

UOB prices Singapore's first SONIA sterling covered bond offering

Singapore, 15 September 2021 – UOB today became the first issuer in Singapore to price a Sterling Overnight Interest Rate Average (SONIA) benchmark covered bond offering. Issued under its US\$8 billion Global Covered Bond Programme, UOB's new issuance of £850 million floating rate covered bonds due 2026 will use the Compounded Daily SONIA as its interest basis.

The new issuance follows UOB's consent solicitation for the conversion of the interest basis for its £350 million floating rate covered bonds due 2023 from the Sterling LIBOR to Compounded Daily SONIA in July 2021.

Mr Lee Wai Fai, Group Chief Financial Officer, UOB, said, "We are pleased to return to the Sterling market and to re-engage our investors with the inaugural SONIA covered bond issuance from Singapore. Since we launched the country's first Sterling-denominated covered bond in 2018, there is now greater clarity and established market conventions in the SONIA market. The success of our latest transaction has clearly shown investors' solid reception to Singapore covered bonds and is testament to UOB's strong brand and fundamentals."

UOB's covered bonds have been priced with a coupon rate of Compounded Daily SONIA plus 100 basis points, with a reoffer yield of 29 basis points above SONIA. The transaction saw strong momentum with a final orderbook in excess of £975 million from a diversified investor base that comprised bank treasuries, central banks / official institutions and real money fund managers, underscoring UOB's strong credit standing.

UOB's latest issuance is the largest-ever Sterling covered bond offering from an Asian issuer and a landmark trade in establishing a SONIA-linked pricing point for issuers in the region. The Bank has issued 10 benchmark covered bonds, including its inaugural transaction in 2016, across global markets – the most among Asian banks.



Expected to be rated Aaa by Moody's and AAA by S&P Global Ratings, the latest covered bond transaction provides the Bank with a firm foundation for future market and investor engagement. BNP Paribas, Credit Suisse International and UOB were the joint lead managers of this transaction.

– Ends –

About UOB

United Overseas Bank Limited (UOB) is a leading bank in Asia with a global network of around 500 branches and offices in 19 countries and territories in Asia Pacific, Europe and North America. Since its incorporation in 1935, UOB has grown organically and through a series of strategic acquisitions. UOB is rated among the world's top banks: Aa1 by Moody's Investors Service and AA- by both S&P Global Ratings and Fitch Ratings. In Asia, UOB operates through its head office in Singapore and banking subsidiaries in China, Indonesia, Malaysia, Thailand and Vietnam, as well as branches and representative offices across the region.

Over more than eight decades, generations of UOB employees have carried through the entrepreneurial spirit, the focus on long-term value creation and an unwavering commitment to do what is right for our customers and our colleagues.

We believe in being a responsible financial services provider and we are committed to making a difference in the lives of our stakeholders and in the communities in which we operate. Just as we are dedicated to helping our customers manage their finances wisely and to grow their businesses, UOB is steadfast in our support of social development, particularly in the areas of art, children and education.

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