

United Overseas Bank (UOB SP)

FUNDAMENTAL VIEW ¹

As of 13 Aug 2025

- UOB has strong stand-alone credit profile and benefits from the high likelihood of support from the government of Singapore, where it is one of the three major local banks.
- The bank is more focused on Singapore and Southeast Asia than on Greater China; its traditional strengths are the SME and retail sectors, although its large corporate book is now over 60% of loans.
- UOB has been conservatively managed with a sound risk profile, a strong focus on liquidity and a long track record of relatively good performance.

RISKS & CATALYSTS

As of 13 Aug 2025

- UOB has a greater focus on Southeast Asia than its Singapore bank peers, which leaves it open to more asset quality risk in a downturn / high interest rate environment. It has 8% of its loan book in Thailand, where we are cautious about macroeconomic conditions.
- The bank has benefited more from the final Basel III rules implementation than its peers - its CET 1 ratio was previously the lowest among the three but now aligns with peers.
- Its NPL coverage ratio of 88% is around 50-70 ppt behind peers. However, both collateral and UOB's SGD 2.8 bn in general provisions will be more than sufficient.

CREDIT QUALITY SCORE (CQS) ²

As of 26 Sep 2025

CURRENT CQS

66

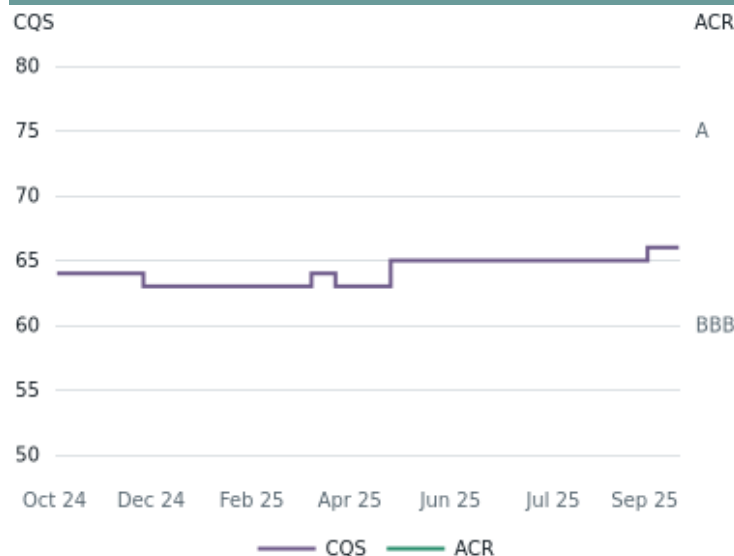
CQS OUTLOOK ³

NEGATIVE

STABLE

POSITIVE

HISTORICAL RATINGS: AVERAGE AGENCY RATING (ACR) ⁴ VS CQS



KEY METRICS

As of 13 Aug 2025

SGD MN	FY21	FY22	FY23	FY24	1H25
PPP ROA	1.23%	1.31%	1.52%	1.51%	1.50%
ROA	0.92%	0.99%	1.19%	1.19%	1.05%
ROE	10.2%	11.9%	14.2%	13.7%	11.7%
Equity to Assets	9.3%	8.6%	8.8%	9.2%	9.4%
CET1 Ratio (fully-loaded)	13.5%	13.3%	13.4%	15.4%	15.1%
NPL Ratio	1.62%	1.58%	1.52%	1.53%	1.56%
Provisions / Loans	0.20%	0.20%	0.25%	0.27%	0.34%
Liquidity Coverage Ratio	133%	147%	158%	143%	142%
Net Stable Funding Ratio	116%	116%	120%	116%	118%

BUSINESS DESCRIPTION

As of 13 Aug 2025

- UOB was established in 1935 as a Chinese family-owned bank catering to the Hokkien (Fujian) community, Singapore's largest Chinese ethnic sub-group. The Wee family owns about 18% of the shares. A further 5.2% is held by the Lien family which previously controlled Overseas Union Bank, which UOB merged within 2001. The Wee family has significant real estate and hospitality interests in Singapore and regionally.
- UOB's main markets are Singapore and Malaysia where its presence dates back to before Singapore's independence. It expanded through acquisitions in Thailand (Bank Radanasin and Bank of Asia) and Indonesia (Bank Buana), and more recently bought over Citi's consumer franchise in Malaysia, Thailand, Indonesia and Vietnam.
- Franchise strengths are in SME and consumer lending. Building & construction accounts for 27% of loans, followed by housing at 24%, financial institutions at 12% and general commerce at 11% at 4Q24.
- Loans by geography comprise Singapore at 50% of loans, Greater China at 14%, Malaysia at 10%, Thailand at 8%, and Indonesia at 3% at 2Q25.

GLOSSARY

¹ The **Fundamental View** is our current assessment of credit quality and our expectation of how credit quality will trend over the next year or longer.

² The **Credit Quality Score (CQS)** is a number between 5 and 100. It is a medium-term credit score for corporates and financial institutions that utilizes a combination of sector fundamental scores and equity market signals. Values of CQS above 50 generally indicate investment grade credit quality.

³ The **Credit Quality Score (CQS) Outlook** is the near-term (3 month) outlook for the CQS, based on its trend, volatility and distance from the adjacent CQS risk bucket.

⁴ The **Agency Composite Rating (ACR)** is the average senior unsecured rating from one or more major rating agencies.

Quantitative scores provided by CreditSights Analytics, LLC. Scores are shown are for the lesser of (1) 2 years and (2) date of CreditSights inception of quantitative coverage.

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