



**JOINT ANNOUNCEMENT BY
UNITED OVERSEAS BANK AND OVERSEAS UNION BANK**

- **Voluntary conditional offer by United Overseas Bank for Overseas Union Bank.**
- **Irrevocable¹ undertakings to accept the offer given by principal shareholders.**
- **Combination will create the largest bank group² in Singapore – an industry leader with enhanced operational excellence, marketing strength, management expertise and financial power.**

Singapore, 29 June 2001 – United Overseas Bank Limited (“UOB”) today announced a voluntary conditional takeover offer (the “Offer”) for Overseas Union Bank Limited (“OUB”) at a consideration value of S\$10.00 per OUB share, representing a premium of approximately 39% over the average closing price of OUB shares for the last 60 days.

The Offer consideration comprises S\$4.02 in cash and 0.52 new UOB shares for each OUB share held.

The founding shareholder who, through Wah Hin & Co. (Pte.) Limited, owns approximately 15.7% of OUB’s issued share capital, has given UOB an irrevocable¹ undertaking to accept the Offer in respect of its entire holding of OUB shares. Furthermore, two associated companies of OUB, Overseas Union Enterprise Limited (“OUE”), and it is anticipated that Overseas Union Insurance Limited (“OUI”), has given and will be giving, respectively, irrevocable undertakings to UOB to accept the Offer with respect to their entire shareholdings in OUB, representing approximately 10.7% of OUB’s issued share capital. Both

¹ Such irrevocable shall lapse in the event that the offer is not declared or does not become unconditional.

² Based on pro forma market capitalisation as at 28 June 2001 and number of shares in issue and total assets as at 31 December 2000.

OUE and OUI's undertakings are subject to, inter alia, regulatory approvals and compliance with the conditions thereof.

Mr Wee Cho Yaw, Group Chairman and CEO of UOB, commented:

“The Board of UOB is delighted to have won the support of the principal shareholders of OUB for the Offer. The Board believes that the combined group will have a considerably enhanced competitive position. There will be significant potential to create shareholder value through the realisation of revenue and cost synergies and to continue to provide an unparalleled level of service to our customers. Together, UOB and OUB will have a total asset base of S\$113 billion, and will rank among the top banks in Singapore in terms of market capitalisation and total assets.”

“I have always had the highest regard for Dr Lien Ying Chow as well as the management and operations of OUB and I believe that the two banks have a strong strategic fit, both operationally and culturally.”

Mr Lee Hee Seng, Group Chairman of OUB, commented:

“I welcome UOB's offer, and believe that it is good for shareholders, customers, employees, and good for Singapore.”

“A combination of our two banks will give us the size and scale to compete more effectively in Singapore and in the region, building on each of our respective strengths to continue to deliver value to our shareholders and the best service to our customers. Both banks have complementary operations, allowing us to realise synergies through the ability to provide a wider range of products to an enlarged customer base, and through our ability to streamline our operations.”

The statements above do not constitute a formal recommendation from the Board of OUB to the shareholders of OUB to accept the Offer. As required by the Takeover Code, a formal recommendation to the shareholders of OUB will be given only after the Board of OUB has received the advice of an Independent Financial Adviser with respect to the Offer and any other offer.

Strong Strategic Rationale – Excellent Operational and Cultural Fit

Both UOB and OUB have developed market leading positions in their respective areas of business focus. The strategic fit between the two banks is excellent. The anticipated synergies across the companies' consumer banking, corporate finance and asset management businesses will create a powerful combination with enhanced capabilities.

Both banks have established operations in the Asia-Pacific region and a strong small and medium-sized enterprises (SME) franchise. A union of the two banks will significantly strengthen this regional reach and the combined SME franchise.

The two companies are well aligned in their consumer banking focus. UOB has an impressive record in the consumer banking business with clear market leadership in credit cards. OUB has a strong reputation for innovation in this business and the proposed UOB-OUB combination will provide further impetus for this fast-growing business.

UOB is a market leader in retail asset management and, together with OUB's leadership in institutional business asset management, the resultant combined network would offer the opportunity for significantly enhanced distribution of current and future products. In corporate finance, OUB brings to UOB a very strong business that fits well with UOB's strategy to expand further in this area.

The proposed UOB-OUB combination will bring several benefits that include:

- **Enhanced marketing and product offerings** – improved market share and strengthened competitive position, potential for increased cross-selling opportunities and bancassurance; a more diversified business mix to enable a broader and deeper customer reach.
- **Operational excellence** – potential for economies of scale, greater operational efficiencies and cost savings through integration and optimisation of the branch and automated teller machine networks and improved customer service.
- **A talented management team** – OUB has a strong management team and, combined with the existing management team of UOB, will create a valuable pool of talent to meet the competitive challenges of the future.

Singapore's Market Leader

The pro forma market capitalisation is approximately S\$18 billion as at 28 June 2001.

	Pro forma market ranking	Pro forma UOB-OUB	UOB standalone	OUB standalone
Gross Customer Loans	1	S\$61.4bn	S\$31.7bn	S\$29.7bn
Domestic Personal Loans	1	S\$8.5bn	S\$4.2bn	S\$4.3bn
Domestic Corporate Loans	1	S\$41.1bn	S\$20.0bn	S\$21.1bn
Domestic Housing Loans	2	S\$11.8bn	S\$7.5bn	S\$4.3bn
Total Assets	1	S\$112.9bn	S\$66.3bn	S\$46.6bn
Customer Deposits	2	S\$70.3bn	S\$43.4bn	S\$26.9bn
Credit Cards	1	686,000	466,000	220,000
Domestic Branches	2	97	64	33
ATMs	2	426	282	144
Market Capitalisation	1	S\$18.2 bn ⁽¹⁾	S\$12.1 bn ⁽²⁾	S\$9.4 bn ⁽²⁾

(1) Based on the number of UOB shares on issue if 100% acceptances obtained, and using a UOB share price of S\$11.50 (closing price on 28 June 2001).

(2) Prices as at market close 28 June 2001, based on shares on issue at 31 December 2000.

Management of the Combined Group

It is envisaged that the combined group will have a management team that draws on the very best of the existing management talent of UOB and OUB. Specifically, it is foreseen that Dr Lien Ying Chow will be Honorary Life Counsellor and, subject to all regulatory approvals, that all eight directors of OUB will be invited to become directors of the combined group.

It is further envisaged that the following key executives will be members of the Executive Committee of the combined group:

- Mr Wee Cho Yaw will be Chairman of the Board, Chairman of the Executive Committee and Chief Executive Officer;
- Mr Lee Hee Seng will be Senior Deputy Chairman of the Board and Deputy Chairman of the Executive Committee;
- Mr Wee Ee Cheong and Mr Peter Seah will each be Deputy Chairman of the Board and President;
- Mr Koh Beng Seng, Deputy President and Director; and

- Mr Ho Sim Guan, Director.

Following a combination of the two banks, it is envisaged that the name of the combined group will reflect the joint heritage and names of both banks.

This summary news release should be read in conjunction with the full text of the offer announcements filed with the SGX-ST.

The Directors of UOB (including any who may have delegated detailed supervision of this news release) have taken all reasonable care to ensure that the facts and information in this news release are fair and accurate and no material facts are omitted from this news release. Where information contained in this news release has been derived from 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, reflected or reproduced in this news release.

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***Restriction:** It is not currently intended that the Offer will be made, directly or indirectly, in or into or by use of mail or any means of instrumentality (including without limitation, by means of facsimile or electronic transmission, telephone or Internet) of interstate or foreign commerce of or any facilities of a securities exchange of, or in or into, Australia, Canada, Japan, Malaysia or the United States and it is not currently intended that the Offer will be capable of acceptance by any such use, means, instrumentality or facilities or from Australia, Canada, Japan, Malaysia or the United States. Accordingly, copies of this document and any accompanying documents are not being, and must not be, mailed or otherwise distributed or sent in or into Australia, Canada, Japan, Malaysia or the United States.*

Notes To Editors

About United Overseas Bank

Founded in 1935, the United Overseas Bank (UOB) has charted steady growth over the years to establish itself as one of Singapore's leading banks today.

Its banking subsidiaries in Singapore comprise Far Eastern Bank and Industrial & Commercial Bank, while its banking subsidiaries in the region are United Overseas Bank (Malaysia), PT Bank UOB Indonesia, UOB Radanasin Bank in Thailand and United Overseas Bank Philippines.

UOB's vast network of 272 offices around the world comprises 64 domestic bank branches and 208 overseas offices, extending from Singapore across Malaysia, Indonesia, Thailand, Myanmar, Vietnam, Philippines, Taiwan, Hong Kong S.A.R., China, South Korea, Japan, Australia, United Kingdom, France, USA and Canada.

UOB provides a wide range of financial services through its global network of branches, offices and subsidiaries: commercial and corporate banking, personal financial services, private banking, trust services, treasury services, asset management, corporate finance, capital market activities, venture capital management, proprietary investments, general insurance and life assurance. It also offers stockbroking services through its associate, UOB-Kay Hian Holdings.

Through its other subsidiaries, and other associates (principally the United Overseas Land Group and Haw Par Group), UOB also has diversified interests in travel, leasing, property development, hotel management, healthcare, manufacturing and general trading.

As at 31 December 2000, the UOB Group had total assets of S\$66.3 billion and shareholders' funds of S\$6.8 billion. It also achieved a record Net Profit After Tax of S\$913 million for 2000, and ROE stood at 14.1%.

UOB's vision is to be a premier bank in the Asia-Pacific region, committed to providing quality products and excellent customer service. To achieve this vision, the Bank has adopted the following strategies:

- strengthen its leadership in the domestic retail and SME markets;
- enhance its strengths in fee-based activities;
- expand regionally with particular focus on ASEAN and Greater China;
- leverage on leading edge technology; and
- build a pragmatic, change-oriented and customer-centric culture within the organisation.

UOB is rated among the world's top banks by Moody's Investors Service, receiving B+ for Bank Financial Strength, and Aa2 and Prime-1 for long-term and short-term deposits respectively.

From leading regional financial publication, Asiamoney, the Bank has been ranked "Asia's 3rd Strongest Bank" as well as the "Strongest Bank in Singapore". From US-based Global Finance, the Bank has been ranked No. 62 out of 300 global banks in the publication's annual selection of the "World's 300 Safest Banks 2000", as well as named the "Safest Bank In Singapore".

About Overseas Union Bank

Overseas Union Bank is a premier consumer bank and a leading regional bank. Since it first started business in 1949, OUB has grown from strength to strength to become the fourth largest bank in Singapore.

Group shareholders' funds stood at S\$5.2 billion and group total assets amounted to over S\$46.6 billion as at end-2000.

Backed by a strategic worldwide network of 64 offices spanning 16 countries, the OUB Group provides a wide range of consumer and corporate banking, corporate finance, treasury, international banking and investment banking services.

In Singapore, OUB offers a full array of products and services to meet the needs of both individuals and corporations. Its 30 service centres and more than 140 ATMs are located all over Singapore for easy access and convenience. The Bank is one of the largest card issuers in the Republic and over the years, has successfully launched a series of innovative projects to build upon its status as a premier consumer bank. Many industry "firsts" have been achieved, from the introduction of MobileNet, a WAP-enabled wireless Internet Banking service, and the ground-breaking One Card, to the Customer Relationship Management Platform with sales force automation and a fully-customisable, award-winning, financial services web site. These initiatives underscore the Bank's multi-million dollar investments in technology in recognition of the need for individualised financial solutions.

OUB has also successfully carved niches in other activities such as treasury, fund management, corporate finance and capital markets. The Bank has made a name for itself as one of the leading managers in the Initial Public Offer Market and is now a choice partner for many companies going public.

Beyond Singapore, OUB enjoys a well-established presence with offices in the major capitals of the region, including Brunei, Hong Kong, China and Australia. Today, Hong Kong and China remain key markets of growth. The Bank has a branch each in Shenzhen and Shanghai and a representative office in both Chengdu, Sichuan's provincial capital, as well as Beijing. OUB has also taken

great strides in developing its structured and project finance business, particularly in the Australian and New Zealand markets.

OUB maintains a strong presence in Malaysia through its wholly-owned subsidiary, OUB (Malaysia) Berhad, with a network of 12 branches in the key cities of the country. There, the Bank's clients include property companies, companies engaged in infrastructural projects and leading manufacturers who export their products throughout the world.

Strategic alliances and partnerships entered in recent years have enabled the Bank to strengthen its expertise in niche businesses. It has invested in Sesami.com, a B2B portal set up in collaboration with Singapore Telecom. Its asset management arm, OUB Asset Management Limited, has also teamed up with one of Europe's top unit trust performers, ING Investment Management, to form OUB Optimix Funds Management Limited, a unit trust company for the retail market.

In addition, a dedicated investment holding company for e-commerce ventures, OUB.com Pte Ltd, has been set up to exploit investment opportunities in quality technology-based enterprises.

With its track record and well-established network of business relationships in the region, OUB is well-positioned to maximise the opportunities in Asia Pacific's financial and capital markets for its clients.