

UOB and Korea Housing Finance Corporation collaborate on investment banking, ESG financing and treasury services in Southeast Asia



Mr Wee Ee Cheong, Deputy Chairman and CEO, UOB, and Mr Choi Joon Woo, Chairman and CEO, KHFC, together with Mr Frederick Chin, Head of Group Wholesale Banking and Markets, UOB, (far left) and Mr Seol Inbai, Executive Director, KHFC, (far right) at the MOU signing ceremony this morning.

Singapore, 12 May 2022 – UOB today announced the signing of a Memorandum of Understanding (MOU) with Korea Housing Finance Corporation (KHFC)¹, a Korean state-owned financial company. The cooperation covers three main areas, namely, investment banking, environmental, social and governance (ESG) financing and treasury services. Both companies will work to expand KHFC's footprint in Southeast Asia, including in Singapore, Indonesia, Malaysia, Vietnam and Thailand.

¹ Korea Housing Finance Corporation (KHFC) is a state-run enterprise that facilitates the long-term, stable supply of housing funds and other related instruments to promote national welfare. More information is available via <https://www.hf.go.kr/ehf/sub05/sub01.do#contents-title>

For capital markets and investment banking activities, UOB and KHFC will cooperate in issuing regular bonds and covered bonds. UOB will support KHFC in expanding the investor base for its mortgage-backed securities (MBS) under the Bank's ESG-related financing frameworks.

UOB will provide KHFC with treasury services such as derivatives transactions for hedging foreign exchange risk, as well as cash management services. UOB will offer cash management services to KHFC's Singapore branch office for its daily operations and to support the Singapore branch office to manage capital flows from KHFC's headquarters in Korea. KHFC's Singapore branch office is its first overseas venture, and it is part of the company's plans to widen its global network. Located at Marina Bay Financial Centre, the branch office held its opening ceremony yesterday.

Mr Wee Ee Cheong, Deputy Chairman and CEO, UOB said, "We are delighted that KHFC has selected Singapore as a base to capture the growth momentum of the Southeast Asian region. We are also honoured that KHFC has chosen to partner with us on this journey. As KHFC expands into our home region, we look forward to supporting its investment, financing and fundraising activities through our integrated network, deep market expertise and strong local partnerships."

Mr Choi Joon Woo, Chairman and CEO, KHFC said, "We appreciate UOB's innovative entrepreneurship in the financial markets including its investment in Korean-won denominated social MBS issued by KHFC as the first foreign investor. This MOU reconfirms strong collaboration between two institutions and we look forward to working with UOB as reliable key partner as KHFC plans to grow social MBS investors from the ASEAN region which UOB has enriched expertise and strong footage."

Since 2004, KHFC has worked closely with the Korea government to provide a wide range of housing finance options to families in Korea, enabling them to tap long-term and stable housing finance. UOB started working with KHFC in 2019, when the Bank set up its financial institution unit in Korea. In 2020, UOB invested in the Bank's first Korean-won denominated social MBS issued by KHFC. UOB was also KHFC's first foreign investor in its MBS. The social MBS was previously only available for the Korea market, but with UOB's investment KHFC was able to reach out to a number of foreign investors.

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About UOB

United Overseas Bank Limited (UOB) is a leading bank in Asia with a global network of around 500 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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