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www.uobgroup.com  
Company Reg No. 193500026Z

Our ref: ANN2006/UOB2006/UOB-A01/SC  
DIVISION OF INTERNATIONAL CORPORATE FINANCE

6 January 2006

**File No. 82-2947**

Securities & Exchange Commiss  
Division of Corporate Finance  
Room 3094(3-6)  
450 Fifth Street, N.W.  
Washington, DC 20549  
USA



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Dear Sir

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**PROPOSED SHARE BUYBACK BY UOB**

We enclose a copy of our announcement dated 6 January 2006 in regard to the above matter for your information.

Yours faithfully  
for UNITED OVERSEAS BANK LIMITED

BEST AVAILABLE COPY

Leo Hee Wui  
Assistant Secretary

Enc



**UNITED OVERSEAS BANK LIMITED**

(Incorporated in the Republic of Singapore)

Company Registration No. 193500026Z

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**PROPOSED SHARE BUYBACK BY UOB**

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**Singapore, 6 January 2006** - In exercise of the share purchase mandate renewed by shareholders at the extraordinary general meeting held on 27 April 2005, United Overseas Bank Limited ("UOB" or "the Bank") will set aside S\$600 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 Securities Trading 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, 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 currently hold in aggregate around 4% 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 and if required, necessary steps would have to be taken to comply with the restrictions.

By order of the Board

Vivien Chan  
Company Secretary

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