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Singapore-based United Overseas Bank Ltd. (UOB) was founded in 1935 and is considered a systemically important institution. Today, it is one of the country's three largest banks and has an international presence, with the focus of its business in the Asian region. Its shares are listed on the Singapore Stock Exchange. UOB obtained its current structure through a series of acquisitions. The institution reports in the segments: "Group Retail", "Group Wholesale Banking", "Global Markets" and the non-operating segment "Other". Major subsidiaries include United Overseas Bank (Malaysia), United Overseas Bank (Thailand), PT Bank UOB Indonesia and United Overseas Bank (China). UOB Group has a broad branch network of over 500 branches spread across 19 countries and regions in Western Europe, Asia-Pacific and North America. In terms of loan portfolio, the largest share was in the home market of Singapore (52%; as of March 31, 2021). In addition to Singapore, the bank also has a particularly strong presence in Greater China and Malaysia. The bank offers its customers a wide range of financial services. These include private banking, commercial and corporate banking, investment banking, capital markets activities, treasury services, asset management, insurance and securities trading services, and credit cards. As of March 31, 2021, a CET1 ratio of 14.3% (+0.2 percentage points Y/Y) was reported for the institution, while the NSFR was reported at 121% (+12 percentage points Y/Y). Return on equity and net interest margin were at annualized 10.2% and 1.5%, respectively.

Ratings

		Outlook
Fitch	AA-	Stable
Moody's	Aa1	Stable
S&P	AA-	Stable

Homepage

www.uobgroup.com

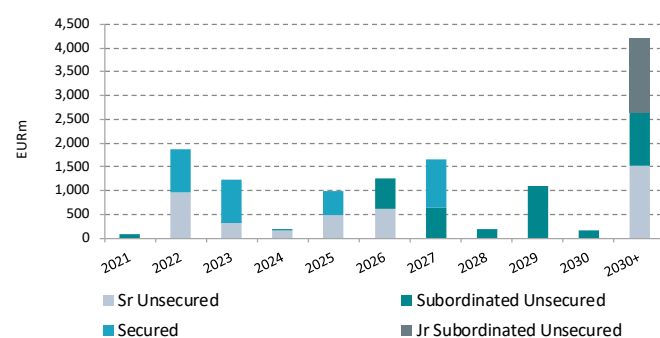
Balance Sheet

(EURm)	2019Y	2020Y	2021Q1
Net Loans to Customers	175,875	171,446	-
Total Securities	30,486	38,837	-
Total Deposits	205,866	200,760	210,313
Tier 1 Common Capital	1,370	1,407	1,517
Total Assets	267,934	267,072	279,221
Total Risk-weighted Assets	149,943	139,433	149,514

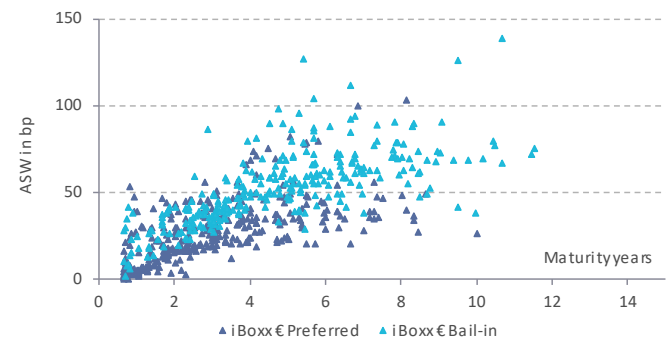
Income Statement

(EURm)	2019Y	2020Y	2021Q1
Net Interest Income	4,298	3,837	953
Net Fee & Commission Income	1,331	1,270	397
Net Trading Income	731	560	-
Operating Expense	2,929	2,660	678
Credit Commitments Impairment	294	1,014	-
Pre-tax Profit	3,388	2,248	764

Redemption Profile



Senior Unsecured Bonds



Company Ratios

	2019Y	2020Y	2021Q1		2019Y	2020Y	2021Q1
Net Interest Margin	1.78	1.57	-	Liquidity Coverage Ratio	147.76	139.12	138.81
ROAE	11.12	7.24	-	IFRS Tier 1 Leverage Ratio	8.22	7.99	-
Cost-to-Income	44.36	45.12	43.25	NPL/ Loans at Amortised Cost	1.58	1.66	-
Core Tier 1 Ratio	14.30	14.74	14.35	Reserves/NPLs	1.21	1.51	-

As of: 17.05.2021; Source: Bloomberg, S&P Global Market Intelligence, NORD/LB Markets Strategy & Floor Research

Strengths / Opportunities

- Robust profile with regard to funding and liquidity
- Strong market position (SME)

Risks / Weaknesses

- Growing exposure to higher-risk markets
- Pressure due to economic downturn

Covered Bonds

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Outstanding covered bonds with a volume equivalent to EUR 3.3bn

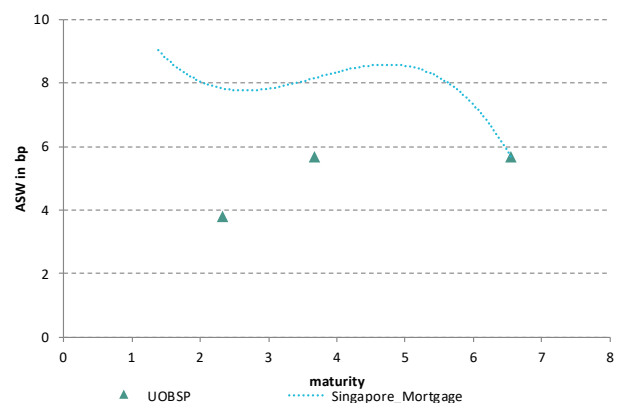
As of the reporting date March 31, 2021, United Overseas Bank (UOB) had outstanding covered bonds with a volume equivalent to EUR 3.342bn, with issues matched by cover assets equivalent to EUR 6.625bn. The overcollateralization ratio was reported at 98.2% as of the same date and was thus significantly above the statutory ratio of 3%. In the iBoxx EUR Covered, the institution is represented by three EUR benchmarks totaling EUR 2.0bn as of May 2021, with the most recent issue (UOBSP 0.01 12/01/27) being the largest benchmark outstanding with a volume of EUR 1.0bn.

Programme data

31 March 2021	Mortgage
Covered bonds outstanding	SGD 5,276.6m (EUR 3,342,3m)
Cover pool volume	SGD 10,451.3m (EUR 6,625.3m)
Current OC (nominal / legal)	98.2% / 3.0%
Type	99.4% Residential
Main country	100% Singapore
Main region	72.8% Outside Central Region
Number of mortgage loans	17,341
Share of 10 largest exposures	0.71%
NPLs	0.04%
Fixed interest (Cover Pool / CBs)	52.4% / 87.8%
WAL (Cover Pool / CBs)	20.2y / 3.7y
CB Rating (Fitch / Moody's / S&P)	- / Aaa / AAA

Source: Issuer, rating agencies, Bloomberg, NORD/LB Markets Strategy & Floor Research

Spread overview (BMK) – Singapore



Primary cover from residential assets from Singapore

As of March 31, 2021, 99.4% of UOB's cover pool is composed of primary cover assets, while 0.6% is accounted for by substitutional cover in the form of cash. While all cover assets are denominated in domestic currency, a nominal EUR 2.5 billion of the outstanding bonds are denominated in the European common currency, a nominal USD 500 million in U.S. dollars and a nominal GBP 350 million in British pounds. The primary cover consists entirely of residential assets, which are also located entirely in Singapore. The Outside Central Region dominates with 72.8%, followed by the Core Central Region (16.3%) and the rest of the Central Region (11%). The cover pool comprises 17,341 loans, of which only 0.71% are attributable to the ten largest exposures. The average loan volume amounts to SGD 599,231 (EUR 379,861). 72.5% is owner-occupied, while a further 27.1% is classified as buy-to-let or non-owner occupied. With regard to the seasoning of the loans, 82.6% have already been outstanding for more than three years, while 46.6% of the volume was already valued more than five years ago.

Rating and regulatory treatment

UOB's EUR benchmarks have top ratings from the rating agencies Moody's (Aaa) and S&P (AAA). Moody's also gives a collateral score of 5%, which is very good also by international standards. The TPI Leeway is also given three notches. The risk weight according to CRR is 20%. In the context of LCR management, we believe benchmark deals can also be used as Level 2A assets. With regard to the regulatory framework, it is also worth mentioning a decision by Singapore's monetary policy authority – the Monetary Authority of Singapore (MAS) – from October 2020, which significantly increases the issuance limit for covered bonds to 10% of total assets.

Appendix

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