



UNITED OVERSEAS BANK LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No. 193500026Z

Proposed Share Purchase by UOB

Singapore 29 October, 2004 - In exercise of the share purchase mandate approved by shareholders at the extraordinary general meeting held on 29 April 2004, United Overseas Bank Limited ("UOB") will set aside S\$500 million for on-market purchases of its ordinary shares for cancellation. The share purchase will be executed through a combination of the normal trading counter and/or odd lots counter, depending on market conditions, and will be carried out in an orderly manner to minimise undue movement in UOB's share price. Shares purchased by UOB will be announced in accordance with the rules of the Singapore Exchange Limited.

The share purchase is proposed in view of UOB's objectives of:

- (i) managing the capital structure of UOB, with a view to achieving an efficient capital mix;
- (ii) managing surplus capital, such that surplus capital and funds which are in excess of UOB's requirements may be returned to UOB shareholders in an expedient and cost-efficient manner; and
- (iii) improving return on equity.

Under Banking (Amendment) Regulations 2004 which came into operation on 5 May 2004, affiliated entities of a bank have until 17 July 2006 to comply with the regulation that they cannot hold in aggregate more than 2% of the voting power in the bank. There are certain restrictions against an increase in the meantime of the aggregate percentage shareholding in the bank held by its affiliated entities. The affiliated entities of UOB ("UOB Affiliates") currently hold in aggregate around 8% of UOB's paid-up capital. A reduction in the paid-up capital of UOB as a result of the share purchase may increase such aggregate percentage shareholding. Accordingly, in the spirit of the said Banking (Amendment) Regulations, UOB Affiliates will be informed to take, within three months of any increase in such aggregate percentage shareholding as a result of UOB's share purchase from time to time, such steps as are necessary to bring such aggregate percentage shareholding down to at least the level prior to such increase.

By Order of the Board

Vivien Chan
Company Secretary