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News Release

UOB the first financial institution in Singapore to pilot a digital bond issuance on Marketnode's exchange-operated digital asset issuance platform

Singapore, 16 June 2021 – UOB is the first financial institution issuer in Singapore to tap Marketnode's digital asset issuance, depository and servicing platform[1]. The Bank is piloting the digital issuance of its latest bond offering in its focus on supporting open digital solutions and ecosystems that help develop Singapore's capital markets infrastructure and the financial sector.

Marketnode, a joint venture between Singapore Exchange and Temasek, is an exchange-led digital asset venture focused on capital markets workflows through smart contracts, ledger and tokenisation technologies. The platform leverages distributed ledger technology to connect various parties involved in the transaction – from issuers to investors – and to tokenise the capital security, so that smart contracts can be created and conducted for greater efficiency.

The digital bond is run in parallel with the conventional issuance process.

UOB's latest perpetual, non-call seven-year additional Tier 1 (AT1) capital securities offering is the industry's first public capital issuance to reference the Singapore Overnight Rate Average Overnight Indexed Swap (SORA-OIS) rate. The transaction reinforces the industry's adoption of a SORA-based pricing benchmark in the Singapore dollar bond market[2].

Mr Wee Ee Cheong, Deputy Chairman and Chief Executive Officer, UOB, said, "UOB is fully behind the development of Singapore's digital capital markets infrastructure and the smooth transition to a SORA-centred financial market. We are pleased to be the first financial institution to support Marketnode's exchange-led network in our dual role as a major Singapore dollar bond issuer and bond house. As more global issuers and investors come on board and participate in Singapore's digital capital markets, we will see further strengthening of Singapore's status as the region's financial hub."

[1] For more information, please refer to Singapore Exchange's website.
[2] UOB launched Singapore's first capital securities referencing SORA-OIS rate in a private placement transaction in January 2021. Please refer to UOB news release: "UOB advances Singapore's SORA transition with the first capital securities resettable against SORA Overnight Indexed Swap rate", 8 January 2021.

The Bank's AT1 securities have been priced at a fixed coupon rate of 2.55 per cent, the lowest for a benchmark perpetual securities for banks in Singapore. UOB raised a total of S$600 million, with a final orderbook of more than S$1 billion from a total of 73 accounts. Testament to UOB's strong credit standing, the transaction saw a subscription rate of 1.7 times, supported by an extensive investor base comprising both quality institutional accounts and private banking investors. Ninety-two per cent of them were based in Singapore while eight per cent were international offshore investors.

The perpetual capital securities are expected to be rated Baa1, BBB- and BBB+ by Moody's Investors Service, S&P Global Ratings and Fitch Ratings respectively.

UOB is the Sole Global Coordinator and, together with Credit Suisse (Singapore) Limited, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Standard Chartered Bank (Singapore) Limited, the Joint Lead Managers and Joint Bookrunners.

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About UOB

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