

United Overseas Bank Group Records Strong 9 Months Growth

Net Profit After Tax for 9 months Rises 59%

Singapore, 31 October 2006 – The United Overseas Bank Group (“The Group”) has reported an increase of 59.2% in net profit after tax to S\$2,034 million in the first nine months of 2006 (“9M06”), up from S\$1,277 million for the same period last year.

The rise in earnings was mainly due to a one-time gain of S\$689 million from the divestment of Overseas Union Enterprise Limited (“OUE”) and Hotel Negara Limited (“HNL”), as well as the special dividend received from OUE in the second quarter of 2006. Excluding the one-time gain, the Group’s net profit after tax showed a growth of 5.3% when compared to the same period last year. The growth was mainly driven by higher net interest income, which was partially negated by higher operating expenses.

Total income increased 32.4% to S\$3,618 for 9M06, primarily due to the special dividend of S\$284 million received from OUE and a gain of S\$329 million from the divestment of OUE and HNL. Excluding this one-time income of S\$613 million, the total income of S\$3,005 million represents an increase of 9.9% year-on-year. This increase was contributed mainly by higher net interest income from expanded loan volume and inter-bank money market activities, as well as higher fee and commission income.

Quarter-on-quarter, net profit after tax was up 4.5% excluding the one-time gain, due to higher non-interest income and net interest income. Comparing the same period last year, net profit after tax for three months to 30 September 2006 was unchanged at S\$463 million.

Mr Wee Ee Cheong, the Group’s Deputy Chairman and President said, “We are pleased to have achieved a good set of results. We saw broad-based growth in key businesses with improvement in loans and profitability. In addition, offshore contributions also increased from 23.4% to 31.5% over the same period last year.”

“We are on track for our regionalisation efforts. Although we have yet to realise the full potential of our investment in the region, it’s good to know that we are beginning to see some results.”

“Given the sizeable market in the region and the growing affluence of the South East Asia hinterland, there are tremendous opportunities to be tapped. Our shared resources and network

allow us to more effectively serve our expanded customer base on a regional basis. There is scope to achieve greater synergies across countries, products and customers in our expanded regional footprint," he added.

The Group's banking subsidiaries in Malaysia, Thailand and Indonesia continue to be main offshore contributors. Pre-tax profit from the ASEAN countries (excluding Singapore) rose more than 80% to S\$370 million as at 30 September 2006.

The Group continues to maintain its leadership position in the key businesses. Customer loans grew 12.1% from S\$65,739 million as at 30 September 2005 to S\$73,673 million as at 30 September 2006. The increase was mainly from term loans and housing loans. Year-on-year, housing loans increased 12.8% to S\$18,076 million while term loans grew by 10.8% to S\$43,961 million.

Customer deposits increased 6.7% to S\$88,960 million as at 30 September 2006 from S\$83,341 million as at 30 September 2005.

Total operating expenses increased 21.5% to S\$1,239 million in 9M06. However, the expenses only saw a 1.3% increase from the second quarter. The Group's expense-to-income ratio increased from 37.3% to 41.2% (excluding the one-time income) when compared to the same period last year. But compared to second quarter this year, the expense-to-income ratio improved from 42.7%.

The Group's asset quality remains strong. Non-performing loans ("NPLs") were S\$3,532 million as at 30 September 2006, representing a decline of 17.7% over 30 September 2005. Correspondingly, the NPL ratio improved from 6.2% to 4.6% at end September 2006.

During the period, the United Overseas Bank Limited ("UOB") was accorded Global Finance's Best Bank in Singapore and Best Sub-Custodian in Singapore awards. The Bank was also named Best Corporate Governance for 2006 by Euromoney.

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About United Overseas Bank

UOB is a leading bank in Singapore that provides a wide range of financial services through its global network of 504 offices in 18 countries and territories in Asia-Pacific, Western Europe and North America. It has banking subsidiaries in Singapore, Malaysia, Indonesia, Thailand and the Philippines.

UOB is focused on enhancing its leadership in the consumer market, and is today, the largest credit card-issuing bank in Singapore with a card base that has exceeded one million. The Bank also has the largest base of merchants in Singapore, both for consumer and commercial credit card acceptance.

For more information on UOB, visit www.uobgroup.com.

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