United Overseas Bank Limited
HEAD OFFICE
80 Raffles Place UOB Plaza
Singapore 048624
Tel (65) 6533 9898 Fax (65) 6534 2334
uobgroup.com
Co. Reg. No. 193500026Z

News Release

UOB to convert £350 million floating rate covered bonds' interest rate benchmark from Sterling LIBOR to SONIA

Bank takes another step in supporting global transition of interest rate benchmarks

Singapore, 1 July 2021 – UOB today announced that it has obtained its bondholders' approval to replace the interest basis for its £350 million floating rate covered bonds due 2023 from the Sterling London Interbank Offered Rate (Sterling LIBOR) to Compounded Daily Sterling Overnight Interest Rate Average (Compounded Daily SONIA). The Bank announced, on 8 June 2021, a consent solicitation seeking the eligible bondholders' consent to the modification of the terms and conditions through an extraordinary resolution, which was passed at a meeting held yesterday.

SONIA is administered by the Bank of England and is identified by the Working Group on Sterling Risk Free Reference Rates to be the replacement for Sterling LIBOR[1], which will be discontinued at the end of 2021.

The interest basis for UOB's covered bonds will be switched to Compounded Daily SONIA with effect from 31 August 2021 to coincide with the next interest payment date of the covered bonds. The conversion will be completed well ahead of the cessation of Sterling LIBOR. The Bank's move to convert the interest basis for its covered bonds to SONIA underscores its efforts in supporting the global transition of interbank offer rates to alternative reference rates, which are more robust replacement benchmarks underpinned by deep and liquid overnight funding markets. The covered bonds were issued in February 2018 under UOB's US$8 billion Global Covered Bond Programme that was established in November 2015.

Ms. Koh Chin Chin, Head of Group Central Treasury Unit, UOB, said, "UOB has been proactively taking steps to prepare for the global benchmark rate transition. As part of this broader effort, we have also planned for the smooth conversion of our Sterling LIBOR covered bonds ahead of the year-end cessation of Sterling LIBOR. The timing of this conversion enables our bondholders to benefit from the well-established procedures and adjustment mechanisms set through similar Sterling LIBOR-to-SONIA consent exercises conducted by bank issuers in Europe and other jurisdictions, as well as the greater transparency and

[1] Please refer to the Bank of England's website: https://www.bankofengland.co.uk/markets/sonia-benchmark

liquidity of the SONIA-LIBOR basis used for the pricing adjustment. We are grateful for the strong support from our bondholders in enabling the consent solicitation to be passed at the first meeting."

Throughout its global network, UOB actively contributes to the deepening of market liquidity for financial products using replacement interest rate benchmarks. In January 2021, UOB became the first issuer to reference Singapore Overnight Rate Average (SORA) for a capital security[2], promoting the adoption of SORA-based pricing benchmark for the Singapore dollar bond market. In September 2020, UOB offered the first dual-tranche loan which referenced both SORA and Secured Overnight Financing Rate (SOFR)[3], and also offers SORA-based property loans and corporate loans pegged to SORA, SONIA and SOFR. In addition, the Bank actively trades in derivatives and notes referencing these replacement benchmarks and others such as the Thai Overnight Repurchase Rate (THOR).

– Ends –

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.

[2] Please refer to UOB news releases: "UOB advances Singapore's SORA transition with the first capital securities resettable against SORA Overnight Indexed Swap rate", 8 January 2021, and "UOB the first financial institution in Singapore to pilot a digital bond issuance on Marketnode's exchange-operated digital asset issuance platform", 16 June 2021.

[3] Please refer to UOB news release: "UOB collaborates with CapitaLand on Singapore's first dual tranche SORA-SOFR loan", 3 September 2020.

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For media queries, please contact:

Kelyn Tan
Group Strategic Communications and Brand
Email: Kelyn.TanSW@UOBGroup.com
Tel: (65) 6539 3967

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