisability of investing in such a product.

### **About United Overseas Bank**

UOB is a leading bank in Singapore that provides a wide range of financial services through its global network of 502 branches, offices and subsidiaries in 18 countries and territories in Asia-Pacific, Western Europe and North America. It has banking subsidiaries in Singapore, Malaysia, Indonesia, Thailand and the Philippines.

UOB is focused on enhancing its leadership in the consumer market, and is today, the largest credit card-issuing bank in Singapore with a card base that has exceeded one million. The Bank also has the largest base of merchants in Singapore, both for consumer and commercial credit card acceptance. There are currently more than 20 co-brand cards in its stable, covering the retail sector, service providers and non-profit organisations.

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