

**United Overseas Bank Group's Net Profit After Tax
Increased 17.9% To S\$518 million In The First Quarter Of 2007**

**Net Interest Margin Improved By 14 basis points To 2.18%
Over The Same Period Last Year**

Singapore, 8 May 2007 – The United Overseas Bank Group (“The Group”) has reported an increase of 17.9% in net profit after tax to S\$518 million in the first quarter of 2007, up from S\$439 million for the same period last year.

The improvement was broad based with strong growth in net interest income as well as non-interest income, partly offset by higher operating expenses and impairment charges.

Net interest income grew 16.6% to S\$762 million, largely from continued strong growth in a well diversified customer loans book, and higher investment in government and debt securities. Net interest margin also improved 14 basis points to 2.18% in the first quarter of 2007 over the same period last year and 19 basis points from the preceding quarter. Net interest income accounted for 63.8% of total income.

Non-interest income increased 23.4% to S\$432 million, mainly due to higher fee and commission income from fund management, loan-related activities and credit card operations; and higher net gain from foreign exchange, securities and derivatives. The Group's non-interest income in the first quarter of 2007 accounted for 36.2% of total income compared to 34.9% in the first quarter of 2006.

The Group's net customer loans continued with the strong momentum shown in 2006 to close at S\$79,042 million, up 2.8% from last year end and 17.2% from first quarter of 2006. This was largely contributed by higher term loans and housing loans.

Compared to the preceding quarter last year, total operating expense decreased 5.1% to S\$472 million, mainly due to lower expenses on business promotions, IT and premise maintenance, and commission and brokerage. Expense to income ratio improved to 39.5%.

The Group's total assets increased 3.4% during the three months to S\$166,728 million as at 31 March 2007. Shareholders' equity rose 4.3% to S\$17,507 million and the Group's revalued net asset value increased 4.1% to S\$11.92 per share.

The Group's asset quality continued to improve. The Group's non-performing loans (NPL) as at 31 March 2007 were S\$2,986 million, representing a decrease of 5.7% and 24.4% over 31 December 2006 and 31 March 2006 respectively. NPL ratio has improved significantly over the year to 3.7% as at 31 March 2007.

The Group's total capital adequacy ratio was 16.2% as at 31 March 2007 with tier-one capital ratio at 11.1%.

The Group made further inroad in its regionalisation efforts by taking a 10% stake in Southern Commercial Joint Stock Bank in Vietnam. In addition, a letter of intent to start negotiating for a strategic investment in China's Evergrowing Bank has also been signed. The latest initiatives are in line with the Group's vision to build a premier regional bank with an extensive regional footprint.

Mr Wee Ee Cheong, the Group's Deputy Chairman and CEO said, "We are pleased with the good set of results. Despite the intense competition, our core business remains strong and customer and interest margins continue to improve."

Mr Wee added: "The opportunities offered by the region remain attractive. We are happy with our investments so far and we now have a well established regional platform to serve our customers better. We will continue to improve our product and distribution capabilities to establish UOB as a premier regional bank. "

In early 2007, the United Overseas Bank Limited ("The Bank") was accorded the Net Profit Excellence Award (Finance) in the 20th Annual Singapore 1000 awards ("Award"). The Award is conferred to deserving companies who have distinguished themselves through outstanding financial performance in the areas of sales / turnover, net profit and other financial indicators.

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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 525 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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