

**United Overseas Bank Group Reports 19.2% Jump
In Net Profit For The Nine Months to S\$1,603 million**

Core Business Remains Strong

Singapore, 30 October 2007: The United Overseas Bank Group ("The Group") today announced an increase of 19.2% in net profit after tax of S\$1,603 million for the nine months ended 30 September 2007, up from S\$1,345¹ million in the corresponding nine months of the previous year. The broad-based improvement was mainly driven by higher fee and commission income across all business activities and higher net interest income from expanded loan volume and improved margin.

Compared to the second quarter of 2007, the Group's net profit after tax in the third quarter of 2007 was down 14.3% to S\$501 million. The decrease was mainly due to lower trading and investment income resulting from mark-to-market losses from widening credit spreads triggered by the US sub-prime crisis. The quality of the Group's investment portfolio, however, remains sound as reflected by its high weighted average rating. The negative credit impact should reverse once the market regains its confidence or when the debt securities mature.

Compared with the second quarter of 2007, the Group's lower net interest income in the third quarter was mainly due to exchange translation resulting from the strengthening of the Singapore dollar against regional currencies, as well as the contraction of margins arising from the shifting of funds to shorter term good quality investments to preserve liquidity in view of the volatile and uncertain market conditions.

Market volatility aside, the Group's core banking business remained strong. Operating profit was up 20.8% for the nine months of the year to S\$2,134 million. Customer loans grew 10.8% to S\$85,161 million in the nine months of the year and

¹ Excluding the one-time income / gain, comprising special dividend from Overseas Union Enterprise Limited ("OUE") and gain from divestment of OUE and Hotel Negara Limited, recorded in the second quarter of 2006.

15.6% from a year ago. The increase was broad-based across most of the product groups and industries.

Customer deposits rose 9.7% over the nine months and 17.8% from a year ago. Net interest margin was 2.05% for the nine months, up 5 basis points from the corresponding period in 2006, due to better customer loan margin.

Non-interest income increased 36.4% to S\$1,360 million, mainly driven by higher fee and commission income across all business activities, higher gain on sale of foreclosed securities and higher trading and investment income. The Group's non-interest income for the nine months in 2007 accounted for 37.8% of total income, compared to 33.2% in the same period last year.

Mr Wee Ee Cheong, the Group's Deputy Chairman and Chief Executive Officer said, "We are pleased with the results achieved. Despite uncertainties in the financial market, our core business remains strong."

He added, "The market is undergoing a volatile period but the impact of the credit volatility on our core business has been minimal. This is aided by our diversified portfolio in both business and geographical terms.

We will ride out this uncertain period and continue to focus on building our core business. We continue to maintain a strong liquidity and capital position so that we have flexibility to scale up for further expansion, particularly in the region where we have been building our capability. "

The Group's asset quality remains strong. Non-performing loans ("NPLs") decreased by 42.5% to S\$2,032 million as at 30 September 2007 compared to S\$3,532 million as at 30 September 2006. Correspondingly, the NPL ratio improved from 4.6% to 2.3%. Impairment charges lowered by 85% to S\$4 million in the third quarter of 2007 from S\$26 million in the corresponding period in 2006.

Total assets grew by 9.7% to S\$172,192 million as compared to S\$156,904 million as at 30 September 2006, and shareholders' equity of S\$17,249 million was 8.6% higher than that of 30 September 2006. The Group's capital position remains strong with tier-one capital adequacy ratio of 10.2% and total capital adequacy ratio of 14.8% as at 30 September 2007.

During the nine months of 2007, United Overseas Bank Limited ("UOB") was accorded the 2006 JPMorgan Chase Quality/Recognition Award for the eighth consecutive year, as well as the 2006 Straight-Through-Processing/Excellence Award by Deutsche Bank. The Bank was also given the 'Top Rated' award for excellence in providing custody in the 2007 Major Market Agent Bank Review services and attained the Singapore Quality Class' standard for business excellence.

Update On Collateralised Debt Obligations ("CDOs")

1. United Overseas Bank Limited ("The Bank")

There is no change to the Bank's CDO position as compared to the last quarter. Total CDO investments by the Group remains at S\$388² million, of which S\$90² million are in ABS CDOs. The remaining S\$298² million are in Corporate CDOs, of which S\$101² million are due to mature by March 2008. For the quarter, an additional provision of S\$20 million was made, bringing the total provision to S\$55 million. In addition, another S\$46 million provision for mark-to-market losses was taken to the Bank's reserves.

None of our S\$388 million CDOs held as investment is in default.

2. UOB Asset Management Limited ("UOBAM")

UOBAM does not own any CDOs on its own. For the CDOs managed by UOBAM, total CDO AUM declined to S\$11.4 billion from the last quarter of S\$11.7 billion. The decline is largely due to the maturity of a CDO and currency translation effects. Since the last quarter, one CDO tranche was upgraded in October 2007. There was one CDO tranche downgrade in September 2007 and

² The lower figure as compared to last quarter is due to exchange translation.

another in October 2007. The ratings of the 2 downgraded CDO tranches remain in the investment grade. Another CDO (Raffles Place II Funding Ltd) was put on negative watch in October 2007.

3. UOB Life Assurance Limited (“UOB Life”)

UOB Life has invested S\$43² million in corporate CDOs in Life Fund (not Shareholders Fund), of which S\$37² million will mature by March 2008.

4. Archer 1 Limited (“Archer”)

Archer is an Asset Backed Commercial Paper (ABCP) Program managed by UOB. It does not hold any CDOs. A decision was made at the beginning of 2007 to wind up the Program by the end of 2007 for Basel II purposes. Outstanding ABCPs at the end of the third quarter 2007 were S\$638 million, compared with S\$773 million as at end of the second quarter; all remaining ABCPs are expected to mature by the end of this year.

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About United Overseas Bank Limited

UOB is a leading bank in Singapore that provides a wide range of financial services through its global network of over 500 offices in 18 countries and territories in the 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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