



UNITED OVERSEAS BANK LIMITED

(Incorporated in the Republic of Singapore)

Company Registration No. 193500026Z

UOB Signs Subscription Agreement With The Southern Commercial Joint Stock Bank

Singapore, 25 January 2007 – United Overseas Bank Limited (“UOB” or “the Bank”) is pleased to announce that the Bank has, today, entered into a Subscription Agreement with The Southern Commercial Joint Stock Bank (“Southern Bank”) to take an initial 10% stake in the Vietnamese bank. The price for the new shares is VND480,000,000,000 (approximately S\$46 million)¹ and the completion of the subscription is subject to satisfactory due diligence and regulatory approvals.

The Subscription Agreement also provides for UOB to increase its shareholding in Southern Bank to the extent allowed by law. Currently, Vietnamese law allows a single foreign shareholder to own up to 10% of a joint stock commercial bank, but this cap is expected to be increased to 20% in the near future. In the event that Vietnamese law allows UOB to raise its shareholding in Southern Bank to 20% of the enlarged issued share capital, the subscription price for the additional new shares will be VND462,275,970,000 (approximately S\$44 million)¹.

The price for the new shares, which will be paid for in cash, was arrived at taking into account, inter alia, the issued capital of Southern Bank. The investment in Southern Bank is not expected to have a material impact on earnings or the net tangible assets of UOB for the current financial year. UOB intends to fund the investment with internal resources. As at 30 November 2006, the unaudited net tangible assets of Southern Bank was VND1,648,739,000,000 (approximately S\$158 million)¹ and the issued capital was VND1,290,789,000,000 (approximately S\$124 million)¹. Southern Bank shares are not listed.

This investment in Southern Bank is in line with UOB’s mission to build a premier bank in the Asia-Pacific region. With its recent accession to the World Trade Organisation, Vietnam is primed for growth. Southern Bank, being a top two joint stock bank in terms of registered capital and top 10 in terms of assets in Vietnam, would be able to take advantage of the growth. As a strategic shareholder in Southern Bank, UOB will provide technical support and assistance to Southern Bank.

Mr Wee Cho Yaw, UOB Chairman and CEO, said, “UOB was the first Singapore bank to establish a branch in Vietnam in 1995. Vietnam has enjoyed tremendous growth since then, and we intend to play a more active role in the growing economy.”

Speaking at the signing ceremony, Mr Wee added, "The banking scene is changing dramatically. Today a Chinese bank, ICBC has emerged as the world's third largest bank in terms of market capitalization, following its recent IPO. The consolidated Japanese banks are also returning to the region in a big way. Banks in Southeast Asia, therefore, will face increasing competition. Many regional governments are encouraging more consolidation in their banking sector to meet the new challenges. I believe Southeast Asian banks should continue to enlarge their scale of operations through strategic alliances/mergers/acquisitions."

Mr Le Anh Kiet, Chairman of Southern Bank, said, "We believe that being able to work with an established bank with a strong regional network like UOB will further strengthen our operations in Vietnam and will also enhance Vietnam's business relations with the rest of Asia."

¹ Exchange Rate at S\$1 = VND10,433

About UOB

UOB is a leading bank in Singapore that provides a wide range of financial services through its global network of 524 branches, offices and subsidiaries 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's total card base of 1.3 million firmly places it in the top position in credit and Visa debit cards in Singapore. UOB is the market leader in loans to small and medium-sized enterprises and a recognised leader in the personal loans business. Its fund management arm, UOB Asset Management, has the distinction of being Singapore's most awarded fund manager.

UOB is rated among the world's top banks by Moody's Investors Service, receiving B for Bank Financial Strength, and Aa3 and Prime-1 for long-term and short-term deposits respectively.

For more information, please log on to www.uobgroup.com

About Southern Bank

Southern Bank is one of the top five joint stock banks in Vietnam. Its charter capital is VND1290.8 billion and this places the bank in second position among commercial joint stock banks in Vietnam, in terms of charter capital.

Established in 1993, Southern Bank has a network of 46 branches in Ho Chi Minh City, Cu Chi, Hanoi, Danang, Can Tho and An Giang. The bank provides business banking services to small and medium enterprises, exporters and importers, and personal banking services to individuals. Southern Bank has over 980 employees and its Head Office is in Ho Chi Minh City. Southern Bank is a member of the Vietcombank ATM/Visa Card network.

For more information, please log on to www.southernbank.com.vn

Vivien Chan
Group Secretary