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The Singapore based United Overseas Bank Ltd. (UOB) was founded in 1935 and is considered a systemically important institution. Today, it is one of the three largest banks in the country and has an international presence, with the focus of its business in Asia. Its shares are listed on the Singapore stock exchange. UOB received its current structure through a series of acquisitions. The institute reports in the following segments: "Group Retail", "Group Wholesale Banking", "Global Markets" and the non-operating segment "Other". The most important subsidiaries are United Overseas Bank (Malaysia), United Overseas Bank (Thailand), PT Bank UOB Indonesia and United Overseas Bank (China). The UOB Group has a broad branch network of over 500 branches and offices spread across 19 countries and territories in Western Europe, Asia-Pacific and North America. The home market of Singapore recently accounted for more than 50% of earnings. Also with regard to the loan portfolio, the largest share (51%; as of 30.09.2020) was generated here. In addition to Singapore, the bank also has a particularly strong presence in Malaysia and Greater China. The bank offers its customers a wide range of financial services. These include private banking, commercial and corporate banking, investment banking, capital market activities, treasury services, asset management, insurance and securities trading services and credit cards. With a CET1 ratio of 14.0% and a leverage ratio of 7.4% (as of September 30, 2020.), the bank complies with the regulatory minimum requirements (6.5% and 3% respectively)

Ratings UOB

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

Homepage

www.uobgroup.com

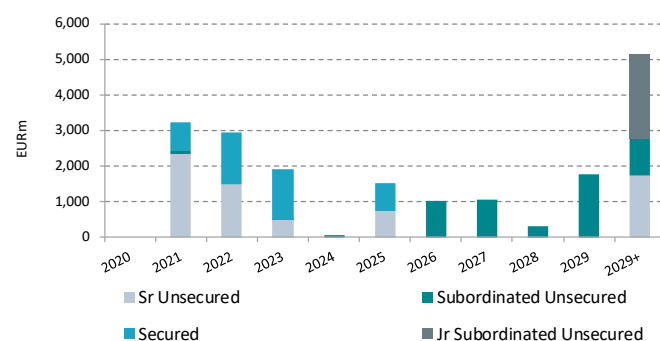
Balance Sheet

(EURm)	2018Y	2019Y	2020H1
Net Loans to Customers	165,805	175,875	176,557
Total Securities	25,661	30,486	39,206
Total Deposits	187,961	205,866	205,683
Tier 1 Common Capital	19,714	21,444	20,704
Total Assets	248,805	267,934	273,838
Total Risk-weighted Assets	141,406	149,943	147,902

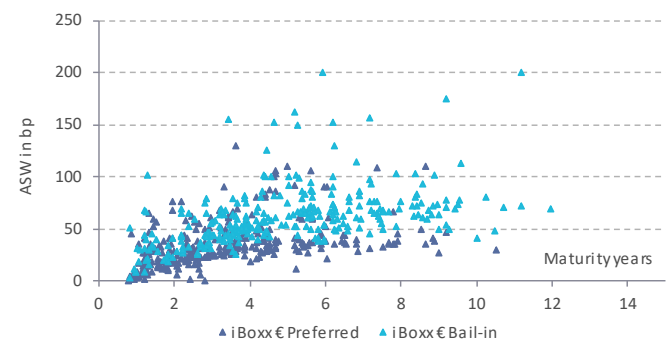
Income Statement

(EURm)	2018Y	2019Y	2020H1
Net Interest Income	3,907	4,298	1,980
Net Fee & Commission Income	1,235	1,331	623
Net Trading Income	407	731	336
Operating Expense	2,514	2,929	1,380
Credit Commitments Impairment	248	294	475
Pre-tax Profit	3,031	3,388	1,233

Redemption Profile



Senior Unsecured Bonds



Company Ratios

	2018Y	2019Y	2020H1	2018Y	2019Y	2020H1	
Net Interest Margin	1.82	1.78	1.59	Liquidity Coverage Ratio	127.46	147.76	135.63
ROAE	10.70	11.12	7.76	IFRS Tier 1 Leverage Ratio	8.13	8.22	7.85
Cost-to-Income	43.41	44.36	45.17	NPL/ Loans at Amortised Cost	1.57	1.58	-
Core Tier 1 Ratio	13.94	14.30	14.00	Reserves/NPLs	1.19	1.21	-

As of: 23.11.2020; 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 on asset quality and profitability due to economic downturn

Covered Bonds

Author: Henning Walten, CIIA

Outstanding covered bonds with a volume of EUR 2.8bn

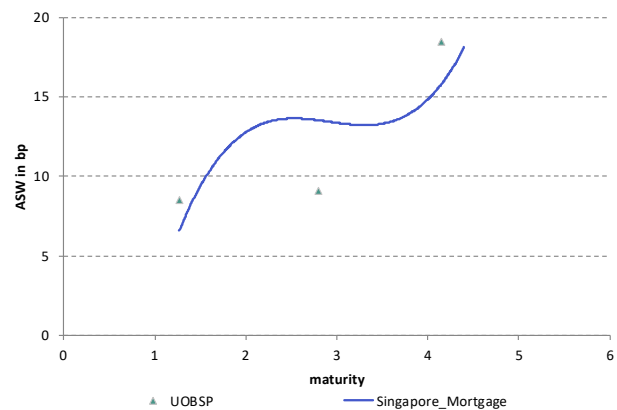
As of 30 September, United Overseas Bank (UOB) had outstanding covered bonds with a volume of EUR 2.773bn. The issues were offset by cover assets equivalent to EUR 5.278bn. The overcollateralisation ratio was stated at 89.7% on the same reporting date and was thus significantly above the legally required ratio of 3%. In November 2020, the institute was represented in the iBoxx EUR Covered with three EUR benchmarks of EUR 500 million each. A further EUR benchmark (UOBSP 0 1/4 03/09/21) is due within the next twelve months and is therefore not included in the iBoxx EUR Covered.

Programme data

30 September 2020	Mortgage
Covered bonds outstanding	EUR 2,772.5m
Cover pool volume	EUR 5,278.3m
Current OC (nominal / legal)	89.7% / 3.0%
Type	98.3% Residential
Main country	100% Singapore
Main region	72.4% Outside Central Region
Number of mortgage loans	13,800
Share of 10 largest exposures	0.9%
NPLs	0.04%
Fixed interest (Cover Pool / CBs)	48.5% / 85.5%
WAL (Cover Pool / CBs)	20.3y / 2.4y
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

98.3% of UOB's cover pool is made up of primary cover assets, while 1.7% is made up of substitute cover assets. While all cover assets are denominated in domestic currency, 70.2% of the outstanding volume was denominated in EUR, 17.5% in USD and 12.3% in GBP. The primary cover consists entirely of residential assets, which are also located entirely in Singapore. With 72.4%, the Outside Central Region dominates, followed by the Core Central Region (17.1%) and the rest of the Central Region (10.5%). The cover pool comprises 13,800 loans, of which only 0.9% relate to the ten largest exposures. The average loan volume amounts to the equivalent of around EUR 375,000. 70.6% of the loans are for owner-occupied residential property, while a further 28.9% are in the "buy-to-let" or "non-owner occupied" category. The cover pool also consists of loans that have been in existence for some time. Thus 90.6% of the loans have a seasoning of more than three years, while 51.8% of the loans have a seasoning of more than five years.

Rating and regulatory treatment

The UOB's covered bonds have the highest ratings from the rating agencies Moody's (Aaa) and S&P (AAA). The risk weighting according to the CRR is 20%. In our opinion, benchmark deals can also be used as Level 2A assets within the scope of LCR management. With regard to the regulatory framework, a decision by the Monetary Authority of Singapore (MAS) in October significantly increases the issuance limit for covered bonds. With effect from 16 October 2020, the issuance limit is now 10% of total assets instead of 4%. The amendments also include additional specifications for the derivation of total assets as a reference for the derivation of the limit.

Appendix

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