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United Overseas Bank Limited Announces Pricing For Its Subordinated Debt Issue

Singapore, 21 August 2001 - United Overseas Bank Limited ("UOB") wishes to announce that due to very good response, the proposed subordinated debt issue has been raised from S\$750 million to S\$1.3 billion (the "Notes") to meet the strong interest shown by investors. The Notes will have a legal maturity of fifteen years and may be called at UOB's option after ten years, on 30 September 2011 (the "Call Date"). The Notes will be issued at a price of 100% and bear a semi-annual coupon of 4.95% in years 1-10 and a stepped-up coupon in years 11-15 of 225 basis points over the 5-year Singapore Swap Offer Rate on the Call Date. The Notes will yield 4.95% up to the Call Date.

JPMorgan, UOB Asia, and Merrill Lynch are acting as joint bookrunners for the transaction, which will qualify as Upper Tier II capital under Monetary Authority of Singapore guidelines.

The Notes, which represent UOB's issuing debut in the Singapore dollar debt capital markets, will be placed with a broad range of institutional and sophisticated investors, including insurance companies, fund managers, banks, private banks, and corporates.

"We are extremely pleased with the market's enthusiastic response to our issue," said Wee Ee Cheong, Deputy Chairman and President of UOB. "Despite substantial recent supply of bank capital in the S\$ market, investor demand for the UOB credit was extremely strong, allowing us to price a larger transaction than we initially anticipated at attractive levels. We are also delighted that Moody's has confirmed our Senior ratings at Aa2 and our Financial Strength rating at B+."

Added Marc Jones, Head of Debt Capital Markets at JPMorgan, "UOB's issue is expected to be a success as not only is pricing attractive but the transaction is highly efficient from a regulatory capital perspective. The 15Step-Up 10 structure allows UOB to avoid the capital amortization required by recent 10-year bullet subordinated debt issues."

"UOB's issue reflects the growing sophistication of the Singapore dollar investor base. UOB's 15Step-Up10 issue is the first of its kind in Asia. Following our marketing process, investors were able to assess a structured transaction and focus on the UOB credit," said Michael Sng, Managing Director, UOB Asia Ltd.

The Singapore Exchange Securities Trading Limited (the "SGX-ST") had given its in-principle approval for the listing of the Notes on the official list of the SGX-ST.

No prospectus has been or will be registered in Singapore in relation to the securities described herein (the "Notes") and the Notes are offered in Singapore pursuant to exemptions invoked under Section 106C and Section 106D of the Companies Act, Chapter 50 of Singapore (the "Singapore Companies Act"). Accordingly, this document may not be distributed, either directly or indirectly, to the public or any member of the public in Singapore other than (i) to institutional investors specified in Section 106C of the Singapore Companies Act or (ii) to sophisticated investors specified in Section 106D of the Singapore Companies Act. Any information set out in this document is qualified by and should be read in conjunction with any document prepared by United Overseas Bank Limited in respect of the Notes and lodged as an information memorandum for the purposes of Section 106D of the Singapore Companies Act. In addition, the terms of the Notes are subject to the final approval of the Monetary Authority of Singapore.

This document is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended. Any public offering of securities to be made in the United States will only be made by means of a prospectus that may be obtained from the issuer or the selling security holder and that will contain detailed information about the company and management, as well as financial statements. United Overseas Bank Limited does not intend to register securities or conduct a public offering in the United States. This document (and the information contained herein) is not for publication or distribution to persons in the United States.

The Directors of UOB (including those who have delegated detailed supervision of the preparation of this Announcement) have taken all reasonable care to ensure that the facts stated in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

Where information has been extracted from published or publicly available sources, the sole responsibility of the Directors of UOB has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

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