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ANNOUNCEMENT

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES

*This announcement is not an offer of securities for sale in the United States or elsewhere. The Capital Securities (as defined below) have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any state of the United States or other jurisdiction. The Capital Securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S of the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Capital Securities are being offered and sold only in offshore transactions as defined in and in reliance on Regulation S under the Securities Act. Any failure to comply with these restrictions may constitute a violation of the United States securities law or the securities laws of any such other jurisdiction.*

PROPOSED ISSUANCE OF S$750 MILLION 4 PER CENT. NON-CUMULATIVE NON-CONVERTIBLE PERPETUAL CAPITAL SECURITIES (THE "PROPOSED ISSUE")

United Overseas Bank Limited ("**UOB**" or the "**Issuer**") wishes to announce that it has launched and priced S$750 million in aggregate principal amount of 4 per cent. non-cumulative non-convertible perpetual capital securities (the "**Capital Securities**").

UOB, Credit Suisse (Singapore) Limited, The Hongkong and Shanghai Banking Corporation Limited and Standard Chartered Bank have been mandated as Joint Lead Managers and Bookrunners for the Proposed Issue.

The Capital Securities are intended to qualify as Additional Tier 1 capital of the Issuer under the Basel III framework adopted by the Monetary Authority of Singapore. The net proceeds from the Proposed Issue are intended to be used for general corporate purposes.

The Capital Securities are perpetual securities but may be redeemed at the option of UOB on 18 May 2021 ("**First Call Date**") or any distribution payment date thereafter or upon the occurrence of certain redemption events specified in the terms and conditions of the Capital Securities, subject to approval by the Monetary Authority of Singapore. The principal of the Capital Securities can be written down in full or in part upon notification of non-viability by the Monetary Authority of Singapore.

The Capital Securities will bear a fixed distribution rate of 4% per annum, subject to a reset on the First Call Date (and every 5 years thereafter) to a rate equal to the prevailing 5-year SGD SOR (Swap Offer Rate) plus the initial margin of 2.035%. Distributions are payable semi-annually in arrear, unless cancelled by UOB at its sole discretion or unless UOB has no obligation to pay the distributions, in each case subject to the terms and conditions of the Capital Securities. The distributions are non-cumulative and distributions which are not paid in accordance with the terms of the Capital Securities will not accumulate or compound.

The Capital Securities, which will be issued in the denomination of S$250,000, will constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves.

The Proposed Issue was approximately 3.1 times subscribed, with an order book totaling S$2.3 billion. In terms of investor type, distribution was 35% to insurance companies and pension funds, 12% to fund managers, 50% to private banks, and 3% to public sector entities.

The Capital Securities are expected to be assigned an issue rating of BBB by Fitch Ratings and A3 by Moody's Investors Service, Inc.

The Issuer has received approval in-principle from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the listing and quotation of the Capital Securities on the SGX-ST. The approval in-principle from the SGX-ST for the listing and quotation of the Capital Securities on the SGX-ST is not to be taken as an indication of the merits of the Capital Securities, the Issuer, its subsidiaries and/or associated companies.

The Capital Securities are expected to be issued on or around 18 May 2016, subject to the satisfaction of customary closing conditions.

Issued by

UNITED OVERSEAS BANK LIMITED

Singapore, 12 May 2016