

## IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON  
IN THE UNITED STATES OR ADDRESS IN THE UNITED STATES.

**IMPORTANT: You must read the following before continuing.** If you are not the intended recipient of this message, please do not distribute or copy the information contained in this e-mail, but instead, delete and destroy all copies of this e-mail including all attachments. The following applies to the offering circular (“**Offering Circular**”) following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the offering circular. In accessing the offering circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT TO PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT.

THE FOLLOWING OFFERING CIRCULAR AND ITS CONTENTS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED.

FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED IN THE OFFERING CIRCULAR.

**Confirmation of your Representation:** In order to be eligible to view this offering circular or make an investment decision with respect to the Securities, investors must not be U.S. persons (within the meaning of Regulation S under the Securities Act). This offering circular is being sent at your request and by accepting the e-mail and accessing this offering circular, you shall be deemed to have represented to us that (1) you are not a U.S. person nor are you acting on behalf of a U.S. person, the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States and, to the extent you purchase the Securities described in the offering circular, you will be doing so pursuant to Regulation S under the Securities Act and (2) you consent to delivery of such offering circular and any amendments and supplements thereto by electronic transmission.

You are reminded that this offering circular has been delivered to you on the basis that you are a person into whose possession this offering circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or disclose the contents of this offering circular to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such underwriter or such affiliate on behalf of United Overseas Bank Limited in such jurisdiction.

This offering circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of United Overseas Bank Limited or any person who controls it or any director, officer, employee or agent of it or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the offering circular distributed to you in electronic format and the hard copy version available to you on request from United Overseas Bank Limited.

Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



## United Overseas Bank Limited

(incorporated with limited liability in the Republic of Singapore)  
(Company Registration Number 193500026Z)

### U.S.\$8,000,000,000 Global Covered Bond Programme unconditionally and irrevocably guaranteed as to payments of interest and principal by Glacier Eighty Pte. Ltd.

(incorporated with limited liability in the Republic of Singapore)  
(Company Registration Number 201531119W)

Under its Global Covered Bond Programme (the “**Programme**”) described in this Offering Circular, United Overseas Bank Limited (a limited liability company incorporated in Singapore) (“**UOB**” or the “**Issuer**”), in accordance with Notice 648 on the Issuance of Covered Bonds by Banks incorporated in Singapore of the Monetary Authority of Singapore (the “**MAS Notice 648**”) and subject to compliance with all other relevant laws, regulations and directives, may from time to time issue covered bonds (the “**Covered Bonds**”). The aggregate nominal amount of Covered Bonds outstanding will not at any time exceed U.S.\$8,000,000,000 (or the equivalent in other currencies and subject to increase as provided in the Dealer Agreement described herein). Glacier Eighty Pte. Ltd. (the “**CBG**”) has guaranteed payments of interest and principal under the Covered Bonds pursuant to a guarantee which is secured over the Portfolio (as defined below) and its other assets. Recourse against the CBG under its guarantee is limited to the Portfolio and any other assets of the CBG. Application has been made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in, and for quotation of, any Covered Bonds to be issued which are agreed at the time of issue to be listed on the SGX-ST. The relevant pricing supplement in respect of any issue of Covered Bonds (a “**Pricing Supplement**”) will specify whether or not such Covered Bonds will be listed on the SGX-ST or any other stock exchange. There is no guarantee that an application to the SGX-ST will be approved. Admission of the Covered Bonds to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Programme or such Covered Bonds. The SGX-ST assumes no responsibility for the correctness of any statements made or opinions expressed herein. The Programme provides that the Covered Bonds may be listed on such other or further stock exchange(s) as may be agreed in relation to each series. The Issuer may also issue unlisted Covered Bonds.

The Covered Bonds may be issued in bearer form (“**Bearer Covered Bonds**”) or in registered form (“**Registered Covered Bonds**”) only. Each Tranche (as defined in “*Summary of the Covered Bond Programme*”) of Covered Bonds in bearer form will be represented on issue by a temporary global covered bond in bearer form (each a “**Temporary Global Covered Bond**”). Interests in a Temporary Global Covered Bond will be exchangeable, in whole or in part, for interests in a permanent global covered bond in bearer form (each a “**Permanent Global Covered Bond**”) and, together with the Temporary Global Covered Bonds, the “**Global Covered Bonds**”) on or after the date falling 40 days after the later of the commencement of the offering and the relevant issue date, upon certification as to non-U.S. beneficial ownership. Each Tranche of Registered Covered Bonds will be represented by registered certificates (each a “**Certificate**”), without coupons, one Certificate being issued in respect of each Covered Bondholder’s entire holding of Registered Covered Bonds of one Series. Registered Covered Bonds will initially be represented by a registered global certificate (each a “**Global Certificate**”) without interest coupons.

Global Covered Bonds and Global Certificates may be: (i) deposited on the relevant issue date with a common depository on behalf of Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”) (the “**Common Depository**”); (ii) deposited on the relevant issue date with a sub-custodian for the Central Moneymarkets Unit Service, operated by the Hong Kong Monetary Authority (the “**CMU**”); (iii) deposited on the relevant issue date with The Central Depository (Pte) Limited (“**CDP**”); or (iv) delivered outside a clearing system, as agreed between the Issuer, the relevant Issuing and Paying Agent (as defined below), the Bond Trustee (as defined below) and the relevant Dealer. Beneficial interests in Global Covered Bonds or Global Certificates held in book-entry form through Euroclear, Clearstream, Luxembourg, the CMU and/or CDP will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg, the CMU or CDP, as the case may be. The provisions governing the exchange of interests in Global Covered Bonds for other Global Covered Bonds and Global Covered Bonds and Global Certificates for Covered Bonds in definitive form (the “**Definitive Covered Bonds**”) are described in “*Summary of Provisions Relating to the Covered Bonds while in Global Form*”.

In relation to any Tranche, the aggregate nominal amount of the Covered Bonds of such Tranche, the interest (if any) payable in respect of the Covered Bonds of such Tranche, the issue price and any other terms and conditions not contained herein which are applicable to such Tranche will be set out in a separate document specific to that Tranche called a “**Pricing Supplement**” which, with respect to Covered Bonds to be listed on the SGX-ST, will be delivered to the SGX-ST on or before the date of issue of the Covered Bonds of such Tranche.

The Covered Bonds issued under the Programme are expected on issue to be assigned an “AAA” rating by S&P and an “Aaa” rating by Moody’s, each of which is established in the European Union and is registered under Regulation (EU) No 1060/2009 (as amended) (the “**CRA Regulation**”) of the European Parliament and of the Council of 16 September 2009 on credit rating agencies. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. The rating of certain Series of Covered Bonds to be issued under the Programme may be specified in the applicable Pricing Supplement. In general, European regulated investors are restricted under the CRA Regulation from using a rating for regulatory purposes, unless such ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

The Covered Bonds have not been and will not be registered under the United States Securities Act of 1933 (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States, and Covered Bonds in bearer form are subject to U.S. tax law requirements. Subject to certain exceptions, the Covered Bonds may not be offered, sold or (in the case of Covered Bonds in bearer form) delivered within the United States to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)).

Prospective investors should have regard to the factors described under the section headed “*Risk Factors*” in this Offering Circular.

*Joint Arrangers*

**BNP PARIBAS and United Overseas Bank Limited**

*Dealers*

**BNP PARIBAS**

**United Overseas Bank Limited**

The date of this Offering Circular is 23 November 2015.



## TABLE OF CONTENTS

	<b>Page</b>
DOCUMENTS INCORPORATED BY REFERENCE. ....	vii
STRUCTURE OVERVIEW. ....	viii
SUMMARY OF THE COVERED BOND PROGRAMME. ....	1
RISK FACTORS. ....	10
TERMS AND CONDITIONS OF THE COVERED BONDS. ....	55
SUMMARY OF PROVISIONS RELATING TO THE COVERED BONDS WHILE IN GLOBAL FORM. ....	95
USE OF PROCEEDS. ....	102
CLEARING AND SETTLEMENT. ....	103
CAPITALISATION AND INDEBTEDNESS OF THE GROUP. ....	107
CAPITAL ADEQUACY AND LEVERAGE RATIOS. ....	108
SELECTED FINANCIAL INFORMATION OF THE GROUP. ....	109
DESCRIPTION OF THE BUSINESSES OF THE GROUP. ....	111
REGULATION AND SUPERVISION. ....	125
THE COVERED BOND GUARANTOR. ....	133
MACROECONOMIC CONDITIONS AND HOUSING MARKET IN SINGAPORE. ....	134
REGULATION/LLEGAL ASPECTS OF THE SINGAPORE RESIDENTIAL MORTGAGE MARKET. ....	136
DESCRIPTION OF THE SINGAPORE COVERED BOND REGIME. ....	146
THE LOANS AND THE PORTFOLIO. ....	148
SUMMARY OF THE PRINCIPAL DOCUMENTS. ....	154
CREDIT STRUCTURE. ....	211

CASHFLOWS AND PRIORITIES OF PAYMENTS .....	216
TAXATION .....	231
SUBSCRIPTION AND SALE .....	239
FORM OF PRICING SUPPLEMENT.....	244
GENERAL INFORMATION .....	253
GLOSSARY.....	255
FINANCIAL INFORMATION.....	F-1
GROUP FINANCIAL REPORT UNAUDITED FINANCIAL RESULTS FOR THE NINE MONTHS/THIRD QUARTER ENDED 30 SEPTEMBER 2015 .....	F-2
GROUP FINANCIAL REPORT AUDITED FINANCIAL RESULTS FOR THE FINANCIAL YEAR/FOURTH QUARTER ENDED 31 DECEMBER 2014.....	F-32

## IMPORTANT

If you are in any doubt about this Offering Circular, you should consult your business, financial, legal, tax or other professional advisers before taking any action.

**This document is to be read in conjunction with any supplements hereto, all documents which are deemed to be incorporated herein by reference (see the section entitled “*Documents Incorporated by Reference*” below) and any Pricing Supplement. This Offering Circular shall be read and construed on the basis that such documents are so incorporated and form part of this Offering Circular.**

The Issuer accepts responsibility for the information contained in this Offering Circular. The CBG only accepts responsibility for the information contained in the section headed “*The Covered Bond Guarantor*” of this Offering Circular. Each of the Issuer and the CBG, each having made all reasonable enquiries, confirms that the information for which it is responsible contained in this Offering Circular is in accordance with the facts and does not omit any material information likely to affect the import of such information.

No person has been authorised to give any information or to make any representation other than as contained in this Offering Circular in connection with the issue or sale of the Covered Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the CBG, any of the Dealers, the Joint Arrangers, the Bond Trustee, Security Trustee or any Agent (as defined in the section entitled “*Summary of the Covered Bond Programme*”). Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer and/or the CBG since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer and/or the CBG since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as at any time after the date on which it is supplied or, if different, the date indicated in the document containing the same.

In the case of any Covered Bonds which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive (2003/71/EC), as amended, the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Covered Bonds) plus integral multiples in excess thereof of a smaller amount.

The distribution of this Offering Circular, any Pricing Supplement and the offering or sale of the Covered Bonds in certain jurisdictions may be restricted by law. Persons who receive this Offering Circular or any Pricing Supplement are required by the Issuer, the Dealers and the Joint Arrangers to familiarise themselves with and observe any such restriction.

**THE COVERED BONDS AND THE COVERED BOND GUARANTEE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE COVERED BONDS MAY INCLUDE BEARER COVERED BONDS THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE COVERED BONDS MAY NOT BE OFFERED OR SOLD OR, IN THE CASE OF BEARER COVERED BONDS, DELIVERED WITHIN THE UNITED STATES OR TO OR FOR THE BENEFIT OF U.S. PERSONS (AS DEFINED IN REGULATION S).**

**THE COVERED BONDS ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF THE COVERED BONDS AND THE DISTRIBUTION OF THIS DOCUMENT, SEE “SUBSCRIPTION AND SALE”.**

**THE COVERED BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE COVERED BONDS OR THE ACCURACY OR THE ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

Neither this Offering Circular nor any Pricing Supplement constitutes an offer of, or an invitation by or on behalf of the Issuer, the CBG, any of the Dealers, the Joint Arrangers, the Bond Trustee, Security Trustee or any Agent to subscribe for or purchase, any Covered Bonds.

Subject as provided in the applicable Pricing Supplement, the only persons authorised to use this Offering Circular in connection with an offer of Covered Bonds are the persons named in the applicable Pricing Supplement as the relevant Dealer.

To the fullest extent permitted by law, none of the Dealers, the Joint Arrangers, the Bond Trustee, the Security Trustee or any Agent accepts any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by any of the Joint Arrangers or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Covered Bonds. The CBG (other than in respect of the section headed “*The Covered Bond Guarantor*”), each Dealer and each Joint Arranger, the Bond Trustee, the Security Trustee and each Agent accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement. Neither this Offering Circular, any Pricing Supplement nor any financial statements or documents incorporated by reference are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the CBG, any of the Dealers, the Joint Arrangers, the Bond Trustee, Security Trustee or any Agent that any recipient of this Offering Circular, any Pricing Supplement or any financial statements should purchase the Covered Bonds. Each potential purchaser of Covered Bonds should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Covered Bonds should be based upon such investigation as it deems necessary. None of the CBG, the Dealers, the Joint Arrangers, the Bond Trustee, the Security Trustee or any Agent undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Covered Bonds of any information coming to the attention of any of the Dealers or any of the Joint Arrangers. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Covered Bonds.

By receiving this Offering Circular, investors acknowledge that (i) they have been afforded an opportunity to request and to review, and have received, all information that investors consider necessary to verify the accuracy of, or to supplement, the information contained in this Offering Circular, (ii) they have not relied on the CBG (other than in respect of the section entitled “*The Covered Bond Guarantor*”), any Dealer (as defined herein), any Joint Arranger, the Bond Trustee, the Security Trustee nor any Agent nor any person affiliated with the CBG (other than in respect of the section entitled “*The Covered Bond Guarantor*”), any Dealer, any Joint Arranger, the Bond Trustee, the Security Trustee or any Agent in connection with their investigation of the accuracy of any information in this Offering Circular or their investment decision and (iii) no person has been authorised to give any information or to make any representation concerning the issue or sale of the Covered Bonds or the Issuer other than as contained in this Offering Circular and, if given or made, any such other information or representation should not be

relied upon as having been authorised by the Issuer, the CBG, the Dealers, the Joint Arrangers, the Bond Trustee, the Security Trustee or the Agents. This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Covered Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Covered Bonds may be restricted by law in certain jurisdictions. The Issuer, the CBG, the Dealers, the Joint Arrangers, the Bond Trustee, the Security Trustee and the Agents do not represent that this Offering Circular may be lawfully distributed, or that any Covered Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the CBG, the Dealers, the Joint Arrangers, the Bond Trustee, the Security Trustee or the Agents which would permit a public offering of any Covered Bonds or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Covered Bonds may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Covered Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Covered Bonds. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Covered Bonds in the United States, the European Economic Area, the United Kingdom, Hong Kong, Japan, Singapore and the PRC, see “*Subscription and Sale*” below.

Covered Bonds issued under the Programme may be denominated in Renminbi. Renminbi is currently not freely convertible and conversion of Renminbi is subject to certain restrictions. Investors should be reminded of the conversion risk with Renminbi products. In addition, there is a liquidity risk associated with Renminbi products, particularly if such investments do not have an active secondary market and their prices have large bid/offer spreads. Renminbi products are denominated and settled in Renminbi deliverable in Hong Kong, which represents a market which is different from that of Renminbi deliverable in the PRC (as defined below).

## CERTAIN DEFINED TERMS AND CONDITIONS

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to “**Singapore dollars**”, “**SGD**” and “**S\$**” are to the lawful currency of Singapore, all references to “**U.S. dollars**” and “**U.S.\$**” are to the lawful currency of the United States of America, all references to “**Euro**” and “**€**” are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended, all references to “**CNY**”, “**Renminbi**” and “**RMB**” are to the lawful currency of the PRC, all references to “**Hong Kong dollar**” and “**HK\$**” are to the lawful currency of the Hong Kong Special Administrative Region and all references to “**PHP**” are to the lawful currency of the Philippines.

References in this Offering Circular to the “**PRC**” are to the People’s Republic of China, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan.

Unless specified otherwise or the context otherwise requires, all references to “loans” refer to loans net of cumulative allowances.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

**In connection with the issue of any Tranche (as defined in “*Summary of the Covered Bond Programme*”), the Dealer or Dealers (if any) named as the stabilising manager(s) (the “*Stabilising Manager(s)*”) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Pricing Supplement may over-allot Covered Bonds or effect transactions with a view to supporting the market price of the Covered Bonds at a level higher than that which might otherwise prevail for a**



**limited period after the Issue Date. However, there is no obligation on the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) to do this. Such stabilising if commenced may be discontinued at any time, and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.**

## **INFORMATION ON WEBSITES**

As a company whose shares are quoted on the SGX-ST, the Issuer is required to make continuing disclosures under the relevant listing rules of the SGX-ST. These may be viewed at <http://www.sgx.com>. Further information on the Issuer may be found at <http://www.uobgroup.com>. Access to such websites is subject to the terms and conditions governing the same.

The above websites and any other websites referenced in this Offering Circular are intended as guides as to where other public information relating to the Issuer may be obtained free of charge. Information appearing in such websites does not form part of this Offering Circular or any relevant Pricing Supplement and none of the Issuer, its Directors, the CBG, the Joint Arrangers or the Dealers accept any responsibility whatsoever that any information, if available, is accurate and/or up-to-date. Such information, if available, should not form the basis of any investment decision by an investor to purchase or deal in the Covered Bonds.

## **FORWARD-LOOKING STATEMENTS**

All statements contained in this Offering Circular that are not statements of historical fact constitute “forward-looking statements”. Some of these statements can be identified by terms such as, without limitation, “will”, “would”, “aim”, “aimed”, “will likely result”, “is likely”, “are likely”, “believe”, “expect”, “expected to”, “will continue”, “will achieve”, “anticipate”, “estimate”, “estimating”, “intend”, “plan”, “contemplate”, “seek to”, “seeking to”, “trying to”, “target”, “propose to”, “future”, “objective”, “goal”, “project”, “should”, “can”, “could”, “may”, “will pursue” or similar expressions or variations of such expressions. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, operating results, business strategies, plans and prospects of the Issuer or the Issuer and its subsidiaries taken as a whole (the “**Group**”) and/or the CBG, if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Given the risks and uncertainties that may cause the actual future results, performance or achievements of the Issuer or the Group to be materially different from the results, performance or achievements expected, expressed or implied by the forward-looking statements in this Offering Circular, undue reliance must not be placed on such forward-looking statements. Neither the Issuer nor the Group nor the CBG represents nor warrants that the actual future results, performance or achievements of the Issuer or the Group will be as discussed in those statements. Neither the delivery of this Offering Circular (or any part thereof) nor the issue, offering, purchase or sale of any Covered Bonds shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change or that there will not be a change in the affairs of the Issuer or the Group or any statement of fact or information contained in this Offering Circular since the date of this Offering Circular or the date on which this Offering Circular has been most recently amended or supplemented.

Further, the Issuer, the Group and the CBG disclaim any responsibility, and undertake no obligation, to update or revise any forward-looking statement contained herein to reflect any changes in the expectations with respect thereto after the date of this Offering Circular or to reflect any change in events, conditions or circumstances on which such statements are based.

## **DOCUMENTS INCORPORATED BY REFERENCE**

This Offering Circular should be read and construed in conjunction with each relevant Pricing Supplement and each supplemental Offering Circular.

This Offering Circular should also be read and construed in conjunction with the announcement dated 13 February 2015 by the Issuer in relation to the audited consolidated financial statements of the Group for the year ended 31 December 2014 and the audited annual accounts for the year ended 31 December 2013 as well as the most recently published audited annual accounts and any interim accounts (whether audited or unaudited) published subsequently to such annual accounts, of the Issuer from time to time, which shall be deemed to be incorporated in, and to form part of, this Offering Circular, save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

The Group's audited consolidated financial statements as at and for the year ended 31 December 2014 and the unaudited condensed consolidated financial information of the Group as at and for the nine months ended 30 September 2015 are included in this Offering Circular beginning on page F-2.

Any published unaudited, unreviewed interim financial statements of the Issuer (whether prepared on a consolidated or a non-consolidated basis) which are, from time to time, incorporated or deemed to be incorporated by reference in this Offering Circular will not have been audited or subject to a review by the auditors of the Issuer. Accordingly, there can be no assurance that, had an audit or a review been conducted in respect of such financial statements, the information presented therein would not have been materially different, and investors should not place undue reliance on them.

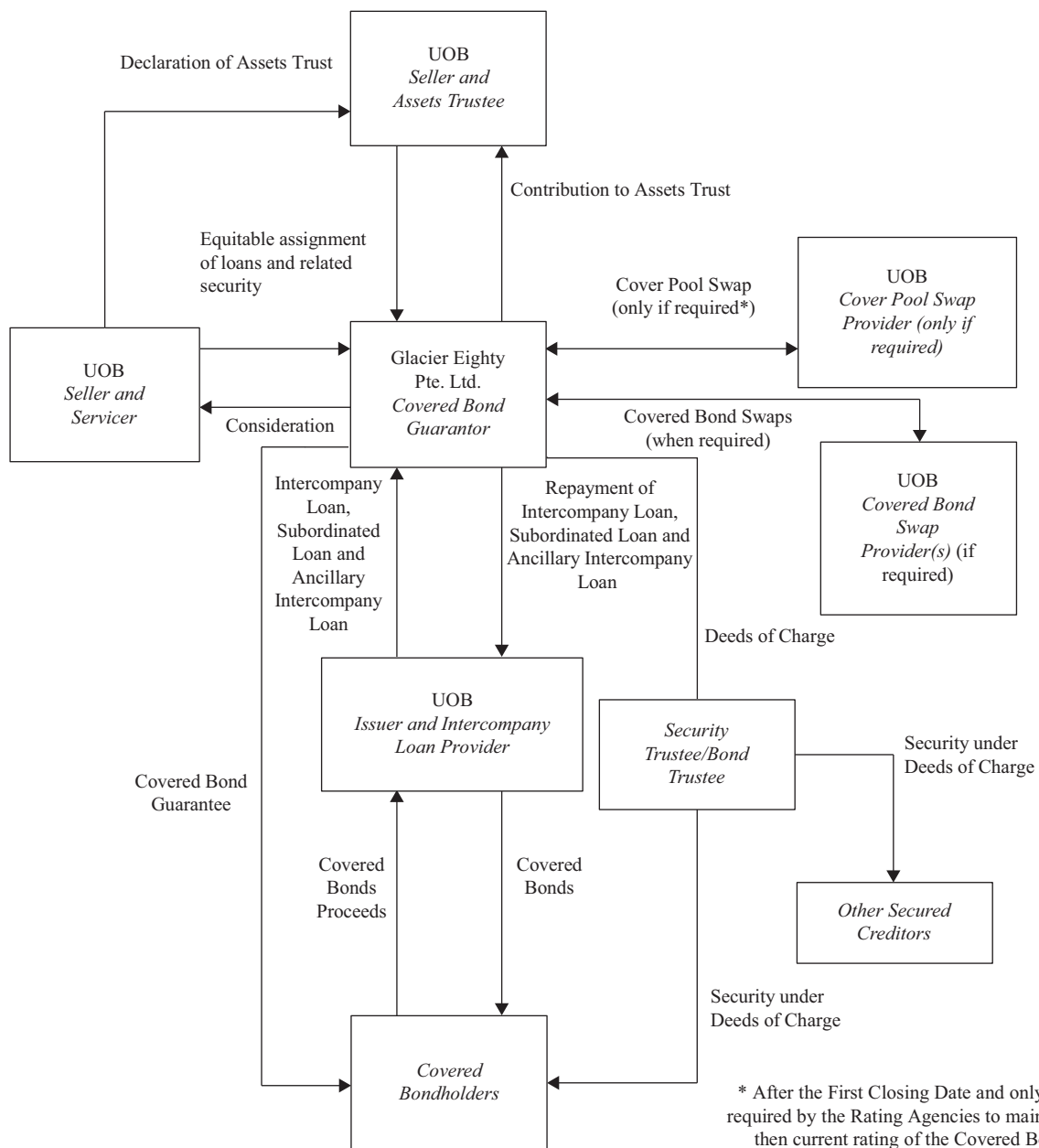
Copies of documents deemed to be incorporated by reference in this Offering Circular may be obtained without charge from the registered office and website of the Issuer ([www.uob.com.sg](http://www.uob.com.sg)). Website addresses in this Offering Circular are included for reference only and the contents of such websites are not incorporated by reference into, and do not form part of, this Offering Circular.

## STRUCTURE OVERVIEW

*This Structure Overview describes the Programme, including the Covered Bonds, the Covered Bond Guarantee and related documents, in general terms only and does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Series or Tranche of Covered Bonds, the applicable Pricing Supplement. This Structure Overview must be read as an introduction to this Offering Circular and any decision to invest in any Covered Bonds should be based on a consideration of this Offering Circular as a whole, including the documents incorporated by reference.*

Words and expressions defined elsewhere in this Offering Circular shall have the same meanings in this Structure Overview. A glossary of certain defined terms used in this document is contained at the end of this Offering Circular.

### Structure Diagram



## Structure Overview

- (a) *Programme*: Under the terms of the Programme, the Issuer will issue Covered Bonds to the Covered Bondholders on each Issue Date. The Covered Bonds will be direct, unsecured and unsubordinated obligations of the Issuer.
- (b) *Covered Bond Guarantee*: Under the terms of the Trust Deed, the CBG has provided a guarantee as to payments of interest and principal under the Covered Bonds. The CBG has agreed to pay an amount equal to the Guaranteed Amounts when the same shall become Due for Payment but which would otherwise be unpaid by the Issuer. The obligations of the CBG under the Covered Bond Guarantee constitute direct, unsubordinated and (following the service of a Notice to Pay on the CBG or, if earlier, the service on the Issuer and the CBG of a CBG Acceleration Notice) unconditional obligations of the CBG, secured as provided in the Deeds of Charge. Subject as provided in the Trust Deed, the Bond Trustee will be required to serve a Notice to Pay on the CBG following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice. Following the service of a Notice to Pay but prior to the service of a CBG Acceleration Notice, payments made by the CBG under the Covered Bond Guarantee will be made subject to, and in accordance with, the Guarantee Priority of Payments. A CBG Acceleration Notice may be served by the Bond Trustee on the Issuer and the CBG following the occurrence of a CBG Event of Default.

If a CBG Acceleration Notice is served, the Covered Bonds will (if an Issuer Acceleration Notice has not already been served) become immediately due and payable as against the Issuer and the CBG's obligations under the Covered Bond Guarantee will be accelerated. Payments made by the Security Trustee will be made subject to, and in accordance with, the Post-Enforcement Priority of Payments. The recourse of the Covered Bondholders to the CBG under the Covered Bond Guarantee will be limited to the assets of the CBG from time to time.

- (c) *Intercompany Loan Agreement*: Under the terms of the Intercompany Loan Agreement, the Issuer in its capacity as lender under the Intercompany Loan Agreement (being defined as the “**Intercompany Loan Provider**” for the purposes of this Offering Circular) has agreed to make available to the CBG the Intercompany Loan in an aggregate amount up to the Intercompany Loan Facility Amount. The Intercompany Loan comprises the Guarantee Loan and the Demand Loan and is denominated in Singapore dollars. The aggregate of the principal amount of all Advances, Subordinated Advances and Deemed Ancillary Intercompany Loan Advances outstanding at any time shall not exceed S\$15,000,000,000.

The interest rate on each Advance under the Intercompany Loan is such rate of interest per annum to be determined by the Intercompany Loan Provider. Interest payments due and accruing under the Intercompany Loan will not exceed the aggregate of the income of the CBG less certain expenses.

The Guarantee Loan, at any relevant time, is in an amount equal to (A) (a) the SGD Equivalent of the outstanding nominal amount of the Covered Bonds at that time plus (b) an amount equal to the aggregate principal amount outstanding (or, in the case of assets in the form of Loans (other than Converted Loans), Principal Balance) of additional assets in excess of (a) above, as required to satisfy (and determined in accordance with) the Asset Coverage Test, minus (B) the aggregate principal outstanding under the Subordinated Loan (excluding, for the avoidance of doubt, interest and other non-principal amounts thereunder). See “*Summary of the Principal Documents – Intercompany Loan Agreement*” and “*Summary of Principal Documents – Establishment Deed – Asset Coverage Test*”.

The Demand Loan at any relevant time is in an amount equal to the difference between the outstanding principal amount of the Intercompany Loan and the principal amount of the Guarantee Loan at that time. Except as described below, the respective balances of the Guarantee Loan and the Demand Loan will fluctuate with the issuances and redemptions of Covered Bonds and the requirements of the Asset Coverage Test.

If a Notice to Pay or a CBG Acceleration Notice is served on the CBG, the amount of the Demand Loan and the Guarantee Loan will be fixed and thereafter only adjusted to reflect permitted repayments (which will be made first against the Demand Loan), further Advances or Subordinated Advances made after the date of service of the Notice to Pay or CBG Acceleration Notice on the CBG (which, in the case of any Advances made after the date of service of the Notice to Pay or CBG Acceleration Notice, will be added to the Subordinated Loan), any reduction in the Set-off Amount as a result of the occurrence of any of the events set out in paragraph (c) of the definition of “Set-off Amount” (which will be deducted from the Guarantee Loan and added to, and constitute, the Demand Loan), an increase in the Principal Balance of a Loan comprised in the Portfolio due to Capitalised Interest, any increase in the amount of the Demand Loan and the corresponding reduction in the amount of the Guarantee Loan as a result of an EA Loan becoming a Converted Loan and any increase in the amount of the Guarantee Loan and the corresponding reduction in the amount of the Demand Loan necessary to satisfy or cure a breach of the Asset Coverage Test immediately before repayment of the Demand Loan.

At any time prior to an Issuer Event of Default, a CBG Event of Default or a Demand Loan Repayment Event, the CBG may re-borrow any amount repaid by the CBG under the Intercompany Loan for a permitted purpose.

Payments by the Issuer of amounts due under the Covered Bonds are not conditional upon receipt by the Intercompany Loan Provider of payments from the CBG pursuant to the Intercompany Loan Agreement. Amounts owed by the CBG under the Guarantee Loan will be subordinated to amounts owed by the CBG under the Demand Loan and, following the service of a Notice to Pay or a CBG Acceleration Notice, the Covered Bond Guarantee. In all cases, repayment of the Demand Loan will be provided for in priority to amounts owed by the CBG to the other Secured Creditors (including the Covered Bondholders). Repayment of such Demand Loan may (at the discretion of the Intercompany Loan Provider) (and following a Notice to Pay, shall only) be satisfied by payment in kind, first using any Converted Loans in the Portfolio, and second by the Servicer and the Cash Manager randomly selecting, on behalf of the CBG, but in accordance with the terms of the Intercompany Loan Agreement, Loans and their Related Security and/or Authorised Investments and/or Substitution Assets (other than cash) (the “**Demand Loan Repayment Assets**”) which will be transferred to the Intercompany Loan Provider or, if the Seller and the Intercompany Loan Provider are the same entity and the Demand Loan Repayment Assets comprise Loans and their Related Security and title to such Loans and their Related Security has not been perfected, the rights, estate, title, interests, benefits and remedies of the CBG in such Loans and their Related Security will be reassigned, released and surrendered to the Intercompany Loan Provider, and the Security granted over such Loans and Related Security will be automatically released. See “*Summary of the Principal Documents – Intercompany Loan Agreement – Repayment of the Demand Loan*”.

- (d) *Proceeds of the Intercompany Loan*: The CBG will use the Advances made to it from time to time under the Intercompany Loan to purchase Portfolios consisting of Loans and their Related Security from the Seller in accordance with the terms of the Mortgage Sale Agreement, to acquire an interest in the Assets Trust in accordance with the terms of the Declaration of Assets Trust and will use additional Advances:
- (i) to purchase New Loans (which are EA Loans) and their Related Security from the Seller in accordance with the terms of the Mortgage Sale Agreement; and/or
  - (ii) toward Additional Contributions to the Assets Trustee to acquire New Loans (which are DOT Loans) and their Related Security from the Seller pursuant to the terms of the Declaration of Assets Trust; and/or
  - (iii) to invest in Authorised Investments and/or Substitution Assets in accordance with the Establishment Deed; and/or

- (iv) subject to written confirmation from the Cash Manager that the Asset Coverage Test is met on the relevant drawdown date (both before and immediately following the making of the relevant Advance), to repay Subordinated Advances, if any, under the Subordinated Loan Agreement; and/or
  - (v) make a deposit of the proceeds in the Transaction Account (including, without limitation, to fund the Reserve Fund, Commingling Reserve Fund and/or the Pre-Maturity Liquidity Ledger, in each case in accordance with the Establishment Deed).
- (e) *Subordinated Loan Agreement*: Under the terms of the Subordinated Loan Agreement, the Issuer in its capacity as lender under the Subordinated Loan Agreement (being defined as the “**Subordinated Loan Provider**” for the purposes of this Offering Circular) may make Subordinated Advances available to the CBG. The aggregate of the principal amount of all Advances, Subordinated Advances and Deemed Ancillary Intercompany Loan Advances outstanding at any time shall not exceed S\$15,000,000,000.

Except for Deemed Subordinated Advances, the Subordinated Loan Facility is uncommitted and the Subordinated Loan Provider is not obliged to make Subordinated Advances to the CBG. The Subordinated Loan Provider will be obliged to make a Deemed Subordinated Advance where the conditions required to be met in order for the Intercompany Loan Provider to make a Deemed Advance under the Intercompany Loan Agreement are not met. See “*Summary of the Principal Documents – Intercompany Loan Agreement*” for these conditions.

The Subordinated Loan is subordinated to, *inter alia*, payments of principal and interest on the Covered Bonds, and all other payments or provisions ranking in priority to payments to be made to the Subordinated Loan Provider, in each case in accordance with the applicable Priorities of Payments. See “*Summary of the Principal Documents – Subordinated Loan Agreement*”.

- (f) *Mortgage Sale Agreement*: Under the terms of the Mortgage Sale Agreement, between the Seller, the CBG, the CBG Beneficiary, the Assets Trustee, the All Monies Trustee and the Security Trustee, the Seller has agreed to sell certain EA Loans and their Related Security to the CBG from time to time. EA Loans and their Related Security shall be transferred to the CBG by way of equitable assignment under the Mortgage Sale Agreement with legal title perfected only upon the occurrence of certain events. The CBG will fund the purchase of EA Loans and their Related Security using Advances made to it from time to time under the Intercompany Loan.
- (g) *Declaration of Assets Trust*: Under the terms of the Declaration of Assets Trust between the Assets Trustee, the Seller, the CBG and the Security Trustee, the Assets Trustee established the Assets Trust. The Assets Trust is a trust declared under Singapore law by the Seller in favour of the CBG with the Assets Trustee as trustee holding all of the Trust Assets as to both capital and income on trust absolutely for the benefit of the CBG (the “**CBG Beneficiary**”). The trust assets shall consist of the DOT Loans and their Related Security (and any related Top-up Loans) declared by the Seller to form part of the Assets Trust from time to time, as identified in the Declaration of Assets Trust and the relevant Notice of Assets Trust, and all such rights, estate, title, benefits, interests and remedies in and to any monies currently owed or to be owed in the future by a Borrower and/or Mortgagor, all monies paid by any Borrower and/or Mortgagor from time to time for the purposes of discharging amounts owed, any receipts from the enforcement of any Related Security received from time to time (including but not limited to the Seller’s benefit in and to any rights to receive payments under any Insurance Policy) and the Seller’s benefit in and to all Related Security and any rights relating to such DOT Loans (and any related Top-up Loans) (the “**Trust Assets**”). The beneficial interest of the CBG Beneficiary is an absolute interest in the Trust Assets and it is the sole beneficiary of the Assets Trust. The CBG will use part of the initial Advance to pay the Assets Trustee, who will apply such amounts as consideration for acquiring an interest in the DOT Loans and their Related Security contributed by the Seller to the Assets Trust in accordance with the terms of the Declaration of Assets Trust.

The CBG will use additional Advances to make Additional Contributions to the Assets Trustee to acquire New Loans which are DOT Loans and their Related Security (and any related Top-up Loans) from the Seller.

- (h) *Ancillary Intercompany Loan Agreement*: Under the terms of the Ancillary Intercompany Loan Agreement, the Issuer in its capacity as lender under the Ancillary Intercompany Loan Agreement (being defined as the “**Ancillary Intercompany Loan Provider**” for the purposes of this Offering Circular) may make Deemed Ancillary Intercompany Loan Advances available to the CBG. The aggregate of the principal amount of all Advances, Subordinated Advances and Deemed Ancillary Intercompany Loan Advances outstanding at any time shall not exceed S\$15,000,000,000.

An advance under the Ancillary Intercompany Loan Agreement will be deemed to arise under the Ancillary Intercompany Loan Agreement (a “**Deemed Ancillary Intercompany Loan Advance**”) if (i) the CBG acquires an interest in a Top-up Loan in connection with a DOT Loan in the Portfolio or in connection with the contribution of a DOT Loan and its Related Security under the terms of the Declaration of Assets Trust and such Top-Up Loan is subject to the Assets Trust, and/or (ii) a Top-up Loan is sold and assigned by the Seller to the CBG in connection with a EA Loan in the Portfolio or in connection with the acquisition of a EA Loan and its Related Security in accordance with the terms of the Mortgage Sale Agreement, and/or (iii) as at any Calculation Date, there is an increase in the outstanding balance of a Top-up Loan referred to in (i) or (ii) above.

Deemed Ancillary Intercompany Loan Advances will be repayable outside the Priorities of Payments in priority to amounts owed by the CBG to the other Secured Creditors (including the Covered Bondholders). See “*Summary of the Principal Documents – Ancillary Intercompany Loan Agreement*”.

- (i) *Consideration*: Under the terms of the Mortgage Sale Agreement and the Declaration of Assets Trust, the consideration payable to the Seller for the sale of EA Loans and their Related Security to the CBG or declaration of trust (or the extension of the Assets Trust) over DOT Loans and their Related Security (and any related Top-up Loans) on any Closing Date will be a combination of (i) a cash payment paid by the CBG to the Seller; and (ii) Deferred Consideration and/or Deferred Contribution Consideration.
- (j) *Security*: To secure its obligations under the Covered Bond Guarantee and the Transaction Documents to which it is a party, the CBG has granted security over the Charged Property (which consists principally of the CBG’s interest in the portfolio of Loans and their Related Security (and any related Top-up Loans), the Trust Assets, the Substitution Assets, the Transaction Documents to which it is a party, the CBG Accounts, any Insurance Policy, any Excess Proceeds and any Authorised Investments it holds) in favour of the Security Trustee (for itself and on behalf of the other Secured Creditors) pursuant to the Deeds of Charge.
- (k) *Cashflows*: Prior to service on the CBG of an Asset Coverage Test Breach Notice, a Notice to Pay or a CBG Acceleration Notice and/or the realisation of the Security, the Cash Manager on behalf of the CBG will:
- (i) apply Available Revenue Receipts to, among other things, (a) paying fees and expenses payable or to become payable by the CBG (including fees payable to the Bond Trustee and other third party service providers to the CBG), (b) paying interest due to the Intercompany Loan Provider under the Intercompany Loan, (c) paying certain expenses and amounts due to the Cover Pool Swap Provider and the relevant Covered Bond Swap Provider(s), (d) funding the Pre-Maturity Liquidity Ledger, the Reserve Ledger, and the Commingling Reserve Ledger, and (e) paying interest and (if the Cash Manager or the Subordinated Loan Provider so elects) principal due to the Subordinated Loan Provider under the Subordinated Loan, in each case in accordance with the Pre-Acceleration Revenue Priority of Payments. For further details of the Pre-Acceleration Revenue Priority of Payments, see “*Cashflows and Priorities of Payments*”; and

- (ii) apply Available Principal Receipts to (a) acquiring New Loans and their Related Security offered by the Seller to the CBG, (b) acquiring Substitution Assets or Authorised Investments, (c) making deposits in the Transaction Account, (d) making payments to the relevant Covered Bond Swap Provider(s), (e) repaying principal due to the Intercompany Loan Provider and funding any liquidity that may be required in respect of Hard Bullet Covered Bonds following any breach of the Pre-Maturity Test, (f) paying principal due to the Subordinated Loan Provider under the Subordinated Loan, in each case in accordance with and subject to the Pre-Acceleration Principal Priority of Payments. For further details of the Pre-Acceleration Principal Priority of Payments, see “*Cashflows and Priorities of Payments*”.

Following service on the CBG of an Asset Coverage Test Breach Notice (which has not been revoked) but prior to service of a Notice to Pay or a CBG Acceleration Notice, the Cash Manager on behalf of the CBG will continue to apply Available Revenue Receipts and Available Principal Receipts as described above, except that, while any Covered Bonds remain outstanding:

- (i) in respect of Available Revenue Receipts, no further amounts will be paid to the Intercompany Loan Provider under the Intercompany Loan Agreement, to the Subordinated Loan Provider under the Subordinated Loan Agreement or the Seller in respect of Deferred Consideration or Deferred Contribution Consideration (but payments will, for the avoidance of doubt, continue to be made under the Cover Pool Swap Agreement). See “*Cashflows and Priorities of Payments*”; and
- (ii) in respect of Available Principal Receipts, no payments will be made other than into the Transaction Account or in repayment of the Demand Loan or credited to the Pre-Maturity Liquidity Ledger or to acquire New Loans and their Related Security offered by the Seller to the CBG or Substitution Assets and/or Authorised Investments. See “*Cashflows and Priorities of Payments*”.

Following service of a Notice to Pay on the CBG (but prior to service of a CBG Acceleration Notice), the Cash Manager on behalf of the CBG will apply Available Revenue Receipts and Available Principal Receipts to pay Guaranteed Amounts in respect of the Covered Bonds when the same shall become Due for Payment in accordance with the Guarantee Priority of Payments. In such circumstances, the Intercompany Loan Provider will only be entitled to receive payment of any amount owing in respect of the Guarantee Loan and the Subordinated Loan Provider will only be entitled to receive payment of any amounts owing in respect of the Subordinated Loan after all amounts due under the Covered Bond Guarantee in respect of the Covered Bonds have been paid in full or have otherwise been provided for. For further details of the Guarantee Priority of Payments, see “*Cashflows and Priorities of Payments*”.

Following service of a CBG Acceleration Notice on the CBG, the Covered Bonds will become immediately due and repayable (if not already due and repayable following service of an Issuer Acceleration Notice) and the Bond Trustee will then have a claim against the CBG under the Covered Bond Guarantee for an amount equal to the Early Redemption Amount in respect of each Covered Bond together with accrued interest and any other amounts due under the Covered Bonds and the security created by the CBG over the Charged Property will become enforceable. Any monies received or recovered (other than any amounts standing to the credit of the CBG Retained Amount Ledger, Tax Credits, Demand Loan Repayment Assets (and certain principal collections with respect to such Demand Loan Repayment Assets), Top-up Receipts, proceeds received from the sale of an interest in Top-up Loans, All Monies Trust Property which the Seller is entitled to, Swap Collateral Excluded Amounts, Third Party Amounts, premium received by the CBG from a replacement Swap Provider to the extent it is used to make a termination payment due and payable by the CBG with respect to the Swap being replaced (including any Excluded Swap Termination Amount), any termination payment received from a Swap Provider which is applied to acquire a replacement Swap and certain other amounts received in respect of the loans and payable to parties other than the CBG and certain other amounts payable to third parties) by the Security Trustee from realisation of the



Charged Property following enforcement of the Security created by the CBG in accordance with the Deeds of Charge will be distributed according to the Post-Enforcement Priority of Payments. For further details of the Post-Enforcement Priority of Payments, see “*Cashflows and Priorities of Payments*”.

- (l) *Asset Coverage Test*: The Programme provides that the assets of the CBG are subject to an Asset Coverage Test in respect of the Covered Bonds. Accordingly, prior to the service of a Notice to Pay and for so long as Covered Bonds remain outstanding, on each Test Date, the Adjusted Aggregate Loan Amount must be equal to or in excess of the aggregate SGD Equivalent of the outstanding nominal amount of all Covered Bonds on such date. The Asset Coverage Test will be tested by the Cash Manager on each Test Date as of the immediately preceding Calculation Date. If the Asset Coverage Test is breached as of a Calculation Date, and is not cured as of the immediately following Calculation Date, the Bond Trustee will be required to serve an Asset Coverage Test Breach Notice on the CBG. The Asset Coverage Test Breach Notice will be revoked if, on or before the Test Date immediately following the date on which that Asset Coverage Test Breach Notice was served, the Asset Coverage Test (as calculated as of the immediately preceding Calculation Date) is satisfied and neither a Notice to Pay nor a CBG Acceleration Notice has been served. See “*Summary of the Principal Documents – Establishment Deed – Asset Coverage Test*”.

If an Asset Coverage Test Breach Notice has been delivered and has not been revoked:

- (i) the application of Available Revenue Receipts and Available Principal Receipts will be restricted;
- (ii) the CBG may sell Selected Loans; and
- (iii) the Issuer will not be permitted to issue any further Series of Covered Bonds.

If an Asset Coverage Test Breach Notice has been served and not revoked on or before the Test Date immediately following service of such Asset Coverage Test Breach Notice, an Issuer Event of Default shall occur and the Bond Trustee shall be entitled (and in certain circumstances may be required), in each case subject to being indemnified and/or secured to its satisfaction, to serve an Issuer Acceleration Notice on the Issuer. Following service of an Issuer Acceleration Notice, the Bond Trustee must serve a Notice to Pay on the CBG.

- (m) *Amortisation Test*: Following the service of a Notice to Pay (but prior to service of a CBG Acceleration Notice) and, for so long as Covered Bonds remain outstanding, on each Test Date, the Amortisation Test Aggregate Loan Amount must be at least equal to the aggregate SGD Equivalent of the outstanding nominal amount of the Covered Bonds as at such date. The Amortisation Test will be carried out by the Cash Manager on each Test Date as of the immediately preceding Calculation Date following service of a Notice to Pay. A breach of the Amortisation Test will constitute a CBG Event of Default. Following the occurrence of a CBG Event of Default, the Bond Trustee may and in certain circumstances shall, in each case subject to being indemnified and/or secured to its satisfaction, by service of a CBG Acceleration Notice, accelerate the obligations of the CBG under the Covered Bond Guarantee and require all amounts under the Covered Bond Guarantee to become immediately due and payable. Thereafter, the Security Trustee may enforce the Security over the Charged Property.
- (n) *Cover Pool Swap Agreement*: To provide a hedge against possible variances between the interest revenues received by the CBG on Loans (or some of the Loans) in the Portfolio and the interest amounts payable on the Intercompany Loan and (following the service of a Notice to Pay on the CBG) the Covered Bond Swap Agreement(s) or, if no Covered Bond Swap is in place in respect of a particular Series or Tranche of Covered Bonds, such Series or Tranche of Covered Bonds, the CBG will, if and when required by either Rating Agency at any time after the First Closing Date to ensure

that the then current rating of the relevant Series of Covered Bonds would not be downgraded, (or, in all other circumstances, at UOB's option) enter into a Cover Pool Swap with the Cover Pool Swap Provider on the terms set out in the Cover Pool Swap Agreement.

Once the Cover Pool Swap becomes effective, the CBG and the Cover Pool Swap Provider will swap the amount of interest received by the CBG in respect of the Loans (or some of the Loans) in the Portfolio (other than in respect of Defaulted Loans, Top-up Loans and Loans with unremedied or unwaived missed payments) in exchange for a floating rate of interest determined with respect to the rate of interest payable on the Intercompany Loan and, following service of a Notice to Pay on the CBG, the amounts payable by the CBG under the Covered Bond Swap Agreement(s) or, if no Covered Bond Swap is in place in respect of a particular Series or Tranche of Covered Bonds, such Series or Tranche of Covered Bonds.

- (o) *Covered Bond Swap Agreements:* To provide a hedge against currency and/or other risks in respect of amounts received by the CBG under the Cover Pool Swap and amounts payable or that may become payable in respect of its obligations under the Covered Bond Guarantee, the CBG may enter into one or more Covered Bond Swap Agreements with one or more Covered Bond Swap Providers, and may enter into a new Covered Bond Swap thereunder for each Series of Covered Bonds at the time such Covered Bonds are issued. Not every Series of Covered Bonds may have a Covered Bond Swap, such swap will only be entered into where necessary. Each Covered Bond Swap will swap Singapore dollar floating rate amounts (or the relevant portion thereof) received by the CBG (including amounts received under the Cover Pool Swap if applicable) into amounts reflecting the amounts (or the relevant portion thereof) payable under the relevant Series of Covered Bonds. Unless otherwise provided for in the Pricing Supplement, no cash flows will be exchanged under the Covered Bond Swap Agreement(s) (and the swaps thereunder will not become effective) unless and until the service of a Notice to Pay on the CBG or such earlier date as the Covered Bond Swaps become effective.
- (p) *Extendable obligations under the Covered Bond Guarantee:* An Extended Due for Payment Date may be specified as applying in relation to a Series of Covered Bonds in the applicable Pricing Supplement. This means that if the Issuer fails to pay the Final Redemption Amount of the relevant Series of Covered Bonds on the Maturity Date (subject to applicable grace periods) and if the Guaranteed Amounts equal to the Final Redemption Amount of the relevant Series of Covered Bonds are not paid in full by the Extension Determination Date (for example because, following the service of a Notice to Pay on the CBG, the CBG has insufficient monies available in accordance with the Guarantee Priority of Payments to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount of the relevant Series of Covered Bonds) then payment of the unpaid amount pursuant to the Covered Bond Guarantee shall be automatically deferred (without a CBG Event of Default occurring as a result of such non-payment) and shall be due and payable on the Extended Due for Payment Date (subject to any applicable grace periods). However, any amount representing the Final Redemption Amount due and remaining unpaid on the Extension Determination Date may be paid by the CBG on any Interest Payment Date thereafter, up to (and including) the relevant Extended Due for Payment Date. Interest will continue to accrue on any unpaid amount during such extended period and be payable in accordance with Condition 4 (*Interest and other Calculations*) and the CBG will pay Guaranteed Amounts constituting Scheduled Interest on each Original Due for Payment Date and each Interest Payment Date specified in the applicable Pricing Supplement. During the period from the Maturity Date to and including the Extended Due for Payment Date, the frequency of Interest Payment Dates and the basis on which interest is paid may change as set out in the applicable Pricing Supplement.
- (q) *Servicing:* In its capacity as Servicer, UOB has entered into the Servicing Agreement with the CBG, the CBG Beneficiary, the Assets Trustee and the Security Trustee, pursuant to which the Servicer has agreed to provide administrative services in respect of the Loans and their Related Security sold by UOB (in its capacity as Seller) to the CBG.

- (r) *Regulated Covered Bonds*: The Issuer will issue Covered Bonds under the Programme in accordance with MAS Notice 648.
- (s) *Further Information*: For a more detailed description of the transactions summarised above relating to the Covered Bonds see, amongst other relevant sections of this Offering Circular, “*Summary of the Covered Bond Programme*”, “*Terms and Conditions of the Covered Bonds*”, “*Summary of the Principal Documents*”, “*Credit Structure*”, “*Cashflows and Priorities of Payments*” and “*The Loans and the Portfolio*” below.

## SUMMARY OF THE COVERED BOND PROGRAMME

The following summary does not purport to be complete and is qualified in its entirety by the remainder of this Offering Circular, and in relation to the terms and conditions of any particular Tranche or Series of Covered Bonds, the applicable Pricing Supplement. Words and expressions defined in “Terms and Conditions of the Covered Bonds” below or elsewhere in this Offering Circular have the same meanings in this overview. A glossary of certain defined terms is contained at the end of this Offering Circular.

<b>Issuer</b>	United Overseas Bank Limited.
<b>The CBG or the CBG Beneficiary</b>	<p>Glacier Eighty Pte. Ltd., a limited liability company incorporated in Singapore (registration number 201531119W). The shares in the CBG are held by TMF Trustees Singapore Limited on trust for one or more organisations or institutions established in Singapore for charitable, benevolent or philanthropic purposes as described in further details in the Shares Declaration of Trust. The CBG is a special purpose vehicle whose business is to acquire, <i>inter alia</i>, Loans and their Related Security from the Seller pursuant to the terms of the Mortgage Sale Agreement and the Declaration of Assets Trust and to guarantee certain payments in respect of the Covered Bonds. The CBG will hold the Portfolio and the other Charged Property in accordance with the terms of the Transaction Documents.</p> <p>The CBG has provided a guarantee covering all Guaranteed Amounts when the same shall become Due for Payment, but only following: (i) an Issuer Event of Default and the service on the CBG of a Notice to Pay; or (ii) if earlier, the service on the CBG of a CBG Acceleration Notice. The obligations of the CBG under such guarantee and the other Transaction Documents to which it is a party are secured by the assets from time to time of the CBG and recourse against the CBG is limited to such assets.</p>
<b>Assets Trustee</b>	United Overseas Bank Limited, as trustee of the Assets Trust.
<b>Seller</b>	United Overseas Bank Limited, which is in the business of originating and acquiring residential mortgage loans and conducting other banking-related activities.
<b>Servicer</b>	United Overseas Bank Limited has been appointed to service, on behalf of the CBG, the CBG Beneficiary and the Assets Trustee, the Loans and the Related Security in the Portfolio pursuant to the terms of the Servicing Agreement.
<b>Cash Manager</b>	United Overseas Bank Limited has also been appointed, <i>inter alia</i> , to provide cash management services to the CBG and the Assets Trustee and to monitor compliance by the CBG with the Asset Coverage Test and the Amortisation Test pursuant to the terms of the Cash Management Agreement.
<b>Intercompany Loan Provider</b>	United Overseas Bank Limited.

<b>Subordinated Loan Provider</b>	United Overseas Bank Limited.
<b>Ancillary Intercompany Loan Provider</b>	United Overseas Bank Limited.
<b>Bond Trustee</b>	DB International Trust (Singapore) Limited has been appointed to act as Bond Trustee on behalf of the Covered Bondholders in respect of the Covered Bonds and holds the benefit of, <i>inter alia</i> , the Covered Bond Guarantee on behalf of the Covered Bondholders pursuant to the terms of the Trust Deed.
<b>Security Trustee</b>	DB International Trust (Singapore) Limited has been appointed to act as Security Trustee to hold the benefit of the security granted by the CBG to the Security Trustee (for itself, the Bond Trustee (for itself and on behalf of the Covered Bondholders) and other Secured Creditors) under the Deeds of Charge.
<b>Paying Agent</b>	Deutsche Bank AG, Hong Kong Branch in respect of Covered Bonds other than CDP Covered Bonds.  Deutsche Bank AG, Singapore Branch in respect of CDP Covered Bonds.
<b>Calculation Agent</b>	Deutsche Bank AG, Hong Kong Branch in respect of Covered Bonds other than CDP Covered Bonds.  Deutsche Bank AG, Singapore Branch in respect of CDP Covered Bonds.
<b>Issuing and Paying Agent</b>	Deutsche Bank AG, Singapore Branch.
<b>Transfer Agent</b>	Deutsche Bank AG, Hong Kong Branch in respect of Covered Bonds other than CDP Covered Bonds.  Deutsche Bank AG, Singapore Branch in respect of CDP Covered Bonds.
<b>CDP Paying Agent</b>	Deutsche Bank AG, Singapore Branch in respect of CDP Covered Bonds.
<b>CMU Lodging and Paying Agent</b>	Deutsche Bank AG, Hong Kong Branch in respect of CMU Covered Bonds.
<b>Registrar</b>	Deutsche Bank Luxembourg S.A. in respect of Covered Bonds other than CDP Covered Bonds.  Deutsche Bank AG, Singapore Branch in respect of CDP Covered Bonds.
<b>Asset Monitor</b>	Ernst & Young LLP (or such other replacement Asset Monitor appointed from time to time) appointed in accordance with the terms of the Asset Monitor Agreement.

**Covered Bond Swap Providers**

Each swap provider which agrees to act as Covered Bond Swap Provider to the CBG to hedge certain interest rate, currency and/or other risks in respect of amounts received by the CBG under the Loans and the Cover Pool Swap and amounts payable by the CBG under the Intercompany Loan Agreement (prior to the service of a Notice to Pay or a CBG Acceleration Notice) and Due for Payment under the Covered Bond Guarantee in respect of the Covered Bonds (after service of a Notice to Pay or a CBG Acceleration Notice) by entering into one or more Covered Bond Swaps with the CBG under a Covered Bond Swap Agreement in respect of each relevant Series or Tranche of Covered Bonds (where applicable). While such Covered Bond Swaps will be entered into on or about the Closing Date, they will only become effective at a future date, upon the occurrence of certain triggers including, but not limited to, the service of a Notice to Pay.

**Cover Pool Swap Provider**

United Overseas Bank Limited (in its capacity as the Cover Pool Swap Provider) has agreed to act as a swap provider to the CBG to hedge possible variances between the interest revenues received by the CBG, the interest amounts payable on the Intercompany Loan and (if applicable) the Covered Bond Swaps or the Covered Bonds by entering into the Cover Pool Swap with the CBG under the Cover Pool Swap Agreement. For the avoidance of doubt, the Cover Pool Swap Agreement will only be entered into if, and when, required by the Rating Agencies, at any time after the First Closing Date to ensure that the then current rating of the relevant Series of Covered Bonds would not be downgraded. The Cover Pool Swap Provider will be required to provide collateral pursuant to a one-way credit support annexe, or obtain a guarantee of its obligations or put in place some other arrangement in the event that its ratings fall below certain specified ratings levels.

**Account Bank**

United Overseas Bank Limited has agreed to act as Account Bank to the CBG pursuant to the terms of the Account Bank Agreement.

**Corporate Services Provider**

TMF Trustees Singapore Limited has been appointed to provide certain corporate services to the CBG, pursuant to the Corporate Services Agreement.

**Description**

Global Covered Bond Programme.

**Programme Limit**

Up to U.S.\$8,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate nominal amount of Covered Bonds outstanding at any one time. The Issuer may increase this amount in accordance with the terms of the Dealer Agreement.

**Joint Arrangers**

BNP PARIBAS and United Overseas Bank Limited.

**Dealers**

To be selected from time to time in accordance with the terms of the Dealer Agreement. As at the date of this Offering Circular, the Dealers are BNP PARIBAS and United Overseas Bank Limited.

**Currencies**

Subject to compliance with all relevant laws, regulations and directives, Covered Bonds may be issued in any currencies as may be agreed between the Issuer and the relevant Dealer(s). Payments in respect of the Covered Bonds may, subject to such compliance, be made in and/or linked to any currency or currencies including currencies other than the currency in which such Covered Bonds are denominated and as will be set out in the relevant Pricing Supplement.

**Denomination**

Covered Bonds will be issued in such denominations as may be agreed save that the minimum denomination of each Covered Bond will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant specified Currency.

Covered Bonds (including Covered Bonds denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 will have a minimum denomination of £100,000 (or its equivalent in other currencies).

The minimum specified denomination of each Covered Bond admitted to trading on a regulated market within the European Economic Area or offered to the public in an EEA State in circumstances which require the publication of a prospectus under Directive 2003/71/EC (the “**Prospectus Directive**”), as amended, will be €100,000 (or, if the Covered Bonds are denominated in a currency other than Euro, the equivalent amount in such currency at the date of issue of the Covered Bonds) plus integral multiples in excess thereof of a smaller amount.

**Form of Covered Bonds**

The Covered Bonds may be issued in bearer form (“**Bearer Covered Bonds**”) or in registered form (“**Registered Covered Bonds**”) only. Registered Covered Bonds will not be exchangeable for Bearer Covered Bonds and vice versa.

Each Tranche of Bearer Covered Bonds will be represented on issue by a Temporary Global Covered Bond or a Permanent Global Covered Bond.

Each Tranche of Registered Covered Bonds will be represented by Certificates without Coupons, one Certificate being issued in respect of each Covered Bondholder’s entire holding of Registered Covered Bonds of one Series. Registered Covered Bonds will initially be represented by a Global Certificate without interest coupons.

**Clearing Systems**

Clearstream, Luxembourg, Euroclear, CDP, the CMU, and, in relation to any Tranche, such other clearing system as agreed between the Issuer, the relevant Issuing and Paying Agent, (where applicable) the CDP Paying Agent or the CMU Lodging and Paying Agent, the Bond Trustee and the relevant Dealer(s).

**Maturities**

Subject to compliance with all relevant laws, regulations and directives, Covered Bonds may have any maturity as may be agreed between the Issuer and the relevant Dealer(s) and as set out in the relevant Pricing Supplement.

**Method of Issue**

Covered Bonds may be distributed on a syndicated or non-syndicated basis.

The Covered Bonds will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Covered Bonds of each Series being intended to be interchangeable with all other Covered Bonds of that Series. Each Series may be issued in tranches (each a “Tranche”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the applicable pricing supplement (the “Pricing Supplement”).

**Issue Price**

Covered Bonds will be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

**Fixed Rate Covered Bonds**

Fixed interest will be payable in arrear on such day(s) as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the relevant Pricing Supplement.

**Floating Rate Covered Bonds**

Floating Rate Covered Bonds will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.; or
- (ii) by reference to SOR, SIBOR, HIBOR, LIBOR or EURIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin.

Interest periods will be specified in the relevant Pricing Supplement.



**Other Covered Bonds**

Terms applicable to any other type of Covered Bond which the Issuer and any relevant Dealer(s) may agree to issue under the Programme will be set out in the relevant Pricing Supplement or a supplemental prospectus.

**Redemption**

The Pricing Supplement issued in respect of each issue of Covered Bonds will indicate either that the Covered Bonds cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or if it becomes unlawful for any Advance to remain outstanding or following an Issuer Event of Default or a CBG Event of Default) or that such Covered Bonds will be redeemable (in whole or in part) at the option of the Issuer and/or the Covered Bondholders (upon giving notice to the Covered Bondholders or the Issuer, as the case may be), on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Pricing Supplement.

The applicable Pricing Supplement may provide that Covered Bonds may be redeemable in two or more instalments in such amounts and on such dates as indicated therein.

The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable.

**Extendable Obligations under the Covered Bond Guarantee**

The applicable Pricing Supplement may also provide that the CBG's obligations under the Covered Bond Guarantee to pay the Guaranteed Amounts corresponding to the Final Redemption Amount of the applicable Series of Covered Bonds on their Maturity Date (subject to applicable grace periods) may be deferred until the Extended Due for Payment Date. In such case, such deferral will occur automatically if the Issuer fails to pay the Final Redemption Amount of the relevant Series of Covered Bonds on their Maturity Date (subject to applicable grace periods) and if the Guaranteed Amounts equal to the Final Redemption Amount in respect of such Series of Covered Bonds are not paid in full by the CBG by the Extension Determination Date (for example, because the CBG has insufficient monies to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of the relevant Series of Covered Bonds after payment of higher ranking amounts and taking into account amounts ranking *pari passu* in the Guarantee Priority of Payments).

To the extent that the CBG has received a Notice to Pay in sufficient time and has sufficient monies to pay in part the Final Redemption Amount, such partial payment shall be made by the CBG on any Interest Payment Date up to and including the relevant Extended Due for Payment Date as described in Condition 5(a) (*Redemption by Instalments and Final Redemption*). Interest will continue to accrue and be payable on the unpaid amount up to the Extended Due for Payment Date in accordance with Condition 4 (*Interest and other Calculations*) and the CBG will make payments of Guaranteed Amounts constituting Scheduled Interest on each relevant Original Due for Payment Date and each Interest Payment Date specified in the applicable Pricing Supplement. The Extended Due for Payment Date if applicable in respect of a Series of Covered Bonds will be specified in the relevant Pricing Supplement.

### **Withholding Tax**

All payments of principal and interest by or on behalf of the Issuer or the CBG (under the Covered Bond Guarantee) in respect of the Covered Bonds, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Covered Bondholders, Receiptholders or Couponholders of such amount as would have been received by them in the absence of the withholding or deduction, subject to customary exceptions. Under the Covered Bond Guarantee, the CBG will not be obliged to pay any such additional amounts payable by the Issuer.

For the avoidance of doubt, neither the Issuer, the CBG nor any other person shall be required to pay any additional amount in respect of deductions or withholdings arising under or in connection with FATCA.

### **Covered Bond Guarantee**

Payment of Guaranteed Amounts in respect of the Covered Bonds when Due for Payment will be irrevocably guaranteed by the CBG. The obligations of the CBG to make payment in respect of the Guaranteed Amounts when Due for Payment are subject to the condition that an Issuer Event of Default occurs, an Issuer Acceleration Notice is served on the Issuer and a Notice to Pay is served on the CBG or, if earlier, a CBG Event of Default occurs and a CBG Acceleration Notice is served on the CBG. The obligations of the CBG under the Covered Bond Guarantee will accelerate against the CBG upon the service of a CBG Acceleration Notice. The obligations of the CBG under the Covered Bond Guarantee constitute direct obligations of the CBG secured against the assets from time to time of the CBG and recourse against the CBG is limited to such assets.

<b>Cross Default</b>	If a CBG Acceleration Notice is served in respect of any Series of Covered Bonds, then the obligation of the CBG to pay Guaranteed Amounts in respect of all Series of Covered Bonds outstanding will be accelerated.
<b>Negative Pledge</b>	None
<b>Issuer Events of Default</b>	As set out in Condition 9(a) ( <i>Issuer Events of Default</i> ).
<b>CBG Events of Default</b>	As set out in Condition 9(b) ( <i>CBG Events of Default</i> ).
<b>Rating</b>	Each Tranche of Covered Bonds issued under the Programme may be rated. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision, downgrade or withdrawal at any time by the assigning rating agency.
<b>Listing</b>	<p>The Covered Bonds issued under the Programme may be listed or unlisted and, if listed, may be listed on the SGX-ST or such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s) in relation to each Series.</p> <p>The applicable Pricing Supplement will state whether or not the relevant Covered Bonds are to be listed and, if so, on which stock exchange(s).</p>
<b>Regulated Covered Bonds</b>	The Issuer will issue Covered Bonds under the Programme in accordance with MAS Notice 648.
<b>Governing Law</b>	<p>English law: Covered Bonds, Trust Deed (including the Covered Bond Guarantee), Dealer Agreement, Agency Agreement, Swap Agreements and English Security Deed (save that defined terms incorporated by reference from the Master Definitions Agreement shall be governed by and construed in accordance with Singapore law).</p> <p>Singapore law: All Transaction Documents other than those specified as being governed by English law above.</p>
<b>Selling Restrictions</b>	United States, European Economic Area, United Kingdom, Hong Kong, Japan, Singapore, the PRC and other restrictions as may be required in connection with a particular issue of Covered Bonds. See " <i>Subscription and Sale</i> ".

The Covered Bonds will be issued in compliance with U.S. Treas. Reg. §.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for the purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”)) (the “D Rules”) unless (i) the relevant Pricing Supplement states that Covered Bonds are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “C Rules”) (or any successor rules in substantially the same form that are applicable for the purposes of Section 4701 of the Code) or (ii) the Covered Bonds are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Covered Bonds will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.

**Risk Factors**

There are certain risks related to any issue of Covered Bonds under the Programme, which investors should ensure they fully understand, a non-exhaustive summary of which is set out under “*Risk Factors*”.

**N-Bonds**

The Issuer may from time to time consider issuing German law governed registered bonds (*Namenschuldverschreibungen*) (“N-Bonds”) which would rank *pari passu* among themselves and with all Covered Bonds issued under the Programme. Certain amendments to the Transaction Documents would be needed to facilitate this.

## RISK FACTORS

*Each of the Issuer and the CBG believes that the following factors may affect its ability to fulfil its obligations (as applicable) under the Covered Bonds issued under the Programme. All of these factors are contingencies which may or may not occur and neither the Issuer nor the CBG is in a position to express a view on the likelihood of any such contingency occurring.*

*Factors which each of the Issuer and the CBG believes may be material for the purpose of assessing the market risks associated with the Covered Bonds issued under the Programme are also described below.*

*Prospective investors should carefully consider, among other things, the risks described below, as well as the other information contained in this Offering Circular (including any documents deemed to be incorporated by reference herein) and reach their own views prior to making an investment decision. Any of the following risks could materially adversely affect the Group's or the CBG's business, financial condition or results of operations and, as a result, investors could lose all or part of their investment. The risks below are not the only risks the Group or the CBG face. Additional risks and uncertainties not currently known to the Group or the CBG, or which are currently deemed to be immaterial, may also materially adversely affect the Group's or the CBG's business, financial condition or results of operations.*

*The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal and other professional advisers to determine whether and to what extent (i) the Covered Bonds are suitable legal investments for it, (ii) the Covered Bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Covered Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Covered Bonds under any applicable risk-based capital rules or similar rules.*

### **Covered Bonds may not be a suitable investment for all investors.**

Each potential investor in any Covered Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Covered Bonds, the merits and risks of investing in the relevant Covered Bonds and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Covered Bonds and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Covered Bonds, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Covered Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Covered Bonds are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Covered Bonds unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Covered Bonds will perform under changing conditions, the resulting effects on the value of such Covered Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

### **Risks Related to the Issuer**

#### **The Issuer is liable to make payments when due on the Covered Bonds.**

The Issuer is liable to make payments when due on the Covered Bonds issued by it. The obligations of the Issuer under the Covered Bonds are direct, unsecured and unsubordinated obligations, ranking *pari passu* without any preference amongst themselves and (subject to applicable law) equally with its other direct, unsecured and unsubordinated obligations (save for any obligations to be preferred by law).

The obligations of the CBG under the Covered Bond Guarantee will be secured by the Security created under the Deeds of Charge. However, the CBG has no obligation to pay the Guaranteed Amounts payable under the Covered Bond Guarantee until the occurrence of an Issuer Event of Default, service by the Bond Trustee on the Issuer of an Issuer Acceleration Notice and on the CBG of a Notice to Pay or, if earlier, following the occurrence of a CBG Event of Default, and service by the Bond Trustee of a CBG Acceleration Notice.

The occurrence of an Issuer Event of Default does not constitute a CBG Event of Default. However, failure by the CBG to pay amounts when Due for Payment under the Covered Bond Guarantee would constitute a CBG Event of Default which would entitle the Bond Trustee to accelerate the obligations of the Issuer under the Covered Bonds (if they have not already become due and payable) and the obligations of the CBG under the Covered Bond Guarantee and require the Security Trustee to enforce the Security.

### **Risks Relating to the Group**

#### **Economic downturns may materially and adversely affect the Group's operations and asset quality.**

As at 30 September 2015, 63 per cent. of the Group's assets (excluding intangible assets) were in Singapore. For the nine months ended 30 September 2015, the Group derived 60 per cent. of its pre-tax profit before amortisation of intangible assets from its operations in Singapore. The Group's performance and the quality and growth of its assets are therefore substantially dependent on Singapore's economy. The Group also offers banking and financial services to customers outside Singapore in the Asia-Pacific region, including Malaysia, Thailand, Indonesia, Greater China and Australia. Accordingly, its business is also affected by the economic environment in these countries.

An economic slowdown in China could have an adverse effect on economic growth regionally or globally. There also remains uncertainty in the Eurozone economy in light of the unstable sovereign finances of certain European nations. In addition, the continued decline in global oil and commodity prices could result in further uncertainty in the global economic environment. There can be no assurance that the economic slowdown in China, market disruptions in Europe, including the increased cost of funding for certain governments and financial institutions or general uncertainty in global markets or commodity prices, will not affect the Group. These factors may, individually or cumulatively, result in another global or regional financial crisis.

If there is another global or regional financial crisis or a deterioration in the economic or political environment of Singapore or any of the other countries in which the Group operates, this may have a material adverse effect on the Group's business, financial condition, and results of operations. Further, in light of the interconnectivity between Singapore's economy and other economies, Singapore's economy is

increasingly exposed to economic and market conditions in other countries. As a result, an economic downturn or recession in the United States, Europe and other countries in the developed world or a slowdown in economic growth in major emerging markets like China or India could have an adverse effect on economic growth in Singapore. A slowdown in the rate of growth in Singapore's economy could result in lower demand for credit and other financial products and services and higher defaults among corporate and retail customers, which could adversely affect the Group's business, financial condition and results of operations.

**Political instability, civil unrest, cross-border tensions, terrorist attacks, natural calamities and outbreak of communicable diseases around the world could lead to disruptions and/or higher volatility in the international financial markets, which may materially and adversely affect the Group's business, financial condition and results of operations.**

Political instability, civil unrest, cross-border tensions, terrorist attacks, natural calamities and outbreak of communicable diseases could lead to disruptions and/or higher volatility in the functioning of international financial markets and adversely affect Singapore and other economies in which the Group operates. Any material change in the financial markets or the Singapore economy or other economies in which the Group operates as a result of these events or developments may materially and adversely affect the Group's business, financial condition and results of operations.

**Competition in Singapore and other markets in which the Group operates is intense and is growing.**

The Group's primary competitors consist of other major Singapore banks, foreign banks licensed in Singapore and other financial institutions in Southeast Asia, Greater China and other markets in which the Group operates. The liberalisation of the Singapore banking industry has resulted in increased competition among domestic and foreign banks operating in Singapore, leading to reduced margins for certain banking products. The MAS, which regulates banks in Singapore, has granted Qualifying Full Bank ("QFB") licences to various foreign financial institutions since 1999. QFBs are permitted to establish up to 25 service locations in Singapore, either for branches or off-site automated teller machines ("ATMs"). QFBs are also permitted to share ATMs among themselves. Foreign banks granted such licences face fewer restrictions on their Singapore dollar deposit-taking and lending activities. The MAS has indicated that it will continue to allow greater foreign bank participation in the Singapore banking industry and refine the QFB system. Certain significantly rooted QFBs may be allowed to have an additional 25 places of business in Singapore, of which 10 may be branches. In recent years, the Singapore Government has also allowed more foreign banks to obtain wholesale banking licenses to enable them to expand their Singapore dollar wholesale banking business in Singapore and to broaden the scope of Singapore dollar banking activities in which foreign banks may participate.

Since the implementation of the United States Singapore Free Trade Agreement (the "USSFTA") signed in May 2003, Singapore banks, including the Group, have been subject to additional competition. The USSFTA has removed QFB and wholesale bank license quotas for U.S. banks and significantly relaxed certain other restrictions on international banking activities. Further liberalisation of the financial sector in Singapore could lead to a greater presence or new entries of domestic and foreign banks offering a wider range of products and services, which could adversely impact the Group's competitive environment. The Group also faces increasing competition in Malaysia and Thailand, which have liberalised their financial sectors.

There can be no assurance that the Group will be able to compete successfully with other domestic and foreign financial institutions or that increased competition will not materially and adversely affect the Group's business, financial condition and results of operations.

**Expansion into Southeast Asia and Greater China may materially and adversely affect the Group's results of operations.**

The Group continues to target expansion into the markets of Southeast Asia and Greater China. As at 30 September 2015, the Group had 37 per cent. of its total assets (excluding intangible assets) outside Singapore, of which 28 per cent. were in Malaysia, Thailand, Indonesia and Greater China. While this regional expansion may be positive for the Group's long-term growth and may enhance revenue diversification, such expansion also increases the Group's operational risk and vulnerability to the political, legal and economic environment of each market in which it operates, and its exposure to asset quality issues. Although the Group actively manages risks in accordance with the Group's risk management policies and guidelines, there can be no assurance that the Group's business, financial condition and results of operations will not be materially and adversely affected by any political, legal, economic or other development in or affecting the markets in which it operates, or that its credit and provisioning policies will be adequate in relation to such risks.

**Liquidity shortfalls may increase the cost of funds.**

Most of the Group's funding requirements are met through a combination of funding sources, primarily in the form of deposit-taking activities and inter-bank funding. As at 30 September 2015, approximately 76 per cent. of the Group's total equity and liabilities were attributable to non-bank customer deposits while approximately five per cent. came from inter-bank liabilities. A portion of the Group's assets has long-term maturities, creating a potential for funding mismatches. As at 30 September 2015, a majority of the Group's non-bank customer deposits had a maturity of one year or less or was payable on demand. However, in the past, a substantial portion of such non-bank customer deposits had rolled over upon maturity and became, over time, a stable source of funding. No assurance can be given, however, that this trend will continue. If a substantial number of depositors, in or outside Singapore, choose not to roll over deposited funds upon maturity or withdraw such funds from the Group, its liquidity position could be materially and adversely affected. In such a situation, the Group could be required to seek other funding sources, which may be more expensive than current funding sources. This may materially and adversely affect the Group's business, financial condition and results of operations.

**A substantial increase in non-performing loans ("NPLs") may impair the Group's financial condition.**

The Group's NPLs as a percentage of gross customer loans were 1.3 per cent. as at 30 September 2015. A worsening of the economic conditions in Singapore or the region where the Group operates, changes in the credit quality of the Group's borrowers as well as various other factors such as a rise in unemployment, a sustained rise in interest rates, developments in the economies in which the Group operates, movements in the global commodities markets and exchange rates and global competition, may lead to an increase in NPLs. A substantial increase in NPLs may materially and adversely affect the Group's business, financial condition, results of operations and capital adequacy ratios.

If the Group is not able to control or reduce the level of NPLs, the overall quality of the Group's assets may deteriorate and the Group may become subject to enhanced regulatory oversight and scrutiny which may materially and adversely affect the Group's reputation, business, financial condition, results of operations and capital adequacy ratios.

In addition, loan volumes are affected by market interest rates on loans, and rising interest rates generally associated with a lower volume of loans. An increase in the general level of interest rates may also adversely affect the ability of certain borrowers to pay the interest on and principal of their obligations. Accordingly, changes in levels of market interest rates could materially adversely affect the Group's asset quality and NPLs.



**A decline in collateral values or inability to realise collateral value may necessitate an increase in the Group's provisions.**

Adverse changes in the credit quality of the Group's borrowers and counterparties or adverse changes arising from a deterioration in global and regional economic conditions or asset values could reduce the value of the Group's assets. A substantial portion of the Group's loans is secured by real estate. In the event of a downturn in the real estate markets in Singapore or the other markets in which the Group conducts business, changes in asset prices may cause the value of the collateral to decline and a portion of the Group's loans may exceed the value of the underlying collateral.

Any decline in the collateral value, inability to obtain additional collateral or inability to realise the expected value of the collateral may require the Group to increase its impairment, which may materially and adversely affect the Group's business, financial condition, results of operations and capital adequacy ratios.

**Income from trading operations is subject to market volatilities.**

Income from trading activities is vulnerable to changes in foreign exchange rates, interest rates, equity prices, credit spreads, commodity prices and other factors. Hence, trading activities are a relatively less stable source of income than other banking activities. Any decrease in income from trading activities due to market volatilities may materially and adversely affect the Group's business, financial condition and results of operations.

**New product lines and new service arrangements may not be successful.**

The Group continues to explore new products and services for its various businesses in and outside Singapore. It does not typically expect new products or services to be profitable in the first years after launch, and there can be no assurance that the Group will be able to accurately estimate the time needed for these products or services to become profitable. The Group's new products and services may not be successful, which may materially and adversely affect the Group's business, financial condition and results of operations.

**Significant fraud, system failures or calamities could materially and adversely impact the Group's business.**

Operational risk is managed through a framework of policies and procedures by which the business and support units properly identify, assess, monitor, mitigate and report their risks. A key component of the operational risk management framework is risk identification and control self-assessments. This is achieved through the Group-wide implementation of a set of operational risk tools. The Group actively manages fraud risk and bribery risk. Tools and policies, including a whistle-blowing programme, a material risk notification protocol and a fraud risk awareness training programme, have been developed to manage risks. However, there is no assurance that the Group will be able to prevent all instances of internal and external frauds.

The Group also seeks to protect its computer systems and network infrastructure from break-ins, fraud and system failures. The Group employs physical access control mechanisms (which operate 24 hours a day, seven days a week) and information and cyber security surveillance systems, including firewalls, threats detection and prevention systems, tokens and password encryption technologies, which are designed to minimise, detect and mitigate the risk of security breaches. Although the Group will continue to implement security technologies, conduct regular vulnerability assessments and network penetration tests and establish operational procedures to prevent break-ins, damages and failures, there can be no assurance that these security measures will be successful. In addition, although the Group's data centre and real-time back-up systems are separately located in different locations, there can be no

assurance that both systems will not be simultaneously damaged or destroyed in the event of a major disaster. A significant failure of security measures or back-up systems may have a material and adverse effect on the Group's business, financial condition and results of operations.

In addition, the Group uses information technology ("IT") systems to deliver services to and perform transactions on behalf of its customers, as well as for back office operations. The Group therefore depends on the capacity and reliability of the electronic and IT systems supporting the Group's operations. There can be no assurance that the Group will not encounter service disruptions owing to failures of these IT systems. The Group's IT systems are subject to damage or incapacitation as a result of quality problems, human error, natural disasters, power loss, sabotage, computer viruses, acts of terrorism, cyber attacks and similar events. In addition, the Group may not be prepared to address all contingencies that could arise in the event of a major disruption service.

The Group also handles personal information obtained from its individual and corporate customers in relation to its banking, securities, credit card, insurance and other businesses. The controls the Group has implemented to protect the confidentiality of personal information, including those designed to meet the strict requirements of banking secrecy and personal data privacy laws, may not be effective in preventing unauthorised disclosure of personal information. Leakage of personal information could expose the Group to lawsuits, administrative or regulatory actions or sanctions and reputational harm, thereby materially and adversely affecting the Group's business, financial condition and results of operations.

**Income and expenses relating to the international operations and foreign assets and liabilities are exposed to foreign currency fluctuations.**

The Group's operations outside Singapore are subject to fluctuations in foreign exchange rates. In addition, a portion of the Group's assets and liabilities in Singapore is denominated in foreign currencies. To the extent that the Group's foreign currency denominated assets and liabilities are not matched in the same currency or appropriately hedged, fluctuations in foreign currencies against the Singapore dollar may materially and adversely affect the Group's business, financial condition and results of operations. In addition, fluctuations in foreign exchange rates will create foreign currency translation gains or losses.

**Accounting and corporate disclosure requirements in Singapore may result in different or a more limited disclosure than that in other jurisdictions.**

The Group is subject to Singapore's accounting and corporate disclosure standards and requirements, which differ in certain aspects from those applicable to banks in certain other countries. There may be less publicly available information about companies listed in Singapore, and there may also be differences in such information from that made available by public companies in other countries. In addition, the Group's financial statements are prepared in accordance with the provisions of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") and the Singapore Financial Reporting Standards ("**FRS**"), including the modification of the requirements of FRS39 relating to Financial Instruments: Recognition and Measurement in respect of loan loss provisioning by MAS Notice 612 Credit Files, Grading and Provisioning, which may differ in certain aspects from International Financial Reporting Standards and other accounting/auditing standards with which prospective investors in other countries may be familiar. Accordingly, there may be differences in the results of operations and financial position in respect of the Group should the financial statements be prepared in accordance with the International Financial Reporting Standards or such other accounting/auditing standards. No attempt has been made to reconcile any information given in this Offering Circular with any other principle or to prepare it based on any other standard.

In addition, future amendments to accounting standards and the consequences of their implementation by the Group may have a material and adverse effect on the Group's business, financial condition and results of operations.

### **Systemic risks from failures in the banking industry may adversely affect the Group.**

Concerns about, or a default by, one institution may lead to significant liquidity problems, losses or defaults by other institutions because the commercial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. This risk is sometimes referred to as “systemic risk” and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with whom the Group interacts on a daily basis, which could have an adverse effect on the Group’s ability to raise new funding and on the Group’s business, financial condition and results of operations.

### **Legal and regulatory environment is subject to change, and violations could result in penalties and other regulatory actions.**

The Group is subject to regulatory supervision arising from a wide variety of banking and financial services laws and regulations, and faces the risk of interventions by a number of regulatory and enforcement authorities in each jurisdiction in which it operates. Failure by the Group to comply with any of these laws and regulations could lead to disciplinary action, the imposition of fines and/or the revocation of the licence, permission or authorisation to conduct the Group’s business in the jurisdictions in which it operates, or civil liability. The legal and regulatory systems under which the Group operates, and potential changes thereto, could affect the way the Group conducts its business and, in turn, its financial position and results of operations.

Severe supervisory actions taken against the Group by the MAS or other regulatory and enforcement authorities in each jurisdiction in which the Group operates may have an adverse impact on the Group’s reputation and business.

On 23 June 2015, the MAS issued the Consultation Paper on Proposed Enhancements to Resolution Regime for Financial Institutions in Singapore setting out proposals in the areas of recovery and resolution planning, temporary stays and suspensions, statutory bail-in powers, cross-border recognition of resolution actions, creditor safeguards and resolution funding. The approach to the adoption of the resolution regime, including statutory bail-in, has not been finalised and there is uncertainty as to how or whether the MAS will implement this. Any implementation of such regime could impact the Group’s future capital and funding structure and accordingly, could affect the Group’s operations.

### **The Issuer may face pressure on its capital and liquidity requirements.**

The Issuer is subject to capital adequacy and liquidity guidelines adopted by the MAS for a Singapore bank, which provide for a minimum ratio of total capital to risk-adjusted assets and a minimum liquidity coverage ratio expressed as a percentage, as further described below. Failure by the Issuer to maintain its ratios may result in administrative actions or sanctions against it which may impact the Issuer’s ability to fulfil its obligations under the Capital Securities.

Banks incorporated in Singapore (“SIBs” and each a “SIB”) are required to meet capital adequacy requirements under the Notice on Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore (“MAS Notice 637”), that are higher than the standards set by the Basel Committee on Banking Supervision (the “Basel Committee”). SIBs shall, at all times in the periods specified under MAS Notice 637, maintain at both standalone and consolidated levels (referred to as “Solo” and “Group” levels in MAS Notice 637), the following minimum capital adequacy ratio (“CAR”) requirements:

- (a) a common equity Tier 1 (“CET1”) CAR of at least 4.5 per cent. from 1 January 2013 to 31 December 2013, 5.5 per cent. from 1 January 2014 to 31 December 2014 and 6.5 per cent. from 1 January 2015 onwards;
- (b) a Tier 1 CAR of at least 6.0 per cent. from 1 January 2013 to 31 December 2013, 7.0 per cent. from 1 January 2014 to 31 December 2014 and 8.0 per cent. from 1 January 2015 onwards; and
- (c) a total CAR of at least 10 per cent. from 1 January 2013 onwards.

In addition to complying with the minimum CAR requirements, SIBs shall, at all times in the periods specified under MAS Notice 637, maintain at both the Solo and Group levels, a capital conservation buffer above the minimum CAR requirements. The capital conservation buffer will be met with CET1 capital and begin at 0.625 per cent. from 1 January 2016, increasing by an additional 0.625 per cent. in each subsequent year, to reach 2.5 per cent. from 1 January 2019.

In addition to complying with the minimum CAR and the capital conservation buffer, SIBs shall, at all times in the periods specified under MAS Notice 637, maintain, at both the Solo and Group levels, a countercyclical buffer comprising CET1 capital ranging from zero per cent. up to 2.5 per cent. above the minimum CET1 CAR, minimum Tier 1 CAR and minimum total CAR. The actual magnitude of the countercyclical buffer to be applied shall be the weighted average of the country-specific countercyclical buffer requirements that are being applied by national authorities in jurisdictions to which SIBs have private sector credit exposures. For the purpose of calculation of the countercyclical buffer by the bank, the country-specific countercyclical buffer requirement in respect of a jurisdiction outside Singapore (a) shall not apply where it takes effect prior to 1 January 2016, and (b) shall be capped at 0.625 per cent. in 2016, 1.25 per cent. in 2017, 1.875 per cent. in 2018 and 2.5 per cent. from 2019 onwards, unless the MAS otherwise specifies.

The MAS may bring forward the effective dates for the application of the capital conservation buffer and the countercyclical buffer if it deems it necessary to do so based on the MAS' assessment of the extent of excess credit growth and build-up of system-wide risk in Singapore.

In addition, MAS Notice 637 provides for the gradual phasing out of the regulatory capital recognition of outstanding Additional Tier 1 and Tier 2 capital instruments that no longer meet, in full, the requirements set out in MAS Notice 637. With effect from 1 January 2013, the recognition of the nominal amount of such instruments (being such amount outstanding and recognised as eligible capital under the cancelled MAS Notice 637 dated 14 December 2007) was capped at 90 per cent., with this cap being reduced by 10 percentage points in each subsequent year.

Following from the consultation paper on the local implementation of the Basel III liquidity rules relating to the liquidity coverage ratio ("**LCR**"), the MAS issued MAS Notice 649 Minimum Liquid Assets and Liquidity Coverage Ratio ("**MAS Notice 649**") on 28 November 2014 which sets out the minimum liquid assets framework and the LCR framework on MAS Notice 649 took effect on 1 January 2015 for banks incorporated and headquartered in Singapore, subject to certain exceptions. Under MAS Notice 649, the Issuer shall be required to maintain at all times, a Singapore dollar LCR of at least 100 per cent. and an all currency LCR of at least 60 per cent. by 1 January 2015, with the all currency LCR requirement increasing by 10 per cent. each year to 100 per cent. by 2019.

The Basel III framework also includes a leverage ratio as a non-risk based backstop limit intended to supplement the risk-based capital requirements. The introduction of the leverage ratio commenced with supervisory monitoring in 2011, followed by a parallel run period from January 2013 to January 2017. The leverage ratio requirement is expected to be included from 2018. While the MAS has not set the minimum leverage ratio for SIBs, the Issuer is required to disclose the leverage ratio along with its quarterly financial results from 2015.

As at 31 December 2014, the Group was in compliance with the regulatory capital requirements of each of the jurisdictions in which it operates subsidiaries. If the regulatory capital requirements, liquidity requirements or ratios applied to the Group continue to increase in the future, the Group's return on capital and profitability could be materially and adversely affected. Any failure by the Issuer to satisfy such increased regulatory capital ratios or liquidity requirements within the applicable timeline could result in administrative actions or sanctions or significant reputational harm, which in turn may have a material adverse effect on the Group's business, financial condition and results of operations.

The Issuer was designated as a domestic systemically important bank (“**D-SIB**”) in Singapore on 30 April 2015. However, this designation should not affect its higher loss absorbency (“**HLA**”) and LCR requirements, as the proposed HLA and LCR requirements in respect of D-SIBs (which include the requirement to maintain minimum CETI CAR requirements that are two percentage points higher than those established by the Basel Committee) are already incorporated in existing capital and liquidity requirements applicable to Singapore incorporated banks under MAS Notice 637 and MAS Notice 649. Accordingly, the Issuer is already subject to these requirements.

**The Group’s business is inherently subject to the risk of market fluctuations, which could materially and adversely affect its operating results, financial condition and prospects.**

The Group’s business is inherently subject to risks in financial markets and in the wider economy, including changes in, and increased volatility of, exchange rates, interest rates, inflation rates, credit spreads, commodity, equity, bond and property prices and the risk that its customers act in a manner which is inconsistent with business, pricing and hedging assumptions.

Market movements may have an impact on the Group in a number of key areas. Issuing and trading activities undertaken by the Group are subject to interest rate risk, foreign exchange risk, inflation risk and credit spread risk. For example, changes in interest rate levels, yield curves and spreads affect the interest rate margin realised between lending and borrowing costs. Competitive pressures on fixed rates or product terms in existing loans and deposits sometimes restrict the Group in its ability to change interest rates applying to customers in response to changes in official and wholesale market rates.

Although the Group actively manages risks in accordance with the Group’s risk management policies and guidelines, there can be no assurance that the Group’s business, financial condition and results of operations will not be materially and adversely affected by any market fluctuations or unidentified and/or unanticipated risks, or that its credit and provisioning policies will be adequate in relation to such risks.

**An actual or perceived reduction in the Group’s financial strength, or a downgrade in the Group’s credit ratings, could have a negative effect on the Group, and could increase deposit withdrawals, damage the Group’s business relationships and negatively impact sales of the Group’s products and services.**

Depositors’ confidence in the financial strength of a bank, as well as in the financial services industry generally, is an important factor affecting its business. The Issuer has received long-term issuer ratings of “AA-” from Fitch, “Aa1” from Moody’s and “AA-” from S&P. In addition, Fitch, Moody’s and S&P each has a “Stable” outlook on the Issuer’s rating. Any actual or perceived reduction on the Group’s financial strength, whether due to a credit rating downgrade or some other factor, could materially and adversely affect the Group’s business as any such development may, among other things:

- (a) increase the number of deposit withdrawals;
- (b) negatively impact the Group’s relationship with its creditors, its customers and the distributors of its products;
- (c) negatively impact the sales of the Group’s products and services; and
- (d) increase the Group’s borrowing costs as well as affecting its ability to obtain financing on a timely basis.

**An investor may experience difficulties in enforcing judgements of courts of jurisdictions outside Singapore against the Issuer, the directors and executive officers of the Issuer and certain parties named in this Offering Circular.**

The Issuer is incorporated with limited liability under the laws of Singapore and most of its directors and executive officers and certain parties named in this Offering Circular reside or are incorporated in Singapore. All or the majority of the assets of such persons and the Issuer are located in Singapore. As a result, it may be difficult for investors to enforce judgements against the Issuer or such persons in courts outside Singapore. Investors should also be aware that judgements of courts of jurisdictions outside Singapore may, in some circumstances, not be enforceable in Singapore courts. In addition, the rights of the Covered Bondholders under the Covered Bonds will be subject to the bankruptcy, insolvency, administrative and other laws of Singapore, which may be materially different from those with which Covered Bondholders are familiar.

**Risks Related to the CBG**

**CBG only obliged to pay Guaranteed Amounts when the same are Due for Payment.**

Subsequent to a failure by the Issuer to make a payment in respect of one or more Series of Covered Bonds, the Bond Trustee may, but is not obliged to, serve an Issuer Acceleration Notice unless and until requested or directed by the holders of at least one-quarter in nominal amount of the Covered Bonds then outstanding (as if they were a single Series) or if so directed by an Extraordinary Resolution of all the Covered Bondholders (as if they were a single Series) in accordance with Condition 9(a) (*Issuer Events of Default*). Subject as provided in the Trust Deed, following service of an Issuer Acceleration Notice on the Issuer, a Notice to Pay will be served by the Bond Trustee on the CBG. Following service of an Issuer Acceleration Notice on the Issuer and a Notice to Pay on the CBG, under the terms of the Covered Bond Guarantee the CBG will be obliged to pay Guaranteed Amounts as and when the same are Due for Payment. The CBG will not be obliged to pay any amounts, other than the Guaranteed Amounts, which become payable to the Covered Bondholders for any other reason.

Payments by the CBG will be made subject to any applicable withholding or deduction and the CBG will not be obliged to pay any additional amounts as a consequence. The attention of Covered Bondholders is drawn to the paragraph headed "*Payments by the CBG under the Covered Bond Guarantee*" in the "*Taxation*" section below. Prior to service on the CBG of a CBG Acceleration Notice, the CBG will not be obliged to make any payments in respect of broken funding indemnities, penalties, premiums, default interest or interest on interest which may accrue on or in respect of the Covered Bonds. In addition, the CBG will not be obliged at any time to make any payments in respect of additional amounts which may become payable by the Issuer under Condition 7 (*Taxation*).

Subject to any grace period, if the CBG fails to make a payment when Due for Payment under the Covered Bond Guarantee or any other CBG Event of Default occurs, then the Bond Trustee may accelerate the obligations of the CBG under the Covered Bond Guarantee by service of a CBG Acceleration Notice, whereupon the Bond Trustee will have a claim under the Covered Bond Guarantee for an amount equal to the Early Redemption Amount of each Covered Bond, together with accrued interest and all other amounts then due under the Covered Bonds (other than additional amounts payable under Condition 7 (*Taxation*)), although the CBG will not be obliged to gross up in respect of any withholding which may be required in respect of any payment. Following service of a CBG Acceleration Notice and/or the commencement of winding-up proceedings against the CBG, the Security Trustee may enforce the Security over the Charged Property. The proceeds of enforcement and realisation of the Security shall be applied by the Security Trustee in accordance with the Post-Enforcement Priority of Payments in the Deeds of Charge, and the Covered Bondholders will receive amounts from the CBG on an accelerated basis. However, the proceeds of enforcement and realisation of the Security may not be sufficient to repay the Covered Bondholders in full (see further "*Limited resources available to the CBG to make payments due under the Covered Bond Guarantee*" below).

### **Excess Proceeds received by the Bond Trustee.**

Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, the Bond Trustee may receive Excess Proceeds. The Excess Proceeds will be paid by the Bond Trustee on behalf of the Covered Bondholders of the relevant Series to the CBG for its own account, as soon as practicable, and will be held by the CBG in the Transaction Account. The Excess Proceeds will thereafter form part of the Security and will be used by the CBG in the same manner as all other monies from time to time standing to the credit of the Transaction Account. Any Excess Proceeds received by the Bond Trustee and held by it or under its control will discharge, to that extent, the obligations of the Issuer in respect of the Covered Bonds, Receipts and Coupons (subject to restitution of the same if such Excess Proceeds shall be required to be repaid by the CBG to the Issuer). However, the obligations of the CBG under the Covered Bond Guarantee are unconditional and irrevocable (following service on the CBG of a Notice to Pay) and the receipt by the Bond Trustee of any Excess Proceeds will not reduce or discharge any such obligations.

By subscribing for Covered Bond(s), each Covered Bondholder will be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the CBG in the manner as described above.

### **Limited resources available to the CBG to make payments due under the Covered Bond Guarantee.**

Subject as provided in Condition 9 (*Events of Default*) and the Trust Deed, following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice on the Issuer, all amounts payable under the Covered Bonds will be accelerated by the Bond Trustee as against the Issuer following which a Notice to Pay will be served by the Bond Trustee on the CBG. The CBG's ability to meet its obligations under the Covered Bond Guarantee will depend on: (i) the realisable value of Selected Loans and their Related Security in the Portfolio; (ii) the amount of Revenue Receipts and Principal Receipts generated by the Portfolio and the timing thereof; (iii) amounts received from the Swap Providers; (iv) the realisable value of Authorised Investments and Substitution Assets held by it; and (v) the receipt by it of credit balances and interest on credit balances on the Transaction Account and the other CBG Accounts. Recourse against the CBG under the Covered Bond Guarantee is limited to the aforementioned assets and the CBG will not have any other source of funds available to meet its obligations under the Covered Bond Guarantee.

If a CBG Event of Default occurs and the Security created by or pursuant to the Deeds of Charge is enforced, the Charged Property may not be sufficient to meet the claims of all the Secured Creditors, including the Covered Bondholders.

The Covered Bonds will be limited recourse obligations of the CBG. If, and to the extent that, after the Charged Property has been as fully as practicable realised and the proceeds thereof have been applied in accordance with the applicable Priority of Payments the amounts recovered on realisation of the Charged Property are insufficient to pay or discharge amounts due from the CBG to the Secured Creditors in full for any reason, the CBG will have no liability to pay or otherwise make good any such insufficiency.

If, following enforcement of the Security constituted by or pursuant to the Deeds of Charge, the Secured Creditors have not received the full amount due to them pursuant to the terms of the Transaction Documents, then they may still have an unsecured claim against the Issuer for the shortfall. There is no guarantee that the Issuer will have sufficient funds to pay that shortfall.

Covered Bondholders should note that the Asset Coverage Test has been structured to test whether the Adjusted Aggregate Loan Amount is greater than the SGD Equivalent of the nominal amount outstanding of all Covered Bonds prior to the service of a Notice to Pay and for so long as Covered Bonds remain outstanding, which should reduce the risk of there ever being a shortfall (although there is no assurance of this – in particular, the sale of further EA Loans and their Related Security by the Seller to the CBG or an extension of the Assets Trust over further DOT Loans and their Related Security (and any related Top-up Loans) may be required to avoid or remedy a breach of the Asset Coverage Test). The CBG must ensure that following the occurrence of an Issuer Event of Default, the Amortisation Test is met on

each Calculation Date and a breach of the Amortisation Test will constitute a CBG Event of Default and will entitle the Bond Trustee to serve a CBG Acceleration Notice on the CBG (see “*Summary of the Principal Documents – Establishment Deed – Asset Coverage Test*” and “*Credit Structure – Asset Coverage Test*”). The Asset Coverage Test has been structured to ensure that the Asset Pool is sufficient to pay amounts due on the Covered Bonds and senior ranking expenses which will include costs relating to the maintenance, administration and winding-up of the Asset Pool whilst the Covered Bonds are outstanding. However, no assurance can be given that the Asset Pool will yield sufficient amounts for such purpose.

#### **Realisation of Charged Property following the occurrence of a CBG Event of Default.**

If a CBG Event of Default occurs and is continuing and a CBG Acceleration Notice is served on the CBG and the Issuer, then the Security Trustee will be entitled to enforce the Security created under and pursuant to the Deeds of Charge and the proceeds from the realisation of the Charged Property will be applied by the Security Trustee towards payment of all secured obligations in accordance with the Post-Enforcement Priority of Payments described in “*Cashflows and Priorities of Payments*” below.

There is no guarantee that the proceeds of realisation of the Charged Property will be in an amount sufficient to repay all amounts due to the Secured Creditors (including the Covered Bondholders) under the Covered Bonds and the Transaction Documents.

If a CBG Acceleration Notice is served on the CBG and the Issuer, then the Covered Bonds may be repaid sooner or later than expected or not at all.

#### **CBG will not gross up payment of Guaranteed Amounts for withholding or similar taxes.**

The holders of Covered Bonds will not receive any payments from the CBG to compensate for any tax required to be withheld by the CBG.

If withholding of, or deduction on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature is imposed by or on behalf of a public authority of any jurisdiction having power to tax, the CBG will make the required withholding or deduction of such taxes, duties, assessments or governmental charges for the account of the Covered Bondholders, as the case may be. The CBG will not be obliged to pay any additional amounts as a consequence. The attention of Covered Bondholders is drawn to the paragraph headed “*Payments by the CBG under the Covered Bond Guarantee*” in the “*Taxation*” section below.

#### **Reliance of the CBG on third parties.**

The CBG has entered into agreements with a number of third parties, which have agreed to perform services for the CBG. In particular, but without limitation, the Servicer has been appointed to service Loans in the Portfolio sold to the CBG, the Cash Manager has been appointed to calculate and monitor compliance with the Asset Coverage Test and the Amortisation Test and to provide certain cash management services to the CBG and the Transaction Account will be held with the Account Bank. In the event that any of those parties fails to perform its obligations under the relevant agreement to which it is a party, the realisable value of the Portfolio or any part thereof or pending such realisation (if the Portfolio or any part thereof cannot be sold) the ability of the CBG to make payments under the Covered Bond Guarantee may be affected. For instance, if the Servicer has failed to adequately administer the Loans, this may lead to higher incidences of non-payment or default by Borrowers. The CBG is also reliant on the Swap Providers to provide it with the funds matching its obligations under the Intercompany Loan Agreement and the Covered Bond Guarantee, as described below.

If a Servicer Event of Default occurs pursuant to the terms of the Servicing Agreement, then the CBG and/or the Security Trustee will be entitled to terminate the appointment of the Servicer and appoint a new servicer in its place. There can be no assurance that a substitute servicer with sufficient experience of administering mortgages of residential properties would be found who would be willing and able to service



the Loans on the terms of the Servicing Agreement. In addition, as described below, any substitute servicer will be required to be authorised under applicable legislation and regulation. The ability of a substitute servicer to fully perform the required services would depend, among other things, on the information, software and records available at the time of the appointment. Any delay or inability to appoint a substitute servicer may affect the realisable value of the Portfolio or any part thereof, and/or the ability of the CBG to make payments under the Covered Bond Guarantee.

The Servicer has no obligation itself to advance payments that Borrowers fail to make in a timely fashion. Covered Bondholders will have no right to consent to or approve of any actions taken by the Servicer under the Servicing Agreement.

Neither the Security Trustee nor the Bond Trustee is obliged in any circumstances to act as a servicer or to monitor the performance by the Servicer of its obligations.

### **Performance of Contractual Obligations.**

The ability of the Issuer or the CBG to make payments in respect of the Covered Bonds may depend upon the due performance of the respective obligations of the other parties to the transaction documents, including the performance by the Bond Trustee, the Security Trustee, the Issuing and Paying Agents, the CMU Lodging and Paying Agent, the CDP Paying Agent, the Transfer Agents, the Registrars and/or the Calculation Agent of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer or, as applicable, the CBG, of their respective obligations to make payments in respect of the Covered Bonds, the Issuer may not, in such circumstances, be able to fulfil its obligations to the Covered Bondholders, Receiptholders and the Couponholders.

### **Reliance on Swap Providers.**

If the CBG fails to make timely payments of amounts due under any Swap Agreement, then following service of notice by the Swap Provider and the elapse of time, it will have defaulted under that Swap Agreement and the Swaps under such Swap Agreement may be terminated. Further, a Swap Provider is only obliged to make payments to the CBG as long as and to the extent that the CBG complies with its payment obligations under the relevant Swap Agreement. If a Swap Agreement terminates or the Swap Provider is not obliged to make payments or if it defaults in its obligations to make payments of amounts in the relevant currency equal to the full amount to be paid to the CBG on the payment date under the Swap Agreements, the CBG will be exposed to changes in the relevant currency exchange rates to Singapore dollars (where relevant) and to any changes in the relevant rates of interest. Unless a replacement swap is entered into, the CBG may have insufficient funds to make payments under the Covered Bond Guarantee. This may affect an investor in a Series of Covered Bonds even if the non-paying Swap Provider relates to a different Series of Covered Bonds, since the failure to pay under the Swap Agreement related to the affected Series of Covered Bonds may affect all of the Covered Bonds under the Programme.

If Swaps under a Swap Agreement terminates, then the CBG may be obliged to make a termination payment to the relevant Swap Provider. There can be no assurance that the CBG will have sufficient funds available to make a termination payment under the relevant Swap Agreement, nor can there be any assurance that the CBG will be able to find a replacement swap counterparty which has sufficiently high ratings as may be required by any of the Rating Agencies and which agrees to enter into a replacement swap agreement.

If the CBG is obliged to pay a termination payment under any Swap Agreement, such termination payment will rank (A) ahead of amounts due on the Covered Bonds in respect of the Cover Pool Swap prior to the service of a CBG Acceleration Notice, the commencement of winding-up proceedings against the CBG and/or realisation of the Security and (B) ahead of amounts due on the Covered Bonds in respect of (i) the Covered Bond Swaps and (ii) the Cover Pool Swap, in each case following service of a CBG Acceleration Notice, the commencement of winding-up proceedings against the CBG and/or realisation of

the Security, except where default by, or downgrade of, the relevant Swap Provider has caused the relevant Swaps to terminate. The obligation to pay a termination payment may adversely affect the ability of the CBG to meet its obligations under the Covered Bond Guarantee.

There can be no assurance that the Cover Pool Swap and/or the Covered Bond Swaps will hedge all interest rate, exchange rate or other risks associated with a Tranche or Series of Covered Bonds.

### **Insolvency proceedings and subordination provisions.**

There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, recent cases have focused on provisions involving the subordination of a swap counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty. Such provisions are similar in effect to the terms which will be included in the Transaction Documents relating to the subordination of Excluded Swap Termination Amounts.

The UK Supreme Court has held in the "Belmont" decision that such a subordination provision is valid under English law. It is likely that a Singapore court would also consider such a subordination provision to be valid under Singapore law. Contrary to the determination of the UK Supreme Court, the U.S. Bankruptcy Court recently held that such a subordination provision is unenforceable under U.S. bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a U.S. bankruptcy of the counterparty. The implications of this conflicting judgment are not yet known, particularly as the U.S. Bankruptcy Court approved, in December 2010, the settlement of the case to which the judgment relates and subsequently the appeal was dismissed. However, there remains a stayed action in the U.S. commenced by the Lehman Brothers Chapter 11 debtors concerning the enforceability of flip clauses and, in addition, in February 2012, a complaint was filed by certain parties seeking recognition and enforcement of the Belmont decision (and corresponding lower court decisions) and other declaratory relief with respect to the flip clause in question in the case described above. It is not yet known when the complaint will be addressed by the U.S. Bankruptcy Court.

If a creditor of the CBG (such as the Swap Counterparty) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales or Singapore (including, but not limited to, the U.S.), and it is owed a payment by the CBG, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the English law governed Transaction Documents (such as a provision of the Priorities of Payments which refers to the ranking of the Swap Counterparty's payment rights in respect of Excluded Swap Termination Amounts). In particular, based on the decision of the U.S. Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under U.S. bankruptcy laws. Such laws may be relevant in certain circumstances with respect to a range of entities which may act as Swap Counterparty, including U.S. established entities and certain non-U.S. established entities with assets or operations in the U.S. (although the scope of any such proceedings may be limited if the relevant non-U.S. entity is a bank with a licensed branch in a U.S. state). In general, if a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales or Singapore and any relevant foreign judgment or order was recognised by the English courts or Singapore courts, there can be no assurance that such actions would not adversely affect the rights of the Covered Bondholders, the market value of the Covered Bonds and/or the ability of the CBG to satisfy its obligations under the Covered Bonds.

Lastly, given the general relevance of the issues under discussion in the judgments referred to above and that the Transaction Documents will include terms providing for the subordination of Excluded Swap Termination Amounts, there is a risk that the final outcome of the dispute in such judgments (including

any recognition action by the English courts or Singapore courts) may result in negative rating pressure in respect of the Covered Bonds. If any rating assigned to the Covered Bonds is lowered, the market value of the Covered Bonds may reduce.

#### **Differences in timings of obligations of the CBG and the Covered Bond Swap Providers under the Covered Bond Swaps.**

The CBG will, following service of a Notice to Pay on the CBG (when each relevant Covered Bond Swap becomes effective), pay or provide for payment of an amount to each Covered Bond Swap Provider on a monthly basis based on the relevant Singapore dollar rate. A Covered Bond Swap Provider may not be obliged to make corresponding swap payments to the CBG under a Covered Bond Swap until amounts are Due for Payment under the Covered Bond Guarantee (for example, being on an annual basis if the relevant Series of Covered Bonds provide for payment of an annual interest coupon). If a Covered Bond Swap Provider does not meet its payment obligations to the CBG under the relevant Covered Bond Swap or such Covered Bond Swap Provider does not make a termination payment that has become due from it to the CBG under the relevant Covered Bond Swap, the CBG may have a larger shortfall in funds with which to make payments under the Covered Bond Guarantee with respect to the Covered Bonds than if the Covered Bond Swap Provider's payment obligations coincided with the CBG's payment obligations under the relevant Covered Bond Swap. Hence, the difference in timing between the obligations of the CBG and the obligations of the Covered Bond Swap Providers under the Covered Bond Swaps may affect the CBG's ability to make payments, following service of a Notice to Pay on the CBG, under the Covered Bond Guarantee with respect to the Covered Bonds. A Covered Bond Swap Provider may be required, pursuant to the terms of the relevant Covered Bond Swap Agreement, to post collateral with the CBG in certain circumstances.

#### **Change of counterparties.**

The parties to the Transaction Documents who receive and hold monies pursuant to the terms of such documents (such as the Account Bank) are required to satisfy certain criteria in order that they can continue to receive and hold monies.

These criteria include requirements in relation to the short-term and long-term, unguaranteed and unsecured ratings ascribed to such party by the Rating Agencies. If the party concerned ceases to satisfy the applicable criteria, including the ratings criteria detailed above, then the rights and obligations of that party (including the right or obligation to receive monies on behalf of the CBG) may be required to be transferred to another entity which does satisfy the applicable criteria. In these circumstances, the terms agreed with the replacement entity may not be as favourable as those agreed with the original party pursuant to the Transaction Documents.

In addition, should the applicable criteria cease to be satisfied, then the parties to the relevant Transaction Document may agree to amend or waive certain of the terms of such document, including the applicable criteria, in order to avoid the need for a replacement entity to be appointed. The consent of Covered Bondholders may not be required in relation to such amendments and/or waivers.

#### **Changes to the current law and/or regulations with respect to covered bonds and/or the Singapore mortgage market.**

No assurance can be given that changes to the current law and/or regulations or additional regulations, laws or guidance from regulatory authorities in Singapore will not arise with regard to the mortgage market in Singapore generally, the Seller's particular sector in that market, specifically in relation to the Seller or in relation to the issuance of covered bonds. Any such action or developments or compliance costs may have a material adverse effect on the Loans, the Related Security, the Seller, the CBG, the Issuer, the Assets Trustee and/or the Servicer and their respective businesses and operations.

This may adversely affect the ability of the CBG to dispose of the Portfolio or any part thereof in a timely manner and/or the realisable value of the Portfolio or any part thereof and accordingly affect the ability of the CBG to meet its obligations under the Covered Bond Guarantee when due.

#### **Limited description of the Portfolio.**

The Covered Bondholders will not receive detailed statistics or information in relation to the Loans in the Portfolio because it is expected that the constitution of the Portfolio will frequently change due to, for instance:

- (a) the Seller selling Loans and their Related Security (or New Loan Types and their Related Security) to the CBG;
- (b) (in respect of EA Loans and their Related Security) the Seller repurchasing EA Loans and their Related Security from the CBG in accordance with the Mortgage Sale Agreement and the CBG's equitable rights, interests, title and benefits in the relevant Loans and their Related Security (and any related Top-up Loans) being reassigned, released and surrendered and (in respect of DOT Loans and their Related Security) the Assets Trustee accepting surrender of the Trust Assets relating to DOT Loans and their Related Security (and any related Top-up Loans) by the CBG Beneficiary; and
- (c) payments by the Borrowers on the Loans from time to time.

There is no assurance that the characteristics of the New Loans assigned to the CBG by the Seller or held on trust by the Assets Trustee (in favour of the CBG Beneficiary) on a Closing Date will be the same as those of the Loans in the Portfolio as at that Closing Date, save that the New Loans will be secured by a first ranking mortgage over a residential property situated in Singapore (subject to any prior ranking statutory charges described in "*Risk Factors – Risk Related to the Issuer – Certain claims rank ahead of a fixed charge*") and will otherwise be required to meet the Eligibility Criteria applicable as at the Closing Date. However, although each Loan and its Related Security will be required to meet the Eligibility Criteria and the Representations and Warranties set out in the Mortgage Sale Agreement (see "*Summary of the Principal Documents – Mortgage Sale Agreement – Sale by the Seller of Loans and Related Security*") the Eligibility Criteria and Representations and Warranties may change in certain circumstances. The Asset Coverage Test is intended to ensure that the Adjusted Aggregate Loan Amount is an amount equal to or in excess of the SGD Equivalent of the outstanding nominal amount of all Covered Bonds prior to the service of a Notice to Pay and for so long as Covered Bonds remain outstanding, and the Cash Manager will provide monthly reports that will set out certain information in relation to the Asset Coverage Test. A monthly report is also made available to Covered Bondholders, the Security Trustee, the Bond Trustee and the Rating Agencies detailing, *inter alia*, the result of the Asset Coverage Test and is available on the Issuer's website at <http://www.uobgroup.com>.

#### **Fixed security interests may take effect under Singapore law as floating charges.**

Pursuant to the terms of the Singapore Deed of Charge, the CBG has purported to grant fixed charges over, amongst other things, its interests in the Loans and Related Security, its rights and benefits in the CBG Accounts and all Authorised Investments purchased from time to time.

The fixed charges purported to be granted by the CBG may take effect under Singapore law as floating charges only if, for example, it is determined that the Security Trustee does not exert sufficient control over the Charged Property for the security to be said to constitute fixed security interest. If the fixed charges take effect as floating charges instead of fixed charges, then, as a matter of law, certain claims would have priority over the claims of the Security Trustee in respect of the floating charge assets. In particular, the remuneration, debts, liabilities and expenses of or incurred by any judicial manager or liquidator and/or winding up and the claims of certain preferential creditors would rank ahead of the claims of the Security Trustee in this regard. Certain employee claims (in respect of wages/salary and

retrenchment benefits/ex gratia payments (up to five months' salary (whether for time or piecework) in respect of services rendered by the employee to the company, or five times the salary cap for non-workmen referred to in section 35(b) of the Employment Act, whichever is lower; where the two amounts are the same, the maximum amount for each employee is equal to any of those amounts), employer contributions to certain superannuation or provident funds and remuneration in respect of vacation leave) and workers' compensation due in respect of injury compensation under the Work Injury Compensation Act also have preferential status. In this regard, it should be noted that the CBG has agreed in the Transaction Documents not to have any employees. Outside winding up or judicial management, creditors who would have priority in the case of winding up over the claims of a floating chargee would continue to have such priority preserved if a receiver (which would include a receiver and manager) were appointed over the assets that are subject to the floating charge.

#### **Certain claims rank ahead of a fixed charge.**

Under Singapore law, certain claims rank ahead of a fixed charge. Such claims include:

- (a) any statutory charge in favour of the tax authority in respect of unpaid property tax;
- (b) any charge in favour of the relevant management corporation of the estate comprising the residential property in respect of unpaid amounts or contributions;
- (c) any statutory charge in favour of the tax authority in respect of unpaid estate duty (where applicable);
- (d) any charge in favour of workmen whose salary does not exceed S\$4,500 a month and to employees (other than workmen) who are in receipt of a salary not exceeding S\$2,500<sup>1</sup> a month arising by virtue of section 33 of the Employment Act, Chapter 91 of Singapore; and
- (e) after default on a Loan, any funds withdrawn from the Mortgagor's Singapore Central Provident Fund (the "CPF") account(s) (for the avoidance of doubt, the amount equivalent to the unpaid balance of a DOT Loan (together with interest on the DOT Loan calculated on a day to day basis up to and remaining unpaid as at the date of the Borrower's or the Mortgagor's default in the repayment of the DOT Loan) due to the CBG ranks in priority to payments to the CPF Board as described in the sections "*Risk Factors – Risks Related to the CBG – Certain rights of the Mortgagee rank after those of the CPF Board*" and "*Regulation/Legal Aspects of the Singapore Residential Mortgage Market – CPF Board and Priority of Payments*").

In this regard, if any of the abovementioned charges or claims exist, they will rank ahead of the security granted under the Singapore Deed of Charge.

#### **Certain rights of the Mortgagee rank after those of the CPF Board.**

If funds from a Mortgagor's CPF account(s) were withdrawn by the Mortgagor to finance or refinance the purchase of a Property and/or to service the loans obtained to finance the purchase thereof, the proceeds from any sale (or the amount of compensation awarded in the case of compulsory acquisition) of such Property will under the present regime since 1 September 2002 have to be applied towards repayment of the Mortgagee (being UOB or, as the case may be, the CBG) and the CPF Board in the order of priority more particularly described in the section "*Regulation/Legal Aspects of the Singapore Residential Mortgage Market – CPF Board and Priority of Payments*". The Mortgagee's right to repayment in respect of principal and any interest accruing on a DOT Loan up to the date of default under that DOT Loan will rank ahead of the CPF Board's right to recover such funds withdrawn from the Mortgagor's CPF ordinary account. However, any interest accrued on that DOT Loan on and from the date

---

<sup>1</sup> As amended by section 30(10) of the Employment, Parental Leave and other Measures Act 2013 (No. 26 of 2013)

of default by the Mortgagor and certain non-sale related costs and expenses which the Mortgagee is entitled to receive under the Mortgage will only be paid to the Mortgagee after the refund of the withdrawn CPF funds is made to the Mortgagor's CPF ordinary account.

### **The CPF Board and other creditors/third parties having a statutory preference in priority to the Mortgage.**

A Mortgagor may finance or refinance the purchase of a Property or repay a DOT Loan drawn for the purchase of such Property using the funds in his CPF account(s). When such funds are withdrawn, a charge in favour of the CPF Board to secure the repayment by the Mortgagor of such withdrawn funds (together with interest that would have accrued if the withdrawal had not been made) will be registered against the title of the Property, ranking in priority to any Mortgage. Under the CPF Act, upon registration of the charge, the CPF Board has the power of sale and all other powers relating or incidental thereto as if it is a registered mortgagee. Notwithstanding the CPF Board's prior ranking charge, the proceeds of the Property sale will under the present regime since 1 September 2002 be applied in accordance with the priority of payments as described in the section entitled "*Regulation/Legal Aspects of the Singapore Residential Mortgage Market – CPF Board and Priority of Payments*".

Further, charges on land under any written law or regulations may have priority over a Mortgage including charges in favour of the statutory authorities in respect of any money owing to such statutory authorities, and charges in favour of the management corporation (where the Property is a strata sub-divided unit) (see "*Regulation/Legal Aspects of the Singapore Residential Mortgage Market – Other Statutory Charges*").

For example, where there are arrears in the payment of property tax, the tax authority has the power to recover such arrears in full by selling the Property in respect of which arrears are due. The proceeds of sale may be applied by the tax authority towards the payment of such arrears, the interest thereon at such rate as the tax authority may prescribe and all costs and expenses incurred in the recovery of such arrears, before paying to any other person who has a right to such proceeds. In the case where there are arrears in the payment of estate duty, proceedings may be instituted for recovery of such estate duty by, *inter alia*, the sale of such Property.

Similarly for a Property which is a strata sub-divided unit within a development where the owner is obliged to contribute towards the maintenance and sinking funds of the development, the management corporation has the power to sue the owner or a mortgagee in possession for any arrears in contributions and may lodge an instrument of charge against the Property. Upon registration of such instrument of charge, the charge will secure *inter alia* all the outstanding amounts owing to the management corporation (including interest thereon) and all legal costs and expenses incurred by the management corporation in connection with its collection of such unpaid amount, and the management corporation has the power of sale and all other powers over the relevant property as if it is a registered mortgagee. Notwithstanding that the charge in favour of the management corporation may be registered subsequent to a Mortgage, under the BMSM Act, such charge cannot be over-reached by the prior registered mortgagee's exercise of its power of sale under the Mortgage and the charge will continue to be in force until all amounts secured by the charge have been paid.

### **Maintenance of Portfolio.**

*Asset Coverage Test:* The Asset Coverage Test is met if the Adjusted Aggregate Loan Amount is equal to or exceeds the aggregate SGD Equivalent of the outstanding nominal amount of all Covered Bonds from time to time.

If a breach of the Asset Coverage Test occurs as of any Calculation Date (as tested on the relevant Test Date) and is not cured as of the immediately following Calculation Date, the Bond Trustee will serve an Asset Coverage Test Breach Notice on the CBG which (unless and until it is revoked) may result, *inter alia*, in the sale of Selected Loans (see "*Summary of the Principal Documents – Establishment Deed – Sale*").

of Selected Loans following service of an Asset Coverage Test Breach Notice”). If an Asset Coverage Test Breach Notice has been served and not revoked on or before the Test Date immediately succeeding service of such Asset Coverage Test Breach Notice, then an Issuer Event of Default shall occur and the Bond Trustee shall be entitled (and, in certain circumstances, may be required) to serve an Issuer Acceleration Notice on the Issuer. Following service of an Issuer Acceleration Notice, the Bond Trustee must serve a Notice to Pay on the CBG.

*Amortisation Test:* Pursuant to the Establishment Deed, prior to service of a CBG Acceleration Notice and/or enforcement of the Security, the Amortisation Test will be satisfied if the Amortisation Test Aggregate Loan Amount is in an amount at least equal to the SGD Equivalent of the aggregate outstanding nominal amount of the Covered Bonds on each Calculation Date following service of a Notice to Pay. The Amortisation Test is intended to test whether the assets of the CBG fall below a certain threshold, and therefore whether the assets of the CBG are sufficient to meet its obligations under the Covered Bond Guarantee and senior expenses that rank in priority to or *pari passu* with amounts due on the Covered Bonds.

*Failure to comply with the Asset Coverage Test or the Amortisation Test:* If the value of the Portfolio has not been maintained in accordance with the terms of the Asset Coverage Test and, if applicable, the Amortisation Test, then that may affect the realisable value of the Portfolio or any part thereof (both before and after the occurrence of a CBG Event of Default) and/or the ability of the CBG to make payments under the Covered Bond Guarantee.

Prior to service of a Notice to Pay or a CBG Acceleration Notice, the Asset Monitor will, subject to receipt of the relevant information from the Cash Manager, test the calculations performed by the Cash Manager in respect of the Asset Coverage Test. Following service of a Notice to Pay (but prior to service of a CBG Acceleration Notice), the Asset Monitor will be required to test the calculations performed by the Cash Manager in respect of the Amortisation Test. In addition, the Asset Monitor will be required to assess compliance by the Issuer with certain statutory obligations under MAS Notice 648. See “*Summary of the Principal Documents – Asset Monitor Agreement*”.

Neither the Bond Trustee, the Security Trustee nor the CBG shall be responsible for monitoring compliance with the Asset Coverage Test, the Amortisation Test, the Pre-Maturity Test or any other test, or for supervising the performance by any other party of its obligations under any Transaction Document.

#### **Sale of Selected Loans and their Related Security following service of an Asset Coverage Test Breach Notice or a Notice to Pay.**

If an Asset Coverage Test Breach Notice or a Notice to Pay is served on the CBG (and, in the case of an Asset Coverage Test Breach Notice, for as long as such notice has not been revoked), the CBG may sell Selected Loans and their Related Security in order to remedy a breach of the Asset Coverage Test or to make payments to the CBG’s creditors, including payments under the Covered Bond Guarantee, as appropriate, subject to (in respect of Selected Loans which are DOT Loans and their Related Security) the Requisite DOT Loan Legal Title Transfer Approvals being obtained. See “*Summary of the Principal Documents – Establishment Deed – Sale of Selected Loans following service of an Asset Coverage Test Breach Notice*”, “*Summary of the Principal Documents – Establishment Deed – Sale of Selected Loans following service of a Notice to Pay*”.

There is no guarantee that:

- (a) (in respect of a Selected Loan which is a DOT Loan) the Requisite DOT Loan Legal Title Transfer Approvals (if required) may be obtained (see the risk factor headed “*The appointment of a Replacement Assets Trustee in respect of DOT Loans and their Related Security (and any related Top-up Loans) or the sale of Selected Loans (which are DOT Loans) and their Related Security (and any related Top-up Loans) to a Purchaser will require the prior consent of the CPF Board or an order of the court to implement*” below);

- (b) (in respect of any Selected Loan) that a buyer will be found to acquire Selected Loans and their Related Security at the times required and there can be no guarantee or assurance as to the price which the CBG may be able to obtain; or
- (c) in the event that the CBG Beneficiary and the Assets Trustee fail to obtain any one of the Requisite DOT Loan Legal Title Transfer Approvals, the Declaration of Assets Trust sets out certain provisions enabling the CBG Beneficiary to sell its beneficial interest in all or any selected DOT Loan(s) and its Related Security (and any related Top-up Loans) to a third party purchaser. There can be no guarantee or assurance as to the price which the CBG may be able to obtain,

which may affect the ability of the CBG to make payments under the Covered Bond Guarantee. However, if a Notice to Pay has been served, the Selected Loans may not be sold by the CBG for less than an amount equal to the Adjusted Required Redemption Amount for the relevant Series of Covered Bonds until six months prior to the Maturity Date in respect of such Covered Bonds or (if the same is specified as applicable in the relevant Pricing Supplement) the Extended Due for Payment Date in respect of such Covered Bonds. In the six months prior to, as applicable, the Maturity Date or Extended Due for Payment Date, the CBG may sell the Selected Loans and their Related Security for the best price reasonably available, notwithstanding that such price may be less than the Adjusted Required Redemption Amount.

**Sale of Selected Loans and their Related Security prior to maturity of Hard Bullet Covered Bonds where there is a breach of the Pre-Maturity Test.**

If there is a breach of the Pre-Maturity Test in respect of a Series of Hard Bullet Covered Bonds prior to service of a Notice to Pay on the CBG, the CBG may (unless the Intercompany Loan Provider makes sufficient Advances under the Intercompany Loan Agreement or the Subordinated Loan Provider chooses to make sufficient Subordinated Advances under the Subordinated Loan Agreement or there are sufficient Available Principal Receipts) sell Selected Loans and their Related Security to seek to generate sufficient cash to enable the CBG to pay the Final Redemption Amount on any Hard Bullet Covered Bond, should the Issuer fail to pay such amounts. See *“Summary of the Principal Documents – Establishment Deed – Sale of Selected Loans following a breach of the Pre-Maturity Test”*.

There is no guarantee that a buyer will be found to acquire Selected Loans and their Related Security at the times required and there can be no guarantee or assurance as to the price which may be able to be obtained, which may affect payments under the Covered Bond Guarantee.

**The transferee of legal title to the Loans and their Related Security may need to be licensed under the Moneylenders Act of Singapore and there is no guarantee that such transferee will be available at a time when legal title needs to be passed.**

In the event legal title to any of the Loans and their Related Security are to be transferred to the Replacement Assets Trustee or a Purchaser, the transferee which becomes the lender of record may need to satisfy the relevant licensing requirements under the Moneylenders Act (an excluded money lender) or be exempted from such licensing requirements (an exempted money lender). The ability of the Seller or, as the case may be, the Assets Trustee to transfer the legal title to the Loans and their Related Security is dependent on various factors, including whether the transferee satisfies such licensing requirements or is exempted therefrom, and there is no guarantee that such suitable transferee would be readily available at the time legal title to the Loans and their Related Security needs to be transferred, and this may adversely affect the interests of the Covered Bondholders.



**The appointment of a Replacement Assets Trustee in respect of DOT Loans and their Related Security (and any related Top-up Loans) or the sale of Selected Loans (which are DOT Loans) and their Related Security (and any related Top-up Loans) to a Purchaser will require the prior consent of the CPF Board or an order of the court to implement.**

In the event a Replacement Assets Trustee is to be appointed in respect of DOT Loans and their Related Security (and any related Top-up Loans) following the occurrence of a Replacement Assets Trustee Event or in the event of a sale of Selected Loans (which are DOT Loans and their Related Security (and any related Top-up Loans)) to a Purchaser, a transfer of legal title to such DOT Loans and their Related Security (and any related Top-up Loans) to such Replacement Assets Trustee or a Purchaser requires the Requisite DOT Loan Legal Title Transfer Approval (as defined in section “*Summary of the Principal Documents – Declarations of Assets Trust – Transfer of title to the DOT Loans and appointment of a Replacement Assets Trustee*”) (unless the consent of the CPF Board to the transfer of the Mortgages relating to DOT Loans is not required in order for the transferee of such Mortgages to be accorded the priority of payments over the CPF Board in relation to the application of any proceeds from the realisation of the relevant Property). Prior to any Requisite DOT Loan Legal Title Transfer Approvals being obtained and unless the consent of the CPF Board to the transfer of Mortgages relating to DOT Loans is not required the CBG, CBG Beneficiary and the Assets Trustee shall use reasonable endeavours to seek all of the Requisite DOT Loan Legal Title Transfer Approvals concurrently, which are (in summary):

- (a) where the proposed transferee is an entity licensed to carry on a banking business in Singapore, obtaining a Section 55B/C Court Order approving the transfer of that part of the Assets Trustee’s banking business that comprises legal title to such DOT Loans (without any requirement to obtain prior consent from the CPF Board prior to implementing such court-sanctioned Section 55B/C Transfer);
- (b) (whether or not the proposed transferee is an entity licensed to carry on banking business in Singapore) the prior consent from the CPF Board to effect such transfer of the Mortgages relating to such DOT Loans; and
- (c) where the proposed transferee is not an entity licensed to carry on banking business in Singapore, (1) a Sections 210/212 Court Order approving a Sections 210/212 Scheme, and (2) the prior consent from the CPF Board to such transfer of the Mortgages relating to such DOT Loans,

“Section 55B/C Court Order”, “Section 55B/C Transfer”, “Sections 210/212 Court Order” are each defined and more particularly described in the section “*Summary of the Principal Documents – Declaration of Assets Trust – Transfer of title to the DOT Loans and appointment of a Replacement Assets Trustee*”).

Whilst the CBG Beneficiary and the Assets Trustee are under an obligation to use reasonable endeavours to seek all of the Requisite DOT Loan Legal Title Transfer Approvals until any one of the Requisite DOT Loan Legal Title Transfer Approvals is obtained, there is no guarantee that any such approval would be obtained and the timeframe within which any such approval will be received is also not certain.

### ***Section 55B/C Transfer***

A Section 55B/C Transfer procedure may be undertaken by UOB (in its capacity as Assets Trustee) or, be effected by the CBG Beneficiary acting in the name of UOB as the Assets Trustee under the Assets Trustee Power of Attorney (including in a post-insolvency situation of UOB) after the occurrence of any Replacement Assets Trustee Event (see “*Summary of the Principal Documents – Declaration of Assets Trust – Transfer of Title to the DOT Loans and appointment of a Replacement Assets Trustee*”).

Third parties who may have an interest in the Trust Assets (including the DOT Loans and their Related Security (and any related Top-up Loans)) such as the MAS, the CPF Board, the relevant Borrowers and/or the relevant Mortgagors of the DOT Loans, may be entitled to file objections and supporting evidence thereof in advance of the relevant Section 55B/C Transfer decision hearing by the High Court of Singapore.

While such power has not been previously exercised by the courts in Singapore in such context, it would be possible to obviate the requirement to seek the prior consent of the CPF Board to such transfer by the High Court of Singapore granting an order to that effect pursuant to Sections 55B and 55C of the Banking Act, Chapter 19 of Singapore (the “**Banking Act**”) for a transfer to the Replacement Assets Trustee or a Purchaser of the legal title to the DOT Loans and their Related Security (and any related Top-up Loans) under the Assets Trust. Such powers of the High Court of Singapore in relation to Sections 55B and 55C of the Banking Act are broad enough to (a) enable the High Court of Singapore (if it is prepared to) to grant an order which would entitle the Replacement Assets Trustee to the same rights and priorities as the Assets Trustee would have been entitled to in relation to the DOT Loans and their Related Security (and any related Top-up Loans) if the transfer had not taken place and (b) enable a transfer to be made in the absence of the consent of the CPF Board.

While a Section 55B/C Transfer provides a credible solution to obviate the need to obtain the consent of the CPF Board for the transfer of the Mortgages related to the DOT Loans, the following should, however, be noted:

- (a) although Sections 55B/C of the Banking Act have previously been used in Singapore to effect a transfer of businesses between banks, there is no precedent for the use of a Section 55B/C Transfer in relation to covered bonds;
- (b) there is no guarantee that the Minister’s<sup>2</sup> consent or certification that his consent is not required will be given; and
- (c) there is no guarantee that the requisite court order will be granted.

### ***Consent of the CPF Board***

The prior consent of the CPF Board may be sought for the transfer of the Mortgages related to the DOT Loans to a proposed transferee of a DOT Loan (whether or not such transferee is an entity licensed to carry on a banking business in Singapore). In deciding whether to consent to such a transfer, the CPF Board may consider the following factors:

- (a) first, there are statutory provisions that facilitate the transfer from the Assets Trustee to the Replacement Assets Trustee of the legal title to the DOT Loans and their Related Security (and, where applicable, any related Top-up Loans) under the Assets Trust. Section 41 of the Trustees Act, Chapter 337 of Singapore (the “**Trustees Act**”) provides, generally, for vesting of trust property in new or continuing trustees appointed by deed. Section 41 of the Trustees Act, however, does not obviate the need for the CPF Board’s consent; and
- (b) second, where the Replacement Assets Trustee or the Purchaser is a financial institution, the CPF Board may consider that the Replacement Assets Trustee or such Purchaser has the ability to manage the DOT Loans and their Related Security (and any related Top-up Loans), which may be preferable to the management of the DOT Loans and their Related Security (and any

---

<sup>2</sup> The Minister referred to in Section 55B of the Banking Act should be the Minister charged by the Prime Minister with responsibility for banking matters. Pursuant to Article 30(1) of the Constitution of the Republic of Singapore (Responsibility of the Deputy Prime Minister and Coordinating Minister for Economic and Social Policies) Notification 2015, it is Mr. Tharman Shanmugaratnam (as Deputy Prime Minister and Coordinating Minister for Economic and Social Policies) who is presently charged with the responsibility for banking matters.

related Top-up Loans) by the Seller which is in a distressed situation (such as following an Insolvency Event). There is however, no guarantee that the CPF Board will approve such transfer.

### ***Sections 210/212 Scheme***

The proposed transferee under a Sections 210/212 Scheme does not need to be an entity licensed to carry on a banking business in Singapore (though it may need to satisfy the relevant licensing requirements under the Moneylenders Act or be exempt from such licensing requirements (see the risk factor headed “*The transferee of legal title to the Loans and their Related Security may need to be licensed under the Moneylenders Act of Singapore and there is no guarantee that such transferee will be available at a time when legal title needs to be passed*”). A Sections 210/212 Scheme may not obviate the contractual requirement to obtain the CPF Board’s consent to the transfer of Mortgages related to any DOT Loans held under the Assets Trust, and hence (following the procurement of the requisite court and other approvals to the Sections 210/212 Scheme) consent from the CPF Board to its implementation will also need to be obtained. A Sections 210/212 Scheme procedure may be undertaken by UOB (in its capacity as Assets Trustee) or, be effected by the CBG Beneficiary acting in the name of UOB as the Assets Trustee under the Assets Trustee Power of Attorney (including in a post-insolvency situation of UOB) after the occurrence of any Replacement Assets Trustee Event (see “*Summary of the Principal Documents – Declaration of Assets Trust – Transfer of title to the DOT Loans and appointment of a Replacement Assets Trustee*”).

Whether an order will be made approving the Sections 210/212 Scheme will depend on the circumstances of the case and there is no guarantee that such an order will be made. In broad terms, the requirements for a Sections 210/212 Scheme are:

- (a) obtaining the Minister’s consent or certification that his consent is not required;
- (b) obtaining a court order (by a summary application) to summon a meeting of the Covered Bondholders;
- (c) obtaining the approval of a requisite majority of Covered Bondholders voting (a majority in number representing three-quarters (75 per cent.) in value of the outstanding nominal amount of all Covered Bonds) voting at the meeting; and
- (d) based on the Covered Bondholder approval above, obtaining a Sections 210/212 Court Order. In considering whether to approve the scheme, the court is likely to consider, *inter alia*:
  - (i) whether the scheme is fair and reasonable to the Covered Bondholders as a whole;
  - (ii) whether the applicant (UOB or the CBG Beneficiary acting under the Assets Trustee Power of Attorney) and the majority Covered Bondholders who granted their approval to the scheme are acting bona fide; and
  - (iii) whether the minority of Covered Bondholders are being coerced to promote the interest of the majority Covered Bondholders who granted their approval to the scheme.

There is no guarantee that (a) the Minister’s consent or certification that his consent is not required will be given, (b) the relevant voting thresholds will be met, (c) the High Court of Singapore will approve such Sections 210/212 Scheme and (d) that the consent of the CPF Board will be forthcoming.

If the Requisite DOT Loan Legal Title Transfer Approvals cannot be obtained, it may not be possible to liquidate or realise the DOT Loans and their Related Security (and any related Top-up Loans) to enable the CBG to meet its maturing obligations under the Covered Bond Guarantee. In such circumstances, the

CBG will rely on receiving interest, principal and other receipts under such DOT Loans and then apply these under the Covered Bond Guarantee which may result in a delay in making scheduled payments and repayments to the Covered Bondholders.

A delay in obtaining one of the Requisite DOT Loan Legal Title Transfer Approvals could result in a deterioration of the realisable value of the Portfolio.

**Factors that may affect the realisable value of the Portfolio or any part thereof or the ability of the CBG to make payments under the Covered Bond Guarantee.**

The Asset Coverage Test, the Amortisation Test and the Eligibility Criteria are intended to ensure that there will be an adequate amount of high quality Loans in the Portfolio and monies standing to the credit of the Transaction Account to enable the CBG to repay the Covered Bonds following an Issuer Event of Default, service of an Issuer Acceleration Notice on the Issuer and service of a Notice to Pay on the CBG. However, whilst it is expected that Selected Loans and their Related Security could be realised for sufficient values to enable the CBG to meet its obligations under the Covered Bond Guarantee, there is no assurance that this will be the case and it should be noted that the realisable value of Selected Loans and their Related Security comprised in the Portfolio may be reduced at any time by any of the following factors:

- (a) representations or warranties not being given by the CBG or (unless otherwise agreed with the Seller) the Seller;
- (b) default by Borrowers of amounts due on their Loans;
- (c) changes to the Lending Criteria or Seller's Policy;
- (d) the state of the Singapore economy and/or residential property market (which may impact potential buyers);
- (e) risks in relation to some types of Loans which may adversely affect the value of the Portfolio or any part thereof;
- (f) limited recourse to the Seller;
- (g) (in respect of a Property subject to compulsory acquisition by the State (see "*Regulation/Legal Aspects of the Singapore Residential Mortgage Market – Land Acquisition Act*" below)) any proceeds awarded for the compulsory acquisition of a relevant Property being insufficient to discharge the relevant Loan;
- (h) the presence of other secured liabilities relating to the All Monies Trust;
- (i) possible regulatory changes by the MAS and other regulatory authorities; and
- (j) regulations or other issues in Singapore that could lead to some terms of the Loans being unenforceable, such as the Banking Act, Chapter 19 of Singapore, Banking Regulations, and notices and directives issued thereunder by the MAS.

If there is deterioration in the realisable value of the Portfolio so that Selected Loans and their Related Security cannot be realised for sufficient values to enable the CBG to meet its obligations under the Covered Bond Guarantee, the holders of the Covered Bonds may be adversely affected.

**No representations or warranties to be given by the CBG or the Seller if Selected Loans and their Related Security are to be sold.**

Following the service of an Asset Coverage Test Breach Notice (which remains outstanding) or the service of a Notice to Pay on the CBG or if there is a breach of the Pre-Maturity Test (but in each case prior to the service of a CBG Acceleration Notice and/or the commencement of winding-up proceedings against the CBG and/or realisation of the Security), the CBG will be obliged to sell Selected Loans and their Related Security to third party purchasers, subject to a right of pre-emption in favour of the Seller pursuant to the terms of the Mortgage Sale Agreement (see “*Summary of the Principal Documents – Establishment Deed – Method of Sale of Selected Loans*”). In respect of any sale of Selected Loans and their Related Security to third parties, however, the CBG will not give warranties or indemnities in respect of those Selected Loans and their Related Security. The Security Trustee will not be required to release the Selected Loans from the Security unless the conditions relating to release of the Security as set out in the Deeds of Charge are satisfied. There is no assurance that the Seller would give any warranties or representations in respect of the Selected Loans and their Related Security. Any Representations or Warranties previously given by the Seller in respect of the Loans in the Portfolio may not have value for a third party purchaser if the Seller is then insolvent. Accordingly, there is a risk that the realisable value of the Selected Loans and their Related Security could be adversely affected by the lack of representations and warranties which in turn could adversely affect the ability of the CBG to meet its obligations under the Covered Bond Guarantee.

**The Geographic concentration of the Loans may exacerbate the effect of changes to Singapore’s economic conditions and housing markets.**

To the extent that Singapore’s economic conditions and housing markets may be affected by domestic and international economic events, political events, natural disasters or by movements and events that occur in global financial markets, the effect of such events on Singapore’s economic conditions and housing markets may be exacerbated due to the fact that the Loans and their Related Security are located in a single geographic market. The CBG can predict neither when nor where such events may occur nor to what extent and for how long such conditions may continue but if the timing and payment of the Loans in the Portfolio is adversely affected as described above, the ability of the CBG to make payments under the Covered Bond Guarantee could be reduced or delayed.

**Default by Borrowers in paying amounts due on their Loans.**

Borrowers may default on their obligations due under the Loans. Defaults may occur for a variety of reasons. The Loans are affected by credit, liquidity and interest rate risks. Various factors influence mortgage delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal. Examples of such factors include changes in the national or international economic climate, regional economic or housing conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies. Other factors in the Borrowers’ individual, personal or financial circumstances may affect the ability of Borrowers to repay the Loans. Loss of earnings, illness, divorce and other similar factors may lead to an increase in delinquencies by and bankruptcies of Borrowers, and could ultimately have an adverse impact on the ability of Borrowers to repay the Loans. In addition, the ability of a Borrower to sell a property given as security for a Loan at a price sufficient to repay the amounts outstanding under that Loan will depend upon a number of factors, including the availability of buyers for that property, the value of that property and property values in general at the time.

The Principal Balance of any Defaulted Loans in the Portfolio will be given a reduced weighting for the purposes of any calculation of the Asset Coverage Test and the Amortisation Test.

## **Consumer Protection Legislation.**

Consumer protection legislation in Singapore is set out under three main statutes: the Unfair Contracts Terms Act, Chapter 396 of Singapore (the “UCTA”), the Misrepresentation Act, Chapter 390 of Singapore (the “**Misrepresentation Act**”) and the Consumer Protection (Fair Trading) Act, Chapter 52A of Singapore (the “CPFTA”). The application of such consumer protection legislation may have an impact on the loans in the Portfolio.

The UCTA prohibits a supplier that is contracting with a counterparty who is dealing as a consumer or on the supplier’s written standard terms of business from, by reference to a contract term:

- (a) excluding or restricting its liability for breach of contract; or
- (b) claiming to be entitled:
  - (i) to render a contractual performance substantially different from that which was reasonably expected of it; or
  - (ii) in respect of the whole or any part of its contractual obligation, to render no performance at all,

unless, in each case, the contract term satisfies the requirement of reasonableness (that is, the contract term must have been a fair and reasonable one to be included having regard to the circumstances which were, or ought reasonably to have been, known to or in the contemplation of the parties when the contract was made). Similarly, contract terms requiring the consumer to indemnify the supplier in respect of liability incurred by the supplier’s negligence or breach of contract are also prohibited unless they satisfy the requirement of reasonableness.

The UCTA also provides that a person cannot exclude or restrict his liability for negligence except insofar as the term satisfies the requirement of reasonableness. This requirement applies regardless of whether parties are contracting as consumer and supplier or not.

The Misrepresentation Act applies this requirement of “reasonableness” to terms which would exclude or restrict any liability to which a party to a contract may be subject by reason of any misrepresentation made by him before the contract was made, or any remedy available to another party to the contract by reason of such a misrepresentation.

Accordingly, there is a risk that a consumer may be able to challenge a term in the loan documentation (including terms relating to interest rates) on the basis that it does not pass the “reasonableness test” under the UCTA or the Misrepresentation Act and is therefore not binding on the consumer. In this case, the contract should still continue to bind the consumer if it is capable of continuing in existence without the unfair term.

The CPFTA (which applies to transactions involving financial services from 15 April 2009) prohibits “unfair practices”. “Unfair practices” means, for a supplier in relation to a consumer transaction:

- (a) doing or saying anything, or omitting to do or say anything, if as a result a consumer might reasonably be deceived or misled;
- (b) making a false claim;
- (c) taking advantage of a consumer if the supplier knows or ought reasonably to know that the consumer is not in a position to protect his own interests or is not reasonably able to understand the character, nature, language or effect of the transaction or any matter related to the transaction; or

- (d) without limiting the generality of paragraphs (a) to (c), to do anything specified in the Second Schedule of the CPFTA – in particular, taking advantage of a consumer by including in an agreement terms or conditions that are harsh, oppressive or excessively one-sided so as to be unconscionable may be considered an unfair practice.

A consumer who has entered a consumer transaction involving an unfair practice may commence an action against the supplier under the CPFTA for a claim of up to S\$30,000. This may potentially include challenges of interest rates. Singapore courts may order restitution of any money, property or other consideration given or furnished by the consumer, award the consumer damages in the amount of any loss or damage suffered by the consumer as a result of the unfair practice, make an order of specific performance against the supplier or make an order varying the contract between the supplier and the consumer.

Accordingly, there is a risk that a consumer may be able to bring an action against UOB as the provider of the loan, or (in the case of EA Loans) where title has passed to the CBG, against the CBG. Apart from the consumer having a claim in damages, it is also open to Singapore courts to vary the loan contract, which may have an impact on other terms under the loan.

If any of the risks highlighted above were to occur, then the realisable value of the Portfolio or any part thereof and/or the ability of the CBG to make payments under the Covered Bond Guarantee may be affected.

#### **Changes to the Lending Criteria of the Seller.**

Each of the Loans originated by the Seller will have been originated in accordance with its Lending Criteria at the time of origination. It is expected that the Seller's Lending Criteria will generally consider type of property, term of loan, age of applicant, the loan-to-value ratio, status of applicants and credit history. In the event of the sale of any EA Loans and their Related Security to the CBG or the declaration of trust over any DOT Loans and their Related Security in favour of the CBG Beneficiary, the Seller will warrant only that such Loans and Related Security were originated in accordance with the Seller's Lending Criteria applicable at the time of origination. The Seller retains the right to revise its Lending Criteria from time to time. If the Lending Criteria change in a manner that affects the creditworthiness of the Loans, that may lead to increased defaults by Borrowers and may affect the realisable value of the Portfolio, or part thereof, and the ability of the CBG to make payments under the Covered Bond Guarantee. As noted above, however, Defaulted Loans in the Portfolio will be given a reduced weighting for the purposes of the calculation of the Asset Coverage Test and the Amortisation Test.

#### **The CBG does not have legal title to the Loans and their Related Security in the Portfolio on the relevant Closing Date.**

In respect of EA Loans and their Related Security, on the relevant Closing Date, the sale by the Seller to the CBG of EA Loans and their Related Security has taken or will take effect by way of an equitable assignment and legal title to the EA Loans and each of their Related Security will remain with the Seller. Transfer of the legal title to the EA Loans and their Related Security to the CBG would only occur in the limited circumstances described in "*Summary of the Principal Documents – Mortgage Sale Agreement – Transfer of Title to the EA Loans to the CBG or a Purchaser*" and until such right arises the CBG will not give notice of the sale of the EA Loans and their Related Security to any Borrower, Mortgagor, surety, guarantor or relevant counterparty or lodge or register caveats/instruments with the Land Registry in respect of its equitable interest in the EA Loans and their Related Security.

In respect of DOT Loans and their Related Security (and any related Top-up Loans), on the relevant Closing Date, the Assets Trustee will declare a trust over all of the Seller's present and future rights, estate, title, interests, benefits and remedies in and to the DOT Loans and their Related Security (and any related Top-up Loans) in favour of the CBG Beneficiary. Transfer of the legal title to the DOT Loans and their Related Security (and any related Top-up Loans) to a Replacement Assets Trustee would only occur in the

limited circumstances following the occurrence of an Replacement Assets Trustee Event as described in “*Summary of the Principal Documents – Declaration of Assets Trust-Transfer of Title to the DOT Loans to the CBG and appointment of a Replacement Assets Trustee*”. The CBG Beneficiary has covenanted in the Singapore Deed of Charge that it shall not call, request or act in any manner to transfer legal title in any of the Trust Assets from the Assets Trustee to itself without the prior written consent of the Security Trustee. The Security Trustee has covenanted in the Singapore Deed of Charge that it shall not consent to any such transfer of legal title in the Trust Assets to the CBG Beneficiary in any circumstances.

Since the CBG has not obtained legal title to the Loans or their Related Security and has not protected its interest in the Loans and their Related Security by notifying any Borrower, Mortgagor, surety, guarantor or relevant counterparty nor lodging/registering any caveat or instrument with the Land Registry or otherwise perfected its legal title to the Loans or their Related Security, the following risks exist:

- (a) *first*, if the Seller wrongly sells a Loan and its Related Security, which has already been sold to the CBG, to another person, then such person might obtain good title to the Loan and its Related Security, free from the interests of the CBG. If this occurred, then the CBG would not have good title to the affected Loan and its Related Security and it would not be entitled to payments by a Borrower in respect of that Loan. However, the risk of third party claims obtaining priority to the interests of the CBG would be likely to be limited to circumstances arising from a breach by the Seller of its contractual obligations or fraud, negligence or mistake on the part of the Seller or its personnel or agents;
- (b) *second*, the rights of the CBG may be subject to the rights of the Borrowers against the Seller, such as rights of set-off, which occur in relation to transactions or deposits made between Borrowers, Mortgagors or other security providers on the one hand and the Seller on the other, and the rights of Borrowers to redeem their mortgages by repaying the Loans directly to the Seller;
- (c) *third*, unless the CBG has perfected the assignment of the EA Loans and their Related Security (which it is only entitled to do in certain limited circumstances), the CBG would not be able to enforce any obligations of the Borrower, Mortgagor, surety, guarantor and/or any other relevant counterparty under a Loan or any of their Related Security (including the Mortgage itself) but would have to join the Seller as a party to any legal proceedings; and
- (d) *fourth*, in the case of DOT Loans and their Related Security (and any related Top-up Loans) held under the Assets Trust, any action to enforce such DOT Loans and their Related Security (and any related Top-up Loans) will have to be taken through the Assets Trustee or in the name of the Assets Trustee (see “*Summary of the Principal Documents – Declaration of Assets Trust – Assets Trustee Power of Attorney*”).

If any of the risks described in the first three bullet points above were to occur, then the realisable value of the Portfolio or any part thereof and/or the ability of the CBG to make payments under the Covered Bond Guarantee may be affected.

Once notice has been given to the Borrowers, the Mortgagors, the sureties, the guarantors and the relevant counterparties of the assignment of the Loans and their Related Security to the CBG, independent set-off rights which a Borrower has against the Seller (such as, for example, set-off rights associated with Borrowers holding deposits with the Seller) will crystallise and further rights of independent set-off would cease to accrue from that date and no new rights of independent set-off could be asserted following that notice. Set-off rights arising under “transaction set-off” (which are set-off claims arising out of a transaction connected with the Loan) will not be affected by that notice and will continue to exist. In relation to potential transaction set-off in respect of the Loans, see below. There is also uncertainty as to whether certain rights of set-off in relation to deposit accounts that a Borrower or Mortgagor may hold



with the Seller would have to be first set off against the Loans, and in particular in the situation where a liquidator of the Issuer is or is to be appointed (see further “*Impact of Section 62A of the Banking Act*” below).

### **Impact of Section 62A of the Banking Act.**

Section 62A provides that notwithstanding any written law or rule of law relating to the winding-up of companies, in the event of the winding-up of a bank in Singapore, a liquidator shall first set-off a depositor’s liabilities to the bank (whether or not incurred in the Asian Currency Unit of the bank) against any deposit of the depositor placed with the bank other than the Asian Currency Unit of the bank. As such, the amount owing by the depositor under the Loans could then be set-off against any deposit of the depositor placed with the bank other than the Asian Currency Unit of the Seller, possibly reducing the amount recoverable under the Loans. This section is intended to protect depositors. Without such set-off, the depositor would have to pay the full extent of its liabilities to the bank and may possibly only receive a dividend or partial payment in respect of deposits of the depositor placed with the bank, in the case of insolvency of the Seller where a liquidator is appointed.

There is merit in the position that from the moment notice of the sale and assignment is given to the Borrowers, that the liabilities of the Borrower are then owed to the CBG, and not the Bank. On a literal reading of Section 62A of the Banking Act, if such notice is given before a liquidator is appointed to the Bank, there would be no liabilities to the Bank to which Section 62A may apply. Hence there should be no Section 62A set-off. While such a view sits more easily with the language of Section 62A, it may mean that Borrowers may not have sufficient time to react, e.g. by transferring their deposits to another bank, and may well lose the benefit of Section 62A the moment notice is given. At the minimum, it is likely that if the sale and assignment of the Loans and Related Security happens prior to the insolvency of the Seller and the borrowers are given notice of the sale and assignment well before any commencement of winding up of the Seller and appointment of a liquidator, the likelihood is that Singapore courts would uphold the sale and assignment and hold that set-off pursuant to Section 62A of the Banking Act will not apply.

However, there is no definitive position on the scope of application of Section 62A of the Banking Act. The policy of depositor protection appears to underline Section 62A of the Banking Act and there is a possibility that the court in Singapore may then rule that the right of set-off prevails notwithstanding a sale and assignment which happens well before any insolvency of the Seller. While uncertain and untested, it is possible that if the sale and assignment takes place early and notice is given to the borrowers well before any insolvency of the Seller, the court should respect the sale and assignment and hold that set-off pursuant to Section 62A of the Banking Act will not apply. In such a case, the Loans and Related Security would be taken to have been sold to and belong to CBG, and the CBG’s property should not be utilised to meet the Seller’s liabilities. It is possible that where the depositors have been given sufficiently early notice of assignment, the depositors would have the means and opportunity to make necessary arrangements in relation to their deposits if are any concerns relating to the insolvency of the Seller. There is no certainty this is the position that the Singapore courts will adopt and in any event, there has not been any definitive statement or indication to date as to what constitutes an acceptable interval between the sale and assignment of the Loans and Related Security and the insolvency of the Seller, such that Section 62A of the Banking Act will not apply.

On 31 August 2015, MAS released a consultation paper entitled “Removing the DBU-ACU Divide – Implementation Issues” in relation to the proposed removal of the DBU-ACU divide (see page 131 of this document for further details). If the proposed amendments are introduced, amendments will also be made to section 62A of the Banking Act to the effect that in the event of the winding up of a bank in Singapore, a liquidator shall first set-off each of a depositor’s liabilities to the bank against any Singapore dollar deposit of the depositor placed with the bank. However, the exact form of the amendment has not been confirmed.

It should be noted, however, that the Asset Coverage Test seeks to take account of the potential set-off risk associated with Borrowers holding deposits with the Seller (although there is no assurance that all such risks will be accounted for (e.g. in a straight-to-default scenario)) by deducting the Set-off Amount from the Adjusted Aggregate Loan Amount if the long-term, unsecured, unsubordinated and unguaranteed debt obligation rating of the Seller is below BBB by S&P or A3 by Moody's. Further, for so long as the CBG does not have legal title, the Seller will undertake for the benefit of the CBG and the Secured Creditors that it will lend its name to, and take such other steps as may be reasonably required by the CBG and/or the Security Trustee in relation to, any legal proceedings in respect of the Loans and their Related Security.

As described above, the sale of EA Loans by the Seller to the CBG will be given effect by an equitable assignment and in respect of DOT Loans and their Related Security (and any related Top-up Loans), a trust will be declared by the Assets Trustee in favour of the CBG Beneficiary. As a result, legal title to the Loans and their Related Security will remain with the Seller. Therefore, the rights of the CBG may be subject to the direct rights of the Borrowers and/or the Mortgagors against the Seller, including rights of set-off which occur in relation to transactions or deposits made between the Borrowers and/or the Mortgagors and the Seller existing prior to notification to the Borrowers and/or Mortgagors of the assignment of the Loans and their Related Security (and any related Top-up Loans).

There may also be significant delays in transferring the legal title to the DOT Loans and their Related Security (and any related Top-up Loans) subject to the Assets Trust (see further "*Risk Factors – Risks related to the CBG – The appointment of a Replacement Assets Trustee in respect of DOT Loans and their Related Security (and any related Top-up Loans) or the sale of Selected Loans (which are DOT Loans) and their Related Security (and any related Top-up Loans) to a Purchaser will require the prior consent of the CPF Board or an order of the court to implement*"). There is no guarantee that the transfer of the legal title to the DOT Loans and their Related Security (and any related Top-up Loans) under the Assets Trust to the Replacement Assets Trustee will complete prior to the application of Section 62A.

The exercise of set-off rights by Borrowers may adversely affect the realisable value of the Portfolio and/or the ability in part of the CBG to make payments under the Covered Bond Guarantee. The Asset Coverage Test has been structured to mitigate the potential set-off risk (although there is no assurance that such risks will be accounted for).

#### **Delays resulting from insolvency of the Seller.**

There has not been any failure of any major bank in Singapore in the history of modern Singapore, and there is no certainty or precedent as to how a major bank insolvency will be conducted or dealt with. Under various powers conferred on the MAS, the MAS may issue directions or orders that may among other things impact on the running and management of a bank, including the Seller, for example directing that there be a change of management. There are also insolvency procedures that may come into play when a bank becomes insolvent. In the case of insolvency of the Seller, an insolvency practitioner, e.g. a liquidator could be appointed who would take over the management of the Seller.

The change of management or imposition of safeguards and other implications arising from insolvency of the Seller could delay actual recovery by the CBG from the Seller of the Loans and Related Security that had been sold by the Seller to the CBG. For one, in this connection, if there is a need for CBG to sue the Seller to recover the Loans and Related Security, there may be moratoriums which may delay recovery. Such moratoriums may be lifted with the permission of the court but securing such permission may take some time and cause some delays. Costs may also have to be incurred which could adversely affect the assets available to the CBG to pay amounts owing under the Guarantee.

## **Delays resulting from insolvency of the CBG.**

Where the CBG is insolvent and undergoes certain insolvency procedures, there may be delays on the part of the Security Trustee to enforce security provided by the CBG. For one, there would be a moratorium against the enforcement of security once a judicial management application is made, and this moratorium may be extended if a judicial management order is made. The permission of the court or the judicial manager would be required to lift the moratorium and this may result in delays in enforcement of security. In addition, there is also a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding up in relation to the CBG. This moratorium can be lifted with court permission and in the case of judicial management, with the permission of the judicial manager. Accordingly, if there is any need for the Security Trustee to sue CBG in connection with the enforcement of the security, the need to obtain court permission may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

If a judicial manager is appointed, the judicial manager would be able to dispose of security that is the subject of a floating charge and with the permission of the court, security that is the subject of a fixed charge. The costs and expenses of judicial management rank ahead of the claims of the floating chargee.

The Security Trustee would have security in the form of fixed and floating charges over all the assets of the CBG and would be entitled to appoint a receiver and manager of all the assets of CBG. With such rights, the Security Trustee would have the right to veto the appointment of any judicial manager, save only in the case where public interest so requires.

## **Potential law reforms.**

The Law Reform Committee in Singapore on 7 October 2013 issued a consultation paper on the Insolvency Law Review Committee's Report ("**ILRC Report**"). This consultation paper called for public responses on certain law reform recommendations to amend Singapore's insolvency law set out in the ILRC Report. See further <http://www.mlaw.gov.sg/news/public-consultations/public-consultation-on-ILRC-report.html>.

The Ministry of Law has accepted most of the recommendations set out in the ILRC Report, but it is uncertain when the relevant changes will take effect.

Without being exhaustive, some recommendations to amend Singapore's insolvency law include:

- (1) Currently, the moratorium that could be imposed in relation to scheme of arrangement proceedings ("**SOA**") only relate to actions and proceedings and not out of court self-help remedies in relation to the enforcement of security. The Insolvency Law Review Committee has recommended an expanded moratorium to the scheme of arrangement regime, the scope of which is similar to that in judicial management, with the court having discretionary powers to alter the scope of the moratorium. See pages 81-82 and 140-143 of the ILRC Report. If this recommendation is carried through, the expanded moratorium could affect the Security Trustee's enforcement of security in a SOA, where enforcement is by means of out of court self-help remedies.
- (2) Currently, a creditor who holds a floating charge over the whole or substantially the whole of the company's assets can veto the making of a judicial management order, save only in the case where public interest so requires. The ILRC has recommended that the court be given overriding discretion to grant a judicial management order notwithstanding that a secured creditor who may appoint a receiver over the whole or substantially the whole of the company's assets objects to such an appointment.

If this recommendation is carried through, the Security Trustee may lose its ability to veto the making of a judicial management order against the Seller, which in turn may adversely affect the Security Trustee's ability to enforce the security.

#### **Limited recourse to the Seller.**

The CBG, the Bond Trustee and the Security Trustee will not undertake any investigations, searches or other actions on any Loan or its Related Security and will rely instead on the Representations and Warranties given in the Mortgage Sale Agreement by the Seller in respect of the Loans and their Related Security sold by it to the CBG.

If any Loan or its Related Security sold by the Seller does not materially comply with any of the Representations and Warranties made by the Seller as at the Closing Date of that Loan or that Related Security, then the Seller will be required to notify the CBG and the Security Trustee as soon as reasonably practical after becoming aware of the fact and, upon receipt of a request to do the same from the CBG, remedy the breach within 30 Business Days of receipt by it of the request.

If the Seller fails to remedy the breach of a Representation and Warranty within 30 Business Days, then the Seller will be required (but only prior to the occurrence of an Issuer Event of Default and after the service of a Loan Repurchase Notice) to repurchase or accept surrender on such date that the CBG may direct in the Loan Repurchase Notice the relevant Loan and its Related Security and any other Loans of the relevant Borrower that are included in the Portfolio.

The repurchase price payable upon the repurchase of any EA Loan and its Related Security or surrender of the Trust Assets relating to any DOT Loan and its Related Security (and any related Top-up Loans) by the CBG Beneficiary is an amount equal to the Principal Balance of such Loan and any expenses as at the date of completion of such repurchase. There shall be an adjustment made to the repurchase price on or before the second CBG Payment Date falling after the relevant repurchase date to take account of, *inter alia*, Arrears of Interest and Accrued Interest and fees due in respect of such Loan or Loans in the period to (but excluding) the relevant repurchase date in respect of such Loan or Loans.

There can be no assurance that the Seller, in the future, will have the financial resources to repurchase a EA Loan or EA Loans and its or their Related Security or accept surrender of the Trust Assets relating to any DOT Loan and its Related Security (and any related Top-up Loans) by the CBG Beneficiary and make the required Distribution. However, if the Seller does not repurchase or accept surrender of those Loans and their Related Security which are in breach of the Representations and Warranties, then the Principal Balance of those Loans will be excluded from the calculation of the Asset Coverage Test. There is no further recourse to the Seller or the Issuer in respect of a breach of a Representation or Warranty.

#### **Repayment of the Demand Loan.**

The Demand Loan at any relevant time will be equal to the difference between the outstanding principal balance of the Intercompany Loan and the amount of the Guarantee Loan at that time. The Guarantee Loan, at any relevant time, is in an amount equal to (A) (a) the SGD Equivalent of the outstanding nominal amount of the Covered Bonds at that time, plus (b) an amount equal to the aggregate principal amount outstanding (or, in the case of assets in the form of Loans (other than Converted Loans), Principal Balance) of additional assets in excess of (a) above as required to satisfy (and determined in accordance with) the Asset Coverage Test, minus (B) the aggregate principal amount outstanding under the Subordinated Loan. The Demand Loan is therefore a voluntary level of overcollateralisation above what is strictly required under the Asset Coverage Test. For this reason, the Intercompany Loan Provider may demand the repayment of that Demand Loan at any point in time prior to service of a Notice to Pay or a CBG Acceleration Notice, provided that, following the repayment of that Demand Loan, the Asset Coverage Test will continue to be complied with. Following a Demand Loan Repayment Notice or service of a Notice to Pay or a CBG Acceleration Notice, the Demand Loan must be repaid. In all circumstances, repayment of the Demand Loan will rank ahead of payments under the Covered Bond Guarantee.

Repayment of principal on the Demand Loan may (at the discretion of the Intercompany Loan Provider) (and, after service of Notice to Pay, shall only) be made by payment in kind with the transfer of Demand Loan Repayment Assets, in each case in accordance with the terms of the Intercompany Loan Agreement, to the Intercompany Loan Provider, or by the reassignment, release and surrender of the CBG's rights, estate, title, interests, benefits and remedies in such Loans and their Related Security to the Intercompany Loan Provider where a legal title perfection has not yet occurred in respect of those Loans. The repayment of the Demand Loan will be made in priority to amounts owed to other Secured Creditors, including the Covered Bondholders.

Further, the Demand Loan Repayment Assets (and certain principal collections in respect of the Demand Loan Repayment Assets) will not form part of the assets that are applied by the Security Trustee in accordance with the Post-Enforcement Priority of Payments following the occurrence of a CBG Event of Default and delivery of a CBG Acceleration Notice.

In order to provide sufficient time to the Servicer and the Cash Manager to select and transfer or reassign, release and surrender the CBG's rights, estate, title, interests, benefits and remedies in respect of the relevant Demand Loan Repayment Assets to or in favour of, as the case may be, the Intercompany Loan Provider in accordance with the terms of the Intercompany Loan Agreement, the terms of the Singapore Deed of Charge provide that the Security Trustee may only apply amounts in accordance with the Post-Enforcement Priority of Payments on and after the first CBG Payment Date following the earlier of:

- (a) 30 days following the service of a CBG Acceleration Notice on the CBG; and
- (b) the date the Asset Percentage is fixed as described below following the service of a CBG Acceleration Notice.

Covered Bondholders should therefore include such analysis of the Demand Loan in their review of the level of overcollateralisation in the Portfolio from time to time. Payments to Secured Creditors, including the Covered Bondholders, may also be delayed in respect of the Post-Enforcement Priority of Payments.

## **Risks Related to the Covered Bonds**

### **Covered Bonds issued under the Programme.**

Save in respect of the first issue of Covered Bonds issued under the Programme, Covered Bonds issued under the Programme will either be fungible with an existing Series of Covered Bonds or have different terms from an existing Series of Covered Bonds (in which case they will constitute a new Series).

All Covered Bonds issued from time to time will rank *pari passu* with each other in all respects and will share in the security granted by the CBG under the Deeds of Charge. If an Issuer Event of Default occurs in respect of a particular Series of Covered Bonds, the Covered Bonds of all Series outstanding will accelerate at the same time against the Issuer (following service of an Issuer Acceleration Notice) but will be subject to, and have the benefit of, payments made by the CBG under the Covered Bond Guarantee (following service of a Notice to Pay). Subject as provided in Condition 9 (*Events of Default*) and the Trust Deed, if a CBG Event of Default occurs, following service of a CBG Acceleration Notice, the Covered Bonds of all Series outstanding will accelerate against the Issuer (if not already accelerated following an Issuer Event of Default) and the obligations of the CBG under the Covered Bond Guarantee will accelerate.

There can be no assurance that further issuances will not adversely affect existing holders of the Covered Bonds.

## **Security Trustee's and Bond Trustee's powers.**

In the exercise of its duties, powers, trusts, authorities and discretions, the Security Trustee shall only have regard to the interests of the Covered Bondholders. In the exercise of its duties, powers, trusts, authorities and discretions, the Security Trustee shall not act on behalf of the Seller.

In having regard to the interests of the Covered Bondholders, the Security Trustee shall be entitled to rely solely on a written confirmation from the Bond Trustee as to whether, in the opinion of the Bond Trustee, any matter, action or omission is or is not in the interests of or is not prejudicial or materially prejudicial to the interests of, the Covered Bondholders. The Bond Trustee shall have sole responsibility for resolving conflicts of interest as between the Covered Bondholders or any Series or class of them, subject to and in accordance with the provisions of the Trust Deed and the Conditions.

If, in connection with the exercise of its powers, trusts, authorities or discretions, the Bond Trustee is of the opinion that the interests of the Covered Bondholders of any one or more Series would be materially prejudiced thereby, the Bond Trustee shall not exercise such power, trust, authority or discretion without the approval of such Series of Covered Bondholders by Extraordinary Resolution or by a direction in writing of such Covered Bondholders of at least one-quarter of the outstanding notional amount of the Covered Bonds of the relevant Series then outstanding.

## **The Bond Trustee and the Security Trustee may agree to modifications to the Transaction Documents without, respectively, the Covered Bondholders' or Secured Creditors' prior consent.**

The terms and conditions of the Covered Bonds contain provisions that relate to the calling of meetings of Covered Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Covered Bondholders including Covered Bondholders who did not attend and vote at the relevant meeting and Covered Bondholders who voted in a manner contrary to the majority.

Pursuant to Condition 10 (*Meetings of Covered Bondholders, Modification and Waiver*), and certain provisions of the Trust Deed and the Deeds of Charge, the Bond Trustee has the ability to agree to or direct the Security Trustee to agree to certain modifications, waivers and authorisations under the Covered Bonds and the Transaction Documents (including the waiver of any Issuer Event of Default and/or CBG Event of Default) without consultation with, or the consent or sanction of, the Covered Bondholders or the other Secured Creditors.

Subject as provided in Condition 10 (*Meetings of Covered Bondholders, Modification and Waiver*) and the Trust Deed, the Bond Trustee must, or must direct the Security Trustee to, agree to modifications, waivers and authorisations as referred to above if so directed by (a) an Extraordinary Resolution of the Covered Bondholders or (b) so representing in writing the holders of not less than one-quarter of the nominal amount of the Covered Bonds of the relevant Series then outstanding.

Further, parties to the Transaction Documents may, without the consent of the Security Trustee or the Bond Trustee (unless the Bond Trustee or the Security Trustee, as the case may be, are party to such Transaction Document) amend a Transaction Document for the purpose of:

- (a) making any amendment (including, without limitation, adding, changing or removing parties and correcting or rectifying any ambiguity, defective provisions, errors, omissions or inconsistencies) to the Transaction Document, provided that, following the first Issue Date, the Cash Manager has delivered a Rating Agency Confirmation or a Ratings Notification to the CBG, the Security Trustee and the Bond Trustee in respect of such amendment and the Cash Manager has confirmed in writing to the Security Trustee and the Bond Trustee (as the case may be) and to the CBG that in its opinion such amendment will not result in an adverse effect on the amount and timing of any payment to the Covered Bondholders; and

- (b) without prejudice to paragraph (a) above, making any amendment which, in the opinion of counsel to the Cash Manager or the CBG, is necessary or advisable in order to incorporate, reflect or comply with any mandatory provision of law or any requirement of any governmental authority which applies to the CBG, the Issuer or any Transaction Document or the transactions under them and provided that the Cash Manager has confirmed in writing to the Security Trustee, the Bond Trustee and the CBG that in its opinion such amendment will not result in an adverse effect on the amount and timing of any payment to the Covered Bondholders,

provided any such amendment must be notified to the Security Trustee and the Bond Trustee. If the Security Trustee or the Bond Trustee is a party to a Transaction Document to be amended under paragraphs (a) or (b) above, the Security Trustee and the Bond Trustee, as the case may be, may rely on the Rating Agency Confirmation or Ratings Notification and Cash Manager confirmation delivered to them in accordance with paragraph (a) above or the Cash Manager's confirmation delivered to them in accordance with paragraph (b) above (as applicable).

The terms and conditions of the Covered Bonds also provide that the Bond Trustee (and the Security Trustee) may, without the consent of Covered Bondholders, determine that any Event of Default or Potential Event of Default shall not be treated as such, in each case in the circumstances described in Conditions 9 (*Events of Default*) and 10 (*Meetings of Covered Bondholders, Modification and Waiver*) of the "Terms and Conditions of the Covered Bonds".

#### **Certain decisions of the Covered Bondholders taken at Programme level.**

Any Extraordinary Resolution to direct the Bond Trustee to serve an Issuer Acceleration Notice following an Issuer Event of Default or to direct the Bond Trustee to serve a CBG Acceleration Notice following a CBG Event of Default and any direction to the Bond Trustee to take any enforcement action or to direct the Security Trustee to take any enforcement action must be passed at a single meeting of the Covered Bondholders of all Series then outstanding. Therefore the holders of a single Series of Covered Bonds may not be able to give any directions to the Bond Trustee or the Security Trustee without the agreement of the holders of other outstanding Series of Covered Bonds.

#### **Extendable obligations under the Covered Bond Guarantee.**

Following the failure by the Issuer to pay the Final Redemption Amount of a Series of Covered Bonds on their Maturity Date (subject to applicable grace periods) and if, following the service of an Issuer Acceleration Notice on the Issuer and of a Notice to Pay on the CBG (by no later than the date which falls one Business Day prior to the Extension Determination Date), payment of the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of such Series of the Covered Bonds are not paid in full, then the payment of such Guaranteed Amounts may be automatically deferred. The Issuer is not required to notify Covered Bondholders of such deferral. This will occur (subject to no CBG Event of Default having occurred) if the Pricing Supplement for a relevant Series of Covered Bonds (the "**relevant Series of Covered Bonds**") provides that such Covered Bonds are subject to an Extended Due for Payment Date.

To the extent that the CBG has received a Notice to Pay in sufficient time and has sufficient monies available to pay in whole or in part the Guaranteed Amounts corresponding to the relevant unpaid portion of the Final Redemption Amount in respect of the relevant Series of Covered Bonds, the CBG shall make such payment in accordance with the Guarantee Priority of Payments and as described in Condition 5(a) (*Redemption by Instalments and Final Redemption*). Payment of the unpaid amount shall be deferred automatically until the applicable Extended Due for Payment Date (where the relevant Series of Covered Bonds are subject to an Extended Due for Payment Date). The Covered Bondholders should be aware that the Extended Due for Payment Date will be the date specified in the applicable Pricing Supplement, interest will continue to accrue and be payable on the unpaid amount in accordance with Condition 4 (*Interest and other Calculations*) and the CBG will pay Guaranteed Amounts constituting Scheduled Interest on each Original Due for Payment Date and each Interest Payment Date specified in the applicable

Pricing Supplement. In these circumstances, except where the CBG has failed to apply money in accordance with the Guarantee Priority of Payments, failure by the CBG to make payment in respect of the Final Redemption Amount on the Maturity Date (or such later date within any applicable grace period) shall not constitute a CBG Event of Default. However, failure by the CBG to pay Guaranteed Amounts corresponding to the Final Redemption Amount or the balance thereof, as the case may be, on or before the Extended Due for Payment Date and/or pay Guaranteed Amounts constituting Scheduled Interest on any Original Due for Payment Date or Interest Payment Date specified in the applicable Pricing Supplement will (subject to any applicable grace period) be a CBG Event of Default. During the period from the Maturity Date to and including the Extended Due for Payment Date, the frequency of Interest Payment Dates and the basis on which interest is paid may change as set out in the applicable Pricing Supplement.

The Maturity Dates for different Series of Covered Bonds may not be the same. In the case of a Series of Covered Bonds which are subject to an Extended Due for Payment Date (as specified in the applicable Pricing Supplement), if the principal amounts have not been repaid in full by the Extension Determination Date, then the repayment of unpaid principal amounts shall be deferred until the Extended Due for Payment Date. This means that a Series of Covered Bonds having an earlier Maturity Date than such Extended Due for Payment Date may start receiving principal repayments in advance of the Series of Covered Bonds in respect of which unpaid principal amounts have been deferred until such Extended Due for Payment Date.

The Extended Due for Payment Dates for different Series of Covered Bonds to which an Extended Due for Payment Date applies may not be the same. On each CBG Payment Date following the service of a Notice to Pay on the CBG (but prior to the service of a CBG Acceleration Notice and/or the commencement of winding-up proceedings against the CBG and/or the realisation of the Security), the CBG will apply Available Revenue Receipts and Available Principal Receipts in accordance with the Guarantee Priority of Payments. To the extent that the amount available for distribution under the Guarantee Priority of Payments would be insufficient to pay the Scheduled Interest, the Scheduled Principal or the Final Redemption Amount of any Series of Covered Bonds to which an Extended Due for Payment Date applies, the shortfall will be divided amongst all such Series of Covered Bonds on a *pro rata* and *pari passu* basis.

**Global financial turmoil has led to volatility in international capital markets which may adversely affect the market price of the Covered Bonds.**

Global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may adversely affect the market price of the Covered Bonds.

**Limited liquidity of the Covered Bonds may affect the market price of the Covered Bonds.**

The Covered Bonds will not be registered under the Securities Act or any other applicable securities laws and are consequently subject to restrictions on transfer and resale as set out in “*Subscription and Sale*” below.

The Covered Bonds are a new issue of securities with no established trading market. Application may be made to list the Covered Bonds on the SGX-ST. However, if for any reason the Covered Bonds are not listed, the liquidity of the Covered Bonds may be negatively impacted.

The Covered Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Covered Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Covered Bonds that are especially sensitive to interest rate, currency, credit or market risks, and/or are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories



of investors. These types of Covered Bonds generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have an adverse effect on the market value of the Covered Bonds. Even if the Covered Bonds are traded, they may trade at a discount from their initial issue price, depending on prevailing interest rates, the market for similar securities, the Group's performance and other factors.

The Dealers have made no commitment and have no obligation to make a market in the Covered Bonds. Therefore, no assurance can be given that any Dealer will actually make a market in any Covered Bonds that are issued under this Programme, or if it does, that it will continue to make a market in the future. No assurance can be given that an active trading market for any Covered Bonds will develop and therefore the liquidity of the Covered Bonds may be considerably less than for comparable debt securities.

#### **Risks relating to Singapore Taxation.**

The Covered Bonds to be issued from time to time under the Programme during the period from the date of this Offering Circular to 31 December 2018 are, pursuant to the Income Tax Act, Chapter 134 of Singapore ("ITA") and the MAS Circular FSD Cir 02/2013 entitled "Extension and Refinement of Tax Concessions for Promoting the Debt Market" issued by the Monetary Authority of Singapore (the "MAS") on 28 June 2013, intended to be "qualifying debt securities", subject to the fulfilment of certain conditions more particularly described in the section "Taxation – 1. Singapore Taxation".

However, there is no assurance that such Covered Bonds will continue to enjoy the tax concessions should the relevant tax laws or the MAS circulars be amended or revoked at any time.

#### **EU Savings Directive.**

Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**") requires EU Member States to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or secured by such a person for the benefit of) an individual resident, or to (or secured for) certain other types of entity established, in that other EU Member State, except that Austria will instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period it elects otherwise.

The Council of the European Union has adopted a Directive (the "**Amending Savings Directive**") which would, if implemented, amend and broaden the scope of the requirements of the Savings Directive described above.

However, the Council of the European Union has adopted a Council Directive repealing the Savings Directive from 1 January 2016 (1 January 2017 in the case of Austria) (in each case subject to transitional arrangements). The recitals to the Directive also provide that EU Member States will not be required to implement the Amending Savings Directive.

Prior to the repeal of the Savings Directive becoming effective, if a payment were to be made or collected through an EU Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Covered Bond as a result of the imposition of such withholding tax.

The Issuer is required to maintain a Paying Agent with a specified office in a country that will not be obliged to withhold or deduct tax pursuant to any law implementing the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

However, investors should be aware that any custodians or intermediaries through which they hold their interest in the Bonds may nonetheless be obliged to withhold or deduct tax pursuant to such laws unless the investor meets certain conditions, including providing any information that may be necessary to enable such persons to make payments free from withholding and in compliance with the Savings Directive.

#### **Change of law.**

The terms and conditions of the Covered Bonds are based on English law in effect as at the date of issue of the relevant Covered Bonds (save that defined terms incorporated by reference from the Master Definitions Agreement shall be governed by and construed in accordance with Singapore law). No assurance can be given as to the impact of any possible judicial decision or change to English law or Singapore law or administrative practice after the date of issue of the relevant Covered Bonds.

**Where the Global Covered Bonds or Global Certificates are held by or on behalf of Euroclear, Clearstream, Luxembourg and/or the CMU and/or CDP, investors will have to rely on the procedures of Euroclear, Clearstream, Luxembourg, the CMU and/or CDP for transfer, payment and communication with the Issuer.**

Covered Bonds issued under the Programme may be represented by one or more Global Covered Bonds or Global Certificates. Such Global Covered Bonds or Global Certificates may be deposited with a common depository for Euroclear and Clearstream, Luxembourg and/or with the CMU and/or with CDP. Except in the circumstances described in the relevant Global Covered Bond or Global Certificate, investors will not be entitled to receive definitive Covered Bonds or Certificates. Euroclear, Clearstream, Luxembourg, the CMU and CDP will maintain records of the beneficial interests in the Global Covered Bonds or Global Certificates. While the Covered Bonds are represented by one or more Global Covered Bonds or Global Certificates, investors will be able to transfer their beneficial interests only through Euroclear or Clearstream, Luxembourg, the CMU or CDP (as the case may be).

While the Covered Bonds are represented by one or more Global Covered Bonds or Global Certificates, the Issuer, or, as applicable, the CBG, will discharge its payment obligations under such Covered Bonds by making payments to or to the order of the CMU, CDP and/or the common depository for Euroclear and Clearstream, Luxembourg (as the case may be) for distribution to their account holders. A holder of a beneficial interest in a Global Covered Bond or Global Certificate must rely on the procedures of Euroclear, Clearstream, Luxembourg, the CMU or CDP (as the case may be) to receive payments under the relevant Covered Bonds. Neither the Issuer nor the CBG has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Covered Bonds or Global Certificates.

Other than in relation to Global Covered Bonds or Global Certificates held by CDP, holders of beneficial interests in the Global Covered Bonds or Global Certificates will not have a direct right to vote in respect of the relevant Covered Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear or Clearstream, Luxembourg or the CMU (as the case may be) to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Covered Bonds or Global Certificates will not have a direct right under the respective Global Covered Bonds or Global Certificates to take enforcement action against the (i) Issuer following an Issuer Event of Default under the relevant Covered Bonds, or (ii) the CBG following a CBG Event of Default, but in each case will have to rely upon their rights under the Trust Deed.

#### **Ratings of the Covered Bonds.**

The ratings assigned to the Covered Bonds address:

- (a) the likelihood of full and timely payment to holders of the Covered Bonds of all payments of interest on each Interest Payment Date; and

- (b) the likelihood of ultimate payment of principal in relation to Covered Bonds on (i) the Final Maturity Date thereof, or (ii) if the Covered Bonds are subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee in accordance with the applicable Pricing Supplement, on the Extended Due for Payment Date thereof.

The expected ratings of the Covered Bonds are set out in the relevant Pricing Supplement for each Series of Covered Bonds. Any Rating Agency may lower its rating or withdraw its rating if, in the sole judgement of the Rating Agency, the credit quality of the Covered Bonds has declined or is in question. If any rating assigned to the Covered Bonds is lowered or withdrawn, the market value of the Covered Bonds may be reduced.

In addition, at any time any Rating Agency may revise its relevant rating methodology with the result that, amongst other things, any rating assigned to the Covered Bonds may be lowered.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension or withdrawal (or, as noted above, revision) at any time. A credit rating may not reflect the potential impact of all of the risks related to the structure, market, additional factors discussed above, and other factors that may affect the value of the Covered Bonds. Any downgrade in the rating of the Issuer by the Rating Agencies may have a negative impact on the ratings of the Covered Bonds.

Credit ratings assigned to the Covered Bonds do not necessarily mean that they are a suitable investment. Similar ratings on different types of covered bonds do not necessarily mean the same thing. The ratings do not address the marketability of the Covered Bonds or any market practice. Any change in the credit ratings of the Covered Bonds or the UOB Group could adversely affect the price that a subsequent purchaser will be willing to pay for the Covered Bonds. The significance of each rating should be analysed independently from any other rating.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

Certain information with respect to the credit rating agencies and ratings referred to in this Offering Circular, is set out in “*Overview of the Programme – Rating*” of this Offering Circular. The list of registered and certified rating agencies (which includes Moody’s and S&P) published by the European Securities and Markets Authority (“**ESMA**”) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

#### **Rating Agency Confirmation in respect of Covered Bonds.**

A written Rating Agency Confirmation that any action proposed to be taken by the Issuer, the CBG, the Bond Trustee, the Security Trustee or any other of the parties to the Transaction Documents will not have an adverse effect on the then current rating of the Covered Bonds does not, for example, confirm that such action (i) is permitted by the terms of the Transaction Documents or (ii) is in the best interests of, or not prejudicial to, the Covered Bondholders. While entitled to have regard to the fact that the Rating Agencies may have confirmed that the then current rating of the relevant Series of Covered Bonds would not be adversely affected, the above does not impose or extend any actual or contingent liability on the Rating Agencies to the Secured Creditors (including the Covered Bondholders), the Issuer, the CBG, the

Bond Trustee, the Security Trustee, the other parties to the Transaction Documents or any other person or create any legal relationship between the Rating Agencies and the Secured Creditors (including the Covered Bondholders), the Issuer, the CBG, the Bond Trustee, the Security Trustee, the other parties to the Transaction Documents or any other person, whether by way of contract or otherwise.

Any such written Rating Agency Confirmation may or may not be given at the sole discretion of each Rating Agency. It should be noted that, depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that a Rating Agency cannot provide a written Rating Agency Confirmation in the time available or at all, and the Rating Agency will not be responsible for the consequences thereof. A written Rating Agency Confirmation, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time and in the context of cumulative changes to the transaction of which the securities form part since the issuance closing date. A written Rating Agency Confirmation represents only a restatement of the opinions given, and is given on the basis that it will not be construed as advice for the benefit of any parties to the transaction.

Certain Rating Agencies have indicated that they will no longer provide Rating Agency Confirmations as a matter of policy. In circumstances where a Rating Agency is not willing to issue a written Rating Agency Confirmation due to its then prevailing policy regarding the issue of written Rating Agency Confirmations, an authorised signatory of the Issuer or, following the occurrence of an Issuer Event of Default, the CBG, may certify in writing to the Security Trustee and the Bond Trustee that, in its opinion (and where a Rating Agency was prepared to consult with the Issuer or the CBG, as applicable, this opinion is based on consultation with that Rating Agency), such action would not cause the ratings of the Covered Bonds to be reduced or withdrawn by the Rating Agencies. To the extent that no written Rating Agency Confirmation or the certification referred to above can be obtained, whether or not a proposed action will ultimately take place will be determined in accordance with the provisions of the relevant Transaction Documents and specifically the relevant modification and waiver provisions.

**The book-entry registration system of the Covered Bonds may reduce the liquidity of any secondary market for the Covered Bonds and may limit the receipt of payments by the beneficial owners of the Covered Bonds.**

Because transfers of interests in the Global Covered Bonds or Global Certificates can be effected only through book entries at Clearstream, Luxembourg, Euroclear, CDP or CMU, for the accounts of their respective participants, the liquidity of any secondary market for Global Covered Bonds or Global Certificates may be reduced to the extent that some investors are unwilling to hold Covered Bonds in book-entry form in the name of a Clearstream, Luxembourg, Euroclear, CDP or CMU participant. The ability to pledge interests in the Global Covered Bonds or Global Certificates may be limited due to the lack of a physical certificate. Beneficial owners of Global Covered Bonds or Global Certificates may, in certain cases, experience delay in the receipt of payments of principal and interest since such payments will be forwarded by the paying agent to Clearstream, Luxembourg, Euroclear, CDP or CMU, as applicable, who will then forward payment to their respective participants, who (if not themselves the beneficial owners) will thereafter forward payments to the beneficial owners of the interests in the Global Covered Bonds or Global Certificates. In the event of the insolvency of Clearstream, Luxembourg, Euroclear, CDP or CMU or any of their respective participants in whose name interests in the Global Covered Bonds or Global Certificates are recorded, the ability of beneficial owners to obtain timely or ultimate payment of principal and interest on Global Covered Bonds or Global Certificates may be impaired.

## **Risks Related to the Structure of a Particular Issue of Covered Bonds**

A wide range of Covered Bonds may be issued under the Programme. A number of these Covered Bonds may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

### **Covered Bonds subject to optional redemption by the Issuer.**

An optional redemption feature is likely to limit the market value of Covered Bonds. During any period when the Issuer may elect to redeem Covered Bonds, the market value of those Covered Bonds generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Covered Bonds when its cost of borrowing is lower than the interest rate on the Covered Bonds. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Covered Bonds being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

### **Fixed/Floating Rate Covered Bonds.**

Fixed/Floating Rate Covered Bonds may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or vice versa. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Covered Bonds since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Covered Bonds may be less favourable than then prevailing spreads on comparable Floating Rate Covered Bonds tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Covered Bonds. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Covered Bonds.

### **Covered Bonds issued at a substantial discount or premium.**

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

### **Covered Bonds where denominations involve integral multiples.**

In the case of Covered Bonds which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that Covered Bonds may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a Covered Bondholder who, as a result of trading such amounts, holds a nominal amount of less than the minimum Specified Denomination will not receive a Definitive Covered Bond in respect of such holding (should Definitive Covered Bonds be printed) and would need to purchase additional amounts such that it holds an amount equal to one or more Specified Denominations.

If Definitive Covered Bonds are issued, holders should be aware that Definitive Covered Bonds which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

## **Risks Related to Renminbi-Denominated Covered Bonds**

Covered Bonds denominated in RMB ("**RMB Covered Bonds**") may be issued under the Programme. RMB Covered Bonds contain particular risks for potential investors.

**Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC.**

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite the significant reduction over the years by the PRC government of control over routine foreign exchange transactions under current accounts. Participating banks in Hong Kong have been permitted to engage in the settlement of RMB trade transactions under a pilot scheme introduced in July 2009. This represents current account activity.

Remittance of RMB by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities and is subject to a strict monitoring system. Regulations in the PRC on the remittance of RMB into the PRC for settlement of capital account items are developing gradually.

On 12 October 2011, the Ministry of Commerce of the PRC (the “**MOC**”) promulgated the *Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment* (the “**MOC RMB FDI Circular**”). Pursuant to the MOC RMB FDI Circular, prior written consent from the appropriate office of MOC and/or its local counterparts (depending on the size and the relevant industry of the investment) is required for Renminbi foreign direct investments (“**RMB FDI**”). The MOC RMB FDI Circular also requires that the proceeds of RMB FDI may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in PRC domestic listed companies through private placements or share transfers by agreement. On 13 October 2011, *Measures on Administration of Renminbi Settlement in relation to Foreign Direct Investment* (the “**PBOC RMB FDI Measures**”) issued by the People’s Bank of China (“**PBOC**”) set out operating procedures for PRC banks to handle Renminbi settlement relating to RMB FDI and borrowing by foreign invested enterprises of offshore Renminbi loans. On 14 June 2012, the PBOC further promulgated the *Circular on Clarifying the Operating Rules for RMB Settlement in Relation to Foreign Direct Investment*. Prior to the PBOC RMB FDI Measures, cross-border Renminbi settlement for RMB FDI required approvals from the PBOC on a case-by-case basis. These new rules replaced the PBOC approval requirement with a less onerous post-event registration and filing requirement. Under the new rules, foreign invested enterprises (whether established or acquired by foreign investors) need to (i) register their corporate information after the completion of a RMB FDI transaction, and (ii) make post-event registration or filing with the PBOC of any changes in registration information or in the event of increase or decrease of registered capital, equity transfer or replacement, merger, division or other material changes.

On 3 December 2013, the MOC promulgated the Announcement on Issues Concerning Cross-border RMB Direct Investment (the “**New MOC Announcement**”), which became effective from 1 January 2014. The New MOC Announcement further eased rules on cross-border RMB foreign direct investments. Pursuant to the New MOC Announcement, a direct investment using offshore Renminbi will be approved by MOC and its local counterparts in accordance with the existing PRC laws and regulations regarding foreign investment, and MOC and its local counterparts will specify in its approvals that the direct investment is in Renminbi and the amount of capital contribution. Moreover, if a foreign investor intends to change the investment currency from a certain foreign currency to Renminbi, no additional approval is required. In any event, a cross-border RMB direct investment is subject to the relevant laws, regulations and requirements on foreign investment and shall comply with the national industry policies in terms of foreign investment and the relevant rules on security review of merger and acquisitions and anti-monopoly review. In addition, the proceeds of RMB FDI may not be used towards investment in securities, financial derivatives or entrusted loans except for strategic investments in PRC listed companies.

As the above measures and circulars are still relatively new, how they will be applied in practice still remain subject to the interpretation by the relevant PRC authorities.

There is no assurance that the PRC government will continue to gradually liberalise its control over cross-border Renminbi remittances in the future or that new PRC regulations will not be promulgated in the future which have the effect of restricting the remittance of Renminbi into or outside the PRC.

**There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of RMB Covered Bonds and the Issuer's ability to source Renminbi outside the PRC to service such RMB Covered Bonds.**

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. Since February 2004, in accordance with arrangements between the PRC Central Government and the Hong Kong government, licensed banks in Hong Kong may offer limited Renminbi-denominated banking services to Hong Kong residents and designated business customers. The PBOC has also established a Renminbi clearing and settlement system for participating banks in Hong Kong. On 19 July 2010, further amendments were made to the Settlement Agreement on the Clearing of RMB Business (the "**Settlement Agreement**") between the PBOC and Bank of China (Hong Kong) Limited (the "**RMB Clearing Bank**") to further expand the scope of RMB business for participating banks in Hong Kong. Pursuant to the revised arrangements, all corporations are allowed to open RMB accounts in Hong Kong; there is no longer any limit on the ability of corporations to convert RMB; and there is no longer any restriction on the transfer of RMB funds between different accounts in Hong Kong. In addition, the PBOC has now established Renminbi clearing and settlement systems in other major global financial centres (each also a "**RMB Clearing Bank**"), including London, Frankfurt and Singapore to further internationalise the Renminbi.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. Each RMB Clearing Bank only has access to its own onshore liquidity support from PBOC to square open positions of its relevant participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement. Each RMB Clearing Bank is not obliged to square for its relevant participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from the offshore market to square such open positions. Moreover, the offshore Renminbi clearing and settlement system operated by one RMB Clearing Bank is currently not linked to the offshore Renminbi clearing and settlement system operated by other RMB Clearing Banks resulting in the segmentation of the offshore Renminbi market.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that no new PRC regulations will be promulgated or the Settlement Agreement with each RMB Clearing Bank will not be terminated or amended in the future, which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of its RMB Covered Bonds. To the extent the Issuer is required to source Renminbi in the offshore market to service its RMB Covered Bonds, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

**Investment in RMB Covered Bonds is subject to exchange rate risks.**

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. All payments of interest and principal will be made with respect to RMB Covered Bonds in Renminbi. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in the RMB Covered Bonds entails foreign exchange related risks, including possible significant changes in the value of Renminbi relative to the currency by reference to which the investor measures its investment returns. Depreciation of the Renminbi against such currency could cause a decrease in the effective yield of the RMB Covered Bonds below their stated coupon rates and could result in a loss when

the return on the RMB Covered Bonds is translated into such currency. In addition, there may be tax consequences for the investor, as a result of any foreign currency gains resulting from any investment in RMB Covered Bonds.

**Payments in respect of RMB Covered Bonds will only be made to investors in the manner specified in such RMB Covered Bonds.**

All payments to investors in respect of RMB Covered Bonds will be made solely by (i) when RMB Covered Bonds are represented by global certificates, transfer to a Renminbi bank account maintained in Hong Kong in accordance with the prevailing rules and procedures of the relevant clearing systems (other than CDP), (ii) when RMB Covered Bonds are represented by global certificates, transfer to a Renminbi bank account maintained in Singapore in accordance with prevailing CDP rules, or (iii) when RMB Covered Bonds are in definitive form, transfer to a Renminbi bank account maintained in Hong Kong or Singapore, as the case may be, in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

**Risks Related to the Market Generally**

**The secondary market generally.**

Covered Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Covered Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Covered Bonds that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Covered Bonds generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have an adverse effect on the market value of Covered Bonds.

**Exchange rate risks and exchange controls.**

The Issuer will pay principal and interest on the Covered Bonds in the currency specified in the applicable Pricing Supplement (the “**Currency**”). This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than the Currency. These include the risk that foreign exchange rates may significantly change (including changes due to devaluation of the Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Currency would decrease (i) the Investor’s Currency-equivalent interest on the Covered Bonds, (ii) the Investor’s Currency-equivalent value of the principal payable on the Covered Bonds and (iii) the Investor’s Currency-equivalent market value of the Covered Bonds.

Governmental and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable foreign exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

**Interest rate risks.**

Covered Bondholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Covered Bonds, resulting in a capital loss for the Covered Bondholders. However, the Covered Bondholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Covered Bonds may rise. The Covered Bondholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.



### **The market value of the Covered Bonds may fluctuate.**

Trading prices of the Covered Bonds are influenced by numerous factors, including the operating results, business and/or financial condition of the Issuer, political, economic, financial and any other factors that can affect the capital markets, the industry and/or the Issuer generally. Adverse economic developments, acts of war and health hazards in countries in which the Issuer operates could have a material adverse effect on the Issuer's operations, operating results, business, financial position and performance.

### **Inflation risks.**

Covered Bondholders may suffer erosion on the return of their investments due to inflation. Covered Bondholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Covered Bonds. An unexpected increase in inflation could reduce the actual returns.

### **Implementation of and/or changes to the Basel II framework may affect the capital and/or the liquidity requirements associated with a holding of Covered Bonds for certain investors.**

The Basel Committee on Banking Supervision (the "**Basel Committee**") published a regulatory capital framework in 2006 (the "**Basel II Framework**"). The Basel Committee has approved significant changes to the Basel II Framework (such changes being commonly referred to as Basel III), including new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. In particular, the changes refer to, amongst other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the "**Liquidity Coverage Ratio**" and the "**Net Stable Funding Ratio**").

The changes approved by the Basel Committee may have an impact on incentives to hold the Covered Bonds for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Covered Bonds.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Covered Bonds and as to the consequences to and effect on them of any changes to the Basel II framework (including the Basel III changes described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

## TERMS AND CONDITIONS OF THE COVERED BONDS

*The following is the text of the terms and conditions that, save for the words in italics and, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the applicable Pricing Supplement, shall be applicable to the Covered Bonds in definitive form (if any) issued in exchange for the Global Covered Bond(s) or Global Certificate(s) representing each Series. These terms and conditions, together with the relevant provisions of the applicable Pricing Supplement, as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Covered Bonds or on the Certificates relating to such Registered Covered Bonds. References in the Conditions to “Covered Bonds” are to the Covered Bonds of one Series only, not to all Covered Bonds that may be issued under the Programme.*

The Covered Bonds are constituted by a Trust Deed (as amended or supplemented as at the date of issue of the Covered Bonds (the “**Issue Date**”), the “**Trust Deed**”) dated on or about 23 November 2015 (the “**Programme Date**”) between the Issuer, Glacier Eighty Pte. Ltd. as guarantor (the “**CBG**”), DB International Trust (Singapore) Limited as bond trustee for the Covered Bondholders (as defined below) (the “**Bond Trustee**”, which expression shall include all persons for the time being the bond trustee or bond trustees under the Trust Deed) and DB International Trust (Singapore) Limited as security trustee (the “**Security Trustee**”, which expression shall include all persons for the time being the security trustee or security trustees under the Trust Deed). Where applicable, the Covered Bonds to be held in and cleared through The Central Depository (Pte) Limited (“**CDP**”) are issued with the benefit of a deed of covenant dated on or about 23 November 2015 relating to the Covered Bonds executed by the Issuer (as amended, varied or supplemented from time to time, the “**CDP Deed of Covenant**”).

These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Covered Bonds, Certificates, Receipts, Coupons and Talons referred to below. The Issuer, the Bond Trustee, the Security Trustee, Deutsche Bank AG, Singapore Branch as initial issuing and paying agent in relation to each Series of Covered Bonds other than a Series of Covered Bonds to be held through The Central Depository (Pte) Limited (“**CDP**”) or in the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the “**CMU**”), Deutsche Bank AG, Hong Kong Branch as initial CMU lodging and paying agent in relation to each Series of Covered Bonds to be held in the CMU, Deutsche Bank AG, Singapore Branch as initial CDP paying agent in relation to each Series of Covered Bonds to be held in CDP and the other agents named therein have entered into an Agency Agreement (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated the Programme Date in relation to the Covered Bonds. The issuing and paying agent, the CMU lodging and paying agent, the CDP paying agent, the other paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Issuing and Paying Agent**”, the “**CMU Lodging and Paying Agent**”, the “**CDP Paying Agent**”, the “**Paying Agents**” (which expression shall include the Issuing and Paying Agent, the CMU Lodging and Paying Agent and the CDP Paying Agent), the “**Registrar**”, the “**Transfer Agents**” (which expression shall include the Registrar) and the “**Calculation Agent(s)**”. For the purposes of these Conditions, all references (other than in relation to the determination of interest and other amounts payable in respect of the Covered Bonds) to the Issuing and Paying Agent shall (i) with respect to a Series of Covered Bonds to be held in the CMU, be deemed to be a reference to the CMU Lodging and Paying Agent and (ii) with respect to a Series of Covered Bonds to be held in CDP, be deemed to be a reference to the CDP Paying Agent and all such references shall be construed accordingly. Copies of the Trust Deed the Agency Agreement, the Master Definitions Agreement and each other Transaction Document (as defined in the Master Definitions Agreement) referred to above are available for inspection free of charge upon reasonable prior notice during usual business hours at the principal office of the Bond Trustee (presently at One Raffles Quay, South Tower, Level 17, Singapore 048583) and at the specified offices of the Paying Agents and the Transfer Agents.

The Covered Bondholders, the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Covered Bonds in bearer form and, where applicable in the case of such Covered Bonds, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) and the holders of the receipts for the payment of instalments of principal (the “**Receipts**”) relating to Covered Bonds in bearer form of which the principal is payable in instalments (the “**Receiptholders**”) are entitled to the benefit of, are bound by, and are deemed to have notice of, these Conditions, all the provisions of the Trust Deed, the applicable Pricing Supplement, the Agency Agreement and all other Transaction Documents. The Pricing Supplement for this Covered Bond (or the relevant provisions thereof) is attached to or endorsed on this Covered Bond. References to “**applicable Pricing Supplement**” are to the Pricing Supplement (or relevant provisions thereof) attached to or endorsed on this Covered Bond.

As used in these Conditions, “Tranche” means Covered Bonds which are identical in all respects and “Series” means a series of Covered Bonds comprising one or more Tranches, whether or not issued on the same date, that (except in respect of the first payment of interest and their issue price) have identical terms on issue and are expressed to have the same series number.

The CBG has, in the Trust Deed, irrevocably and unconditionally guaranteed the due and punctual payment of Guaranteed Amounts in respect of the Covered Bonds as and when the same shall become due for payment on certain dates in accordance with the Trust Deed (“**Due for Payment**”), but only after service of a Notice to Pay on the CBG following (a) an Issuer Event of Default and service by the Bond Trustee of an Issuer Acceleration Notice on the Issuer or (b) the occurrence of a CBG Event of Default and service by the Bond Trustee of a CBG Acceleration Notice on the CBG.

The security for the obligations of the CBG under the Covered Bond Guarantee has been created pursuant to, and on the terms set out in, a Singapore deed of charge and a supplemental English law governed security deed (such deeds as amended and/or supplemented and/or restated from time to time, the “**Deeds of Charge**”), each dated on or about the Programme Date and made between, *inter alios*, the CBG, the Bond Trustee and the Security Trustee.

Capitalised terms used but not defined in these Conditions have the meanings given to them in (i) the applicable Pricing Supplement or (ii) the master definitions agreement dated the Programme Date between, *inter alios*, the Issuer, the Bond Trustee and the Security Trustee (the “**Master Definitions Agreement**”). These Conditions shall be construed and interpreted in accordance with the principles of construction and interpretation set out in the Master Definitions Agreement, a copy of which may be obtained as set out above.

## **1 Form, Denomination and Title**

The Covered Bonds are issued in bearer form (“**Bearer Covered Bonds**”) or in registered form (“**Registered Covered Bonds**”), in each case in the Specified Denomination(s) shown hereon.

*All Registered Covered Bonds shall have the same Specified Denomination. Unless otherwise permitted by the then current laws and regulations, those Registered Covered Bonds which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 (“**FSMA**”) will have a minimum denomination of £100,000 (or its equivalent in other currencies as at the date of the issue of the relevant Covered Bonds). Covered Bonds which are listed on SGX-ST will be traded on SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies) or such other amount as may be required or allowed from time to time. In the case of any Covered Bonds which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under Directive 2003/71/EC (the “**Prospectus Directive**”), the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Covered Bonds).*

Each Covered Bond may be a Fixed Rate Covered Bond, a Floating Rate Covered Bond, or a combination of any of the foregoing or any other kind of Covered Bond, depending upon the Interest and Redemption/Payment Basis shown thereon.

Bearer Covered Bonds are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Covered Bonds that do not bear interest in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Any Bearer Covered Bond the nominal amount of which is redeemable in instalments is issued with one or more Receipts attached.

Registered Covered Bonds are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c) (*Exercise of Options or Partial Redemption in respect of Registered Covered Bonds*), each Certificate shall represent the entire holding of Registered Covered Bonds by the same holder.

Title to the Bearer Covered Bonds and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Covered Bonds shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Covered Bond, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “Covered Bondholder” means the bearer of any Bearer Covered Bond and the Receipts relating to it or the person in whose name a Registered Covered Bond is registered (as the case may be), “holder” (in relation to a Covered Bond, Receipt, Coupon or Talon) means the bearer of any Bearer Covered Bond, Receipt, Coupon or Talon or the person in whose name a Registered Covered Bond is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Covered Bonds.

References in the Conditions to Coupons, Talons, Couponholders, Receipts and Receiptholders relate to Bearer Covered Bonds only.

## **2 No Exchange of Covered Bonds and Transfers of Registered Covered Bonds**

### **(a) No Exchange of Covered Bonds**

Registered Covered Bonds may not be exchanged for Bearer Covered Bonds. Bearer Covered Bonds may not be exchanged for Registered Covered Bonds. Bearer Covered Bonds of one Specified Denomination may not be exchanged for Bearer Covered Bonds of another Specified Denomination.

### **(b) Transfer of Registered Covered Bonds**

Subject to Condition 2(f) (*Closed Periods*), one or more Registered Covered Bonds may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Covered Bonds to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may require without service charge and subject to payment of any taxes, duties and other governmental charges in respect of such transfer. In the case of a

transfer of part only of a holding of Registered Covered Bonds represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Covered Bonds and entries on the Register will be made subject to the detailed regulations concerning transfers of Covered Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Bond Trustee. A copy of the current regulations will be made available by the Registrar to any Covered Bondholder upon request.

*Transfers of interests in Covered Bonds evidenced by a Global Covered Bond or a Global Certificate will be effected in accordance with the rules of the relevant clearing systems.*

**(c) Exercise of Options or Partial Redemption in respect of Registered Covered Bonds**

In the case of an exercise of an Issuer or Covered Bondholders' option in respect of, or a partial redemption of, a holding of Registered Covered Bonds represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Covered Bonds of the same holding having different terms, separate Certificates shall be issued in respect of those Covered Bonds of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Covered Bonds to a person who is already a holder of Registered Covered Bonds, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

**(d) Delivery of New Certificates**

Each new Certificate to be issued pursuant to Condition 2(b) (*Transfer of Registered Covered Bonds*) or (c) (*Exercise of Options or Partial Redemption in respect of Registered Covered Bonds*) shall be available for delivery within five business days of receipt of the form of transfer or Exercise Notice (as defined in Condition 5(e) (*Redemption at the Option of the Covered Bondholders*)) and surrender of the Certificate for transfer, exercise or redemption. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice and/or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

**(e) Transfers Free of Charge**

Transfers of Covered Bonds and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment by the relevant Covered Bondholder of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

**(f) Closed Periods**

No Covered Bondholder may require the transfer of a Registered Covered Bond to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Covered Bond, (ii) during the period of 15 days prior to any date on which Covered Bonds may be called for redemption by the Issuer at its option pursuant to Condition 5(d) (*Redemption at the Option of the Issuer*), (iii) after any such Covered Bond has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

**3 Status of the Covered Bonds and Covered Bond Guarantee; the Covered Bond Guarantee**

**(a) Status of Covered Bonds**

The Covered Bonds Pricing Supplement and the Receipts and Coupons relating to them constitute direct and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Covered Bonds and the Receipts and Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

**(b) Status of Covered Bond Guarantee**

- (i) The CBG has irrevocably and unconditionally guaranteed the payment of Guaranteed Amounts (as defined in the Trust Deed) (the “**Covered Bond Guarantee**”). However, the CBG shall have no obligation under the Covered Bond Guarantee to pay any Guaranteed Amounts until (x) the occurrence of an Issuer Event of Default, service by the Bond Trustee on the Issuer of an Issuer Acceleration Notice and service by the Bond Trustee on the CBG of a Notice to Pay or, if earlier, (y) following the occurrence of a CBG Event of Default and service by the Bond Trustee of a CBG Acceleration Notice on the Issuer and the CBG.
- (ii) The obligations of the CBG in respect of the Covered Bond Guarantee are contained in the Trust Deed. Any payment made by the CBG under the Covered Bond Guarantee shall (unless such obligation shall have been discharged as a result of the payment of Excess Proceeds to the Bond Trustee pursuant to Condition 9 (*Events of Default*)) to that extent discharge the obligations of the Issuer in respect of such payment under the Covered Bonds, Receipts and Coupons except where such payment by the CBG has been declared void, voidable or otherwise recoverable in whole or in part and recovered from the Bond Trustee or the Covered Bondholders.
- (iii) As security for the CBG’s obligations under the Covered Bond Guarantee and the other Transaction Documents to which it is a party, the CBG has granted fixed and floating security over all of its assets under the Deeds of Charge in favour of the Security Trustee (for itself and on behalf of the other Secured Creditors).

**4 Interest and other Calculations**

**(a) Interest on Fixed Rate Covered Bonds**

Each Fixed Rate Covered Bond bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(f) (*Calculations*).

**(b) Interest on Floating Rate Covered Bonds:**

**(i) *Interest Payment Dates***

Each Floating Rate Covered Bond bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(f) (*Calculations*). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

**(ii) *Business Day Convention***

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

**(iii) *Rate of Interest for Floating Rate Covered Bonds***

The Rate of Interest in respect of Floating Rate Covered Bonds for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

**(A) ISDA Determination for Floating Rate Covered Bonds**

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this paragraph (A), "ISDA Rate" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this paragraph (A), “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity”, “Reset Date” and “Swap Transaction” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Covered Bonds where the Reference Rate is not specified as being SIBOR or SOR

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR or Hong Kong time in the case of HIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Covered Bonds is specified hereon as being other than LIBOR, EURIBOR or HIBOR, the Rate of Interest in respect of such Covered Bonds will be determined as provided hereon;

(y) if the Relevant Screen Page is not available or if, paragraph (x)(1) above applies and no such offered quotation appears on the Relevant Screen Page or if paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is HIBOR, the principal Hong Kong office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), or if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request



of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR, the Hong Kong inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11.00 a.m. (Hong Kong time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Bond Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR, the Hong Kong inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph (z), the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

- (C) Screen Rate Determination for Floating Rate Covered Bonds where the Reference Rate is specified as being SIBOR or SOR
  - (x) Each Floating Rate Covered Bond where the Reference Rate is specified as being SIBOR (in which case such Covered Bond will be a SIBOR Covered Bond) or SOR (in which case such Covered Bond will be a Swap Rate Covered Bond) bears interest at a floating rate determined by reference to a benchmark as specified hereon or in any case such other benchmark as specified hereon.
  - (y) The Rate of Interest payable from time to time in respect of each Floating Rate Covered Bond under this paragraph (C) will be determined by the Calculation Agent on the basis of the following provisions:
    - (1) in the case of Floating Rate Covered Bonds which are SIBOR Covered Bonds
      - (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for

a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 page under the caption “ABS SIBOR FIX – SIBOR AND SWAP OFFER RATES – RATES AT 11.00 HRS SINGAPORE TIME” and the column headed “SGD SIBOR” (or such other Relevant Screen Page);

- (bb) if no such rate appears on the Reuters Screen ABSIRFIX01 page (or such other replacement page thereof or, if no rate appears, on such other Relevant Screen Page) or if Reuters Screen ABSIRFIX01 page (or such other replacement page thereof or such other Relevant Screen Page) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore inter-bank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate nominal amount of the relevant Floating Rate Covered Bonds. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 4 decimal places.) of such offered quotations, as determined by the Calculation Agent;
- (cc) if on any Interest Determination Date two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with paragraph (bb) above on the basis of the quotations of those Reference Banks providing such quotations; and
- (dd) if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest 4 decimal places.) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate nominal amount of the relevant Floating Rate Covered Bonds for such Interest Period by whatever means they determine to be most appropriate or if on such Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the rate per annum which the Calculation Agent determines to be arithmetic mean (rounded up, if necessary, to the nearest 4 decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date.

- (2) in the case of Floating Rate Covered Bonds which are Swap Rate Covered Bonds
- (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption “SGD SOR rates as of 11:00 hrs London Time” under the column headed “SGD SOR” (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period;
- (bb) if on any Interest Determination Date no such rate is quoted on Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, such Calculation Agent will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest 4 decimal places)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as such Calculation Agent may select; and
- (cc) if on any Interest Determination Date such Calculation Agent is otherwise unable to determine the Rate of Interest under paragraphs (aa) and (bb) above, the Rate of Interest shall be determined by such Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to such Calculation Agent at or about 11.00 a.m. (Singapore time) on the first business day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Covered Bonds for such Interest Period by whatever means they determine to be most appropriate, or if on such day one only or none of the Singapore offices of the Reference Banks provides such Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date.
- (z) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Covered Bond to which such Interest Period relates at the Rate of Interest for such Interest Period.

**(c) Accrual of Interest**

Interest shall cease to accrue on each Covered Bond on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7 (*Taxation*)).

**(d) Interest following a Notice to Pay**

If a Notice to Pay is served on the CBG, the CBG shall, in accordance with the terms of the Covered Bond Guarantee, pay Guaranteed Amounts corresponding to the amounts of interest described under this Condition 4 under the Covered Bond Guarantee in respect of the Covered Bonds on the Original Due for Payment Dates and, if applicable, the Extended Due for Payment Date.

**(e) Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding**

- (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 4(b) (*Interest on Floating Rate Covered Bonds*) by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “**unit**” means the lowest amount of such currency that is available as legal tender in the country or countries of such currency.

**(f) Calculations**

The amount of interest payable per calculation amount specified hereon (or, if no such amount is so specified, the Specified Denomination) (the “**Calculation Amount**”) in respect of any Covered Bond for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Covered Bond for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

**(g) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts**

The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Bond Trustee, the Issuer, each of the Paying Agents, the Covered Bondholders, any other Calculation Agent appointed in respect of the Covered Bonds that is to make a further calculation upon receipt of such information and, if the Covered Bonds are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(b)(ii) (*Business Day Convention*), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Bond Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Covered Bonds become due and payable under Condition 9 (*Events of Default*), the accrued interest and the Rate of Interest payable in respect of the Covered Bonds shall nevertheless continue to be calculated as previously in accordance with this Condition 4 but no publication of the Rate of Interest or the Interest Amount so calculated need be made unless the Bond Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

**(h) Determination or Calculation by the Bond Trustee**

If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Bond Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Bond Trustee shall apply the foregoing provisions of this Condition 4, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Bond Trustee pursuant to this Condition 4(h) shall (in the absence of manifest error) be final and binding upon all parties.

(i) **Definitions**

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Business Day**” means:

- (i) in the case of Covered Bonds denominated in a currency other than Singapore dollars, euro and Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency;
- (ii) in the case of Covered Bonds denominated in euro, a day on which the TARGET System is operating (a “**TARGET Business Day**”);
- (iii) in the case of Covered Bonds denominated in Renminbi:
  - (A) if cleared through the CMU, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong;
  - (B) if cleared through the CDP, a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Singapore and Hong Kong;
  - (C) if cleared through Euroclear and Clearstream, Luxembourg, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London;
- (iv) in the case of Covered Bonds denominated in Singapore dollars:
  - (A) if cleared through the CDP, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;
  - (B) if cleared through Euroclear and Clearstream, Luxembourg, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London; and/or
- (v) in the case of a currency and/or one or more Business Centres a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Covered Bond for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual – ISDA**” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)

- (ii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365
- (iii) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30

- (vi) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y1**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y2**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M1**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M2**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30

- (vii) if “**Actual/Actual – ICMA**” is specified hereon:

- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (b) if the Calculation Period is longer than one Determination Period, the sum of:
- (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and



- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

**“Determination Period”** means the period from and including a Determination Date in any year to but excluding the next Determination Date and

**“Determination Date”** means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s)

**“euro”** means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.

**“Euro-zone”** means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

**“Interest Accrual Period”** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

**“Interest Amount”** means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Covered Bonds, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

**“Interest Commencement Date”** means the Issue Date or such other date as may be specified hereon.

**“Interest Determination Date”** means with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or Hong Kong dollars or Renminbi or (ii) the day falling two Business Days in the relevant Business Centre for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro nor Hong Kong dollars nor Renminbi or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

**“Interest Period”** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“**Interest Period Date**” means each Interest Payment Date unless otherwise specified hereon.

“**ISDA Definitions**” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (as the same may be updated, amended or supplemented from time to time), unless otherwise specified hereon.

“**Rate of Interest**” means the rate of interest payable from time to time in respect of this Covered Bond and that is either specified or calculated in accordance with the provisions hereon.

“**Reference Banks**” means (i) in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market (ii) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market (iii) in the case of a determination of HIBOR, the principal Hong Kong office of four major banks in the Hong Kong inter-bank market and (iv) in the case of a determination of SIBOR or SOR, the principal Singapore office of three major banks in the Singapore inter-bank market, in each case selected by the Calculation Agent or as specified hereon.

“**Reference Rate**” means the rate specified as such hereon.

“**Relevant Screen Page**” means such page, section, caption, column or other part of a particular information service as may be specified hereon or such other page, section, caption, column or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

“**Relevant Time**” means, with respect to any Interest Determination Date, the local time in the relevant Business Centre specified hereon or, if none is specified, the local time in the relevant Business Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the relevant Business Centre or, if no such customary local time exists, 11.00 hours in the relevant Business Centre and, for the purpose of this definition “local time” means, with respect to the Euro-zone as a relevant Business Centre, Central European Time.

“**Specified Currency**” means the currency specified as such hereon or, if none is specified, the currency in which the Covered Bonds are denominated.

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

**(j) Calculation Agent**

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Covered Bond is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Covered Bonds, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement,

the Issuer shall (with the prior approval of the Bond Trustee) appoint a leading bank or financial institution engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## **5 Redemption, Purchase and Options**

### **(a) Redemption by Instalments and Final Redemption**

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5, each Covered Bond that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Covered Bond shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Covered Bond, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless otherwise provided hereon and unless previously redeemed, purchased and cancelled as provided below, each Covered Bond shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount) or, in the case of a Covered Bond falling within paragraph (i) above, its final Instalment Amount.
- (iii) Without prejudice to Condition 9 (*Events of Default*), if an Extended Due for Payment Date is specified hereon and the Issuer has failed to pay the Final Redemption Amount on the Maturity Date (after expiry of the grace period set out in Condition 9(a)(i) (*Non-Payment*)) and, following the service of an Issuer Acceleration Notice on the Issuer and a Notice to Pay on the CBG by no later than the date falling one Business Day prior to the Extension Determination Date, the CBG has insufficient monies available under the Guarantee Priority of Payments to pay the Guaranteed Amounts corresponding to the Final Redemption Amount in full in respect of the Covered Bonds on the date falling on the earlier of (A) the date which falls two Business Days after service of such Notice to Pay on the CBG or, if later, the Maturity Date (in each case, after the expiry of the grace period set out in Condition 9(a)(i) (*Non-Payment*)) under the terms of the Covered Bond Guarantee and (B) the Extension Determination Date, then (subject as provided below) payment of the unpaid amount by the CBG under the Covered Bond Guarantee shall be deferred until the Extended Due for Payment Date, provided that the CBG may pay any amount representing the Final Redemption Amount on the Maturity Date and any amount representing all or part of the Final Redemption Amount due and remaining unpaid until the earlier of (A) and (B) above may, subject to the Guarantee Priority of Payments, also be paid by the CBG on any Interest Payment Date thereafter up to (and including) the relevant Extended Due for Payment Date.
- (iv) The Issuer shall confirm to the Issuing and Paying Agent as soon as reasonably practicable and in any event at least four Business Days prior to the Maturity Date whether (A) payment will be made in full of the Final Redemption Amount in respect of the Covered Bonds on that Maturity Date or (B) payment will not be made in full of the Final Redemption Amount in respect of the Covered Bonds on that Maturity Date. Any failure by the Issuer to notify the Issuing and Paying Agent shall not affect the validity of effectiveness of the extension.

- (v) The CBG shall notify the relevant Covered Bondholders (in accordance with Condition 15 (*Notices*)), the Rating Agencies, the Bond Trustee, the Security Trustee, the Issuing and Paying Agent and the Registrar (in the case of Registered Covered Bonds) as soon as reasonably practicable and in any event at least one Business Day prior to the dates specified in paragraphs (iii)(A) and (B) above of any inability of the CBG to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount pursuant to the Covered Bond Guarantee. Any failure by the CBG to notify such parties shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party.
- (vi) In the circumstances outlined in paragraph (iii) above, the CBG shall on the earlier of (A) the date falling two Business Days after the service of a Notice to Pay on the CBG or, if later, the Maturity Date (in each case, after expiry of the grace period set out in Condition 9(b)(i) (*Non-Payment*)) and (B) the Extension Determination Date, under the Covered Bond Guarantee, apply the monies (if any) available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Priority of Payments) *pro rata* in part payment of an amount equal to the Final Redemption Amount of each Covered Bond and shall pay Guaranteed Amounts constituting the Scheduled Interest in respect of each such Covered Bond on such date. The obligation of the CBG to pay any amounts in respect of the balance of the Final Redemption Amount not so paid shall be deferred as described above. Such failure to pay by the CBG shall not constitute a CBG Event of Default.
- (vii) Any discharge of the obligations of the Issuer as the result of the payment of Excess Proceeds to the Bond Trustee shall be disregarded for the purposes of determining the amounts to be paid by the CBG under the Covered Bond Guarantee in connection with this Condition 5(a).
- (viii) In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Extended Due for Payment Date**” means the date, if any, specified hereon to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on the Extension Determination Date.

“**Extension Determination Date**” means the date falling two Business Days after the expiry of fourteen days starting on (and including) the Maturity Date.

“**Guarantee Priority of Payments**” means the priority of payments relating to monies standing to the credit of the Payment Ledger of the Transaction Account to be paid on each CBG Payment Date in accordance with the Trust Deed.

“**Rating Agency**” means any one of Moody’s Investors Service Limited and Standard & Poor’s Credit Market Services Europe Limited (together, the “**Rating Agencies**”) or their successors, to the extent any of them provide(s) ratings in respect of the Covered Bonds.

**(b) Early Redemption**

The Early Redemption Amount payable in respect of any Covered Bond, upon redemption of such Covered Bond pursuant to Condition 5(c) (Redemption for Taxation Reasons) or upon it becoming due and payable as provided in Condition 9 (Events of Default), shall be the Final Redemption Amount unless otherwise specified hereon.

**(c) Redemption for Taxation Reasons:**

The Covered Bonds may be redeemed at the option of the Issuer in whole, but not in part, (the “**Optional Tax Redemption**”) on any Interest Payment Date (if this Covered Bond is a Floating Rate Covered Bond) or at any time (if this Covered Bond is not a Floating Rate Covered Bond), on giving not less than 30 but not more than 60 days’ notice to the Covered Bondholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 5(b) (*Early Redemption*)) together with interest accrued but unpaid (if any) to (but excluding) the date fixed for redemption or, if the Early Redemption Amount is not specified hereon, at their nominal amount together with interest accrued but unpaid (if any) to (but excluding) the date fixed for redemption, if (i) the Issuer has or will become obliged to pay Additional Amounts (as described under Condition 7 (*Taxation*)) as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or generally accepted practice of any authority thereof or therein or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the Covered Bonds, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that, where the Issuer has or will become obliged to pay Additional Amounts, no such notice of redemption shall be given earlier than (aa) if this Covered Bond is a Floating Rate Covered Bond, 60 days, or (bb) if this Covered Bond is not a Floating Rate Covered Bond, 90 days, in each case, prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Covered Bonds then due.

Before the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the Bond Trustee a certificate signed by one authorised person of the Issuer stating that the payment of Additional Amounts cannot be avoided by the Issuer taking reasonable measures available to it and the Bond Trustee shall be entitled to accept such certificate without any further inquiry as sufficient evidence of the satisfaction of paragraphs (i) and (ii) above without liability to any person in which event it shall be conclusive and binding on the relevant Covered Bondholders, Receiptholders and Couponholders. Upon expiry of such notice, the Issuer shall redeem such Covered Bonds in accordance with this Condition 5(c).

**(d) Redemption at the Option of the Issuer:**

If Call Option is specified hereon as applicable, the Issuer may, on giving not less than 15 but not more than 30 days’ irrevocable notice to the Covered Bondholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Covered Bonds on the date(s) specified hereon (the “**Optional Redemption Date**”). Any such redemption of Covered Bonds shall be at the Optional Redemption Amount specified hereon together with interest accrued but unpaid (if any) to (but excluding) the date fixed for redemption or, if no Optional Redemption Amount is specified hereon, at their nominal amount together with interest accrued but unpaid (if any) to (but excluding) the date fixed for redemption, in accordance with these Conditions. Any such redemption or exercise must relate to Covered Bonds of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Covered Bonds in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 5.

In the case of a partial redemption, the notice to Covered Bondholders shall also contain the certificate numbers of the Bearer Covered Bonds, or in the case of Registered Covered Bonds shall specify the nominal amount of Registered Covered Bonds drawn and the holder(s) of such

Registered Covered Bonds, to be redeemed, which shall have been drawn in such place as the Bond Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

**(e) Redemption at the Option of the Covered Bondholders:**

If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Covered Bond, upon the holder of such Covered Bond giving not less than 15 but not more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Covered Bond on the Optional Redemption Date(s) at the Optional Redemption Amount stated hereon together with interest accrued but unpaid (if any) to (but excluding) the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Covered Bonds) such Covered Bond (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Covered Bonds) the Certificate representing such Covered Bond(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No such Covered Bond so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer or except where, prior to the due date of redemption, an Issuer Event of Default or a CBG Event of Default has occurred and is continuing and the Bond Trustee has declared the Covered Bonds to be due and payable pursuant to Condition 9 (*Events of Default*), in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 5(e) and instead request or direct the Bond Trustee to declare such Covered Bond forthwith due and payable pursuant to Condition 9 (*Events of Default*).

**(f) Redemption due to Illegality**

The Covered Bonds of all Series may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Covered Bondholders (which notice shall be irrevocable), if the Issuer satisfies the Bond Trustee immediately before the giving of such notice that it has, or will before the next Interest Payment Date of any Covered Bond of any Series, become unlawful for the Issuer to make, fund or allow to remain outstanding any Advance made by it to the CBG pursuant to the Intercompany Loan Agreement, as a result of any change in, or amendment to, the applicable laws or regulations or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next such Interest Payment Date.

Covered Bonds redeemed pursuant to this Condition 5(f) will be redeemed at their Early Redemption Amount referred to in Condition 5(b) (*Early Redemption*) together (if appropriate) with interest accrued to the date of redemption.

**(g) Purchases**

The Issuer and any of its subsidiaries or the CBG may at any time purchase Covered Bonds (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price in accordance with all relevant laws and regulations and, for so long as the Covered Bonds are listed, the requirements of the relevant stock exchange. The Issuer or any such subsidiary or the CBG may, at its option, retain such purchased Covered Bonds for its own account and/or resell or cancel or otherwise deal with them at its discretion.

**(h) Cancellation**

All Covered Bonds purchased by or on behalf of the Issuer or any of its subsidiaries may be (and any Covered Bonds purchased or otherwise acquired by the CBG shall be) surrendered for cancellation, in the case of Bearer Covered Bonds, by surrendering each such Covered Bond together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Covered Bonds, by surrendering the Certificate representing such Covered Bonds to the Registrar and, in each case, if so surrendered, shall, together with all Covered Bonds redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Covered Bonds so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Covered Bonds shall be discharged.

**(i) No Obligation to Monitor**

The Bond Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists within this Condition 5 and will not be responsible to the Covered Bondholders, Receiptholders or Couponholders for any loss arising from any failure by it to do so. Unless and until the Bond Trustee has notice in writing of the occurrence of any event or circumstance within this Condition 5, it shall be entitled to assume that no such event or circumstance exists.

So long as the Covered Bonds are listed on any stock exchange, the Issuer shall comply with the rules of such stock exchange in relation to the publication of a notice of any redemption or purchase of Covered Bonds.

*These Conditions may be amended, modified or varied in relation to any Series of Covered Bonds by the terms of the applicable Pricing Supplement in relation to such Series.*

**6 Payments and Talons**

**(a) Bearer Covered Bonds not held in the CMU**

Payments of principal and interest in respect of Bearer Covered Bonds not held in the CMU shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its related Covered Bond), Covered Bonds (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(h)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(h)(ii), as the case may be:

- (i) in the case of a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank; and
- (ii) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of a Covered Bondholder with a bank in Singapore or Hong Kong. If a holder does not maintain a relevant account in respect of a payment to be made under the Covered Bonds, the Issuer reserves the right, in its sole discretion and upon such terms as it may determine, to make arrangements to pay such amount to that holder by another means, provided that the Issuer shall not have any obligation to make any such arrangements.

“**Bank**” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

**“relevant account”** means the Renminbi account maintained by or on behalf of the Covered Bondholder with:

- (i) in the case of Covered Bonds cleared through the CMU Service, a bank in Hong Kong; or
- (ii) in the case of Covered Bonds cleared through the CDP System, a bank in Singapore or Hong Kong.

**(b) Bearer Covered Bonds held in the CMU**

Payments of principal and interest in respect of Bearer Covered Bonds held in the CMU will be made to the person(s) for whose account(s) interests in the relevant Bearer Covered Bond are credited as being held with the CMU in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU in a relevant CMU Instrument Position Report (as defined in Agency Agreement) or any other relevant notification by the CMU, which notification shall be conclusive evidence of the records of the CMU (save in the case of manifest error) and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

**(c) Registered Covered Bonds not held in the CMU**

- (i) Payments of principal (which for the purposes of this Condition 6(c) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Covered Bonds shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest (which for the purpose of this Condition 6(c) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Covered Bonds shall be paid to the person shown on the Register at the close of business (i) on the fifteenth day before the due date for payment thereof or (ii) in the case of Renminbi, on the fifth business day before the due date for payment thereof (the **“Record Date”**). Payments of interest on each Registered Covered Bond shall be made:
  - (x) in the case of a currency other than Renminbi, in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Covered Bond at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.
  - (y) in the case of Renminbi, by transfer to the registered account of the Covered Bondholder. If a holder does not maintain a registered account in respect of a payment to be made under the Covered Bonds, the Issuer reserves the right, in its sole discretion and upon such terms as it may determine, to make arrangements to pay such amount to that holder by another means, provided that the Issuer shall not have any obligation to make any such arrangements.

In this Condition 6(c)(ii), **“registered account”** means the Renminbi account maintained by or on behalf of the Covered Bondholder with:

- (i) in the case of Covered Bonds cleared through the CMU Service, a bank in Hong Kong; or



- (ii) in the case of Covered Bonds cleared through the CDP System, a bank in Singapore or Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment.

**(d) Registered Covered Bonds held in the CMU**

Payments of principal and interest in respect of Registered Covered Bonds held in the CMU will be made to the person(s) for whose account(s) interests in the relevant Registered Covered Bond are credited as being held with the CMU in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU in a relevant CMU Instrument Position Report (as defined in the Agency Agreement) or any other relevant notification by the CMU, which notification shall be conclusive evidence of the records of the CMU (save in the case of manifest error) and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

*For so long as any of the Covered Bonds that are cleared through the CMU are represented by a Global Covered Bond or a Global Certificate, payments of interest or principal will be made to the persons for whose account a relevant interest in that Global Covered Bond or, as the case may be, that Global Certificate is credited as being held by the operator of the CMU at the relevant time, as notified to the CMU Lodging and Paying Agent by the operator of the CMU in a relevant CMU instrument position report (as defined in the rules of the CMU) or in any other relevant notification by the operator of the CMU. Such payment will discharge the Issuer's obligations in respect of that payment. Any payments by the CMU participants to indirect participants will be governed by arrangements agreed between the CMU participants and the indirect participants and will continue to depend on the inter-bank clearing system and traditional payment methods. Such payments will be the sole responsibility of such CMU participants.*

**(e) Payments in the United States**

Notwithstanding the foregoing, if any Bearer Covered Bonds are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Covered Bonds in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer and the CBG, any adverse tax consequence to the Issuer or the CBG.

**(f) Payments Subject to Fiscal Laws**

All payments (including payments by the CBG) are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) as amended or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement). No commission or expenses shall be charged to the Covered Bondholders in respect of such payments.

**(g) Appointment of Agents**

The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the CBG and their respective specified offices are listed below. The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the CBG and do not assume any obligation or relationship of agency or trust for or with any Covered Bondholder, Receiptholders or Couponholder. The Issuer and the CBG reserve the right at any time with the approval of the Bond Trustee to vary or terminate the appointment of the Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Covered Bonds, (iii) a Transfer Agent in relation to Registered Covered Bonds, (iv) a CMU Lodging and Paying Agent in relation to Covered Bonds cleared through the CMU, (v) a CDP Paying Agent in relation to Covered Bonds cleared through CDP, (vi) one or more Calculation Agent(s) where the Conditions so require, (vii) such other agents as may be required by any other stock exchange on which the Covered Bonds may be listed in each case, as approved by the Bond Trustee and (viii) a Paying Agent with a specified office in a country that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC, as amended from time to time, or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Covered Bonds denominated in U.S. dollars in the circumstances described in Condition 6(c).

Notice of any such change or any change of any specified office shall promptly be given to the Covered Bondholders.

**(h) Unmatured Coupons and Receipts and Unexchanged Talons:**

- (i) Unless the Covered Bonds provide that the relative Coupons are to become void upon the due date for redemption of those Covered Bonds, Bearer Covered Bonds which comprise Fixed Rate Covered Bonds should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8 (*Prescription*)).
- (ii) Upon the due date for redemption of any Bearer Covered Bond comprising a Floating Rate Covered Bond, unmatured Coupons relating to such Covered Bond (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Covered Bond, any unexchanged Talon relating to such Covered Bond (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

- (iv) Upon the due date for redemption of any Bearer Covered Bond that is redeemable in instalments, all Receipts relating to such Covered Bond having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Covered Bond that provides that the related unmatured Coupons are to become void upon the due date for redemption of those Covered Bonds is presented for redemption without all unmatured Coupons, and where any Bearer Covered Bond is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Covered Bond is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Covered Bond or Certificate representing it, as the case may be. Interest accrued on a Covered Bond that only bears interest after its Maturity Date shall be payable on redemption of such Covered Bond against presentation of the relevant Covered Bond or Certificate representing it, as the case may be.

**(i) Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Covered Bond, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8 (*Prescription*)).

**(j) Non-Business Days**

If any date for payment in respect of any Covered Bond, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph (j), “business day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such other jurisdictions as shall be specified as “Financial Centres” hereon and:

- (i) (in the case of a payment in a currency other than euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (ii) (in the case of a payment in euro) which is a TARGET Business Day; or
- (iii) (in the case of Renminbi where the Covered Bonds are cleared through the CMU) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong; or
- (iv) (in the case of Renminbi where the Covered Bonds are cleared through CDP) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Singapore and Hong Kong.

**(k) Renminbi Fallback**

Notwithstanding the foregoing, if (i) Renminbi is, in the reasonable opinion of the Issuer, not expected to be available to the Issuer when payment of the Covered Bonds is due as a result of circumstances beyond the control of the Issuer or (ii) by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not able to satisfy payments of principal or interest in respect of the Covered Bonds when due in Renminbi (in the case of Covered Bonds cleared through the CMU) in Hong Kong or (in the case of Covered Bonds cleared through CDP) in Singapore, the Issuer shall, on giving not less than five nor more than 30 days' irrevocable notice to the Covered Bondholders prior to the due date for payment, settle any such payment (in the case of Covered Bonds cleared through the CMU) in U.S. dollars on the due date at the U.S. Dollar Equivalent, or (in the case of Covered Bonds cleared through CDP) in Singapore dollars on the due date at the Singapore Dollar Equivalent, of any such Renminbi denominated amount. The due date for payment shall be the originally scheduled due date or such postponed due date as shall be specified in the notice referred to above, which postponed due date may not fall more than 20 days after the originally scheduled due date. Interest on the Covered Bonds will continue to accrue up to but excluding any such date for payment of principal.

In such event, any payment of the U.S. Dollar Equivalent or the Singapore Dollar Equivalent (as applicable) of the relevant principal or interest in respect of the Covered Bonds shall be made by:

- (i) in the case of Covered Bonds cleared through the CMU, transfer to a U.S. dollar denominated account maintained by the payee with, or by a U.S. dollar denominated cheque drawn on, or, at the option of the holder, by transfer to a US dollar account maintained by the holder with, a bank in New York City; and the definition of "business day" for the purpose of this Condition 6(k) shall mean any day on which banks and foreign exchange markets are open for general business in the relevant place of presentation, and New York City; or
- (ii) in the case of Covered Bonds cleared through CDP, transfer to a Singapore dollar denominated account maintained by the payee with, or by a Singapore dollar denominated cheque drawn on, a bank in Singapore.

For the purposes of these Conditions, "**U.S. Dollar Equivalent**" means the Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Determination Date as promptly notified to the Issuer and the Paying Agents and "**Singapore Dollar Equivalent**" means the Renminbi amount converted into Singapore dollars using the Spot Rate for the relevant Determination Date.

"**Determination Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange):

- (i) in the case of Covered Bonds cleared through the CMU, in Hong Kong and New York City; or
- (ii) in the case of Covered Bonds cleared through CDP, in Singapore.

"**Determination Date**" means the day which:

- (i) in the case of Covered Bonds cleared through the CMU, is two Determination Business Days before the due date for payment of the relevant amount under these Conditions; or
- (ii) in the case of Covered Bonds cleared through CDP, is six Determination Business Days before the due date for payment of the relevant amount under these Conditions.

**“Governmental Authority”** means:

- (i) in the case of Covered Bonds cleared through the CMU, any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong; or
- (ii) in the case of Covered Bonds cleared through CDP, the MAS or any governmental authority or any other entity (private or public) charged with the regulation of the financial markets of Singapore.

**“Illiquidity”** means in the case of Covered Bonds cleared through the CMU, the general Renminbi exchange market in Hong Kong or, in the case of Covered Bonds cleared through CDP, the general Renminbi exchange market in Singapore, becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest or principal in respect of the Covered Bonds as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers.

**“Inconvertibility”** means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Covered Bonds in the general Renminbi exchange market in (in the case of Covered Bonds cleared through the CMU) Hong Kong or (in the case of Covered Bonds cleared through CDP) Singapore, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

**“Non-transferability”** means the occurrence of any event that makes it impossible for the Issuer to deliver Renminbi between accounts:

- (i) in the case of Covered Bonds cleared through the CMU, inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong and outside the PRC or from an account outside Hong Kong and outside the PRC to an account inside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation); or
- (ii) in the case of Covered Bonds cleared through CDP, inside Singapore or from an account inside Singapore to an account outside Singapore and outside the PRC or from an account outside Singapore and outside the PRC to an account inside Singapore, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

**“PRC”** means the People’s Republic of China (excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan).

**“Renminbi Dealer”** means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in (in the case of Covered Bonds cleared through the CMU) Hong Kong or (in the case of Covered Bonds cleared through CDP) Singapore.

**“Spot Rate”** means:

- (i) in the case of Covered Bonds cleared through the CMU, the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF.

If such rate is not available, the Calculation Agent will determine the Spot Rate at or around 11.00 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Determination Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY = SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate; or

- (ii) in the case of Covered Bonds cleared through CDP, the spot Renminbi/Singapore dollar exchange rate as determined by the Issuer at or around 11.00 a.m. (Singapore time) on the Determination Date in good faith and in a reasonable commercial manner, and if a spot rate is not readily available, the Issuer may determine the rate taking into consideration all available information which the Issuer deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Singapore or elsewhere and the PRC domestic foreign exchange market in Singapore (and, for the avoidance of doubt, the Calculation Agent shall have no obligation to determine the Spot Rate in the case of Covered Bonds cleared through CDP).

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6(k) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the CBG, the Agents and all Covered Bondholders.

## **7 Taxation**

All payments of principal and interest by or on behalf of the Issuer in respect of the Covered Bonds, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Singapore or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts (the **“Additional Amounts”**) as shall result in receipt by the Covered Bondholders, Receiptholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Covered Bond, Receipt or Coupon:

### **(a) Other Connection**

to, or to a third party on behalf of, a holder who is (i) treated as a resident of Singapore or as having a permanent establishment in Singapore for tax purposes or (ii) liable to such taxes, duties, assessments or governmental charges in respect of such Covered Bond, Receipt or Coupon by reason of his having some connection with Singapore other than the mere holding of the Covered Bond, Receipt or Coupon; or

**(b) Lawful Avoidance of Withholding**

to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements concerning the nationality, residence, identity or other attributes of the holder or beneficial owner or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Covered Bond (or the Certificate representing it), Receipt or Coupon is presented for payment; or

**(c) Presentation more than 30 Days after the Relevant Date**

presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such Additional Amounts on presenting it for payment on the thirtieth day; or

**(d) Payment to Individuals**

where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any law implementing European Council Directive 2003/48/EC, as amended from time to time, or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

**(e) Payment by another Paying Agent**

(except in the case of Registered Covered Bonds) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Covered Bond, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

Notwithstanding any other provision of the Terms and Conditions or the Trust Deed, any amounts to be paid on the Covered Bonds by or on behalf of the Issuer will be paid net of any withholding or deduction imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any other person will be required to pay any Additional Amount in respect of FATCA Withholding.

As used in these Conditions, “**Relevant Date**” in respect of any Covered Bond, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Covered Bondholders that, upon further presentation of the Covered Bond (or related Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Covered Bonds, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 (*Redemption, Purchase and Options*) or any amendment or supplement to it, (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 (*Interest and other Calculations*) or any amendment or supplement to it and (iii)

“principal” and/or “interest” shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

All payments of Guaranteed Amounts by or on behalf of the CBG will be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by Singapore or any authority therein or thereof having the power to tax unless required by law. If any such withholding or deduction is required, the CBG will pay the Guaranteed Amounts net of such withholding or deduction and shall account to the appropriate tax authority for the amount required to be withheld or deducted. The CBG will not be obliged to pay any additional amount under the Covered Bond Guarantee to the Bond Trustee or any holder of Covered Bonds in respect of the amount of such withholding or deduction or in respect of any Additional Amounts. If any withholding or deduction arises under or in connection with FATCA, the CBG will not be required to pay any additional amount (including but not limited to the Additional Amounts) under the Covered Bond Guarantee on account of such withholding or deduction.

## 8 Prescription

Claims against the Issuer for payment in respect of the Covered Bonds, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 9 Events of Default

### (a) Issuer Events of Default:

If any of the following events (each an “**Issuer Event of Default**”) occurs and is continuing, the Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent. of the nominal amount of the Covered Bonds of this Series together with the Covered Bonds of any other Series then outstanding as if they were a single Series or if so directed by an Extraordinary Resolution of the Covered Bondholders, shall (but in respect of the events in paragraphs (ii) to (iv) (inclusive) below, only if the Bond Trustee has certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series) (subject in each case to being indemnified and/or secured to its satisfaction) give notice in writing to the Issuer (an “**Issuer Acceleration Notice**”) that, as against the Issuer (but not, for the avoidance of doubt, as against the CBG under the Covered Bond Guarantee) the Covered Bonds are, unless such event will have been cured by the Issuer prior to the Issuer’s receiving the notice in writing from the Bond Trustee, and they shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest:

- (i) *Non-Payment*: default is made by the Issuer for more than 14 days in the payment on the due date of interest or principal in respect of any of the Covered Bonds; or
- (ii) *Breach of Other Obligations*: the Issuer does not perform or comply with any one or more of its other obligations under the Covered Bonds, the Trust Deed (other than any obligation for the payment of interest or principal in respect of any of the Covered Bonds) or any other Transaction Document to which the Issuer is a party (other than the Dealer Agreement and any Subscription Agreement) (but excluding any obligation of the Issuer to comply with the Asset Coverage Test or the Pre-Maturity Test or any representation or warranty given by the Issuer in respect of the Asset Coverage Test or the Pre-Maturity Test), which default has not been remedied within 60 days after notice of such default shall have been given to the Issuer by the Bond Trustee; or



- (iii) *Insolvency*: the Issuer is (or is deemed by law or a court of competent jurisdiction to be) insolvent or bankrupt or unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or a substantial (in the reasonable opinion of the Bond Trustee) part of its debts or makes a general assignment or an arrangement or composition with or for the benefit of all its creditors or a moratorium is agreed or declared in respect of all or a substantial part of the debts of the Issuer; or
- (iv) *Winding-up*: an administrator is appointed in relation to the Issuer, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer, or the Issuer shall apply or petition for a winding-up or administration order in respect of itself or ceases or threatens through an official action of its board of directors to cease to carry on all or a substantial (in the reasonable opinion of the Bond Trustee) part of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms previously approved by the Bond Trustee in writing or by an Extraordinary Resolution; or
- (v) *Breach of Asset Coverage Test*: if an Asset Coverage Test Breach Notice has been served and remains outstanding (in accordance with the terms of the Transaction Documents) on the Test Date immediately succeeding service of such Asset Coverage Test Breach Notice on the CBG; or
- (vi) *Breach of Pre-Maturity Test*: if the Pre-Maturity Test in respect of any Series of Hard Bullet Covered Bonds is breached less than six months prior to the Maturity Date of such Series of Hard Bullet Covered Bonds and the CBG has not funded the Pre-Maturity Liquidity Ledger in accordance with the Establishment Deed before the earlier of:
  - (A) 30 days from the date that the Seller and the Issuer are notified of the breach of the Pre-Maturity Test; and
  - (B) the Maturity Date of such Series of Hard Bullet Covered Bonds.

Upon the Covered Bonds becoming immediately due and payable against the Issuer pursuant to this Condition 9(a) (*Issuer Events of Default*), the Bond Trustee shall forthwith serve a notice to pay (the “**Notice to Pay**”) on the CBG pursuant to the Covered Bond Guarantee and the CBG shall be required to make payments of Guaranteed Amounts when the same shall become Due for Payment in accordance with the terms of the Covered Bond Guarantee.

Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, the Bond Trustee may or shall take such proceedings or other action against the Issuer in accordance with Condition 11 (*Enforcement in respect of Covered Bonds*).

The Trust Deed provides that all monies received by the Bond Trustee from the Issuer or any receiver, liquidator, judicial manager or other similar official appointed in relation to the Issuer following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice and a Notice to Pay (the “**Excess Proceeds**”) shall be paid by the Bond Trustee on behalf of the Covered Bondholders to the CBG for its own account, as soon as practicable, and shall be held by the CBG in the Transaction Account and the Excess Proceeds shall thereafter form part of the Security and shall be used by the CBG in the same manner as all other monies from time to time standing to the credit of the Transaction Account pursuant to the Deeds of Charge and the Establishment Deed. Any Excess Proceeds received by the Bond Trustee shall discharge, to that extent, the obligations of the Issuer in respect of the payment of the amount of such Excess Proceeds under the Covered Bonds, Receipts and Coupons. However, the obligations of the CBG under the Covered Bond Guarantee are (following service of a Notice

to Pay) unconditional and irrevocable and the receipt by the Bond Trustee of any Excess Proceeds and payment to the CBG of such Excess Proceeds shall not reduce or discharge any of such obligations.

By subscribing for Covered Bond(s), each Covered Bondholder shall be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the CBG in the manner as described above.

**(b) CBG Events of Default**

If any of the following events (each a “**CBG Event of Default**”) occurs and is continuing, the Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent. of the nominal amount of the Covered Bonds of this Series together with the Covered Bonds of any other Series then outstanding as if they were a single Series or if so directed by an Extraordinary Resolution of all the Covered Bondholders, shall (but in respect of the events in paragraphs (ii) to (iv) (inclusive), only if the Bond Trustee has certified in writing to the Issuer and the Covered Bond Guarantor that such event is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series) (subject in each case to the Bond Trustee being indemnified and/or secured to its satisfaction) give notice in writing to the CBG and the Issuer (a “**CBG Acceleration Notice**”), that, unless such event is cured by the CBG prior to the Issuer and CBG receiving the notice in writing from the Bond Trustee, (A) the Covered Bonds shall, as against the Issuer (if not already due and repayable against it following an Issuer Event of Default), immediately become, due and repayable at their Early Redemption Amount (if applicable) together with accrued interest and (B) all amounts payable by the CBG under the Covered Bond Guarantee shall immediately become due and payable at the Guaranteed Amount corresponding to the Early Redemption Amount together (if applicable) with accrued interest, in each case as provided in the Trust Deed and thereafter the Security shall become enforceable:

- (i) *Non-Payment*: default is made by the CBG for more than 10 Business Days in the payment of any Guaranteed Amounts when Due for Payment in respect of any of the Covered Bonds except in the case of payments of a Guaranteed Amount when Due for Payment under Condition 5(a) (*Redemption by Instalments and Final Redemption*) where the CBG shall be required to make payments of Guaranteed Amounts which are Due for Payment on the dates specified therein; or
- (ii) *Breach of Other Obligations*: the CBG does not perform or comply with any one or more of its obligations (other than any obligation for the payment of Guaranteed Amounts in respect of the Covered Bonds) under the Trust Deed or any other Transaction Document to which the CBG is a party (other than the Dealer Agreement or any Subscription Agreement), which default has not been remedied within 30 days (or such longer period as the Bond Trustee may permit) after notice of such default shall have been given to the CBG by the Bond Trustee; or
- (iii) *Insolvency*: the CBG, is (or is deemed by law or a court of competent jurisdiction to be) insolvent or bankrupt or unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or a substantial (in the reasonable opinion of the Bond Trustee) part of its debts or makes a general assignment or an arrangement or composition with or for the benefit of all its creditors or a moratorium is agreed or declared in respect of all or a substantial part of the debts of the CBG; or
- (iv) *Winding-up*: a judicial manager is appointed in relation to the CBG, an order is made or an effective resolution passed for the winding-up or dissolution or judicial management of the CBG, or the CBG shall apply or petition for a winding-up or judicial management order in respect of itself or ceases or threatens, through an official action of its board of

directors, to cease to carry on all or a substantial (in the reasonable opinion of the Bond Trustee) part of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms previously approved by the Bond Trustee or by an Extraordinary Resolution; or

- (v) *Amortisation Test*: a failure to satisfy the Amortisation Test (as set out in the Establishment Deed) on any Test Date following the service of a Notice to Pay; or
- (vi) *Covered Bond Guarantee*: the Covered Bond Guarantee is not, or is claimed by the CBG not to be, in full force and effect.

Following the occurrence of a CBG Event of Default and service of a CBG Acceleration Notice on the CBG, the Bond Trustee may or if so requested by holders of at least one quarter in nominal amount of the Covered Bonds then outstanding or if so directed by an Extraordinary Resolution shall and the Security Trustee may or if so directed by the Bond Trustee shall take such proceedings or steps in accordance with Condition 11 (*Enforcement in respect of Covered Bonds*) and the Covered Bondholders shall have a claim against the CBG, under the Covered Bond Guarantee, for an amount equal to the Early Redemption Amount together (if applicable) with accrued interest and any other amount due under the Covered Bonds (other than Additional Amounts payable under Condition 7 (*Taxation*)) as provided in the Trust Deed in respect of the Covered Bonds.

## **10 Meetings of Covered Bondholders, Modification and Waiver**

### **(a) Meetings of Covered Bondholders**

The Trust Deed contains provisions for convening meetings of Covered Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Covered Bondholders holding not less than 10 per cent. in nominal amount of the Covered Bonds of all Series for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Covered Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Covered Bondholders whatever the nominal amount of the Covered Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Covered Bonds, any Instalment Date or any date for payment of interest or Interest Amounts on the Covered Bonds, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Covered Bonds, (iii) to reduce the rate or rates of interest in respect of the Covered Bonds or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Covered Bonds, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Covered Bonds, (vii) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (viii) to amend the Covered Bond Guarantee or the Deeds of Charge (except in a manner determined by the Bond Trustee not to be materially prejudicial to the interests of the Covered Bondholders), (ix) to sanction the exchange or substitution for the Covered Bonds of, or the conversion of the Covered Bonds into, shares, bonds or other obligations or securities of the Issuer, the CBG or any other entity or (x) to modify the provisions concerning the quorum required at any meeting of Covered Bondholders

or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Covered Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Covered Bondholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders and Receiptholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Covered Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Covered Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Covered Bondholders.

Notwithstanding the provisions of the immediately preceding paragraph, any Extraordinary Resolution to direct the Bond Trustee to accelerate the Covered Bonds pursuant to Condition 9 (*Events of Default*) or to direct the Bond Trustee or the Security Trustee to take any enforcement action (each a “**Programme Resolution**”) shall only be capable of being passed at a single meeting of the Covered Bondholders of all Series then outstanding. Any such meeting to consider a Programme Resolution may be convened by the Issuer, the CBG, the Bond Trustee or by the Covered Bondholders of any Series. The quorum at any such meeting for passing a Programme Resolution is one or more persons holding or representing a clear majority in nominal amount of the Covered Bonds for the time being outstanding or at any adjourned meeting two or more persons being or representing Covered Bondholders whatever the nominal amount of the Covered Bonds of any Series held or represented. Any Programme Resolution duly passed shall be binding on Covered Bondholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders and Receiptholders.

The Trust Deed provides that, for the purposes of determining the votes a Covered Bondholder is entitled to cast, each Covered Bondholder shall have one vote in respect of each SGD1.00 in nominal amount of Covered Bonds held (converted into Singapore dollars, if such Covered Bonds are not denominated in Singapore dollars, at the relevant Covered Bond Swap Rate).

*These Conditions may be amended, modified or varied in relation to any Series of Covered Bonds by the terms of the applicable Pricing Supplement in relation to such Series.*

**(b) Modification of the Trust Deed and the Transaction Documents**

The Bond Trustee (and the Security Trustee) may agree, without the consent of the Covered Bondholders, Receiptholders or Couponholders and without the consent of the other Secured Creditors to (and the Bond Trustee may direct the Security Trustee to agree to) any modification to any of the provisions of the Trust Deed, the Conditions or any Transaction Document which is in its opinion, of a formal, minor or technical nature or to correct a manifest error or to comply with any mandatory provisions of law or as required by Euroclear and/or Clearstream, Luxembourg and/or CMU and/or CDP or regulation or any requirement of any governmental authority which applies to the CBG, the Issuer or any Transaction Document or the transactions thereunder. The Bond Trustee may also agree to (and the Bond Trustee may direct the Security Trustee to agree to) any modification of any of the provisions of the Trust Deed, the Conditions or any Transaction Document that is in the opinion of the Bond Trustee not materially prejudicial to the interests of the Covered Bondholders. Any such modification, authorisation or waiver shall be binding on all Covered Bondholders, Receiptholders and the Couponholders and, if the Bond Trustee so requires, such waiver or authorisation shall be notified to the Covered Bondholders as soon as practicable.

Further, parties to the Transaction Documents may, without the consent of the Security Trustee or the Bond Trustee (unless the Bond Trustee or the Security Trustee, as the case may be, are party to such Transaction Document) amend a Transaction Document for the purpose of:

- (i) making any amendment (including, without limitation, adding, changing or removing parties and correcting or rectifying any ambiguity, defective provisions, errors, omissions or inconsistencies) to the Transaction Document, provided that, following the first Issue Date, the Cash Manager has delivered a Rating Agency Confirmation or a Ratings Notification (as the case may be) to the CBG, the Security Trustee and the Bond Trustee in respect of such amendment and the Cash Manager has confirmed in writing to the Security Trustee and the Bond Trustee (as the case may be) and to the CBG that in its opinion such amendment will not have an adverse effect on (A) the amount and timing of any payment to the Covered Bondholders and (B) the Bond Trustee or the Security Trustee. Any such amendment shall be binding on all Covered Bondholders, Receiptholders and all Couponholders and, if the Bond Trustee or the Security Trustee, as applicable, so requires, shall be notified to the Covered Bondholders as soon as practicable; and
- (ii) without prejudice to paragraph (i) above, making any amendment which, in the opinion of counsel to the Cash Manager or the CBG, is necessary or advisable in order to incorporate, reflect or comply with any mandatory provision of law or any requirement of any governmental authority which applies to the CBG, the Issuer or any Transaction Document or the transactions under them and provided that the Cash Manager has confirmed in writing to the Security Trustee, the Bond Trustee and the CBG that in its opinion such amendment will not result in an adverse effect on (A) the amount and timing of any payment to the Covered Bondholders and (B) the Bond Trustee or the Security Trustee,

provided any such amendment must be notified to the Security Trustee and the Bond Trustee. If the Security Trustee or the Bond Trustee are a party to a Transaction Document to be amended under paragraphs (i) or (ii) above, the Security Trustee or the Bond Trustee, as the case may be, may rely on the Rating Agency Confirmation or Ratings Notification and Cash Manager's confirmation delivered to them in accordance with paragraph (i) above or the Cash Manager's confirmation delivered to them in accordance with paragraph (ii) above.

**(c) Waiver**

The Bond Trustee may also agree, without the consent of the Covered Bondholders, Receiptholders or Couponholders, to the waiver or authorisation of any breach or proposed breach of any of the provisions of the Covered Bonds of any Series, or determine that any Issuer Event of Default or CBG Event of Default shall not be treated as such, provided that, in any such case, it is not, in the opinion of the Bond Trustee, materially prejudicial to the interests of the Covered Bondholders of any Series. Save as otherwise provided in the Deeds of Charge, the Security Trustee shall agree to the waiver or authorisation of any breach or proposed breach of any of the provisions of any Transaction Document only if so directed by (i) the Bond Trustee, so long as there are any Covered Bonds outstanding or (ii) all of the other Secured Creditors, if there are no Covered Bonds outstanding.

Any such authorisation or waiver shall be binding on the Covered Bondholders, Receiptholders and the Couponholders and, if the Bond Trustee so requires, such waiver or authorisation shall be notified to the Covered Bondholders as soon as practicable.

**(d) Entitlement of the Bond Trustee**

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Bond Trustee and the Security Trustee shall have regard to the interests of the Covered Bondholders Receiptholders or Couponholders of each Series as a class and shall not have regard to the consequences of such exercise for individual Covered Bondholders, Receiptholders or Couponholders and the Bond Trustee and Security Trustee shall not be entitled to require, nor shall any Covered Bondholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the CBG, the Bond Trustee, the Security Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Covered Bondholders, Receiptholders or Couponholders.

**11 Enforcement in respect of Covered Bonds**

- (a) In the case of Covered Bonds, at any time after the Covered Bonds become due and payable, the Bond Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or the CBG as it may think fit to enforce the terms of the Trust Deed, Covered Bonds, the Receipts and the Coupons, but it need not take any such proceedings unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Covered Bondholders holding at least one-quarter in nominal amount of the Covered Bonds outstanding (in each case with all Covered Bondholders being treated as if they were a single Series), and (ii) it shall have been indemnified and/or secured to its satisfaction.

In exercising any of its powers, trusts, authorities and discretions under this Condition 11 in respect of any Series the Bond Trustee shall only have regard to the interests of the holders of the Covered Bonds of such Series as a Class and shall not have regard to the interests of any other Secured Creditors.

- (b) The Bond Trustee may at any time, at its discretion and without further notice, direct the Security Trustee to take such steps or proceedings against the CBG and/or any other person as it may think fit to enforce the provisions of the Deeds of Charge or any other Transaction Document and may, at any time after the Security has become enforceable, direct the Security Trustee to take such steps as it may think fit to enforce the Security, but it shall not be bound to give any such direction and the Security Trustee shall not be bound to take any such steps or proceedings unless (i) the Bond Trustee shall have been so directed by an Extraordinary Resolution or so requested in writing by Covered Bondholders holding at least one-quarter in nominal amount of the Covered Bonds of all Series then outstanding and (ii) each of the Bond Trustee and the Security Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction in its sole discretion.

In exercising any of its powers, trusts, authorities and discretions under this Condition 11 in respect of any Series each of the Bond Trustee and the Security Trustee shall only have regard to the interests of the holders of the Covered Bonds of such Series as a Class and shall not have regard to the interests of any other Secured Creditors.

- (c) No Covered Bondholder, Receiptholder or Couponholder in respect of Covered Bonds may proceed directly against the Issuer or the CBG unless the Bond Trustee or the Security Trustee, as applicable, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing, in which case such Covered Bondholder, Receiptholder or Couponholder shall have only such rights against the Issuer or the CBG as those which the Bond Trustee or the Security Trustee (as applicable) is entitled to exercise.

## **12 Indemnification of the Bond Trustee and the Security Trustee**

The Trust Deed and the Deeds of Charge contain provisions for the indemnification of each of the Bond Trustee or the Security Trustee, respectively and for their relief from responsibility. Each of the Bond Trustee and the Security Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer or the CBG without accounting for any profit.

Each of the Bond Trustee and the Security Trustee may accept and rely without liability to Covered Bondholders, Receiptholders or Couponholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Bond Trustee or the Security Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. Such report, confirmation or certificate or advice shall be binding on the Issuer, the Bond Trustee, the Security Trustee, the Covered Bondholders, Receiptholders and the Couponholders.

## **13 Replacement of Covered Bonds, Certificates, Receipts, Coupons and Talons**

If a Covered Bond, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Covered Bonds, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Covered Bondholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Covered Bond, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Covered Bonds, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer or such agent may require. Mutilated or defaced Covered Bonds, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **14 Further Issues**

The Issuer may from time to time without the consent of the Covered Bondholders, Receiptholders or Couponholders create and issue further securities either having the same terms and conditions as the Covered Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single Series with the outstanding securities of any Series (including the Covered Bonds) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Covered Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition 14 and forming a single Series with the Covered Bonds. Any further securities forming a single series with the outstanding securities of any Series (including the Covered Bonds) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Bond Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Covered Bondholders and the holders of securities of other Series where the Bond Trustee so decides.

## 15 Notices

Notices to the holders of Registered Covered Bonds shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth (or seventh if being given internationally) weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Covered Bonds shall be valid if published in a daily newspaper of general circulation in Singapore and so long as the Covered Bonds are admitted to trading on the SGX-ST published on the website of the SGX-ST ([www.sgx.com](http://www.sgx.com)). It is expected that such publication in a newspaper will be made in the *Business Times* or another leading daily English language newspaper with general circulation in Singapore. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders and Receiptholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Covered Bonds in accordance with this Condition 15.

## 16 Limited Recourse

### (a) Limited Recourse:

#### (i) Enforcement of Security

The Security Trustee and only the Security Trustee may enforce the Security over the Charged Property in accordance with, and subject to the terms of, the Deeds of Charge.

#### (ii) Insufficient Recoveries

If, or to the extent that, after the Charged Property has been as fully as practicable realised and the proceeds thereof have been applied in accordance with the applicable Priority of Payments the amounts recovered on realisation of the Charged Property are insufficient to pay or discharge amounts due from the CBG to the Secured Creditors in full for any reason, the CBG will have no liability to pay or otherwise make good any such insufficiency.

### (b) Non-Petition

No Secured Creditor may take any corporate action or other steps or legal proceedings for the winding-up, judicial management, dissolution, arrangement, reconstruction or reorganisation of the CBG or for the appointment of a liquidator, receiver (including receiver and manager), administrator, trustee, judicial manager or similar officer in respect of the CBG or over any or all of its assets or undertaking.

## 17 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Covered Bonds under the Contracts (Rights of Third Parties) Act 1999.



## **18 Governing Law and Jurisdiction**

### **(a) Governing Law**

The Trust Deed, the Covered Bonds, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, save that defined terms incorporated by reference from the Master Definitions Agreement shall be governed by and construed in accordance with Singapore law.

### **(b) Jurisdiction**

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Covered Bonds, Receipts, Coupons, Talons or the Covered Bond Guarantee and accordingly any legal action or proceedings arising out of or in connection with any Covered Bonds, Receipts, Coupons, Talons or the Covered Bond Guarantee (“**Proceedings**”) may be brought in such courts. The Issuer and the CBG has in the Trust Deed irrevocably submitted to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Covered Bonds, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not)..

### **(c) Service of Process**

The Issuer has in the Trust Deed agreed that its branch in England shall accept service of process on its behalf in respect of any Proceedings in England. If such branch ceases to be able to accept service of process in England, the Issuer shall immediately appoint a new agent to accept such service of process in England.

## **19 Headings**

Headings are for convenience only and do not affect the interpretation of these Terms and Conditions.

## **SUMMARY OF PROVISIONS RELATING TO THE COVERED BONDS WHILE IN GLOBAL FORM**

### **Initial Issue of Covered Bonds**

The Covered Bonds will be issued in series (each a “**Series**”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Covered Bonds of each Series being intended to be interchangeable with all other Covered Bonds of that Series. Each Series may be issued in tranches (each a “**Tranche**”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the relevant Pricing Supplement.

Global Covered Bonds and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a common depository or to CDP.

Upon the initial deposit of a Global Covered Bond with (i) CDP, (ii) a sub-custodian for the CMU, (iii) a common depository for Euroclear and Clearstream, Luxembourg (a “**Common Depository**”) or (iv) any other permitted clearing system (“**Alternative Clearing System**”) or registration of Registered Covered Bonds in the name of CDP or the Hong Kong Monetary Authority as operator of the CMU or any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relevant Global Certificate to the Common Depository, the CMU or CDP, Euroclear, Clearstream, Luxembourg, the CMU or CDP (as the case may be) will credit each subscriber with a nominal amount of Covered Bonds equal to the nominal amount thereof for which it has subscribed and paid.

Covered Bonds that are initially deposited with CDP, the CMU or the Common Depository may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear, Clearstream, Luxembourg and/or CDP and/or the CMU (as the case may be) held by such other clearing systems. Conversely, Covered Bonds that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg, CDP, the CMU and/or other clearing systems.

Whilst any Covered Bond is represented by a temporary Global Covered Bond, payments of principal, interest (if any) and any other amount payable in respect of the Covered Bonds due prior to the Exchange Date will be made against presentation of the temporary Global Covered Bond only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Covered Bond are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and/or CDP and/or the CMU and (in the case of a temporary Global Covered Bond delivered to a Common Depository for Euroclear and Clearstream, Luxembourg) Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Issuing and Paying Agent or, in the case of Covered Bonds cleared through the CMU, the CMU Lodging and Paying Agent or, in the case of Covered Bonds cleared through CDP, the CDP Paying Agent.

### **Relationship of Accountholders with Clearing Systems**

Each of the persons shown in the records of CDP, Euroclear, Clearstream, Luxembourg or any other Alternative Clearing System as the holder of a Covered Bond represented by a Global Covered Bond or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg, CDP or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Covered Bond or the holder of the underlying Registered Covered Bonds, as the case may be, and in relation to all other rights arising under the Global Covered Bonds or Global Certificates, subject to and in accordance with the respective rules and procedures of CDP, Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim

directly against the Issuer in respect of payments due on the Covered Bonds for so long as the Covered Bonds are represented by such Global Covered Bond or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Covered Bond or the holder of the underlying Registered Covered Bonds, as the case may be, in respect of each amount so paid.

If a Global Covered Bond is lodged with a sub-custodian for or registered with the CMU, the person(s) for whose account(s) interests in such Global Covered Bond or Global Certificate are credited as being held in the CMU in accordance with the CMU Rules as notified by the CMU to the CMU Lodging and Paying Agent in a relevant CMU Instrument Position Report (as defined in the rules of the CMU) or any other relevant notification by the CMU (which notification, in either case, shall be conclusive evidence of the records of the CMU save in the case of manifest error) shall be the only person(s) entitled or in the case of Registered Covered Bonds, directed or deemed by the CMU as entitled to receive payments in respect of Covered Bonds represented by such Global Covered Bond or Global Certificate and the Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Covered Bond or Global Certificate are credited as being held in the CMU in respect of each amount so paid. Each of the persons shown in the records of the CMU as the beneficial holder of a particular nominal amount of Covered Bonds represented by such Global Covered Bond or Global Certificate must look solely to the CMU Lodging and Paying Agent for his share of each payment so made by the Issuer in respect of such Global Covered Bond or Global Certificate.

### **Bond Trustee's Powers**

In considering the interests of Covered Bondholders while any Global Covered Bond is held on behalf of, or Registered Covered Bonds are registered in the name of any nominee for, a clearing system, the Bond Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Covered Bond or Global Certificate and may consider such interests as if such accountholders were the holders of the Covered Bonds represented by such Global Covered Bond or Global Certificate.

### **Exchange**

#### **1 Temporary Global Covered Bonds**

Each temporary Global Covered Bond will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (a) if the relevant Pricing Supplement indicates that such Global Covered Bond is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "*Summary of the Covered Bond Programme – Selling Restrictions*"), in whole, but not in part, for the Definitive Covered Bonds defined and described below; and
- (b) otherwise, in whole or in part, upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Covered Bond or, if so provided in the relevant Pricing Supplement, for Definitive Covered Bonds.

The CMU may require that any such exchange for a permanent Global Covered Bond is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) have so certified.

#### **2 Permanent Global Covered Bonds**

Each permanent Global Covered Bond will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not in part for Definitive Covered Bonds if the permanent Global Covered Bond is held on behalf of Euroclear or Clearstream, Luxembourg or the CMU or an

Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so, or, if the permanent Global Covered Bond is held on behalf of CDP, (a) an Issuer Event of Default, enforcement event or analogous event entitling an accountholder or the Bond Trustee to declare the Covered Bonds to be due and payable as provided in the Conditions has occurred and is continuing, (b) CDP is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise), (c) CDP announces an intention permanently to cease business and no alternative clearing system is available or (d) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Covered Bonds and to continue performing its duties as set out in the terms and conditions for the provision of depository services and no alternative clearing system is available.

In the event that a Global Covered Bond is exchanged for Definitive Covered Bonds, such Definitive Covered Bonds shall be issued in Specified Denomination(s) only. A Covered Bondholder who holds a nominal amount of less than the minimum Specified Denomination will not receive a Definitive Covered Bond in respect of such holding and would need to purchase a nominal amount of Covered Bonds such that it holds an amount equal to one or more Specified Denominations.

Covered Bonds which are represented by a Global Covered Bond will only be transferable in accordance with the rules and procedures for the time being of CDP, the CMU, Euroclear or Clearstream, Luxembourg or an Alternative Clearing System, as the case may be.

### **3 Global Certificates**

If the Pricing Supplement states that the Covered Bonds are to be represented by a permanent Global Certificate on issue, the following will apply in respect of transfers of Covered Bonds held in CDP, the CMU, Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the transfers of interests in the Covered Bonds within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Covered Bonds may be withdrawn from the relevant clearing system. Transfers of the holding of Covered Bonds represented by any Global Certificate pursuant to Condition 2(b) (*Transfer of Registered Covered Bonds*) may only be made in part:

- (a) if the Global Certificate is held on behalf of Euroclear or Clearstream, Luxembourg, the CMU or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so;
- (b) if the Global Certificate is held on behalf of CDP and (i) an Issuer Event of Default, enforcement event or analogous event entitling an accountholder or the Bond Trustee to declare the Covered Bonds to be due and payable as provided in the Conditions has occurred and is continuing, (ii) CDP is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise), (iii) CDP announces an intention permanently to cease business and no alternative clearing system is available or (iv) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Covered Bonds and to continue performing its duties as set out in the terms and conditions for the provision of depository services and no alternative clearing system is available; or
- (c) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph (a) above, the relevant Covered Bondholder has given the Registrar not less than 30 days' notice at its specified office of the relevant Covered Bondholder's intention to effect such transfer.

#### 4 Delivery of Covered Bonds

On or after any due date for exchange, the holder of a Global Covered Bond may surrender such Global Covered Bond or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent (or, in the case of Covered Bonds cleared through the CMU, the CMU Lodging and Paying Agent and, in the case of Covered Bonds cleared through CDP, the CDP Paying Agent). In exchange for any Global Covered Bond, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Covered Bond exchangeable for a permanent Global Covered Bond, deliver, or procure the delivery of, a permanent Global Covered Bond in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Covered Bond that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Covered Bond to reflect such exchange or (ii) in the case of a Global Covered Bond exchangeable for Definitive Covered Bonds, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Covered Bonds. Global Covered Bonds and Definitive Covered Bonds will be delivered outside the United States and its possessions. In this Offering Circular, “**Definitive Covered Bonds**” means, in relation to any Global Covered Bond, the definitive Bearer Covered Bonds for which such Global Covered Bond may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Covered Bond and, if applicable, a Talon). Definitive Covered Bonds will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each permanent Global Covered Bond, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Covered Bonds.

#### 5 Exchange Date

“**Exchange Date**” means, in relation to a temporary Global Covered Bond, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Covered Bond, a day falling not less than 60 days after the date on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent or, in the case of Covered Bonds cleared through the CMU, the CMU Lodging and Paying Agent or, in the case of Covered Bonds cleared through CDP, the CDP Paying Agent, is located and in the city in which the relevant clearing system is located.

#### Amendment to Conditions

The Global Covered Bonds and Global Certificates contain provisions that apply to the Covered Bonds that they represent, some of which modify the effect of the terms and conditions of the Covered Bonds set out in this Offering Circular. The following is a summary of certain of those provisions:

##### 1 Payments

No payment falling due after the Exchange Date will be made on any Global Covered Bond unless exchange for an interest in a permanent Global Covered Bond or for Definitive Covered Bonds is improperly withheld or refused. Payments on any temporary Global Covered Bond issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Covered Bonds represented by a Global Covered Bond (except with respect to a Global Covered Bond representing Covered Bonds held through the CMU) will be made, against presentation for endorsement and, if no further payment falls to be made in respect of the Covered Bonds, surrender of that Global Covered Bond to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Covered Bondholders for such purpose. A record of each payment so made will be endorsed on each Global Covered Bond, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Covered

Bonds. Conditions 6(g)(vii) and 8(e), will apply to Definitive Covered Bonds only. For the purpose of any payments made in respect of a permanent Global Covered Bond, the relevant place of presentation shall be disregarded in the definition of “business day” set out in Condition 6(j) (*Non-Business Days*).

All payments made in respect of Covered Bonds represented by a Global Certificate (other than a Global Certificate representing Covered Bonds held through the CMU) will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, a record date, where “Clearing System Business Day” means Monday to Friday inclusive except 25 December and 1 January.

In respect of a Global Covered Bond or a Global Certificate representing Covered Bonds held through the CMU, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Global Covered Bond or Global Certificate are credited (as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) at the close of business on the Clearing System Business Day immediately prior to the date for payment and, save in the case of final payment, no presentation of the relevant bearer Global Covered Bond or Global Certificate shall be required for such purpose.

## **2 Meetings**

The holder of a permanent Global Covered Bond or of the Covered Bonds represented by a Global Certificate shall (unless such permanent Global Covered Bond or Global Certificate represents only one Covered Bond) be treated as being two persons for the purposes of any quorum requirements of a meeting of Covered Bondholders and, at any such meeting, the holder of a permanent Global Covered Bond shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Covered Bonds. All holders of Registered Covered Bonds are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Covered Bonds comprising such Covered Bondholder’s holding, whether or not represented by a Global Certificate.

## **3 Cancellation**

Cancellation of any Covered Bond represented by a Global Covered Bond that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Global Covered Bond.

## **4 Purchase**

Covered Bonds represented by a permanent Global Covered Bond may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

## **5 Issuer’s Option**

Any option of the Issuer provided for in the Conditions of any Covered Bonds while such Covered Bonds are represented by a permanent Global Covered Bond shall be exercised by the Issuer giving notice to the Covered Bondholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Covered Bonds drawn in the case of a partial exercise of an option and accordingly no drawing of Covered Bonds shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Covered Bonds of any Series, the rights of accountholders with a clearing system in respect of the Covered Bonds will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg, the CMU, CDP or any Alternative Clearing System (as the case may be).

## 6 Covered Bondholders' Options

Any option of the Covered Bondholders provided for in the Conditions of any Covered Bonds while such Covered Bonds are represented by a permanent Global Covered Bond may be exercised by the holder of the permanent Global Covered Bond giving notice to the Issuing and Paying Agent (or, in the case of Covered Bonds lodged with the CMU, the CMU Lodging and Paying Agent and, in the case of Covered Bonds cleared through CDP, the CDP Paying Agent) within the time limits relating to the deposit of Covered Bonds with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Covered Bonds in respect of which the option has been exercised, and stating the nominal amount of Covered Bonds in respect of which the option is exercised and at the same time presenting the permanent Global Covered Bond to the Issuing and Paying Agent or, in the case of Covered Bonds lodged with the CMU, the CMU Lodging and Paying Agent or, in the case of Covered Bonds cleared through CDP, the CDP Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent or the CMU Lodging and Paying Agent or the CDP Paying Agent, as the case may be, for notation.

## 7 Direct Rights in respect of Covered Bonds cleared through CDP

If any Issuer Event of Default entitling the Bond Trustee to declare the Covered Bonds to be due and payable as provided in the Conditions has occurred and is continuing, the Bond Trustee may state in a notice given to the Issuing and Paying Agent and the Issuer (the “**Default Notice**”) the nominal amount of Covered Bonds (which may be less than the outstanding nominal amount of the Global Covered Bond or Global Certificate) which are being declared due and payable.

Following the giving of the Default Notice, the holder of the Covered Bonds represented by the Global Covered Bond or Global Certificate, as the case may be, cleared through CDP may (subject as provided below) elect that direct rights (“**Direct Rights**”) under the provisions of the deed of covenant executed as a deed by the Issuer on or about 23 November (the “**Deed of Covenant**”) shall come into effect in respect of a nominal amount of Covered Bonds up to the aggregate nominal amount in respect of which such Default Notice has been given. Such election shall be made by notice to the Issuing and Paying Agent and the Registrar in the case of the Global Certificate and presentation of the Global Covered Bond or Global Certificate, as the case may be, to or to the order of the Issuing and Paying Agent for reduction of the nominal amount of Covered Bonds represented by the Global Covered Bond or Global Certificate, as the case may be, by such amount as may be stated in such notice and by endorsement of the appropriate Schedule to the Global Covered Bond or Global Certificate of the nominal amount of Covered Bonds in respect of which Direct Rights have arisen under the Deed of Covenant. Upon each such notice being given, the Global Covered Bond or Global Certificate, as the case may be, shall become void to the extent of the nominal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Exchange Date or the date of transfer in respect of a Global Certificate unless the holder elects in such notice that the exchange for such Covered Bonds shall no longer take place.

## 8 Notices

So long as any Covered Bonds are represented by a Global Covered Bond or Global Certificate and such Global Covered Bond or Global Certificate is held on behalf of (i) a clearing system (other than the CMU), notices to the holders of Covered Bonds of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Covered Bond or Global Certificate or (ii) the CMU, notices to the holders of Covered Bonds of that Series may be given by delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the CMU on the second business day preceding the

date of despatch of such notice as holding interests in the relevant Global Covered Bond or Global Certificate, except that, in either case, if the Covered Bonds are listed on the SGX-ST, and the rules of the SGX-ST so require, notice will in any event be published in accordance with the Conditions.

## 9 Written Resolution and Electronic Consent

For so long as the Covered Bonds are in the form of a Global Covered Bond held on behalf of, or a Global Certificate registered in the name of any nominee for, one or more of Euroclear, Clearstream, Luxembourg or another clearing system (other than the CDP in respect of electronic consents only), then, in respect of any resolution proposed by the Issuer, the CBG or the Bond Trustee:

- (i) where the terms of the proposed resolution have been notified to the Covered Bondholders through the relevant clearing system(s), each of the Issuer, the CBG and the Bond Trustee shall be entitled to rely upon approval of such resolution proposed by the Issuer, the CBG or the Bond Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Covered Bonds outstanding (“**Electronic Consent**”). None of the Issuer, the CBG or the Bond Trustee shall be liable or responsible for such reliance; and
- (ii) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution has been validly passed, the Issuer, the CBG and the Bond Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer, the CBG and/or the Bond Trustee, as the case may be, by accountholders in the clearing system with entitlements to such Global Covered Bonds or Global Certificate or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Issuer, the CBG and the Bond Trustee have obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Covered Bondholders and Couponholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, “**commercially reasonable evidence**” includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Covered Bonds. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EUCLID or Clearstream, Luxembourg’s CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Covered Bonds is clearly identified together with the amount of such holding. The Issuer and/or the CBG shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

A Written Resolution and/or Electronic Consent shall take effect as an Extraordinary Resolution. A Written Resolution and/or Electronic Consent will be binding on all Covered Bondholders and holders of Coupons, Talons and Receipts, whether or not they participated in such Written Resolution and/or Electronic Consent.



## **USE OF PROCEEDS**

The net proceeds from the issue of each Tranche of Covered Bonds will be used by the Issuer for general corporate purposes.

## CLEARING AND SETTLEMENT

The following is a summary of the rules and procedures of Euroclear, Clearstream, Luxembourg, CDP and the CMU currently in effect, as they relate to clearing and settlement of transactions involving the Covered Bonds. The rules and procedures of these systems are subject to change at any time. The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.

### The Clearing Systems

#### 1 Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear and Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Distributions of amounts payable with respect to book-entry interests in the Covered Bonds held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or an Alternative Clearing System as the holder of a Covered Bond represented by a Global Covered Bond or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Covered Bond or the holder of the underlying Registered Covered Bonds, as the case may be, and in relation to all other rights arising under the Global Covered Bonds or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Covered Bonds for so long as the Covered Bonds are represented by such Global Covered Bond or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Covered Bond or the holder of the underlying Registered Covered Bonds, as the case may be, in respect of each amount so paid.

Beneficial ownership in Covered Bonds will be held through financial institutions as direct and indirect participants in Euroclear and Clearstream, Luxembourg.

The aggregate holdings of book-entry interests in the Covered Bonds in Euroclear and Clearstream, Luxembourg will be reflected in the book-entry accounts of each such institution. Euroclear and Clearstream, Luxembourg, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Covered Bonds, will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interest in the Covered Bonds. The Issuing and Paying Agent will be responsible for ensuring that payments received by it from the Issuer for holders of interests in the Covered Bonds holding through Euroclear and Clearstream, Luxembourg are credited to Euroclear or Clearstream, Luxembourg, as the case may be.

The Issuer will not impose any fees in respect of the Covered Bonds, however, holders of book entry interests in the Covered Bonds may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream, Luxembourg.

## 2 The CMU

The CMU is a central depository service provided by the Central Moneymarkets Unit of the Hong Kong Monetary Authority (the “**HKMA**”) for the safe custody and electronic trading between the members of this service (“**CMU Members**”) of capital markets instruments (“**CMU Instruments**”) which are specified in the CMU Service Reference Manual as capable of being held within the CMU.

The CMU is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU is open to all members of the Hong Kong Capital Markets Association and “authorised institutions” under the Banking Ordinance (Cap. 155) of Hong Kong.

Compared to clearing services provided by Euroclear and Clearstream, Luxembourg, the standard custody and clearing service provided by the CMU is limited. In particular (and unlike Euroclear and Clearstream, Luxembourg), the HKMA does not as part of this service provide any facilities for the dissemination to the relevant CMU Members of payments (of interest or principal) under, or notices pursuant to the notice provisions of, the CMU Instruments. Instead, the HKMA advises the lodging CMU Member (or a designated paying agent) of the identities of the CMU Members to whose accounts payments in respect of the relevant CMU Instruments are credited, whereupon the lodging CMU Member (or the designated paying agent) will make the necessary payments of interest or principal or send notices directly to the relevant CMU Members. Similarly, the HKMA will not obtain certificates of non-U.S. beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members. The CMU Lodging and Paying Agent will collect such certificates from the relevant CMU Members identified from an instrument position report obtained by request from the HKMA for this purpose.

An investor holding an interest through an account with either Euroclear or Clearstream, Luxembourg in any Covered Bonds held in the CMU will hold that interest through the respective accounts which Euroclear and Clearstream, Luxembourg each have with the CMU.

## 3 CDP

In respect of Covered Bonds which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (“**Depository System**”) maintained by CDP. Covered Bonds that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Covered Bonds which are accepted for clearance by CDP, the entire issue of the Covered Bonds is to be held by CDP in the form of a global covered bond for persons holding the Covered Bonds in securities accounts with CDP (“**Depositors**”). Delivery and transfer of Covered Bonds between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Covered Bonds through the Depository System may only be effected through certain corporate depositors (“**Depository Agents**”) approved by CDP under the Companies Act to maintain securities sub-accounts and to hold the Covered Bonds in such securities sub-accounts for themselves and their clients. Accordingly, Covered Bonds for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the Covered Bonds in direct securities accounts with CDP, and who wish to trade Covered Bonds through the Depository System, must transfer the Covered Bonds to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Covered Bonds in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the CDP Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

## **4 Book-Entry Ownership**

### **4.1 Bearer Covered Bonds**

The Issuer may make applications to Clearstream, Luxembourg and/or Euroclear for acceptance in their respective book-entry systems in respect of any Series of Bearer Covered Bonds. The Issuer may also apply to have Bearer Covered Bonds accepted for clearance through the CMU or CDP. In respect of Bearer Covered Bonds, a temporary Global Covered Bond and/or a permanent Global Covered Bond in bearer form without coupons will be deposited with a common depository for Clearstream, Luxembourg and Euroclear and/or a sub-custodian for the CMU or CDP. Transfers of interests in a temporary Global Covered Bond or a permanent Global Covered Bond will be made in accordance with the normal Euromarket debt securities operating procedures of Clearstream, Luxembourg and Euroclear or the CMU or CDP. Each Global Covered Bond will have an ISIN and a Common Code or, if lodged with a sub-custodian for the CMU, will have a CMU Instrument Number.

### **4.2 Registered Covered Bonds**

The Issuer may make applications to Clearstream, Luxembourg and/or Euroclear or the CMU or CDP for acceptance in their respective book-entry systems in respect of the Covered Bonds to be represented by each Global Certificate. Each Global Certificate will have an ISIN and a Common Code or, if lodged with a sub-custodian for the CMU, will have a CMU Instrument Number.

Investors in Covered Bonds of such Series may hold their interests in a Global Certificate only through Clearstream, Luxembourg or Euroclear or CDP.

All Registered Covered Bonds will initially be in the form of a Global Certificate. Individual Certificates will only be available in amounts specified in the applicable Pricing Supplement, in certain limited circumstances described below.

#### **4.3 Individual Certificates**

Registration of title to Registered Covered Bonds in a name other than a depository or its nominee for Clearstream, Luxembourg and/or Euroclear or a sub-custodian for the CMU or for CDP will not be permitted unless (i) if the Global Certificate is held on behalf of Clearstream, Luxembourg or Euroclear or a sub-custodian for the CMU or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does, in fact, do so or, if such Global Certificate is held on behalf of CDP, and (a) an Issuer Event of Default or a Default, enforcement or analogous event entitling an Accountholder or the Bond Trustee to declare the Covered Bonds to be due and payable as provided in the Conditions has occurred and is continuing, or (b) CDP is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise), or (c) CDP announces an intention permanently to cease business and no alternative clearing system is available or (d) CDP has notified the Issuer that it is unable or unwilling to act as depository for the Covered Bonds and to continue performing its duties under the Depository Agreement and no alternative clearing system is available or (ii) the Issuer provides its consent. In such circumstances, the Issuer will cause sufficient individual definitive Registered Covered Bonds to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Covered Bondholder(s). A person having an interest in a Global Certificate must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Registered Covered Bonds.

#### **4.4 Transfers of Registered Covered Bonds**

Transfers of interests in Global Certificates within Clearstream, Luxembourg, Euroclear, the CMU and CDP will be effected in accordance with the usual rules and operating procedures of the relevant clearing system.

## CAPITALISATION AND INDEBTEDNESS OF THE GROUP

The table below sets forth the Group's capitalisation, including subordinated debts issued and total equity, based on the unaudited consolidated financial statements of the Group as at 30 September 2015, and the audited consolidated financial statements of the Group as at 31 December 2014 and 2013.

The following table should be read in conjunction with the consolidated financial information included elsewhere in this Offering Circular:

	As at 30 September (unaudited)	As at 31 December (audited)	
	2015	2014	2013
<i>(in S\$ million)</i>			
<b>Liabilities</b>			
Customer deposits <sup>(1)</sup> . . . . .	244,630	233,750	214,548
Inter-bank liabilities <sup>(2)</sup> . . . . .	14,884	11,226	13,706
Bills and drafts payable . . . . .	563	951	1,035
Subordinated debts issued . . . . .	4,903	4,640	5,357
Other debts issued . . . . .	14,946	16,314	13,624
Other liabilities <sup>(3)</sup> . . . . .	13,069	10,084	9,382
<b>Total liabilities</b> . . . . .	<b>292,994</b>	<b>276,964</b>	<b>257,652</b>
<b>Equity</b>			
Ordinary share capital . . . . .	3,704	3,715	3,155
Subsidiary preference shares <sup>(4)</sup> . . . . .	832	832	832
Capital securities <sup>(5)</sup> . . . . .	1,346	1,346	1,346
Retained earnings <sup>(6)</sup> . . . . .	15,025	14,064	12,003
Other reserves <sup>(7)</sup> . . . . .	9,299	9,613	9,053
Shareholders' equity . . . . .	30,206	29,569	26,388
Non-controlling interests . . . . .	157	203	189
<b>Total equity</b> . . . . .	<b>30,363</b>	<b>29,772</b>	<b>26,577</b>
<b>Total capitalisation<sup>(8)</sup></b> . . . . .	<b>35,266</b>	<b>34,412</b>	<b>31,935</b>

**Notes:**

- (1) Current accounts, fixed deposits, savings accounts and other deposits of non-bank customers.
- (2) Deposits and balances of banks.
- (3) Derivative financial liabilities, tax payable, deferred tax liabilities and other liabilities.
- (4) Represents the non-cumulative non-convertible guaranteed SPV-A preference shares of U.S.\$0.01 each with liquidation preference of U.S.\$100,000 per share, issued by UOB Cayman I Limited, a wholly-owned subsidiary of UOB.
- (5) Represents the non-cumulative non-convertible perpetual capital securities issued by UOB.
- (6) The retained earnings are distributable reserves except for the Group's share of revenue reserves of associates and joint ventures which is distributable only upon realisation by way of dividend from or disposal of investment in the associates and joint ventures.
- (7) Represents mainly merger reserve comprising premium on shares issued in connection with the acquisition of Overseas Union Bank Limited, statutory reserve maintained in accordance with the provisions of applicable laws and regulations, fair value reserve on available-for-sale assets, foreign currency translation reserve and general reserve.
- (8) Subordinated debts issued plus total equity.

## CAPITAL ADEQUACY AND LEVERAGE RATIOS

Banks incorporated in Singapore are required to meet the capital adequacy requirements as set out in MAS Notice 637.

For further details on the capital adequacy requirements under MAS Notice 637, please see “Regulation and Supervision – The Regulatory Environment – Capital Adequacy Ratios”. The following table sets forth the details of capital resources and capital adequacy ratios of the Group as at the dates indicated:

	As at 30 September (unaudited)	As at 31 December (audited)	
	2015	2014	2013
<i>(in S\$ million, except for percentages)</i>			
Share capital . . . . .	3,704	3,715	3,155
Disclosed reserves/others . . . . .	24,207	23,590	20,981
Regulatory adjustments. . . . .	(2,657)	(2,408)	(2,348)
<b>Common Equity Tier 1 Capital (“CET1”) . . . . .</b>	<b>25,254</b>	<b>24,897</b>	<b>21,788</b>
Preference shares/others . . . . .	2,179	2,180	2,180
Regulatory adjustments-capped . . . . .	(2,179)	(2,180)	(2,180)
<b>Additional Tier 1 Capital . . . . .</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Tier 1 Capital . . . . .</b>	<b>25,254</b>	<b>24,897</b>	<b>21,788</b>
Subordinated notes . . . . .	4,541	4,405	4,692
Provisions/others. . . . .	942	918	867
Regulatory adjustments. . . . .	(298)	(12)	(37)
<b>Tier 2 Capital . . . . .</b>	<b>5,185</b>	<b>5,311</b>	<b>5,522</b>
<b>Eligible Total Capital . . . . .</b>	<b>30,439</b>	<b>30,208</b>	<b>27,310</b>
<b>Risk-Weighted Assets . . . . .</b>	<b>185,504</b>	<b>178,792</b>	<b>164,911</b>
<b>Capital Adequacy Ratios</b>			
CET1 . . . . .	13.6%	13.9%	13.2%
Tier 1 . . . . .	13.6%	13.9%	13.2%
Total. . . . .	16.4%	16.9%	16.6%
Proforma CET1. . . . .	12.2%	12.6%	NA
<b>Leverage Exposure. . . . .</b>	<b>349,217</b>	<b>NA</b>	<b>NA</b>
<b>Leverage Ratio . . . . .</b>	<b>7.2%</b>	<b>NA</b>	<b>NA</b>

## SELECTED FINANCIAL INFORMATION OF THE GROUP

Set out below is selected consolidated financial information for the Group as at and for each of the financial years ended 31 December 2014 and 31 December 2013, and the unaudited consolidated financial statements of the Group as at and for each of the nine months ended 30 September 2015 and 30 September 2014. The financial information is based on, and should be read in conjunction with, the Group's published consolidated financial statements and the related notes thereto. Such information is available on [www.uobgroup.com/investor/](http://www.uobgroup.com/investor/).

### Selected Income Statement Data

	Nine months ended 30 September (unaudited)		Years ended 31 December (audited)	
	2015	2014	2014	2013
<i>(in S\$ million, except for per share data)</i>				
Interest income . . . . .	5,792	5,316	7,189	6,508
Interest expense . . . . .	(2,143)	(1,927)	(2,632)	(2,388)
Net interest income . . . . .	3,649	3,389	4,558	4,120
Non-interest income <sup>(1)</sup> . . . . .	2,318	2,218	2,900	2,600
Total operating income . . . . .	5,967	5,607	7,457	6,720
Total operating expenses . . . . .	(2,633)	(2,341)	(3,146)	(2,898)
Operating profit before allowances . . . . .	3,334	3,266	4,311	3,822
Allowances for credit and other losses . . . . .	(481)	(469)	(635)	(429)
Operating profit after allowances . . . . .	2,853	2,797	3,676	3,393
Share of profit of associates and joint ventures . . . . .	72	106	149	191
Profit before tax . . . . .	2,925	2,903	3,825	3,584
Tax . . . . .	(495)	(427)	(561)	(559)
Profit after tax . . . . .	2,430	2,476	3,264	3,025
Non-controlling interests . . . . .	(9)	(13)	(15)	(17)
<b>Net profit attributable to equity holders of UOB . . . . .</b>	<b>2,421</b>	<b>2,463</b>	<b>3,249</b>	<b>3,008</b>
Earnings per ordinary share <sup>(2)</sup>				
Basic . . . . .	S\$ 1.95	S\$ 2.00	S\$ 1.98	S\$ 1.84
Diluted . . . . .	S\$ 1.94	S\$ 2.00	S\$ 1.97	S\$ 1.84
Dividend per ordinary share . . . . .	S\$ 0.55	S\$ 0.20	S\$ 0.75	S\$ 0.75



## Selected Balance Sheet Data

	Period ended 30 September (unaudited)	Years ended 31 December (audited)	
	2015	2014	2013
<i>(in S\$ million, except for per share data)</i>			
<b>Assets</b>			
Total assets . . . . .	323,357	306,736	284,229
Total loans <sup>(3)</sup> . . . . .	227,188	224,595	210,269
Customer loans <sup>(4)</sup> . . . . .	199,587	195,903	178,857
Inter-bank assets <sup>(5)</sup> . . . . .	27,600	28,692	31,412
Securities <sup>(6)</sup> . . . . .	29,730	30,075	30,366
<b>Liabilities</b>			
Total liabilities . . . . .	292,994	276,964	257,652
Total deposits <sup>(7)</sup> . . . . .	259,514	244,976	228,254
Customer deposits <sup>(8)</sup> . . . . .	244,630	233,750	214,548
Inter-bank liabilities <sup>(9)</sup> . . . . .	14,884	11,226	13,706
Debts issued. . . . .	19,849	20,953	18,981
<b>Capital and Reserves</b>			
Shareholders' equity . . . . .	30,206	29,569	26,388
<b>Financial Ratios</b>			
Return on average total assets <sup>(10)</sup> . . . . .	1.04%	1.10%	1.12%
Return on average ordinary shareholders' equity <sup>(2)</sup> . . . . .	11.1%	12.3%	12.3%
Loan/Deposit ratio <sup>(11)</sup> . . . . .	81.6%	83.8%	83.4%
Dividend payout ratio <sup>(12)</sup> . . . . .	36%	37%	39%
NPL ratio <sup>(13)</sup> . . . . .	1.3%	1.2%	1.1%
Total allowances as a % of non-performing assets <sup>(14)</sup> . . . . .	142.6%	144.1%	147.3%
Net interest margin <sup>(15)</sup> . . . . .	1.77%	1.71%	1.72%

### Notes:

- (1) Fee and commission income, trading and investment income, dividend income, rental income and other income.
- (2) Calculated based on annualised net profit attributable to equity holders of UOB net of preference share dividends and capital securities distributions.
- (3) Customer loans plus inter-bank assets, net of total allowances.
- (4) Loans to non-bank customers, net of total allowances.
- (5) Placements and balances with banks.
- (6) Singapore and other government treasury bills and securities, and trading and investment securities (excluding investments in associates and joint ventures) net of total allowances.
- (7) Customer deposits plus inter-bank liabilities.
- (8) Current accounts, fixed deposits, savings accounts and other deposits of non-bank customers.
- (9) Deposits and balances of banks.
- (10) Calculated based on annualised profit for the financial year or period.
- (11) Refer to net customer loans and customer deposits.
- (12) Dividends for the financial year/period divided by net profit attributable to equity holders of UOB.
- (13) Refer to non-performing loans as a percentage of gross customer loans.
- (14) Non-performing assets include classified loans, debt securities and contingent assets.
- (15) Represents annualised net interest income as a percentage of total interest bearing assets.

## DESCRIPTION OF THE BUSINESSES OF THE GROUP

### Overview

UOB was incorporated as a limited liability company (registration number 193500026Z) in the Republic of Singapore on 6 August 1935 as United Chinese Bank. It was renamed the United Overseas Bank in 1965. UOB has been listed on the SGX-ST since 1970 and had a market capitalisation of S\$30 billion as at 30 September 2015. As of the date of this Offering Circular, the Group derives most of its income from its Singapore operations. The registered office of UOB is 80 Raffles Place, UOB Plaza, Singapore 048624.

In Singapore, UOB provides its customers with a wide range of financial products and services through its extensive network of more than 500 branches and offices in 19 countries and territories worldwide. The main business functions of UOB include Personal Financial Services, Private Banking, Privilege Banking, Wealth Banking, Business Banking, Commercial Banking, Corporate Banking, Multinational Corporates, Financial Institutions, Transaction Banking, Structured Trade and Commodity Finance, Ship Finance, Investment Banking, and Global Markets and Investment Management.

For the nine months ended 30 September 2015, the Group derived 58 per cent. of its operating income from its Singapore operations. As at 30 September 2015, the Group had S\$323 billion in total assets, consisting primarily of S\$200 billion in net customer loans, S\$28 billion in placements and balances with banks, S\$30 billion in investment, government and trading securities and S\$45 billion in cash, balances and placements with central banks. As at 30 September 2015, the Group had S\$245 billion in non-bank customer deposits and balances, S\$15 billion in deposits and balances of banks and S\$30 billion in shareholders' equity.

The major subsidiaries of the Group as at 30 September 2015 were as follows:

Name of subsidiary	Country of incorporation	Effective equity interest of the Group as at 30 September 2015 (%)
<b>Commercial Banking</b>		
Far Eastern Bank Limited . . . . .	Singapore	100
United Overseas Bank (Malaysia) Bhd (“UOB Malaysia”) . . . . .	Malaysia	100
United Overseas Bank (Thai) Public Company Limited (“UOB Thailand”) . . . . .	Thailand	99.7
PT Bank UOB Indonesia (“UOB Indonesia”) . . . . .	Indonesia	99
United Overseas Bank (China) Limited (“UOB China”) . . . . .	China	100
United Overseas Bank Philippines (“UOB Philippines”) . . . . .	Philippines	100
<b>Money Market</b>		
UOB Australia Limited (“UOBA”) . . . . .	Australia	100
<b>Insurance</b>		
United Overseas Insurance Limited . . . . .	Singapore	58
<b>Investment</b>		
UOB Capital Investments Pte Ltd . . . . .	Singapore	100
UOB Capital Management Pte Ltd . . . . .	Singapore	100
UOB International Investment Private Limited . . . . .	Singapore	100

Name of subsidiary	Country of incorporation	Effective equity interest of the Group as at 30 September 2015  (%)
UOB Property Investments Pte. Ltd . . . . .	Singapore	100
UOB Venture Management (Shanghai) Co., Ltd. . . . .	China	100
UOB Holdings (USA) Inc. . . . .	United States	100
UOB Property Investments China Pte. Ltd . . . . .	Singapore	100
<b>Investment Management</b>		
UOB Asset Management Ltd (“UOBAM”) . . . . .	Singapore	100
UOB Venture Management Private Limited (“UOBVM”) . . . . .	Singapore	100
UOB Asset Management (Malaysia) Berhad . . . . .	Malaysia	70
UOB Asset Management (Thailand) Co., Ltd . . . . .	Thailand	100
UOB Investment Advisor (Taiwan) Ltd . . . . .	Taiwan	100
UOB Global Capital LLC (“UOBGC”) . . . . .	United States	70
UOB Asia Investment Partners Pte Ltd . . . . .	Singapore	100
<b>Bullion, Brokerage and Clearing</b>		
UOB Bullion and Futures Limited . . . . .	Singapore	100
<b>Property</b>		
Industrial & Commercial Property (S) Pte Ltd. . . . .	Singapore	100
PT UOB Property . . . . .	Indonesia	100
UOB Realty (USA) Ltd Partnership . . . . .	United States	100
<b>Travel</b>		
UOB Travel Planners Pte Ltd . . . . .	Singapore	100

## Mission and Strategies

UOB’s mission is to be a premier bank in the Asia-Pacific region, committed to providing quality products and excellent customer service. To achieve this goal, the Group aims to be recognised as a leader in consumer and commercial banking services in the region, supported by a comprehensive range of treasury and investment banking products to provide total solutions to the Group’s customers. To create shareholder value, the Group focuses on leveraging our strong capital base and prudent financial management to pursue stable and sustainable growth.

In line with its mission to be a premier regional bank, UOB has been expanding its footprint. The Group has a network of more than 500 branches and offices in 19 countries and territories throughout Asia Pacific, Western Europe and North America, including banking subsidiaries in Singapore, Malaysia, Indonesia, Thailand and Greater China.

For the nine months ended 30 September 2015, the Group’s Singapore operations accounted for 60 per cent. of the Group’s pre-tax profits before amortisation of intangible assets, while the contributions from the operations in Malaysia, Thailand, Indonesia and Greater China were 14 per cent., 5 per cent., 2 per cent. and 10 per cent., respectively.

The Group's business strategies are to:

### **Strengthen its market position in Singapore**

UOB is one of the main players in Singapore's banking industry, and continues to strengthen its market position, especially in the consumer and the small and medium enterprise ("SME") segments. With a customer-centric business philosophy, the Group aims to deepen relationships with customers and provide value-added services and innovative products across its regional platform.

### **Expand its wealth management capabilities and network**

As wealth creation in the Asia Pacific region continues to grow, the Group continues to expand its wealth management capabilities and network to grow along with its customers. With focused customer segmentation across Wealth Banking, Privilege Banking Reserve and Private Banking, UOB provides its customers with a full range of financial products and services as well as product specialists and dedicated relationship managers to manage their wealth and lifestyle. Through dedicated wealth management centres, including Wealth Banking Branches, Privilege Banking Centres and Privilege Reserve Suites, UOB aims to provide its customers with dedicated services, banking convenience and lifestyle benefits.

### **Continue to build its SME business**

The Group is strongly entrenched in the SME market and remains committed to its SME customers. With a long history of association with the business community, the Group has a comprehensive understanding of SMEs and is able to provide innovative products and quality services to meet their financing needs in and outside Singapore. The long-standing relationships with customers and understanding of their needs give the Group a competitive advantage.

### **Serve the expanding regional needs of customers**

With increasing cross border flows, the Group aims to leverage its strong regional franchise and intimate customer relationships to offer comprehensive cross-border solutions. The Group's common operating platform offers customers a seamless intra-regional banking experience and access to a wide range of products and services. The Group also consistently builds on its extensive network to provide customers with convenient access to services, enhanced functionalities and an overall high quality level of service.

### **Reinforce its non-interest income**

The Group continues to increase its activities in wealth management, credit card, cash management, treasury, investment and trade related areas for additional fee-based and other non-interest income. For the nine months ended 30 September 2015, fee and commission income contributed 24 per cent. and income from other sources contributed 15 per cent. to the Group's total income.

### **Leverage leading-edge technology and expand regional processing capabilities**

The Group has completed the standardisation and centralisation of the core banking systems across its regional subsidiaries. This lays the foundation for a scalable and sustainable platform across markets. The Group continues to streamline internal processes for greater efficiencies to position the Group for the next stage of regional business growth and focus on enhancing its corporate governance and risk management.

## **Focus on enhancing its corporate governance and risk management**

The Group is committed to maintaining high standards of corporate governance and sound risk management practices. With globalisation and the rapid advancement of technology, financial institutions face an ever-changing environment. The Group's risk management framework and discipline ensures its continued financial soundness and the safeguarding of stakeholders' interest, while remaining nimble to seize growth opportunities.

## **Develop its human resources to meet strategic objectives**

The Group pays special attention to developing human capital to meet the evolving needs of a diverse customer base. The Group is building a strong talent pool, a team which is capable of developing business both locally and regionally. Through proactive human resource management and policies, the Group seeks to continuously attract, motivate, grow and retain talent.

## **Key Business Segments**

The Group's businesses are organised into segments that are based on the types of products and services: "Group Retail", "Group Wholesale Banking" and "Global Markets and Investment Management".

### ***Group Retail***

Group Retail comprises Personal Financial Services and Business Banking. Personal Financial Services serves the mass market, high net worth and mass affluent segments, while Business Banking serves small enterprises.

### ***Personal Financial Services***

Personal Financial Services offers a wide range of personal financial products and services such as home loans, credit/debit cards, vehicle loans, overdraft facilities, deposit accounts, and investment, insurance and treasury products. The product range includes proprietary and third-party products.

An extensive distribution network and a large retail customer base lend strong support to its deposit-taking activities which provide a stable source of funding for the Group. In Singapore, UOB is a strong player in the home loan and credit card markets. The Group has a regional bancassurance alliance with the Prudential Group, which covers Singapore, Malaysia, Thailand and Indonesia. The alliance has since branched out beyond retail products and extended into the commercial and business banking areas.

### ***Private Banking***

Private Banking caters to high net worth individuals and accredited investors, offering financial and portfolio planning which includes investment management, asset management and estate planning. Private Banking adopts a coordinated approach where it works closely with other business units such as Commercial Banking, Corporate Banking and Investment Banking to offer integrated solutions to meet clients' private and business wealth requirements. Private Banking provides an open architecture platform where in-house product solutions are supplemented by offerings from third parties and global financial providers.

### ***Privilege Banking***

Privilege Banking offers a comprehensive range of wealth management solutions, financial advisory services as well as privileges to meet the needs of the mass affluent segment. As seamless and quality service is key to serving this segment, in recent years the Group has invested heavily in developing the Privilege Banking platform by upgrading infrastructure, introducing specialist platforms, improving product offering and training relationship managers.

### ***Wealth Banking***

Wealth Banking services a growing segment of people who are potential high net worth individuals, known as the “rising rich”. These individuals are aged between 30 and 55, have investable assets of at least S\$100,000 and represent an under-served but sizeable and growing segment of banking customers in Singapore.

UOB’s Wealth Banking service provides its customers with a suite of financial services and dedicated relationship managers to help them manage their finances and investments more effectively. The service focuses on providing customers with a greater understanding of market conditions, the different financial products specific to their needs and help them seize opportunities based on market trends.

### ***Business Banking***

The SME segment is one of the Group’s traditional strongholds. Business Banking serves small enterprises through a wide range of products and services, and supports them through active participation in various local government-initiated loan assistance schemes. The Group will leverage its extensive regional footprint to tap the huge base of small enterprises which support large or multinational corporations across Southeast Asia.

### ***Group Wholesale Banking***

Group Wholesale Banking provides a comprehensive portfolio of commercial, corporate and investment banking financial solutions to the Group’s Asia based clients operating throughout our franchise, as well as to US and European companies with operations in Asia. Group Wholesale Banking is structured along eight primary business units: Commercial Banking, Corporate Banking, Multinational Corporates, Financial Institutions, Transaction Banking, Structured Trade and Commodity Finance, Specialized Asset Finance and Investment Banking.

Group Wholesale Banking leverages UOB’s Singapore base and strong franchise throughout ASEAN and Greater China to offer integrated domestic and regional solutions to our clients. The Group provides a wide range of financial products including credit and financing solutions, cash management and liquidity solutions, trade finance and supply chain management, as well as global markets solutions in fixed income, currencies and commodities. In addition, the Group provides investment banking products such as debt and equity underwriting and distribution, merger related and other advisory services.

### ***Commercial Banking***

Commercial Banking offers medium sized enterprises a variety of instruments to meet their financing requirements. Commercial Banking customers are diversified across industries, including manufacturing, wholesale, retail, general commerce, distribution, import and export trade, business and professional services, building, construction and infrastructure development, transport, storage, communications, and investment and holding companies.

Although it faces strong competition from other banks, UOB remains a key player in the Singapore SME market due to its long-standing relationships with customers in the business community. The Group seeks to enhance its SME market position by continuing to develop relevant products and services,

deepening its relationships with existing customers and attracting new customers. UOB is currently one of the leading financial institutions offering government assistance schemes (such as the Local Enterprise Finance Scheme, Loan Insurance Scheme and Internationalisation Finance Scheme in Singapore) to meet the upgrading and expansion needs of SME customers. An increasing portion of the SME business portfolio has moved from country centric operations in Singapore, Malaysia, Thailand, Indonesia and Greater China to develop regional business capabilities. As SME clients expand their operations beyond their home country throughout ASEAN and Greater China, the UOB franchise network is a competitive advantage that has positioned UOB to accelerate growth with the Group's clients.

### ***Corporate Banking***

Corporate Banking serves publicly-listed companies, large private companies, government-linked companies, statutory boards and other government agencies. Working closely with the various product specialists within the Group such as Investment Banking, Global Markets and Transaction Banking, Corporate Banking continues to develop the platform to deliver comprehensive and customised financial solutions to the Group's corporate clients across its regional footprint. Corporate Banking has a strategic integrated client coverage model by industry specialisation to provide services to key corporate groups across geographies and products. UOB Group's regional subsidiaries and overseas branches offer a market leading integrated platform to service the Group's clients seamlessly across geographies.

### ***Multinational Corporates***

The Multinational Corporates ("MNC") team serves multinational companies headquartered outside of Asia, primarily in the US and Europe. Clients are primarily comprised of Fortune 1,000 companies with business operations across multiple countries and regional offices in Asia. The MNC coverage team works closely with product specialists in Transaction Banking and Global Markets, as well as with coverage teams in the US and Europe, to deliver seamless and global support to clients across the Group's franchise.

### ***Financial Institutions***

The Financial Institutions Group provides financial solutions and transaction capabilities for Banks and Non-Bank Financial Institutions ("NBFI") which includes Insurance Companies, Fund Managers, Public Sector (including Sovereign Funds) and Diversified Financials. The Financial Institutions Group has developed clear sector specialisations across Banks and Non-Bank FI's to strengthen client relationships through customised solutions. In line with the UOB coverage model, FIG works closely with product specialists such as Investment Banking, Global Markets and Transaction Banking, to deliver comprehensive and sophisticated financial solutions to clients operating across the region.

### ***Transaction Banking***

Transaction Banking offers a comprehensive range of operating product solutions including Cash Management and Liquidity, Trade Finance and E2E Financial Supply Chain Management solutions across the Group's network of corporate customers and financial institutions. Transaction Banking provides customers with solution orientated support through access to dedicated and experienced product specialists and advisors to help them manage risk exposures inherent in international trade deals, to maximise efficiencies and returns through the Group's regional presence for to cross-border cash management and liquidity solutions, and to improve efficiencies through comprehensive supply chain management.

### ***Structured Trade and Commodity Finance***

Structured Trade and Commodity Finance teams in Singapore, Hong Kong and Shanghai provide commodity finance expertise on financing for energy, metals and agricultural commodities involving shipment sales financing, stock and receivables financing, structured trade for pre-shipment and prepayment financing, as well as tolling arrangement financing.

### ***Specialized Asset Finance***

Specialized Asset Finance leverages on the Group's strong regional franchise to engage in shipyard and vessel financing, notably in the oil and gas sector.

### ***Investment Banking***

Investment Banking comprises Corporate Finance and Debt Capital Markets.

Corporate Finance manages and underwrites initial public offerings, secondary equity placements, rights issues and equity-linked issues and also provides corporate advisory services in mergers and acquisitions, corporate restructurings and other corporate actions. Debt Capital Markets arranges and/or underwrites financing for clients, including acquisition financing, leveraged buy-out financing and general corporate financing. It also lead manages bonds and other debt securities issues.

The Corporate Finance and Debt Capital Markets functions work closely with other business units to provide integrated financial solutions for clients on matters such as those relating to privatisation transactions.

### **Global Markets and Investment Management**

Global Markets and Investment Management provides a comprehensive range of global market products and services, including foreign exchange, money market, fixed income, derivatives, margin trading, futures broking, precious metals products, as well as an array of structured products. It is a dominant player in Singapore dollar instruments as well as a provider of banknote services in the region. It also engages in asset management, proprietary investment activities and management of excess liquidity and capital funds.

#### ***Global Markets***

The Global Markets business is well-established in the Singapore market and primarily serves the treasury needs of individual customers, corporates, SMEs and financial institutions in Singapore and the regional markets. Global Markets offer a range of structured products linked to foreign exchange, interest rates, credit, equity and commodity instruments.

#### ***Investment Management***

Investment Management comprises proprietary investment and third-party asset management, private equity and venture capital. Global investment management services are provided through subsidiaries in Singapore, Malaysia, Thailand, Taiwan, the United States, Greater China, France, Brunei and Japan.

#### ***UOB Asset Management ("UOBAM")***

As at 30 September 2015, UOBAM had S\$160.9 billion in clients' assets under management, of which S\$27.1 billion was managed by UOBAM and its subsidiaries, while S\$133.8 billion was managed by its associate company, Ping An UOB Fund Management Company Limited. The Group offers global investment management expertise through customised portfolio management services and unit trusts. In Singapore, UOBAM manages 57 unit trusts with total assets under management of S\$3.6 billion as at 30 September 2015. UOBAM manages equity investments in the Asian, Australian, European and United States markets and covers the bond markets in the emerging markets and OECD countries.



### ***UOB Venture Management (“UOBVM”)***

A wholly-owned subsidiary of UOB, UOBVM specialises in venture capital and private equity investments in Southeast Asia and Greater China. As at 30 September 2015, it managed and advised six funds totalling S\$893 million in committed capital.

### ***UOB Global Capital (“UOBGC”)***

UOBGC is an asset management subsidiary of the Group with offices in New York, Paris and Singapore. UOBGC offers a range of asset management and product expertise through the origination and distribution of asset management products in all asset classes. These products are operated through strategic alliances, partnerships and affiliate companies.

## **International Operations**

The Group’s regional network spans across territories in Asia Pacific, North America and Western Europe. Outside Singapore, UOB has five regional banking subsidiaries with over 400 branches (UOB Malaysia, UOB Thailand, UOB Indonesia, UOB China and UOB Philippines) and over 20 overseas UOB branches, agencies, marketing offices and representative offices. The Group’s network outside Singapore offers a wide range of products including credit cards, project financing, commodity and trade financing as well as capital and debt market activities. This is in addition to offering banking services such as deposit-taking, remittance and trade-related financing services.

Malaysia is the Group’s second most profitable market after Singapore. Through 45 branches in the country, UOB Malaysia offers an extensive range of commercial and personal financial services, including commercial loans, investment banking, treasury services, trade services, cash management, home loans, credit cards, wealth management and insurance products.

UOB Thailand has 156 branches, and is focused on consumer financial services, SME financing, and project financing for both the public and private sectors.

In Indonesia, UOB has rationalised its operations by merging PT Bank UOB Indonesia and PT Bank UOB Buana in 2010 to form the current PT Bank UOB Indonesia. This merger is to comply with Bank Indonesia’s “The Single Presence Policy in Indonesian Banks”. UOB Indonesia has 199 branches and sub-branches in Indonesia focusing on the SME and corporate banking business.

The Group has a presence in the Philippines through UOB Philippines, a thrift bank that focuses on wholesale banking and fee-based income.

Since the incorporation of UOB China in 2007, UOB has been taking a focused approach in establishing itself in key coastal and inland cities. UOB China has 17 branches and sub-branches in key Chinese cities to serve the needs of the domestic and intra-regional customers in Asia by leveraging on UOB’s extensive regional network. UOB also has a stake in Evergrowing Bank Co Ltd, China, affording the Group an opportunity to participate actively in the growth of the Chinese market. Complemented by its branch presence in Hong Kong and Taiwan, UOB is well able to serve the Greater China market.

In Vietnam, UOB has a branch in Ho Chi Minh City and a stake in Sai Gon Thuong Tin Commercial Joint Stock Bank (Sacombank). UOB has extended its footprint to India, when it opened its maiden branch in Mumbai in December 2009. The Group also maintains focused operations in North America, Western Europe and elsewhere in the Asia-Pacific region, including Australia, Brunei, Japan and South Korea. The Group’s presence in Australia consists of a branch in Sydney, a marketing office each in Melbourne and Brisbane and a local subsidiary, UOB Australia. The core business of the Australian operations is loan syndications, direct loans to selected corporates, project financing and treasury activities.

UOB was one of the nine foreign banks awarded a foreign bank licence in Myanmar. UOB Yangon commenced operations in May 2015.

## **Technology and Operations**

Group Technology and Operations (“**Group T&O**”) is committed to providing robust IT systems and operations support for businesses and customers across key markets in which the Group operates.

To support the Group’s regional and growth aspirations, Group T&O has adopted the strategy of building a common operation platform that is scalable across the region. The common operation platform creates operational and cost efficiency for the Group, provides consistent products and service while at the same time strengthening risk controls. Group T&O continues to leverage its information technology infrastructure and capability to better serve customers. This includes re-engineering back-office processes for greater efficiency and offshoring of certain back-office operations. With completion of the common operation platform, the next stage for the Group’s IT roadmap is to enhance digitalisation and mobility, regional connectivity and big data analytics.

## **Human Resources**

The Group has approximately 25,000 employees and takes a long-term view to developing its people, just as it does with its business. The Group is committed to nurture its employees through continuous training and job exposure and to prepare its employees to meet the changing needs of its customers. The Group’s human resource strategies and policies aim to attract, retain and develop talent from within the Group. The Group’s performance management framework takes into consideration both financial and non-financial performance, with compliance and risk management as key performance dimensions for all businesses. The framework reinforces the Group’s culture of linking rewards to the achievement of goals, but with due regard to the Financial Stability Board’s principles on compensation to guard against rewarding short-term performance that potentially poses long-term risks to the Group. The Group’s performance-based remuneration framework focuses on long-term value creation for the Group and its shareholders as well as aligning an individual’s compensation with prudent risk-taking.

## **Risk Management**

UOB’s risk management framework is an integral part of its business strategy. Under the framework, risk appetites are set and risks are identified, monitored and managed in all areas of its business. The Board of Directors (the “**Board**”) is responsible for reviewing and approving the overall risk management strategy, including determining its risk appetite, and is assisted by the Board Risk Management Committee in this regard. The Chief Executive Officer (“**CEO**”) and the Risk Management team are responsible for implementing the risk management strategy and developing the risk policies, controls, processes and procedures. The Risk Management function is independent of the business functions that it monitors.

## **Credit and Country Risk Management**

Credit risk is inherent in the Group’s business. Such risks arise from lending, trading and investment activities undertaken by the Group.

The Group has put in place a risk-sensitive process to regularly review, manage and report credit concentrations and portfolio quality. This includes establishing concentration limits by obligors, portfolios, borrowers, industries and countries. Limits are generally set as a percentage of the Group’s eligible capital base.

Country risk is managed within an established framework that includes setting the country limits for each country based on its risk rating, economic potential measured by its gross domestic product, as well as the Group’s business strategy.

## **Interest Rate Risk Management**

The Group has set policies, strategies and limits for the management of interest rate risk in the banking book which could impact the earnings and economic value of the Group. The main objective is to manage interest rate risk to achieve stable and sustainable net interest income over the long term. Interest rate exposure arises from differences in the repricing dates of assets, liabilities and off-balance sheet items, and these mismatches are monitored and managed actively.

## **Liquidity Risk Management**

The Group manages liquidity risk according to a framework of liquidity policies, controls and limits designed to ensure that sufficient sources of funds are available to the Group over a range of market conditions. The policies and controls include the setting of cashflow mismatch limits and liquidity ratio, monitoring of liquidity early warning indicators, stress test analysis of cashflows in liquidity crisis scenarios and establishment of a contingency funding plan. From 1 January 2015, the Group has to comply with the regulatory requirements on the LCR. The Group is also required by the respective local regulators to comply with reserves requirements in the form of cash and other liquid assets as a buffer against unforeseen liquidity requirements.

## **Market Risk Management**

The Group's market risk framework comprises market risk policies and practices, the validation of valuation and risk models, controls with appropriate delegation of authority and market risk limits. The framework manages and controls market risks arising from foreign exchange, equities, commodities and trading interest rates exposures. Overall market risk appetite is balanced at the Group, UOB and business unit levels with the targeted income, and takes into account the capital position of the Group and UOB to ensure that it remains well-capitalised under stress circumstances. The appetite is translated into risk limits that are delegated to business units.

The monitoring of market risk trading limits and the escalation process are carried out independently by a middle office, function, Market Risk Control.

## **Foreign Exchange Risk Management**

The Group's foreign exchange exposures that are taken by the foreign exchange trading desk are monitored through risk limits and policies.

Other foreign exchange exposures of the Group are primarily structural foreign currency translation exposures arising from its investment in overseas operations and from foreign currency denominated profits during the course of each year. While the Group's general policy is to fund these foreign currency exposures in corresponding foreign currencies, the exposures may also be hedged with off-balance sheet instruments, such as foreign exchange forwards and options.

## **Operational Risk Management**

Operational risk is managed through a framework of policies, techniques and procedures by which business and support units identify, assess, monitor and control/mitigate their operational risks. A database of operational risk events and losses has been established to facilitate the analysis of loss trends and root causes. In addition, operational risk self-assessments and key risk indicator programmes are in place to strengthen the Group's internal control environment. Business continuity and crisis management strategies and plans have been developed and tested to ensure prompt recovery of critical business functions in the event of major business and/or system disruptions. Risks associated with the launch of new products or services and the outsourcing of the Group's services or activities are identified, monitored and managed in accordance with the Group's policies and procedures. Frameworks have also been established to manage

fraud risk, bribery risk as well as reputation risk. These frameworks include the establishment of policies, a whistle-blowing programme, a material risk notification protocol, training programmes and the Group's Code of Conduct.

### **Group Compliance**

Group Compliance is an independent function which establishes a regulatory compliance risk management framework to identify, assess, mitigate, monitor and manage regulatory compliance risks. Policies and procedures are put in place to help the Group's business and support units comply with applicable laws and regulations, adopt industry best practices as well as high ethical standards in the conduct of their businesses.

Group Compliance also oversees compliance teams in countries where UOB has a presence.

### **Group Audit**

The primary role of Group Audit is to provide an independent assessment of the adequacy and effectiveness of the Group's system of risk management, control and governance processes. Guided by the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors, Group Audit reviews and audits the Group's businesses and operations in Singapore and overseas. It also oversees the internal audit functions of the Group's overseas banking subsidiaries.

Group Audit develops its strategic audit plan using a risk-based approach. Audit projects are prioritised and scoped according to Group Audit's assessment of risks and controls over the risk types. Group Audit reports significant issues to the Audit Committee through audit reports and during the Audit Committee's meetings.

### **Legal and Regulatory Matters**

UOB is not aware of any litigation or arbitration proceedings against the Group, including those pending or threatened, which may have a material adverse effect on its financial position. In addition to ordinary-course litigation, the Group is currently involved in the matters below.

#### **Wincorp Claims**

Several claims were brought against UOB Philippines by private complainants who had lent money to certain borrowers through the agency of Westmont Investment Corporation ("**Wincorp**"), a Philippine investment company alleged to be associated with the former management and owners of UOB Philippines. Some of the loans were allegedly made by the complainants through Wincorp using certain branches of UOB Philippines prior to UOB's acquisition of UOB Philippines. The complainants alleged fraud on the part of Wincorp, UOB Philippines and certain of their officers. A number of these cases had been settled by Wincorp and/or dismissed by the Philippine courts. As at 30 September 2015, the exposure from the remaining cases was approximately PHP45 million based on case pleadings.

#### **Indonesian Claims**

Two judgments were obtained against Overseas Union Bank ("**OUB**") in Indonesia in respect of a loan that OUB granted to an Indonesian company, secured by a charge over certain fixed deposits in Singapore which the guarantor of the loan granted in favour of OUB. One judgment was for an apology and damages and the other judgment was for the return of about U.S.\$12 million, being approximately half of the fixed deposits. Following the merger of OUB into UOB, UOB has assumed all the assets and liabilities of OUB effective as of 2 January 2002. UOB has received legal advice that the judgments obtained in Indonesia are unlikely to be enforceable or recognised in Singapore.

## Board of Directors

The Board currently comprises nine members and has five committees, namely, the Executive Committee, Nominating Committee, Remuneration Committee, Audit Committee and Board Risk Management Committee. These committees are delegated specific functions as set out in their respective terms of reference.

The following table sets forth the members of the Board:

<b>Name</b>	<b>Position</b>
Wee Cho Yaw	Chairman Emeritus and Adviser
Hsieh Fu Hua	Chairman
Wee Ee Cheong	Deputy Chairman and Chief Executive Officer
Wong Meng Meng	Director
Franklin Leo Lavin	Director
Willie Cheng Jue Hiang	Director
James Koh Cher Siang	Director
Ong Yew Huat	Director
Lim Hwee Hua	Director

## Senior Management

The following table sets forth the senior management of UOB:

<b>Name</b>	<b>Position</b>
Wee Ee Cheong	Deputy Chairman and Chief Executive Officer
Chan Kok Seong	Managing Director and Group Chief Risk Officer
Chin Voon Fat Frederick	Managing Director, Group Wholesale Banking
Hwee Wai Cheng Susan	Managing Director, Group Technology and Operations
Lee Chin Yong Francis	Managing Director, Group Retail
Lee Wai Fai	Managing Director and Group Chief Financial Officer
Ong Sea Eng Terence	Managing Director, Global Markets and Investment Management
Chew Mei Lee	Managing Director, Group Compliance
Wong Mei Leng Jenny	Managing Director, Group Human Resources
Wong Wah Yan Ian	Managing Director, Group Strategy and International Management
Young Yoke Mun Janet	Managing Director, Group Channels & Digitalisation
Armand B. Arief	President Director, PT Bank UOB Indonesia
Foo Moo Tan Peter	President & Chief Executive Officer, United Overseas Bank (Thai) Public Company Limited
Christine Ip	Managing Director & Chief Executive Officer, UOB Hong Kong Branch
Eric Lian Voon Fui	President & Chief Executive Officer, United Overseas Bank (China) Limited
Wong Kim Choong	Chief Executive Officer, United Overseas Bank (Malaysia) Bhd

## Senior Management Committees

Senior management committees assist the CEO in managing UOB. These include:

- The Asset and Liability Committee oversees the effectiveness of the Group's market and liquidity risk management, including the approval of policies, strategies and limits for the management of market, liquidity and interest rate risk exposures.
- Brand Implementation Committee oversees brand implementation plans and initiatives, ensuring alignment to business strategies. It operationalises, manages and tracks brand implementation plans, scope, schedules, milestones and budget.
- The Credit Committee oversees the Group's credit and country risk management, including the approval of credit risk framework, policies and credit risk concentration limits. The Credit Committee also approves credit applications within its credit discretionary limits delegated by the Executive Committee or the Board.
- The Human Resource Committee oversees the Group's human resource strategy in support of business objective and growth, including approving the framework of the Group's talent acquisition policies, talent development and management initiatives, compensation and benefits plans, employee engagement programmes and other key people decisions.
- The Investment Committee oversees the Group's investment activities. It approves investment mandates and strategies, reviews and manages performance of the Group's funds.
- The Management Executive Committee oversees the overall management of the Group, including the Group's strategic direction, business activities, as well as capital and resource allocation. It also reviews and approves Group-wide principles, frameworks and policies, and key performance indicators to encourage and reward right behaviour and values.
- The Management Committee oversees the overall performance of the Group, country and business segments, including reviewing and monitoring against set budget/targets and key performance indicators. It manages and tracks the implementation of key strategies and discusses significant changes to the performance management policies and framework.
- The Risk and Capital Committee oversees the overall risk profile and capital requirements of the Group, as well as the implementation of the Group's Internal Capital Adequacy Assessment Process ("ICAAP"). It reviews and endorses framework, policies, models and methodologies relating to ICAAP, capital and risks of the Group.
- The Information and Technology Committee oversees information technology ("IT"), data management and related infrastructure strategies, ensuring technology and data support the Group's strategic drive. It approves IT and data related projects and investments and monitors the progress of major IT and data-related initiatives of the Group.
- The Operational Risk Management Committee oversees the Group's operational risk management, including approval of policies, risk models and methodologies relating to operational, reputation and strategic risks. It also reviews the risk profiles of business/support units and ensures issues and exceptions are adequately managed.

## Principal Shareholders

As at 30 October 2015, the substantial shareholders interested directly or indirectly in 5.0 per cent. or more of the voting Shares of UOB, and the number of Shares held by them as recorded in the Register of Substantial Shareholders maintained by UOB pursuant to Section 88 of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”) were as follows:

	Shareholdings	Other	Total Interest	
	registered in the name of substantial shareholders	shareholdings in which substantial shareholders are deemed to have an interest	(No. of Shares)	(%)*
<b>Substantial Shareholder</b>				
Estate of Lien Ying Chow, deceased . . . . .	316,516	81,334,262 <sup>(1)</sup>	81,650,778	5.10
Lien Ying Chow Private Limited . . . . .	–	81,233,515 <sup>(1)</sup>	81,233,515	5.07
Wah Hin and Company Private Limited . . . . .	81,223,402	10,113 <sup>(2)</sup>	81,233,515	5.07
Sandstone Capital Pte Ltd. . . . .	10,113	81,223,402 <sup>(3)</sup>	81,233,515	5.07
Wee Cho Yaw . . . . .	19,821,917	267,332,518 <sup>(4)</sup>	287,154,435	17.92
Wee Ee Cheong . . . . .	3,125,918	161,426,620 <sup>(4)</sup>	164,552,538	10.27
Wee Ee Chao . . . . .	153,999	128,449,211 <sup>(4)</sup>	128,603,210	8.03
Wee Ee Lim . . . . .	1,760,658	161,356,642 <sup>(4)</sup>	163,117,300	10.18
Wee Investments Private Ltd. . . . .	124,093,113	186,570	124,279,683	7.76

### Covered Bonds:

\* Percentage is calculated based on the total number of issued shares, excluding treasury shares, of UOB.

- (1) Estate of Lien Ying Chow, deceased and Lien Ying Chow Private Limited are each deemed to have an interest in the 81,233,515 UOB shares in which Wah Hin and Company Private Limited has an interest.
- (2) Wah Hin and Company Private Limited is deemed to have an interest in the 10,113 UOB shares held by Sandstone Capital Pte Ltd.
- (3) Sandstone Capital Pte Ltd is deemed to have an interest in the 81,223,402 UOB shares held by Wah Hin and Company Private Limited.
- (4) Wee Cho Yaw, Wee Ee Cheong, Wee Ee Chao and Wee Ee Lim are each deemed to have an interest in Wee Investments Private Ltd’s total direct and deemed interests of 124,279,683 UOB shares.

# REGULATION AND SUPERVISION

## Regulation and Supervision in Singapore

### Introduction

Singapore banks come within the ambit of the Banking Act, Chapter 19 of Singapore (the “**Banking Act**”) and the MAS, as the administrator of the Banking Act, supervises and regulates the banks and their operations. In addition to provisions in the Banking Act and the subsidiary legislation issued thereunder, banks have to comply with notices, directives, circulars and guidelines issued by the MAS from time to time.

A bank’s operations may include the provision of capital markets services financial advisory services and trust services. A bank licensed under the Banking Act is exempt from holding a capital markets services licence under the SFA a financial adviser’s licence under the Financial Advisers Act, Chapter 110 of Singapore (the “**FAA**”) and a trust business licence under the Trust Companies Act, Chapter 336 of Singapore (the “**TCA**”) (in respect of certain categories of trust business). However, the bank may nonetheless have to comply with certain compliance requirements under the SFA, the FAA and the TCA and the subsidiary legislation issued thereunder, as well as notices, directives, circulars and guidelines issued by the MAS from time to time, in respect of these regulated activities.

### The Monetary Authority of Singapore

The MAS is banker and financial agent to the Singapore Government and performs the functions of a central bank. Following its merger with the Board of Commissioners of Currency on 1 October 2002, the MAS has also assumed the functions of currency issuance. The MAS’ functions are: (a) to act as the central bank of Singapore, including the conduct of monetary policy, the issuance of currency, the oversight of payment systems and serving as banker to and financial agent of the Singapore Government; (b) to conduct integrated supervision of financial services and financial stability surveillance; (c) to manage the official foreign reserves of Singapore; and (d) to develop Singapore as an international financial centre.

### The Regulatory Environment

#### *Capital Adequacy Ratios*

MAS Notice 637 sets out the current requirements relating to the minimum capital adequacy ratios for a SIB and the methodology a SIB shall use for calculating these ratios.

Pursuant to MAS Notice 637, the MAS has imposed CAR requirements on a SIB at two levels:

- (a) **Solo** level CAR requirement, which measures the capital adequacy of a SIB based on its standalone capital strength and risk profile; and
- (b) **Group** level CAR requirement, which measures the capital adequacy of a SIB based on its capital strength and risk profile after consolidating the assets and liabilities of its subsidiaries and any other entity which is treated as part of the bank’s group of entities according to Accounting Standards (as defined in Section 4(1) of the Companies Act) (collectively called “**banking group entities**”), taking into account any exclusions of certain banking group entities and adjustments required under MAS Notice 637.

Where a SIB issues covered bonds (as defined in MAS Notice 648 on “Issuance of Covered Bonds by Banks Incorporated in Singapore”), the SIB must continue to hold capital against its exposures in respect of the assets included in a cover pool (as defined in MAS Notice 648) in accordance with MAS Notice 637. In the case where the SIB uses a special purpose entity to issue covered bonds or where the



cover pool is held by a special purpose entity, the SIB is required to apply a “look through” approach for the purpose of computing its capital requirements under MAS Notice 637. Under the “look through” approach, the SIB and the special purpose entity will be treated as a single entity for the purposes of MAS Notice 637.

SIBs shall, at all times in the periods specified under MAS Notice 637, maintain at both the Solo and Group levels, the following minimum CAR requirements:

- (a) CET1 CAR of at least 4.5 per cent. from 1 January 2013 to 31 December 2013, 5.5 per cent. from 1 January 2014 to 31 December 2014 and 6.5 per cent. from 1 January 2015 onwards;
- (b) a Tier 1 CAR of at least 6.0 per cent. from 1 January 2013 to 31 December 2013, 7.0 per cent. from 1 January 2014 to 31 December 2014 and 8.0 per cent. from 1 January 2015 onwards; and
- (c) a total CAR of at least 10 per cent. from 1 January 2013 onwards.

In addition to complying with the minimum CAR requirements, SIBs shall, at all times in the periods specified under MAS Notice 637, maintain at both the Solo and Group levels, a capital conservation buffer above the minimum CAR requirements. The capital conservation buffer will be met with CET1 capital and begin at 0.625 per cent. from 1 January 2016, increasing by an additional 0.625 per cent. in each subsequent year, to reach 2.5 per cent. from 1 January 2019.

In addition to complying with the minimum CAR and the capital conservation buffer, SIBs shall, at all times in the periods specified under MAS Notice 637, maintain, at both the Solo and Group levels, a countercyclical buffer comprising CET1 capital ranging from zero per cent. up to 2.5 per cent. above the minimum CET1 CAR, minimum Tier 1 CAR and minimum total CAR. The actual magnitude of the countercyclical buffer to be applied shall be the weighted average of the country-specific countercyclical buffer requirements that are being applied by national authorities in jurisdictions to which SIBs have private sector credit exposures. For the purposes of calculation of the countercyclical buffer by the bank, the country-specific countercyclical buffer requirement in respect of a jurisdiction outside Singapore (a) shall not apply where it takes effect prior to 1 January 2016, and (b) shall be capped at 0.625 per cent. in 2016, 1.25 per cent. in 2017, 1.875 per cent. in 2018 and 2.5 per cent. from 2019 onwards, unless the MAS otherwise specifies.

The MAS may bring forward the effective dates for the application of the capital conservation buffer and the countercyclical buffer if it deems it necessary to do so based on the MAS’ assessment of the extent of excess credit growth and build-up of system-wide risk in Singapore.

In addition to the above requirements, SIBs shall consider as part of its ICAAP whether it has adequate capital at both the Solo and Group levels to cover its exposure to all risks, and the MAS may vary the capital adequacy ratios, capital conservation buffer or countercyclical buffer applicable to a SIB. The MAS may take into account, *inter alia*, any relevant risk factors, the ICAAP of the SIB and whether any of the capital adequacy ratios are commensurate with the overall risk profile of the SIB. SIBs are also required to comply with certain disclosure requirements in relation to, among other things, its capital adequacy.

On 30 April 2015, the MAS published its framework for identifying and supervising domestic systemically important banks (“D-SIBs”) in Singapore, and the inaugural list of D-SIBs. UOB has been designated as D-SIB. The framework for D-SIBs is set out in the monograph on the MAS’s Framework for Impact and Risk Assessment of Financial Institutions (revised in April 2015), which builds on the proposals set out in the MAS Consultation Paper on the Proposed Framework for Systemically Important Banks in Singapore dated 25 June 2014. The MAS has not published any further detailed requirements applicable to D-SIBs.

Broadly, D-SIBs will be subject to more intensive supervision by the MAS than banks which are not so designated, and in particular certain higher loss absorbancy (“**HLA**”) requirements and LCR requirements. However, designation as a D-SIB should not affect UOB’s HLA and LCR requirements. The proposed HLA and LCR requirements in respect of D-SIBs (which include the requirement to maintain minimum CET1 CAR requirements that are two percentage points higher than those already established by the Basel Committee) are already incorporated in existing capital and liquidity requirements applicable to SIBs under MAS Notice 637 and MAS Notice 649. Accordingly, UOB is already subject to these requirements.

### ***Leverage Ratio Disclosure***

In line with Basel Committee requirements, MAS Notice 637 further sets out the disclosure requirements relating to leverage ratio for a SIB from the date of publication of its first set of financial statements relating to a balance sheet on or after 1 January 2015. Under MAS Notice 637, a SIB is required to disclose in its published financial statements the information specified therein, or provide a URL in its published financial statements to such disclosure of information on its website or on publicly available regulatory reports. A SIB shall also make available (on its website, or through publicly available regulatory reports) an archive of a minimum of five years, of such information in the specified format relating to prior financial reporting periods.

A SIB is also required to disclose a reconciliation of its balance sheet assets in its published financial statements with the leverage ratio exposure measure and a breakdown of the main leverage ratio regulatory elements in the formats as set out in MAS Notice 637, using values at the end of the financial reporting period. A SIB is also required to disclose and explain the source(s) of material differences between its total balance sheet assets (net of on-balance sheet derivatives and securities and financing transaction assets) as reported in its published financial statements and its on-balance sheet exposures.

SIBs are also required to explain the key drivers of material changes in its leverage ratio observed from the end of the previous financial reporting period to the end of the current financial reporting period.

### ***Other Key Prudential Provisions***

A bank is required to hold minimum liquid assets as specified in Section 38 of the Banking Act. Following from the consultation paper on the local implementation of the Basel III liquidity rules relating to the LCR, the MAS issued MAS Notice 649 which sets out the minimum liquid assets framework and the LCR framework on 28 November 2014. MAS Notice 649 took effect on 1 January 2015 for a bank incorporated and headquartered in Singapore, subject to certain exceptions. A bank incorporated and headquartered in Singapore or a bank which has been notified by the MAS that it is a D-SIB need only comply with the requirements under the LCR framework under MAS Notice 649.

Under the LCR framework, a bank incorporated and headquartered in Singapore shall maintain at all times, a Singapore dollar LCR of at least 100 per cent. and an all currency LCR of at least 60 per cent. by 1 January 2015, with the all currency LCR requirement increasing by 10 per cent. each year to 100 per cent. by 2019. Such bank is required to comply with the LCR requirements on a consolidated level, which consolidates the assets and liabilities of its banking group entities, excluding investments in an insurance subsidiary and any investment in any non-banking group entity if such non-consolidation is permitted under the Accounting Standards as defined in Section 4(1) of the Companies Act.

Under MAS Notice 758 on Minimum Cash Balance (last revised on 6 March 2014), a bank is also required to maintain in its Current Account and Custody Cash Account (each as defined in MAS Notice 758), during a maintenance period, an aggregate minimum cash balance with the MAS of at least an average of 3 per cent. of its average Qualifying Liabilities (as defined in MAS Notice 613) computed during a computation period. The “computation period” means the relevant 2-week period beginning on

a Thursday and ending on a Wednesday and “maintenance period” means the relevant 2-week period beginning on the third Thursday immediately following the end of a computation period and ending on a Wednesday.

Under Section 29 of the Banking Act, the MAS may, by notice in writing to any bank in Singapore, or any class of banks in Singapore, impose such requirements as may be necessary or expedient for the purposes of limiting the exposure of the banks or a bank within the class of banks to any one or more of the following:

- (a) where the bank is incorporated in Singapore, a substantial shareholder group of the bank;
- (b) the financial group of the bank;
- (c) a director group of the bank; and
- (d) any other person or class of persons as may be prescribed.

For the purposes of this paragraph:

- (a) “substantial shareholder group” means (in relation to a SIB) a group of persons comprising any substantial shareholder (i.e. holding not less than five per cent. of the total voting rights) of the bank, every affiliate of such substantial shareholder, and where the bank is a subsidiary of a financial holding company or a parent bank (“Holding Company”), any substantial shareholder of the Holding Company and every affiliate of such substantial shareholder;
- (b) “financial group” means (in relation to a SIB) a group of companies comprising every company in which the bank acquires or holds, directly or indirectly, a major stake (as defined below); and
- (c) “director group” means (in relation to a bank in Singapore) a group of persons comprising any director of the bank, every firm or limited liability partnership in which that director is a partner, manager, agent, guarantor or surety, every individual of whom and every company of which that director is a guarantor or surety and every company in which the director:
  - (i) is an executive officer;
  - (ii) owns more than half of the total number of issued shares (whether legally or beneficially);
  - (iii) controls more than half of the voting power; or
  - (iv) controls the composition of the board of directors.

Regulation 24 of the Banking Regulations (the “Banking Regulations”) has prescribed that the MAS may also impose requirements for the purpose of limiting the exposure of the bank to:

- (a) any officer (other than a director) or employee of the bank or other person who receives remuneration from the bank other than for services rendered to the bank or any company that is connected with the bank (in the case of a SIB, a company is connected with the bank if it is treated as part of the bank’s group of companies for accounting purposes according to Accounting Standards); and
- (b) a group of persons, who are financially dependent on one another or where one person (the “controlling person”) controls every other person in that group, and where at least one of the persons is a counterparty to the bank.

For these purposes, a person is controlled by the controlling person if the person is (i) a person in which the controlling person holds more than half of the total number of issued shares (whether legally or beneficially); (ii) a person in which the controlling person controls more than half of the voting power; (iii) a person in which the controlling person controls the composition of the board of directors; (iv) a subsidiary of a person described in (i) to (iii) above; or (v) a person the policies of which the controlling person is in a position to determine. Furthermore, a person (“A”) is financially dependant on another person (“B”) if by a virtue of a contractual or other relationship between them, A will or is likely to be unable to meet A’s financial obligations if B is unable to meet B’s financial obligations.

The MAS issued MAS Notice 639 on Exposures to Single Counterparty Groups dated 6 June 2007 (last revised on 17 February 2014) (“MAS Notice 639”) which sets out the limits on a bank’s exposures to a single counterparty group, the types of exposures to be included in or excluded from those limits, the basis for computation of exposures, the approach for aggregating exposures to counterparties that pose a single risk to the bank, the recognition of credit risk mitigation and aggregating of exposures at the bank group level. Pursuant to MAS Notice 639, the MAS has set out that:

- (a) at Solo level, subject to certain exceptions, a SIB shall not permit (i) the aggregate of its exposures to a single counterparty group to exceed 25 per cent. or such other percentage of its eligible total capital as may be approved by the MAS; and (ii) the aggregate of exposures exceeding 10 per cent. of a bank’s eligible total capital or capital funds, as the case may be, to any single counterparty group to exceed 50 per cent. or such other percentage of its total exposures as may be approved by the MAS; and
- (b) at Group level, subject to certain exceptions, a SIB shall aggregate its exposures to a single counterparty group (other than the exposures to the financial group of the bank) with the exposures of its subsidiaries and the exposures of all other companies treated as part of the bank group to the same counterparty group and shall not permit (i) the aggregate of the exposures of the bank group to a single counterparty group to exceed 25 per cent. or such other percentage of the eligible total capital of the bank group as may be approved by the MAS; and (ii) the aggregate of the exposures of the bank group exceeding 10 per cent. of a bank’s eligible total capital or capital funds, as the case may be, to any single counterparty group, to exceed 50 per cent. or such other percentage of the bank group’s total exposures as may be approved by the MAS.

Exposures would have to be calculated based on the maximum loss that a bank may incur as a result of the failure of a specified counterparty to meet any of its obligations.

Every bank in Singapore shall make provisions for bad and doubtful debts and, before any profit or loss is declared, ensure that such provision is adequate.

A bank is prohibited from carrying on or entering into any partnership, joint venture or other arrangement with any person to carry on, whether in Singapore or elsewhere, any business except: (a) banking business; (b) business which is regulated or authorised by the MAS; (c) business which is incidental to (a) or (b); (d) business or a class of business prescribed by the MAS; or (e) any other business approved by the MAS. Under the Banking Regulations and for the purposes of (d) above, the MAS has prescribed that a bank may amongst other things carry on the business of purchasing and selling assets, subject to the conditions set out therein. In addition, a bank is permitted to carry on property management services in relation to, *inter alia*, investment properties that are acquired or held by the bank or any company in which the bank has acquired or holds a major stake (in this paragraph, “**banking group**”), or properties that have been foreclosed by the banking group.

A bank can hold a beneficial interest in the share capital of a company (and such other investment, interest or right as may be prescribed by the MAS) (“equity investment”) so long as the value of such equity investment does not exceed in the aggregate two per cent. of the capital funds of the bank or such other percentage as the MAS may prescribe. Such a restriction on a bank’s equity investment does not

apply to any interest held by way of security for the purposes of a transaction entered into in the ordinary course of the bank's business or to any shareholding or interest acquired or held by a bank in the course of satisfaction of debts due to the bank, where such interest is disposed of at the earliest suitable opportunity or any major stake approved by the MAS under Section 32 of the Banking Act. In addition, under the Banking Regulations, the restriction will not apply, during the specified period, in respect of any equity investment in a single company acquired or held by a bank when acting as a stabilising bank (within the meaning of Regulation 6B of the Banking Regulations) in relation to an offer of securities issued by the company, subject to certain conditions.

A bank cannot hold or acquire, directly or indirectly, a major stake in any company without first obtaining the approval of the MAS. A “**major stake**” means: (a) any beneficial interest exceeding 10 per cent. of the total number of issued shares in a company; (b) control over more than 10 per cent. of the voting power in a company; or (c) any interest in a company, where directors of the company are accustomed or under an obligation, whether formal or informal, to act in accordance with the bank's directions, instructions or wishes, or where the bank is in a position to determine the policy of the company. No bank in Singapore shall hold or acquire interests in or rights over immovable property, wherever situated, the value of which exceeds in the aggregate 20 per cent. of the capital funds of the bank or such other percentage as the MAS may prescribe. The MAS has further prescribed that the property sector exposure of a bank in Singapore shall not exceed 35 per cent. of the total eligible assets of that bank.

Under MAS Notice 648, SIBs are permitted to issue covered bonds subject to the conditions thereunder. The aggregate value of assets in the cover pools for all covered bonds issued by the bank and special purpose vehicles on behalf of a SIB, and residential mortgage loans and assets eligible for inclusion in cover pools (but which are not so included) and which are transferred to the special purpose vehicles, must not exceed four per cent. of the value of the total assets of the SIB at all times. The total assets of a SIB include the assets of the branches of the SIB but not its subsidiaries.

### ***Corporate Governance Regulations and Guidelines***

The Banking (Corporate Governance) Regulations 2005, as amended by the Banking (Corporate Governance) (Amendment) Regulations 2007 and as further amended by the Banking (Corporate Governance) (Amendment) Regulations 2010, define what is meant by an independent director and set out the requirements for the composition of the board of directors and board committees, such as the Nominating Committee, Remuneration Committee and Audit Committee.

The MAS issued the “Guidelines on Corporate Governance for Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are Incorporated in Singapore” on 3 April 2013 (the “**Guidelines**”). Amongst other things, the Guidelines set out the principle that there should be a strong and independent element on the board of directors of a bank, which is able to exercise objective judgement on corporate affairs independently, in particular, from the management of a bank and 10 per cent. shareholders (as defined in the Guidelines). The Guidelines also encourage the separation of the roles of Chairman and Chief Executive Officer and outline how this is to be applied.

The MAS has also issued the revised Code of Corporate Governance on 2 May 2012 for companies listed on the SGX-ST.

### ***Other Significant Regulations***

The MAS issues licenses under the Banking Act to banks to transact banking business in Singapore. Such licenses may be revoked if the MAS is satisfied, among other things, that the bank: (a) is carrying on its business in a manner likely to be detrimental to the interests of the depositors of the bank or has insufficient assets to cover its liabilities to its depositors or the public; (b) is contravening the provisions of the Banking Act; or (c) has been convicted of any offence under the Banking Act or any of its directors or officers holding a managerial or executive position has been convicted of any offence under the Banking Act.

In the event of the winding-up of a bank, Section 62 of the Banking Act provides that the liabilities in Singapore of the bank shall, amongst themselves, rank in the following order of priority: (a) firstly, any premium contributions due and payable by the bank under the Deposit Insurance and Policy Owners' Protection Schemes Act, Chapter 77B of Singapore (the "**Deposit Insurance Act**"); (b) secondly, liabilities incurred by the bank in respect of insured deposits, up to the amount of compensation paid or payable out of the Deposit Insurance Fund by the Agency (as defined in the Deposit Insurance Act) under the Deposit Insurance Act in respect of such insured deposits; (c) thirdly, deposit liabilities incurred by the bank with non-bank customers, other than those specified in (b) above and (d) below; and (d) fourthly, deposit liabilities incurred by the bank with non-bank customers when operating an Asian Currency Unit approved under the Banking Act. As between liabilities of the same class referred to in each of (a) to (d) above, such liabilities shall rank equally between themselves. The liabilities described above shall have priority over all unsecured liabilities of the bank other than the preferential debts specified in Section 328(1) of the Companies Act.

Currently, banks in Singapore have to maintain separate accounting units for Singapore dollar transactions (the Domestic Banking Unit, or "**DBU**") and foreign currency transactions (the Asian Currency Unit or "**ACU**"). On 31 August 2015, MAS released a consultation paper entitled "Removing the DBU-ACU Divide – Implementation Issues". The consultation paper proposes to remove this divide. Consequential amendments would be made to section 62 to remove references to the ACU and to provide instead Singapore dollar deposit liabilities incurred by the bank with non-bank customers would rank above other deposit liabilities incurred by the bank with non-bank customers (but behind premium contributions under the Deposit Insurance Act and liabilities in respect of insured deposits).

Unless otherwise provided in the Banking Act, customer information shall not, in any way be disclosed by a bank in Singapore or any of the officers to any other person.

In a consultation paper on the Review of the Banking Act issued by MAS on 28 November 2013 (the "**Banking Act CP**"), the MAS proposed changes to the Banking Act which aim to strengthen its supervisory oversight and codify the MAS' expectations about the information that banks should provide to the MAS and the risk management practices which the banks should implement. In the Banking Act CP, the MAS proposed the legislative amendments to effect these changes. The MAS also stated that it will consult on the regulations setting out the risk management requirements in due course.

### ***Examinations and Reporting Arrangements for Banks***

The MAS conducts on-site examinations of banks. Banks are also subject to annual audit by an external auditor approved by MAS, who, aside from auditing the accounts of the bank and (in the case of a SIB) making a report in respect of its latest financial statements or consolidated financial statements (as the case may be), must report to the MAS immediately if, in the course of the performance of his duties as an auditor of the bank, he is satisfied that:

- (a) there has been a serious breach or non-observance of the provisions of the Banking Act or that otherwise a criminal offence involving fraud or dishonesty has been committed;
- (b) losses have been incurred which reduce the capital funds of the bank by 50 per cent.;
- (c) serious irregularities have occurred, including irregularities that jeopardise the security of the creditors; or
- (d) he is unable to confirm that the claims of creditors are still covered by the assets.

Banks incorporated in Singapore shall not, except with the prior written approval of the MAS, appoint the same audit firm for more than five consecutive financial years. Where a bank has appointed the same audit firm for more than five consecutive financial years, the bank shall, as soon as practicable, but in any event not later than the end of the financial year of the bank in 2006, appoint another audit firm

to carry out the duties required of an auditor under Section 58 of the Banking Act. On 21 October 2008, MAS announced the temporary suspension of this requirement. In accordance with prevailing MAS directives, the audit partner is changed at least once every five years.

All banks in Singapore are required to submit periodic statistical returns and financial reports to the MAS, including returns covering classified exposures and collateral value of housing loans, monthly statements of assets and liabilities and monthly total foreign exchange business transacted.

The MAS may also require ad hoc reports to be submitted.

### ***Resolution Powers***

The MAS also has resolution powers in respect of Singapore licensed banks under the MAS Act. Broadly speaking, this would allow MAS to (a) impose moratoriums, (b) apply for court orders against commencement of execution, distress or other legal processes, or against enforcement of security, (c) order compulsory transfers of business or transfers of shares, (d) order compulsory restructurings of share capital and (e) give directions to significant associated entities of a bank. In addition, MAS has powers under the Banking Act to assume control of a bank.

On 23 June 2015, MAS released a consultation paper on Proposed Enhancements to Resolution Regime for Financial Institutions in Singapore. This paper introduces proposals to further enhance the MAS' resolution powers, in the areas of recovery and resolution planning, temporary stays and suspensions, statutory bail-in powers, cross-border recognition of resolution actions, creditor safeguards and resolution funding (the "**Resolution Regime CP**").

### ***Statutory Bail-in***

Under the Resolution Regime CP, the MAS proposes, *inter alia*, (a) to apply the statutory bail-in powers to Singapore-incorporated banks and bank holding companies, (b) that the statutory bail-in regime be applied to unsecured subordinated debt and unsecured subordinated loans, issued or contracted after the effective date of the relevant legislative amendments implementing the statutory bail-in regime, and (c) that statutory powers be introduced for the MAS to either convert into equity or write down contingent convertible instruments and contractual bail-in instruments, whose terms had not been triggered prior to entry into resolution. These are high level policy proposals and the MAS has not released the detailed regulations setting out the exact scope of the proposed powers.

### **Supervision by Other Agencies**

Apart from being supervised by the MAS, UOB is also supervised by the Singapore Exchange Derivatives Clearing Limited as a clearing member. The Group's overseas operations are also supervised by the regulatory agencies in their respective jurisdictions.

## THE COVERED BOND GUARANTOR

### Introduction

The CBG was incorporated in Singapore on 6 August 2015 as a limited private company (registration number 201531119W). The shares in the CBG are held by TMF Trustees (Singapore) Limited on trust for charitable, benevolent or philanthropic purposes. The principal place of business of the CBG is at 38 Beach Road, South Beach Tower, #29-11, Singapore 189767. The CBG has no subsidiaries.

### Directors

The following table sets out the directors of the CBG and their respective business addresses and occupations.

<u>Name</u>	<u>Occupation</u>	<u>Business Address</u>
Chek Khai Juat	Director of Client Services, TMF Trustees (Singapore) Limited	38 Beach Road South Beach Tower #29-11 Singapore 189767
Sharon Lim Siew Choo	Associate Director, Corporate Service, TMF Trustees (Singapore) Limited	38 Beach Road South Beach Tower #29-11 Singapore 189767

No potential conflicts of interest exist between any duties owed to the CBG by the Directors listed above, and their private interests or other duties.

### Principal Activities

The CBG has been established as a special purpose vehicle. Its principal activities are set out in the Establishment Deed and include, *inter alia*, the business of acquiring the Loans and their Related Security (and any related Top-up Loans) from the Seller pursuant to the terms of the Mortgage Sale Agreement, acquiring the beneficial interest in the Declaration of Assets Trust, making Additional Contributions from time to time in accordance with the provisions of the Declaration of Assets Trust and to guarantee certain payments in respect of the Covered Bonds. The CBG will hold the Portfolio and the other Charged Property in accordance with the terms of the Transaction Documents.

Since its incorporation, the CBG has not produced any accounts and has not engaged in any material activities other than those incidental to the matters contemplated in this Offering Circular, the authorisation of the Transaction Documents (including the Covered Bond Guarantee) referred to in this Offering Circular in connection with the issue of the Covered Bonds and other matters which are incidental or ancillary to those activities. The CBG has no employees.

### Auditors

The independent auditor of the CBG is Ernst & Young LLP whose office is located at One Raffles Quay, North Tower, Level 18, Singapore 048583. The CBG's accounting reference date is 1 January of each year, with the first accounting reference date being 6 August 2015.



# MACROECONOMIC CONDITIONS AND HOUSING MARKET IN SINGAPORE

## Overview

As of 30 June 2015, Singapore had a population of 5.5 million people, of which 1.6 million were foreigners, 0.5 million permanent residents and 3.4 million were Singapore citizens.<sup>3</sup> As a result of the government's policy to make home ownership accessible to Singaporeans, 75.1% of the population resides in HDB flats and home ownership rates of residents reached a high of 90.3% at the end of 2014.<sup>4</sup> Conditions in the HDB resale market have significantly influenced the level of demand in the private residential market as they affect the purchasing ability of HDB owners to upgrade from the public housing sector to the private residential sector. In the private residential market, despite increasing demand from residents due to stable household formation, increasing household income and high demand from public housing sector residents looking to upgrade, foreigners remain an important source of investors in the private residential market as Singapore continues to attract foreign talents to strengthen its workforce.

## Macroeconomic Outlook

Amid challenging external demand conditions, Singapore's GDP growth is expected to moderate to 2.0% in 2015 from 2.9% in 2014.<sup>5</sup> The uplift in the US economy, expectations of more monetary easing policies from the European Central Bank (the "ECB") and the Bank of Japan (the "BOJ") to stimulate their economies, and China's economic restructuring are key factors influencing Singapore's growth outlook. While the Singapore government continues to promote economic restructuring to improve the quality and value-add of Singapore's goods/services, tackling the labour crunch issue remains a key issue. The restructuring of the manufacturing sector is an on-going process and the trend of manufacturing firms specialising in higher value-added and highly specialised products and the shift towards manufacturing-related services will become more prevalent. Firms producing lower value-added products will find it increasingly unprofitable to operate in Singapore's high cost business environment. This may result in such firms relocating away from Singapore, leading to a further shrinking of manufacturing's share of Singapore's GDP (from 17.4% in 2014 to around 15% in the medium term).<sup>6</sup>

## Residential Market Outlook

The shortage of HDB housing following 2000 played a significant role in the Singapore house price rally from 2005 to 2013.<sup>7</sup> Since 2009, the government has implemented a series of property market cooling measures, including lowering the loan-to-value ratio for mortgage loans, applying additional buyers' stamp duty ("ABSD") and cap on loan tenure, and most recently, introducing the total debt servicing ratio ("TDSR") in June 2013. Foreign demand for private residential properties has moderated as a result of the ABSD as well as the tightening of foreign labour policy after Singapore's General Election in 2011. Prices of private residential units also started to soften in the fourth quarter of 2013. On the other hand, supply of both public and private residential units has increased and completion of the units is expected to peak in 2015 – 2016. This is likely to lead to further downward pressure on house prices in these two years.<sup>8</sup>

---

<sup>3</sup> <http://www.singstat.gov.sg/statistics/latest-data>

<sup>4</sup> Yearbook of Statistics Singapore 2015.

<sup>5</sup> UOB Global Economics & Markets Research estimates (<http://www.uob.com.sg/research>).

<sup>6</sup> CEIC database. Ministry of Trade & Industry forecast.

<sup>7</sup> Housing & Development Board ([www.hdb.gov.sg](http://www.hdb.gov.sg)), Urban Redevelopment Authority (<http://www.ura.gov.sg>), CEIC database.

<sup>8</sup> Urban Redevelopment Authority's estimates (<http://www.ura.gov.sg>).

Despite concerns over increasing supply, the private residential market outlook has been supported by a low debt servicing ratio, which is attributed to household income growth and low domestic interest rates. Nonetheless, SGD interest rates are anticipated to rise as the United States begins to lift its interest rates. The pace of interest rate normalization in the US is expected to be more gradual compared to previous cycles but it remains an important factor to watch out for. Going forward, the labour market is also expected to remain firm in 2015 and 2016, with the overall unemployment rate expected at around 2.1%.<sup>9</sup>

---

<sup>9</sup> UOB Global Economics & Markets Research estimates (<http://www.uob.com.sg/research>).

# REGULATION/LEGAL ASPECTS OF THE SINGAPORE RESIDENTIAL MORTGAGE MARKET

## *Regulation Aspects of the Singapore Residential Mortgage Market*

Residential property loans are loans secured by mortgages over properties in Singapore which are permitted under the Planning Act, Chapter 232 of Singapore or in accordance with the zoning set out in the Urban Redevelopment Authority Master Plan for use solely or partly for residential purposes (“**Residential Property**”). Residential Property loans issued by banks in Singapore are subject to regulations under the Banking Act, Chapter 19 of Singapore, the Banking Regulations, and notices, circulars and guidelines issued by the MAS thereunder. In particular, Residential Property loans are subject to MAS Notice 632 on Residential Property Loans, which was last revised on 10 February 2014 (the “**MAS Notice 632**”). MAS Notice 632 sets out criteria in respect of any credit facility for the purchase of Residential Property extended to a borrower (whether or not the borrower is an individual) or in the case where the borrower is a vehicle set up solely for the purchase of Residential Property, the vehicle, and any credit facility otherwise secured by Residential Property extended to a borrower who is an individual or in the case where the borrower is a vehicle set up solely for the purchase of Residential Property, the vehicle. Borrowers may also include persons who contribute towards the payment of any part of the monthly repayment instalment of the person applying for the credit facility, in respect of certain credit facilities and refinancing facilities where the option to purchase the Residential Property was granted on or after 29 June 2013 or where the credit facility or refinancing facility was applied for on or after 29 June 2013, where, in the bank’s assessment, the applicant for the facility is, at the time of application, unable to pay any part of the monthly repayment instalment. MAS Notice 632 prescribes, amongst other things, loan-to-value ratios applicable to Residential Property loans, the proportion of the borrower’s contribution towards the purchase of the Residential Property, and prohibits interest only loans and interest absorption schemes. Below is a summary of the more significant requirements of MAS Notice 632.

In addition, the MAS introduced a Total Debt Servicing Ratio (“**TDSR**”) framework for all property loans granted by banks to individuals (including sole proprietorships and vehicles set up solely for the purchase of property) pursuant to MAS Notice 645 on Computation of Total Debt Servicing Ratio for Property Loans and the Guidelines thereto, each dated 28 June 2013 and last revised on 10 February 2014. The TDSR framework requires banks to take into consideration borrowers’ other outstanding debt obligations when granting property loans. Banks are required to compute the TDSR, or the percentage of total monthly debt obligations to gross monthly income, on a consistent basis. The MAS expects property loans granted by a bank to not exceed a TDSR threshold of 60%, that is to say, the individual’s monthly total debt obligations must not exceed 60% of his gross monthly income. Property loans in excess of the TDSR threshold of 60% should only be granted on an exceptional basis and banks should clearly document the basis for such loans. In addition, processes should be in place to subject exceptional cases to enhanced credit evaluation and reporting to the MAS. The MAS has stated that it will monitor and review the 60% threshold over time. The MAS has also capped the mortgage servicing ratio for housing loans granted by banks for the purchase of HDB flats and executive condominium units bought directly from property developers at 30% of a borrower’s gross monthly income.

### *Loan to value ratios and borrower’s contribution*

MAS Notice 632 sets out the maximum loan-to-value ratios (“**LTV%**”) and the minimum amount to be paid in cash by the borrower (“**Cash%**”) in respect of Residential Property loans. These figures vary depending on a number of factors, which include the date on which the option to purchase the Residential Property was granted (or the date of the sale and purchase agreement), whether the borrower is an individual and whether he or she has any other outstanding credit facility for the purchase of another Residential Property, as well as the tenure of the credit facility. MAS Notice 632 provides that banks may not grant:

- (a) credit facilities for the purchase of Residential Property to a borrower (individual or non-individual) or in the case where the borrower is a vehicle set up solely for the purchase of Residential Property in Singapore, the vehicle; and

- (b) credit facilities otherwise secured by Residential Property in Singapore, to a borrower who is an individual or in the case where the borrower is a vehicle set up solely for the purchase of Residential Property in Singapore, the vehicle,

where the aggregate of (i) the amount granted under the credit facility, (ii) the balance outstanding under any other credit facility granted by any the MAS regulated financial institution or moneylender in respect of that Residential Property or secured by that Residential Property and (iii) the balance outstanding under any loan granted by the vendor to the borrower for the purchase of that Residential Property, exceeds the “Relevant Amount” as defined in MAS Notice 632 (which is derived from a formula which takes into account, among other things, the adjusted purchase price or current market valuation of the property, the LTV% and/or the Cash%).

#### ***Restrictions on tenure***

Generally, MAS Notice 632 also prohibits banks from granting any credit facility for the purchase of Singapore Residential Property, any credit facility otherwise secured by Singapore Residential Property or any re-financing facility for a credit facility otherwise secured by Singapore Residential Property, where the tenure of the credit facility exceeds 35 years. This is subject to the prohibition against the granting of any credit facility for the purchase of a HDB flat to any borrower where the tenure of the credit facility exceeds 30 years except where the borrower provides the bank with a letter from the HDB, inviting the borrower to select a HDB flat from a sales exercise launched before July 2013, in which case the bank may grant a credit facility for the purchase of a HDB flat where the tenure of such credit facility does not exceed 35 years.

There are also restrictions on the tenure of refinancing facilities for the purchase of Residential Property.

#### ***Prohibition on interest-only loans and interest absorption schemes***

Further, banks in Singapore are also prohibited from:

- (a) granting any credit facility for the purchase of Residential Property, or a re-financing facility (subject to certain exceptions), on terms where only the interest under the credit facility is payable and none of the principal amount is repayable for a certain period during the term of the facility;
- (b) granting any credit facility for the purchase of Residential Property where the vendor of the Residential Property, its agent, nominee or any other party by arrangement with the vendor has, under an interest absorption scheme, agreed to pay any of the interest which is payable in respect of the credit facility; and
- (c) entering into any agreement or arrangement with a vendor for the purposes of giving effect to an interest absorption scheme.

#### ***Borrower to be Mortgagor***

There are also restrictions in MAS Notice 632 on granting credit facilities (including refinancing facilities) for the purchase of Residential Property or otherwise secured by Residential Property where the borrower is not the mortgagor, either by himself or jointly, of the Residential Property.

#### ***Legal Aspects of the Singapore Residential Mortgage Market***

The following discussion is a summary of the material legal aspects of the Singapore residential mortgage market and is not an exhaustive analysis of the relevant law.

## ***Singapore Land Registration System***

In Singapore, most of the lands are governed by the Torrens title system, and administered in accordance with the Land Titles Act, and in the case of land which has been strata subdivided, the Land Titles (Strata) Act (together with the Land Titles Act, the “**Land Related Acts**”).

One of the key features of the Land Titles Act is the principle of “title by registration”, which means that no instrument is effectual to pass any estate or interest in registered land (including strata subdivided unit) until it is registered in accordance with the Land Titles Act. Further, under the said Act, save for certain statutory obligations, interests appearing in the land register have priority only in accordance with their order of their registration or notification, without any regard to the dates of the instruments by which these interests were created.

The Singapore Land Authority, a statutory board under the Ministry of Law, is given the duty and power to administer the systems for the recording and registration of transactions relating to land in Singapore in accordance with the Land Related Acts. Presently, for private land, an electronic land register is maintained, and registration and public searches may be conducted electronically.

### ***Torrens Title***

The title to each parcel of land (whether freehold or leasehold, and including any strata subdivided unit) is comprised in and represented by a specific folio created in the land register and each folio has a distinct reference allocated to it. The folio records, *inter alia*, the particulars of the land and the interest created, the name(s) of the registered owner(s) for the time being of that interest, and such other estates or interests that affect the land. The Registrar of Titles may, if he thinks fit, issue a certificate of title (“**CT**”) (in the case of landed property), or a subsidiary strata certificate of title (“**SSCT**”) (in the case of a strata subdivided property), or a subsidiary certificate of title (“**SCT**”) (in the case of certain sublease interests) each bearing a serial number which shows clearly the distinctive reference allocated to the relevant folio.

Where the CT, SCT or SSCT has been issued, the print-out of such title document will be delivered to the registered owner(s) or the registered mortgagee or chargee (as the case may be) in accordance with the Land Related Acts.

As part of the ongoing efforts to progress towards a fully electronic environment, the Singapore Land Authority is now working towards a electronic title system whereby the CT, SCT or SSCT (as the case may be) will not be printed by the Land Registry after the registration of instruments thereby dispensing with the need for print-outs of the relevant title documents to be safe-kept. Presently, the paperless title scheme is extended to *inter alia* all those properties with mortgages granted to participating financial institutions licensed by the MAS. Under the paperless title scheme, a prescribed form of authorisation which has been digitally signed by an authorised officer of the participating financial institution (instead of the print-out of the title document) is to be submitted to the Land Registry to authorise the registration of an instrument against the title of the relevant party.

Only instruments or forms approved by the Registrar of Titles may be used to register any dealings affecting the registered land. Where the CT, SCT or SSCT has been issued, the relevant print-out of the title document (where such title document has been printed) or the prescribed authorisation form digitally signed by the relevant party (where such title document has not been printed) must be produced for the purpose of effecting the registration of any instrument lodged with the Land Registry save for certain cases (e.g. registration of an order of court, statutory charge, charge in favour of the CPF Board, etc) where the Registrar of Titles has the power to dispense with the production of such title document under the Land Related Acts.

Under this Torrens registration system, the State guarantees the title to the registered land and an assurance fund is maintained pursuant to the Land Titles Act for the purposes of compensating any person who is deprived of land or sustains loss or damage through any omission, mistake or misfeasance of the Registrar of Titles or any member of his staff.

### ***Strata Title***

A building can be subdivided into different lots of delineated parcels of airspace and such parcels may be dealt with individually. For such strata subdivided airspaces or units, the Singapore Land Authority maintains a separate subsidiary strata land-register in accordance with the Land Titles (Strata) Act, and the provisions of the Land Titles Act are applicable in all respects (unless they are inconsistent) to such land and strata subdivided airspaces or units. A folio is created in the land-register for the land pursuant to the Land Titles Act and a separate folio is created in the subsidiary strata land-register pursuant to the Land Titles (Strata) Act in respect of the interest created for each strata subdivided airspace or unit.

For those parts of the land and the building which are outside the strata subdivided airspaces or units, such as the open space, lifts, lobbies, corridors, car parks and stairways, these are considered “common property” under the Land Titles (Strata) Act and are held by the owners for the time being of all the strata subdivided airspaces or units as tenants in common. Each owner is assigned a certain share value, and the share value in turn determines, *inter alia*, the proportionate share of the common property owned by such owner.

The interest of the owner in the relevant strata subdivided airspace or unit and his share in the “common property” in accordance with the allotted share value are recorded in the relevant folio.

Under the Land Titles (Strata) Act, the owners of all the strata subdivided airspaces or units registered from time to time constitute the management corporation for that estate. The management corporation has the duty and power under the BMSM Act to control, manage and administer the common property for the benefit of all owners.

Under the BMSM Act, a management fund and a sinking fund are to be established and maintained by the management corporation, and the contributions by owners of the strata subdivided airspaces or units towards these funds are to be determined at general meetings of the management corporation from time to time. The management fund is generally for the purpose of discharging liabilities relating to the regular maintenance and upkeep of the common property and the sinking fund is generally for the purpose of meeting actual and future capital expenditures such as painting of the external façade of the buildings, major repairs and improvements of common property and boundary walls. Generally, the management corporation may levy such contributions by serving notices to the owners, and the contributions in respect of each unit must be in shares proportional to the share value of that unit. The foregoing general position is subject to certain exceptions set out in Section 41 of the BMSM Act. If a mortgagee is in possession of the strata subdivided airspace or unit, the mortgagee is jointly and severally liable with the owner for such contributions.

Generally, the management corporation has the right to sue an owner or a mortgagee in possession for any unpaid contributions or levies. Under the BMSM Act, if any contribution remains unpaid for a period of 30 days after the management corporation has served a written demand for the amount, the management corporation may also lodge an instrument of charge against the unit and the outstanding amount (including interest, if any) constitutes a charge on the unit. Upon registration of such a charge, the management corporation has the power to sell the strata subdivided airspace or unit as if such management corporation is a registered mortgagee, to recover such outstanding contributions. Further, it is provided in the BMSM Act that such charge in favour of the management corporation cannot be over-reached by the exercise of the power of sale by a prior registered mortgagee or chargee of that unit.

Once the whole amount or contribution due (including interest thereon) and any necessary or incidental charges (including legal costs) are paid to the management corporation, the owner of such unit shall be entitled to an instrument of discharge executed and acknowledged by the management corporation as to the receipt of such payment. Upon registration of the instrument of discharge, the unit shall be freed from the charge constituted under the BSM Act.

### ***Land Acquisition Act***

All land in Singapore may be acquired by the State under the Land Acquisition Act. A public purpose, such as the building of transportation infrastructure and public housing, must be present before the State may exercise its rights of compulsory acquisition in respect of such land. The declaration for the acquisition of land for such purpose is usually published by way of notification in the Government Gazette and such notification is conclusive evidence that the land is needed for the purpose specified in the notification.

Upon the publication of the notification, the Collector of Land Revenue will be directed to take proceedings for the acquisition of land. A notice will be published in the daily local newspapers circulating in Singapore stating, *inter alia*, that the State intends to acquire the land and that claims to compensation for all interests in the land may be made to the Collector of Land Revenue. Notices will also be served on every person known or believed to be interested in the land or any person known or believed to be entitled to act for a person so interested to inform them of the same.

Thereafter, the Collector of Land Revenue shall proceed to inquire into any objections and as soon as possible after the conclusion of the inquiry make an award of the area of the land to be acquired, the compensation which in his opinion should be allowed for the land and the apportionment of compensation among all persons known or believed to be interested in the land. Market value compensation will be paid for the acquired land under the Land Acquisition Act.

After the award has been made, the Collector of Land Revenue may take possession of the land by serving a copy of the appropriate notice of taking possession on every person interested in the land or any person known or believed to be entitled to act for a person so interested.

### ***State Lands Act***

Title to private residential properties in Singapore may be freehold or leasehold. Freehold interests may be in the form of an estate in fee simple or an estate in perpetuity, the latter being an interest granted by the State under the State Lands Act. As for leasehold interests, these may be comprised in a private lease or a State lease granted by the Government pursuant to the State Lands Act.

A grant or lease pursuant to the State Lands Act must be in form prescribed under the State Lands Act and signed by the Collector of Land Revenue, setting out the terms of such grant or lease including the rent payable, if any. For a grant issued under the State Lands Act, certain covenants are implied by virtue of the said Act to be included in the grant (unless there is an express provision to the contrary) and one of these covenants is that the relevant land may not be assigned or demised "*in parcels or otherwise than the entirety thereof except in the case of a lease for a term not exceeding 7 years*". Further, such grant or lease is subject to certain agreements and conditions stipulated in the State Lands Act (unless there is an express provision to the contrary), for example, the right of the officers of the Government and their workmen to have free access to the land for laying of drains, sewers, water pipes, electric and telecommunication wires and the right of the State to re-enter the land upon the breach of covenants by the owner.

## ***Mortgages over Registered Land***

Registered land may be mortgaged to secure payment of a debt. Typically, there are two parties to a mortgage. The first is the mortgagor, who is the property owner who grants the mortgage. The mortgagor may also be the borrower. Where the mortgagor is not the borrower, the borrower will typically be joined as a party to the mortgage. The second party is the mortgagee, who is the lender or security trustee of a lender. Generally, financiers will require that each housing loan be secured by a mortgage over the private residential property, with the mortgage having a first ranking priority over all other mortgages or charges granted by the mortgagor(s) and over all unsecured creditors of the borrower(s) and mortgagor(s), except for the statutory charges created in favour of the CPF Board and certain other statutory rights which are granted priority, for example a claim against the owner of a mortgaged property for property tax, etc.

For the mortgages over a Property to be enforceable and conferred the requisite priority, such mortgage must be granted by way of an approved form of instrument of mortgage and registered with the Land Titles Registry. Where the CT, SCT or SSCT has been issued, the print-out of the title document of the relevant land must be produced to the Land Titles Registry for registration of such mortgage. Upon registration, a statement on the registration of the mortgage will be recorded on the folio, and a new edition of the CT, SCT or SSCT (as the case may be) with the relevant memorial of registration of the mortgage will be issued. A print-out of that new edition title document will be delivered to the mortgagee under a first ranking mortgage, unless such first ranking mortgagee agrees to some other arrangement. Under the paperless title system, a prescribed form of authorisation which has been digitally signed has to be submitted online to the Land Registry to authorise the lodgement of the instrument of mortgage for registration against the relevant folio (instead of producing the print-out of the title document of the relevant land). Upon registration, instead of a print-out of that new edition title document being issued, the Land Registry will issue a land register search print-out which will show, *inter alia*, the relevant memorial of registration of the mortgage.

Under the Land Titles Act, a registered mortgage has the effect as a security only and does not operate as a transfer of the title to the mortgaged land. The mortgagor remains the legal owner of the relevant estate or interest in the relevant mortgaged land. The mortgagee is given certain rights and powers under the Land Titles Act, such as (1) to effect the transfer of title to the mortgaged land by the mortgagee in exercising the power of sale, (2) the right to enter into possession of the mortgaged land after one month's written notice is given and (3) the right to foreclose the relevant mortgaged land. Except for the right of foreclosure, the rights in (1) and (2) are generally exercisable without the assistance of the court (although the court's help to take possession may be required if the mortgagor is uncooperative).

When the secured obligations under the mortgage are fulfilled, the mortgagor is entitled to obtain from the mortgagee an instrument of discharge of mortgage in the approved form prescribed by the Land Titles Act. Once the discharge instrument is registered, the land which is the subject of the mortgage will be freed from the mortgage and from all rights and powers of the mortgagee, either absolutely or to any lesser extent as expressed in the discharge.

## ***Transfer of Registered Mortgages***

A mortgagee of a registered mortgage may effect the transfer of its interest in a mortgage by registering an instrument of transfer of mortgage in the approved form. The particulars required for such instrument include the registration number of the relevant registered mortgage, the distinctive reference number of the certificate of title or subsidiary strata certificate of title (as the case may be), and the particulars of the mortgaged land.

Once the instrument of transfer of mortgage is registered with the Land Registry, the transferee will be entitled to all of the mortgagee's rights, powers and remedies (both express or implied) in the mortgage. However, as a mortgagor is not bound under the Land Titles Act to account to the transferee if *inter alia* the mortgagor is not notified in writing of such transfer, it would be necessary for the transferee to ensure that appropriate written notice is given to the mortgagor as soon as possible.



### ***Mortgagee's Power of Sale***

When a registered mortgagee exercises its power to sell mortgaged land, the Land Titles Act specifically permits the Registrar of Titles to register any transfer of title to the mortgaged land by the registered mortgagee without having to inquire whether default has occurred, whether notice has been given, or whether the power was otherwise properly or regularly exercised. Upon registration of such a transfer, it is expressly provided in the Land Titles Act that the interest of the mortgagor will pass to and vest in the transferee freed and discharged from all liability on account, *inter alia*, of that mortgage or any other interest registered or notified subsequent to the mortgage and which is not binding on the mortgagee.

Upon sale of the mortgaged land, the monies received by a mortgagee must first be applied towards discharge of all prior interests and encumbrances to which the sale is not made subject (if any) and all other statutory liabilities. Under the Land Titles Act, the mortgagee is required to apply the balance of such proceeds firstly towards payment of all costs and expenses properly incurred as incidental to the sale or any attempted sale of the mortgaged land, secondly towards discharge of the mortgage money, interest and costs, other money and liability (if any) secured by the mortgage, thirdly towards payment of subsequent mortgages and charges (if any) in the order of their priority, and the residue to be paid to the person appearing on the land-register to be entitled to the mortgaged land.

### ***Residential Property Act***

In Singapore, non-Singapore citizens and companies, limited liability partnerships and societies that are not Singapore entities (“**Foreign Persons**” and each a “**Foreign Person**”) are prohibited under the Residential Property Act to purchase or acquire (whether by creation of a trust, by gift *inter vivos* or otherwise, or for consideration) certain types of residential properties or any interest therein without the prior approval of the Minister of Law, except by way of a mortgage or charge, and such dealings in contravention of the said Act shall be null and void. Under the said Act, a “Singapore company” means *inter alia* a Singapore incorporated company where all its directors and members must be Singapore citizens, and where any of its members is a company or limited liability partnership, such members must be a Singapore company or a Singapore limited liability partnership, and so must each of its direct and indirect holding entities.

These restricted residential properties include vacant residential land, landed property such as detached houses, semi-detached houses, terrace houses and landed dwelling houses within strata developments which development is not approved by the relevant competent authority as a “condominium”.

Therefore, in respect of mortgaged land which is a restricted residential property under the Residential Property Act, a mortgagee when exercising its power of sale will similarly be prohibited from selling and transferring such mortgaged land to a Foreign Person unless the approval of the Minister of Law is obtained. Further, in the event the estate or interest in the mortgaged land (other than security interest), is vested in the mortgagee who is a non-Singapore company or entity (whether pursuant to an order of foreclosure or otherwise), the mortgagee must sell the restricted mortgaged land within a period of 3 years of the date of the order of foreclosure or of the date of the vesting of such interest in the mortgagee (unless an extension of time is granted by the Minister of Law), failing which the Minister of Law may issue a notice of attachment and sell the mortgagee’s estate or interest in that restricted mortgaged land.

### ***CPF Board and Priority of Payments***

In Singapore, a fund known as the Central Provident Fund was established in 1955 pursuant to the CPF Act, primarily as a compulsory comprehensive savings plan for working Singapore citizens and permanent residents to fund their retirement, healthcare, and housing needs. The Central Provident Fund is administered by the CPF Board, a statutory board established under the CPF Act. All working Singapore citizens and permanent residents (“**CPF members**” and each a “**CPF member**”) and their employers are

required to contribute varying percentages of the CPF members' monthly wages to the Central Provident Fund. Each monthly contribution will be credited into the three accounts of that employee maintained by the CPF Board, namely the ordinary account, the special account and the medisave account. The savings in each of the accounts earn an interest at different rates guaranteed by the government.

Subject to certain terms and conditions, under the present approved scheme a CPF member may apply to use monies standing to his credit in the CPF ordinary account (or in certain cases the CPF Special Account) to *inter alia* buy a private residential property or to repay (whether on a monthly basis or otherwise) the housing loan taken up for the acquisition of such private residential property. On withdrawal of such funds, a charge over the private residential property is automatically created under the CPF Act to secure the repayment of the money withdrawn from the Central Provident Fund together with interest that would have accrued if the withdrawal had not been made. For private residential property, the CPF Board would require a charge instrument to be registered against the title of the property before the registration of any mortgage, or in the case of a mortgage which is already registered, such mortgage to be postponed after the charge in favour of CPF Board. On registration of such a charge, the CPF Board will have the power of sale and all other powers relating or incidental thereto as if it is a registered mortgagee.

Under the present regime, for a private residential property bought on or after 1 September 2002 or where a contract or agreement for the grant of a housing loan to finance or refinance the acquisition of a private residential property is signed with the mortgagee on or after 1 September 2002, when the property is sold (whether by the exercise of power of sale by the mortgagee or the CPF Board or otherwise), or when the property is compulsorily acquired by the State, the proceeds (after deducting all costs and expenses incurred directly in connection with the sale of the property or in connection with the proceedings relating to the compulsory acquisition) are to be applied to repay the mortgagee (which in the case of the CPF Loans (as defined below in the section "*The Loans and the Portfolio – DOT Loans and EA Loans*") is the Seller or the transferee of the relevant Mortgage, as the case may be) and the CPF Board in the following order of priority:

- (i) *first*, in payment to the mortgagee of an amount equivalent to the balance of the housing loan outstanding and remaining unpaid as at the date the borrower defaulted in the repayment of the housing loan or the date of publication of the relevant gazette notification relating to compulsory acquisition of the relevant property (as the case may be) together with the interest on the housing loan calculated on a day to day basis up to and remaining unpaid as at the date of such relevant date;
- (ii) *second*, in payment to the CPF Board of an amount equivalent to the aggregate of (a) the monies withdrawn from time to time for the purchase of the property up to 100 per cent. of the value of the property at the time of the agreement for purchase of the property by the mortgagor and (b) the monies withdrawn from time to time to pay the fees (including valuation and survey fees), stamp duties, charges and legal costs in connection *inter alia* with the purchase of the property, the CPF Board's charge and the mortgage in favour of the mortgagee;
- (iii) *third*, in payment, *pro rata* and *pari passu*, to:
  - (a) the CPF Board of an amount equivalent to the aggregate of (A) the monies withdrawn from time to time towards the purchase of the property in excess of amount paid or payable under paragraph (ii) above and (B) the interest on the total amount of monies withdrawn that would have been payable if the withdrawal had not been made; and
  - (b) the mortgagee of the balance amount of interest on the housing loan still owing under the mortgage after taking into consideration the interest payments made under paragraph (i) above;

- (iv) *fourth*, in payment, *pro rata* and *pari passu*, to:
  - (c) the CPF Board towards satisfaction of all costs and expenses and other monies which the CPF Board is entitled to receive under the CPF Board's charge; and
  - (d) the mortgagee of all costs and expenses which the mortgagee is entitled to receive under the mortgage; and
- (v) *fifth*, in payment to the mortgagee of all other monies owing and payable to the mortgagee under the mortgage including such principal sums, interests and fees in connection with other credit or banking facilities granted by the mortgagee and which are not payable to the mortgagee under the paragraphs above.

For the avoidance of doubt, the amount equivalent to the unpaid balance of a DOT Loan (together with interest on the DOT Loan calculated on a day to day basis up to and remaining unpaid as at the date of the default by the Borrower(s) and/or Mortgagor(s) in the repayment of the DOT Loan, or as at the date of publication of the relevant gazette notification relating to compulsory acquisition of the relevant Property as the case may be) due to the CBG ranks in priority to payments to the CPF Board (as described in paragraphs (i) and (ii) above). Any interest accrued on that DOT Loan after such date by the Borrower and certain non-sale related costs and expenses (such as insurance premiums payable in respect of the Property) which the CBG is entitled to receive under the Mortgage will only be paid to the CBG after the refund of the withdrawn CPF funds is made to the Mortgagor's CPF accounts. See also the section titled "*The CPF Board and other creditors/third parties having a statutory preference in priority to the Mortgage*".

The order of priority stated above is subject to the mortgagee agreeing to certain terms and conditions of the CPF Board and these include the following:

- (i) the instrument to notify the CPF Board's charge must be registered before the registration of any mortgage in favour of the financier;
- (ii) if a default by the borrower or the mortgagor occurs for a continuous period of more than seven days, the mortgagee must notify the CPF Board by registered post of such default within three months and seven days from the occurrence of such default;
- (iii) the mortgagee must not exercise its power of sale without the prior written consent of the CPF Board (such consent not to be unreasonably withheld);
- (iv) the mortgagee must not create any sub-mortgage or effect a transfer or assignment of the mortgage or make any application to Court for a foreclosure order without the prior written consent of the CPF Board; and
- (v) the mortgagee is entitled to have possession of the documents of title relating to the mortgaged property and is obliged to produce the same when required by the CPF Board.

Under the current policy of the CPF Board, if the property is sold at or above the fair market value and the proceeds are insufficient to (1) repay the outstanding housing loan together with interest calculated up to the date of default under the mortgage (or if there is no such default, the date of disposal of the property owing to the mortgagee) and (2) refund such sums withdrawn from the CPF account for the acquisition or financing of the property, the CPF Board does not require any top up of such shortfall owing to the CPF Board.

### ***Other Statutory Charges, Property Tax and Estate Duty***

Other statutory charges may exist in respect of the private residential properties, and these statutory charges have priority over the registered mortgage.

#### ***Property Tax***

In Singapore, a yearly property tax is payable by the owner of a private residential property (which includes a mortgagee in possession who is entitled to receive rent from the property) in advance in January each year (unless the tax authority permits extension of time or payment by instalments). The amount of such yearly property tax is calculated based on a rate specified by the tax authority yearly upon the annual value of such property as assessed by the tax authority. Under the Property Tax Act, such property tax constitutes a first charge on the relevant property.

The tax authority has several remedies against the owner under the Property Tax Act for failure to pay such property tax, including the power to impose a penalty for non-payment of such tax and the right to sue for the recovery of the tax and the penalty levied. For recovery of arrears, the tax authority is entitled to seize and sell by public auction any movable properties found on the property in respect of which the arrears are due. If the value of the movable properties as estimated by the tax authority is insufficient to realise the sum required to satisfy the arrears and costs, the tax authority may also sell by public auction the property in respect of which the arrears are due after having served or published notice of his intention to sell and after the expiration of three months from the date of such notice. Under the Property Tax Act, the title conferred on a purchaser acquiring the property from the tax authority is deemed to be free from all encumbrances and from all subordinate interests deriving from it, including the registered mortgage, unless expressly reserved by the Comptroller of Property Tax at the time of the sale.

If the property is sold, the arrears of property tax together with interest thereon at such rate as may be prescribed by the tax authority and the costs of recovery will be satisfied first. The tax authority will pay any surplus remaining thereafter to all such persons who have made claims on such surplus if the tax authority is satisfied as to the right of each such person.

However, the tax authority must desist from proceeding further with the sale of the property if a person who has interest in the property settles all arrears with interests and costs with the tax authority.

#### ***Estate Duty***

Singapore abolished the levy of estate duty with effect from 15 February 2008, and the Estate Duty Act will apply only in relation to persons who died before 15 February 2008.

Under the Estate Duty Act, estate duty is payable in respect of any property passing on the death of a person and such duty constitutes a first charge on the immovable properties of such deceased person. However, after the expiration of 12 years from the death of the deceased person, such immovable property will not be charged with such estate duty as against a purchaser for valuable consideration or a mortgagee.

The tax authority is empowered under the said Act to impose interest and penalty in respect of any outstanding estate duty, and is entitled to recover the same under the Estate Duty Act. Upon full settlement of the estate duty, the tax authority must when required by the person accounting for the estate duty give a certificate confirming the full settlement of such duty, which certificate shall discharge the property from any further claim of estate duty.

## DESCRIPTION OF THE SINGAPORE COVERED BOND REGIME

The issuance of covered bonds is subject to requirements prescribed by the MAS, as set out in MAS Notice 648 on Issuance of Covered Bonds by Banks Incorporated in Singapore (“MAS Notice 648”), which was issued on 31 December 2013 and revised on 4 June 2015.

MAS Notice 648 prescribes various requirements relating to, among other things, pool assets, cover pool monitors and risk management processes. In this regard, banks have various initial and ongoing obligations under MAS Notice 648 and are responsible for ensuring they comply with them.

In particular, MAS Notice 648 includes requirements:

- (i) that the aggregate value of assets in cover pools for all covered bonds issued by a bank (and an SPV on behalf of that bank) and assets transferred to the SPV that are capable of being included in the cover pool but do not in fact form part of the cover pool shall not exceed 4% of the value of the total assets (subject to certain deductions) of that bank at all times;
- (ii) that the cover pool asset class may only include (a) residential mortgage loans, (b) any other loans secured by the same residential property as the residential mortgage loans, (c) assets, including intangible properties that form part of all the security provided for the residential mortgage loans (such as guarantees and indemnities), (d) any interest held by the bank as trustee or replacement trustee for the SPV in relation to the residential mortgage loans or the assets referred to in (ii)(b) to (ii)(c), (e) derivatives held for the purpose of hedging risks arising from the particular issuance of covered bonds, (f) cash (including foreign currency), (g) Singapore Government Securities (as defined in MAS Notice 648) and (h) the MAS Bills (as defined in MAS Notice 648). The Notice also provides that the aggregate value of the cash (including foreign currency), Singapore Government Securities and the MAS Bills in the cover pool cannot exceed 15% of the aggregate value of all the assets in the cover pool (subject to certain exceptions for example where such cash and securities are held in view of payment obligations due payable within the next 12 months). A bank incorporated in Singapore is also required to use only its own assets, and not that of other entities in the banking group, to form the cover pool;
- (iii) on minimum overcollateralisation (the aggregate value of assets in a cover pool must be at least 103% of the outstanding nominal amount of the covered bonds secured by the assets at all times). The Notice specifies certain haircuts on valuation of residential mortgage loans included in the cover pool when calculating such overcollateralisation;
- (iv) on the bank to conduct valuations on the residential properties used to secure the loans on an annualised basis at the minimum;
- (v) on the bank to put in place adequate risk management processes and internal controls to manage the risks arising from the issuance of covered bonds. This includes:
  - a. having in place appropriate governance arrangements (such as identifying the approval authority within the bank (or the SPV, where the bank uses an SPV to issue covered bonds) with respect to the covered bond programme), performing regular (and in any case, annually) asset coverage tests to ensure collateral quality and the proper level of overcollateralisation, conducting regular stress tests on risks arising from issuing covered bonds such as default, pre-payment, currency, interest rate, counterparty and liquidity risks. The bank is required to ensure that its board and senior management are responsible for conducting due diligence in assessing the risks associated with issuing covered bonds and ensuring that risk management processes that are put in place for covered bonds are adhered to. The bank or the SPV is required to disclose to the covered bondholders results of the asset coverage tests performed and cover pool characteristics on a regular basis (and in any event, quarterly); and

- b. appointing a cover pool monitor (being a qualified external auditor) for the programme to, among other things, verify annually that the bank or the SPV has complied with the requirements on the composition of the assets in the cover pool and keeps an accurate register of the assets in the cover pool, assess the adequacy of the bank's or the SPV's risk management process and internal controls relating to the covered bond programme annually, submit a certified report annually to the MAS and report to the MAS immediately if it becomes aware that the bank or the SPV has breached any of the conditions imposed by the MAS;
- c. obtaining a legal opinion that the assets in the cover pool are beyond the bank's reach and the reach of the bank's creditors, even in insolvency; and
- d. when transferring the legal right to, or perfecting the assignment of assets comprising the cover pool, disclosing the consequences of such transfer or assignment to each borrower whose residential mortgage loan or asset is transferred.
- e. Covered bond issuers are also subject to various information requirements vis-à-vis the MAS.

## THE LOANS AND THE PORTFOLIO

The Loans assigned to the CBG pursuant to the Mortgage Sale Agreement will consist of Loans originated by the Seller. The types of Loans, their key features and the origination, approval, underwriting and enforcement processes of the Seller are summarised below. The features of the Loans and these processes may change from time to time. See also the sections “*Risk Factors – Risks Related to the CBG – Limited description of the Portfolio*” and “*Risk Factors – Risks Related to the CBG – Changes to the Lending Criteria of the Seller*”.

### Origination Process

The Mortgage Loans to be assigned to the CBG, or made subject to the Assets Trust, comprise Singapore private residential mortgage loans and any New Loan Types, including HDB Loans in future (subject to obtaining a Rating Agency Confirmation), that meet the Eligibility Criteria.

UOB’s loan applications are acquired through developers’ property launches, accredited real estate agent referrals, lawyers, customer referrals, direct sales, branch network as well as corporate programmes with the UOB Group of related companies and multi-national corporations.

UOB also has more than 100 mortgage specialists who are trained to advise customers on their mortgage financial needs.

### Approval and Underwriting Process

All loan applications are processed and approved in accordance with the guidelines of UOB’s consumer credit policies and mortgage loan product programme, which are subject to regular reviews. UOB’s credit policies may vary from time to time due to business conditions, legal or regulatory requirements.

All loan applications are keyed in by trained mortgage bankers into UOB’s centrally controlled loan origination system which has a direct interface with the credit bureau system. UOB’s approval process is customised with inbuilt parameters for credit evaluation, loan scoring and assessment of the risk factors of the applicant’s credit bureau results, demographics, loan data and collateral data to evaluate the applicant’s creditworthiness. Loans are system approved based on UOB’s mortgage loan product programme guidelines, using a mortgage application scorecard with overlay rules and exclusion rules. If the application is not automatically approved by the system, it will be reviewed by experienced credit approvers with the appropriate level of credit delegation and approving authority.

Credit assessment takes into account stringent criteria prescribed by the MAS. Borrowers must declare and submit proof of relevant documents showing their financial obligations with moneylenders or other financial institutions for calculation of the regulated total debt servicing ratio (“**TDSR**”).

During the review, stringent verifications are performed on the borrowers, mortgagors and guarantors including checks and verifications on their identity, residence, income and employment documents (where applicable). As a form of verification, customer identity and copies of income proof need to be produced and verified against original documents by the mortgage bankers.

Upon loan acceptance by the customer, a valuation of the mortgaged property will be obtained (where required) from UOB’s panel of valuers.

An approved panel solicitor will also be appointed by UOB’s retail loan operations centre (“**RLOC**”) to act for UOB on the mortgage of the property. RLOC will ensure completion of legal documentation as well as proper documentation and compliance of pre-conditions imposed on the borrowers, the mortgagors

or the mortgaged property prior to issuing loan disbursement instructions in accordance with the solicitor's advice. RLOC will also ensure the duly completed legal documents are forwarded by the solicitors to UOB's custodian and the mortgaged properties are adequately insured against fire.

## **Risk Management Framework**

UOB's board of credit committee (the "**Credit Committee**") and senior management will oversee all risk issues such as risk appetite and limits, risk management framework and risk management policies. UOB risk management framework operates under a strict regulatory regime with a strong risk culture instilled to ensure that short term gains are not achieved at the expense of long term interest.

Comprehensive risk management policies, procedures and limits governing credit risks, funding risks, interest rate risks, market risks as well as operational risks are in place. Regular stress tests are performed on the portfolio using macro parameters and regular risk reports submitted to the Credit Committee. These are coupled with strong internal control and audit processes to review the portfolio performance including asset quality.

UOB's Group Credit (Retail) and Country & Credit Risk Management divisions, which provide independent oversight on risk management activities and are responsible for the regular review of the internal and external risk environment as well as risk parameters, also report directly to the Bank's CEO.

## **Loan Types**

UOB offers a wide range of housing loans for purchase of the mortgage property up to the maximum loan to value ("**LTV**") within regulatory or internal limits, whichever is more stringent. For refinancing from an existing financier, the loan amount is limited to the outstanding loan amount granted by the existing financier for the purchase of the mortgaged property or the current market value of the mortgaged property (subject to LTV cap), whichever is lower.

An equity/top up term loan secured against the same mortgage can also be made available for private residential properties, provided the additional loan is within the total LTV limits and the borrower's debt servicing capability.

UOB's loan packages and product features stated below are applicable for owner-occupied and investment purposes. Loan packages and product features may vary and other conditions may be included from time to time due to changes in business conditions or market competition.

## **Interest Rate Types**

### ***Variable Rate Loans***

#### **(a) *Home Loans Pegged to Singapore Interbank Offer Rate (SIBOR) and Swap Offer Rate (SOR)***

Home loans pegged to SIBOR and SOR are designed for borrowers who prefer transparency on cost of funds which moves in tandem with market conditions. A fixed spread is added to the SIBOR or SOR (as applicable) and borrowers' monthly instalments may vary with the constant changes in the cost of funds.

#### **(b) *Floating Board-rate Loans***

Floating board-rate loans are benchmarked against one of UOB's Board Rates which are subject to change at UOB's discretion. There is a fixed discount off the prevailing Board Rates and such Board Rates may differ for different loan packages.



Floating Board Rate loans offer more stability as the mortgage rates do not vary with SIBOR. In addition, floating packages give homeowners the flexibility to make partial repayments at no additional cost.

### ***Fixed Rate Loans***

Interest rates are fixed over 1, 2 or 3 years generally. Thereafter, the interest rate reverts to a floating board-rate type. These loans offer the most stability and generally come with a premium. They are suitable for owner occupiers and those with a longer term investment horizon as any full or partial repayments will be subject to a penalty fee during the fixed rate period.

### ***Deposit Matching Loans***

Customers are given the choice of a floating board-rate or SIBOR pegged loan but with a deposit matching feature. It is a loan package where the loan is tied to a designated deposit account. Loan interest is not charged on the matched sum deposit. Similarly, no interest is paid on the matched sum deposit. The matched sum is determined by a match deposit cap percentage calculated by the bank.

The loan works just like other loan packages. Monthly instalments are still payable every month based on original loan amount (adjusted for any matched deposits as described above), interest rate and loan tenor, comprising of principal and interest portions.

### ***Combination of Variable Rate and Fixed Rate Loans***

In order to enjoy the best of both worlds, the loans can also be split into a fixed rate loan and a variable rate loan to hedge against any increase in interest rates and allow for greater flexibility in repayment under the floating rate loan.

### **Loan-to value (LTV%) and Affordability**

The loan to value ratio for mortgage loans granted for purchase of residential properties is regulated by the MAS. The prescribed LTV% is up to 80 per cent. for the first mortgage loan; up to 50 per cent. for the second mortgage loan and up to 40 per cent. for the third mortgage loan. If the loan tenor exceeds 30 years or the sum of loan tenor and borrower's age exceeds 65 years, a lower LTV% limit applies.

In determining the repayment ability of borrowers, all property loans are subject to the regulated TDSR of 60 per cent. and Borrowers must pass the TDSR requirement.

TDSR is calculated as follows:

$$\text{TDSR} = (\text{monthly instalment of new housing loan} + \text{all other monthly obligations with UOB or other financial institutions including unsecured revolving credit facilities/gross monthly income}) \times 100\%$$

### **Use of Central Provident Funds (CPF)**

The CPF is a comprehensive social security system set up by the government to enable working Singapore citizens and permanent residents to set aside funds for retirement. It also addresses healthcare, home ownership, family protection and asset enhancement.

Using the CPF to finance the purchase of homes is a common practice in Singapore. Generally, the mortgagor can use his CPF Ordinary Account (“OA”) savings and future CPF contributions to the OA to purchase a residential property and/or pay the monthly instalments of the home loans for such purchase up to 100% of the valuation limit (which is the value of the property at the time of purchase) or the purchase price, whichever is lower (the “**Valuation Limit**”).

Under the current regime, if the housing loan is still outstanding when the Valuation Limit is reached, subject to the approval of the CPF Board and the mortgagor having complied with, *inter alia*, the applicable requirement to set aside certain minimum retirement sum, the mortgagor may utilise up to a further 20 per cent. of the Valuation Limit (making an aggregate of 120 per cent.).

### **Payment Types**

Each housing loan is repayable by monthly instalments of both principal and interest over an agreed tenor of up to 35 years. Under the revised the MAS guidelines, interest-only servicing is only allowed under re-financing facilities which are due to the financial hardship of the borrower which results in the borrower's inability to meet the original repayment schedule.

### **Constant Monthly Instalment (CMI) Feature**

UOB home loan offers the option of constant monthly instalments ("CMI") to mitigate the fluctuation in monthly instalments. The CMI feature allows borrowers to fix their monthly instalments for up to three years, depending on the loan package selected. If interest rates move up, borrowers can be assured that their monthly cash flow will not be disrupted. If interest rates decline, more of the principal amount is paid off, thereby saving the borrower more on the loan interest.

### **Loan Redemption**

For partial redemption, the borrower must serve one-month's written notice to UOB or pay one month's interest on the prepaid amount in lieu of the written notice. For full redemption, the borrower must give at least 3-month's written notice to UOB or pay interest in lieu of notice if the completion date is within the 3-month notice period.

### **Fire Insurance & Mortgage Reducing Term Assurance ("MRTA")**

Borrowers are required to take up fire insurance, renewable annually, for the mortgaged property and assign the relevant mortgagee's interest in the insurance policy to UOB. The fire insurance policy to be taken is based on the reinstatement value of the mortgaged property.

For private residential owners, it is not compulsory to purchase MRTA although they are encouraged to do so to insure themselves against unfortunate events and provide financial protection for themselves and their families.

### **After Sales Service & Mortgage Retention**

After sales service is provided by a dedicated group of mortgage relations bankers ("**Mortgage Relations Bankers**") in relation to loan re-pricing and the restructuring needs of existing borrowers. Mortgage Relations Bankers are trained to assist existing borrowers with their requests and will apply appropriate retention strategies to minimise any attrition.

### **Collection and Enforcement Process**

Under the terms under mortgage loans, borrowers must make the monthly repayments due on or before each monthly instalment due date.

The loan account becomes delinquent when the instalment amount is not paid in full by the due date. The loan account will continue to age until all arrears are paid and account is regularised.

Late interest will continue to accrue until date of full settlement of the arrears. Delinquent accounts are managed via the Bank’s automated collection system based on the borrower’s risk profile and delinquency status using collection tools such as telephone calls, reminder letters and short message service.

Designated collection officers will contact borrowers to settle arrears including all other charges billed to the account and automated reminder letters are generated to inform borrowers of their overdue and required payment amount. Higher risk customers are generally monitored more closely than lower risk customers.

The following illustrates a typical collections process for accounts between 1 to 90 days past due:

<b>Days past Due</b>	<b>Action</b>
1	High Risk Call/1st Payment Default
7	1st Reminder Letter
8	Early Call & Review
21	2nd Reminder Letter
22	1st Call (High/Low Risk)
35	3rd Reminder Letter
36	2nd Call (High/Low Risk)
64	High Risk Recall/Internal Letter of Demand
65	3rd Outbound Call
>78	Pending Recovery Processing

Recovery actions will be managed by designated senior collection officers. Recovery actions are initiated for loans which have been recalled or gone into default for more than 90 days, which include:

- a. arranging a repayment plan workout with the borrower to service the arrears by part payment with the objective of regularising the account;
- b. restructuring loans for hardship cases, e.g. by interest rate reduction, extension of loan tenor, which are subject to regulatory and internal credit guidelines;
- c. owner’s voluntary sale of property;
- d. litigation process to take possession of property; and
- e. mortgagee’s sale of property.

The following illustrates a typical recovery process which includes litigation, property repossession and mortgagee sale:

<b>Days past Due</b>	<b>Action</b>
100	Legal Letter of Demand Recall Letter
130	Court's Notice to Quit
180	Originating Summons Court Hearing Court Order to Repossess Property
240	Receipt of Key & Inspection of Property Valuer & Auctioneer Appointment Sets Condition of Sale Sets Reserve Price
270	Property Auction/Private Treaty/Rental
360	Sale Completion

The time taken to repossess the property is dependent on the co-operation of the defaulting borrower and the decision of the Court. In cases where the defaulting borrowers are co-operative, repossession can be expedited when the borrowers voluntarily surrender the property to UOB for its sale, thereby pre-empting the need for a full court process.

The period of time taken to sell a property depends on market condition at the time of sale which are beyond the control of UOB.

Should there be a shortfall after the property has been sold, the shortfall balance will be charged off after full provision on the shortfall balance has been made. After charge off, arrangements will be made with the borrower to repay the shortfall amount. Recovery action includes full settlement, a repayment plan, a debt relief plan, composite settlement, litigation action or the outsourcing of debt collection to approved external debt collection agencies for borrowers who either cannot be reached, for which UOB has exhausted all avenues to collect.

### **CPF Loans and Non-CPF Loans**

“**CPF Loan**” means all loans granted by the Seller to a Borrower or a Mortgagor (as the case may be) which are secured by the same Mortgage over a Property, in respect of which prior to the Closing Date in respect of such loans, the relevant Mortgagor has withdrawn his CPF Funds in connection with the Property and the CPF Board has accorded the Seller priority of payment towards such loans over the CPF Board in relation to the application of any proceeds from the realisation of such Property.

“**Non-CPF Loan**” means all loans granted by the Seller to a Borrower or a Mortgagor (as the case may be) which are secured by the same Mortgage over a Property, in respect of which the relevant Mortgagor has not withdrawn his CPF Funds in connection with the Property prior to the Closing Date in respect of such loans.

## SUMMARY OF THE PRINCIPAL DOCUMENTS

### Trust Deed

The Trust Deed, made between the Issuer, the CBG, the Bond Trustee and the Security Trustee on the Programme Date, is the principal agreement governing the Covered Bonds. The Trust Deed contains provisions relating to, *inter alia*:

- (a) the constitution of the Covered Bonds and the terms and conditions of the Covered Bonds (as more fully set out under Terms and Conditions of the Covered Bonds above);
- (b) the covenants of the Issuer and the CBG;
- (c) the terms of the Covered Bond Guarantee (as described below);
- (d) the enforcement procedures relating to the Covered Bonds and the Covered Bond Guarantee; and
- (e) the appointment, powers and responsibilities of the Bond Trustee and the circumstances in which the Bond Trustee may resign or retire or be removed.

### Covered Bond Guarantee

Under the terms of the Covered Bond Guarantee, if the Issuer defaults in the payment on the due date of any monies due and payable under or pursuant to the Trust Deed or the Covered Bonds or any Receipts or Coupons (subject to certain grace periods), if any other Issuer Event of Default occurs (other than by reason of non-payment) or if a CBG Event of Default occurs, the CBG has agreed (subject as described below) to pay or procure to be paid (following service of an Issuer Acceleration Notice and Notice to Pay or, if applicable, a CBG Acceleration Notice) unconditionally and irrevocably to or to the order of the Bond Trustee (for the benefit of the Covered Bondholders), an amount equal to that portion of the Guaranteed Amounts which shall become Due for Payment but would otherwise be unpaid, as of any Original Due for Payment Date or, if applicable, Extended Due for Payment Date, by the Issuer. Under the Covered Bond Guarantee, the Guaranteed Amounts will become due and payable on any earlier date on which a CBG Acceleration Notice is served.

Following the occurrence of an Issuer Event of Default and after the Covered Bonds have been declared due and payable by the Bond Trustee as against the Issuer, following service of an Issuer Acceleration Notice, the Bond Trustee will serve a Notice to Pay on the CBG. Payment by the CBG of the Guaranteed Amounts pursuant to the Covered Bond Guarantee will be made on the later of: (i) the day which is two Business Days following service of a Notice to Pay on the CBG; or (ii) the day on which the Guaranteed Amounts are otherwise Due for Payment.

All payments of Guaranteed Amounts by or on behalf of the CBG will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature, unless the withholding or deduction of such taxes, assessments or other governmental charges is required by law or regulation or administrative practice of any authority having the power to tax. If any such withholding or deduction is required, the CBG will pay the Guaranteed Amounts net of such withholding or deduction and shall account to the appropriate tax authority for the amount required to be withheld or deducted. The CBG will not be obliged to pay any amount to the Bond Trustee or any holder of Covered Bonds, Receipts and/or Coupons in respect of the amount of such withholding or deduction. Under the terms of the Covered Bond Guarantee, the CBG agrees that its obligations under the Covered Bond Guarantee shall be as principal debtor and not merely as surety or guarantor and shall be absolute and (following the service of an Issuer Acceleration Notice and Notice to Pay or a CBG Acceleration Notice) unconditional, irrespective of, and unaffected by, any invalidity, irregularity or unenforceability of, or defect in, any provisions of the Trust Deed or any Transaction

Document, or the absence of any action to enforce the same or the waiver, modification or consent by the Bond Trustee or any of the Covered Bondholders, Receiptholders or Couponholders in respect of any provisions of the same or the obtaining of any judgment or decree against the Issuer or any action to enforce the same or any other circumstances which might otherwise constitute a legal or equitable discharge or defence of a guarantor.

Subject to the grace period specified in Condition 9(b) (*CBG Events of Default*), failure by the CBG to pay the Guaranteed Amounts when Due for Payment will result in a CBG Event of Default.

The Trust Deed provides that the Excess Proceeds shall be paid by the Bond Trustee on behalf of the Covered Bondholders of the relevant Series to the CBG for its own account, as soon as practicable, and shall be held by the CBG in the Transaction Account and the Excess Proceeds shall thereafter form part of the Security and shall be used by the CBG in the same manner as all other monies from time to time standing to the credit of the Transaction Account. Any Excess Proceeds received by the Bond Trustee shall discharge *pro tanto* the obligations of the Issuer in respect of the Covered Bonds, Receipts and Coupons (to the extent of the amount so received and subject to restitution of the same if such Excess Proceeds shall be required to be repaid by the CBG but shall be deemed not to have done so for the purposes of subrogation rights of the CBG contemplated by the Trust Deed). However, the obligations of the CBG under the Covered Bond Guarantee are (following service of an Issuer Acceleration Notice and Notice to Pay or, if earlier, service of a CBG Acceleration Notice) unconditional and irrevocable and the receipt by, or on behalf of, the Bond Trustee of any Excess Proceeds shall not reduce or discharge any such obligations.

By subscribing for Covered Bond(s), each Covered Bondholder shall be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the CBG in the manner as described above.

The Trust Deed is governed by English law, save that defined terms incorporated by reference from the Master Definitions Agreement shall be governed by and construed in accordance with Singapore Law.

## **Intercompany Loan Agreement**

### ***General***

Under the terms of the Intercompany Loan Agreement, the Issuer as intercompany loan provider (the “**Intercompany Loan Provider**”) agrees to make available to the CBG, on a secured basis, an intercompany loan facility for an aggregate amount equal to the Intercompany Loan Facility Amount. The initial Advance will be an amount sufficient to acquire the EA Loans and their Related Security in the Initial Portfolio and an interest in the Assets Trust consisting of the DOT Loans and their Related Security in the Initial Portfolio. The Intercompany Loan comprises a guarantee loan portion (the “**Guarantee Loan**”) and a demand loan portion (the “**Demand Loan**”) and is denominated in Singapore dollars. The aggregate of the principal amount of all Advances, Subordinated Advances and Deemed Ancillary Intercompany Loan Advances outstanding at any time shall not exceed S\$15,000,000,000.

The interest rate on each Advance under the Intercompany Loan is such rate of interest per annum to be determined by the Intercompany Loan Provider. The aggregate amount of interest payable under the Intercompany Loan in respect of any interest period will not exceed (a) the aggregate of (i) the net amount payable by the Cover Pool Swap Provider (if applicable) to the CBG and the CBG Beneficiary under the Cover Pool Swap (if applicable), (ii) all Revenue Receipts received by the CBG and the CBG Beneficiary in respect of the Loans and (iii) the interest received on the CBG Accounts, Authorised Investments and Substitution Assets; less (b) an amount equal to the amount of the CBG Expenses (other than (i) any Intercompany Loan interest amounts payable on Advances and (ii) any interest amounts due and payable in respect of the Subordinated Advances to the Intercompany Loan Provider pursuant to the terms of the Subordinated Loan Agreement), each for the corresponding Collection Period.

### ***Calculation of the Demand Loan and Guarantee Loan***

The Guarantee Loan, at any relevant time, is in an amount equal to (A) (a) the SGD Equivalent of the outstanding nominal amount of the Covered Bonds at that time, plus (b) an amount equal to the aggregate principal amount outstanding (or, in the case of assets in the form of Loans (other than Converted Loans), Principal Balance) of additional assets in excess of (a) above, as required to satisfy (and determined in accordance with) the Asset Coverage Test, minus (B) the aggregate principal amount outstanding under the Subordinated Loan (excluding, for the avoidance of doubt, interest and other non-principal amounts thereunder). The Guarantee Loan will be repaid in accordance with the applicable Priorities of Payments and at all times repayment of the Demand Loan is provided for in priority to repayment of the Guarantee Loan, as described below. Following service of a Notice to Pay or CBG Acceleration Notice, repayment of the Guarantee Loan is subordinated in the applicable Priorities of Payments to payments in respect of the Covered Bond Guarantee in accordance with such Priority of Payments.

The Demand Loan at any relevant time will be equal to the difference between the outstanding principal balance of the Intercompany Loan and the outstanding principal amount of the Guarantee Loan at that time. Except as described below, the respective balances of the Guarantee Loan and the Demand Loan will fluctuate according to the requirements of the Asset Coverage Test (see “*Establishment Deed – Asset Coverage Test*”) and with the issuances and redemptions of Covered Bonds.

If a Notice to Pay or a CBG Acceleration Notice is served on the CBG, then the amount of the Demand Loan and the Guarantee Loan will be fixed and thereafter will only be adjusted to reflect permitted repayments (as described below and which will be deducted first from the Demand Loan), further Advances or Subordinated Advances made after the date of service of the Notice to Pay or CBG Acceleration Notice on the CBG (which, in the case of any Advances made after the date of service of the Notice to Pay or CBG Acceleration Notice, will be added to the Subordinated Loan), any reduction in the Set-off Amount as a result of any of the events set out in paragraph (c) of the definition of “Set-off Amount” (which will be deducted from the Guarantee Loan and added to, and constitute, the Demand Loan on the CBG Payment Date following notification from the Cash Manager to the CBG and the Security Trustee of any of the events set out in paragraph (c) of the definition of “Set-off Amount”), an increase in the Principal Balance of a Loan comprised in the Portfolio due to Capitalised Interest, any increase in the amount of the Demand Loan and the corresponding reduction in the amount of the Guarantee Loan as a result of an EA Loan becoming a Converted Loan and any increase in the amount of the Guarantee Loan and the corresponding reduction in the amount of the Demand Loan necessary to satisfy or cure a breach of the Asset Coverage Test immediately before repayment of the Demand Loan.

### ***Purpose***

The CBG will use the initial Advance to acquire (i) the EA Loans and their Related Security in the Initial Portfolio from the Seller in accordance with the terms of the Mortgage Sale Agreement and (ii) an interest in the Assets Trust consisting of the DOT Loans and their Related Security in the Initial Portfolio contributed by the Seller in accordance with the Declaration of Assets Trust, and will use additional Advances:

- (a) to purchase New Loans which are EA Loans and their Related Security from the Seller, from time to time, in accordance with the terms of the Mortgage Sale Agreement; and/or
- (b) towards Additional Contributions to the Assets Trustee to acquire New Loans which are DOT Loans and their Related Security from the Seller pursuant to the terms of the Declaration of Assets Trust; and/or
- (c) to invest in Substitution Assets or Authorised Investments, in each case in accordance with the Establishment Deed; and/or

- (d) subject to written confirmation from the Cash Manager that the Asset Coverage Test is met on the relevant drawdown date (both before and immediately following the making of the relevant Advance), to repay Subordinated Advances, if any; and/or
- (e) to make a deposit of the proceeds in the Transaction Account (including, without limitation, to fund the Reserve Fund, Commingling Reserve Fund and/or the Pre-Maturity Liquidity Ledger, in each case in accordance with the Establishment Deed).

Deemed Advances will also arise under the Intercompany Loan if:

- (a) as at any Calculation Date, the Principal Balance of a Loan in the Portfolio increases as a result of Capitalised Interest or any other increase in the Principal Balance of a Loan; or
- (b) as at any Calculation Date, there is a Deemed Subordinated Advance outstanding,

and, in each case, the Deemed Advance Preconditions are satisfied as of the relevant Calculation Date.

The “**Deemed Advance Preconditions**” are:

- (a) the aggregate outstanding principal amount of Advances after giving effect to such Deemed Advance does not exceed the Intercompany Loan Facility Amount; and
- (b) no Issuer Event of Default, CBG Event of Default or Demand Loan Repayment Event has occurred and is outstanding or would result from the Deemed Advance.

If any of the Deemed Advance Preconditions are not satisfied on the relevant Calculation Date or CBG Payment Date (as applicable) then the relevant amount will constitute a Deemed Subordinated Advance under the Subordinated Loan Agreement. If, however, as of a subsequent Calculation Date, any Deemed Subordinated Advance(s) satisfies the Deemed Advance Preconditions as of that Calculation Date, such Deemed Subordinated Advance(s) will be deemed to be a Deemed Advance(s) under the Intercompany Loan.

Unless otherwise agreed by the Intercompany Loan Provider, no Advances will be made to the CBG following the occurrence of an Issuer Event of Default, a CBG Event of Default or a Demand Loan Repayment Event.

### ***Asset Registers***

The Servicer and the Cash Manager shall maintain accurate and up-to-date registers (collectively, the “**Asset Registers**”) in respect of:

- (a) assets in the cover pool (as defined in the MAS Notice 648) of the CBG and the CBG Beneficiary (including, for the avoidance of doubt, its interest in the Assets Trust); and
- (b) other assets of the CBG and the CBG Beneficiary securing the liabilities of the CBG and the CBG Beneficiary to the Secured Creditors,

and such other registers as the Intercompany Loan Provider or (after a CBG Acceleration Notice has been issued) the Security Trustee may request from time to time.



The Servicer and the Cash Manager will allocate the assets of the CBG to the Asset Registers, at such times as the Servicer and the Cash Manager determine is necessary or as may be required for the purposes of any determination, calculation or repayment of the Demand Loan on the following basis:

- (a) Loans and their Related Security will be allocated on a random basis except for the purposes of repayment in kind of the Demand Loan; and
- (b) all other assets of the CBG (including Authorised Investments and Substitution Assets) will be allocated on such basis as the Servicer and the Cash Manager shall determine.

The Servicer and the Cash Manager have agreed that upon request from the Intercompany Loan Provider and at the cost of the Intercompany Loan Provider it will provide the Intercompany Loan Provider with copies of the Asset Registers and such other information in respect of the Asset Registers as the Intercompany Loan Provider may require.

### ***Repayment of the Demand Loan***

The repayment of principal in respect of the Demand Loan may (at the discretion of the Intercompany Loan Provider) (and following a Notice to Pay or a CBG Acceleration Notice, shall only) be satisfied by payment in kind to the Intercompany Loan Provider of Loans and their Related Security, Authorised Investments and/or Substitution Assets (other than cash) held by the CBG. Upon the CBG being required to repay all or part of the Demand Loan, the Servicer and the Cash Manager will deliver a notice (the “**Demand Loan Repayment Notice**”) to the CBG, the Security Trustee and the Intercompany Loan Provider which (if the Demand Loan is being repaid prior to a Notice to Pay or a CBG Acceleration Notice) will specify (at the discretion of the Intercompany Loan Provider) whether the Demand Loan is to be repaid in cash or in kind, and if the Demand Loan is to be repaid in kind, will specify the Loans and their Related Security, Authorised Investments and/or Substitution Assets (other than cash) (collectively, the “**Demand Loan Repayment Assets**”) that will satisfy the repayment obligation. Where the Demand Loan is to be repaid in kind, the Demand Loan Repayment Assets will comprise first of any Converted Loans in the Portfolio, and (provided the amount of such repayment exceeds the Principal Balance of the Converted Loans in the Portfolio) second of any Loans and their Related Security selected by the Servicer and the Cash Manager on a random basis such that, the aggregate Principal Balance of such Loans as at the relevant Demand Loan Repayment Date together with the aggregate principal amount of such Authorised Investments and/or Substitution Assets (other than cash) forming part of the Demand Loan Repayment Assets is as close as reasonably possible to, and in any event less than or equal to, the principal amount of the Demand Loan requested or required to be repaid under the Intercompany Loan Agreement, subject to the following:

- (a) (i) (prior to the service of a Notice to Pay) no Loans and their Related Security shall form part of the Demand Loan Repayment Assets to the extent necessary to ensure that the Asset Coverage Test is satisfied and, if necessary to satisfy or cure a breach of the Asset Coverage Test, Loans and their Related Security forming the Demand Loan Repayment Assets shall be selected by the Servicer and the Cash Manager on a random basis and be so removed (provided that any such Loans selected to be removed shall not be Converted Loans); and
- (ii) (after service of a Notice to Pay and only to the extent that the principal amount of the Demand Loan requested or required to be repaid represents an increase in the principal balance of the Demand Loan due to any Advances made after the date of service of the Notice to Pay or CBG Acceleration Notice, no Loans and their Related Security shall form part of the Demand Loan Repayment Assets to the extent necessary to ensure the Amortisation Test is not breached by such repayment requested or required; and

- (b) to the extent there are any Converted Loans in the Portfolio, the portion of the Demand Loans equal to the aggregate Principal Balance thereof may only be repaid in kind by way of such Converted Loans (and may not be repaid in cash).

On the CBG Payment Date immediately following the delivery of the Demand Loan Repayment Notice, or in the case of service of a Notice to Pay or a CBG Acceleration Notice, the CBG Payment Date following the date on which the Asset Percentage was fixed (as described below) (the “**Demand Loan Repayment Date**”), the Demand Loan will be repaid or, as the case may be, in respect of any Loans and their Related Security comprising the relevant Demand Loan Repayment Assets:

- (i) (in the case of EA Loans and their Related Security) where the Seller and the Intercompany Loan Provider are the same entity and if the sale of such EA Loans and their Related Security has not been perfected:
  - (A) the CBG’s rights, estate, interests, title, benefits and remedies in such EA Loans and their Related Security will be reassigned, released and surrendered and will vest completely in favour of the Intercompany Loan Provider, automatically free from the Security Interest created by the Singapore Deed of Charge; and
  - (B) the CBG shall cease to have any interest in, or right to, such EA Loans and their Related Security;
- (ii) (in the case of EA Loans and their Related Security) if sale of such EA Loans and their Related Security has been perfected, the CBG shall transfer its rights, estate, interests, title, benefits and remedies in such EA Loans and their Related Security to the Intercompany Loan Provider;
- (iii) (in the case of DOT Loans and their Related Security which are subject to an Assets Trust) where the Assets Trustee and the Intercompany Loan Provider are the same entity and the CBG Beneficiary has not surrendered its beneficial interest in such DOT Loans and their Related Security:
  - (A) the CBG Beneficiary’s rights, estate, interests, title, benefits and remedies in such DOT Loans and their Related Security (which are subject to an Assets Trust) shall be released and surrendered such that they vest completely in favour of the Intercompany Loan Provider, free from the Security Interest created by the Singapore Deed of Charge; and
  - (B) the CBG Beneficiary shall cease to have any interest in, or right to, such DOT Loans and their Related Security and such DOT Loans and their Related Security shall cease to be Trust Assets; and/or
- (iv) (in the case of DOT Loans and their Related Security which are subject to an Assets Trust) if legal title to such DOT Loans and their Related Security has been transferred to a Replacement Assets Trustee (such transfer to be subject to any one of the Requisite DOT Loan Legal Title Transfer Approvals being obtained), the CBG Beneficiary shall transfer its rights, estate, interests, title, benefits and remedies in, and the Replacement Assets Trustee shall transfer (at the direction of the CBG Beneficiary) the legal title to, such DOT Loans and their Related Security to the Intercompany Loan Provider (provided all relevant consents required thereto are obtained).

On or before the second CBG Payment Date following the relevant Demand Loan Repayment Date (where applicable), the Intercompany Loan Provider shall pay to the CBG an amount equal to the Arrears of Interest and Accrued Interest on the relevant Loans and Related Security comprising the relevant Demand Loan Repayment Assets in respect of which (in the case of the EA Loans) the CBG’s or (in the

case of DOT Loans) the CBG Beneficiary's rights, estate, interests, title, benefits and remedies are reassigned, released and surrendered, or transferred (as applicable) on that Demand Loan Repayment Date, as at (but excluding) that Demand Loan Repayment Date.

All payments in respect of principal in respect of any Demand Loan Repayment Assets (whether as all or part of a payment on a Loan) which are received immediately following service of a Demand Loan Repayment Notice will belong to the Intercompany Loan Provider and are not Principal Receipts and the Cash Manager on behalf of the CBG and the CBG Beneficiary agrees to remit such amounts to the Intercompany Loan Provider on or before the second CBG Payment Date following such receipt.

Prior to service on the CBG of an Asset Coverage Test Breach Notice, a Notice to Pay or a CBG Acceleration Notice or following revocation of an Asset Coverage Test Breach Notice, the Intercompany Loan Provider may, by notice in writing to the CBG and the CBG Beneficiary, demand repayment of the Demand Loan (or any part thereof) either in cash or in kind with Demand Loan Repayment Assets (and, in the case of Demand Loan Repayment Assets, outside the Priorities of Payments), on each CBG Payment Date immediately following the last day of the Calculation Period in which the demand is made. Repayment of the Demand Loan may only be made in cash if the CBG would have sufficient money for that purpose, after taking into account its other payment obligations on the relevant CBG Payment Date, provided that, to the extent there are Converted Loans in the Portfolio, the portion of the Demand Loan equal to such Converted Loans may only be repaid in kind.

Prior to service of a Notice to Pay or a CBG Acceleration Notice, no principal amount of the Demand Loan will be repaid in cash or in kind as required above unless the Cash Manager has determined that the Asset Coverage Test will continue to be met after giving effect to the repayment in question.

Following the service of a Notice to Pay or a CBG Acceleration Notice, the Asset Percentage shall be fixed at a percentage number equal to the number calculated and applied for the purposes of determining the Adjusted Aggregate Loan Amount on the Test Date immediately preceding the service of a Notice to Pay or a CBG Acceleration Notice and the amount of the Demand Loan calculated on such basis will be repayable by the CBG in kind with Demand Loan Repayment Assets (and outside the Priorities of Payments).

The Servicer and the Cash Manager will select the initial Demand Loan Repayment Assets ("**Initial Demand Loan Repayment Assets**") in respect of which the CBG's rights, estate, interests, title, benefits and remedies are to be reassigned, released and surrendered in favour of or transferred to the Intercompany Loan Provider with an aggregate Principal Balance ("**Initial Demand Loan Repayment Asset Amount**") as close as reasonably possible to the principal amount of the Demand Loan (as most recently calculated by the Cash Manager and notified to the Servicer). The Cash Manager will specify such Demand Loan Repayment Assets in an initial Demand Loan Repayment Notice (the "**Initial Demand Loan Repayment Notice**") delivered to the CBG, the Intercompany Loan Provider and the Security Trustee.

The Demand Loan Repayment Assets will not form part of the assets that are applied by the Security Trustee in accordance with the Post-Enforcement Priority of Payments.

In order to provide sufficient time to the Cash Manager to select and transfer or reassign, release and surrender the CBG's rights, estate, interests, title, benefits and remedies in the relevant Demand Loan Repayment Assets to the Intercompany Loan Provider in accordance with the terms of the Intercompany Loan Agreement, the terms of the Singapore Deed of Charge provide that the Security Trustee may only apply amounts in accordance with the Post-Enforcement Priority of Payments on and after the first CBG Payment Date following the earlier of:

- (a) 30 days following the service of a CBG Acceleration Notice on the CBG; and
- (b) the date the Asset Percentage is fixed as described above following the service of a CBG Acceleration Notice.

If the Intercompany Loan Agreement is terminated (a “**Demand Loan Repayment Event**”), the Asset Percentage shall be fixed at a percentage number equal to the number calculated and applied for the purposes of determining the Adjusted Aggregate Loan Amount on the Test Date immediately preceding the service of a Notice to Pay or a CBG Acceleration Notice and the amount of the Demand Loan calculated on the basis of such Asset Percentage will be repayable in kind with Demand Loan Repayment Assets selected by the Servicer and the Cash Manager. On the occurrence of a Demand Loan Repayment Event (but prior to the service of a Notice to Pay or a CBG Acceleration Notice on the CBG) the outstanding principal amount of the Demand Loan will be repayable by the CBG on the first CBG Payment Date following the Calculation Date after the fixing of the Asset Percentage.

### ***Other***

The Issuer will not be relying on repayment of the Intercompany Loan in order for it to meet its repayment obligations under the Covered Bonds.

Any amount borrowed under the Intercompany Loan Agreement that is repaid by the CBG may be re-borrowed.

Any failure by the CBG to pay any amounts due on the Intercompany Loan will not affect the liability of the Issuer to pay the relevant amount due on the Covered Bonds.

The Intercompany Loan Agreement is governed by Singapore law.

### **Mortgage Sale Agreement**

#### ***The Seller***

The Seller’s rights, estate, title, interests, benefits and remedies in the EA Loans and their Related Security will be sold to the CBG from time to time pursuant to the terms of the Mortgage Sale Agreement entered into on the Programme Date between the Issuer (in its capacity as Seller), the CBG, the CBG Beneficiary, the Assets Trustee, the All Monies Trustee and the Security Trustee.

#### ***Sale by the Seller of Loans and Related Security***

The Portfolio will consist of EA Loans and their Related Security sold from time to time by the Seller to the CBG in accordance with the terms of the Mortgage Sale Agreement and an interest in the Assets Trust held by the Assets Trustee in favour of the CBG Beneficiary. The Trust Assets held by the Assets Trustee will include DOT Loans and their Related Security (and any related Top-up Loans) in accordance with the terms of the Declaration of Assets Trust as described below (and in respect of such DOT Loans, please see the section “*Summary of the Principal Documents – Declaration of Assets Trust*” below). The types of Loans forming part of the Portfolio will vary over time, provided that, at the time the relevant Loans are sold (or a trust is declared over, as applicable) to the CBG, the Eligibility Criteria (as described below) in respect of such Loans are met on the relevant Closing Date. Accordingly, the Portfolio may, at any time, include Loans with characteristics that were not being offered to Borrowers or Mortgagors (as the case may be) on previous Closing Dates.

Prior to the occurrence of an Issuer Event of Default or a CBG Event of Default, the CBG will acquire Loans and their Related Security (or an interest in the Assets Trust thereto) from the Seller in the three circumstances described below.

- (a) *First*, in relation to the issue of Covered Bonds from time to time in accordance with the Programme, the Issuer may make Advances under the Intercompany Loan Agreement to the CBG, the proceeds of which may be applied in whole or in part by the CBG to acquire Loans and their Related Security (or an interest in the Assets Trust thereto) from the Seller. In exchange for the sale of the EA Loans and their Related Security to the CBG or a declaration

of trust in respect of the DOT Loans and their Related Security in favour of the CBG Beneficiary, the Seller will receive an amount equal to the Principal Balance of those Loans sold by it as at the Closing Date, which will be satisfied by a combination of:

- (i) a cash payment (if any) to be made by the CBG from the proceeds of the relevant Advance and/or Subordinated Loan Advance (or set-off against such Advance) and/or from Available Principal Receipts (unless an Asset Coverage Test Breach Notice has been served and remains outstanding); and/or
  - (ii) Deferred Consideration;
- (b) *Second*, prior to service of an Asset Coverage Test Breach Notice, a Notice to Pay or a CBG Acceleration Notice on the CBG or following the revocation of an Asset Coverage Test Breach Notice, the CBG will use the Available Principal Receipts to acquire New Loans (which are EA Loans) and their Related Security from the Seller or make an Additional Contribution to the Assets Trustee to acquire New Loans (which are DOT Loans) and their Related Security (and any related Top-up Loans) from the Seller pursuant to the terms of the Declaration of Assets Trust on any Singapore Business Day (including a CBG Payment Date); and
- (c) *Third*, the CBG and the Seller are required to ensure that the Portfolio is maintained at all times in compliance with the Asset Coverage Test (as determined by the Cash Manager on each Calculation Date). If as of any Calculation Date there is a breach of the Asset Coverage Test, CBG shall, at its sole discretion within three Singapore Business Days of receiving notice that the Adjusted Aggregate Loan Amount does not comply with the Asset Coverage Test, request the Seller to sell to the CBG sufficient New Loans and their Related Security (and any related Top-up Loans) to the CBG on or before the next Calculation Date so that the Adjusted Aggregate Loan Amount is in compliance with the Asset Coverage Test. If any New Loans are EA Loans, the Seller undertakes to use all reasonable endeavours to offer to sell to the CBG by complying with the procedure in the Mortgage Sale Agreement and the CBG undertakes to use all reasonable endeavours to acquire from the Seller sufficient New Loans (which are EA Loans) and their Related Security (and any related Top-up Loans) in accordance with the provisions of the Mortgage Sale Agreement together with any New Loans (which are DOT Loans) and their Related Security (and any related Top-up Loans) offered to be sold by the Seller to the CBG under the Declaration of Assets Trust, so that the Adjusted Aggregate Loan Amount is maintained at all times in compliance with the Asset Coverage Test as determined by the Cash Manager as of each Calculation Date. The Seller shall not be obliged to offer to sell to the CBG New Loans and their Related Security (and any related Top-up Loans) if in the reasonable opinion of the Seller the sale to the CBG of such New Loans and their Related Security (and any related Top-up Loans) would adversely affect the business or financial condition of the Seller. In the case of a sale of DOT Loans and their Related Security (and any related Top-up Loans) by the Seller to the CBG pursuant to the Declaration of Assets Trust, the relevant DOT Loans and their Related Security (and any related Top-up Loans) shall become Trust Assets (and be subject to the Assets Trust made in favour of the CBG Beneficiary) and the CBG Beneficiary shall make an Additional Contribution (which shall be funded in accordance with the terms of the Declaration of Assets Trust) to the Assets Trustee which shall be applied by the Assets Trustee towards payment to the Seller of the purchase consideration for the acquisition of the relevant CPF Loans and their Related Security (and any related Top-up Loans).

If Selected Loans and their Related Security are sold by or on behalf of the CBG as described below under “*Establishment Deed – Sale of Selected Loans following service of a Notice to Pay*”, the obligations of the Seller insofar as they relate to those Selected Loans and their Related Security will cease to apply.

The Seller will also be required to (in the case of EA Loans) repurchase EA Loans and their Related Security or (in the case DOT Loans) accept surrender of the Trust Assets relating to such DOT Loans and their Related Security (and any related Top-up Loans) sold to the CBG or to which a trust had been declared in favour of the CBG Beneficiary in the circumstances described below under “*Repurchase or Surrender of Loans*”.

***Conditions to Sale of EA Loans and their Related Security or declaration of trust in respect of DOT Loans and their Related Security and Eligibility Criteria***

The sale of EA Loans and their Related Security to the CBG or a declaration of trust in respect of DOT Loans and their Related Security in favour of the CBG Beneficiary will be subject to various conditions and eligibility requirements (the “**Eligibility Criteria**”) being satisfied on the relevant Closing Date.

The sale conditions include:

- (a) no Issuer Event of Default or CBG Event of Default under the Transaction Documents shall have occurred which is continuing as at the relevant Closing Date;
- (b) such sale or inclusion in the Assets Trust is not contrary to any direction given by the MAS;
- (c) the CBG, acting on the advice of the Cash Manager, is not aware, and could not reasonably be expected to be aware, that the purchase of the Loans and their Related Security would adversely affect the then current ratings of the Covered Bonds;
- (d) notice of the sale and purchase or inclusion in the Assets Trust in respect of the New Portfolio to be given to the Rating Agencies on or prior to the relevant Closing Date, in each case as certified by an authorised signatory of the Issuer; and
- (e) each New Loan is in compliance with the Eligibility Criteria.

The Eligibility Criteria require that each Loan:

- (a) is originated and booked after 1 January 2003;
- (b) is denominated and repayable in SGD;
- (c) is a loan which has been fully drawn (save for where the Borrower has no right to re-borrow any amount prepaid or repaid);
- (d) is secured by a mortgage over residential properties situated in Singapore and (1) title to such residential property must be separately issued and (2) (if applicable) the leasehold interest of such residential property must not be for a term of less than 35 years after the maturity date of the relevant Loan at the time of the approval for the Loan origination;
- (e) is repayable by the relevant Borrower within 35 years of the relevant Closing Date;
- (f) is a loan under which the Borrower has made at least one monthly payment in respect thereof;
- (g) is not in arrears for more than one month as at the relevant Closing Date;
- (h) is secured by a registered mortgage that constitutes a first ranking mortgage in respect of the full outstanding balance of such Loan, save for (i) (in respect of any Loan that was originated or refinanced on or after 1 September 2002 only) any charge registered or notified by the CPF Board in respect of the withdrawal of funds from the Mortgagor’s account with the CPF Board,

(ii) any statutory charge in favour of the tax authority in respect of unpaid property tax, (iii) any charge registered in favour of the relevant management corporation of the estate comprising the residential property in respect of unpaid amounts or contributions, (iv) any statutory charge in favour of the tax authority in respect of unpaid estate duty (where applicable), (v) any charge in favour of workmen arising by virtue of section 33 of the Employment Act, Chapter 91 of Singapore;

- (i) is not a staff loan; and
- (j) is compliant with the requirements applicable to the cover pool asset class pursuant to MAS Notice 648 unless consent approval has been obtained in respect of the Loan.

On the relevant Closing Date, the Representations and Warranties (described below in “*Representations and Warranties*”) will be given by the Seller in respect of the Loans and their Related Security sold by the Seller to the CBG.

***Transfer of Title to the EA Loans to the CBG or a Purchaser***

EA Loans and their Related Security (and any related Top-up Loans) will be sold by the Seller to the CBG pursuant to the terms of the Mortgage Sale Agreement by way of equitable assignment. As a result, legal title to all of the EA Loans and their Related Security will remain with the Seller until a Notice of Assignment is given by the Seller to the Borrower, Mortgagor, surety, guarantor and/or any other relevant counterparty and the EA Loans and their Related Security are transferred by the Seller to the CBG and, where applicable, registered with the appropriate authority(ies). Legal assignment of the EA Loans and their Related Security (including, where appropriate, their registration or recording in the relevant property register) to the CBG will be deferred and will only take place in the limited circumstances described below.

The Seller shall, within 30 days after the earliest to occur of the following, submit or deliver all relevant documents, notifications, forms, instruments and applications to the relevant parties as may be necessary to effect transfer of legal title to the EA Loans and their Related Security (and any related Top-up Loans) (or, where specified, the Selected Loans) to the CBG or (where applicable) the Purchaser:

- (a) the occurrence of an Issuer Event of Default under Condition 9(a) (*Issuer Events of Default*) and service on the Issuer of an Issuer Acceleration Notice and the service on the CBG of a Notice to Pay except that such submission or delivery in respect of Selected Loans described in a Selected Loans Offer Notice is not required if the Seller has notified the CBG that it will accept the offer set out in the Selected Loans Offer Notice within the prescribed time;
- (b) the occurrence of a CBG Event of Default under Condition 9(b) (*CBG Events of Default*) and service on the CBG of a CBG Acceleration Notice;
- (c) in respect of Selected Loans only, at the request of the CBG following the acceptance of any offer to sell the Selected Loans to any Purchaser who is not the Seller;
- (d) the Seller and/or the CBG being required: (i) by law; (ii) by an order of a court of competent jurisdiction; (iii) by a regulatory authority which has jurisdiction over the Seller; or (iv) by any organisation of which the Seller is a member, or whose members comprise, but are not necessarily limited to, mortgage lenders and with whose instructions it is customary for the Seller to comply, to transfer legal title to the EA Loans;
- (e) the occurrence of an Insolvency Event in respect of the Seller;

- (f) the termination or resignation of the Seller as Servicer under the Servicing Agreement unless:
  - (iii) at the relevant date of termination or resignation any substitute servicer is a member of the Group which holds all regulatory approvals and other consents required in order to service the Loans and their Related Security; or
  - (iv) the Seller and the Servicer so requests and the Security Trustee consents (such consent to be given if a Rating Agency Confirmation or a Ratings Notification has been delivered by the Issuer to the CBG and the Security Trustee in respect of the termination or resignation of the Seller as Servicer and the non-perfection of the transfer of such EA Loans and their Related Security);
- (g) the Seller requesting a transfer of legal title (i) to the CBG or (ii) (where applicable) the Relevant Purchaser by giving notice in writing to the CBG and the Security Trustee; or
- (h) the Seller's unsecured, unsubordinated, long-term senior debt obligation have been downgraded below Baa3 by Moody's or BBB- by S&P,

such events set out in (a) to (h) above the "**Perfection Events**".

In respect of the transfer of title to DOT Loans and their Related Security (and any related Top-up Loans), please see the section "*Declaration of Assets Trust – Transfer of title to the DOT Loans and appointment of a Replacement Assets Trustee*" below.

Pending completion of the transfer, the right of the CBG to exercise the powers of the legal owner of the Mortgages will be secured by an irrevocable power of attorney granted by the Seller in favour of the CBG and the Security Trustee.

Except where lodged with the Land Registry in relation to any registration or recording which may be pending at the Land Registry, the Title Deeds and Loan Files relating to the Loans in the Portfolio will be held or controlled by or to the order of the Seller or the Servicer, as the case may be, or by solicitors acting for the Seller in connection with the creation of the Loans and their Related Security. The Seller or the Servicer, as the case may be, will undertake that all the Title Deeds and Loan Files relating to the Loans in the Portfolio which are at any time in their possession or under their control or held to their order will be held or controlled to the order of the Security Trustee or as the Security Trustee may direct.

### ***Representations and Warranties***

None of the CBG, the Security Trustee or the Bond Trustee has made or has caused to be made on its behalf any enquiries, searches or investigations in respect of the Loans and their Related Security to be sold to the CBG. Instead, each is relying entirely on the Representations and Warranties by the Seller contained in the Mortgage Sale Agreement. The parties to the Mortgage Sale Agreement may, with the prior written consent of the Security Trustee (which shall be given if a Rating Agency Confirmation or a Ratings Notification has been received), amend the Representations and Warranties in the Mortgage Sale Agreement. The Representations and Warranties include the following and are given on the relevant Closing Date in respect of the Loans and Related Security to be sold to the CBG only on that date:

- (a) at the time the Seller entered into any Loan, it did so in good faith and for the purpose of carrying on its business and at the time it did so there were reasonable grounds for believing that the transaction would benefit the Seller, and made substantially on the terms of the Standard Documentation without any material variation (subject only to exceptions as would be acceptable to a Reasonable, Prudent Mortgage Lender);



- (b) each Loan and its Related Security was originated in the Seller's ordinary course of business and, in all material respects, in accordance with the Seller's Lending Criteria in force at the time of its origination;
- (c) the Seller is under no obligation to make further amounts available under each Loan or its Related Security to any Borrower other than as required by applicable laws;
- (d) at the time the Seller entered into the Mortgage relating to each Loan, it complied in all material respects with MAS Notice 632 in effect at that point in time issued by the MAS to banks (as defined under the Banking Act, Chapter 19 of Singapore) in respect of residential property loans from time to time;
- (e) each Loan and its Related Security is valid, binding and enforceable against the relevant Borrower(s), (if different) the relevant Mortgagor(s) and (if applicable) the relevant surety(ies) (except that enforceability may be limited by bankruptcy, insolvency, moratorium or other similar laws of general application relating to or affecting the rights of creditors and the court's discretion in relation to equitable remedies);
- (f) each Related Security secures the repayment of all advances, interest, costs and expenses payable by the relevant Borrower in respect of the related Loan;
- (g) prior to making a Loan, the Seller instructed or required to be instructed on its behalf solicitors to carry out all investigations and searches in relation to the relevant Property that would have been undertaken by the Seller acting in accordance with standards consistent with those of a Reasonable, Prudent Mortgage Lender lending to borrowers in Singapore;
- (h) prior to making a Loan, an independent valuation was carried out by one of the then Seller's valuers on the relevant Property (either on a desk-top basis or as a result of a physical visit), and the results of any such obtained valuation would have been acceptable to a Reasonable, Prudent Mortgage Lender;
- (i) the Mortgage Conditions in respect of each Loan and Related Security require that a policy of fire policy insurance be arranged by or on behalf of the Borrower or (if different) the Mortgagor for each Property and such policy has actually been arranged;
- (j) at the time when a Loan was disbursed or the mortgage or other security for the Loan was created, to the best of the Seller's knowledge, the Seller had not received written notice of the bankruptcy, voluntary arrangement, or similar insolvency process of the relevant Borrower, (if different) the relevant Mortgagor and/or the (if applicable) relevant surety(ies);
- (k) no steps have been taken by the Seller to enforce any Related Security;
- (l) the Loans comply with the Eligibility Criteria;
- (m) no loan constitutes a New Loan Type in respect of which no Rating Agency Confirmation or Ratings Notification has been received that such New Loan Type may be sold to the CBG;
- (n) each of the Borrowers, Mortgagors and (where applicable) guarantor(s) of such Loan is an individual and was 21 years of age at the time of approval for the origination of the Loan;
- (o) the Seller is the sole legal and beneficial owner of each Loan and its Related Security and no prior ranking security interest over any Loan or its Related Security exists other than the Seller's, save for (i) any charge registered or notified by the CPF Board in respect of the withdrawal of funds from the Mortgagor's account with the CPF Board, (ii) any statutory charge in favour of the tax authority in respect of unpaid property tax, (iii) any charge

registered in favour of the relevant management corporation of the estate comprising the Property in respect of unpaid amounts or contributions, (iv) any statutory charge in favour of the tax authority in respect of unpaid estate duty (where applicable) and (v) any charge in favour of workmen arising by virtue of section 33 of the Employment Act, Chapter 91 of Singapore;

- (p) (A) all approvals and consents necessary to permit (i) an equitable or beneficial transfer of, or a declaration of trust over the Loans and their Related Security to be sold under the Mortgage Sale Agreement (or in the case of DOT Loans and their Related Security, to be subject to the terms of the Assets Trust) and (ii) the servicing of such Loans and their Related Security as contemplated by the Transaction Documents have been obtained (including the consents of insurers for assignment of rights and interests under relevant insurance policies), save for the consent from the CPF Board to the transfer of DOT Loans, Converted Loans and their Related Security to the Replacement Assets Trustee or a Purchaser and (B) there is no prohibition against assignment of any Loan or any mortgage, guarantee or other Related Security and each Loan, mortgage, guarantee and other Related Security is freely assignable;
- (q) the Seller holds in its possession or control the Title Deeds in relation to the mortgaged properties;
- (r) the Seller has, since the making of each Loan, kept or procured the keeping of full and proper accounts, books and records showing all material transactions and all material notices relating to such Loan;
- (s) all authorisations, approvals, licences or consents required as appropriate for the Seller to enter into or perform its material obligations under the Mortgage Sale Agreement have been obtained save for the consent from the CPF Board to the transfer of DOT Loans, Converted Loans and their Related Security to the Replacement Assets Trustee or a Purchaser;
- (t) the terms of the loan agreements relating to the Loans require payments in respect of the Mortgage Loans to be made to the Seller free of set-off;
- (u) each of the Mortgages has been duly stamped and registered at the Singapore Land Authority;
- (v) no Insolvency Event is subsisting in respect of the Seller;
- (w) there is no fraud, dishonesty, material misrepresentation or gross negligence on the part of the Seller in connection with the selection and offer to the CBG of each Loan and its Related Security; and
- (x) the particulars of each Loan set out in the relevant New Portfolio Notice are true, complete and accurate in all material respects.

If New Loan Types are to be sold to the CBG, then the Representations and Warranties in the Mortgage Sale Agreement will be waived or modified as required to accommodate these New Loan Types, provided that a Rating Agency Confirmation or Ratings Notification has been delivered by the Seller in respect of any such modification and the Cash Manager has certified that such waiver or amendment will not have a Material Adverse Effect. The prior consent of the Covered Bondholders to the requisite amendments will not be required to be obtained. In relation to the sale of New Loan Types to the CBG, the Seller shall also procure that legal opinions opining on, amongst other things, the “true-sale” of New Loan Types be provided to the CBG and the Security Trustee in such form as may be reasonably required by the Security Trustee.

### ***General ability to repurchase***

Prior to the occurrence of an Issuer Event of Default, the Seller may from time to time offer to (in the case of EA Loans) repurchase a EA Loan and its Related Security from the CBG for a purchase price of not less than the aggregate Principal Balance of the relevant Loan. The CBG may accept such offer at its discretion.

### ***Repurchase of EA Loans***

If the Seller receives a Loan Repurchase Notice from the CBG or the Cash Manager on behalf of the CBG identifying a Loan or its Related Security in the Portfolio which does not, as at the relevant Closing Date, materially comply with the Representations and Warranties set out in the Mortgage Sale Agreement (provided that the CBG has given the Seller not less than 30 days notice in writing, and such material non-compliance, where capable of remedy, is not remedied to the reasonable satisfaction of the Security Trustee within the 30 day notice period), then the Seller will be required to repurchase any such EA Loan and its Related Security (and any related Top-up Loans) of the relevant Borrower that are included in the Portfolio.

The repurchase price payable upon the repurchase of any EA Loan (or, as the case may be, Defaulted Loan and/or Converted Loan (in each case which is a EA Loan)) is an amount (not less than zero) equal to the Principal Balance of such Loan (or, as the case may be, Defaulted Loan and/or Converted Loan (in each case which is a EA Loan) and expenses as at the relevant repurchase date, such repurchase price to be subsequently adjusted (as described under “*Repurchase adjustment in respect of EA Loans*”). Any repurchase proceeds received from (in the case of EA Loans and their Related Security) the sale of such EA Loan and/or Defaulted Loan or Converted Loan (in each case which is a EA Loan) and its Related Security by the CBG will be applied in accordance with the Priorities of Payments on the next CBG Payment Date. See “*Cashflows and Priorities of Payments*”.

The repurchase price payable upon the repurchase of any related Top-up Loan is an amount (not less than zero) equal to the outstanding balance of the Top-up Loan as at the relevant repurchase date plus Arrears of Interest, Accrued Interest, any fees and any other amounts due in respect thereof as at the relevant repurchase date. Any repurchase proceeds received from the sale of such Top-up Loan shall be applied outside the Priorities of Payments towards the repayment of the Ancillary Intercompany Loan.

### ***Defaulted Loans***

If a Seller receives a Defaulted Loans Notice from the Cash Manager identifying any Defaulted Loan, then that Defaulted Loan will be attributed a reduced weighting in the calculation of the Asset Coverage Test and the Amortisation Test as at the relevant Calculation Date. In addition, the Seller may, at its option, (in the case of EA Loans) repurchase a Defaulted Loan and its Related Security or (in the case of DOT Loans) accept surrender of the Trust Assets relating to such DOT Loans and their Related Security (and any related Top-up Loans) from the CBG for an amount equal to the Principal Balance of the Defaulted Loan and any expenses as at the date of completion of such repurchase or re-transfer or purchase or transfer, such repurchase price to be subsequently adjusted to take into account, *inter alia*, Arrears of Interest, Accrued Interest and any fees under such Defaulted Loan in the period to (but excluding) the relevant repurchase date of such Loan (as described under “*Repurchase adjustment in respect of EA Loans*” and “*Summary of Principal Documents – Declaration of Assets Trust – Repurchase adjustment in respect of DOT Loans and Top-up Loans*” below).

### ***Converted Loans***

A EA Loan becomes a Converted Loan in circumstances where a Mortgagor of a EA Loan withdraws CPF Funds in connection with the Property after the Closing Date in respect of such EA Loan but prior to the service of a Notice to Pay or a CBG Acceleration Notice (whichever is earlier). The Seller may, at its sole discretion, offer to repurchase such Converted Loan and its Related Security from the CBG. The

repurchase price shall be equal to the Principal Balance of such Converted Loan and any expenses as at the date of completion of such repurchase, such repurchase price to be subsequently adjusted to take into account Arrears of Interest, Accrued Interests and any fees under such Converted Loan in the period to (but excluding) the relevant repurchase date. If the Seller does not repurchase a Converted Loan and its Related Security prior to such withdrawal of CPF Funds, the prior approval of the CPF Board would be required for a transfer of the legal title to a Purchaser or third party.

### ***Right of pre-emption***

Under the terms of the Mortgage Sale Agreement, the Seller has a right of pre-emption in respect of any sale, in whole or in part, of Selected Loans and their Related Security (and any related Top-up Loans).

The CBG (in respect of EA Loans and their Related Security) and/or the Assets Trustee (in respect of DOT Loans and their Related Security (and any related Top-up Loans)) will serve on the Seller a Selected Loans Offer Notice offering to sell (or surrender as the case may be) Selected Loans and their Related Security (and any related Top-up Loans) for an offer price, in the case of the Selected Loans, equal to:

- (a) where the Selected Loans Offer Notice is given following a breach of the Pre-Maturity Test in respect of any Series of Hard Bullet Covered Bonds, the greater of:
  - (i) the then Principal Balance of the Selected Loans plus any Accrued Interest and Arrears of Interest on the Selected Loans and any fees due in respect of the Selected Loans, and
  - (ii) the Adjusted Required Redemption Amount;
- (b) where the Selected Loans Offer Notice is given following the service of an Asset Coverage Test Breach Notice but prior to the service of a Notice to Pay, the Principal Balance of the Selected Loans plus any Accrued Interest and Arrears of Interest on the Selected Loans and any fees due in respect of the Selected Loans; or
- (c) where the Selected Loans Offer Notice is given following the service of a Notice to Pay, the greater of:
  - (i) the Principal Balance of the Selected Loans plus any Accrued Interest and Arrears of Interest on the Selected Loans and any fees due in respect of the Selected Loans, and
  - (ii) the Adjusted Required Redemption Amount,

in each case subject to the offer being accepted by the Seller within 20 Singapore Business Days. The related Top-up Loans, if any, will be offered for an offer price equal to the outstanding balance of the related Top-up Loans, such offer price to be subsequently adjusted (as described under “*Repurchase adjustment in respect of DOT Loans and Top-up Loans*” below).

If an Issuer Event of Default has occurred but no liquidator or judicial administrator has been appointed to the Seller, the Seller’s right to accept the offer (and therefore its right of pre-emption) will be conditional upon the delivery by the Seller of a solvency certificate to the CBG and the Security Trustee. If the Seller rejects the CBG’s offer or fails to accept it in accordance with the foregoing, the CBG will offer to sell the Selected Loans and their Related Security (and any related Top-up Loans) to other Purchasers (as described under “*Summary of the Principal Documents – Establishment Deed – Method of Sale of Selected Loans*” below).

If the Seller validly accepts the CBG's and/or the Assets Trustee's (as the case may be) offer to sell (or surrender as the case may be) the Selected Loans and their Related Security (and any related Top-up Loans), the CBG and/or the Assets Trustee (as the case may be) will, within three Singapore Business Days of such acceptance, serve a Selected Loans Repurchase Notice on that Seller. The Seller will sign and return a duplicate copy of the Selected Loans Repurchase Notice and will repurchase or accept surrender (as the case may be) from the CBG and/or the Assets Trustee (as the case may be) free from the Security Interest created by and pursuant to the Singapore Deed of Charge the relevant Selected Loans and their Related Security (and any related Top-up Loans and/or other Loan secured or intended to be secured by that Related Security or any part of it) referred to in the relevant Selected Loans Repurchase Notice. The CBG shall direct the Assets Trustee to accept surrender of its beneficial interest in the related Trust Assets in accordance with the Declaration of Assets Trust. Completion of the purchase of the Selected Loans and their Related Security (and any related Top-up Loans) by the Seller and/or the Assets Trustee (as the case may be) will take place on the CBG Payment Date next occurring after receipt of the Selected Loans Repurchase Notice(s) or such date as the CBG may direct in the Selected Loans Repurchase Notice (provided that such date is not later than the earlier to occur of the date which is: (a) 10 Singapore Business Days after returning the Selected Loans Repurchase Notice to the CBG; and (b) the Maturity Date, as applicable, of the relevant Series of Hard Bullet Covered Bonds or of the Earliest Maturing Covered Bonds).

For the purposes hereof:

- (a) “**Adjusted Required Redemption Amount**” means the SGD Equivalent of:
- (i) the Required Redemption Amount,  
  
plus (if an amount is payable by the CBG) or minus (if an amount is payable to the CBG)
  - (ii) any swap termination amounts (other than Excluded Swap Termination Amounts) payable to or by the CBG under the relevant Covered Bond Swaps in respect of the relevant Series of Covered Bonds,  
  
plus (if an amount is payable by the CBG) or minus (if an amount is payable to the CBG)
  - (iii) any swap termination amounts (other than Excluded Swap Termination Amounts) payable to or by the CBG under the Cover Pool Swap in respect of the relevant Series of Covered Bonds,  
  
minus
  - (iv) amounts standing to the credit of the Transaction Account and any Authorised Investments (excluding all amounts to be applied on the next following CBG Payment Date to pay or repay higher ranking amounts in the Guarantee Priority of Payments and those amounts that are required to repay any Series of Covered Bonds which mature prior to or on the same date as the relevant Series of Covered Bonds); and
- (b) “**Required Redemption Amount**” means, in respect of a Series of Covered Bonds, the outstanding nominal amount of the relevant Series of Covered Bonds.

***Repurchase adjustment in respect of EA Loans***

On or before the second CBG Payment Date falling after the relevant date of completion of any repurchase by the Seller of any EA Loans and their Related Security (such date, the “**EA Loans Repurchase Completion Date**”) the Seller shall pay to the CBG an amount equal to all the Arrears of Interest and Accrued Interest on the EA Loans and any fees due in respect of EA Loans and their Related

Security and any accrued interest and any other amounts due in respect of the related Top-up Loans repurchased from the CBG, in each case up to (but excluding) the relevant EA Loans Repurchase Completion Date.

Repurchase adjustments in respect of DOT Loans are more particularly described in “*Repurchase adjustment in respect of DOT Loans and Top-up Loans*”.

#### ***All Monies Mortgages and the CBG Declaration of Trusts***

All of the Mortgages for the Loans to be included in the Portfolio constitute “all monies security” in that they stand as security for Associated Debt as well as for a Loan and any related Top-up Loans (each, an “**All Monies Mortgage**” and together, the “**All Monies Mortgages**”). An All Monies Mortgage will be enforceable on the occurrence of a default by a Borrower either under a Loan, Top-up Loan or any Associated Debt secured by the relevant All Monies Mortgage.

Pursuant to the terms of the Mortgage Sale Agreement, the Seller will transfer to the CBG all its rights under each of the All Monies Mortgages relating to EA Loans by way of equitable assignment and will procure that the proceeds of enforcement of each of the All Monies Mortgages are paid to the CBG by payment into an account to be specified by the CBG. Pursuant to the terms of the Declaration of Assets Trust, the Seller will transfer to the CBG Beneficiary all its rights under each of the All Monies Mortgages relating to the DOT Loans by way of declaration of trust and procure that the proceeds of enforcement of each All Monies Mortgage are paid to the CBG Beneficiary by payment into an account to be specified by the CBG Beneficiary.

Each of the CBG and CBG Beneficiary, pursuant to the declaration of trusts (the “**CBG Declaration of Trusts**”), will declare a separate trust over the All Monies Trust Property (as defined below) in favour of itself and the Seller and security absolutely as to both capital and income, as beneficial tenants in common.

“**All Monies Trust Property**” means (in respect of each All Monies Trust):

- (a) all rights, estate, title, interests, benefits and remedies of the CBG or, as the case may be, the CBG Beneficiary (both present and future) in and under the All Monies Mortgage acquired under the terms of the Mortgage Sale Agreement or, as the case may be, the Declaration of Assets Trust;
- (b) the proceeds of enforcement of the All Monies Mortgage referred to in (a) above and the Related Security referred to in (d) below which secures sums due by the relevant Borrower and/or the relevant Mortgagor under the relevant Loan(s), the relevant Top-up Loan(s) and/or the relevant Associated Debt;
- (c) all amounts referable to the proceeds of enforcement of the relevant All Monies Mortgage and Related Security referred to in (b) above standing to the credit of the CBG Trust Account from time to time;
- (d) all rights, estate, title, interests, benefits and remedies of the All Monies Trustee (both present and future) in and under any Related Security acquired under the terms of the Mortgage Sale Agreement and the Declaration of Assets Trust which may correspond to all liabilities of the relevant Borrower and/or Mortgagor incurred or to be incurred in relation to the relevant Loan(s), relevant Top-up Loan(s) and/or the relevant Associated Debt;
- (e) any additions to the All Monies Trust Property acquired after the First Closing Date; and
- (f) all assets representing the above from time to time or derived therefrom or created or acquired by the All Monies Trustee in that capacity from time to time.

**“All Monies Trust”** means the separate trust of each All Monies Mortgage (and other All Monies Trust Property representing, derived from or relating to that All Monies Mortgage) declared by the All Monies Trustee in favour of the All Monies Beneficiaries pursuant to the CBG Declaration of Trusts.

**“All Monies Beneficiaries”** means in relation to an All Monies Trust, the CBG (or, as the case may be, the CBG Beneficiary) and the Seller as beneficiaries of such All Monies Trust.

The CBG’s share of the All Monies Trust Property in respect of each All Monies Mortgage will be an amount equal to the Principal Balance of the relevant Loan plus any Accrued Interest and Arrears of Interest on that Loan and the outstanding balance of any related Top-up Loans plus accrued interest and any other amounts due in respect thereof. The Seller’s share of the All Monies Trust Property in respect of each All Monies Mortgage will be an amount equal to the outstanding balance of any Associated Debt of the relevant Borrower plus any accrued interest thereon and other amounts due in respect thereof. In applying the proceeds of enforcement of an All Monies Mortgage, the All Monies Trustee shall ensure that (to the extent that a Mortgagor has utilised funds in his CPF account to finance or refinance the purchase of the Property subject to that All Monies Mortgage) the relevant amount will be refunded to that Mortgagor’s CPF account in accordance with the priority of distributions set out in the section *“Regulation/Legal Aspects of the Singapore Residential Mortgage Market – CPF Board and Priority of Payments”*. In any case, the Seller’s share of the All Monies Trust Property in respect of each All Monies Mortgage will be subordinated to the CBG’s share of the All Monies Trust Property in respect of each All Monies Mortgage.

If in the reasonable opinion of the Seller it is necessary for any of the Associated Debt to be assigned or transferred to the CBG so as to enable recovery of such Associated Debt under or in connection with the All Monies Mortgage and/or any other Related Security, the Seller may request and the CBG shall, subject to applicable laws and regulations (including MAS Notice 648), agree to purchase such Associated Debt. The purchase of an Associated Debt shall be funded by the CBG using Deemed Ancillary Intercompany Loan Advances and after such purchase, the Associated Debt shall be deemed to be a Top-up Loan and (if such Associated Debt is related to a DOT Loan) shall constitute new Trust Assets and the CBG Beneficiary shall on the completion date of such purchase make an Additional Contribution.

For the avoidance of doubt, All Monies Mortgages are administered by the Servicer in the same manner as are all other Mortgages.

The Mortgage Sale Agreement and the CBG Declaration of Trusts are each governed by Singapore law.

### **Declaration of Assets Trust**

Pursuant to the terms of the Declaration of Assets Trust between the Assets Trustee, the Security Trustee, the Seller, the CBG, the CBG Beneficiary and the All Monies Trustee, the Assets Trustee established the Assets Trust. The Assets Trust is a trust formed under Singapore law with the Assets Trustee as trustee for the benefit of the CBG Beneficiary.

### ***Trust Property***

In accordance with and pursuant to the terms of the Declaration of Assets Trust, the Assets Trustee declares itself as trustee and agrees to hold as bare trustee for the absolute benefit of the CBG Beneficiary:

- (a) (in respect of the Initial Portfolio) all the Seller’s present and future rights, estate, title, interests, benefits and remedies in and to each and every DOT Loan and Related Security comprised in the Initial Portfolio and any related Top-up Loans; and

- (b) (in respect of each New Portfolio) all the Seller's present and future rights, estate, title, interests, benefits and remedies in and to each and every DOT Loan and Related Security comprised in such New Portfolio and any related Top-up Loans,

on and from the First Closing Date on trust absolutely as to both capital and income for the CBG Beneficiary, upon, with and subject to the trusts, powers and provisions of the Declaration of Assets Trust (such trust, the "**Assets Trust**") and the Assets Trustee and the CBG Beneficiary agree that the Assets Trustee shall deal with all Principal Receipts and Revenue Receipts in respect of the DOT Loans and their Related Security comprised in the Portfolio and/or, as the case may be, receipts from the enforcement of any Related Security related to a DOT Loan and/or any other receipts from the Trust Assets (including any Top-up Loans) in accordance with the terms of the Declaration of Assets Trust.

The CBG Beneficiary has covenanted in the Singapore Deed of Charge that it shall not call, request or act in any manner to transfer legal title in any of the Trust Assets from the Assets Trustee to itself without the prior written consent of the Security Trustee. The Security Trustee has covenanted in the Singapore Deed of Charge that it shall not consent to any such transfer of legal title in the Trust Assets to the CBG Beneficiary in any circumstances.

In respect of any DOT Loan and any Top-up Loan which is at such time part of the Trust Assets, upon and after any increase in the Principal Balance in respect of such DOT Loan and/or any increase in the outstanding balance of such Top-up Loan after the relevant Closing Date, the increase in such Principal Balance of such DOT Loan and/or any increase in the outstanding balance of such Top-up Loan (and, for the avoidance of doubt, the rights to receive increased payment amounts from Borrowers, Mortgagors, sureties, guarantors and/or any other relevant persons as a result thereof) shall automatically be added to and form part of the Trust Assets and be held on trust by the Assets Trustee. The CBG Beneficiary shall on each CBG Payment Date and by way of consideration in respect of such increase in the Principal Balance of such DOT Loan and/or any increase in the outstanding balance of such Top-up Loan during the immediately preceding Calculation Period, pay on such CBG Payment Date (as calculated on the immediately preceding Calculation Date by the Cash Manager) to the Assets Trustee an Additional Contribution equal to the amount of such increase in the Principal Balance or increase in the outstanding balance.

### ***Contributions to the Assets Trust***

Subject to compliance with the Eligibility Criteria (as defined in "*Summary of the Principal Documents – Mortgage Sale Agreement – Conditions to Sale of EA Loans and their Related Security or declaration of trust in respect of DOT Loans and their Related Security and Eligibility Criteria*" above), the CBG will use part of the initial Advance to pay to the Seller as consideration for acquiring an interest in the DOT Loans and their Related Security contributed by the Seller on the First Closing Date to the Assets Trust in accordance with the terms of the Declaration of Assets Trust.

Subject to compliance with the Eligibility Criteria, the CBG will use additional Advances to make Additional Contributions to the Assets Trustee to acquire New Loans which are DOT Loans and their Related Security (and any related Top-up Loans) from the Seller. The Additional Contribution shall be an amount equal to the Principal Balance of such DOT Loans and the outstanding balance of such Top-up Loans comprising the New Portfolio. Any Additional Contributions shall be funded by the CBG Beneficiary from (i) Available Principal Receipts subject to and in accordance with the applicable Priority of Payments and/or (ii) the proceeds of any Advance pursuant to the Intercompany Loan Agreement (in a maximum amount equal to the aggregate of the Principal Balance of the DOT Loans to be acquired by the CBG Beneficiary by applying such Advance) and/or (iii) the proceeds of any Subordinated Advance pursuant to the Subordinated Loan Agreement in a maximum amount equal to the aggregate of the Principal Balance of the DOT Loans to be acquired by the CBG Beneficiary by applying such Subordinated Advance and/or (iv) due to the inclusion of any Top-up Loans (or any increase in the outstanding balance thereof) the proceeds of any Deemed Ancillary Intercompany Loan Advances pursuant to the Ancillary Intercompany Loan Agreement (in a maximum amount equal to the aggregate of



the principal balance of the Top-up Loans to be acquired by the CBG Beneficiary by applying such Deemed Ancillary Intercompany Loan Advance), in each case subject to and in accordance with the provisions of the Declaration of Assets Trust and the Establishment Deed.

Pursuant to the terms of the Declaration of Assets Trust, the CBG has agreed from time to time to pay a Deferred Contribution to the Assets Trustee subject to Deferred Contribution Consideration being paid to the Seller in accordance with the applicable Priorities of Payment. Such Deferred Contributions shall be deemed to be paid to the Assets Trustee if Deferred Contribution Consideration is made to the Seller by the CBG (or the Assets Trustee on its behalf) in accordance with the relevant Priorities of Payments. Deferred Contributions will not form part of the Trust Assets on payment to the Seller.

In connection with the acquisition of DOT Loans and their Related Security, the CBG may acquire an interest in any related Top-up Loans from the Seller (such interest to form part of the Trust Property and to take effect as of a subsequent Calculation Date, as agreed between the Seller and the CBG), such Top-up Loans to be funded by the Deemed Ancillary Intercompany Loan Advances under the Ancillary Intercompany Loan Agreement.

A Top-up Loan may be used by the Borrower and/or the Mortgagor for purposes other than the financing or refinancing the acquisition of a residential property the repayment of which is subordinated to such Loan and any CPF Funds withdrawn to finance or service such Loan in terms of priorities of repayment. Top-up Loans will not be taken into account in the calculation of the Asset Coverage Test.

The Assets Trustee makes the Representations and Warranties set out in the section above headed “*Summary of the Principal Documents – Mortgage Sale Agreement – Representations and Warranties*” as at each Closing Date to the CBG Beneficiary and the Security Trustee, and all subject to the repurchase and surrender provisions as described in the section above headed “*Summary of the Principal Documents – Mortgage Sale Agreement – Repurchase of EA Loans*”.

The Seller will also be required to accept surrender of the Trust Assets relating to such DOT Loans and their Related Security (and any related Top-up Loans) sold to the CBG or to which a trust had been declared in favour of the CBG Beneficiary in the circumstances described above under “*Summary of the Principal Documents – Mortgage Sale Agreement – Repurchase of EA Loans*”.

#### ***Distributions of principal and interest***

Pursuant to the terms of the Cash Management Agreement, the Cash Manager will be responsible for providing cash management services to the Assets Trustee in respect of the Assets Trust and the calculations and payments to be made pursuant to, and in accordance with, the Declaration of Assets Trust and shall be responsible for, *inter alia*, determining and distributing interest amounts, principal amounts and Top-up Receipts on behalf of the Assets Trustee on each CBG Payment Date.

#### ***General ability to repurchase***

Prior to the occurrence of an Issuer Event of Default, the Seller may from time to time offer to (in the case of DOT Loans) repurchase a DOT Loan and its Related Security (and any related Top-up Loans) and the CBG shall accordingly release and surrender to the Assets Trustee and shall direct the Assets Trustee to accept surrender, free from the Security created by or pursuant to the Deeds of Charge, its interest in the relevant DOT Loan (or, as the case may be, the relevant Defaulted Loan and/or Top-up Loan) and its Related Security (and any related Top-up Loans). The CBG may accept such offer at its discretion, and for the avoidance of doubt, such DOT Loan (or, as the case may be, the relevant Defaulted Loan and/or Top-up Loan) and its Related Security (and any related Top-up Loans) shall only cease to be Trust Assets upon receipt by the CBG Beneficiary of the Distribution in accordance with the Declaration of Assets Trust and the Mortgage Sale Agreement. For the avoidance of doubt, the consent of the Security Trustee shall not be required in respect of any such repurchase.

### ***Repurchase of DOT Loans***

If the Seller receives a Loan Repurchase Notice from the CBG or the Cash Manager on behalf of the CBG identifying a Loan or its Related Security in the Portfolio which does not, as at the relevant Closing Date, materially comply with the Representations and Warranties set out in the Mortgage Sale Agreement (provided that the CBG has given the Seller not less than 30 days notice in writing, and such material non-compliance, where capable of remedy, is not remedied to the reasonable satisfaction of the Security Trustee within the 30 day notice period), then the Assets Trustee will be required to (in the case of DOT Loans) accept surrender of the Trust Assets relating to any DOT Loans and their Related Security (and any related Top-up Loans) of the relevant Borrower and their Related Security that are included in the Portfolio.

The repurchase price payable upon purchase of any DOT Loan (or, as the case may be, Defaulted Loan) is an amount (not less than zero) equal to the Principal Balance of such DOT Loan (or, as the case may be, Defaulted Loan) and any expenses as at the relevant repurchase date, such repurchase price to be subsequently adjusted (as described under “*Repurchase adjustment in respect of DOT Loans and Top-up Loans*” below). Any repurchase price received from the sale of such DOT Loan (or, as the case may be, Defaulted Loan) and its Related Security by the Assets Trustee (or the CBG) will be applied in accordance with the relevant Priorities of Payments on the next CBG Payment Date. See “*Cashflows and Priorities of Payment*”.

Upon completion of the purchase or repurchase by the Seller of any DOT Loan and its Related Security (and any related Top-up Loans) in accordance with the Mortgage Sale Agreement and Declaration of Assets Trust, such DOT Loan and its Related Security (and any related Top-up Loans) shall thereupon be released and shall cease to form part of the Trust Assets.

The repurchase price payable upon the repurchase of any related Top-up Loan is an amount (not less than zero) equal to the outstanding balance of the Top-up Loan as at the relevant repurchase date such repurchase price to be subsequently adjusted as described in “*Repurchase adjustment in respect of DOT Loans and Top-up Loans*” below. Any repurchase proceeds received from the sale of such Top-up Loan shall be applied outside the Priorities of Payments towards the repayment of the Ancillary Intercompany Loan.

### ***Repurchase adjustment in respect of DOT Loans and Top-up Loans***

On or before the second CBG Payment Date falling after the relevant date of completion of any (a) repurchase by the Seller of any DOT Loans and their Related Security (and any related Top-up Loans) and/or (b) surrender by the CBG to the Assets Trustee of its beneficial interest to any DOT Loans and their Related Security (and any related Top-up Loans) (such date, the “**DOT Loans Repurchase Completion Date**”), the Seller shall pay to the Assets Trustee an amount equal to all the Arrears of Interest, Accrued Interest and any fees due in respect of the DOT Loans and their Related Security and any accrued interest and any other amounts due in respect of the related Top-up Loans repurchased from the CBG, in each case up to (but excluding) the relevant DOT Loans Repurchase Completion Date.

### ***Transfer of title to the DOT Loans and appointment of a Replacement Assets Trustee***

In certain limited circumstances following the occurrence of an Replacement Assets Trustee Event (as defined below), legal title to the DOT Loans and their Related Security (and any related Top-up Loans) may be required to be transferred to effect an appointment of a Replacement Assets Trustee. In the case of the transfer of Mortgages relating to DOT Loans, Selected Loans (which are DOT Loans) and their Related Security to the Replacement Assets Trustee or a Purchaser, the transfer of such Mortgages, such DOT Loans, such Selected Loans (which are DOT Loans) and their Related Security shall be subject to the Assets Trustee or the CBG Beneficiary having procured or caused to be procured any one of the Requisite DOT Loan Legal Title Transfer Approvals (unless the consent of the CPF Board to the transfer of the Mortgages relating to DOT Loans is not required in order for the transferee of such Mortgages to

be accorded the priority of payments over the CPF Board in relation to the application of any proceeds from the realisation of the relevant Property). Prior to any one of the Requisite DOT Loan Legal Title Transfer Approvals being obtained and unless the consent of the CPF Board to the transfer of the Mortgages relating to DOT Loans is not required, the CBG Beneficiary and the Assets Trustee shall use reasonable endeavours to seek all of the Requisite DOT Loan Legal Title Transfer Approvals set out in paragraphs (a) to (c) of the definition of such term concurrently and for this purpose, the party procuring a Requisite DOT Loan Legal Title Transfer Approval relating to a Section 55B/C Transfer, and/or a Sections 210/212 Scheme shall use reasonable endeavours to:

- (a) obtain such consents and/or certifications (including ministerial consents and/or certifications) or waiver of the requirement for such consents and/or certifications;
- (b) prepare, file, publish, submit, lodge, register and/or serve such reports, notices, summaries, supporting documents and court applications; and
- (c) convene or arrange for such creditors meeting(s),

in each case, as may be required to obtain such Requisite DOT Loan Legal Title Transfer Approval.

Prior to any Requisite DOT Loan Legal Title Transfer Approval being obtained, such DOT Loans and their Related Security (and any related Top-up Loans) shall continue to be held by the Assets Trustee pursuant to the terms of the Declaration of Assets Trust and subject to the terms of the Transaction Documents (including, but not limited to, the Servicing Agreement).

In respect of a sale of Selected Loans which are DOT Loans and their Related Security (and any related Top-up Loans) to a Purchaser, please see the section "*Summary of the Principal Documents – Establishment Deed – Method of Sale of Selected Loans*" below.

The Assets Trustee and the CBG Beneficiary shall, upon the occurrence of any of the events set out in paragraphs (a) to (g) below, use reasonable endeavours to appoint a Replacement Assets Trustee:

- (a) the occurrence of an Issuer Event of Default and service on the Issuer of an Issuer Acceleration Notice and the service on the CBG of a Notice to Pay except that the appointment of a Replacement Assets Trustee in respect of Selected Loans (which are DOT Loans) described in a Selected Loans Offer Notice is not required if the Seller has notified the CBG that it will accept the offer set out in the Selected Loans Offer Notice within the prescribed time;
- (b) the occurrence of a CBG Event of Default and service on the CBG of a CBG Acceleration Notice;
- (c) the Assets Trustee and/or the CBG Beneficiary being required (i) by law; (ii) by an order of a court of competent jurisdiction; (iii) by a regulatory authority which has jurisdiction over the Seller; or (iv) by any organisation of which the Seller is a member, or whose members comprise, but are not necessarily limited to, mortgage lenders and with whose instructions it is customary for the Seller to comply, to transfer legal title to the DOT Loans;
- (d) the occurrence of an Insolvency Event in respect of the Assets Trustee;
- (e) the termination or resignation of the Seller as Servicer under the Servicing Agreement unless:
  - (i) at the relevant date of termination or resignation any substitute servicer is a member of the UOB Group which holds all regulatory approvals and other consents required in order to service the Loans and their Related Security; or

- (ii) the Seller and the Servicer so requests and the Security Trustee consents (such consent to be given if a Rating Agency Confirmation or a Ratings Notification has been delivered by the Issuer to the CBG and the Security Trustee in respect of the termination or resignation of the Seller as Servicer and that a Replacement Assets Trustee need not be appointed);
- (f) the Assets Trustee requesting a transfer of legal title to (i) the Replacement Assets Trustee or (ii) (where applicable) the Purchaser, by giving notice in writing to the CBG Beneficiary and the Security Trustee; or
- (g) the Assets Trustee's long-term unsecured and unsubordinated debt obligations cease to be rated at least Baa3 by Moody's or BBB- by S&P;

the events in (a) to (g) above, together, the **"Replacement Assets Trustee Events"**.

**"Requisite DOT Loan Legal Title Transfer Approval"** means, in relation to a proposed transfer of the legal title to any DOT Loans and their Related Security (and any related Top-up Loans) held by the Assets Trustee under the Declaration of Assets Trust either to a Replacement Assets Trustee or as part of a sale of Selected Loans to a Purchaser, any one of the following (unless the consent of the CPF Board to the transfer of the Mortgages relating to DOT Loans is not required in order for the transferee of such Mortgages to be accorded the priority of payments over the CPF Board in relation to the application of any proceeds from the realisation of the relevant Property):

- (a) where the proposed transferee is an entity licensed to carry on banking business in Singapore, obtaining a Section 55B/C Court Order (as defined below) approving the transfer of that part of the Assets Trustee's banking business that comprises legal title to such DOT Loans and their Related Security (including any related Top-up Loans) (without any requirement to obtain prior consent from the CPF Board prior to implementing such court-sanctioned Section 55B/C Transfer);
- (b) (whether or not the proposed transferee is an entity licensed to carry on banking business in Singapore) the prior consent of the CPF Board to effect such transfer of the Mortgages relating to such DOT Loans; and
- (c) where the proposed transferee is not an entity licensed to carry on banking business in Singapore, (1) a Sections 210/212 Court Order (as defined below) approving the transfer of that part of the Assets Trustee's banking business that comprises legal title to such DOT Loans and their Related Security (including any related Top-up Loans), and (2) the prior consent from the CPF Board to such transfer of the Mortgages relating to such DOT Loans (or a confirmation from the CPF Board that such consent is not required).

### ***Section 55B of the Banking Act***

Section 55B of the Banking Act provides a mechanism for a bank to voluntarily transfer the whole or part of its business (including its non-banking business) to a transferee which is licensed by the MAS to carry on banking business in Singapore, and such business that may be transferred by a bank under this section includes a transfer of the legal title to any of the DOT Loans and their Related Security (and any related Top-up Loans) held in the Assets Trust. Under such section, a transferor would seek an order of the High Court of Singapore (which the court has the power to grant) which would transfer that part of the Assets Trustee's banking business that comprises legal title to such DOT Loans and their Related Security (and, where applicable, any related Top-up Loans) pursuant to Sections 55A to C of Part VIIA of the Banking Act (a **"Section 55B/C Transfer"**) and which is sufficiently wide to obviate any requirement to seek the prior consent of the CPF Board to the transfer of Mortgages related to any DOT Loans held under the Declaration of Assets Trust. Such powers of the High Court of Singapore in relation to Sections 55B and 55C of the Banking Act are broad enough to (a) enable the High Court of Singapore

(if it is prepared to) to grant an order which would entitle the Replacement Assets Trustee to the same rights and priorities as the Assets Trustee would have been entitled to in relation to the DOT Loans and their Related Security (and any related Top-up Loans) if the transfer had not taken place and (b) enable a transfer to be made in the absence of the consent of the CPF Board.

A Section 55B/C Transfer procedure may be undertaken by UOB (in its capacity as Assets Trustee) or, be effected by the CBG Beneficiary acting in the name of UOB as the Assets Trustee under the Assets Trustee Power of Attorney (including in a post-insolvency situation of UOB) after the occurrence of any Replacement Assets Trustee Event.

Whether an order will be made approving the Section 55B/C Transfer will depend on the circumstances of the case and there is no guarantee that such an order will be made. In summary, the procedural requirements for a Section 55B/C Transfer are as follows:

- (a) before an application is made to the High Court of Singapore for a Section 55B/C Court Order:
  - (i) the transferor obtaining the Minister's consent or his certification that such consent is not required. In this regard, the Minister will consider whether the MAS has been satisfied that the transferee is a fit and proper person who will conduct the business prudently and comply with the provisions of the Banking Act, and whether it is in the national interest to grant such consent. The Minister is entitled, in considering such grant of consent, to appoint a party to independently assess and produce a report on the proposed Section 55B/C Transfer);
  - (ii) the transferor lodging a report with the MAS ("**Section 55B MAS Report**") setting out details of the transfer (with supporting documentation);
  - (iii) (if the transferor and the transferee intend to serve on their respective customers a summary of the transfer) the transferor and the transferee filing a summary ("**Section 55B Customer Summary**") of the proposed transfer which is to be sent to the affected customers (i.e. the Borrowers and/or Mortgagors (as the case may be) under the relevant DOT Loans) for prior approval by the MAS;
  - (iv) the transferor publishing in the Gazette and in such newspapers as the MAS requires, a notice of its intention to make such application together with such other particulars as may be prescribed by the MAS (such notice to be published not less than fifteen days before such application is made and not earlier than one month after the Section 55B MAS Report is lodged with the MAS);
  - (v) the transferor and the transferee keeping at their respective offices in Singapore a copy of the Section 55B MAS Report for a period of fifteen days after the publication of the notice in the Gazette, for the inspection by any person who may be affected by the transfer; and
  - (vi) the transferor and the transferee serving a copy of the Section 55B MAS Report and the Section 55B Customer Summary (as approved by the MAS) on the Borrowers of the relevant DOT Loans at least 15 days before such application;
- (b) the transferor obtaining an order made by the High Court of Singapore approving a Section 55B/C Transfer and which is sufficiently wide to obviate any requirement to obtain the consent of the CPF Board to the transfer of the Mortgages related to such DOT Loans held under the Declaration of Assets Trust (a "**Section 55B/C Court Order**");

- (c) the transferor and the transferee each lodging within seven days of the Section 55B/C Court Order:
  - (i) a copy of the Section 55B/C Court Order with the Registrar of Companies;
  - (ii) a copy of the Section 55B/C Court Order with the MAS; and
  - (iii) a copy of the Section 55B/C Court Order certified true by the High Court of Singapore with the Singapore Land Authority; and
- (d) the transferor and the transferee executing, stamping, lodging and registering appropriate instruments with the Singapore Land Authority for the transfer and/or vesting of the mortgages.

Third parties who may have an interest in the Trust Assets (including the DOT Loans and their Related Security (and any related Top-up Loans)) such as the MAS, the CPF Board and relevant Borrowers of the DOT Loans, may be entitled to file objections and supporting evidence thereof in advance of the relevant decision hearing.

Sections 55B and 55C of the Banking Act have previously been used in Singapore to effect a transfer of businesses between banks. For example, they were used in the transfer of business of (1) The Royal Bank of Scotland N.V., Singapore Branch (formally known as ABN AMRO Bank N.V., Singapore Branch) to ABN AMRO II N.V., Singapore Branch in 2010, (2) HSBC Private Bank (Suisse) SA, Singapore Branch to The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch in 2013 and (3) Société Générale Bank & Trust, Singapore Branch to DBS Bank Ltd. in 2014.

#### ***Consent of the CPF Board***

In the absence of a Section 55B/C Court Order approving a Section 55B/C Transfer, the prior consent of the CPF Board will be required for the transfer of the Mortgages related to the DOT Loans to a Purchaser of a DOT Loan and its Related Security (and any related Top-up Loans) (whether or not such Purchaser is an entity licensed to carry on banking business in Singapore). In deciding whether to consent to such a transfer, the CPF Board may consider the following factors:

- (a) first, there are statutory provisions that facilitate the transfer from the Assets Trustee to the Replacement Assets Trustee of the legal title to the DOT Loans and their Related Security (and, where applicable, any related Top-up Loans) under the Assets Trust. Section 41 of the Trustees Act provides, generally, for vesting of trust property in new or continuing trustees appointed by deed. Section 41, however, does not obviate the need for the CPF Board's consent; and
- (b) second, where the Replacement Assets Trustee or the Purchaser is a financial institution, the CPF Board may consider that the Replacement Assets Trustee or such Purchaser has the ability to manage the DOT Loans and their Related Security (and any related Top-up Loans), which may be preferable to the management of the DOT Loans and their Related Security (and any related Top-up Loans) by the Seller which is in a distressed situation (such as an Insolvency Event).

#### ***Sections 210 (and 212) of the Companies Act***

Sections 210 (and 212) of the Companies Act provide a mechanism for the whole or any part of the undertaking or the property of a banking corporation incorporated in Singapore to be transferred to any transferee, which includes a transfer of the legal title to any of the DOT Loans and their Related Security (and any related Top-up Loans) held in the Assets Trust (a "**Sections 210/212 Scheme**"). The proposed transferee does not need to be an entity licensed to carry on a banking business in Singapore (though it may need to satisfy the relevant licensing requirements under the Moneylenders Act or be exempt from such licensing requirements). A Sections 210/212 Scheme may not obviate the contractual requirement to

obtain the CPF Board's consent to the transfer of legal title of the Mortgages related to any DOT Loans held under the Declaration of Assets Trust, and hence (following the procurement of the requisite court and other approvals to the Sections 210/212 Scheme) consent from the CPF Board will also need to be obtained prior to the implementation of such Sections 210/212 Scheme. A Sections 210/212 Scheme procedure may be undertaken by UOB (in its capacity as Assets Trustee) or, be effected, by the CBG Beneficiary acting in the name of UOB as the Assets Trustee under the Assets Trustee Power of Attorney (including in a post-insolvency situation of UOB) after the occurrence of any Replacement Assets Trustee Event.

Whether an order will be made approving the Sections 210/212 Scheme will depend on the circumstances of the case and there is no guarantee that such an order will be made. In broad terms, the requirements for a Sections 210/212 Scheme are:

- (a) obtaining the Minister of Finance's consent or certification that his consent is not required (in granting his consent, the Minister is entitled to appoint an independent party to assess and produce a report on the proposed Sections 210/212 Scheme);
- (b) obtaining a court order (by a summary application) to summon a meeting of the Covered Bondholders;
- (c) obtaining the approval of a requisite majority of Covered Bondholders (a majority in number representing three-quarters (75%) in value of the outstanding nominal amount of all Covered Bonds) voting at the meeting;
- (d) based on the Covered Bondholder approval above, obtaining an order made by the High Court of Singapore sanctioning a Sections 210/212 Scheme pursuant to Sections 210 and 212 of the Companies Act of Singapore whereby that part of the Assets Trustee's banking business which comprises legal title to the DOT Loans and their Related Security (and any related Top-up Loans) is approved to be transferred (a "Sections 210/212 Court Order"). In considering whether to approve the scheme, the court is likely to consider, *inter alia*:
  - (i) whether the scheme is fair and reasonable to the Covered Bondholders as a whole;
  - (ii) whether the applicant (UOB or the CBG acting under the Assets Trustee Power of Attorney) and the majority Covered Bondholders who granted their approval to the scheme are acting bona fide; and
  - (iii) whether the minority of Covered Bondholders are being coerced to promote the interest of the majority Covered Bondholders who granted their approval to the scheme;
- (e) the transferor and the transferee each lodging within seven days of the Sections 210/212 Court Order:
  - (i) a copy of the Sections 210/212 Court Order with the Registrar of Companies of Singapore; and
  - (ii) a copy of the Sections 210/212 Court Order certified true by the High Court of Singapore with the Singapore Land Authority; and
- (f) the transferor and the transferee executing, stamping, lodging and registering appropriate instruments with the Singapore Land Authority for the transfer and/or vesting of the mortgages.

The consent of the CPF Board to implement such Sections 210/212 Court Order will also be required (see "*Consent of the CPF Board*" above). Further, if the transfer of legal title to the DOT Loans and their Related Security (and any related Top-up Loans) is effected by way of a court order, this will weigh in

favour of the CPF Board granting its consent to the transfer of the Mortgages related to such DOT Loans, as the presence of the relevant court order means the CPF Board would not be called on to make any decision with regard to who is the rightful party to the DOT Loans and their Related Security (and any related Top-up Loans).

Sections 210 (and 212) of the Companies Act have previously been used in Singapore to effect a transfer of businesses. For example, they were used in the integration of banking businesses between (1) DBS Finance Limited and DBS Bank Ltd in 2001, (2) Keppel TatLee Bank and Oversea-Chinese Banking Corporation Limited in 2002, (3) OCBC Finance Limited and Oversea-Chinese Banking Corporation Limited in 2003, and (4) Overseas Union Trust Limited and United Overseas Bank Limited in 2003.

### ***Assets Trustee Power of Attorney***

The Assets Trustee has, in connection with the creation of the Assets Trust, granted to the CBG a power of attorney (the “**Assets Trustee Power of Attorney**”) to, following the occurrence of an Replacement Assets Trustee Event, permit the CBG to take certain actions in the name of the Assets Trustee to ensure the performance by the Assets Trustee of its obligations under the Declaration of Assets Trust, including, among other things:

- (a) to exercise the Assets Trustee’s rights, powers and discretions under the Declaration of Assets Trust, in relation to the Trust Assets and/or under the DOT Loans and their Related Security (and any related Top-up Loans);
- (b) to demand, sue for, enforce and receive all monies due and payable under the Assets Trust; and
- (c) to open and maintain new account or accounts (including directing Borrowers and/or Mortgagors to pay into, withdraw from or close any such account) relating to any monies due and payable under the Assets Trust or any other related rights thereunder or (without double counting) under the DOT Loans and their Related Security comprising the Trust Assets.

Under the terms of the Assets Trustee Power of Attorney, the CBG Beneficiary may appoint a delegate to exercise its rights, powers and discretions under the Assets Trustee Power of Attorney.

Any Replacement Assets Trustee appointed following the occurrence of an Replacement Assets Trustee Event will grant a power of attorney, equivalent to the Assets Trustee Power of Attorney, to the CBG Beneficiary as part of its appointment.

The Declaration of Assets Trust is governed by Singapore law.

### **Servicing Agreement**

Pursuant to the terms of the Servicing Agreement entered into on the Programme Date between the CBG, the Assets Trustee, the CBG Beneficiary, the Servicer, the Seller and the Security Trustee, the Servicer has agreed to provide administration and management services to the CBG (in respect of EA Loans and their Related Security (and any related Top-up Loans)) and the Assets Trustee and CBG Beneficiary (in respect of DOT Loans and their Related Security (and any related Top-up Loans)).

The Servicer will be required to administer the Loans in accordance with the Servicing Agreement and:

- (a) as if the Loans and their Related Security sold by the Seller to the CBG and the CBG Beneficiary (and held on trust by the Assets Trustee) had not been, or were not to be, sold to the CBG and the CBG Beneficiary (and held on trust by the Assets Trustee) but remained, or were to remain, on the books of the Seller and to the extent not otherwise provided for in the Servicing Agreement, in accordance with the Seller’s Policy; and



- (b) exercise the same level of skill, care and diligence as would a Reasonable, Prudent Mortgage Lender.

The Servicer's actions in servicing the Loans in accordance with its procedures will be binding on the CBG, the CBG Beneficiary, the Assets Trustee and the Secured Creditors.

The Servicer will have the power to exercise the rights, powers and discretions and to perform the duties of the CBG, the CBG Beneficiary, the Assets Trustee in relation to the Loans and their Related Security that it is servicing pursuant to the terms of the Servicing Agreement, and to do anything which it reasonably considers necessary or convenient or incidental to the administration of those Loans and their Related Security (and any related Top-up Loans), provided that at any time after the service of a Notice to Pay or a CBG Acceleration Notice, the Servicer shall seek the prior written consent of the CBG in respect of any request by a Borrower or a Mortgagor (as the case may be) to apply for CPF Withdrawal Approval.

### ***Undertakings of the Servicer***

Pursuant to the terms of the Servicing Agreement, the Servicer will undertake in relation to those Loans and their Related Security that it is servicing, *inter alia*, to:

- (a) administer the Loans and their Related Security (together with any Top-up Loans) sold by the Seller to the CBG (or, as the case may be, contributed to the Assets Trust) as if the same had not been, or were not to be, sold or contributed but had remained, or were to remain, on the books of the Seller, and, to the extent not otherwise provided, in accordance with the Seller's Policy and in compliance with the PMFT Rules, and to deal with the Borrowers and/or Mortgagors in accordance with the terms of the Mortgage Conditions;
- (b) provide the Services in such manner and with the same level of skill, care and diligence as would a Reasonable, Prudent Mortgage Lender;
- (c) comply with any reasonable directions, orders and instructions which the CBG, the Assets Trustee (with the consent of or as directed by the CBG Beneficiary), the CBG Beneficiary or the Security Trustee may from time to time give to it in accordance with the provisions of the Servicing Agreement (and in the event of any conflict, those of the Security Trustee shall prevail);
- (d) comply with the terms of the Transaction Documents to which it is a party;
- (e) comply with all relevant notices issued by the MAS;
- (f) promptly notify the CBG, the Assets Trustee, the CBG Beneficiary and the Security Trustee of any breach, default or non-performance of any covenants;
- (g) use best endeavours to keep in force all licences, approvals, authorisations and consents which may be necessary for it in connection with the performance of the Services and prepare and submit on a timely basis all necessary applications and requests for any further approval, authorisation, consent or licence required by it in connection with the performance of the Services;
- (h) allocate office space, facilities, equipment and staff sufficient to enable it to fulfil its obligations under the Servicing Agreement;
- (i) not knowingly fail to comply with any legal requirements in the performance of the Services;

- (j) make all payments required to be made by it pursuant to the Servicing Agreement on the due date for payment thereof in Singapore dollars (or as otherwise required under the Transaction Documents) in same day funds for value on such day without set-off (including, without limitation, in respect of any fees owed to it) or counterclaim;
- (k) not without the prior written consent of the Security Trustee amend or terminate any of the Transaction Documents save in accordance with their terms;
- (l) forthwith upon becoming aware of any event which may reasonably give rise to an obligation of the Seller to offer to repurchase any Loan sold, or to be sold, by the Seller to the CBG pursuant to the Mortgage Sale Agreement, or contributed or to be contributed to the Assets Trust pursuant to the Declaration of Assets Trust, notify the CBG and the Assets Trustee in writing of such event;
- (m) use its reasonable endeavours to perform such acts as may be reasonably required for the completion of transfer of the legal title of the Loans and their Related Security (and any related Top-up Loans) pursuant to the Mortgage Sale Agreement or, as the case may be, the Declaration of Assets Trust; and
- (n) assist the CBG with the application or distribution of the proceeds of sale or monies received in connection with the disposal or realisation of any of the All Monies Mortgage assets or any part thereof or of any interest therein pursuant to the CBG Declaration of Trusts in accordance with the provisions thereof.

#### ***Setting of discretionary rates and margins***

Notwithstanding the termination of the Servicer's appointment, where the Mortgage Conditions of any Loan in the Portfolio provide that the rate or margin payable in respect of such Loan is referable, derived from or calculated based on the Seller's Board Rate, the Seller shall notify the replacement Servicer of the relevant board rate(s) of the Seller at the date of termination of the Servicer and continue to give the replacement Servicer not less than 35 days notice of any proposed change to any of the relevant board rates of the Seller unless otherwise directed by the CBG and the Security Trustee. In the event that the Seller's Board Rate is unavailable, the replacement Servicer shall determine the rate for each Loan based on the then prevailing market rates in compliance with all applicable laws and regulations which would be adopted by a Reasonable, Prudent Mortgage Lender.

#### ***Right of delegation by the Servicer***

The Servicer may from time to time sub-contract or delegate the performance of its duties under the Servicing Agreement, provided that it will nevertheless remain liable at all times for servicing the Loans, the Top-up Loans and their Related Security comprised in the Portfolio and for the acts or omissions of any delegate or sub-contractor. Any such sub-contracting or delegation may be varied or terminated at any time by the Servicer.

#### ***Remittances***

If the Servicer has a Servicer's Remittance Rating or undertakes any other action which is notified to the Rating Agencies which otherwise satisfies the criteria of each of the Rating Agencies and would not cause a downgrading or withdrawal of the then current rating of any of the Covered Bonds, the Servicer shall pay an amount equal to the aggregate of the Principal Receipts and Revenue Receipts received less an amount equal to any Taxes payable in relation to those Principal Receipts and Revenue Receipts and any other amount the Seller may retain in accordance with any Transaction Document into the Transaction Account three Singapore Business Days following credit of such Principal Receipts and Revenue Receipts to the relevant collection account of the Servicer.

If the Servicer does not have a Servicer's Remittance Rating, then the Servicer must pay all Principal Receipts and Revenue Receipts in its possession or control into the Transaction Account no later than the later of (i) two Singapore Business Days following credit of such Principal Receipts and Revenue Receipts to the relevant collection account of the Servicer, and (ii) two Singapore Business Days following the date upon which the Servicer does not have a Servicer's Remittance Rating if, by that date, the Servicer has not undertaken action which otherwise satisfies the criteria of each of the Rating Agencies and avoids a downgrading or withdrawal of the then current rating of the Covered Bonds.

For the avoidance of doubt, following a Perfection Event or Replacement Assets Trustee Event, the Servicer shall pay the Principal Receipts and Revenue Receipts as soon as practicable following receipt thereof.

### ***Re-pricing options***

The Servicer may offer a repricing option to a Borrower (in circumstances, *inter alia*, where the Borrower is able to refinance its Loan on cheaper terms in the market) during the life of a Loan. The Servicer has covenanted only to make such offers to the extent that a Reasonable, Prudent Mortgage Lender would do so in similar circumstances and taking into account any applicable consumer protection laws and regulations.

### ***Compensation***

As full compensation for its servicing duties and activities and as reimbursement for any expense incurred by it in connection therewith, the Servicer is entitled to receive the fee (exclusive of GST) from the CBG as set out in the Servicing Agreement.

### ***Removal or resignation of the Servicer***

The CBG, the Assets Trustee (with the consent or as directed by the CBG Beneficiary) and the CBG Beneficiary (subject to the prior written consent of the Security Trustee) may, upon written notice to the Servicer, terminate the Servicer's rights and obligations immediately if any of the following events (each a "**Servicer Termination Event**" and, each of the first three events set out below, a "**Servicer Event of Default**") occurs:

- (a) the Servicer defaults in the payment on the due date of any payment due and payable by it under the Servicing Agreement and such default continues unremedied for a period of 10 Singapore Business Days after the earlier of the Servicer becoming aware of the default and receipt by the Servicer of written notice from the Security Trustee, the CBG, the CBG Beneficiary or the Assets Trustee requiring the same to be remedied;
- (b) the Servicer fails to comply with any of its other obligations under the Servicing Agreement which failure in the reasonable opinion of the Security Trustee is materially prejudicial to the Covered Bondholders and does not remedy that failure within the earlier of 20 Business Days after the earlier of becoming aware of the failure and receipt by the Servicer of written notice from the Security Trustee, the CBG, the CBG Beneficiary or the Assets Trustee requiring the same to be remedied;
- (c) the Servicer's long-term, unsecured and unsubordinated debt obligations have been downgraded below Baa3 from Moody's or BBB- by S&P; or
- (d) the occurrence of an Insolvency Event in relation to the Servicer.

Subject to the fulfilment of a number of conditions, the Servicer may voluntarily resign by giving not less than 6 months' written notice to the Security Trustee, the CBG, the CBG Beneficiary and the Assets Trustee, provided that a substitute servicer qualified to act as such under the applicable law and regulation and with a management team with experience of administering mortgages in Singapore has been appointed and enters into a servicing agreement with the CBG, the CBG Beneficiary and the Assets Trustee substantially on the same terms as the Servicing Agreement. The resignation of the Servicer is conditional on the resignation having no adverse effect on the then current ratings of the Covered Bonds unless the Covered Bondholders agree otherwise by Extraordinary Resolution.

If the appointment of the Servicer is terminated, the Servicer must deliver the Title Deeds or the control thereof and Loan Files relating to the Loans administered by it to, or to the order of, the CBG, the Assets Trustee and the CBG Beneficiary. The Servicing Agreement will terminate at such time as the CBG, the CBG Beneficiary, the Assets Trustee and the Replacement Assets Trustee have no further interest in any of the Loans or their Related Security sold to the CBG and the CBG Beneficiary (and held on trust by the Assets Trustee) and serviced under the Servicing Agreement that have been comprised in the Portfolio.

Pursuant to the terms of the Servicing Agreement, the Servicer is not liable for a failure to perform its obligations if it is rendered unable to do so due to circumstances beyond its control, such as electricity power cuts, strikes, lock outs, fire, floods, earthquakes, storms or acts of God (save where such electricity power cuts, strikes, lock outs, fire or floods arose as a result of the fraud, bad faith, gross negligence or wilful default of the Servicer).

Neither the Bond Trustee nor the Security Trustee is obliged to act as servicer or monitor the performance by the Servicer of its obligations in any circumstances.

The Servicing Agreement is governed by Singapore law.

### **Asset Monitor Agreement**

Under the terms of the Asset Monitor Agreement entered into on or about the Programme Date between the Asset Monitor, the CBG, the CBG Beneficiary, the Assets Trustee, the Seller, the Cash Manager, the Issuer, the Bond Trustee and the Security Trustee, the Asset Monitor has agreed, subject to due receipt of the information to be provided by the Cash Manager to the Asset Monitor, to conduct tests in respect of the arithmetical accuracy of the calculations performed by the Cash Manager in relation to the Asset Coverage Test, prior to service of a Notice to Pay or a CBG Acceleration Notice, following each Calculation Date immediately preceding the half-yearly and yearly anniversary of the Programme Date (and in any event not later than 10 Singapore Business Days following receipt of such information from the Cash Manager) with a view to confirmation of the arithmetic accuracy or inaccuracy of such calculations.

Following service of a Notice to Pay (but prior to service of a CBG Acceleration Notice), the Asset Monitor will also be required to test, as soon as reasonably practical following each Calculation Date immediately preceding the half-yearly and yearly anniversary of the Programme Date (and in any event not later than 10 Singapore Business Days following receipt of such information from the Cash Manager), the arithmetical accuracy of the calculations performed by the Cash Manager in respect of the Amortisation Test with a view to confirming the arithmetic accuracy or inaccuracy of such calculations.

If and for so long as the unsecured, unsubordinated long-term debt obligation ratings of the Issuer or the Cash Manager (or if the Cash Manager is not independently rated and, as the case may be, is an affiliate of the Issuer, the unsecured, unsubordinated long-term debt obligation ratings of the Issuer, such ratings, the "**Deemed Ratings**") have been downgraded below Baa3 by Moody's or BBB- by S&P (and for as long as they remain below such ratings), the Asset Monitor will, subject to receipt of the relevant information from the Cash Manager, be required to conduct the tests regarding the arithmetic accuracy or inaccuracy of the Cash Manager's calculations in respect of the Asset Coverage Test and Amortisation

Test, for every Calculation Date thereafter as soon as reasonably practicable (and in any event not later than 10 Singapore Business Days following receipt of all the relevant information from the Cash Manager).

Following a determination by the Asset Monitor of any errors in the arithmetic accuracy of the calculations performed by the Cash Manager such that the Asset Coverage Test or the Amortisation Test was not satisfied on the relevant Calculation Date (where the Cash Manager had recorded it as being satisfied) or the reported Adjusted Aggregate Loan Amount or the reported Amortisation Test Aggregate Loan Amount was mis-stated by the Cash Manager by an amount exceeding one per cent. of the actual Adjusted Aggregate Loan Amount or the actual Amortisation Test Aggregate Loan Amount, as applicable (as at the date of the relevant Asset Coverage Test or the relevant Amortisation Test), the Asset Monitor will be required to conduct such tests in respect of every Calculation Date occurring during the period ending six months after the date of the Asset Coverage Test and/or Amortisation Test which included the relevant arithmetic errors. The Asset Monitor will perform those tests as soon as reasonably practicable and in any event not later than 10 Singapore Business Days following receipt of the relevant information from the Cash Manager.

The Asset Monitor is entitled, except in certain limited circumstances, to assume (in the absence of manifest error) that all information provided to it by the Cash Manager for the purpose of conducting such tests is true, correct, complete and not misleading. As soon as reasonably practicable (and in any event before the expiry of the relevant 10 Singapore Business Day period to test the arithmetic accuracy of calculations in relation to Asset Coverage Test and the Amortisation Test), the Asset Monitor will notify the parties to the Asset Monitor Agreement, in writing, of the results of the tests in respect of the Cash Manager's calculations by delivering an Asset Monitor Report to each party to the Asset Monitor Agreement and the Servicer.

The Asset Monitor has also been appointed as the cover pool monitor in respect of the CBG and the Programme for the purposes of MAS Notice 648. In respect of each date falling six months after the first Issue Date (or such other date as may be agreed between the Cash Manager and the Asset Monitor) and subject to receipt of certain information to be provided to the Asset Monitor by the Cash Manager and the Servicer, including the Asset Registers, the Investments Ledger, account statements and copies of New Portfolio Notices, Loan Repurchase Notices and Selected Loans Offer Notices, the Asset Monitor will:

- (a) assess the keeping by the Cash Manager and the Servicer on behalf of the CBG of an accurate register of the assets in the Asset Pool;
- (b) assess compliance by the Issuer with MAS Notice 648;
- (c) assess the adequacy of the Issuer's risk management process and internal controls relating to the Programme, including an independent review of the Asset Coverage Tests performed by the Issuer or the Amortisation Tests performed by the CBG (as the case may be); and
- (d) provide certified reports relating to the assessments referred to in the Asset Monitor Agreement to the MAS no later than the last day of the third month immediately following the Issuer's Accounting Reference Date and provide copies of those reports to the Issuer, the Seller and the CBG.

The Asset Monitor may perform its obligations by sampling in accordance with applicable Singaporean auditing standards.

The CBG will pay to the Asset Monitor a fee for the tests to be performed by the Asset Monitor.

The Cash Manager may, at any time, terminate the appointment of the Asset Monitor by giving at least 30 days' prior written notice to the Asset Monitor or immediately upon providing the Asset Monitor written notice where the Asset Monitor ceases to be an Eligible Asset Monitor, provided that such termination may not be effected unless and until a replacement asset monitor has been found by the Cash Manager in accordance with the replacement terms described below.

The Asset Monitor may, at any time, resign by giving at least 60 days' prior written notice to the CBG and the Security Trustee (copied to the Rating Agencies), and may resign by giving immediate notice in the event of a professional conflict of interest under the rules of the professional and/or regulatory bodies regulating the activities of the Asset Monitor and such professional conflict of interest is caused by the action of any recipient of its reports or if the Covered Bondholders agree by way of Extraordinary Resolution to the resignation.

Upon the Asset Monitor giving notice of resignation or termination of the Asset Monitor's appointment, the Cash Manager shall immediately use all reasonable endeavours to appoint a substitute Asset Monitor provided such substitute is an Eligible Asset Monitor that enters into an agreement substantially on the same terms as the terms of the Asset Monitor Agreement and the substitute Asset Monitor is a party that has been notified to the Rating Agencies by the Cash Manager and a Rating Agency Confirmation or a Ratings Notification has been provided by the Cash Manager in respect of the appointment of the substitute Asset Monitor.

Neither the Bond Trustee nor the Security Trustee will be obliged to act as Asset Monitor in any circumstances.

The Asset Monitor Agreement is governed by Singapore law.

## **Establishment Deed**

### ***Asset Coverage Test***

Under the terms of the Establishment Deed, prior to the service of a Notice to Pay and for so long as any Covered Bonds remain outstanding, the Asset Coverage Test will be satisfied on each Test Date if on that Test Date, the Adjusted Aggregate Loan Amount is at least equal to the aggregate SGD Equivalent of the outstanding nominal amount of all Covered Bonds as calculated as of the immediately preceding Calculation Date (the "**Asset Coverage Test**"). For a further discussion of the Asset Coverage Test, see "*Credit Structure – Asset Coverage Test*".

On or prior to each Test Date, the Cash Manager must calculate the Adjusted Aggregate Loan Amount and the aggregate SGD Equivalent of the outstanding nominal amount of all Covered Bonds as of the immediately preceding Calculation Date.

If on any Test Date, the Adjusted Aggregate Loan Amount is less than the SGD Equivalent of the aggregate outstanding nominal amount of all Covered Bonds, all calculated as of the Calculation Date immediately preceding that Test Date, the Asset Coverage Test will be breached and the:

- (i) Cash Manager shall notify the CBG, the Seller, the Issuer, the Bond Trustee and the Security Trustee thereof; and
- (ii) the CBG (at the direction of the Cash Manager) will use all commercially reasonable endeavours to acquire further Loans and their Related Security from the Seller and/or obtain an Advance or a Subordinated Advance to ensure that the Asset Coverage Test is met as of the next Calculation Date.

If on the next following Test Date, the Adjusted Aggregate Loan Amount remains less than the SGD Equivalent of the aggregate outstanding nominal amount of all Covered Bonds (all calculated as of the Calculation Date immediately preceding that Test Date), the Asset Coverage Test will be breached and the Cash Manager shall notify the CBG, the Seller, the Issuer, the Bond Trustee and the Security Trustee, whereupon the Bond Trustee is required to serve an Asset Coverage Test Breach Notice on the CBG. The Bond Trustee will be deemed to have revoked an Asset Coverage Test Breach Notice if, on or before the Test Date immediately succeeding service of an Asset Coverage Test Breach Notice, the Asset Coverage Test (as calculated as of the immediately preceding Calculation Date) is satisfied and neither a Notice to Pay nor a CBG Acceleration Notice has been served.

Following service of an Asset Coverage Test Breach Notice on the CBG (which has not been revoked) but prior to the service of a Notice to Pay:

- (a) the CBG or the Cash Manager (on behalf of the CBG) may be required to sell Selected Loans and/or Authorised Investments and remit the proceeds to the Transaction Account as described in *“Sale of Selected Loans following service of an Asset Coverage Test Breach Notice”* below;
- (b) prior to the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice or, if earlier, the occurrence of a CBG Event of Default and service of a CBG Acceleration Notice, the Pre-Acceleration Revenue Priority of Payments and the Pre-Acceleration Principal Priority of Payments will be modified as described in *“Cashflows and Priorities of Payments – Allocation and distribution of Available Revenue Receipts and Available Principal Receipts following service on the CBG of an Asset Coverage Test Breach Notice (which has not been revoked)”*; and
- (c) the Issuer will not be permitted to issue any further Series of Covered Bonds.

If an Asset Coverage Test Breach Notice has been served and not revoked by the Bond Trustee on or before the Test Date immediately succeeding service of such Asset Coverage Test Breach Notice, then an Issuer Event of Default will occur and the Bond Trustee will be entitled (and in certain circumstances may be required), in each case subject to being indemnified and/or secured to its satisfaction, to serve an Issuer Acceleration Notice on the Issuer. Following service of an Issuer Acceleration Notice, the Bond Trustee will be required to serve a Notice to Pay on the CBG.

For the purposes hereof:

The **“Adjusted Aggregate Loan Amount”** in respect of a Calculation Date means:

$$A + B + C + D + E - Y$$

where,

**A** = the lower of (a) and (b), where:

- (a) = the sum of the **“LTV Adjusted Principal Balance”** of each Loan (excluding, for the avoidance of doubt, Top-up Loans) which is not a Converted Loan in the Portfolio as at the relevant Calculation Date, which shall be the lower of:
  - (i) the actual Principal Balance of the relevant Loan (excluding, for the avoidance of doubt, Top-up Loans) which is not a Converted Loan in the Portfolio as calculated as of the relevant Calculation Date; and

- (ii) the aggregate of the Valuation of each Property subject to a Related Security relating to that Loan, in each case multiplied by M:
  - (A) where, for all Loans that are not Defaulted Loans,  $M = 0.80$  or such other amount as may be specified under MAS Notice 648 or such other legislation applicable to the Programme from time to time determined by the Cash Manager and notified to the CBG and the Rating Agencies and in respect of which a Rating Agency Confirmation or a Ratings Notification has been delivered by the Cash Manager; and
  - (B) where, for all Loans that are Defaulted Loans,  $M = 0$  (zero),

*minus*

the aggregate sum of the following deemed reductions to the aggregate LTV Adjusted Principal Balance of the Loans in the Portfolio if either of the following occurred during the Calculation Period immediately preceding such Calculation Date:

- (1) the Seller was, in the immediately preceding Calculation Period, in respect of a Loan or its Related Security, in breach of any of the Representations and Warranties contained in the Mortgage Sale Agreement or subject to any other obligation of the Seller to repurchase the relevant EA Loan and its Related Security (and any related Top-up Loans) and/or the Assets Trustee is subject to an obligation to accept surrender of the Trust Assets relating to the DOT Loans and their Related Security (and any related Top-up Loans) and make a corresponding Distribution to the CBG Beneficiary, and in each case the Seller has not repurchased the EA Loan or EA Loans of the relevant Borrower and/or the relevant Mortgagor and its or their Related Security (and any related Top-up Loans) to the extent required by the terms of the Mortgage Sale Agreement and/or the Assets Trustee has not accepted surrender of the Trust Assets and made a corresponding Distribution to the CBG Beneficiary in relation to the DOT Loans and their Related Security (and any related Top-up Loans) in accordance with the terms of the Declaration of Assets Trust. In this event, the aggregate LTV Adjusted Principal Balance of the Loans in the Portfolio (as calculated as of the relevant Calculation Date) will be deemed to be reduced by an amount equal to the LTV Adjusted Principal Balance of the relevant Loan or Loans (as calculated as of the relevant Calculation Date) of the relevant Borrower and/or mortgagor; and/or
- (2) the Seller was, in any preceding Calculation Period, in breach of any other material warranty under the Mortgage Sale Agreement and/or the Servicer was, in any preceding Calculation Period, in breach of a material term of the Servicing Agreement. In this event, the aggregate LTV Adjusted Principal Balance of the Loans in the Portfolio (as calculated as of the relevant Calculation Date) will be deemed to be reduced by an amount equal to the resulting financial loss incurred by the CBG, in the immediately preceding Calculation Period (such financial loss to be calculated by the Cash Manager without double counting (including in respect of amounts



under (1) above) and to be reduced by any amount paid (in cash or in kind) to the CBG by the Seller to indemnify the CBG for such financial loss);

AND

- (b) = the sum of the “**Asset Percentage Adjusted Principal Balance**” of each Loan (excluding, for the avoidance of doubt, Top-up Loans) which is not a Converted Loan in the Portfolio as at the relevant Calculation Date which shall be the:

actual Principal Balance of such Loan in the Portfolio as calculated as of the relevant Calculation Date, in each case multiplied by M where, for all Loans that are Defaulted Loans, M = 0 (zero), otherwise M = 1,

*minus*

the aggregate sum of the following deemed reductions to the aggregate Asset Percentage Adjusted Principal Balance of the Loans in the Portfolio if either of the following occurred during the Calculation Period immediately preceding such Calculation Date:

- (1) the Seller was, in the immediately preceding Calculation Period, in respect of a Loan or its Related Security, in breach of any of the Representations and Warranties contained in the Mortgage Sale Agreement or subject to any other obligation of the Seller to repurchase the relevant EA Loan and its Related Security (and any related Top-up Loans) and/or the Assets Trustee is subject to an obligation to accept surrender of the Trust Assets relating to the DOT Loans and their Related Security (and any related Top-up Loans) and make a corresponding Distribution to the CBG Beneficiary, and in each case the Seller has not repurchased the EA Loan or EA Loans of the relevant Borrower and/or the relevant Mortgagor and its or their Related Security (and any related Top-up Loans) to the extent required by the terms of the Mortgage Sale Agreement and/or the Assets Trustee has not accepted surrender of the Trust Assets and made a corresponding Distribution to the CBG Beneficiary in relation to the DOT Loans and their Related Security (and any related Top-up Loans) in accordance with the terms of the Declaration of Assets Trust. In this event, the aggregate Asset Percentage Adjusted Principal Balance of the Loans in the Portfolio (as calculated as of the relevant Calculation Date) will be deemed to be reduced by an amount equal to the Asset Percentage Adjusted Principal Balance of the relevant Loan or Loans (as calculated as of the relevant Calculation Date) of the relevant Borrower and/or the relevant Mortgagor; and/or
- (2) the Seller was, in any preceding Calculation Period, in breach of any other material warranty under the Mortgage Sale Agreement and/or the Servicer was, in the immediately preceding Calculation Period, in breach of a material term of the Servicing Agreement. In this event, the aggregate Asset Percentage Adjusted Principal Balance of the Loans in the Portfolio (as calculated as of the relevant Calculation Date) will be deemed to be reduced by an amount equal to the resulting financial loss incurred by the CBG in the immediately preceding Calculation Period (such financial loss to be calculated by the Cash Manager without double counting (including in respect of amounts under (1) above) and to be reduced by any amount paid (in cash or in kind) to the CBG by the Seller to indemnify the CBG for such financial loss),

the result of the calculation above in this paragraph (b) being multiplied by the Asset Percentage (as determined below);

- B** = the aggregate amount of any Principal Receipts on the Loans in the Portfolio (excluding, for the avoidance of doubt, Top-up Loans) which are not Converted Loans up to the end of the Calculation Period immediately preceding such Calculation Date (as recorded in the Principal Ledger) which have not been applied as at (or prior to) the relevant Calculation Date to acquire further Loans and their Related Security or otherwise applied in accordance with the Establishment Deed and/or the other Transaction Documents including, for the avoidance of doubt, any amount then standing to the credit of the Transaction Account (including amounts standing to the credit of the Reserve Ledger, the Commingling Reserve Ledger and the Pre-Maturity Liquidity Ledger but excluding amounts representing Revenue Receipts) as at such Calculation Date (but without double counting);
- C** = the aggregate amount of Advances under the Intercompany Loan Agreement and Subordinated Advances under the Subordinated Loan Agreement which have not been applied as at the relevant Calculation Date either (a) by the CBG Beneficiary to make a contribution into the Assets Trust to acquire further Loans or (b) to acquire further Loans and their Related Security or otherwise applied in accordance with the Establishment Deed and/or the other Transaction Documents (but without double counting);
- D** = any Authorised Investments and Substitution Assets standing to the credit of the Transaction Account as at the relevant Calculation Date (but without double counting);
- E** = the amount of any Sale Proceeds standing to the credit of the Transaction Account and credited to the Pre-Maturity Liquidity Ledger as at the relevant Calculation Date (but without double counting); and
- Y** = 0, or, if the long-term, unsecured, unsubordinated and unguaranteed debt obligation rating of the Seller is rated below BBB by S&P or A3 by Moody's, the Set-off Amount.

The “**Asset Percentage**” on any date shall be the lowest of:

- (i) 97 per cent. or such other amount determined by the Cash Manager and notified to the CBG and the Rating Agencies and in respect of which a Rating Agency Confirmation or a Ratings Notification has been delivered by the Cash Manager;
- (ii) such percentage figure as most recently selected by the Cash Manager from time to time and notified to the CBG, S&P, the Bond Trustee and the Security Trustee in accordance with the Establishment Deed, being the asset percentage that is necessary to ensure that the Covered Bonds maintain the then current ratings assigned to them by S&P; and
- (iii) the percentage figure most recently selected by the Cash Manager and notified to the CBG, Moody's, the Bond Trustee and the Security Trustee in accordance with the Establishment Deed, as the percentage figure that would be necessary to ensure the Covered Bonds maintain the then current ratings assigned to them by Moody's using Moody's expected loss methodology (regardless of the actual Moody's rating of the Covered Bonds at the time of determination of the Asset Percentage on such date).

The Asset Percentage determined in accordance with these terms shall be published in the Investor Report for the relevant period.

The CBG is not obliged to ensure that the Covered Bonds maintain an AAA rating by S&P or an Aaa rating by Moody's (as the case may be) and the CBG is not obliged to change the figure selected by it in accordance with paragraph (ii) or (iii) in the definition of "Asset Percentage" and notified to S&P or Moody's (as applicable) and the Bond Trustee and the Security Trustee in order to maintain the level of credit enhancement required to ensure that the Covered Bonds maintain an AAA rating by S&P or an Aaa rating by Moody's using Moody's expected loss methodology (as the case may be).

The CBG shall enter into a Cover Pool Swap Agreement at the option of United Overseas Bank Limited or if so required by either Rating Agency to ensure that the Covered Bonds maintain the then current ratings assigned to them by the Rating Agencies.

Where there is more than one Loan in the Portfolio secured on the same Property subject to a Related Security, the calculation of the Asset Coverage Test will be calculated in respect of such Loans on a consolidated basis as if all Loans in the Portfolio secured on the same Property subject to a Related Security were a single Loan.

Following any downgrade of the Covered Bonds by Moody's, the percentage figure in part (iii) of the definition of Asset Percentage above may not exceed the Asset Percentage that applied as of the last time the Covered Bonds were rated Aaa by Moody's.

***Amortisation Test***

The Amortisation Test will be satisfied on each Test Date following service of a Notice to Pay on the CBG (but prior to service of a CBG Acceleration Notice) and, for so long as Covered Bonds remain outstanding, if, on that Test Date, the Amortisation Test Aggregate Loan Amount will be in an amount at least equal to the SGD Equivalent of the aggregate outstanding nominal amount of the Covered Bonds as calculated as of the immediately preceding Calculation Date (the "**Amortisation Test**"). For a further discussion of the Amortisation Test, see "*Credit Structure – Amortisation Test*".

The Cash Manager must calculate the Amortisation Test Aggregate Loan Amount (as of each Calculation Date) on or prior to each Test Date following service of a Notice to Pay (but prior to service of a CBG Acceleration Notice).

If on any Test Date following service of a Notice to Pay on the CBG, the Amortisation Test Aggregate Loan Amount is less than the SGD Equivalent of the aggregate outstanding nominal amount of the Covered Bonds, all calculated as of the Calculation Date immediately preceding that Test Date, then the Amortisation Test will be deemed to be breached and a CBG Event of Default will occur. The Cash Manager will immediately notify the CBG, the Seller, the Issuer, the Rating Agencies, the Security Trustee and the Bond Trustee of any breach of the Amortisation Test and the Bond Trustee shall be entitled to serve a CBG Acceleration Notice.

The "**Amortisation Test Aggregate Loan Amount**" in respect of a Calculation Date means:

$$A + B + C$$

where,

**A** = the sum of the "**Amortisation Test Principal Balance**" of each Loan (excluding, for the avoidance of doubt, Top-up Loans) which is not a Converted Loan, which balance will be the actual Principal Balance of the relevant Loan as calculated as of the relevant Calculation Date multiplied by M,

where for all Loans that are not Defaulted Loans,  $M = 1$  or such other amount determined by the Cash Manager and notified to the CBG and the Rating Agencies and in respect of which a Rating Agency Confirmation or a Ratings Notification has been delivered by the Cash Manager, and for all the Loans that are Defaulted Loans,  $M = 0$  (zero)

- B** = the sum of the amount of any cash standing to the credit of the Transaction Account and the principal amount of any Authorised Investments, in each case as at the relevant Calculation Date, (excluding (i) all interest received by the CBG on the CBG Accounts in respect of amounts representing Authorised Investments, (ii) all amounts received by the CBG representing income on any Authorised Investment, and (iii) amounts representing Revenue Receipts); and
- C** = any Substitution Assets standing to the credit of the Transaction Account as at the relevant Calculation Date (but without double counting).

Where there is more than one Loan in the Portfolio secured on the same Property subject to a Related Security, the calculation of the Amortisation Test will be calculated in respect of such Loans on a consolidated basis as if all Loans in the Portfolio secured on the same Property subject to a Related Security were a single Loan.

#### ***Sale of Selected Loans following a breach of the Pre-Maturity Test***

The Pre-Maturity Test will be breached if, prior to the service on the CBG of a Notice to Pay, the ratings of the Issuer's unsecured and unsubordinated debt obligations fall below a specified level and a Hard Bullet Covered Bond is due for repayment within a specified period of time thereafter, see "*Credit Structure – Pre-Maturity Liquidity*". If the Pre-Maturity Test is breached prior to service of a Notice to Pay, the CBG will, taking into account amounts standing to the credit of the Pre-Maturity Liquidity Ledger, offer to sell Selected Loans (and any related Top-up Loans) in accordance with the Establishment Deed (as described below – see "*Summary of the Principal Documents – Establishment Deed – Method of Sale of Selected Loans*"), subject to the rights of pre-emption in favour of the Seller to buy the Selected Loans (and any related Top-up Loans) pursuant to the terms of the Mortgage Sale Agreement. In connection with any such sale of Selected Loans (which are DOT Loans) and their Related Security (and any related Top-up Loans), the CBG Beneficiary shall direct the Assets Trustee to accept surrender by the CBG Beneficiary of its beneficial interest in such Selected Loans (which are DOT Loans) and their Related Security (and any related Top-up Loans) which are subject to the Assets Trust to the Seller. If the Issuer fails to repay any Series of Hard Bullet Covered Bonds on the Maturity Date thereof (after expiry of the relevant grace periods), then following service of a Notice to Pay on the CBG, the proceeds from any sale of Selected Loans standing to the credit of the Pre-Maturity Liquidity Ledger will be applied to repay the relevant Series of Hard Bullet Covered Bonds. Otherwise, the proceeds will be applied as set out in "*Credit Structure – Pre-Maturity Liquidity*". The proceeds from any sale of Top-up Loans will be used to repay any Deemed Ancillary Intercompany Loan Advances outside the Priorities of Payments.

Following service of a CBG Acceleration Notice on the CBG, all amounts standing to the credit of the Pre-Maturity Liquidity Ledger will be applied in accordance with the Post-Enforcement Priority of Payments.

#### ***Sale of Selected Loans following service of an Asset Coverage Test Breach Notice***

After service of an Asset Coverage Test Breach Notice (which has not been revoked) on the CBG but prior to service of a Notice to Pay (if the CBG has not obtained an Advance or a Subordinated Advance in order to meet the Asset Coverage Test), the CBG or the Cash Manager on its behalf will offer to sell Selected Loans (and any related Top-up Loans) in accordance with the Establishment Deed (as described below – see "*Summary of Principal Documents-Establishment Deed – Method of Sale of Selected Loans*"), subject to the rights of pre-emption in favour of the Seller to (i) buy the Selected Loans (and any related Top-up Loans) pursuant to the Mortgage Sale Agreement and/or the Declaration of Assets Trust and (ii)

(in relation to Trust Assets) make a cash payment to the Assets Trustee in consideration for the surrender by the CBG Beneficiary of its beneficial interest in the Trust Assets pursuant to the Declaration of Assets Trust. The proceeds from any sale of Selected Loans will be credited to the Transaction Account and applied as set out in “Cashflows and Priorities of Payments – Allocation and Distribution of Available Revenue Receipts and Available Principal Receipts following service on the CBG of an Asset Coverage Test Breach Notice (which has not been revoked)”. The proceeds from any sale of Top-up Loans will be used to repay any Deemed Ancillary Intercompany Loan Advances outside the Priorities of Payments.

**Sale of Selected Loans following service of a Notice to Pay**

After service of a Notice to Pay on the CBG, but prior to service of a CBG Acceleration Notice, in order to meet its obligations, the CBG may, or to the extent necessary to meet those obligations, will offer to sell Selected Loans (and any related Top-up Loans) in accordance with the Establishment Deed (as described below – see “Summary of the Principal Documents – Establishment Deed – Method of Sale of Selected Loans”), subject to the rights of pre-emption in favour of the Seller to buy the Selected Loans (and any related Top-up Loans) pursuant to the Mortgage Sale Agreement. The proceeds from any sale of Selected Loans will be credited to the Transaction Account and applied as set out in “Cashflows and Priorities of Payments – Allocation and Distribution of Funds following service of a Notice to Pay”. The proceeds from any sale of Top-up Loans will be used to repay any Deemed Ancillary Intercompany Loan Advances outside the Priorities of Payments.

Following service of a CBG Acceleration Notice on the CBG, all amounts standing to the credit of the Pre-Maturity Liquidity Ledger will be applied in accordance with the Post-Enforcement Priority of Payments.

**Method of Sale of Selected Loans**

Following a breach of the Pre-Maturity Test, the service of an Asset Coverage Test Breach Notice (which has not been revoked) or a Notice to Pay, the CBG shall ensure that before offering Selected Loans for sale the Selected Loans have an aggregate Principal Balance in an amount (the “**Required Principal Balance Amount**”) which is as close as possible to the amount calculated as follows:

- (a) following the service of an Asset Coverage Test Breach Notice (which has not been revoked) (but prior to service of a Notice to Pay), such amount that would ensure that, if the Selected Loans were sold at their Principal Balance plus the Arrears of Interest and Accrued Interest thereon, the Asset Coverage Test would be satisfied on the next Test Date (as calculated as of the immediately preceding Calculation Date) taking into account the payment obligations of the CBG on the CBG Payment Date following that Calculation Date (assuming for this purpose that the Asset Coverage Test Breach Notice is not revoked on or before the related Test Date following the next Calculation Date); or
- (b) following a breach of the Pre-Maturity Test, an amount which is not less than the amount calculated as follows:

$$A = N \times \frac{O - D}{E}$$

where:

- A is the Required Principal Balance Amount of the Selected Loans;
- N is an amount equal to the SGD Equivalent of the Required Redemption Amount of the relevant Series of Hard Bullet Covered Bonds (in respect of which the Pre-Maturity Test has been breached) less amounts standing to the credit of the Pre-Maturity Liquidity

Ledger that are not otherwise required to provide liquidity for any Series of Hard Bullet Covered Bonds which mature prior to or on the same date as the relevant Series of Hard Bullet Covered Bonds;

O is the Principal Balance of all the Loans in the Portfolio;

D is the outstanding balance of the Demand Loan; and

E is the aggregate SGD Equivalent of the Required Redemption Amount in respect of each Series of Covered Bonds then outstanding.

For the avoidance of doubt, if A is zero or a negative number, then no Selected Loans in the Portfolio and their Related Securities need be sold; or

- (c) following service of a Notice to Pay but prior to service of a CBG Acceleration Notice, in relation to a sale to meet the CBG's obligations other than in respect of the repayment of the Demand Loan, an amount which is not less than the amount calculated as follows:

$$A = N \times \frac{O - D}{E}$$

where:

A is the Required Principal Balance Amount of the Selected Loans;

N is an amount equal to the SGD Equivalent of the Required Redemption Amount of the Series of Covered Bonds with a Maturity Date falling within the same CBG Payment Period as the Maturity Date of the Earliest Maturing Covered Bonds (other than any Series of Covered Bonds which is fully collateralised by amounts standing to the credit of the Transaction Account) less:

- (i) amounts standing to the credit of the Transaction Account and Authorised Investments or Substitution Assets standing to the credit of the Transaction Account (excluding all amounts to be applied on the next following CBG Payment Date to pay or repay higher ranking amounts in the Guarantee Priority of Payments and those amounts that are required to repay any Series of Covered Bonds which have a Maturity Date prior to or on the same date as the relevant Series of Covered Bonds); and
- (ii) if the Earliest Maturing Covered Bonds are Hard Bullet Covered Bonds, any amount standing to the credit of the Pre-Maturity Liquidity Ledger in respect of those Hard Bullet Covered Bonds;

O is the Principal Balance of all the Loans in the Portfolio;

D is the outstanding balance of the Demand Loan calculated pursuant to the Intercompany Loan Agreement following the final determination of the Asset Percentage; and

E is the aggregate SGD Equivalent of the Required Redemption Amount in respect of each Series of Covered Bonds then outstanding.

For the avoidance of doubt, if A is zero or a negative number, then no Selected Loans in the Portfolio and their Related Security need be sold.

The CBG (in the case of Selected Loans which are EA Loans and their Related Security) and the Assets Trustee on behalf of the CBG Beneficiary (in the case of Selected Loans which are DOT Loans and their Related Security (and any related Top-up Loans)) will offer the Selected Loans for sale to Purchasers for the best price reasonably available but in any event:

- (a) following (i) the service of an Asset Coverage Test Breach Notice (which has not been revoked) (but prior to service of a Notice to Pay) or (ii) a breach of the Pre-Maturity Test (but prior to service of a Notice to Pay), in each case, for an amount not less than the sum of the aggregate Principal Balance (plus any Accrued Interest and Arrears of Interest) of the Selected Loans; and
- (b) following service of a Notice to Pay, in relation to a sale to meet the CBG's obligations other than in respect of the repayment of the Demand Loan, for an amount not less than the sum of the Adjusted Required Redemption Amount for the relevant Series of Covered Bonds.

In respect of any sale of Selected Loans in the Portfolio and their Related Security (except where the Seller is buying the Selected Loans in accordance with its right of pre-emption in accordance with the Mortgage Sale Agreement) the CBG will:

- (i) prior to service of a Notice to Pay, appoint any member of the Group; or
- (ii) following a breach of the Pre-Maturity Test but prior to service of a Notice to Pay, through a tender process appoint a portfolio manager, investment bank, bank or other institution or advisor of recognised standing on a basis intended to incentivise it to achieve the best price for the sale of the Selected Loans (if such terms are commercially available in the market); or
- (iii) following service of a Notice to Pay, through a tender process appoint a portfolio manager, investment bank, bank or other institution or advisor of recognised standing on a basis intended to incentivise it to achieve the best price for the sale of the Selected Loans (if such terms are commercially available in the market),

(in each case, the “**Sale Adviser**”) to advise it in relation to the sale of the Selected Loans to Purchasers (except where the Seller is buying the Selected Loans, in accordance with its right of pre-emption in the Mortgage Sale Agreement and/or the Declaration of Assets Trust).

Following service of an Asset Coverage Test Breach Notice (which has not been revoked) but prior to service of a Notice to Pay, if the CBG determines (taking into account any advice or recommendations of the Sale Adviser) that it is unlikely that the Selected Loans will be able to be sold for such an amount, or that it is unlikely that a sale of the Selected Loans for such an amount will be able to be effected in time to enable the Asset Coverage Test to be satisfied on the next Test Date, then the CBG and/or the Assets Trustee may:

- (i) sell additional Selected Loans; and/or
- (ii) offer the Selected Loans and the additional Selected Loans for the best price possible (in accordance with the recommendations of the Sale Adviser).

Following a breach of the Pre-Maturity Test but prior to service of a Notice to Pay, if Selected Loans have not been sold (in whole or in part) for an amount not less than the sum of the aggregate Principal Balance of the Selected Loans by the date which is three months prior to the date by which the Pre-Maturity Liquidity Ledger must be funded in order to prevent an Issuer Event of Default in accordance with Condition 9(a)(vi) (*Breach of Pre-Maturity Test*), and the Pre-Maturity Liquidity Ledger is not otherwise funded (see “*Credit Structure – Pre-Maturity Liquidity*” below), then (i) the CBG, or as the case may be, the Assets Trustee (on behalf of the CBG Beneficiary), will offer the Selected Loans for sale at

the best price reasonably obtainable in accordance with the advice of the Sale Adviser or (ii) a Sale Adviser may be appointed to sell Selected Loans to ensure the Pre-Maturity Liquidity Ledger is funded sufficiently to prevent an Issuer Event of Default.

Following service of a Notice to Pay, if the Selected Loans have not been sold (in whole or in part) for an amount not less than the Adjusted Required Redemption Amount by the date which is six months prior to, as applicable, (i) in respect of Earliest Maturing Covered Bonds that are Hard Bullet Covered Bonds, the Maturity Date of the Earliest Maturing Covered Bonds or (ii) in respect of Earliest Maturing Covered Bonds that are subject to an Extended Due for Payment Date, the Extended Due for Payment Date in respect of the Earliest Maturing Covered Bonds, then the CBG or, as the case may be, the Assets Trustee (on behalf of the CBG Beneficiary) will offer the Selected Loans for sale for the best price reasonably available in accordance with the advice of the Sale Adviser notwithstanding that such amount may be less than the Adjusted Required Redemption Amount.

Following service of a Notice to Pay or a breach of the Pre-Maturity Test, in addition to offering Selected Loans for sale to Purchasers in respect of the Earliest Maturing Covered Bonds or the relevant Series of Hard Bullet Covered Bonds, as applicable, the CBG or, as the case may be, the Assets Trustee (on behalf of the CBG Beneficiary) may, (subject to the right of pre-emption in favour of the Seller in the Mortgage Sale Agreement and/or the Declaration of Assets Trust) offer for sale a portfolio of Selected Loans in respect of other Series of Covered Bonds.

The CBG or, as the case may be, the Assets Trustee (on behalf of the CBG Beneficiary) is also permitted to offer for sale to Purchasers part of any portfolio of Selected Loans (a “**Partial Portfolio**”). Where a Notice to Pay has been served, except in circumstances where the portfolio of Selected Loans is being sold for a price less than the price described in (a) or (b) above, the sale price of the Partial Portfolio (as a proportion of the Adjusted Required Redemption Amount) shall be at least equal to the proportion that the Partial Portfolio bears to the relevant portfolio of Selected Loans.

The terms of any sale and purchase agreement with respect to the sale of Selected Loans (except where the Seller is buying the Selected Loans in accordance with its right of pre-emption under the Mortgage Sale Agreement and/or the Declaration of Assets Trust) will be subject to obtaining a Rating Agency Confirmation or Ratings Notification in respect of such sale and the relevant sale and purchase agreement will:

- (i) not include any representations and warranties from the CBG or, as the case may be, the Assets Trustee (on behalf of the CBG Beneficiary) or the Seller unless expressly agreed by the CBG or, as the case may be, the Assets Trustee (on behalf of the CBG Beneficiary) and the Seller, as the case may be (each acting in its discretion); and
- (ii) require a cash payment from the Purchasers in immediately available funds on or prior to the date of sale of the Selected Loans.

The sale of Selected Loans which are EA Loans and their Related Security will require a notice of assignment to be given by the Seller to the Borrower, Mortgagor, surety, guarantor and/or any other relevant counterparty (or by the CBG if notice has already been given to such parties in accordance with the Mortgage Sale Agreement) and the EA Loans and their Related Security are transferred by the Seller to the CBG and, where applicable, registered with the appropriate authority(ies).

In respect of Selected Loans which are DOT Loans and their Related Security (and any related Top-up Loans), where legal title is required to be transferred to a Purchaser, the CBG and the Assets Trustee will use reasonable endeavours to obtain the Requisite DOT Loan Legal Title Transfer Approvals (unless the consent of the CPF Board to the transfer of the Mortgages relating to DOT Loans is not required). Prior to any Requisite DOT Loan Legal Title Transfer Approvals being obtained and unless the consent of the CPF Board to the transfer of the Mortgages relating to DOT Loans is not required the CBG Beneficiary and the Assets Trustee shall use reasonable endeavours to seek all of the Requisite DOT Loan



Legal Title Transfer Approvals set out in paragraphs (a) to (c) of the definition of such term concurrently. Please see the section “*Declaration of Assets Trust – Transfer of title to the DOT Loans and appointment of a Replacement Assets Trustee*” above.

Following any sale of Selected Loans which are DOT Loans and their Related Security (and any related Top-up Loans) and the surrender by the Assets Trustee to the Seller of the CBG Beneficiary’s beneficial interest therein, the Assets Trustee shall also, in accordance with the terms and conditions of the Declaration of Assets Trust, make a Distribution to the CBG Beneficiary. Following such Distribution, the relevant Selected Loans will, pursuant to and in accordance with the terms of the Declaration of Assets Trust, cease to be Trust Assets.

In the event the CBG and the Assets Trustee fail to obtain any of the Requisite DOT Loan Legal Title Transfer Approvals, the CBG Beneficiary may assign absolutely its beneficial interest in the Selected Loans pursuant to the terms of the Declaration of Assets Trust.

### ***Sale of Top-up Loans***

In the event of any sale (or interest surrendered, as the case may be) of Loans (including Defaulted Loans and Selected Loans) and their Related Security by the CBG or the Assets Trustee (on behalf of the CBG Beneficiary), any related Top-up Loans may be offered for sale as part of the same offer (such Loans, Related Security and related Top-up Loans being referred to as the “**Single Mortgage Bundle**”). The CBG will identify any such related Top-up Loans in the relevant Loan Repurchase Notice, Defaulted Loans Notice or Selected Loans Offer Notice.

Where such Top-up Loans are sold (or interest surrendered, as the case may be) to the Seller, the purchase price for such Top-up Loans will be an amount equal to the outstanding balance of the Top-up Loans, such amount to be subsequently adjusted (as described under “*Mortgage Sale Agreement – Repurchase adjustment*” above). Where the Seller and the Ancillary Intercompany Loan Provider are the same entity and title to the Top-up Loans has not been perfected, the CBG Beneficiary’s rights, estate, interests, title, benefits and remedies in such Top-up Loans will be released and surrendered such that they vest completely in favour of the Ancillary Intercompany Loan Provider in repayment of the Ancillary Intercompany Loan, in each case, free from the Security Interest created by the Singapore Deed of Charge.

Where such Top-up Loans are sold to a Purchaser who is not the Seller, the purchase price for such Top-up Loans will be an amount equal to the purchase price for the Single Mortgage Bundle less the purchase price for the Loans comprised in the Single Mortgage Bundle as agreed between the CBG or, as the case may be, the Assets Trustee (on behalf of the CBG Beneficiary) and the Purchaser at the point of sale.

The proceeds from any sale of Top-up Loans will be used to repay Deemed Ancillary Intercompany Loan Advances outside the Priorities of Payments.

### ***Limit on investing in Substitution Assets and Authorised Investments***

Prior to the service of an Asset Coverage Test Breach Notice (which has not been revoked) or a Notice to Pay or CBG Acceleration Notice on the CBG or following revocation of an Asset Coverage Test Breach Notice, the Cash Manager on behalf of the CBG will be permitted to invest Available Revenue Receipts, Available Principal Receipts and the proceeds of Advances and Subordinated Advances in Substitution Assets, provided that such investments are made in accordance with the terms of the Cash Management Agreement and do not contravene or result in the contravention of MAS Notice 648, as amended from time to time and/or such other notices, regulations and rules which may be introduced by the MAS from time to time. Depositing such amounts in any CBG Account will not constitute an investment in Substitution Assets for these purposes.

Following service of an Asset Coverage Test Breach Notice (which has not been revoked) or a Notice to Pay on the CBG, all Substitution Assets may be sold by the CBG (or the Cash Manager on its behalf) for the best price possible taking into account market conditions at that time and the nature of the Substitution Assets and the proceeds credited to the Transaction Account.

The Cash Manager on behalf of the CBG may at any time (including both prior to and following service of a Notice to Pay but prior to the service of a CBG Acceleration Notice) invest some or all available funds in Authorised Investments, provided that such investments are made in accordance with the terms of the Cash Management Agreement and do not contravene or result in the contravention of MAS Notice 648, as amended or replaced from time to time and/or such other notices, regulations and rules which may be introduced by the MAS from time to time.

#### ***Other provisions***

The allocation and distribution of Revenue Receipts, Principal Receipts and all other amounts received by the CBG is described under “*Cashflows and Priorities of Payments*”.

The Establishment Deed is governed by Singapore law.

#### **Cash Management Agreement**

The Cash Manager will provide certain cash management services to the CBG, the Assets Trustee, the CBG Beneficiary and the Security Trustee pursuant to the terms of the Cash Management Agreement entered into on the Programme Date between, among others, the CBG, the CBG Beneficiary, the Issuer in its capacities as the Cash Manager, Assets Trustee, All Monies Beneficiary, Seller and Servicer and the Security Trustee and Bond Trustee.

The Cash Manager’s services include but are not limited to:

- (a) maintaining the Ledgers on behalf of the CBG and the Assets Trustee;
- (b) making an Additional Contribution to the Assets Trustee to acquire New Loans (which are DOT Loans) and their Related Security (and any related Top-up Loans) from the Seller pursuant to the terms of the Declaration of Assets Trust;
- (c) maintaining records of all Authorised Investments and/or Substitution Assets, as applicable;
- (d) distributing the Revenue Receipts and the Principal Receipts in accordance with the Priorities of Payments (described under “*Cashflows and Priorities of Payments*”);
- (e) determining whether the Asset Coverage Test is satisfied on each Test Date (as of the immediately preceding Calculation Date) in accordance with the Establishment Deed, as more fully described under “*Credit Structure – Asset Coverage Test*”;
- (f) determining whether the Amortisation Test is satisfied on each Test Date (as of the immediately preceding Calculation Date) following an Issuer Event of Default in accordance with the Establishment Deed, as more fully described under “*Credit Structure – Amortisation Test*”;
- (g) on each Singapore Business Day, determining whether the Pre-Maturity Test for each Series of Hard Bullet Covered Bonds is satisfied, as more fully described under “*Credit Structure – Pre-Maturity Liquidity*”;
- (h) providing the Asset Monitor with all necessary information to allow it to comply with its obligations under the Asset Monitor Agreement;

- (i) making the calculations and determinations required by the Intercompany Loan Agreement; and
- (j) preparation of Investor Reports for the Covered Bondholders, the Rating Agencies and the Bond Trustee.

The Cash Manager may from time to time sub-contract or delegate the performance of its duties under the Cash Management Agreement, provided that it will nevertheless remain liable at all times for providing the cash management services and for the acts or omissions of any delegate or sub-contractor. Any such sub-contracting or delegation may be varied or terminated at any time by the Cash Manager.

In the following circumstances, the CBG, the Assets Trustee (with the consent of or as directed by the CBG Beneficiary), the CBG Beneficiary, the All Monies Trustee or the Security Trustee will each have the right to terminate the appointment of the Cash Manager and each of the CBG, the Assets Trustee (with the consent of or as directed by the CBG Beneficiary), the CBG Beneficiary and the All Monies Trustee will use its reasonable endeavours to appoint a substitute (the identity of which will be subject to the Security Trustee's written approval):

- (a) default is made by the Cash Manager in the payment on the due date of any payment to be made by it under the Cash Management Agreement (subject to funds being available for the same) or in the performance of its obligations under the Cash Management Agreement and such default continues unremedied for a period of five Singapore Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the CBG or, following the Security becoming enforceable, the Security Trustee requiring the same to be remedied; or
- (b) default is made by the Cash Manager in the performance or observance of any of its other covenants and obligations under the Cash Management Agreement, which the Security Trustee (acting at the direction of the Bond Trustee) considers to be materially prejudicial to the interests of the Covered Bondholders and such default continues unremedied for a period of 20 Business Days after the earlier of the Cash Manager becoming aware of such default and receipt by the Cash Manager of written notice from the CBG or (following the Security becoming enforceable) the Security Trustee requiring the same to be remedied; or
- (c) an Insolvency Event occurs in respect of the Cash Manager.

The termination will only take effect once the substitute has been appointed. Any substitute cash manager will have substantially the same rights and obligations as the Cash Manager (although the fee payable to the substitute cash manager may be higher).

Pursuant to the terms of the Cash Management Agreement, the Cash Manager is not liable for a failure to perform its obligations and shall be relieved from its obligations if it is rendered unable to carry out its obligations due to circumstances beyond its control, such as electricity power cuts, strikes, lock outs, fire, floods, earthquakes, storms or acts of God (save where such electricity power cuts, strikes, lock outs, fire or floods arose as a result of the fraud, bad faith, gross negligence or wilful default of the Cash Manager).

The Cash Management Agreement is governed by Singapore law.

### **Subordinated Loan Agreement**

From time to time, the Issuer as subordinated loan provider (the "**Subordinated Loan Provider**") may make Subordinated Advances to the CBG (the "**Subordinated Loan Facility**"). The aggregate of the principal amount of all Advances, Subordinated Advances and Deemed Ancillary Intercompany Loan Advances outstanding at any time shall not exceed S\$15,000,000,000.

Except for Deemed Subordinated Advances (see below), the Subordinated Loan Facility is uncommitted and the Subordinated Loan Provider is not obliged to make Subordinated Advances to the CBG and may elect to make or decline the requested Subordinated Advances in its absolute discretion.

Each Subordinated Advance (except for Deemed Subordinated Advances) must be used by the CBG:

- (i) to invest in Authorised Investments or Substitution Assets in accordance with the Establishment Deed;
- (ii) to purchase New Portfolios from the Seller from time to time in accordance with the Mortgage Sale Agreement;
- (iii) to make Additional Contributions to the Assets Trust (to be utilised as consideration for the sale of DOT Loans and their Related Security by the Seller to the CBG Beneficiary) pursuant to the terms of the Declaration of Assets Trust; or
- (iv) to make a deposit of the proceeds in the Transaction Account, including to fund the Reserve Fund, the Commingling Reserve Fund, and to fund the Pre-Maturity Liquidity Ledger, in accordance with the Establishment Deed.

Where amounts are not able to constitute Deemed Advances under the Intercompany Loan Agreement because the Deemed Advance Preconditions are not satisfied, they will constitute “**Deemed Subordinated Advances**”.

The Cash Manager may request Subordinated Advances on behalf of the CBG and the CBG Beneficiary in order to enable the CBG and the CBG Beneficiary to meet their respective obligations under the Transaction Documents.

The Subordinated Loan will bear interest as set out in the Subordinated Loan Agreement.

The CBG and the CBG Beneficiary will make repayments to the Subordinated Loan Provider on each CBG Payment Date if, and to the extent that, no Asset Coverage Test Breach Notice, Notice to Pay or CBG Acceleration Notice has been served on it (or, if such notice has been served, it has been revoked) and there are sufficient Available Principal Receipts and Available Revenue Receipts to make such payment in accordance with the applicable Priority of Payments. The Subordinated Loan will be subordinated to, *inter alia*, payments of principal and interest on the Intercompany Loan and the Covered Bond Guarantee, and all other payments or provisions ranking in priority to payments to be made to the Subordinated Loan Provider, in each case in accordance with the applicable Priorities of Payments.

The Subordinated Loan Agreement is governed by Singapore law.

#### **Ancillary Intercompany Loan Agreement**

Deemed Ancillary Intercompany Loan Advances will arise under the Ancillary Intercompany Loan Agreement if:

- (a) the CBG Beneficiary acquires an interest in a Top-up Loan in connection with a DOT Loan in the Portfolio or in connection with the acquisition of a DOT Loan and its Related Security under the terms of the Declaration of Assets Trust and such Top-up Loan is subject to the Assets Trust;
- (b) a Top-up Loan is sold and assigned by the Seller to the CBG in connection with a EA Loan in the Portfolio or in connection with the acquisition of a EA Loan and its Related Security in accordance with the terms of the Mortgage Sale Agreement; and/or

- (c) as at any Calculation Date, there is an increase in the outstanding balance of a Top-up Loan referred to in (a) or (b) above.

The aggregate of the principal amount of all Advances, Subordinated Advances and Deemed Ancillary Intercompany Loan Advances outstanding at any time shall not exceed S\$15,000,000,000.

Top-up Loans (and proceeds from the sale thereof) and Top-up Receipts will not form part of the Asset Pool and therefore will not form part of the cashflows or assets that are applied by the CBG or the Security Trustee in accordance with any Priorities of Payments.

#### ***Repayment of the Ancillary Intercompany Loan***

The outstanding principal amount of the Ancillary Intercompany Loan at any time will equal the aggregate amount of Deemed Ancillary Intercompany Loan Advances minus the sum of any repayments. The CBG will make repayments to the Ancillary Intercompany Loan Provider on each CBG Payment Date. The Ancillary Intercompany Loan will be repayable (from Top-up Receipts and/or proceeds from the sale of Top-up Loans) outside the Priorities of Payments.

The Ancillary Loan Agreement is governed by Singapore law.

#### **Cover Pool Swap Agreement**

To provide a hedge against possible variances between the interest revenues received by the CBG on Loans (or some of the Loans) in the Portfolio and the interest amounts payable on the Intercompany Loan and (following the service of a Notice to Pay on the CBG) the Covered Bond Swap Agreement(s) (or, if no Covered Bond Swap is in place in respect of a particular Series or Tranche of Covered Bonds, such Series or Tranche of the Covered Bonds), the CBG will, if and when required by either Rating Agency at any time after the First Closing Date to ensure that the then current rating of the relevant Series of Covered Bonds would not be downgraded, (or, in all other circumstances, at UOB's option) enter into a Cover Pool Swap Agreement with the Cover Pool Swap Provider (and enter into the Cover Pool Swap pursuant thereto).

Once the Cover Pool Swap becomes effective, the CBG and the Cover Pool Swap Provider shall swap the amount of interest received by the CBG in respect of the Loans (or some of the Loans) in the Portfolio (other than, in respect of Defaulted Loans, Top-up Loans and Loans with unremedied or unwaived missed payments) in exchange for a floating rate of interest determined with respect to the rate of interest payable on the Intercompany Loan and, following the service of a Notice to Pay on the CBG, the amounts payable by the CBG under the Covered Bond Swap Agreement(s) (or, if no Covered Bond Swap is in place, the Covered Bonds).

The notional amount of the Cover Pool Swap entered into under the Cover Pool Swap Agreement will be equal to the Principal Balance of all Loans (or some of the Loans) in the Portfolio comprising the aggregate outstanding principal amount of any EA Loans and their Related Security and all interests in the Assets Trust including the aggregate outstanding principal amount of any DOT Loans and their Related Security (excluding Defaulted Loans, Selected Loans which have been disposed of by the CBG, Top-up Loans and Loans with unremedied or unwaived missed payments) in respect of the Calculation Period ending immediately prior to the relevant Cover Pool Swap payment date. The scheduled termination date of the Cover Pool Swap will be the date on which the outstanding principal amount of all Loans (or some of the Loans) held by the CBG is reduced to zero.

In the event that the relevant ratings of the Cover Pool Swap Provider, or any guarantor, as applicable, is or are, as applicable, downgraded by a Rating Agency below the ratings specified in the Cover Pool Swap Agreement and, as a result, no such entity has the required ratings, the Cover Pool Swap Provider will be required to take certain remedial measures which may include (i) providing collateral for its obligations pursuant to a one-way credit support annexe in favour of the CBG, (ii) arranging for its

obligations to be transferred to an entity with such ratings as are required to ensure that the then current rating of the Covered Bonds would not be downgraded, or (iii) procuring another entity with rating(s) required by the relevant Rating Agency to become co-obligor in respect of its obligations. Such remedial actions will be notified to the relevant Rating Agency. A failure to take such steps will allow the CBG to terminate the Cover Pool Swap.

Additionally, the Cover Pool Swap may also be terminated in the following circumstances (each referred to as an “**Cover Pool Swap Early Termination Event**”):

- (a) at the option of either party to the Cover Pool Swap Agreement, if there is a failure by the other party to pay any amounts due under the Cover Pool Swap and such failure is not remedied within a grace period following the giving of notice;
- (b) at the option of the CBG, if there is a failure by the Cover Pool Swap Provider to perform any agreement or obligation (other than an obligation under (a) above) in accordance with the Cover Pool Swap Agreement and such failure is not remedied within thirty days of a notice of such failure is given to the Cover Pool Swap Provider;
- (c) at the option of the CBG, if there is a misrepresentation by the other party;
- (d) if there is a change in law which results in the illegality of the obligations to be performed by either party under the Cover Pool Swap Agreement;
- (e) at the option of the CBG, if any of the Priorities of Payments is amended without the consent of the Cover Pool Swap Provider such that the CBG’s obligations to the Cover Pool Swap Provider under the Cover Pool Swap Agreement are further contractually subordinated to the CBG’s obligations to any other Secured Creditor than they were as of the date of the Cover Pool Swap Agreement;
- (f) upon the occurrence of the insolvency of the Cover Pool Swap Provider, or any guarantor and certain insolvency-related events in respect of the CBG;
- (g) upon the merger of the Cover Pool Swap Provider without an assumption of all of its obligations under the Cover Pool Swap Agreement;
- (h) in certain circumstances, if a deduction or withholding for or on account of taxes is imposed on payments under the Cover Pool Swap; or
- (i) upon the service by the Bond Trustee of a CBG Acceleration Notice on the CBG and the Issuer.

Upon the termination of the Cover Pool Swap pursuant to an Cover Pool Swap Early Termination Event, the CBG or the Cover Pool Swap Provider may be liable to make a termination payment to the other in accordance with the provisions of the Cover Pool Swap Agreement.

Any Swap Collateral Excluded Amounts will be paid to the Cover Pool Swap Provider directly and not via the Priorities of Payments.

If withholding taxes are imposed on payments made by the Cover Pool Swap Provider under the Cover Pool Swap Agreement, the Cover Pool Swap Provider shall always be obliged to gross up these payments. If withholding taxes are imposed on payments made by the CBG to the Cover Pool Swap Provider under the Cover Pool Swap Agreement, the CBG shall not be obliged to gross up those payments.

The notional amount of the Cover Pool Swap will be adjusted to correspond to any sale of any Loans, including any sale of Selected Loans (or transfer of Demand Loan Repayment Assets, as applicable) following any of (i) the service of an Asset Coverage Test Breach Notice (which has not been revoked),

(ii) the service of a Notice to Pay, (iii) the occurrence of a Demand Loan Repayment Event or (v) the Intercompany Loan Provider otherwise demanding that the Demand Loan be repaid, and swap termination payments (being a partial termination payment), calculated in accordance with the terms of the Cover Pool Swap Agreement, may be due and payable in accordance with the terms of the Cover Pool Swap Agreement as a consequence thereof.

Any termination payment made by the Cover Pool Swap Provider to the CBG in respect of the Cover Pool Swap will first be used to pay a replacement Cover Pool Swap Provider to enter into a replacement Cover Pool Swap Agreement with the CBG, unless a replacement Cover Pool Swap Agreement has already been entered into on behalf of the CBG. Any premium received by the CBG from a replacement Cover Pool Swap Provider in respect of a replacement Cover Pool Swap Agreement will first be used to make any termination payment due and payable by the CBG with respect to the previous Cover Pool Swap under the Cover Pool Swap Agreement, unless such termination payment has already been made on behalf of the CBG.

Under the Cover Pool Swap Agreement, the CBG's obligations will be limited in recourse to the Charged Property.

The Cover Pool Swap Agreement will be principally governed by English law, save that defined terms incorporated by reference from the Master Definitions Agreement shall be governed by and construed in accordance with Singapore law.

### **Covered Bond Swap Agreements**

To provide a hedge against currency and/or other risks in respect of amounts received by the CBG under the Cover Pool Swap and amounts payable or that may become payable in respect of its obligations under the Covered Bond Guarantee, the CBG may enter into one or more Covered Bond Swap Agreements with one or more Covered Bond Swap Providers and may enter into a new Covered Bond Swap thereunder for each Series of Covered Bonds at the time such Covered Bonds are issued. Each Covered Bond Swap will swap Singapore dollar floating rate amounts (or the relevant portion thereof) received by the CBG (including amounts received under the Cover Pool Swap if applicable) into foreign currency amounts (if required) reflecting the amounts (or the relevant portion thereof) payable under the relevant Series of Covered Bonds. Unless otherwise provided for in the Pricing Supplement, no cash flows will be exchanged under the Covered Bond Swap Agreement(s) (and the swaps thereunder will not become effective) unless and until the service of a Notice to Pay on the CBG.

If prior to the Maturity Date in respect of the relevant Series of Covered Bonds or (if an Extended Due for Payment Date is specified as applicable in the Pricing Supplement for a Series of Covered Bonds and the payment of the amount corresponding to the Final Redemption Amount or any part of it by the CBG under the Covered Bond Guarantee is deferred until the relevant Extended Due for Payment Date pursuant to Condition 5(a) (*Redemption by Instalments and Final Redemption*) of the Covered Bonds) any Interest Payment Date thereafter up to (and including) the relevant Extended Due for Payment Date, the CBG notifies (pursuant to the terms of the Covered Bond Swap) the relevant Covered Bond Swap Provider of the amount in the Specified Currency to be paid by such Covered Bond Swap Provider on such Maturity Date or Interest Payment Date (such amount being equal to the Final Redemption Amount or the relevant portion thereof payable by the CBG on such Maturity Date or Interest Payment Date under the Covered Bond Guarantee in respect of the relevant Series and/or Tranche of Covered Bonds), such Covered Bond Swap Provider will pay the CBG such amount and the CBG will pay such Covered Bond Swap Provider the SGD Equivalent of such amount. Further, if on any day an Early Redemption Amount is payable pursuant to Condition 5(b) (*Early Redemption*), (if required) the relevant Covered Bond Swap Provider will pay the CBG such amount (or the relevant portion thereof) and the CBG will pay such Covered Bond Swap Provider the SGD Equivalent thereof, following which the notional amount of the relevant Covered Bond Swaps will reduce accordingly.

Each Covered Bond Swap will terminate on the Maturity Date of the related Series of Covered Bonds or, if the CBG has not notified the Covered Bond Swap Provider on or prior to such Maturity Date of its intention to pay in full Guaranteed Amounts corresponding to the Final Redemption Amount, on the final Interest Payment Date on which an amount representing the Final Redemption Amount of the related Series of Covered Bonds is paid (but in any event not later than the Extended Due for Payment Date).

In the event that the relevant rating of a Covered Bond Swap Provider, or any guarantor (as applicable) is or are (as applicable) downgraded by a Rating Agency below the rating(s) specified in the relevant Covered Bond Swap Agreement (in accordance with the requirements of that Rating Agency) and as a result no such entity has such rating, the Covered Bond Swap Provider will be required to take certain remedial measures which may include (i) providing collateral for its obligations pursuant to a one-way credit support annexe in favour of the CBG, (ii) arranging for its obligations under such Covered Bond Swap Agreement to be transferred to an entity with the ratings as are required to ensure that the then current rating of the Covered Bonds would not be downgraded, or (iii) procuring another entity with the ratings required by the relevant Rating Agency to become co-obligor in respect of its obligations under such Covered Bond Swap Agreement, or (iv) such other action as it may agree with the relevant Rating Agency. Such remedial actions will be notified to the relevant Rating Agency. A failure to take such steps will allow the CBG to terminate the Covered Bond Swaps entered into under such Covered Bond Swap Agreement.

A Covered Bond Swap may also be terminated in the following circumstances (each referred to as a **“Covered Bond Swap Early Termination Event”**):

- (a) at the option of either party to such Covered Bond Swap Agreement, if there is a failure by the other party to pay any amounts due under such Covered Bond Swap and such failure is not remedied within a grace period following the giving of notice;
- (b) at the option of the CBG, if there is a failure by the Covered Bond Swap Provider to perform any agreement or obligation (other than an obligation under (a) above) in accordance with such Covered Bond Swap Agreement and such failure is not remedied within thirty days of a notice of such failure being given to the Covered Bond Swap Provider;
- (c) at the option of the CBG, if there is a misrepresentation by the Covered Bond Swap Provider;
- (d) if there is a change in law which results in the illegality of the obligations to be performed by either party under such Covered Bond Swap Agreement;
- (e) at the option of the CBG, if any of the Priorities of Payments is amended without the consent of the relevant Covered Bond Swap Provider such that the CBG’s obligations to such Covered Bond Swap Provider under such Covered Bond Swap Agreement are further contractually subordinated to the CBG’s obligations to any other Secured Creditor than they were as of the date of such Covered Bond Swap Agreement;
- (f) upon the occurrence of the insolvency of the relevant Covered Bond Swap Provider or any guarantor, and certain insolvency-related events in respect of the CBG;
- (g) upon the merger of the relevant Covered Bond Swap Provider without an assumption of all of its obligations under the relevant Covered Bond Swap Agreement;
- (h) in certain circumstances, if a deduction or withholding for or on account of taxes is imposed on payments under a Covered Bond Swap;



- (i) upon the service by the Bond Trustee of a CBG Acceleration Notice on the CBG and the Issuer;  
or
- (j) the redemption and/or cancellation of the related Series of Covered Bonds (and such termination will be in part or full as necessary).

Upon the termination of a Covered Bond Swap, the CBG or the relevant Covered Bond Swap Provider may be liable to make a termination payment to the other in accordance with the provisions of the relevant Covered Bond Swap Agreement. The amount of this termination payment will be calculated and made in Singapore dollars.

Any termination payment made by a Covered Bond Swap Provider to the CBG in respect of a Covered Bond Swap Agreement will first be used to the extent necessary (prior to the occurrence of a CBG Event of Default and service of a CBG Acceleration Notice and/or the commencement of winding-up proceedings against the CBG and/or realisation of the Security) to pay a replacement Covered Bond Swap Provider (or replacement Covered Bond Swap Providers) to enter into a replacement Covered Bond Swap with the CBG, unless a replacement Covered Bond Swap (or replacement Covered Bond Swaps) has already been entered into on behalf of the CBG. Any premium received by the CBG from a replacement Covered Bond Swap Provider in respect of a replacement Covered Bond Swap will first be used to make any termination payment due and payable by the CBG with respect to the previous Covered Bond Swap Agreement, unless such termination payment has already been made on behalf of the CBG.

Any Swap Collateral Excluded Amounts will be paid to the relevant Covered Bond Swap Provider directly and not via the Priorities of Payments.

If withholding taxes are imposed on payments made by any Covered Bond Swap Provider to the CBG under a Covered Bond Swap Agreement, such Covered Bond Swap Provider shall always be obliged to gross up those payments. If withholding taxes are imposed on payments made by the CBG to a Covered Bond Swap Provider under a Covered Bond Swap Agreement, the CBG shall not be obliged to gross up those payments.

In the event that the Covered Bonds are redeemed and/or cancelled in accordance with the Conditions (other than in accordance with Condition 5(a) (*Redemption by Instalments and Final Redemption*)), the Covered Bond Swap(s) in connection with such Covered Bonds will terminate or partially terminate, as the case may be. Swap termination payments (or partial termination payments) calculated in accordance with the terms of the Covered Bond Swap(s) Agreements, may be due and payable in accordance with the terms of the relevant Covered Bond Swap(s) as a consequence thereof.

Under each Covered Bond Swap Agreement, the CBG's obligations are limited in recourse to the Charged Property.

Each Covered Bond Swap Agreement will be principally governed by English law, save that defined terms incorporated by reference from the Master Definitions Agreement shall be governed by and construed in accordance with Singapore law.

### **Bank Account Agreement**

Pursuant to the terms of the Bank Account Agreement entered into on the Programme Date between, amongst others, the CBG, the Account Bank, the Cash Manager and the Security Trustee, the CBG will maintain with the Account Bank the Transaction Account, which will be operated in accordance with the Bank Account Agreement, Cash Management Agreement, the Establishment Deed and the Singapore Deed of Charge. On each CBG Payment Date, as applicable, amounts required to meet the CBG's various creditors will be transferred to the Payment Ledger on the Transaction Account and applied by the Cash Manager in accordance with the Priorities of Payments as described under "*Cashflows and Priorities of*

*Payments*". The CBG, Cash Manager, CBG Beneficiary, Assets Trustee, All Monies Trustee or All Monies Beneficiary (with the prior written consent of the Security Trustee) may, upon written notice to the Account Bank, terminate the appointment of the Account Bank if any of the following matters occur:

- (a) if a deduction or withholding for or on account of any Tax is imposed, or it appears likely that such a deduction or withholding will be imposed, in respect of the interest payable on any CBG Account; or
- (b) if the Account Bank breaches its obligations under the Bank Account Agreement, the Singapore Deed of Charge or any other Transaction Document to which the Account Bank is a party provided that termination for such breach would not adversely affect the then ratings of the Covered Bonds;

and the CBG, the Cash Manager, CBG Beneficiary, Assets Trustee, All Monies Trustee or All Monies Beneficiary (with the prior written consent of the Security Trustee) must, upon written notice to the Account Bank, terminate the appointment of the Account Bank if any of the following matters occurs:

- (i) if the Account Bank is rated below the Account Bank Required Ratings and, within 30 days of such occurrence, the Account Bank does not obtain a guarantee of its obligations under the Bank Account Agreement from a financial institution having ratings equal to or above the Account Bank Required Ratings (in each case, provided that a Rating Agency Confirmation or a Ratings Notification is obtained); or
- (ii) if an Insolvency Event occurs in respect of the Account Bank.

No termination of the appointment of the Account Bank pursuant to (a), (b), (i) or (ii) above shall take effect until a financial institution (x) appointed by the CBG having the Account Bank Required Ratings and (y) being a person which holds all requisite licenses or authorisations to perform the obligations of the Account Bank under the Bank Account Agreement, including, without limitation, a bank licence under the Banking Act, Chapter 19 of Singapore enter into an agreement in form and substance similar to the Bank Account Agreement.

Pursuant to the terms of the Bank Account Agreement, the Account Bank is not liable for a failure to perform its obligations if it is rendered unable to do so due to circumstances beyond its control, such as electricity power cuts, strikes, lock outs, fire, floods, earthquakes, storms or acts of God (save where such electricity power cuts, strikes, lock outs, fire or floods arose as a result of the fraud, bad faith, gross negligence or wilful default of the Account Bank).

The Bank Account Agreement will be governed by Singapore law.

### **Corporate Services Agreement**

The CBG has entered into a Corporate Services Agreement with, *inter alios*, TMF Trustees Singapore Limited (as Corporate Services Provider) on the Programme Date, pursuant to which the Corporate Services Provider has agreed to provide to the CBG certain corporate services.

The Corporate Services Agreement is governed by Singapore law.

### **Deeds of Charge**

Pursuant to the terms of the Deeds of Charge entered into on the Programme Date by, among others, the CBG, the Security Trustee and the other Secured Creditors, the secured obligations of the CBG and all other obligations of the CBG under or pursuant to the Transaction Documents to which it is a party are secured, *inter alia*, by the following security (the "**Security**") over the following property, assets and rights (the "**Charged Property**"):

- (a) a first fixed charge (which may take effect as a floating charge) over the CBG's and (on behalf of the CBG Beneficiary) the Assets Trustee's rights, estate, title, interests, benefits and remedies, present and future, in, to and under the Portfolio in respect of the Loans and its Related Security (and any related Top-up Loans) and all other related rights under the same;
- (b) a first fixed charge (which may take effect as a floating charge) over the CBG Beneficiary's right, estate, title, interest, benefit and remedies, present and future, in, to and under the Trust Assets (to the extent not charged under (a) above) and all other related rights under the same;
- (c) a valid assignment by way of first fixed security over all of the rights, estate, title, interests, benefits and remedies, present and future, of the CBG and the Assets Trustee on behalf of the CBG Beneficiary in, to and under the Insurance Policies;
- (d) a valid assignment by way of security of (which may take effect as a floating charge over) all of the CBG's and (on behalf of the CBG Beneficiary) the Asset Trustee's interests, rights and entitlements under and in respect of any Transaction Document to which it is a party (and, in respect of the Cover Pool Swap Agreement and Covered Bond Swap Agreements, after giving effect to all applicable netting provisions therein) (created under, in respect of Transaction Documents governed by Singapore law, the Singapore Deed of Charge or, in respect of the Transaction Documents governed by English law, the English Security Deed);
- (e) a first fixed charge (which may take effect as a floating charge) over the rights, estate, title, benefits and remedies, present and future, of the CBG in, and to all monies now or at any time hereafter standing to the credit of the Transaction Account (including any Excess Proceeds), the CBG Trust Account and each other account (if any) in which the CBG may at any time have or acquire any right, estate, title, interest, benefit or remedy;
- (f) a first fixed charge (which may take effect as a floating charge) over the rights, estate, title, interest, benefit and remedies of the CBG in respect of all Authorised Investments and Substitution Assets purchased from time to time from amounts standing to the credit of the Transaction Account; and
- (g) a first floating charge over all the property, assets, rights and revenues and the whole of the undertaking of the CBG and the Assets Trustee on behalf of the CBG Beneficiary (including over the assets of the CBG governed by English law).

The CBG Beneficiary has covenanted in the Singapore Deed of Charge that it shall not call, request or act in any manner to transfer legal title in any of the Trust Assets from the Assets Trustee to itself without the prior written consent of the Security Trustee. The Security Trustee has covenanted in the Singapore Deed of Charge that it shall not consent to any such transfer of legal title in the Trust Assets to the CBG Beneficiary in any circumstances

### ***Release of Security***

In the event of any sale of Loans (including Selected Loans) and their Related Security (and any related Top-up Loans) (and any other related rights under the same) by or on behalf of the CBG or the surrender by the CBG Beneficiary of its interest in all or part of the Trust Assets, in each case, pursuant to and in accordance with the Transaction Documents, such Loans and their Related Security (and any related Top-up Loans) (and any other related rights under the same) (or, in the case of the Trust Assets, the CBG Beneficiary's interest therein) shall no longer form part of the Portfolio or, as the case may be, assets of the CBG or CBG Beneficiary and the Security Trustee shall, if so requested in writing by the CBG or the Assets Trustee on behalf of the CBG Beneficiary (at the sole cost and expense of the CBG or, as the case may be, the Assets Trustee), release, reassign or discharge those Loans and their Related Security (and any related Top-up Loans) (and any other related rights under the same) from the Security created by and pursuant to the Singapore Deed of Charge on the date of such sale provided that:

- (a) the CBG shall have provided to the Security Trustee a certificate from two Authorised Signatories of the CBG confirming that such sale of Loans and their Related Security (and any related Top-up Loans) (or, in the case of Trust Assets, the CBG Beneficiary's interest therein) has been made in accordance with the terms of the Transaction Documents, and, in the case of Selected Loans only, that the Selected Loans have been selected on a random basis; and
- (b) (except where the Seller is buying the Selected Loans in accordance with its right of pre-emption under the Mortgage Sale Agreement and/or the Declaration of Assets Trust) a Rating Agency Confirmation has been obtained in respect of any sale of Selected Loans and the required terms of the sale and purchase agreement in respect of such sale of Selected Loans has been met, in accordance with the Establishment Deed.

In the event of any sale of related Top-up Loans by the CBG pursuant to and in accordance with the Transaction Documents, the Security Trustee will (subject to the written request of the CBG) release those Top-up Loans from the Security created by and pursuant to the Singapore Deed of Charge on the date of such sale.

In the event of any reassignment, release and surrender or transfer (as applicable) of the CBG's equitable rights, estate, interests, title, benefits and remedies in Demand Loan Repayment Assets by or on behalf of the CBG pursuant to and in accordance with the Transaction Documents, such Loans and their Related Security (and any other related rights under the same) will be automatically deemed reassigned, released or discharged from the Security Interests pursuant to the terms of the Singapore Deed of Charge on the date of such repayment of the Demand Loan.

The Security Trustee shall not be responsible for monitoring or ascertaining whether or not (i) in the event of any sale of Loans (including Selected Loans) and their Related Security (and any related Top-up Loans) as described above (or in the case of Trust Assets, the surrender by the CBG Beneficiary of its interest therein), such sale and/or surrender is made or has been made in accordance with the terms of the Transaction Documents, (ii) the Loans (and their Related Security) (and any related Top-up Loans) which are the subject of such sale and/or surrender have been so released, reassigned and/or discharged from the security interests under the Singapore Deed of Charge, (iii) in the case of Selected Loans only, such Loans have been selected on a random basis, (iv) in the event of the repurchase of a EA Loan and its Related Security (and any related Top-up Loans) and/or the surrender of the Trust Assets in relation to the DOT Loans and their Related Security (and any related Top-up Loans) by the Seller as described above, any such repurchase and/or surrender has been made or completed in accordance with the terms of the Transaction Documents and such Loan and its Related Security (and any related Top-up Loans) have been so released, reassigned and/or discharged from the security interests under the Singapore Deed of Charge and/or (v) whether or not any such sale and/or surrender has been effected on terms commercially available in the market or effected in a timely manner. Neither the Bond Trustee nor the Security Trustee shall be liable to any Transaction Party, including the Covered Bondholders, or any other person for any loss occasioned thereby.

### ***Enforcement***

If a CBG Acceleration Notice is served on the CBG, the Bond Trustee will be entitled to direct the Security Trustee to appoint a receiver, and/or enforce the Security constituted by the Deeds of Charge (including selling all or part of the Portfolio), and/or take such steps as it shall deem necessary, subject in each case to the Bond Trustee and the Security Trustee each being indemnified and/or secured and/or prefunded to its satisfaction. All proceeds received by the Security Trustee from the enforcement or realisation of the Security will be applied in accordance with the Post-Enforcement Priority of Payments described under "*Cashflows and Priorities of Payments*".

The Singapore Deed of Charge is governed by Singapore law. The English Security Deed (creating security over the Transaction Documents which are governed by English law) is governed by English law, save that defined terms incorporated by reference from the Master Definitions Agreement shall be governed by and construed in accordance with Singapore law.

## **GST**

### ***Sums payable by the CBG deemed to be exclusive of any GST***

Any sum payable by the CBG which constitutes the consideration for any supply for GST purposes is deemed to be exclusive of any GST which is chargeable on that supply. If GST is or becomes chargeable on any supply made by a party to the CBG under a Transaction Document, the CBG must pay to such party (in addition and at the same time as paying the consideration for such supply) an amount equal to the amount of such GST.

## CREDIT STRUCTURE

The Covered Bonds will be direct, unsecured and unsubordinated obligations of the Issuer. The CBG has no obligation to pay the Guaranteed Amounts under the Covered Bond Guarantee until the occurrence of an Issuer Event of Default, service by the Bond Trustee on the Issuer of an Issuer Acceleration Notice and on the CBG of a Notice to Pay or, if earlier, following the occurrence of a CBG Event of Default and service by the Bond Trustee of a CBG Acceleration Notice. The Issuer will not be relying on payments by the CBG in respect of the Advances or receipt of Revenue Receipts or Principal Receipts from the Portfolio in order to pay interest or repay principal under the Covered Bonds. Nevertheless, the Seller shall use reasonable endeavours to ensure that the CBG has sufficient income and/or resources to meet CBG's obligations (other than obligations in respect of principal). The Seller may, among other means, do so by selling further Loans and their Related Security or making advances under the Intercompany Loan Agreement and/or Subordinated Loan Agreement. There are a number of features of the Programme which enhance the likelihood of timely and, as applicable, ultimate payments to the Covered Bondholders, as follows:

- (a) the Covered Bond Guarantee provides credit support to the Issuer;
- (b) the Asset Coverage Test is intended to test the asset coverage of the CBG's assets in respect of the Covered Bonds at all times;
- (c) the Pre-Maturity Test is intended to provide liquidity to the CBG in respect of principal due on the Maturity Date of Hard Bullet Covered Bonds;
- (d) the Amortisation Test is intended to test the asset coverage of the CBG's assets in respect of the Covered Bonds following the occurrence of an Issuer Event of Default, service of an Issuer Acceleration Notice on the Issuer and service of a Notice to Pay on the CBG; and

a Reserve Fund (unless the Issuer's short-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least A-1 by S&P and P-1 by Moody's) and Commingling Reserve Fund will be established in the Transaction Account to trap Available Revenue Receipts. Certain of these factors are considered more fully in the remainder of this section.

### Covered Bond Guarantee

The Covered Bond Guarantee provided by the CBG under the Trust Deed guarantees payment of Guaranteed Amounts when the same become Due for Payment in respect of all Covered Bonds issued under the Programme. The Covered Bond Guarantee will not guarantee any amount becoming payable for any other reason, including any accelerated payment pursuant to Condition 9 (*Events of Default*) following the occurrence of an Issuer Event of Default. In this circumstance (and until a CBG Event of Default occurs and a CBG Acceleration Notice is served), the CBG's obligations will only be to pay the Guaranteed Amounts as they fall Due for Payment.

See further "*Summary of the Principal Documents – Trust Deed*" as regards the terms of the Covered Bond Guarantee. See further "*Cashflows and Priorities of Payments – Allocation and Distribution of Funds following service of a Notice to Pay*" as regards the payment of amounts payable by the CBG to the Covered Bondholders and other Secured Creditors following the occurrence of an Issuer Event of Default.

### Pre-Maturity Liquidity

Certain Series of Covered Bonds are scheduled to be redeemed in full on their relevant Maturity Date without any provision for scheduled redemption other than on the Maturity Date (the "**Hard Bullet Covered Bonds**"). The applicable Pricing Supplement will identify whether any Series of Covered Bonds is a Series of Hard Bullet Covered Bonds. The "**Pre-Maturity Test**" is intended to provide liquidity for

the Hard Bullet Covered Bonds when the Issuer's credit ratings fall below a certain level. On each Singapore Business Day (each a "**Pre-Maturity Test Date**") prior to the occurrence of an Issuer Event of Default or the occurrence of a CBG Event of Default, the CBG or the Cash Manager will determine whether the issuer is in compliance with the Pre-Maturity Test in respect of each Series of Hard Bullet Covered Bonds. If it is not, the CBG (or the Cash Manager acting on its behalf) will immediately notify the CBG, the Seller, the Issuer, the Rating Agencies and the Security Trustee thereof.

The Issuer will fail and be in breach of the Pre-Maturity Test in relation to a Series of Hard Bullet Covered Bonds on a Pre-Maturity Test Date if:

- (a) the rating from S&P of the Issuer's unsecured and unsubordinated debt obligations falls below A-1; or
- (b) the rating from Moody's of the Issuer's unsecured and unsubordinated debt obligations falls below P-1,

and, in each case, the Maturity Date of the Series of Hard Bullet Covered Bonds falls within 12 months from the relevant Pre-Maturity Test Date.

Following a breach of the Pre-Maturity Test in respect of a Series of Hard Bullet Covered Bonds, the CBG will as soon as practicable offer to sell Selected Loans to Purchasers (subject to the Seller's right of pre-emption pursuant to the Mortgage Sale Agreement and/or the Declaration of Assets Trust) with the intention that there will be an amount standing to the credit of the Pre-Maturity Liquidity Ledger at least equal to the Required Redemption Amount of that Series of Hard Bullet Covered Bonds (taking into account the Required Redemption Amount of all other Series of Hard Bullet Covered Bonds which mature prior to or on the same date as the relevant Series of Hard Bullet Covered Bonds). See "*Summary of the Principal Documents-Establishment Deed – Method of Sale of Selected Loans*".

In addition to the sale of Selected Loans and their Related Security, the Pre-Maturity Liquidity Ledger may be funded by:

- (a) Advances and/or Subordinated Advances; and/or
- (b) to the extent permitted by the Priorities of Payments, Available Revenue Receipts and Available Principal Receipts.

Failure by the Issuer to pay the full amount due in respect of a Series of Hard Bullet Covered Bonds on the Maturity Date thereof (subject to applicable cure periods) will constitute an Issuer Event of Default.

Following service of a Notice to Pay on the CBG in relation to a Series of Hard Bullet Covered Bonds but prior to the service of a CBG Acceleration Notice, the Cash Manager must on behalf of the CBG apply funds standing to the Pre-Maturity Liquidity Ledger to repay the relevant Series of Hard Bullet Covered Bonds but shall cease to further fund the Pre-Maturity Liquidity Ledger in relation to that Series of Hard Bullet Covered Bonds. Following service of a CBG Acceleration Notice on the CBG, all amounts standing to the credit of the Pre-Maturity Liquidity Ledger will be applied in accordance with the Post-Enforcement Priority of Payments.

If the Issuer and/or the CBG fully repay the relevant Series of Hard Bullet Covered Bonds on the Maturity Date thereof or the breach of the Pre-Maturity Test is remedied, the amount standing to the credit of the Pre-Maturity Liquidity Ledger on the Transaction Account shall be applied by the CBG in accordance with (prior to the service of a Notice to Pay) the Pre-Acceleration Principal Priority of Payments or Pre-Acceleration Revenue Priority of Payments or (after service of a Notice to Pay on the CBG) the Guarantee Priority of Payments, unless the Issuer is failing the Pre-Maturity Test in respect of any other Series of Hard Bullet Covered Bonds, in which case the amounts shall remain credited to the Pre-Maturity Liquidity Ledger to the extent required for such other Series of Hard Bullet Covered Bonds.

## **Asset Coverage Test**

The Asset Coverage Test is intended to test whether the CBG can meet its obligations under the Covered Bond Guarantee prior to the service of a Notice to Pay or a CBG Acceleration Notice.

The Asset Coverage Test is a formula which calculates the Adjusted Aggregate Loan Amount by adjusting the Principal Balance of the Loans in the Portfolio based on the methodologies and cashflow models prescribed or reviewed, as the case may be, by the Rating Agencies, and has further adjustments to take into account, among other things, the failure by the Seller, in accordance with the Mortgage Sale Agreement, to repurchase EA Loans or accept surrender of the Trust Assets relating to DOT Loans that do not materially comply with the Representations and Warranties (in respect of Loans and their Related Security in the Initial Portfolio) on the First Closing Date and (in respect of New Loans and their Related Security in a New Portfolio) on the date of the service of the relevant New Portfolio Notice and on the relevant Closing Date and the value of any Authorised Investments and/or Substitution Assets. See “*Summary of the Principal Documents – Establishment Deed – Asset Coverage Test*”.

Under the Establishment Deed, the Cash Manager will, on or prior to each Test Date, test whether as of the immediately preceding Calculation Date the Adjusted Aggregate Loan Amount is in an amount equal to or in excess of the aggregate SGD Equivalent of the outstanding nominal amount of the Covered Bonds. If the Adjusted Aggregate Loan Amount is less than the aggregate SGD Equivalent of the outstanding nominal amount of the Covered Bonds as of such Calculation Date, the Asset Coverage Test will be breached and the:

- (i) Cash Manager shall notify the CBG, the Seller, the Issuer, the Bond Trustee and the Security Trustee thereof; and
- (ii) CBG (at the direction of the Cash Manager) will use all commercially reasonable endeavours to ensure that the Adjusted Aggregate Loan Amount is in compliance with the Asset Coverage Test by purchasing additional Loans and their Related Security from the Seller and/or requesting an Advance under the Intercompany Loan Agreement or a Subordinated Advance under the Subordinated Loan Agreement to satisfy the shortfall.

If on the next following Test Date the Adjusted Aggregate Loan Amount is less than the aggregate SGD Equivalent of the outstanding nominal amount of all Covered Bonds (as calculated as of the Calculation Date immediately preceding that Test Date), the Asset Coverage Test will be breached and the Bond Trustee will be required to serve an Asset Coverage Test Breach Notice on the CBG.

An Asset Coverage Test Breach Notice will be deemed to be revoked by the Bond Trustee if, as of the Calculation Date following service of the Asset Coverage Test Breach Notice, the Asset Coverage Test is satisfied and neither a Notice to Pay nor a CBG Acceleration Notice has been served.

If an Asset Coverage Test Breach Notice has been served and not deemed to be revoked by the Bond Trustee as of the Test Date immediately following service of an Asset Coverage Test Breach Notice, then an Issuer Event of Default will occur and the Bond Trustee will be entitled (and in certain circumstances may be required), in each case subject to being indemnified and/or secured to its satisfaction, to serve an Issuer Acceleration Notice. Following service of an Issuer Acceleration Notice, the Bond Trustee must serve a Notice to Pay on the CBG.

## **Amortisation Test**

The Amortisation Test is intended to test whether, following service of a Notice to Pay on the CBG (but prior to service on the CBG of a CBG Acceleration Notice), the assets of the CBG available to meet its obligations under the Covered Bond Guarantee have fallen to a level where Covered Bondholders may not be repaid, in which case a CBG Event of Default will occur and all amounts owing under the Covered Bonds may be accelerated.



Under the Establishment Deed, the Amortisation Test will be satisfied on each Test Date following service of a Notice to Pay on the CBG (but prior to service on the CBG of a CBG Acceleration Notice) if, as of the immediately preceding Calculation Date, the Amortisation Test Aggregate Loan Amount will be in an amount at least equal to the aggregate SGD Equivalent of the outstanding nominal amount of the Covered Bonds. The Amortisation Test is a formula which adjusts the Principal Balance of the Loans in the Portfolio based on the methodologies and cashflow models prescribed or reviewed, as the case may be, by the Rating Agencies, and has further adjustments to take account of Defaulted Loans. See “*Summary of the Principal Documents – Establishment Deed – Amortisation Test*”.

Failure to satisfy the Amortisation Test will result in the occurrence of a CBG Event of Default – see Condition 9(b) (*CBG Events of Default*).

## **Reserve Fund**

If, on any Singapore Business Day prior to the service on the CBG of a Notice to Pay or a CBG Acceleration Notice, the Reserve Fund Required Amount (if applicable) exceeds the balance on the Reserve Ledger on that Singapore Business Day, the Cash Manager on behalf of the CBG will within five Singapore Business Days of such day (i) request an Advance (under the Intercompany Loan Agreement) or (ii) if such an Advance is not available for utilisation because the conditions precedent required to be satisfied before such an Advance can be made cannot be met, request a Subordinated Advance, in either case, for an amount equal to the difference between the Reserve Fund Required Amount and the balance on the Reserve Ledger for the purpose of depositing the proceeds of the Advance or the Subordinated Advance in the Transaction Account to fund the Reserve Fund.

“**Reserve Fund Required Amount**” means:

- (a) if, and for so long as, the Issuer’s credit rating is equal to or higher than P-1 by Moody’s and A-1 by S&P, nil or such other amount as the Issuer will direct the CBG from time to time; or
- (b) if, and for so long as, the Issuer’s credit rating is below P-1 by Moody’s but is equal to or higher than A-1 by S&P, an amount equal to the SGD Equivalent of amounts of: (i) in relation to each Series of Covered Bonds where a Covered Bond Swap is in place, the aggregate amounts due to the relevant Covered Bond Swap Provider in the immediately following three months; and/or (ii) in relation to each Series of Covered Bonds where a Covered Bond Swap is not in place, the aggregate amount of interest due in respect of each such Series of Covered Bonds in the immediately following three months; and (iii) an amount equal to one-quarter of the anticipated aggregate annual amount payable in respect of the items specified in paragraphs (b) to (f) of the Pre-Acceleration Revenue Priority of Payments and, if applicable, paragraph (g) of the Pre-Acceleration Revenue Priority of Payments, provided that in determining the amount of the Reserve Fund Required Amount where any amount in respect of the Covered Bonds or the Covered Bond Swaps is by reference to a floating rate, the rate will be at the then current floating rate as at the date on which the amount is calculated; or
- (c) if, and for so long as, the Issuer’s credit rating is below A-1 by S&P but is equal to or higher than P-1 by Moody’s, an amount equal to the SGD Equivalent of: (i) in relation to each Series of Covered Bonds where a Covered Bond Swap is in place and is provided by a party other than the Issuer (or a related party), the aggregate amounts due to the relevant Covered Bond Swap Provider in the immediately following three months; and/or (ii) in relation to each Series of Covered Bonds where a Covered Bond Swap is not in place and/or a Covered Bond Swap is provided by the Issuer (or a related party), the aggregate amount of interest due in respect of each such Series of Covered Bonds in the immediately following three months; and (iii) an amount equal to one-quarter of the anticipated aggregate annual amount payable in respect of the items specified in paragraphs (b) to (f) of the Pre-Acceleration Revenue Priority of Payments and, if applicable, paragraph (g) of the Pre-Acceleration Revenue Priority of Payments provided that, in determining the amount of the Reserve Fund Required Amount

where any amount in respect of the Covered Bonds or the Covered Bond Swaps is by reference to a floating rate, the rate will be at the then current floating rate as at the date on which the amount is calculated; or

- (d) if, and for so long as, the Issuer's credit rating is below P-1 by Moody's and A-1 by S&P, the higher of the amounts determined in accordance with paragraphs (b) and (c) above.

A Reserve Ledger will be maintained by the Cash Manager to record the balance from time to time of the Reserve Fund. Following the service of a Notice to Pay or an Asset Coverage Test Breach Notice, amounts standing to the credit of the Reserve Fund will be added to certain other income of the CBG in calculating Available Revenue Receipts.

Unless otherwise funded under the Intercompany Loan Agreement or the Subordinated Loan Agreement (at the option of the Lender thereunder), the Reserve Fund will be funded from Available Revenue Receipts after the CBG has paid all of its obligations in respect of items ranking higher than the Reserve Ledger in the Pre-Acceleration Revenue Priority of Payments on each CBG Payment Date.

The balance on the Reserve Ledger in excess of the Reserve Fund Required Amount will form part of Available Principal Receipts (up to an amount equal to the amount drawn under the Intercompany Loan Agreement or the Subordinated Loan Agreement to fund the Reserve Fund) and (in respect of the remaining balance) Available Revenue Receipts and be applied accordingly.

If the Reserve Fund Required Amount is applicable, the Seller shall use all reasonable endeavours to ensure that the CBG has sufficient income and/or resources to fund the Reserve Fund.

#### **Commingling Reserve Fund**

If, on any Singapore Business Day prior to the service on the CBG of a Notice to Pay or a CBG Acceleration Notice, the Commingling Reserve Fund Required Amount (if applicable) exceeds the balance on the Commingling Reserve Ledger on that Singapore Business Day, the Cash Manager (on behalf of the CBG) will within five Singapore Business Days of such day (i) request an Advance (under the Intercompany Loan Agreement) or (ii) if such an Advance is not available for utilisation because the conditions precedent required to be satisfied before such an Advance can be made cannot be met, request a Subordinated Advance, in either case, for an amount equal to the difference between the Commingling Reserve Fund Required Amount and the balance on the Commingling Reserve Ledger, for the purpose of depositing the proceeds of the Advance or the Subordinated Advance in the Transaction Account to fund the Commingling Reserve Fund.

Unless otherwise funded under the Intercompany Loan Agreement or the Subordinated Loan Agreement (at the option of the Lender thereunder), the Commingling Reserve Fund will be funded from Available Revenue Receipts after the CBG has paid all of its obligations in respect of items ranking higher than the Commingling Reserve Ledger in the Pre-Acceleration Revenue Priority of Payments on each CBG Payment Date.

The balance on the Commingling Reserve Ledger in excess of the Commingling Reserve Fund Required Amount will form part of Available Principal Receipts (up to an amount equal to the amount drawn under the Intercompany Loan Agreement or the Subordinated Loan Agreement to fund the Commingling Reserve Fund) and (in respect of the remaining balance) Available Revenue Receipts and be applied accordingly.

## CASHFLOWS AND PRIORITIES OF PAYMENTS

As described under “*Credit Structure*”, until a Notice to Pay or a CBG Acceleration Notice is served on the CBG, the Covered Bonds will be obligations of the Issuer only. The Issuer is liable to make payments when due on the Covered Bonds, whether or not it has ultimately received any corresponding payment from the CBG.

This section summarises the Priorities of Payments of the CBG as to the allocation and distribution of amounts standing to the credit of the CBG Accounts and their order of priority:

- (a) prior to service on the CBG of an Asset Coverage Test Breach Notice, a Notice to Pay or a CBG Acceleration Notice and/or realisation of the Security;
- (b) following service of an Asset Coverage Test Breach Notice (which has not been revoked);
- (c) following service of a Notice to Pay; and
- (d) following service of a CBG Acceleration Notice and/or realisation of the Security.

### **Calculation and Transfer of Available Revenue Receipts and Available Principal Receipts**

- (a) On each Collection Calculation Date immediately prior to each CBG Payment Date, the Cash Manager shall calculate:
  - (i) the amount of Available Revenue Receipts available for distribution;
  - (ii) the Reserve Fund Required Amount;
  - (iii) the Commingling Reserve Fund Required Amount; and
  - (iv) the amount of Available Principal Receipts available for distribution.
- (b) Unless the section headed “*Allocation and Distribution of Funds following Service of a Notice to Pay*” below applies, on each CBG Payment Date, the Cash Manager on behalf of the CBG will transfer:
  - (i) Available Revenue Receipts from the Revenue Ledger and the Reserve Ledger to the Payment Ledger on the Transaction Account, in an amount equal to the amount of Available Revenue Receipts standing to the credit of the Transaction Account; and
  - (ii) funds from the Principal Ledger to the Payment Ledger on the Transaction Account, in an amount equal to the amount of Available Principal Receipts standing to the credit of the Transaction Account.

### **Allocation and Distribution of Available Revenue Receipts prior to service on the CBG of an Asset Coverage Test Breach Notice, a Notice to Pay or a CBG Acceleration Notice or following revocation of an Asset Coverage Test Breach Notice**

Prior to service on the CBG of an Asset Coverage Test Breach Notice, a Notice to Pay or a CBG Acceleration Notice or following revocation of an Asset Coverage Test Breach Notice, Available Revenue Receipts shall be applied as described below.

On each CBG Payment Date, the Cash Manager on behalf of the CBG will apply Available Revenue Receipts standing to the credit of the Payment Ledger on the Transaction Account as set out in paragraph (b)(i) above, to pay or provide for the following obligations of the CBG in the following order of priority (the “**Pre-Acceleration Revenue Priority of Payments**”) (in each case only if and to the extent that payments or provisions of a higher priority have been paid in full):

- (a) *first*, in or towards payment of all amounts (other than principal) then due and payable in respect of the Demand Loan pursuant to the terms of the Intercompany Loan Agreement;
- (b) *next*, in or towards payment of any liability of the CBG for Taxes;
- (c) *next*, in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof of:
  - (i) the Bond Trustee’s fees and any Costs then due and payable or to become due and payable to the Bond Trustee under the Transaction Documents in the CBG Payment Period commencing on that CBG Payment Date;
  - (ii) the Security Trustee’s fees and any Costs then due and payable or to become due and payable to the Security Trustee under the Transaction Documents in the CBG Payment Period commencing on that CBG Payment Date;
  - (iii) the Agents’ fees and any Costs then due and payable or to become due and payable to the Agents under the Transaction Documents in the CBG Payment Period commencing on that CBG Payment Date;
  - (iv) the Corporate Services Provider’s fees and any Costs then due and payable or to become due and payable to the Corporate Services Provider under the Transaction Documents in the CBG Payment Period commencing on that CBG Payment Date;
  - (v) the Assets Trustee’s fees and any Costs then due and payable or to become due and payable to the Assets Trustee under the Transaction Documents in the CBG Payment Period commencing on that CBG Payment Date; and
  - (vi) the Replacement Assets Trustee’s fees and any Costs then due and payable or to become due and payable to the Replacement Assets Trustee under the Transaction Documents in the CBG Payment Period commencing on that CBG Payment Date;
- (d) *next*, in or towards payment *pro rata* and *pari passu* of all amounts then due and payable by the CBG to any person (other than a party to a Transaction Document) and incurred without breach by the CBG of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere in this Pre-Acceleration Revenue Priority of Payments) and any such amounts expected to become due and payable by the CBG in the CBG Payment Period commencing on that CBG Payment Date;
- (e) *next*, in or towards payment of the Servicer’s fees and any Costs then due and payable or to become due and payable to the Servicer under the provisions of the Servicing Agreement in the CBG Payment Period commencing on that CBG Payment Date;

- (f) *next*, in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof of:
- (i) the Cash Manager's fees and any costs, charges, liabilities and expenses then due and payable or to become due and payable to the Cash Manager under the provisions of the Cash Management Agreement in the CBG Payment Period commencing on that CBG Payment Date;
  - (ii) amounts (if any) then due and payable to the Account Bank (including any costs, charges, liabilities and expenses) pursuant to the terms of the Bank Account Agreement; and
  - (iii) amounts then due and payable to the Asset Monitor pursuant to the terms of the Asset Monitor Agreement;
- (g) *next*, in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof of all amounts then due and payable to the relevant Cover Pool Swap Provider (including any termination payment due and payable by the CBG under the Cover Pool Swap Agreement, but excluding any Excluded Swap Termination Amount (except to the extent that such amounts have been paid out of any premiums received from the relevant replacement Swap Providers)) pursuant to the terms of the Cover Pool Swap Agreement;
- (h) *next*, in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof of all amounts then due and payable or to become due and payable in the CBG Payment Period commencing on that CBG Payment Date to each relevant Covered Bond Swap Provider (other than in respect of principal or, in respect of cross-currency swaps, exchange amounts) *pro rata* and *pari passu* in respect of each relevant Covered Bond Swap Agreement (including any termination payment due and payable by the CBG under each relevant Covered Bond Swap Agreement, but excluding any Excluded Swap Termination Amount (except to the extent that such amounts have been paid out of any premiums received from each relevant replacement Swap Providers)) pursuant to the terms of each relevant Covered Bond Swap Agreement;
- (i) *next*, in or towards a credit *pro rata* and *pari passu* to:
- a. the Transaction Account (with a corresponding credit to the Reserve Ledger) of an amount up to but not exceeding the amount by which the Reserve Fund Required Amount (if applicable) exceeds the existing balance on the Reserve Ledger as calculated as of the immediately preceding Collection Calculation Date; and
  - b. the Transaction Account (with a corresponding credit to the Commingling Reserve Ledger) of an amount up to but not exceeding the amount by which the Commingling Reserve Fund Required Amount (if applicable) exceeds the existing balance on the Commingling Reserve Ledger as calculated as of the immediately preceding Collection Calculation Date;
- (j) *next*, if the Issuer is in breach of the Pre-Maturity Test in respect of any Series of Hard Bullet Covered Bonds, towards a credit to the Transaction Account (with a corresponding credit to the Pre-Maturity Liquidity Ledger) of an amount up to but not exceeding the difference between:
- (i) the Required Redemption Amount as calculated as of the immediately preceding Calculation Date for all Series of Hard Bullet Covered Bonds which mature within 12 months of that Collection Calculation Date; and
  - (ii) all amounts standing to the credit of the Pre-Maturity Liquidity Ledger as of the immediately preceding Collection Calculation Date,

taking into account amounts to be applied to the Pre-Maturity Liquidity Ledger in accordance with the Establishment Deed on that CBG Payment Date;

- (k) *next*, in or towards crediting the CBG Retained Amount Ledger of the CBG in an amount equal to the CBG Retained Amount;
- (l) *next*, in or towards payment *pro rata* and *pari passu* to any amounts due and payable or to become due and payable in the immediately succeeding CBG Payment Period (excluding principal amounts), in respect of each relevant Advance under the Guarantee Loan to the Issuer pursuant to the terms of the Intercompany Loan Agreement;
- (m) *next*, if a Servicer Termination Event has occurred, all remaining Available Revenue Receipts to be credited to the Transaction Account (with a corresponding credit to the Revenue Ledger) until such Servicer Termination Event is either remedied by the Servicer or waived by the Security Trustee or a new servicer is appointed to service the Portfolio (or the relevant part thereof);
- (n) *next*, in or towards payment *pro rata* and *pari passu* in accordance with the respective amounts thereof of any Excluded Swap Termination Amounts due and payable by the CBG under the Covered Bond Swap Agreements and the Cover Pool Swap Agreement, except to the extent that such amounts have been paid out of any premiums received from the relevant replacement Swap Providers;
- (o) *next*, in or towards payment of all amounts then due and payable or to become due and payable (excluding principal amounts) in the CBG Payment Period commencing on that CBG Payment Date in respect of the Subordinated Advances pursuant to the terms of the Subordinated Loan Agreement;
- (p) *next*, if the Cash Manager or the Subordinated Loan Provider so elects, in or towards repayment of the Subordinated Loan; and
- (q) *next*, in or towards payment to the Seller of (a) any Deferred Consideration Amount (in respect of EA Loans) and (b) any Deferred Contribution Consideration Amount (in respect of DOT Loans), in each case to the extent of available funds.

All amounts, other than Swap Collateral Excluded Amounts, received by the CBG under the Cover Pool Swap Agreement on or after the CBG Payment Date but prior to the next following CBG Payment Date will be applied in the following order of priority:

- (i) *first*, to the extent that any amounts were not able to be paid or provided for as described in the Pre-Acceleration Revenue Priority of Payments on the relevant CBG Payment Date due to the late receipt of payment by the CBG from the Cover Pool Swap Provider, promptly to pay or provide for those amounts in the order of priority specified in the Pre-Acceleration Revenue Priority of Payments; and
- (ii) *next*, as a credit to the Transaction Account (with a corresponding credit to the Revenue Ledger) and applied as Available Revenue Receipts on the next succeeding CBG Payment Date.

If any Swap Collateral Available Amounts are received by the CBG on a CBG Payment Date, such amounts shall be applied by the CBG or by the Cash Manager on its behalf on that CBG Payment Date in the same manner as it would have applied the receipts which such Swap Collateral Available Amounts replace.

If any amount of interest in respect of a Series of Covered Bonds is due but unpaid by the Issuer on a CBG Payment Date, the amount of Available Revenue Receipts that would otherwise be distributed in accordance with paragraphs (l), (o), (p) and (q) above shall be set aside and retained in the Transaction Account by the Cash Manager on behalf of the CBG and shall be credited by the Cash Manager to the Accrued Payments Ledger. If:

- (a) at any time prior to a Notice to Pay being served on the CBG, the Issuer pays such unpaid amounts of interest in respect of the relevant Series of Covered Bonds (and no amount of interest in respect of any other Series of Covered Bonds is then due but unpaid by the Issuer), the Cash Manager on behalf of the CBG shall promptly thereafter apply the Available Revenue Receipts previously set aside in accordance with this paragraph towards payment of the relevant amounts under paragraphs (l), (o), (p) or (q) above (as applicable) in respect of which such amounts were set aside; or
- (b) a Notice to Pay is served on the CBG, all Available Revenue Receipts previously set aside in accordance with this paragraph (which have not otherwise been previously paid under paragraph (a) above) shall be transferred from the Accrued Payments Ledger to the Payment Ledger on the Transaction Account in accordance with the Establishment Deed.

**Allocation and Distribution of Available Principal Receipts prior to the service of an Asset Coverage Test Breach Notice, a Notice to Pay, a CBG Acceleration Notice or following revocation of an Asset Coverage Test Breach Notice**

Prior to service on the CBG of an Asset Coverage Test Breach Notice, a Notice to Pay or a CBG Acceleration Notice or, following revocation of an Asset Coverage Test Breach Notice, Available Principal Receipts shall be applied as described below.

On each CBG Payment Date, the Cash Manager on behalf of the CBG will apply all Available Principal Receipts then standing to the credit of the Payment Ledger of the Transaction Account in making the following payments or provisions or credits in the following order of priority (the “**Pre-Acceleration Principal Priority of Payments**”) (in each case only if and to the extent that payments or provisions of a higher priority have been paid in full):

- (a) *first*, in or towards repayment of the principal amount (to the extent repayable in cash) of the Demand Loan;
- (b) *next*, if the Issuer is in breach of the Pre-Maturity Test in respect of any Series of Hard Bullet Covered Bonds, in or towards a credit to the Transaction Account (with a corresponding credit to the Pre-Maturity Liquidity Ledger) of an amount up to but not exceeding the difference (if positive) between:
  - (i) the Required Redemption Amount calculated as of the immediately preceding Calculation Date for all Series of Hard Bullet Covered Bonds which mature within 12 months of that Calculation Date; and
  - (ii) all amounts standing to the credit of the Pre-Maturity Liquidity Ledger as of the immediately preceding Calculation Date;
- (c) *next*, in or towards the acquisition of New Loans and their Related Security offered to the CBG or, as the case may be, the Assets Trustee (on behalf of the CBG Beneficiary) by the Seller in accordance with the terms of the Mortgage Sale Agreement (and, in the case of DOT Loans and their Related Security, becoming Trust Assets and the CBG Beneficiary being required to make an Additional Contribution pursuant to the terms of the Declaration of Assets Trust), or to provide for such acquisition or Additional Contribution in the CBG Payment Period commencing on that CBG Payment Date;

- (d) *next*, as a credit to the Transaction Account (with a corresponding credit to the Principal Ledger) in an amount sufficient to ensure that, taking into account the other resources available to the CBG, the CBG is in compliance with the Asset Coverage Test (which amounts may be invested by the CBG in Authorised Investments and/or Substitution Assets, subject to the terms of the Establishment Deed and the Cash Management Agreement) and, if the Cash Manager so elects, towards acquisition of additional Authorised Investments and/or Substitution Assets in accordance with the Establishment Deed;
- (e) *next*, the amounts (in respect of principal, or in respect of cross-currency swaps, exchange amounts) then due and payable or to become due and payable in the CBG Payment Period commencing on that CBG Payment Date to each relevant Covered Bond Swap Provider *pro rata* and *pari passu* in respect of each relevant Covered Bond Swap (including any termination payment due and payable by the CBG under each relevant Covered Bond Swap Agreement, but excluding any Excluded Swap Termination Amount (except to the extent that such amounts have been paid out of any premiums received from each relevant replacement Swap Providers)) in accordance with the terms of each relevant Covered Bond Swap Agreement;
- (f) *next*, in or towards repayment of the principal amount of the Guarantee Loan;
- (g) *next*, in or towards repayment of the principal amount of the Subordinated Loan; and
- (h) *next*, as a credit to the Transaction Account (with a corresponding credit to the Principal Ledger).

If any amount of interest in respect of a Series of Covered Bonds is due but unpaid by the Issuer on a CBG Payment Date, the amount of Available Principal Receipts that would otherwise be distributed in accordance with paragraph (f) or (g) above shall be set aside and retained in the Transaction Account by the Cash Manager on behalf of the CBG and shall be credited by the Cash Manager to the Accrued Payments Ledger. If:

- (a) at any time prior to a Notice to Pay being served on the CBG, the Issuer pays such unpaid amounts of interest in respect of the relevant Series of Covered Bonds (and no amount of interest in respect of any other Series of Covered Bonds is then due but unpaid by the Issuer), the Cash Manager on behalf of the CBG shall promptly thereafter apply the Available Principal Receipts previously set aside in accordance with this paragraph towards payment of the relevant amounts under paragraph (f) or (g) above (as applicable) in respect of which such amounts were set aside; or
- (b) a Notice to Pay is served on the CBG, all Available Principal Receipts previously set aside in accordance with this paragraph (which have not otherwise been previously paid under paragraph (b) above) shall be transferred from the Accrued Payments Ledger to the Payment Ledger on the Transaction Account in accordance with the Establishment Deed.

**Allocation and Distribution of Available Revenue Receipts and Available Principal Receipts following service on the CBG of an Asset Coverage Test Breach Notice (which has not been revoked)**

At any time after the service on the CBG of an Asset Coverage Test Breach Notice (which has not been revoked) but prior to the service on the CBG of a Notice to Pay or a CBG Acceleration Notice, and for so long as any Covered Bonds remain outstanding, the Cash Manager (on behalf of the CBG) will apply:

- (a) Available Revenue Receipts in accordance with Pre-Acceleration Revenue Priority of Payments save that no funds will be applied under paragraph (a), (l), (o), (p) and (q) of the Pre-Acceleration Revenue Priority of Payments, and any remaining amounts shall be credited to the Transaction Account (with a corresponding credit to the Revenue Ledger); and



- (b) Available Principal Receipts in accordance with Pre-Acceleration Principal Priority of Payments save that no funds will be applied under paragraph (f) or (g) of the Pre-Acceleration Principal Priority of Payments.

#### **Allocation and Distribution of Funds following service of a Notice to Pay**

On and from the service of a Notice to Pay on the CBG, but prior to the service of a CBG Acceleration Notice, all Available Revenue Receipts and Available Principal Receipts standing to the credit of the CBG Account shall be applied as described below.

On each CBG Payment Date following the service of a Notice to Pay, the Cash Manager on behalf of the CBG will transfer Available Revenue Receipts and Available Principal Receipts from the Revenue Ledger, the Principal Ledger, the Accrued Payments Ledger, the Reserve Ledger and the Commingling Reserve Ledger, as the case may be, to the Payment Ledger on the Transaction Account, in an amount equal to the amount of all Available Revenue Receipts and all Available Principal Receipts standing to the credit of such ledgers on the Transaction Account.

If a Notice to Pay is served on the CBG, the CBG shall on the relevant Maturity Date apply (to the extent required) all moneys standing to the credit of the Pre-Maturity Liquidity Ledger (and transferred to the Transaction Account in accordance with the Establishment Deed) to repay the Series of Hard Bullet Covered Bonds in respect of which the Pre-Maturity Liquidity Ledger was established that is then due for payment. Thereafter, any remaining monies standing to the credit of the Pre-Maturity Liquidity Ledger shall be debited from the Pre-Maturity Ledger and shall be available for distribution in accordance with the Guarantee Priority of Payments, provided that the Pre-Maturity Liquidity Ledger is not required to be maintained in respect of any other Series of Hard Bullet Covered Bonds on such date.

The Cash Manager shall create and maintain ledgers for each Series of Covered Bonds and record amounts allocated to such Series of Covered Bonds in accordance with paragraph (h), (i), (j) or (k) of the Guarantee Priority of Payments, and such amounts, once allocated, will only be available to pay amounts due under the Covered Bond Guarantee and amounts due under the Covered Bond Swap(s) in respect of the relevant Series of Covered Bonds on the Scheduled Payment Dates therefor.

On each CBG Payment Date on and from the date that a Notice to Pay is served on the CBG, but prior to service on the CBG of a CBG Acceleration Notice, the Cash Manager on behalf of the CBG will apply all Available Revenue Receipts and all Available Principal Receipts then standing to the credit of the Payment Ledger on the Transaction Account in accordance with the above to pay or provide for the following obligations of the CBG in the following order of priority except for amounts under paragraphs (b) to (d) below which shall be paid when due (the “**Guarantee Priority of Payments**”) (in each case only if and to the extent that payments or provisions of a higher priority have been paid in full):

- (a) *first*, in or towards payment *pro rata* and *pari passu* of all amounts of interest then due and payable in respect of the Demand Loan pursuant to the terms of the Intercompany Loan Agreement;
- (b) *next*, in or towards payment of any liability of the CBG for Taxes;
- (c) *next*, in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof of:
  - (i) the Bond Trustee’s fees and any Costs then due and payable or to become due and payable to the Bond Trustee under the Transaction Documents in the CBG Payment Period commencing on that CBG Payment Date;

- (ii) the Security Trustee's fees and any Costs then due and payable or to become due and payable to the Security Trustee under the Transaction Documents in the CBG Payment Period commencing on that CBG Payment Date;
  - (iii) the Agents' fees and any Costs then due and payable or to become due and payable to the Agents by the CBG under the Transaction Documents in the CBG Payment Period commencing on that CBG Payment Date;
  - (iv) the Corporate Services Provider's fees and any Costs then due and payable or to become due and payable to the Corporate Services Provider under the Transaction Documents in the CBG Payment Period commencing on that CBG Payment Date;
  - (v) the Assets Trustee's fees and any Costs then due and payable or to become due and payable to the Assets Trustee under the Transaction Documents in the CBG Payment Period commencing on that CBG Payment Date; and
  - (vi) the Replacement Assets Trustee's fees and any Costs then due and payable or to become due and payable to the Replacement Assets Trustee under the Transaction Documents in the CBG Payment Period commencing on that CBG Payment Date;
- (d) *next*, in or towards payment *pro rata* and *pari passu* of:
- a. (to the extent not already paid by the Seller), any fees and Costs then due and payable or to become due and payable in connection with the seeking of any Requisite DOT Loan Legal Title Transfer Approval under the Transaction Documents in the CBG Payment Period commencing on that CBG Payment Date; and
  - b. all amounts then due and payable to any person (other than a party to a Transaction Document) and incurred without breach by the CBG of the Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere in this Guarantee Priority of Payments) and any such amounts expected to become due and payable by the CBG in the CBG Payment Period commencing on that CBG Payment Date;
- (e) *next*, in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof, of the Servicer's fees and any Costs then due and payable or to become due and payable to the Servicer under the provisions of the Servicing Agreement in the CBG Payment Period commencing on that CBG Payment Date;
- (f) *next*, in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof of:
- (i) the Cash Manager's fees and any costs, charges, liabilities and expenses then due and payable or to become due and payable to the Cash Manager under the provisions of the Cash Management Agreement in the CBG Payment Period commencing on that CBG Payment Date;
  - (ii) amounts (if any) then due and payable to the Account Bank (including any costs, charges, liabilities and expenses) pursuant to the terms of the Bank Account Agreement; and
  - (iii) amounts then due and payable to the Asset Monitor pursuant to the terms of the Asset Monitor Agreement;

- (g) *next*, in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof of all amounts then due and payable to the relevant Cover Pool Swap Provider (including any termination payment due and payable or to become due and payable by the CBG under the Cover Pool Swap Agreement, but excluding any Excluded Swap Termination Amount (except to the extent that such amounts have been paid out of any premiums received from the relevant replacement Swap Providers)) pursuant to the terms of the Cover Pool Swap Agreement;
- (h) *next*, in or towards payment, *pro rata* and *pari passu* according to the respective amounts thereof (and without double counting), of:
  - (i) the amounts then due and payable or to become due and payable in the CBG Payment Period commencing on that CBG Payment Date to each relevant Covered Bond Swap Provider (other than in respect of principal) *pro rata* and *pari passu* in respect of each relevant Covered Bond Swap Agreement (including any termination payment due and payable by the CBG under each relevant Covered Bond Swap Agreement, but excluding any Excluded Swap Termination Amount (except to the extent that such amounts have been paid out of any premiums received from each relevant replacement Swap Provider)) pursuant to the terms of each relevant Covered Bond Swap Agreement; and
  - (ii) (where appropriate, after taking into account all amounts received or receivable from each relevant Covered Bond Swap Provider (other than in respect of principal) and available to make payments in respect thereof) Scheduled Interest that is Due for Payment (or that will become Due for Payment in the CBG Payment Period commencing on that CBG Payment Date) under the Covered Bond Guarantee in respect of each Series of Covered Bonds to the Bond Trustee or (if so directed by the Bond Trustee) the Issuing and Paying Agent on behalf of the Covered Bondholders *pro rata* and *pari passu* in respect of each Series of Covered Bonds,

provided that if the amount available for distribution under this paragraph (h) (excluding all amounts received or to be received from each relevant Covered Bond Swap Provider) would be insufficient to pay the SGD Equivalent of the Scheduled Interest that is or will be Due for Payment in respect of each Series of Covered Bonds under paragraph (h)(ii) above, the shortfall shall be divided amongst all such Series of Covered Bonds on a *pro rata* basis and the amount payable by the CBG to each relevant Covered Bond Swap Provider under each relevant Covered Bond Swap Agreement in respect of each relevant Series of Covered Bonds or provision to be made in respect thereof under paragraph (h)(i) above shall be reduced by the amount of the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

- (i) *next*, in or towards payment, *pro rata* and *pari passu* according to the respective amounts thereof and after allowing for any payments made or to be made in respect of any Series of Covered Bonds pursuant to the terms of the Establishment Deed, of:
  - (i) the amounts (in respect of principal) then due and payable or to become due and payable in the CBG Payment Period commencing on that CBG Payment Date to each relevant Covered Bond Swap Provider *pro rata* and *pari passu* in respect of each relevant Covered Bond Swap (including any termination payment due and payable by the CBG under each relevant Covered Bond Swap Agreement, but excluding any Excluded Swap Termination Amount (except to the extent that such amounts have been paid out of any premiums received from each relevant replacement Swap Provider)) in accordance with the terms of each relevant Covered Bond Swap Agreement; and

- (ii) (where appropriate, after taking into account all amounts in respect of principal received or receivable from each relevant Covered Bond Swap Provider and available to make payments in respect thereof) Scheduled Principal that is Due for Payment (or that will become Due for Payment in the CBG Payment Period commencing on that CBG Payment Date) under the Covered Bond Guarantee in respect of each Series of Covered Bonds to the Bond Trustee or (if so directed by the Bond Trustee) the Issuing and Paying Agent on behalf of the Covered Bondholders *pro rata* and *pari passu* in respect of each Series of Covered Bonds,

provided that if the amount available for distribution under this paragraph (i) (excluding all amounts received or to be received from each relevant Covered Bond Swap Provider) would be insufficient to pay the SGD Equivalent of the Scheduled Principal that is or will be Due for Payment in respect of each Series of Covered Bonds under paragraph (i)(ii) above, the shortfall shall be divided amongst all such Series of Covered Bonds on a *pro rata* basis and the amount payable by the CBG to each relevant Covered Bond Swap Provider under each relevant Covered Bond Swap Agreement in respect of each relevant Series of Covered Bonds or provision to be made in respect thereof under paragraph (i)(i) above shall be reduced by the amount of the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

- (j) *next*, in or towards payment on the CBG Payment Date (if such date is an Interest Payment Date) or to provide for payment on any Interest Payment Date prior to the next following CBG Payment Date of the Final Redemption Amount (or portion thereof remaining unpaid) of any Series of Covered Bonds to which (i) an Extended Due for Payment Date applies, (ii) whose Final Redemption Amount was not paid in full by the Extension Determination Date, and (iii) for the avoidance of doubt, to which paragraph (i) above does not apply, by making the following payments:

- (i) the amounts then due and payable or to become due and payable in the CBG Payment Period commencing on that CBG Payment Date to each relevant Covered Bond Swap Provider (whether or not in respect of principal) *pro rata* and *pari passu* in respect of each relevant Covered Bond Swap Agreement (including any termination payment due and payable by the CBG under the Covered Bond Swap Agreement, but excluding any Excluded Swap Termination Amount (except to the extent that such amounts have been paid out of any premiums received from each relevant replacement Swap Provider)) in accordance with the terms of each relevant Covered Bond Swap Agreement; and
- (ii) the Final Redemption Amount or the relevant proportion thereof *pro rata* and *pari passu* under the Covered Bond Guarantee in respect of each relevant Series of Covered Bonds to the Bond Trustee or (if so directed by the Bond Trustee) the Issuing and Paying Agent on behalf of the Covered Bondholders,

provided that if the amount available for distribution under this paragraph (j) (excluding all amounts received or to be received from each relevant Covered Bond Swap Provider) would be insufficient to pay the SGD Equivalent of the Final Redemption Amount in respect of the relevant Series of Covered Bonds under paragraph (j)(ii) above, the shortfall shall be divided amongst all such Series of Covered Bonds on a *pro rata* basis and the amount payable by the CBG to each relevant Covered Bond Swap Provider under each relevant Covered Bond Swap Agreement in respect of each Series of Covered Bonds under paragraph (j)(i) above shall be reduced by the amount of the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

- (k) *next*, to deposit the remaining funds in the Transaction Account for application on the next following CBG Payment Date in accordance with the Guarantee Priority of Payments described in paragraphs (a) to (j) above (inclusive), until the Covered Bonds have been fully repaid or repayment in full of the Covered Bonds has been provided for (such that the Required Redemption Amount has been accumulated in respect of each outstanding Series of Covered Bonds);
- (l) *next*, in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof of any Excluded Swap Termination Amounts then due and payable by the CBG under the Covered Bond Swap Agreements and the Cover Pool Swap Agreement, except to the extent that such amounts have been paid out of any premiums received from the relevant replacement Swap Providers;
- (m) *next*, in or towards crediting the CBG Retained Amount Ledger of the CBG in an amount equal to the CBG Retained Amount;
- (n) *next*, in or towards payment of all amounts (other than principal) then due and payable or to become due and payable in the CBG Payment Period commencing on that CBG Payment Date under the Intercompany Loan Agreement;
- (o) *next*, in or towards repayment of the outstanding principal balance of the Intercompany Loan;
- (p) *next*, in or towards payment of all amounts (other than principal) then due and payable or to become due and payable in the CBG Payment Period commencing on that CBG Payment Date under the Subordinated Loan Agreement;
- (q) *next*, in or towards repayment of the outstanding principal balance of the Subordinated Loan;
- (r) *next*, in or towards payment of or provision for any current or future obligation of the CBG, as determined by the Cash Manager; and
- (s) *next*, in or towards payment to the Seller of (a) any Deferred Consideration Amount (in respect of EA Loans) and (b) any Deferred Contribution Consideration Amount (in respect of DOT Loans), in each case to the extent of available funds.

Any late amounts, other than Swap Collateral Excluded Amounts, received by the CBG under the Cover Pool Swap Agreement on or after the CBG Payment Date but prior to the next following CBG Payment Date will be applied by the CBG to the extent that any amounts were not able to be paid or provided for under the Guarantee Priority of Payments on the relevant CBG Payment Date due to the CBG receiving a late payment from the Cover Pool Swap Provider, promptly to pay or provide for those amounts in the order of priority specified in the above Guarantee Priority of Payments.

Any late amounts, other than Swap Collateral Excluded Amounts, received by the CBG under any Covered Bond Swap on or after the CBG Payment Date but prior to the next following CBG Payment Date will be applied by the CBG, promptly to make the corresponding payment or provision in respect of the relevant Series of Covered Bonds in accordance with, as applicable, paragraphs (h), (i) and/or (j) of the Guarantee Priority of Payments.

If the CBG requires any available funds to be exchanged into a currency other than Singapore dollars, and such exchange would not be subject to or covered by the terms of a Covered Bond Swap Agreement, then the CBG (or the Cash Manager on its behalf) shall perform all necessary currency conversions at its then prevailing spot rate of exchange.

If any Swap Collateral Available Amounts are received by the CBG on a CBG Payment Date, such amounts shall be applied by the CBG or by the Cash Manager on its behalf on that CBG Payment Date in the same manner as it would have applied the receipts which such Swap Collateral Available Amounts replace.

If a Notice to Pay is served on the CBG and, prior to the first CBG Payment Date thereafter, any Scheduled Interest and/or Scheduled Principal is Due for Payment under the Covered Bond Guarantee, then the CBG or the Cash Manager on its behalf shall, out of Available Revenue Receipts and Available Principal Receipts then standing to the credit of the Revenue Ledger, the Principal Ledger, the Reserve Ledger and the Commingling Reserve Ledger on the Transaction Account, pay such Scheduled Interest and/or Scheduled Principal, together with any amounts, other than Swap Collateral Excluded Amounts, then due and payable under the relevant Covered Bond Swap, in accordance with paragraphs (h), (i) and (j) of the Guarantee Priority of Payments, as applicable, as if the relevant date was a CBG Payment Date and after providing for such portion (if any) of the payments and provisions to be made under paragraphs (a) to (g) of the Guarantee Priority of Payments on the first CBG Payment Date following service of the Notice to Pay on the CBG as the CBG (or the Cash Manager on its behalf) shall determine in its sole discretion.

**Termination payments received in respect of Swaps, premiums received in respect of replacement Swaps and Tax Credits received in respect of Swaps**

- (a) If at any time the CBG receives any termination payment from a Swap Provider in respect of a Swap, such termination payment will first be used (to the extent necessary) (prior to the occurrence of a CBG Event of Default and service of a CBG Acceleration Notice and/or the commencement of winding-up proceedings against the CBG and/or the realisation of the Security) by the CBG to pay a replacement Swap Provider to enter into a replacement Swap with the CBG, unless a replacement Swap has already been entered into on behalf of the CBG.
- (b) If at any time the CBG receives any premium from a replacement Swap Provider in respect of a replacement Swap, such premium will first be used by the CBG to make any termination payment due and payable by the CBG with respect to the previous Swap (including any Excluded Swap Termination Amount), unless such termination payment has already been made on behalf of the CBG.
- (c) If at any time the CBG receives or obtains any Tax Credits in respect of a Swap, the cash benefit relating to such Tax Credits (as determined in accordance with the relevant Swap Agreement) shall be paid by the CBG to the relevant Swap Provider as soon as practical after receipt of the same from the relevant taxing authority in accordance with the terms of the relevant Swap Agreement and shall not be applied in accordance with the Priorities of Payments.

**Payment of funds following service of CBG Acceleration Notice**

Following the occurrence of a CBG Event of Default and service by the Bond Trustee on the CBG of a CBG Acceleration Notice, the Security shall become enforceable. All monies received or recovered by the Security Trustee or any receiver (other than any amounts standing to the credit of the CBG Retained Amount Ledger, any Tax Credits, Third Party Amounts, All Monies Trust Property which the Seller is entitled to, Demand Loan Repayment Assets (including certain principal amounts received in respect of the Demand Loan Repayment Assets), Top-up Receipts, proceeds from the sale of an interest in Top-up Loans, Swap Collateral Excluded Amounts, certain other amounts received in respect of the Loans and payable to parties other than the CBG and certain other amounts payable to third parties, premium received by the CBG from a replacement Swap Provider to the extent it is used to make a termination payment due and payable by the CBG with respect to the Swap being replaced (including any Excluded Swap

Termination Amount) and termination payment received from a Swap Provider which is applied to acquire a replacement for the relevant terminated Swap) will be applied, following enforcement of the Security, in accordance with the Post-Enforcement Priority of Payments (as described below).

### **Post-Enforcement Priority of Payments**

On and from the occurrence of a CBG Event of Default and delivery of a CBG Acceleration Notice by the Bond Trustee to the Security Trustee (or if there are no Covered Bonds outstanding, following the occurrence of a default in the payment or discharge of any of the other Secured Obligations on its due date (subject to applicable grace periods)), the Security Trustee must distribute any net amount that it receives or recovers in respect of the Security (other than any amounts standing to the credit of the CBG Retained Amount Ledger, any Tax Credits, Third Party Amounts, All Monies Trust Property which the Seller is entitled to, Swap Collateral Excluded Amounts, Demand Loan Repayment Assets (including certain principal amounts in respect of the Demand Loan Repayment Assets), Top-up Receipts, proceeds from the sale of an interest in Top-up Loans, certain other amounts received in respect of the Loans and payable to parties other than the CBG and certain other amounts payable to third parties, premium received by the CBG from a replacement Swap Provider to the extent it is used to make a termination payment due and payable by the CBG with respect to the Swap being replaced (including any Excluded Swap Termination Amount) and termination payment received from a Swap Provider which is applied to acquire a replacement for the relevant terminated Swap) (in each case to be applied in accordance with the Transaction Documents)) in the following order (the “**Post-Enforcement Priority of Payments**”) (in each case only if and to the extent that payments or provisions of a higher priority have been fully paid or otherwise provided for in full):

- (a) *first*, in or towards payment *pro rata* and *pari passu* of all amounts of interest due and payable in respect of the Demand Loan pursuant to the terms of the Intercompany Loan Agreement;
- (b) *next*, in or towards payment according to the respective amounts thereof of:
  - (i) all amounts (including, fees and Costs) due and payable or to become due and payable to the CBG;
  - (ii) all amounts (including fees and Costs) due and payable or to become due and payable to the Bond Trustee;
  - (iii) all amounts (including fees and Costs) due and payable or to become due and payable to the Security Trustee or any receiver acting under the Security Trust Deed;
  - (iv) all amounts (including fees and Costs) due and payable or to become due and payable to the Agents; and
  - (v) all amounts (including fees and Costs) due and payable or to become due and payable to the Corporate Services Provider;
- (c) *next*, in or towards payment of any remuneration due and payable to the Servicer and any Costs due and payable or to become due and payable to the Servicer under the provisions of the Servicing Agreement;
- (d) *next*, in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof of:
  - (i) any remuneration due and payable to the Cash Manager and any Costs due and payable or to become due and payable to the Cash Manager under the provisions of the Cash Management Agreement;

- (ii) amounts (if any) due and payable to the Account Bank (including any Costs) pursuant to the terms of the Bank Account Agreement; and
  - (iii) amounts due and payable to the Asset Monitor pursuant to the terms of the Asset Monitor Agreement, together with any applicable Taxes thereon;
- (e) *next*, in or towards payment of all amounts due and payable or to become due and payable to each Cover Pool Swap Provider *pro rata* and *pari passu* in respect of each Cover Pool Swap Provider (including any termination payment due and payable or to become due and payable by the CBG under the Cover Pool Swap, but excluding any Excluded Swap Termination Amount (except to the extent that such amounts have been paid out of any premiums received from the relevant replacement Swap Providers)) pursuant to the terms of the relevant Cover Pool Swap;
- (f) *next*, in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof of:
- (i) all termination payments due and payable or to become due and payable to each relevant Covered Bond Swap Provider *pro rata* and *pari passu* in respect of each Covered Bond Swap (excluding any Excluded Swap Termination Amount (except to the extent that such amounts have been paid out of any premiums received from the relevant replacement Swap Providers)) pursuant to the terms of each relevant Covered Bond Swap Agreement;
  - (ii) (without double counting) all other amounts due and payable or to become due and payable to the Covered Bond Swap Providers (excluding any Excluded Swap Termination Amount) pursuant to the terms of each relevant Covered Bond Swap Agreement;
- (g) *next, in or towards payment pro rata and pari passu* (where appropriate, after taking into account all amounts received or receivable from each relevant Covered Bond Swap Provider and available to make payments in respect thereof) of all Guaranteed Amounts that are Due for Payment under the Covered Bond Guarantee in respect of each Series of Covered Bonds to the Bond Trustee or (if so directed by the Bond Trustee) the Issuing and Paying Agent on behalf of the Covered Bondholders *pro rata* and *pari passu* in respect of each Series of Covered Bonds provided that if the amount available for distribution under this paragraph (excluding all amounts received or to be received from each relevant Covered Bond Swap Provider) would be insufficient to pay the SGD Equivalent of the Guaranteed Amounts that are Due for Payment in respect of each Series of Covered Bonds under this paragraph, then the shortfall shall be divided amongst all such Series of Covered Bonds on a *pro rata* basis;
- (h) *next*, in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof of any Excluded Swap Termination Amounts then due and payable by the CBG under the Covered Bond Swap Agreements and the Cover Pool Swap Agreement, except to the extent that such amounts have been paid out of any premium received from the relevant replacement Swap Providers;
- (i) *next*, in or towards crediting the CBG Retained Amount Ledger of the CBG in an amount equal to the CBG Retained Amount;
- (j) *next*, in or towards payment of all amounts due and payable under the Intercompany Loan Agreement;
- (k) *next*, in or towards payment of all amounts then due and payable under the Subordinated Loan Agreement; and



- (l) *next*, in or towards payment to the Seller of (a) the then Deferred Consideration Amount due to the Seller (in respect of EA Loans) and (b) the then Deferred Contribution Amount due to the Seller (in respect of DOT Loans).

For the avoidance of doubt, items described in paragraphs (h) to (l) inclusive above shall be paid only after all Guaranteed Amounts have been fully repaid or otherwise provided for.

Notwithstanding any other provision of a Transaction Document, the Security Trustee may only apply amounts in accordance with the Post-Enforcement Priority of Payments on and after the first CBG Payment Date following the earlier of:

- (a) 30 days following the service of a CBG Acceleration Notice on the CBG; and
- (b) the date the Asset Percentage is fixed following the service of a CBG Acceleration Notice in accordance with the Intercompany Loan Agreement.

Any Tax Credits, Third Party Amounts, All Monies Trust Property to which the Seller is entitled, Swap Collateral Excluded Amounts, Demand Loan Repayment Assets (including certain principal amounts in respect of the Demand Loan Repayment Assets), Top-up Receipts, proceeds from the sale of an interest in Top-up Loans, certain other amounts received in respect of the Loans and payable to parties other than the CBG and certain other amounts payable to third parties will be applied in accordance with the terms of the relevant Transaction Documents and shall not be applied in accordance with the Post-Enforcement Priority of Payments.

#### **Top-up Receipts and proceeds received from the sale of Top-up Loans**

Top-up Receipts or proceeds from the sale of an interest in Top-up Loans received by the CBG will be used to repay Deemed Ancillary Intercompany Loan Advances in accordance with the terms of the Ancillary Intercompany Loan Agreement and shall not be applied in accordance with the Priorities of Payments.

## TAXATION

The following summary of certain tax consequences of the purchase, ownership and disposition of the Covered Bonds is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Covered Bonds and does not purport to deal with the consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of the Covered Bonds should consult their own tax advisers concerning the application of tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Covered Bonds arising under the laws of any other taxing jurisdiction.

### 1 Singapore Taxation

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the Monetary Authority of Singapore (the “MAS”) in force as at the date of this Offering Circular and are subject to any changes in such laws or administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Covered Bonds or of any person acquiring, selling or otherwise dealing with the Covered Bonds or on any tax implications arising from the acquisition, sale or other dealings in respect of the Covered Bonds. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Covered Bonds and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive tax incentive(s)) may be subject to special rules.

Prospective holders of the Covered Bonds are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Covered Bonds, including the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the CBG, the Joint Arrangers and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Covered Bonds.

#### 1.1 Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, Chapter 134 of Singapore (“ITA”), the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is currently 20 per cent and will be increased to 22 per cent. from the year of assessment 2017 onwards. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

#### **Withholding Tax Exemption on Qualifying Payments by Specified Entities**

Pursuant to Section 45I of the ITA, payments of income which are deemed under Section 12(6) of the ITA to be derived from Singapore and which are made by a specified entity shall be exempt from withholding tax if such payments are liable to be made by such specified entity for the purpose of its trade or business under a debt security which is issued during the period from 17 February 2012 to 31 March 2021 (both dates inclusive). Notwithstanding the above, permanent establishments in Singapore of non-resident persons are required to declare such payments in their annual income tax returns and will be assessed to tax on such payments (unless specifically exempt from tax).

A specified entity includes a bank licensed under the Banking Act, Chapter 19 of Singapore or a merchant bank approved under the Monetary Authority of Singapore Act, Chapter 186 of Singapore.

#### **Qualifying Debt Securities Scheme**

As the Programme as a whole is arranged by United Overseas Bank Limited and BNP PARIBAS, Singapore Branch, and on the basis that the former is a Financial Sector Incentive (Capital Market) Company (as defined in the ITA) and the latter is a Financial Sector Incentive (Bond Market) Company (as defined in the ITA) at such time, any tranche of the Covered Bonds ("**Relevant Covered Bonds**") which are debt securities issued under the Programme from the date of this Offering Circular to 31 December 2018 would be, pursuant to the ITA and the MAS Circular FSD Cir 02/2013 entitled "Extension and Refinement of Tax Concessions for Promoting the Debt Market" issued by the MAS on 28 June 2013 (the "**MAS Circular**"), qualifying debt securities ("**QDS**") for the purposes of the ITA to which the following treatments shall apply:

- (a) subject to certain prescribed conditions having been fulfilled (including the furnishing of a return on debt securities in respect of the Relevant Covered Bonds in the prescribed format to the MAS within such period as the Comptroller of Income Tax (the "**Comptroller**") may specify and such other particulars in connection with the Relevant Covered Bonds as the Comptroller may require, and the inclusion by the Issuer in all offering documents relating to

the Relevant Covered Bonds of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Covered Bonds is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for QDS shall not apply if the non-resident person acquires the Relevant Covered Bonds using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively the "**Qualifying Income**") from the Relevant Covered Bonds derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Covered Bonds are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

- (b) subject to certain conditions having been fulfilled (including the furnishing of a return on debt securities in respect of the Relevant Covered Bonds in the prescribed format to the MAS within such period as the Comptroller may specify and such other particulars in connection with the Relevant Covered Bonds as the Comptroller may require), Qualifying Income derived by any company or a body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and
- (c) subject to:
  - (i) the Issuer including in all offering documents relating to the Relevant Covered Bonds a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Covered Bonds is not exempt from tax shall include such income in a return of income made under the ITA; and
  - (ii) the furnishing of a return on debt securities in respect of the Relevant Covered Bonds in the prescribed format to the MAS within such period as the Comptroller may specify and such other particulars in connection with the Relevant Covered Bonds as the Comptroller may require,

payments of Qualifying Income derived from the Relevant Covered Bonds are not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

- (a) if during the primary launch of any tranche of Relevant Covered Bonds, the Relevant Covered Bonds of such tranche are issued to fewer than four persons and 50 per cent. or more of the issue of such Relevant Covered Bonds is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Covered Bonds would not qualify as QDS; and
- (b) even though a particular tranche of Relevant Covered Bonds are QDS, if, at any time during the tenure of such tranche of Relevant Covered Bonds, 50 per cent. or more of such Relevant Covered Bonds which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived by:
  - (i) any related party of the Issuer; or
  - (ii) any other person where the funds used by such person to acquire such Relevant Covered Bonds are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax described above.

The term “**related party**”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms “**prepayment fee**”, “**redemption premium**” and “**break cost**” are defined in the ITA as follows:

“**prepayment fee**”, in relation to debt securities and QDS, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;

“**redemption premium**”, in relation to debt securities and QDS, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and

“**break cost**”, in relation to debt securities and QDS, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

References to “**prepayment fee**”, “**redemption premium**” and “**break cost**” in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium and break cost (i.e. the Qualifying Income) is derived from any of the Relevant Covered Bonds by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires such Relevant Covered Bonds using funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Covered Bonds is not exempt from tax (including for the reasons described above) is required to include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme (“**QDS Plus Scheme**”), subject to certain conditions having been fulfilled (including the furnishing of a return on debt securities in respect of the QDS in the prescribed format to the MAS within such period as the Comptroller may specify and such other particulars in connection with the QDS as the Comptroller may require), income tax exemption is granted on Qualifying Income derived by any investor from QDS (excluding Singapore Government Securities) which:

- (a) are issued during the period from 16 February 2008 to 31 December 2018;
- (b) have an original maturity date of not less than 10 years;
- (c) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and
- (d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of Relevant Covered Bonds are QDS which qualify under the QDS Plus Scheme, if at any time during the tenure of such tranche of Relevant Covered Bonds, 50 per cent. or more of such Relevant Covered Bonds which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income from such Relevant Covered Bonds derived by:

- (i) any related party of the Issuer; or
- (ii) any other person where the funds used by such person to acquire such Relevant Covered Bonds are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

The MAS Circular states that, with effect from 28 June 2013, the QDS Plus Scheme will be refined to allow QDS with certain standard early termination clauses (as prescribed in the MAS Circular) to qualify for the QDS Plus Scheme at the point of issuance of such debt securities. The MAS has also clarified that if such debt securities are subsequently redeemed prematurely pursuant to such standard early termination clauses before the 10th year from the date of issuance of such debt securities, the tax exemption granted under the QDS Plus Scheme to Qualifying Income accrued prior to such redemption will not be clawed back. Under such circumstances, the QDS Plus status of such debt securities will be revoked prospectively for such outstanding debt securities (if any), and holders thereof may still enjoy the tax benefits under the QDS scheme if the QDS conditions continue to be met.

The MAS has stated that, notwithstanding the above, QDS with embedded options with economic value (such as call, put, conversion or exchange options which can be triggered at specified prices or dates and are built into the pricing of such debt securities at the onset) which can be exercised within ten years from the date of issuance of such debt securities will continue to be excluded from the QDS Plus Scheme from such date of issuance.

## **1.2 Capital Gains**

Any gains considered to be in the nature of capital made from the sale of the Covered Bonds will not be taxable in Singapore. However, any gains derived by any person from the sale of the Covered Bonds as part of a trade or business carried on by that person in Singapore may be taxable as such gains are considered revenue in nature.

Holders of the Covered Bonds who apply or who are required to apply Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement (“**FRS 39**”) for Singapore income tax purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) for tax purposes in accordance with the provisions of FRS 39 (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of the Covered Bonds is made. See also “Adoption of FRS 39 Treatment for Singapore Income Tax Purposes”.

## **1.3 Adoption of FRS 39 Treatment for Singapore Income Tax Purposes**

The Inland Revenue Authority of Singapore has issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement” (“**FRS 39 Circular**”). The ITA has since been amended to give effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain “opt-out” provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Covered Bonds who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Covered Bonds.

#### **1.4 Estate Duty**

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

#### **1.5 Payments by the CBG under the Covered Bond Guarantee**

The Issuer has obtained a specific tax remission from the Ministry of Finance on payments that the CBG is liable to pay under the Covered Bond Guarantee to the holders of any Relevant Covered Bonds issued on or before 31 December 2018, as if the tax exemption or concessionary tax rate (as the case may be) for Qualifying Income under the QDS scheme applies to such payments made by the CBG under the Covered Bond Guarantee, subject to the following conditions being fulfilled:

- (a) payments made by the CBG to holders of the Relevant Covered Bonds under the Covered Bond Guarantee would be the same as if such payments were made directly by the Issuer (i.e. holders of the Relevant Covered Bonds would derive the same income, both in terms of amount and timing, from the CBG under the Covered Bond Guarantee as they would have received from the Issuer in the absence of default); and
- (b) the Relevant Covered Bonds are QDS under the QDS scheme, and all the conditions for the tax exemption or concessionary tax rate under the QDS scheme (as described above) are met.

## **2 EU Directive on the Taxation of Savings Income**

The Savings Directive requires EU Member States to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or secured by such a person for the benefit of) an individual resident, or to (or secured for) certain other types of entity established, in that other EU Member State, except that Austria will instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period it elects otherwise.

The Council of the European Union has adopted a Directive (the “**Amending Savings Directive**”) which would, if implemented, amend and broaden the scope of the requirements of the Savings Directive described above.

However, the Council of the European Union has adopted a Council Directive repealing the Savings Directive from 1 January 2016 (1 January 2017 in the case of Austria) (in each case subject to transitional arrangements). The recitals to the Directive also provide that EU Member States will not be required to implement the Amending Savings Directive. Information reporting and exchange will however still be required under Council Directive 2011/16/EU (as amended), discussed below.

The Council of the European Union has also adopted a Directive (the “**Amending Cooperation Directive**”) amending Council Directive 2011/16/EU on administrative cooperation in the field of taxation so as to introduce an extended automatic exchange of information regime in accordance with the Global Standard released by the OECD Council in July 2014. The Amending Cooperation Directive requires EU Member States to adopt national legislation necessary to comply with it by 31 December 2015, which legislation must apply from 1 January 2016 (1 January 2017 in the case of Austria). The Amending Cooperation Directive is generally broader in scope than the Savings Directive, although it does not impose withholding taxes.

Investors who are in any doubt as to their position or would like to know more should consult their professional advisers.

### **3 The proposed financial transactions tax (“FTT”)**

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Covered Bonds (including secondary market transactions) in certain circumstances.

Under the Commission’s Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Covered Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State. The issuance and subscription of Covered Bonds should, however, be exempt.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016. However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective holders of the Covered Bonds are advised to seek their own professional advice in relation to the FTT.

### **4 FATCA Withholding**

Pursuant to certain provisions of U.S. law, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer believes that it is, and the Guarantor believes that it is not currently, a foreign financial institution for these purposes. A number of jurisdictions (including Singapore) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions.

Certain aspects of the application of these rules to instruments such as the Covered Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Covered Bonds, is not clear at this time. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Covered Bonds, such withholding would not apply prior to 1 January 2019, and Covered Bonds issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. However, if additional covered bonds (as described under “*Terms and Conditions of the Covered Bonds – Further Issues*”) that are not distinguishable from these Covered Bonds are issued after the expiration of the grandfather period and are subject to withholding under FATCA, then withholding agents may treat all Covered Bonds, including the Covered Bonds offered hereby, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Covered Bonds. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Covered Bonds, no person will be required to pay additional amounts as a result of the withholding.



**FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE COVERED BONDS AND THE COVERED BONDHOLDERS, IS UNCERTAIN AT THIS TIME. EACH COVERED BONDHOLDER SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW FATCA MIGHT AFFECT EACH COVERED BONDHOLDER IN ITS PARTICULAR CIRCUMSTANCE.**

## SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in a dealer agreement dated on or about 23 November 2015 (the “**Dealer Agreement**”) between the Issuer, the Dealers and the Joint Arrangers, the Issuer may offer Covered Bonds from time to time to the Dealers. However, the Issuer has reserved the right to sell Covered Bonds directly on its own behalf to entities that are not Dealers. The Covered Bonds may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Covered Bonds may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Covered Bonds to be issued in syndicated Tranches that are underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Covered Bonds subscribed by it. The Issuer has agreed to reimburse the Joint Arrangers for the expenses reasonably incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Covered Bonds on a syndicated basis will be stated in the relevant subscription agreement between the Issuer and the relevant Dealer(s). The Issuer may also from time to time agree with the relevant Dealer(s) that it may pay certain third parties commissions (including, without limitation, rebates to private banks).

### **Selling Restrictions**

#### **United States**

The Covered Bonds and the Covered bond Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Covered Bonds may not be offered, sold or in the case of Covered Bonds in bearer form, delivered within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Covered Bonds in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it will not offer, sell or, in the case of Covered Bonds in bearer form, deliver Covered Bonds (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Covered Bonds are a part, as determined and certified to the relevant Issuing and Paying Agent by such Dealer (or, in the case of an identifiable tranche of Covered Bonds sold to or through more than one Dealer, by each of such Dealers with respect to Covered Bonds of an identifiable tranche purchased by or through it, in which case the relevant Issuing and Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Covered Bonds during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Covered Bonds within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Covered Bonds are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Covered Bonds, an offer or sale of Covered Bonds within the United States by any dealer (whether or not participating in the offering of such tranche of Covered Bonds) may violate the registration requirements of the Securities Act.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Covered Bonds outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Covered Bonds, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States. Distribution of this Offering Circular by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

### **Public Offer Selling Restriction under the Prospectus Directive**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Covered Bonds which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Covered Bonds to the public in that Relevant Member State:

- (i) if the Pricing Supplement in relation to the Covered Bonds specify that an offer of those Covered Bonds may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Covered Bonds which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer of Covered Bonds referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Covered Bonds to the public” in relation to any Covered Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds, as the same may be varied

in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

### **United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Covered Bonds which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Covered Bonds other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Covered Bonds would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer or the CBG;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Covered Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the CBG; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the United Kingdom.

### **Hong Kong**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Covered Bonds other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Covered Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Covered Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

### **Japan**

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act no. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Covered Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale,

directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

## **Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Covered Bonds or caused such Covered Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell such Covered Bonds or cause such Covered Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Covered Bonds, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Covered Bonds are subscribed or purchased under Section 275 of the SFA, by a relevant person which is:

- (i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Covered Bonds pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Sections 275(1)(A) or 275(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

## **PRC**

Each Dealer has represented, warranted and agreed, and each further dealer appointed under the Programme will be required to represent, warrant and agree, that the Covered Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the PRC.

## **General**

These selling restrictions may be supplemented or modified by the agreement of the Issuer and any Dealers, following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Covered Bonds to which it relates or in a supplement to this Offering Circular.

No representation is made that any action has been or will be taken in any jurisdiction that would permit a public offering of any of the Covered Bonds, or possession or distribution of the Offering Circular or any other offering material or any supplemental Offering Circular or Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will comply with all relevant securities laws, regulations and directives in each jurisdiction (including, but not limited to, any licensing requirements in the relevant jurisdictions) in or from which it purchases, offers, sells or delivers Covered Bonds or has in its possession or distributes this Offering Circular, any other offering material or any Pricing Supplement and neither the Issuer nor any other Dealer shall have responsibility therefor. Other persons into whose hands this Offering Circular or any Pricing Supplement comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Covered Bonds or possess, distribute or publish this Offering Circular or any Pricing Supplement or any related offering material, in all cases at their own expense.

# FORM OF PRICING SUPPLEMENT

Pricing Supplement dated [●]

## UNITED OVERSEAS BANK LIMITED

(incorporated with limited liability in the Republic of Singapore)  
(Company Registration Number 193500026Z)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Covered Bonds]  
unconditionally and irrevocably guaranteed as to payments of interest and principal by

### Glacier Eighty Pte. Ltd.

(incorporated with limited liability in the Republic of Singapore)  
(Company Registration Number 201531119W)

under the U.S.\$8,000,000,000 Global Covered Bond Programme

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated [●] [and the supplement(s) to it dated [●]]. This document constitutes the Pricing Supplement of the Covered Bonds described herein and must be read in conjunction with the Offering Circular. Full information on the Issuer, the CBG and the offer of the Covered Bonds is only available on the basis of the combination of these Pricing Supplement and the Offering Circular. The Offering Circular has been published on [the Issuer’s] website.

*[The following language applies if any tranche of the Covered Bonds is intended to be “qualifying debt securities” (as defined in the Income Tax Act, Chapter 134 of Singapore):*

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Covered Bonds by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the “**Income Tax Act**”), shall not apply if such person acquires such Covered Bonds using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Covered Bonds is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.]

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an offering circular with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the Conditions) set forth in the Offering Circular dated [original date] [and the supplement(s) to it dated [●]] which are incorporated by reference in the Offering Circular dated [current date]. This document constitutes the Pricing Supplement of the Covered Bonds described herein and must be read in conjunction with the Offering Circular dated [current date] [and the supplement(s) to it dated [●]], save in respect of the Conditions which are extracted from the Prospectus dated [original date] [and the supplement(s) to it dated [●]].

Full information on the Issuer the CBG and the offer of the Covered Bonds is only available on the basis of the combination of these Pricing Supplement, the Offering Circular [and the supplement(s) dated [●]]. The Offering Circular has been published on [the Issuer’s] website.

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Pricing Supplement.]*

1	(i) Issuer:	United Overseas Bank Limited
	(ii) Covered Bond Guarantor:	Glacier Eighty Pte. Ltd.
	(iii) Calculation Agent:	[●]
2	[(i)] Series Number:	[●]
	[(ii)] Tranche Number:	[●]
	[(iii)] Date on which the Covered Bonds become fungible:	[Not Applicable/The Covered Bonds shall be consolidated, form a single series and be interchangeable for trading purposes with the <i>[insert description of the Series]</i> on <i>[insert date]</i> /the Issue Date/exchange of the Temporary Global Covered Bond for interests in the Permanent Global Covered Bond, as referred to in paragraph [22] below [which is expected to occur on or about <i>[insert date]</i> ].]
3	Specified Currency or Currencies:	[●]
4	Aggregate Nominal Amount:	[●]
	[(i)] Series:	[●]
	[(ii)] Tranche:	[●]
5	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)]
6	(i) Specified Denominations:	[●]/[€100,000 and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Covered Bonds in definitive form will be issued with a denomination above [€199,000]]
		<i>[Covered Bonds (including Covered Bonds denominated in Sterling) in respect of which the issue proceeds are to be accepted by the issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).]</i>
	(ii) Calculation Amount:	[●]
7	(i) Issue Date:	[●]
	(ii) Interest Commencement Date	[Specify/Issue Date/Not Applicable]
8	(i) Maturity Date:	[Specify date or (for Floating Rate Covered Bonds) Interest Payment Date falling in or nearest to the relevant month and year]



- (ii) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee: *[Specify date or (for Floating Rate Covered Bonds) Interest Payment Date falling in or nearest to the relevant month and year, in each case falling [one year] after the Maturity Date]*
- 9 Interest Basis: *[[●] per cent. Fixed Rate]*
- [[●] month]*
- [LIBOR/EURIBOR/HIBOR/SIBOR/SOR]]*  
*+/-[●] per cent. Floating Rate]*
- (See paragraph [14/15/16] below)*
- 10 Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Covered Bonds will be redeemed on the Maturity Date at [100] per cent. of their nominal amount.
- 11 Change of Interest Basis: *[Specify the date when any fixed to floating rate change occurs or refer to paragraphs 18 and 19 below and identify there/Not Applicable]*
- 12 Put/Call Options: *[Investor Put]*
- [Issuer Call]*
- See paragraph [17/18] below)*
- 13 Covered Bond Swap:
- (i) Covered Bond Swap Provider: *[specify name and address of Covered Bond Swap Provider]*
- (ii) Nature of Covered Bond Swap: *[Forward Starting/Non-Forward Starting]*

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- 14 Fixed Rate Covered Bond Provisions *[Applicable/Not Applicable/Applicable from and including the [Issue Date/Interest Payment Date falling on [●] to but excluding the [Interest Payment Date falling on [●]/Maturity Date]*
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: *[●] per cent. per annum payable in arrear on each Interest Payment Date]*
- (N.B. If an Extended Due for Payment Date is specified, interest following the Maturity Date will continue to accrue and be payable on any unpaid amount at a Rate of Interest determined in accordance with Condition 4 (Interest and other Calculations).)*

- (ii) Interest Payment Date(s): [●] in each year [commencing on the [Issue Date/Interest Payment Date falling on [●] and ending on the [Interest Payment Date falling on [●]/Maturity Date, or the Extended Due for Payment Date, if applicable]] [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of “Business Day”]] (N.B. After an Extension Determination Date, the Interest Payment Dates may be monthly. See paragraph 11 above.)
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [30/360]/[Actual/Actual (ICMA)/[ISDA]]/[Actual/365 (Fixed)]/[Actual/360]/[30E/360]/[30E/360 (ISDA)]]
- (vi) [Determination Dates: [●] in each year (insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))]
- 15 Floating Rate Covered Bond Provisions [Applicable/Not Applicable/Applicable from and including the [Issue Date/Interest Payment Date falling on [●] to but excluding the [Interest Payment Date falling on [●]/Maturity Date]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Interest Period(s): [[●] [, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment[, as the Business Day Convention in (iv) below is specified to be Not Applicable]]]
- (ii) Specified Interest Payment Dates: [[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment[, as the Business Day Convention in (iv) below is specified to be Not Applicable]]]
- (N.B. After an Extension Determination Date, the Interest Payment Dates may be monthly. See paragraph 11 above.)

(iii) Interest Period Date:	[Not Applicable]/[[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]
(iv) First Interest Payment Date:	[●]
(v) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable]
(vi) Business Centre(s):	[●]
(vii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Agent]):	[●]
(ix) Screen Rate Determination:	
– Reference Rate:	[[●]month [LIBOR/EURIBOR/HIBOR/SIBOR/SOR]]
– Interest Determination Date(s):	[●]
– Relevant Screen Page:	[●]
(x) ISDA Determination:	
– Floating Rate Option:	[●]
– Designated Maturity:	[●]
– Reset Date:	[●]
[– ISDA Definitions	[2000/2006]]
(xi) Margin(s):	[+/-] [●] per cent. per annum
(xii) Minimum Rate of Interest:	[●] per cent. per annum
(xiii) Maximum Rate of Interest:	[●] per cent. per annum
(xiv) Day Count Fraction	[30/360]/[Actual/Actual (ICMA)/[ISDA]]/[Actual/365 (Fixed)]/[Actual/360]/[30E/360]/[30E/360 (ISDA)]

## PROVISIONS RELATING TO REDEMPTION

- 16 Call Option [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Covered Bond: [●] per Calculation Amount
- (iii) If redeemable in part: [●]
- (a) Minimum Redemption Amount: [●] per Calculation Amount
- (b) Maximum Redemption Amount: [●] per Calculation Amount
- (iv) Notice period: [●] days
- 17 Put Option [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Covered Bond: [●] per Calculation Amount
- (iii) Notice period: [●] days
- 18 Final Redemption Amount of each Covered Bond [●] [Par] per Calculation Amount
- 19 Early Redemption Amount
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: [●]/[Par] per Calculation Amount
- 20 Details relating to redemption by Instalments: amount of each instalment (“**Instalment Amount**”), date on which each payment is to be made (“**Instalment Date**”): [Not Applicable]/[●]

**GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS**

21 Form of Covered Bonds:

**Bearer Covered Bonds:**

[Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Definitive Covered Bonds in the limited circumstances specified in the Permanent Global Covered Bond]

[Temporary Global Covered Bond exchangeable for Definitive Covered Bonds on [●] days' notice] (*For this option to be available, such Covered Bonds shall only be issued in denominations that are equal to, or greater than, €100,000 (or its equivalent in other currencies) and integral multiples thereof*)

[Permanent Global Covered Bond exchangeable for Definitive Covered Bonds in the limited circumstances specified in the Permanent Global Covered Bond]

**Registered Covered Bonds:**

[Regulation S Global Covered Bond (U.S./S\$[●] nominal amount) registered in the name of a nominee for [a common depository for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg/the CMU/CDP]]

22 Financial Centre(s):

[Not Applicable/give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(v) relates]

23 Talons for future Coupons to be attached to Definitive Covered Bonds (and dates on which such Talons mature):

[No/Yes. As the Covered Bonds have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made.]

Signed on behalf of United Overseas Bank Limited:

By: \_\_\_\_\_  
Duly authorised

Signed on behalf of Glacier Eighty Pte. Ltd.:

By: \_\_\_\_\_  
Duly authorised

## PART B – OTHER INFORMATION

### 23 LISTING AND ADMISSION TO TRADING

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on SGX-ST with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on SGX-ST with effect from [●].] [Not Applicable.]

*(Where documenting a fungible issue need to indicate that original Covered Bonds are already admitted to trading.)*

- (ii) Estimate of total expenses related to admission to trading: [●]

### 24 RATINGS

Ratings: [[The Covered Bonds to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Covered Bonds of this type issued under the Programme generally]]:

S&P: [●]

Moody's: [●]

*(The above disclosure should reflect the rating allocated to Covered Bonds of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### 25 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

*(Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)*

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Covered Bonds has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the CBG and their affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests)*]

*[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]*

26 **[Fixed Rate Covered Bonds only – YIELD**

Indication of yield: [●]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

27 **OPERATIONAL INFORMATION**

ISIN: [●]

Common Code: [●]

CMU Instrument Number: [●]

Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking, société anonyme, the CMU and CDP and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [●]

28 **DISTRIBUTION**

(i) Method of distribution: [Syndicated/Non-syndicated]

(ii) If syndicated:

(A) Names of Managers: [Not Applicable/give names]

(B) Stabilisation Manager(s) (if any): [Not Applicable/give names]

(iii) If non-syndicated, name of Dealer: [Not Applicable/give name]

(iv) US Selling Restrictions: [Reg. S Compliance Category [1/2/3]; C Rules/D Rules TEFRA not applicable]

## GENERAL INFORMATION

- (1) Application will be made to the SGX-ST for permission to deal in and for quotation of, any Covered Bonds which are agreed at the time of issue to be listed on the SGX-ST. There can be no assurance that an application to SGX-ST will be approved.
- (2) The Issuer has obtained all necessary consents, approvals and authorisations in Singapore in connection with the establishment of the Programme. The establishment of the Programme was authorised by a resolution of the Issuer's Board passed on 29 September 2015.
- (3) Save as disclosed herein, there has been no significant change in the financial or trading position of the Issuer and its subsidiaries since 31 December 2014. As far as the Issuer is aware, there has been no material adverse change in the prospects of the Issuer and its subsidiaries since 31 December 2014.
- (4) Save as disclosed herein, there are no, nor have there been any, litigation or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Offering Circular, which may have or have had in the recent past a material adverse effect on the financial position of the Issuer.
- (5) Each Bearer Covered Bond having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
- (6) Covered Bonds have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records) and CDP. The Issuer may also apply to have Covered Bonds accepted for clearance through the CMU. The relevant CMU instrument number will be set out in the relevant Pricing Supplement. The Common Code and the International Securities Identification Number ("ISIN") and (where applicable) the identification number for any other relevant clearing system for each Series of Covered Bonds will be set out in the relevant Pricing Supplement. If the Covered Bonds are to clear through an additional or alternative clearing system the appropriate information will be set out in the relevant Pricing Supplement.
- (7) For so long as Covered Bonds may be issued pursuant to this Offering Circular, the following documents will be available, during usual business hours on any weekday (public holidays excepted), for inspection at the registered office of the Issuer and at the specified offices of the Issuing and Paying Agent:
  - (i) the Trust Deed (which includes the form of the Global Covered Bonds, the definitive Bearer Covered Bonds, the Certificates, the Coupons, the Receipts and the Talons);
  - (ii) the Agency Agreement;
  - (iii) the Memorandum and Articles of Association of the Issuer;
  - (iv) the audited consolidated annual accounts of the Group for the year ended 31 December 2013 and the audited consolidated annual accounts of the Group for the year ended 31 December 2014;
  - (v) each Pricing Supplement in respect of Covered Bonds listed on any stock exchange;



(vi) a copy of this Offering Circular or any further Offering Circular and any supplementary Offering Circular; and

(vii) copies of the latest annual report and audited accounts of the Issuer.

In addition, copies of this Offering Circular, each Pricing Supplement relating to Covered Bonds which are admitted to trading on the SGX-ST and each document incorporated by reference are available on the website of the Issuer at [www.uob.com.sg](http://www.uob.com.sg).

Ernst & Young LLP has audited and rendered unqualified audit reports on the financial statements of the Issuer and the Group for the years ended 31 December 2013 and 31 December 2014. These financial statements together with the auditors' reports dated 14 February 2014 and 12 February 2015 for the financial statements ended 31 December 2013 and 31 December 2014 respectively, have not been specifically prepared for the purpose of this Offering Circular or any further Offering Circular or supplemental Offering Circular.

## GLOSSARY

<b>Account Bank</b>	United Overseas Bank Limited or such other bank or financial institution with the Account Bank Required Ratings;
<b>Account Bank Required Ratings</b>	A short-term, unsecured, unsubordinated and unguaranteed debt obligation rating of the Account Bank that is equal to or above A-1 by S&P and a long-term foreign currency issuer credit rating of Baa3 by Moody's or such other lower rating as is required by Moody's and S&P to maintain the then current rating of the Covered Bonds;
<b>Accountants Act</b>	Means the Accountants Act, Chapter 2 of Singapore;
<b>Accrual Period</b>	The relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date;
<b>Accrued Interest</b>	In respect of a Loan as at any date the aggregate of all interest accrued but not yet due and payable on the Loan from (and including) the Monthly Payment Date immediately preceding the relevant date to (but excluding) the relevant date;
<b>Accrued Payments Ledger</b>	The ledger on the Transaction Account of such name maintained by the Cash Manager pursuant to the Cash Management Agreement, to record the credits and debits of certain Available Revenue Receipts and certain Available Principal Receipts relating to certain payments under the Pre-Acceleration Revenue Priority of Payments and the Pre-Acceleration Principal Priority of Payments (as applicable) in accordance with the terms of the Establishment Deed;
<b>Additional Contribution</b>	The contribution payable by the CBG Beneficiary to the Assets Trustee (i) for the purchase from the Seller of Trust Assets (which shall form part of the relevant New Portfolio) on each Closing Date after the First Closing Date, which shall be equal to the Principal Balance of the DOT Loans constituting such Trust Assets sold as at the relevant Closing Date and funded in accordance with the Declaration of Assets Trust or (ii) on each CBG Payment Date which shall be equal to any increase in the Principal Balance of any DOT Loans or increase in the outstanding balance in any Top-up Loans in the Portfolio;
<b>Adjusted Aggregate Loan Amount</b>	The meaning given in " <i>Summary of the Principal Documents</i> " on page 188;
<b>Adjusted Required Redemption Amount</b>	The meaning given in " <i>Summary of the Principal Documents</i> " on page 170;

<b>Advance</b>	An amount advanced, or to be advanced, by the Intercompany Loan Provider to the CBG under the Intercompany Loan Agreement, including Deemed Advances;
<b>Agency Agreement</b>	The agency agreement (as amended, restated, supplemented or novated from time to time) dated the Programme Date and made between the Issuer, the CBG, the Bond Trustee, the Issuing and Paying Agent and the Agents;
<b>Agent</b>	Each of the Paying Agents, the Registrar, the Calculation Agent and the Transfer Agent;
<b>All Monies Mortgage</b>	The meaning given on page 171;
<b>All Monies Trust</b>	The meaning given on page 172;
<b>All Monies Trust Property</b>	The meaning given on page 171;
<b>All Monies Trustee</b>	The CBG in its capacity as trustee of an All Monies Trust;
<b>Amortisation Test</b>	The test as to whether the Amortisation Test Aggregate Loan Amount is at least equal to the SGD Equivalent of the aggregate outstanding nominal amount of the Covered Bonds on a Test Date as calculated as of the immediately preceding Calculation Date;
<b>Amortisation Test Aggregate Loan Amount</b>	The meaning given in “ <i>Summary of the Principal Documents</i> ” on page 192;
<b>Ancillary Intercompany Loan</b>	The aggregate outstanding principal amount of the Deemed Ancillary Intercompany Loan Advances pursuant to the Ancillary Intercompany Loan Agreement;
<b>Ancillary Intercompany Loan Agreement</b>	The ancillary intercompany loan agreement (as amended, restated, supplemented and novated from time to time) dated the Programme Date between the Ancillary Intercompany Loan Provider, the CBG, the CBG Beneficiary, the Assets Trustee, the Cash Manager and the Security Trustee;
<b>Ancillary Intercompany Loan Ledger</b>	The ledger of such name maintained by the Cash Manager pursuant to the Cash Management Agreement to record all payments of interest and repayments of principal on each of the Deemed Ancillary Intercompany Loan Advances;
<b>Ancillary Intercompany Loan Provider</b>	The meaning given on page xii;
<b>Arrears of Interest</b>	As at any date in respect of any Loan, interest (other than Capitalised Interest or Accrued Interest) on that Loan which is currently due and payable and unpaid on that date;

<b>Asian Currency Unit</b>	An operational unit that has been approved by the MAS to operate in the Asian dollar market subject to such conditions as the MAS may determine;
<b>Asset Coverage Test</b>	The test as to whether the Adjusted Aggregate Loan Amount is at least equal to the SGD Equivalent of the aggregate outstanding nominal amount of the Covered Bonds on a Test Date as calculated as of the immediately preceding Calculation Date;
<b>Asset Coverage Test Breach Notice</b>	The notice required to be served by the Bond Trustee if the Asset Coverage Test has not been met on two consecutive Test Dates (subject to the Bond Trustee having actual knowledge or express notice of the same);
<b>Asset Monitor</b>	A reputable institution appointed in accordance with the terms of the Asset Monitor Agreement;
<b>Asset Monitor Agreement</b>	The asset monitor agreement entered into on the Programme Date between the Asset Monitor, the CBG, the CBG Beneficiary, the Cash Manager, the Issuer, the Seller, the Assets Trustee, the Bond Trustee and the Security Trustee;
<b>Asset Monitor Report</b>	The results of the tests conducted by the Asset Monitor in accordance with the Asset Monitor Agreement to be delivered to the Cash Manager, the CBG, the Issuer, the Seller, the Assets Trustee, the Bond Trustee and the Security Trustee;
<b>Asset Percentage</b>	The meaning given in “ <i>Summary of the Principal Documents</i> ” on page 191;
<b>Asset Percentage Adjusted Principal Balance</b>	The meaning given on page 190;
<b>Asset Pool</b>	All assets of the CBG (other than any Swap Collateral, Top-up Loans or Associated Debt (if applicable)) from time to time including but not limited to the Portfolio, any Substitution Assets, any Authorised Investments, the rights of the CBG in the Transaction Documents, the Transaction Account and all amounts standing to the credit thereto and any other assets referred to in MAS Notice 648, provided that all such assets are recorded as comprising the asset pool under the same MAS Notice 648;
<b>Asset Registers</b>	The meaning given on page 157;

**Assets Trust**

The trust declared in accordance with and pursuant to the terms of the Declaration of Assets Trust, whereby the Assets Trustee declares itself as trustee and agrees to hold:

- (a) (in respect of the Initial Portfolio) all the Seller’s present and future rights, estate, title, interests, benefits and remedies in and to each and every DOT Loan and Related Security (and any related Top-up Loans) comprised in the Initial Portfolio; and
- (b) (in respect of each New Portfolio) all the Seller’s present and future rights, estate, title, interests, benefits and remedies in and to the each and every DOT Loan and Related Security (and any related Top-up Loans) comprised in such New Portfolio,

on and from the Programme Date on trust absolutely as to both capital and income, for the CBG Beneficiary, upon, with and subject to the trusts, powers and provisions of the Declaration of Assets Trust;

**Assets Trusts Ledger**

The ledger on the Transaction Account of such name maintained by the Cash Manager pursuant to the Cash Management Agreement, to record all credits and debits of Available Revenue Receipts, Available Principal Receipts and Deferred Contribution Consideration in respect of DOT Loans in the Portfolio;

**Assets Trustee**

United Overseas Bank Limited, as trustee of the Assets Trust; and, where the context so permits, a Replacement Assets Trustee appointed in accordance with the term of the Declaration of Assets Trust;

**Assets Trustee Power of Attorney**

The power of attorney made by the Assets Trustee in favour of the CBG Beneficiary and the Security Trustee in accordance with the Declaration of Assets Trust;

**Associated Debt**

The indebtedness which (a) a Borrower or a Mortgagor (as the case may be) owes or may owe to the Seller from time to time which is secured on the same Mortgage as a Loan owed by that Borrower or that Mortgagor (as the case may be) to the Seller and (b) which is not purchased by the CBG under the Mortgage Sale Agreement or (as the case may be) the Declaration of Assets Trust and (c) would not form part of the Asset Pool;

## **Authorised Investments**

Cash or other authorised investments permitted to be held by the CBG under MAS Notice 648, provided that such authorised investments comprise of:

demand or time deposits, certificates of deposit and other short term unsecured debt obligations provided that, in each case, at the time the deposit is made or the certificate or obligation is acquired the then current rating of the unsecured and unguaranteed debt obligations of that institution (or, where the investment in question is guaranteed, of the guaranteeing institution) is at least AA- or A-1+ or AAm by S&P; and at least P-1 or A2 (if applicable) from Moody's, or in each case such other ratings as may be required by the Rating Agencies from time to time; or

short term unsecured debt obligations issued by a body corporate provided that the then current rating of the unsecured and unguaranteed debt obligations of that body corporate (or where the debt obligations in question are guaranteed, of the guaranteeing institution) is at least AA- or A-1+ or AAm by S&P; and at least (i) P-1 or A2 (if applicable) from Moody's, or in each case such other ratings as may be required by the Rating Agencies from time to time;

provided that in all cases, such authorised investments mature on or before the next following CBG Payment Date;

## **Available Principal Receipts**

As of a Collection Calculation Date, an amount equal to the aggregate of (without double counting):

the amount of Principal Receipts received (whether by the CBG, the Servicer on its behalf or otherwise) during the immediately preceding Collection Period;

any other amount standing to the credit of the Principal Ledger;

the proceeds of any Advances or Subordinated Advances (other than Deemed Advances or Deemed Subordinated Advances) (where such proceeds have not been applied to acquire New Portfolios, refinance an existing Advance or Subordinated Advance, invest in Authorised Investments or Substitution Assets or as a credit to the Pre-Maturity Liquidity Ledger, the Reserve Ledger or the Commingling Reserve Ledger);

the proceeds from any sale of Loans (including, but not limited to, Selected Loans) pursuant to the terms of the Establishment Deed, the Mortgage Sale Agreement or the Declaration of Assets Trust to the extent that such proceeds represent principal;

the proceeds from the sale of Substitution Assets or Authorised Investments pursuant to the terms of the Establishment Deed to the extent such proceeds represent principal;

the amount of any Excess Proceeds standing to the credit of the Transaction Account;

the amount standing to the credit of the Reserve Ledger in excess of the Reserve Fund Required Amount to the extent such amount represents the amount drawn under the Intercompany Loan Agreement or the Subordinated Loan Agreement to fund the Reserve Fund;

the amount standing to the credit of the Commingling Reserve Ledger in excess of the Commingling Reserve Fund Required Amount to the extent such amount represents the amount drawn under the Intercompany Loan Agreement or the Subordinated Loan Agreement to fund the Commingling Reserve Fund;

following the service of a Notice to Pay, the relevant amount standing to the credit of the Accrued Payments Ledger which is to be applied on the immediately following CBG Payment Date in accordance with the Establishment Deed; and

following repayment of any Hard Bullet Covered Bonds by the Issuer or the CBG on the Maturity Date thereof or if the Issuer is no longer failing the Pre-Maturity Test, any amounts standing to the credit of the Pre-Maturity Liquidity Ledger in respect of such Series of Hard Bullet Covered Bonds (except where the CBG is required to retain such amounts on the Pre-Maturity Liquidity Ledger under the Transaction Documents) as provided in Clause 7 (*The Pre-Maturity Liquidity*) of the Establishment Deed;

Less or excluding (as applicable and without double counting) any:

Swap Collateral;

principal (or, in respect of cross-currency swaps, exchange amounts) received under the Covered Bond Swap Agreements;

any termination premium under any Swap required to be used to purchase a replacement Swap;

any All Monies Trust Property which the Seller is entitled to;

Third Party Amounts; and

Tax Credits;

## Available Revenue Receipts

As of a Collection Calculation Date, an amount equal to the aggregate of (without double counting):

the amount of Revenue Receipts received (whether by the CBG or the Servicer on its behalf or otherwise) during the immediately preceding Collection Period;

other net income of the CBG received during the immediately preceding Collection Period including:

all interest received by the CBG on the CBG Accounts (including but not limited to, in respect of amounts representing Authorised Investments or Substitution Assets) (other than the Swap Collateral Accounts, but including such interest thereon to the extent it constituted Swap Collateral Available Amounts);

all amounts received by the CBG representing income on any Substitution Assets and Authorised Investments in the preceding Collection Period;

the proceeds received from any sale of Loans (including, but not limited to, Selected Loans) pursuant to the terms of the Establishment Deed, the Mortgage Sale Agreement or the Declaration of Assets Trust to the extent that such proceeds comprise interest or fee amounts (including, for the avoidance of doubt but without double counting, Accrued Interest and Arrears of Interest);

amounts received by the CBG under the Cover Pool Swap Agreement (excluding any termination payment received from the relevant Cover Pool Swap Provider to the extent applied to acquire a replacement Cover Pool Swap); and

the amount of any termination payment received from a Swap Provider which is not applied to acquire a replacement for the relevant terminated Swap;

prior to the service of a Notice to Pay or an Asset Coverage Test Breach Notice (if not revoked), amounts standing to the credit of the Reserve Fund in excess of the Reserve Fund Required Amount and which are not part of Available Principal Receipts in each case as of that Collection Calculation Date;

prior to the service of a Notice to Pay or an Asset Coverage Test Breach Notice (if not revoked), amounts standing to the credit of the Commingling Reserve Fund in excess of the Commingling Reserve Fund Required Amount and which are not part of Available Principal Receipts in each case as of that Collection Calculation Date;



following the service of a Notice to Pay or an Asset Coverage Test Breach Notice, amounts standing to the credit of the Reserve Fund in each case as of that Collection Calculation Date;

following the service of a Notice to Pay or an Asset Coverage Test Breach Notice, amounts standing to the credit of the Commingling Reserve Fund in each case as of that Collection Calculation Date;

following the service of a Notice to Pay, the relevant amount standing to the credit of the Accrued Payments Ledger which is to be applied on the immediately following CBG Payment Date in accordance with the Establishment Deed;

(i) the amount of any premium received by the CBG from a new Swap Provider as consideration for the entry by the CBG into a new Swap during the immediately preceding Collection Period, except to the extent applied to pay any termination payment under the relevant Swap being replaced and/or (ii) the amount of any termination payment received by the CBG from a Swap Provider, except to the extent applied to pay a premium to a replacement Swap Provider to enter into a replacement Swap Agreement;

prior to the service of a Notice to Pay or an Asset Coverage Test Breach Notice (or, if such notice has been served, it has been revoked), following repayment of any Hard Bullet Covered Bonds by the Issuer on the Maturity Date thereof or if the Issuer is no longer failing the Pre-Maturity Test, any amounts standing to the credit of the Pre-Maturity Liquidity Ledger in respect of such Series of Hard Bullet Covered Bonds (except where the CBG is required to retain such amounts on the Pre-Maturity Liquidity Ledger under the Transaction Documents) to the extent funded through Revenue Receipts; and

any other revenue receipts not referred to in paragraphs (a) to (f) (inclusive) above received during the previous Collection Period and standing to the credit of the Revenue Ledger;

Less or excluding (as applicable and without double counting) any:

Third Party Amounts;

Tax Credits;

Swap Collateral Excluded Amounts;

All Monies Trust Property which the Seller is entitled to; and

amounts in respect of interest received by the CBG under each Covered Bond Swap Agreement;

For the avoidance of doubt, Available Revenue Receipts shall not include any amounts standing to the credit of the CBG Retained Amount Ledger;

**Bank Account Agreement**

The bank account agreement entered into on the Programme Date between the CBG, the CBG Beneficiary, the All Monies Trustee, the All Monies Beneficiaries, the Assets Trustee, the Account Bank, the Cash Manager and the Security Trustee;

**Banking Act CP**

The meaning given on page 131;

**Banking Act**

Banking Act, Chapter 19 of Singapore;

**BMSM Act**

The Building Maintenance and Strata Management Act, Chapter 30C of Singapore;

**Bond Trustee**

DB International Trust (Singapore) Limited in its capacity as bond trustee under the Trust Deed together with any successor bond trustee or additional bond trustees appointed from time to time;

**Borrower**

In relation to a Loan, the individual or individuals specified as such in the relevant Mortgage together with the individual or individuals (if any) from time to time assuming an obligation to repay such Loan or any part of it;

**Business Day**

The meaning given in the Conditions;

**Business Day Convention**

The meaning given in the Conditions;

**Calculation Agent**

In relation to all or any Series of the Covered Bonds, the person initially appointed as calculation agent in relation to such Covered Bonds by the Issuer and the CBG pursuant to the Agency Agreement or, if applicable, any successor or separately appointed calculation agent in relation to all or any Series of the Covered Bonds;

**Calculation Date**

The first day of a calendar month;

**Calculation Period**

The period from, and including, the 1st day of a calendar month to, and including, the last day of that calendar month except that the first Calculation Period means the period from and including the First Closing Date to and including the last day of the calendar month in which the First Closing Date falls (or, if the First Closing Date falls on the last day of a calendar month, the last day of the following calendar month);

**Capitalised Expenses**

In relation to a Loan, the amount of any expense, charge, fee, premium or payment (excluding, however, any Arrears of Interest) capitalised and added to the principal balance of that Loan (to which the Servicer applies the relevant interest rate at which interest on that Loan accrues) of that Loan in accordance with the relevant Mortgage Conditions;

<b>Capitalised Interest</b>	For any Loan at any date, interest which is overdue in respect of that Loan and which as at that date has been added to the principal balance (to which the Servicer applies the relevant interest rate at which interest on that Loan accrues) of that Loan in accordance with the Mortgage Conditions or otherwise by arrangement with the relevant Borrower or the relevant Mortgagor (as the case may be) (excluding, for the avoidance of doubt, any Arrears of Interest which have not been so capitalised on that date);
<b>Cash%</b>	The meaning given on page 136;
<b>Cash Management Agreement</b>	The cash management agreement entered into on the Programme Date (as may be amended, supplemented and/or restated from time to time) between the CBG, the CBG Beneficiary, the All Monies Trustee, the All Monies Beneficiaries, the Seller, the Assets Trustee, the Servicer, the Cash Manager, the Corporate Services Provider, the Assets Trustee, United Overseas Bank Limited in its capacity as the Cash Manager, Seller and Servicer, the Bond Trustee and the Security Trustee;
<b>Cash Manager</b>	United Overseas Bank Limited, in its capacity as cash manager under the Cash Management Agreement together with any successor cash manager appointed from time to time;
<b>CBG</b>	Glacier Eighty Pte. Ltd.;
<b>CBG Acceleration Notice</b>	A notice in writing given by the Bond Trustee to the Issuer and the CBG (copied to the Security Trustee), that each Covered Bond of each Series is, and each Covered Bond of each Series will as against the Issuer (if not already due and repayable against it following an Issuer Event of Default) and as against the CBG, thereupon immediately become due and repayable at its Early Redemption Amount together with accrued interest as provided in and in accordance with the Trust Deed and thereafter the Security shall become enforceable if any of the CBG Events of Default shall occur and be continuing;
<b>CBG Accounts</b>	The Transaction Account and any additional or replacement accounts opened in the name of the CBG, including a Swap Collateral Account and the CBG Trust Account;
<b>CBG Beneficiary</b>	Glacier Eighty Pte. Ltd.;
<b>CBG Declaration of Trusts</b>	The meaning given on page. The 20th day of the month in which the first Closing Date falls (or, if the First Closing Date falls after the 20th day of the month, the 20th day of the following month);
<b>CBG Event of Default</b>	The meaning given in Condition 9(b) ( <i>CBG Events of Default</i> );

<b>CBG Payment Date</b>	The 20th day of each month or if not a Singapore Business Day the next following Singapore Business Day and the first CBG Payment Date will be the 20th day of the month in which the First Closing Date falls (or, if the First Closing Date falls after the 20th day of the month, the 20th day of the following month);
<b>CBG Payment Period</b>	The period from (and including) a CBG Payment Date to (but excluding) the next following CBG Payment Date and the first CBG Payment Period will commence on the first Closing Date;
<b>CBG Retained Amount</b>	S\$850 per month, which the CBG may use for its operating and other costs and expenses as it shall deem fit;
<b>CBG Retained Amount Ledger</b>	The ledger of such name maintained by the Cash Manager pursuant to the Cash Management Agreement to record payments of the CBG Retained Amount;
<b>Charged Property</b>	The property charged by the CBG pursuant to the Deeds of Charge;
<b>Clearing Systems</b>	Euroclear and/or Clearstream, Luxembourg, the CMU and/or CDP for Bearer Covered Bonds and Clearstream, Luxembourg and Euroclear, the CMU and/or CDP for Registered Covered Bonds and shall be deemed to include references to any additional or alternative system as is approved by the Issuer, the Issuing and Paying Agent and the Bond Trustee or as may otherwise be specified in the applicable Pricing Supplement;
<b>Clearstream, Luxembourg</b>	Clearstream Banking, société anonyme;
<b>Closing Date</b>	Each of the First Closing Date and the date of sale of any New Portfolio to the CBG in accordance with the Mortgage Sale Agreement or the Declaration of Assets Trust;
<b>Collection Calculation Date</b>	Means the 13th day of each month or if not a Singapore Business Day the next following Singapore Business Day;
<b>Commingling Reserve Fund</b>	The reserve fund that the CBG will be required to establish in the Transaction Account up to an aggregate amount equal to the Commingling Reserve Fund Required Amount;

**Commingling Reserve Fund  
Required Amount**

- (a) if, and for so long as, the Issuer’s credit rating is equal to or higher than BBB by S&P, nil or such other amount as the Issuer will direct the CBG from time to time; or
- (b) if, and for so long as, the Issuer’s credit rating is below BBB by S&P, an amount equal to the SGD Equivalent of:

(Sum of Principal Receipts and Revenue Receipts for the preceding (M) Collection Periods)

X

(aggregate outstanding nominal amount of the Covered Bonds/Aggregate Loan Principal Balance as at such Test Date)

X

(1/Asset Percentage)

where, prior to service of a Notice of Assignment or a Notice of Assets Trust, M = 3 and after effective service of a Notice of Assignment or a Notice of Assets Trust, M = 2;

**Commingling Reserve Ledger**

The ledger on the Transaction Account of such name maintained by the Cash Manager pursuant to the Cash Management Agreement, to record the crediting of Revenue Receipts to the Commingling Reserve Fund and the debiting of such Commingling Reserve Fund in accordance with the terms of the Establishment Deed;

**Common Depository**

The common depository for Euroclear and Clearstream, Luxembourg;

**Companies Act**

Companies Act, Chapter 50 of Singapore as amended, and any regulations made pursuant to it;

**Conditions**

Terms and conditions of the Covered Bonds (as set out in Schedule 2 Part C to the Trust Deed);

**Converted Loan**

An EA Loan in the Portfolio in respect of which the relevant Mortgagor withdraws his CPF Funds in connection with the Property after the First Closing Date in respect of such EA Loan;

**Corporate Services Agreement**

The corporate services agreement entered into by the Corporate Services Provider, the CBG, the Bond Trustee and the Security Trustee dated the Programme Date (as may be amended, supplemented and/or restated from time to time);

**Corporate Services Provider**

TMF Trustees Singapore Limited, together with any successor corporate services provider appointed from time to time;

<b>Costs</b>	<p>Any loss, damage, cost, charge, claim, demand, expense, judgment, decree, action, proceeding or other liability whatsoever (including, without limitation, in respect of:</p> <p>Taxes;</p> <p>in the case of the Bond Trustee and the Agents only, any amounts in respect of GST or other similar Tax;</p> <p>in the case of all parties other than the Bond Trustee and the Agents, any amounts in respect of GST, VAT or other similar Tax to the extent not recoverable from a government, Tax, revenue or other similar authority; and</p> <p>legal fees and expenses on a full indemnity basis;</p>
<b>Couponholders</b>	The meaning given in the Conditions;
<b>Coupons</b>	The meaning given in the Conditions;
<b>Cover Pool Swap</b>	The interest rate swap transaction governed by the Cover Pool Swap Agreement;
<b>Cover Pool Swap Agreement</b>	Each agreement between the CBG and a Cover Pool Swap Provider governing Cover Pool Swap(s) entered into with such Cover Pool Swap Provider in the form of an ISDA Master Agreement, including a schedule, a credit support annex and confirmations in relation to each such Cover Pool Swap;
<b>Cover Pool Swap Early Termination Event</b>	The meaning given in “ <i>Summary of the Principal Documents</i> ” on page 203;
<b>Cover Pool Swap Provider</b>	Each provider of a Cover Pool Swap under a Cover Pool Swap Agreement;
<b>Covered Bond</b>	The meaning given in the Conditions;
<b>Covered Bondholders</b>	The meaning given in the Conditions;
<b>Covered Bond Guarantee</b>	An unconditional and irrevocable guarantee by the CBG in the Trust Deed for the payment of Guaranteed Amounts in respect of the Covered Bonds when the same shall become Due for Payment;
<b>Covered Bond Swap Agreement</b>	Each agreement between the CBG and a Covered Bond Swap Provider governing Covered Bond Swap(s) entered into with such Covered Bond Swap Provider in the form of an ISDA Master Agreement, including a schedule, a credit support annex and confirmations in relation to each such Covered Bond Swap;
<b>Covered Bond Swap Early Termination Event</b>	The meaning given in “ <i>Summary of the Principal Documents</i> ” on page 205;

<b>Covered Bond Swap Provider</b>	Each provider of a Covered Bond Swap under a Covered Bond Swap Agreement;
<b>Covered Bond Swap Rate</b>	In relation to a Tranche or Series of Covered Bonds, the exchange rate specified in the Covered Bond Swap(s) relating to such Tranche or Series of Covered Bonds or, if the Covered Bond Swap(s) have been terminated, the applicable spot rate;
<b>Covered Bond Swaps</b>	Swap transactions governed by the Covered Bond Swap Agreement;
<b>CPF</b>	Singapore Central Provident Fund;
<b>CPF Act</b>	The Central Provident Fund Act, Chapter 36 of Singapore;
<b>CPF Board</b>	The Central Provident Fund Board constituted under section 3 of the CPF Act;
<b>CPF Funds</b>	The monies standing to the credit of a Mortgagor's account maintained with the CPF Board which may be used for the financing or re-financing the purchase or acquisition of a Property, the repayment and/or servicing of the loan obtained for (i) the purchase or acquisition of a Property, and/or (ii) (where applicable and approved by the CPF Board) the costs of construction of a new dwelling house thereon;
<b>CPF Loan</b>	All loans granted by the Seller to a Borrower or a Mortgagor (as the case may be) which are secured by the same Mortgage over a Property, in respect of which prior to the Closing Date in respect of such loans, the relevant Mortgagor has withdrawn his CPF Funds in connection with the Property and the CPF Board has accorded the Seller priority of payment towards such loans over the CPF Board in relation to the application of any proceeds from the realisation of such Property;
<b>CPF Withdrawal Approval</b>	The approval of the CPF Board for the utilisation of CPF Funds by a Borrower or a Mortgagor (as the case may be);
<b>CPFTA</b>	The Consumer Protection (Fair Trading) Act, Chapter 52A of Singapore;
<b>Dealer Agreement</b>	The agreement dated the Programme Date between the Issuer, the CBG and the Dealers named therein (or deemed named therein) concerning the purchase of Covered Bonds to be issued pursuant to the Programme together with any accession letters and/or agreements supplemental thereto;
<b>Declaration of Assets Trust</b>	The declaration of trust entered into on the Programme Date between, <i>inter alios</i> , the Seller, the Assets Trustee, the Security Trustee and the CBG Beneficiary;

<b>Deeds of Charge</b>	The Singapore Deed of Charge together with the English Security Deed;
<b>Deemed Advance</b>	An advance deemed to constitute an Advance under the Intercompany Loan Agreement;
<b>Deemed Advance Preconditions</b>	The meaning given on page 157;
<b>Deemed Ancillary Intercompany Loan Advance</b>	The meaning given on page xii;
<b>Deemed Subordinated Advances</b>	The meaning given on page 201;
<b>Defaulted Loan</b>	Any Loan in the Portfolio which is more than 3 months in arrears;
<b>Defaulted Loans Notice</b>	A notice from the Cash Manager to the Seller identifying any Defaulted Loan;
<b>Deferred Consideration</b>	The consideration payable to the Seller in respect of the EA Loans and their Related Security in the Portfolio sold to the CBG from time to time, which is payable after making payments of a higher order of priority as set out in the relevant Priorities of Payments and ranks <i>pari passu</i> with Deferred Contribution Consideration (if any);
<b>Deferred Consideration Amount</b>	Such amount calculated in accordance with the formula below to determine the amount of Deferred Consideration that is payable on a CBG Payment Date:

$$DC \times (A/C)$$

Where:

- DC** = the amount of (i) Available Revenue Receipts on such CBG Payment Date after payment of all other amounts with priority ranking in the Pre-Acceleration Revenue Priority of Payments or (ii) Available Revenue Receipts and Available Principal Receipts on such CBG Payment Date after payment of all other amounts with priority ranking in the Guarantee Priority of Payments or (iii) proceeds distributable by the Security Trustee in accordance with the Singapore Deed of Charge after payment of all other amounts with priority ranking in the Post-Enforcement Priority of Payments, as the case may be;
- A** = the aggregate outstanding balance of EA Loans; and
- C** = the aggregate outstanding balance of all Loans;



**Deferred Contribution** The contribution payable by the CBG Beneficiary to the Assets Trustee in respect of the Trust Assets in the Portfolio which shall be deemed to be made each time Deferred Contribution Consideration is paid by the CBG (or the Assets Trustee on its behalf) to the Seller;

**Deferred Contribution Consideration** The consideration payable by the CBG Beneficiary (or the Assets Trustee on its behalf) to the Seller in respect of the Trust Assets in the Portfolio sold by the Seller to the CBG from time to time, which is payable after making payments of a higher order of priority as set out in the relevant Priorities of Payments, such amount to be calculated by the Cash Manager pursuant to the terms of the Cash Management Agreement and, for the avoidance of doubt, shall not form part of the Trust Assets;

**Deferred Contribution Consideration Amount** such amount calculated in accordance with the formula below to determine the amount of Deferred Contribution Consideration that is payable on a CBG Payment Date:

$$DC \times (B/C)$$

Where:

**DC** = the amount of (i) Available Revenue Receipts on such CBG Payment Date after payment of all other amounts with priority ranking in the Pre-Acceleration Revenue Priority of Payments or (ii) Available Revenue Receipts and Available Principal Receipts on such CBG Payment Date after payment of all other amounts with priority ranking in the Guarantee Priority of Payments or (iii) proceeds distributable by the Security Trustee in accordance with the Singapore Deed of Charge after payment of all other amounts with priority ranking in the Post-Enforcement Priority of Payments, as the case may be;

**B** = the aggregate outstanding balance of DOT Loans; and

**C** = the aggregate outstanding balance of all Loans;

**Demand Loan** The meaning given on page 155;

**Demand Loan Repayment Assets** The meaning given on page x;

**Demand Loan Repayment Date** The meaning given on page 159;

**Demand Loan Repayment Event** The meaning given on page 161;

**Demand Loan Repayment Notice** The meaning given on page 158;

**D-SIB** Domestic Systemically Important Bank;

**Distribution**

Any distribution made by the Assets Trustee from the Trust Assets in consideration of the surrender by the CBG Beneficiary of its interest in the relevant DOT Loans and its Related Security (and includes any distribution of Principal Receipts, Revenue Receipts and Top-up Receipts by the Assets Trustee to the CBG Beneficiary pursuant to the terms of the Declaration of Assets Trust);

**DOT Loan**

- (a) (i) a CPF Loan, or (ii) a non-CPF Loan in respect of which the Seller has received notice that an Instrument of Postponement has been prepared; and
- (b) in respect of which the CPF Board’s prior consent to the transfer or assignment of the Mortgage over such Property securing such loans is required in order for the CBG and any transferee of such Mortgage (as may be contemplated under the terms of the Transaction Documents) to be accorded the priority of payments for such loans over the CPF Board in relation to the application of any proceeds from the realisation of such Property and such CPF Board’s consent is not obtained prior to the Closing Date in respect of such loans,

and which, in each case, is sold by the Seller and purchased by the CBG from time to time and which are held on trust by the Assets Trustee under the terms of the Declaration of Assets Trust for the CBG Beneficiary, and comprise the aggregate of all principal sums, interest, costs, charges, expenses and other monies due or owing with respect to or apportioned to such loans under the relevant Mortgage Conditions by such Borrower or Mortgagor (as the case may be) on the security of the Mortgage over such Property from time to time outstanding, or, as the context may require, such Borrower’s or Mortgagor’s obligations in respect of the same but excluding any loan which is repurchased by the Seller or otherwise sold by the CBG and no longer beneficially owned by the CBG Beneficiary (including, for the avoidance of doubt, any loan in respect of which the CBG Beneficiary has assigned absolutely its beneficial interest pursuant to Clause 18 (In-substance sale) of the Declaration of Assets Trust). For the avoidance of doubt, no loan referred to above shall be construed or deemed to be a Top-up Loan;

**DOT Loans Repurchase Completion Date**

The meaning given to it on page 175;

## Due for Payment

The requirement by the CBG to pay any Guaranteed Amounts following the delivery of a Notice to Pay on the CBG,

prior to the occurrence of a CBG Event of Default and service of a CBG Acceleration Notice, on the later of:

the date on which the Scheduled Payment Date in respect of such Guaranteed Amounts is reached, or, if later, the day which is two Business Days following service of a Notice to Pay on the CBG in respect of such Guaranteed Amounts or if the applicable Pricing Supplement specified that an Extended Due for Payment Date is applicable to the relevant Series of Covered Bonds, the Interest Payment Date (as set out in the applicable Pricing Supplement) that would have applied if the Maturity Date of such Series of Covered Bonds had been the Extended Due for Payment Date or such other Interest Payment Date(s) specified in the applicable Pricing Supplement (the “**Original Due for Payment Date**”); and

in relation to any Guaranteed Amounts in respect of the Final Redemption Amount payable on the Maturity Date for a Series of Covered Bonds only, the Extended Due for Payment Date, but only (i) if in respect of the relevant Series of Covered Bonds the Covered Bond Guarantee is subject to an Extended Due for Payment Date pursuant to the terms of the applicable Pricing Supplement and (ii) to the extent that the CBG having received a Notice to Pay no later than the date falling one Business Day prior to the Extension Determination Date does not pay Guaranteed Amounts equal to the Final Redemption Amount in respect of such Series of Covered Bonds by the Extension Determination Date because the CBG has insufficient monies available under the Guarantee Priority of Payments to pay such Guaranteed Amounts in full on the earlier of (a) the date which falls two Business Days after service of such Notice to Pay on the CBG or, if later, the Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9(b)(i) (*Non-Payment*)) under the terms of the Covered Bond Guarantee or (b) the Extension Determination Date,

or, if, in either case, such day is not a Business Day, the next following Business Day. For the avoidance of doubt, Due for Payment does not refer to any earlier date upon which payment of any Guaranteed Amounts may become due under the guaranteed obligations, by reason of prepayment, acceleration of maturity, mandatory or optional redemption or otherwise save as provided in paragraph (b) below; or

following the occurrence of a CBG Event of Default, the date on which a CBG Acceleration Notice is served on the Issuer and the CBG;

## **EA Loan**

- (a) a non-CPF Loan in respect of which the Seller has not received notice that an Instrument of Postponement has been prepared for registration against the Property securing such non-CPF Loan; or
- (b) (i) a non-CPF Loan in respect of which the Seller has received notice that an Instrument of Postponement has been prepared for registration against the Property securing such non-CPF Loan or (ii) a CPF Loan and, in each case, in respect of which the CPF Board's prior consent to the transfer or assignment of the Mortgage over such Property securing such loan is not required (as at the Closing Date in respect of such loan) in order for the CBG and any transferee of such Mortgage (as may be contemplated under the terms of the Transaction Documents) to be accorded the priority of payments towards such loans over the CPF Board in relation to the application of any proceeds from the realisation of such Property; or
- (c) (i) a non-CPF Loan in respect of which the Seller has received notice that an Instrument of Postponement has been prepared for registration against the Property securing such non-CPF Loan or (ii) a CPF Loan and, in each case, in respect of which the CPF Board's prior consent to the transfer or assignment of the Mortgage over such Property securing such loans is required in order for the CBG and any transferee of such Mortgage (as may be contemplated under the terms of the Transaction Documents) to be accorded the priority of payments towards such loans over the CPF Board in relation to the application of any proceeds from the realisation of such Property and such CPF Board's consent is obtained prior to the Closing Date in respect of such loans,

which, in each case, is sold and assigned by the Seller to the CBG from time to time under the terms of the Mortgage Sale Agreement and is purchased by the CBG, and comprises the aggregate of all principal sums, interest, costs, charges, expenses and other monies due or owing with respect to or apportioned to that loan under the relevant Mortgage Conditions by a Borrower or a Mortgagor (as the case may be) on the security of the Mortgage over such Property from time to time outstanding, or, as the context may require, the Borrower's or the Mortgagor's obligations in respect of the same but excluding any loan which is repurchased by the Seller or otherwise sold by the CBG and no longer beneficially owned by it. Converted Loans shall be deemed to continue to be EA Loans, subject to certain provisions of the Transaction Documents dealing with such Converted Loans only;

## **EA Loans Repurchase Completion Date**

The meaning given on page 170;

<b>Earliest Maturing Covered Bonds</b>	At any time, the Series of the Covered Bonds (other than any Series which is fully collateralised by amounts standing to the credit of the Transaction Account) that has or have the earliest Maturity Date as specified in the applicable Pricing Supplement (ignoring any acceleration of amounts due under the Covered Bonds prior to the occurrence of a CBG Event of Default);
<b>Early Redemption Amount</b>	The Early Redemption Amount specified in the relevant Pricing Supplement;
<b>Eligible Asset Monitor</b>	An asset monitor which satisfies the requirements as set out in the Asset Monitor Agreement which are broadly as follows: <ul style="list-style-type: none"> <li>(i) is qualified to be an auditor under the Companies Act; and</li> <li>(ii) is approved as an accounting limited liability partnership for the purposes of the Accountants Act;</li> </ul>
<b>Eligibility Criteria</b>	The meaning given on page 163;
<b>English Security Deed</b>	The English security deed (as amended, restated, supplemented and novated from time to time) dated the Programme Date between, <i>inter alia</i> , the CBG and the Security Trustee;
<b>Establishment Deed</b>	The establishment deed entered into on the Programme Date between the CBG, the Seller, the Servicer, the Cash Manager, the Bond Trustee and the Security Trustee;
<b>Estate Duty Act</b>	The Estate Duty Act, Chapter 96 of Singapore;
<b>Euroclear</b>	Euroclear Bank S.A/N.V. or its successors;
<b>Excess Proceeds</b>	Monies received (following the occurrence of an Issuer Event of Default and delivery of an Issuer Acceleration Notice) by the Bond Trustee from the Issuer or any liquidator, receiver (including receiver and manager), administrator, trustee, judicial manager or similar official that is appointed in relation to the Issuer or its assets or undertaking;
<b>Excluded Scheduled Interest Amounts</b>	The meaning given in the definition of Scheduled Interest;
<b>Excluded Scheduled Principal Amounts</b>	The meaning given in the definition of Scheduled Principal;

<b>Excluded Swap Termination Amount</b>	In relation to a Swap Agreement, an amount equal to the amount of any termination payment due and payable (a) to the relevant Swap Provider as a result of a Swap Provider Default with respect to such Swap Provider or (b) to the relevant Swap Provider following a Swap Provider Downgrade Event with respect to such Swap Provider;
<b>Extended Due for Payment Date</b>	In relation to any Series of Covered Bonds, the date, if any, specified as such in the applicable Pricing Supplement to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on the Maturity Date or the Extension Determination Date;
<b>Extension Determination Date</b>	In respect of a Series of Covered Bonds, the date falling two Business Days after the expiry of 14 days from (and including) the Maturity Date of such Series of Covered Bonds;
<b>Extraordinary Resolution</b>	A resolution of the Covered Bondholders passed as such under the terms of the Trust Deed;
<b>Final Redemption Amount</b>	The Final Redemption Amount specified in the relevant Pricing Supplement;
<b>Financial Instruments and Exchange Act</b>	The meaning given on page 241;
<b>First Closing Date</b>	The date on which the Initial Portfolio is sold to the CBG pursuant to the Mortgage Sale Agreement and the Declaration of Assets Trust;
<b>Group</b>	United Overseas Bank Limited and its Subsidiaries collectively;
<b>GST</b>	Any goods and services tax payable pursuant to the Goods and Services Tax Act, Chapter 117A, Singapore, and the regulations gazetted thereunder, as amended from time to time;
<b>Guarantee Loan</b>	The meaning given on page 155;
<b>Guaranteed Amounts</b>	Prior to the service of a CBG Acceleration Notice, with respect to any Original Due for Payment Date or, if applicable, any Extended Due for Payment Date, the sum of Scheduled Interest and Scheduled Principal, in each case, payable on that Original Due for Payment Date or, if applicable, any Extended Due for Payment Date; or

after service of a CBG Acceleration Notice, an amount equal to the relevant Early Redemption Amount as specified in the Conditions plus all accrued and unpaid interest and all other amounts due and payable in respect of the Covered Bonds, including all Excluded Scheduled Interest Amounts, all Excluded Scheduled Principal Amounts (whenever the same arose) and all amounts payable by the CBG under the Trust Deed;

**Guarantee Priority of Payments**

The meaning given on page 222;

**Hard Bullet Covered Bonds**

Any series of Covered Bonds which are scheduled to be redeemed in full on their relevant Maturity Date without any provision for scheduled redemption other than on the Maturity Date;

**HDB**

The Housing Development Board of Singapore established under section 3 of the Housing and Development Act;

**HDB Loans**

Any loan or loans advanced or granted by the Seller to a Mortgagor secured by a mortgage over a HDB flat;

**Initial Advance**

In respect of any Loan, the original principal amount (together with the amount of any retention) advanced by the Seller to the relevant Borrower and/or relevant Mortgagor;

**Initial Portfolio**

The Loans and their Related Security, particulars of which will be delivered on the First Closing Date pursuant to the Mortgage Sale Agreement and the Declaration of Assets Trust (other than any Loans and their Related Security which have been redeemed in full prior to the First Closing Date), and includes all rights, estate, title, interests, benefits and remedies of the Seller in and to:

- (a) all payments of principal and interest (including, for the avoidance of doubt, all Accrued Interest, Arrears of Interest, Capitalised Interest and Capitalised Expenses) and other sums due or to become due in respect of such Loans and Related Security including, without limitation, the right to demand, sue for, recover and give receipts for all principal monies, interest and costs and the right to sue on all covenants and any undertakings made or expressed to be made in favour of the Seller under the applicable Mortgage Conditions;
- (b) subject where applicable to the subsisting rights of redemption of Borrowers and/or the Mortgagors (as the case may be), any collateral security for the repayment of the relevant Loans;

- (c) the right to exercise all the powers of the Seller in relation thereto;
- (d) all the estate and interest in the Properties vested in the Seller; and
- (e) the proceeds of all claims made by or on behalf of the Seller or to which the Seller is entitled under any Insurance Policy in relation to any such Loan;

**Insolvency Event**

In respect of the Assets Trustee, the Seller, the Servicer or the Cash Manager:

an order is made or an effective resolution passed for the winding up of the relevant entity;

the relevant entity stops or threatens to stop payment to its creditors generally or the relevant entity ceases or threatens to cease to carry on its business or substantially the whole of its business; or

an encumbrancer takes possession or a receiver, judicial manager, administrative receiver or other similar officer is appointed to the whole or any material part of the undertaking, property and assets of the relevant entity or a distress, diligence or execution is levied or enforced upon or sued out against the whole or any material part of the chattels or property of the relevant entity and, in the case of any of the foregoing events, is not discharged within 30 days; or

the relevant entity is unable to pay its debts as they fall due;

**Insurance Policy**

Any insurance policy in favour of the Seller and any endorsements or extensions thereto as issued from time to time;

**Intercompany Loan**

All Advances made by the Intercompany Loan Provider to the CBG under the Intercompany Loan Agreement;

**Intercompany Loan Agreement**

The loan agreement (as amended, restated, supplemented or novated from time to time) dated the Programme Date between the Intercompany Loan Provider, the Assets Trustee, the Cash Manager, the Servicer, the CBG, the CBG Beneficiary, and the Security Trustee;

**Intercompany Loan Facility Amount**

S\$15,000,000,000 or such other amount as the Intercompany Loan Provider and the CBG (at the direction of the Cash Manager) may agree from time to time less aggregate of the principal amount of all Subordinated Advances and Deemed Ancillary Intercompany Loan Advances outstanding;

**Intercompany Loan Ledger**

The ledger of such name maintained by the Cash Manager pursuant to the Cash Management Agreement to record all payments of interest and repayments of principal on each of the Advances under the Intercompany Loan;



<b>Intercompany Loan Provider</b>	The meaning given on page ix;
<b>Investments Ledger</b>	The ledger maintained by the Cash Manager pursuant to the Cash Management Agreement in respect of Authorised Investments and Substitution Assets acquired and disposed of by or on behalf of the CBG;
<b>Investor Report</b>	The monthly report made available to the Covered Bondholders, the Security Trustee, the Bond Trustee and the Rating Agencies detailing, <i>inter alia</i> , compliance with the Asset Coverage Test and which are to be posted on the Issuer's website at www.uob.com;
<b>ISDA</b>	International Swaps and Derivatives Association, Inc.;
<b>ISDA Definitions</b>	2006 ISDA Definitions, as published by ISDA;
<b>ISDA Master Agreement</b>	The 1992 ISDA Master Agreement (Multicurrency Cross Border), as published by ISDA;
<b>Issue Date</b>	Each date on which the Issuer issues Covered Bonds to the Covered Bondholders;
<b>Issuer</b>	United Overseas Bank Limited;
<b>Issuer Acceleration Notice</b>	The meaning given to it in the Conditions;
<b>Issuer Event of Default</b>	The meaning given in Condition 9(a) ( <i>Issuer Events of Default</i> );
<b>Issuing and Paying Agent</b>	Deutsche Bank AG, Singapore Branch or any successor issuing and paying agent in respect of each series of Covered Bonds (other than CDP Covered Bonds and CMU Covered Bonds);
<b>ITA</b>	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time;
<b>Joint Arrangers</b>	BNP PARIBAS and United Overseas Bank Limited;
<b>Land Acquisition Act</b>	The Land Acquisition Act, Chapter 152 of Singapore;
<b>Land Registry</b>	The Land Titles Registry of the Singapore Land Authority established under the Land Titles Act and administered by the Registrar of Titles;
<b>Land Titles Act</b>	The Land Titles Act, Chapter 157 of Singapore;
<b>Land Titles (Strata) Act</b>	The Land Titles (Strata) Act, Chapter 158 of Singapore;

<b>Ledger</b>	Each of the Revenue Ledger, the Principal Ledger, the Pre-Maturity Liquidity Ledger, the Accrued Payments Ledger, the Subordinated Loan Ledger, the Intercompany Loan Ledger, the Ancillary Intercompany Loan Ledger, the Investments Ledger, the Payment Ledger, the Reserve Ledger, the Commingling Reserve Ledger and the CBG Retained Amount Ledger;
<b>Lending Criteria</b>	The lending criteria of the Seller from time to time, or such other criteria as would be acceptable to a Reasonable, Prudent Mortgage Lender;
<b>Loan</b>	Any loan which is: <ul style="list-style-type: none"> <li>(i) DOT Loans and</li> <li>(ii) EA Loans,</li> </ul> and each a “Loan”;
<b>Loan Account</b>	The loan account in the Seller’s records relating to one or more loans secured by a Mortgage;
<b>Loan Agreement</b>	In relation to a Loan, the loan agreement (including without limitation the relevant letter of offer and the relevant letter of variation) entered into between the relevant Borrower, the relevant Mortgagor (if different from the relevant Borrower) and the Seller, as revised, amended, restated, supplemented, superseded or novated from time to time;
<b>Loan Files</b>	The file or files relating to each Loan (including files kept in microfiche format or similar electronic data retrieval system or the substance of which is transcribed and held on an electronic data retrieval system) containing, <i>inter alia</i> , the application form, the Loan Agreement, the Valuation Report (if applicable) and, to the extent available, the solicitor’s Report on Title, relevant to that Loan;
<b>Loan Repurchase Notice</b>	A notice from the Cash Manager to the Seller identifying a Loan or its Related Security in the Portfolio which does not, as at the relevant Closing Date or relevant Calculation Date, materially comply with the Representations and Warranties set out in the Mortgage Sale Agreement or (as the case may be) the Declaration of Assets Trust;
<b>LTV%</b>	The meaning given on page 136;
<b>LTV Adjusted Principal Balance</b>	The meaning given on page 188;
<b>MAS</b>	The Monetary Authority of Singapore;
<b>MAS Act</b>	The Monetary Authority of Singapore Act, Chapter 186 of Singapore;

<b>MAS Notice 612</b>	MAS Notice 612 on Credit Files, Grading and Provisioning;
<b>MAS Notice 613</b>	MAS Notice 613 on Minimum Liquid Assets;
<b>MAS Notice 632</b>	MAS Notice 632 on Residential Property Loans;
<b>MAS Notice 637</b>	MAS Notice 637 on Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore;
<b>MAS Notice 639</b>	MAS Notice 639 on Exposures to Single Counterparty Groups;
<b>MAS Notice 643</b>	MAS Notice 643 on Transactions with Related Parties;
<b>MAS Notice 648</b>	MAS Notice 648 on the Issuance of Covered Bonds by Banks incorporated in Singapore of the MAS;
<b>MAS Notice 649</b>	MAS Notice 649 on Minimum Liquid Assets and Liquidity Coverage Ratio;
<b>Master Definitions Agreement</b>	The master definitions agreement (as amended, restated, supplemented or novated from time to time) made between the parties to the Transaction Documents on or about the Programme Date;
<b>Maturity Date</b>	The Interest Payment Date on which each Series of Covered Bonds will be redeemed at their nominal amount then outstanding in accordance with the Conditions;
<b>Misrepresentation Act</b>	The Misrepresentation Act, Chapter 390 of Singapore;
<b>Monthly Payment Date</b>	In relation to a Loan, the date in each month on which the relevant Borrower or the relevant Mortgagor (as the case may be) is required to make a payment of interest and, if applicable, principal for that Loan, as required by the applicable Mortgage Conditions;
<b>Moody's</b>	Moody's Investors Service Limited;
<b>Mortgage</b>	In respect of any Loan, each first charge by way of legal mortgage over a Property (save for (a) any charge registered or notified by the CPF Board in respect of the withdrawal of CPF Funds from the relevant Mortgagor's account(s) maintained with the CPF Board, (b) any statutory charge in favour of the tax authority in respect of unpaid property taxes, (c) any charge registered in favour of the relevant management corporation in connection with the Property in respect of unpaid amounts or contributions, (d) any statutory charge in favour of the tax authority in respect of unpaid estate duty (where applicable) and (e) any other charges arising under any written law which secures the repayment of the relevant Loan and includes the Mortgage Conditions applicable to it;

<b>Mortgage Conditions</b>	All the terms and conditions applicable to a Loan, including without limitation those set out in the Seller's relevant standard terms and conditions and the Seller's relevant general conditions, each as varied from time to time by the relevant Loan Agreement and the relevant Mortgage Instrument;
<b>Mortgage Instrument</b>	In respect of any Mortgage, the instrument of mortgage in the form approved by the Registrar of Titles and registered with the Land Registry under the provisions of the Land Titles Act, creating that Mortgage;
<b>Mortgage Sale Agreement</b>	The mortgage sale agreement (as amended, restated, supplemented or novated from time to time) entered into on the Programme Date between the Seller, the CBG, the CBG Beneficiary, the Assets Trustee, the All Monies Trustee and the Security Trustee;
<b>Mortgagee</b>	In respect of any Mortgage, the person named and described as the mortgagee/bank in the relevant Mortgage Instrument for the time being entitled to exercise the rights of the mortgagee/bank under that Mortgage;
<b>Mortgagor</b>	In relation to a Loan, the individual or individuals named and described as the mortgagor in the relevant Mortgage Instrument together with the individual or individuals (if any) from time to time assuming an obligation to repay such Loan or any part of it;
<b>New Loan Types</b>	New types of mortgage loans (including, for the avoidance of doubt, HDB Loans) originated or acquired by the Seller which is secured by a first-ranking mortgage over a residential property situated in Singapore, and which the Seller intends to transfer to the CBG, the terms and conditions of which are materially different (in the opinion of the Seller, acting reasonably) from the Loans comprised in the Initial Portfolio. For the avoidance of doubt, a mortgage loan will not constitute a New Loan Type if it differs from the Loans comprised in the Initial Portfolio due to it having different interest rates and/or interest periods and/or time periods for which it is subject to a fixed rate, capped rate, tracker rate or any other interest rate or the benefit of any discounts, cash-backs and/or rate guarantees;
<b>New Loans</b>	Loans, other than the Loans comprised in the Initial Portfolio, which the Seller may sell to the CBG pursuant to the Mortgage Sale Agreement or contribute as new Trust Assets pursuant to the Declaration of Assets Trust (as the case may be), after the First Closing Date;

<b>New Portfolio</b>	The portfolio of New Loans and their Related Security (other than any New Loans and their Related Security which have been redeemed in full prior to the Closing Date or which do not otherwise comply with the terms of the Mortgage Sale Agreement or (as the case may be) the Declaration of Assets Trust as at the Closing Date), particulars of which are set out in the relevant New Portfolio Notice or in a document stored upon electronic media, and all rights, estate, title, interests, benefits and remedies of the Seller in and to the rights and assets set out in paragraphs (a) to (e) in the definition of Initial Portfolio;
<b>New Portfolio Notice</b>	A notice in the form set out in Schedule 6 to the Mortgage Sale Agreement subject to any amendment as may be agreed between the parties thereto served in accordance with the terms of the Mortgage Sale Agreement or (as the case may be) the Declaration of Assets Trust;
<b>Non-CPF Loan</b>	Means all loans granted by the Seller to a Borrower or a Mortgagor (as the case may be) which are secured by the same Mortgage over a Property, in respect of which the relevant Mortgagor has not withdrawn his CPF Funds in connection with the Property prior to the Closing Date in respect of such loans;
<b>Notice to Pay</b>	The meaning given to it in Condition 9(a) ( <i>Issuer Events of Default</i> );
<b>Original Due for Payment Date</b>	The date on which the Scheduled Payment Date in respect of such Guaranteed Amounts is reached, or, if later, the day which is two Business Days following service of a Notice to Pay on the CBG in respect of such Guaranteed Amounts or if the applicable Pricing Supplement specified that an Extended Due for Payment Date is applicable to the relevant Series of Covered Bonds, the Interest Payment Date (as set out in the applicable Pricing Supplement) that would have applied if the Maturity Date of such Series of Covered Bonds had been the Extended Due for Payment Date or such other Interest Payment Date(s) specified in the applicable Pricing Supplement;

**Outstanding**

means, in relation to the Covered Bonds, all the Covered Bonds issued except (a) those that have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such Covered Bonds to the date for such redemption and any interest payable after such date) have been duly paid to the Bond Trustee or to the Issuing and Paying Agent as provided in Clause 2 (*Issue of Covered Bonds and Covenants to Pay*) of the Trust Deed and remain available for payment against presentation and surrender of Covered Bonds, Certificates, Receipts and/or Coupons, as the case may be, (c) those that have become void or in respect of which claims have become prescribed, (d) those that have been purchased and cancelled as provided in the Conditions, (e) those mutilated or defaced Bearer Covered Bonds that have been surrendered in exchange for replacement Bearer Covered Bonds, (f) (for the purpose only of determining how many Covered Bonds are outstanding and without prejudice to their status for any other purpose) those Bearer Covered Bonds alleged to have been lost, stolen or destroyed and in respect of which replacement Covered Bonds have been issued and (g) any Temporary Global Covered Bond to the extent that it shall have been exchanged for a Permanent Global Covered Bond and any Global Covered Bond to the extent that it shall have been exchanged for one or more Definitive Covered Bonds, in either case pursuant to its provisions provided that for the purposes of (1) ascertaining the right to attend and vote at any meeting of the Covered Bondholders, (2) the determination of how many Covered Bonds are outstanding for the purposes of Conditions 9 (Events of Default) and 10 (*Meetings of Covered Bondholders, Modification and Waiver*) and Schedule 3 to the Trust Deed, and (3) the exercise of any discretion, power or authority that the Bond Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Covered Bondholders, those Covered Bonds that are beneficially held by or on behalf of the Issuer, the Issuer’s affiliates or the CBG and not cancelled shall (unless no longer so held) be deemed not to remain outstanding;

**Partial Portfolio**

The meaning given on page 197;

**Paying Agents**

The meaning given to it in the Conditions;

**Payment Ledger**

The ledger on the Transaction Account of such name maintained by the Cash Manager pursuant to the Cash Management Agreement to record the credits and debits of the Available Revenue Receipts and Available Principal Receipts for application in accordance with the relevant Priority of Payments;

**Perfection Event**

The meaning given in “*Summary of the Principal Documents*” on page 165;

<b>PMFT Rules</b>	Means the Moneylenders (Prevention of Money Laundering and Financing of Terrorism) Rules 2009 under the Moneylenders Act;
<b>Portfolio</b>	The Initial Portfolio and each New Portfolio acquired by the CBG;
<b>Post-Enforcement Priority of Payments</b>	The meaning given in “ <i>Cashflows and Priorities of Payments</i> ” on page 228;
<b>Pre-Acceleration Principal Priority of Payments</b>	The meaning given in “ <i>Cashflows and Priorities of Payments</i> ” on page 220;
<b>Pre-Acceleration Revenue Priority of Payments</b>	The meaning given in “ <i>Cashflows and Priorities of Payments</i> ” on page 217;
<b>Pre-Maturity Liquidity Ledger</b>	The ledger on the Transaction Account of such name maintained by the Cash Manager pursuant to the Cash Management Agreement to record the credits and debits of monies available to repay any series of Hard Bullet Covered Bonds on the Maturity Date thereof if the Pre-Maturity Test has been breached;
<b>Pre-Maturity Test</b>	The meaning given in “ <i>Credit Structure</i> ” on page 211;
<b>Pre-Maturity Test Date</b>	The meaning given in “ <i>Credit Structure</i> ” on page 212;
<b>Principal Balance</b>	<p>For any Loan as at any given date, the aggregate principal balance of such Loan as at the end of the Singapore Business Day immediately preceding such date (but avoiding double counting) including the following:</p> <ul style="list-style-type: none"> <li>(a) the Initial Advance and any further amount advanced on or before the given date to the relevant Borrower or the relevant Mortgagor (as the case may be) secured or intended to be secured by the related Mortgage;</li> <li>(b) the Capitalised Expenses; and</li> <li>(c) Capitalised Interest,</li> </ul> <p>as at the end of the Singapore Business Day immediately preceding that given date less any repayment, prepayment or payment of any of the foregoing made on or before the end of the Singapore Business Day immediately preceding that given date and excluding (x) any retentions made but not released and (y) any Accrued Interest and Arrears of Interest and (z) any Top-up Loans;</p>
<b>Principal Ledger</b>	The ledger on the Transaction Account of such name maintained by the Cash Manager pursuant to the Cash Management Agreement to record the credits and debits of Principal Receipts in accordance with the terms of the Establishment Deed;

**Principal Receipts**

- (a) Principal repayments under the Loans (including payments of arrears, Capitalised Interest and Capitalised Expenses);
- (b) recoveries of principal from defaulting Borrowers and/or Mortgagors (as the case may be) under Loans being enforced (including the proceeds of sale of the relevant Property);
- (c) any payment pursuant to any insurance policy in respect of a Property in connection with a Loan in the Portfolio; and
- (d) the proceeds, if any, of the repurchase of any Loan by the Seller from the CBG pursuant to the Mortgage Sale Agreement and the Declaration of Assets Trust (excluding, for the avoidance of doubt, amounts attributable to Accrued Interest and Arrears of Interest thereon as at the relevant repurchase date),

and, for the avoidance of doubt, excludes all payments in respect of All Monies Trust Property which the Seller is entitled to, principal amounts referred to in Clause 7.1 (*Repayment of Demand Loan*) of the Intercompany Loan Agreement, principal repayments in respect of Top-up Loans and principal repayments in respect of Demand Loan Repayment Assets;

**Priorities of Payments**

The Post-Enforcement Priority of Payments, the Guarantee Priority of Payments, the Pre-Acceleration Revenue Priority of Payments and the Pre-Acceleration Principal Priority of Payments;

**Programme**

The Covered Bond programme established by, or otherwise contemplated in, the Dealer Agreement and the Trust Deed;

**Programme Date**

\_\_\_\_\_ 2015;

**Property**

A freehold or leasehold residential property located in Singapore which is subject to a Mortgage;

**Purchaser**

Any third party or the Seller to whom the CBG offers to sell Selected Loans and (in the case of a third party) which is an “excluded money lender” or “exempt moneylender” within the meaning given under the Moneylenders Act;

**Rating Agencies**

Moody’s and S&P for so long as it continues to provide a rating in respect of the Covered Bonds, and each a “**Rating Agency**”;



<b>Rating Agency Confirmation</b>	Written confirmation from each Rating Agency that the relevant amendment, action, determination or appointment will not result in the reduction, qualification, suspension or withdrawal of the then current ratings assigned to any outstanding Covered Bonds rated by that Rating Agency; or
<b>Ratings Notification</b>	A certification in writing by an authorised signatory of the Issuer or, following the occurrence of an Issuer Event of Default, the CBG to the Security Trustee and the Bond Trustee stating that the relevant amendment, action, determination or appointment has been notified to the Rating Agencies and, in its opinion, would not cause the then current ratings assigned to any outstanding Covered Bonds to be reduced, qualified, suspended or withdrawn by any Rating Agency and, where a Rating Agency was prepared to consult with the Issuer or the CBG, as applicable, on its behalf, such opinion is based on such consultation with the relevant Rating Agency; provided however that it is understood that the Rating Agencies shall be under no obligation to provide a Rating Agency Confirmation;
<b>Reasonable, Prudent Mortgage Lender</b>	The Seller and/or the Servicer, as applicable, acting in accordance with the standards of a reasonably prudent residential mortgage lender lending to borrowers in Singapore who generally satisfy the lending criteria of traditional sources of residential mortgage capital;
<b>Reference Index</b>	Any index of house prices in Singapore that a Reasonable, Prudent Mortgage Lender would use for valuation purposes;
<b>Reference Indexed Valuation</b>	In relation to a Property at any date, means the Valuation of the Property increased or decreased as appropriate by the increase or decrease in the Reference Index since the date of that Valuation;
<b>Registrar</b>	Deutsche Bank Luxembourg S.A. in respect of each series of Covered Bonds (other than CDP Covered Bonds) and Deutsche Bank AG, Singapore Branch in respect of each series of CDP Covered Bonds (and any additional or successor registrar);
<b>Registrar of Titles</b>	Means the Registrar of Titles appointed under section 5 of the Land Titles Act;
<b>Regulation S</b>	Regulation S under the Securities Act;

## Related Security

In relation to a Loan, the security for the repayment of that Loan including (i) the relevant Mortgage and (ii) all other matters applicable thereto acquired as part of the Portfolio sold to the CBG pursuant to Clauses 2 (*Sale and Purchase of EA Loans in the Initial Portfolio*) and 4 (*Sale and Purchase of EA Loans in New Portfolios*) of the Mortgage Sale Agreement and Clauses 2 (*Sale and Purchase of DOT Loans and Related Security (and related Top-up Loans) in Initial Portfolio*) and 6 (*Sale and Purchase of DOT Loans and Related Security in New Portfolios*) of the Declaration of Assets Trust including, (without limitation):

- (a) the benefit of all consents, guarantees, indemnities and postponements from persons having an interest in or rights in connection with the relevant Property or third parties;
- (b) each right of action of the Seller against any person (including, without limitation, any valuer, solicitor and any registrar or registry) in connection with any report, valuation, opinion, certificate or other statement of fact or opinion (including, without limitation, each Valuation Report) given or received in connection with all or part of any Loan and its Related Security or affecting the decision of the Seller to make or offer to make all or part of the relevant Loan;
- (c) the benefit of (including, without limitation, the rights as the insured person under and as notations of interest on, returns of premium and proceeds of claims under) insurance and assurance policies deposited, charged, obtained, or held in connection with the relevant Loan, Mortgage and/or Property and Loan Files;
- (d) the Seller's present and future rights, estate, title, interests, benefits and remedies in and to:
  - (i) the Loan Agreement in relation to that Loan which for the avoidance of doubt, does not include the Seller's present and future rights, estate, title, interests, benefits and remedies in respect of the Associated Debt or any other loans or facilities made or to be made to the relevant borrower or mortgagor;
  - (ii) (in the case of a CPF Loan) the relevant deeds of arrangements, deeds/instruments of postponement, confirmations of priority arrangement, confirmation letters and/or such other written agreements, confirmations and letters in respect of the priority accorded to the Seller in the application of the sale proceeds realised upon the sale of the relevant Properties pursuant to the Central Provident Fund (Residential Properties Scheme) Regulations of Singapore, if any; and

- (iii) all monies which may at any time from the date of the relevant Deed of Assignment, the Declaration of Assets Trust or the relevant Notice of Trust Assets (as the case may be) be received by or payable to the Seller under or in connection with the relevant Mortgage in respect of that Loan and the relevant Top-up Loans, whether on account of any claims, awards and judgements made or given under or in connection with the relevant Mortgage in respect of that Loan and the relevant Top-up Loans or otherwise howsoever;

<b>Replacement Assets Trustee</b>	Such entity or financial institution (i) as may be selected by the CBG Beneficiary and the Security Trustee to act as the Assets Trustee under the Assets Trust and (ii) which is an “excluded moneylender” or “exempt moneylender” within the meaning given under the Moneylender Act;
<b>Replacement Assets Trustee Event</b>	The meaning given on page 177;
<b>Report on Title</b>	A solicitor’s report of title obtained by or on behalf of the Seller in respect of each Property substantially in the form of the pro-forma set out in the Standard Documentation;
<b>Representations and Warranties</b>	The meaning given in “ <i>Summary of the Principal Documents</i> ” on page 165;
<b>Required Redemption Amount</b>	The meaning given in “ <i>Summary of the Principal Documents</i> ” on page 170;
<b>Required Principal Balance Amount</b>	The meaning given in “ <i>Summary of the Principal Documents</i> ” on page 194;
<b>Requisite DOT Loan Legal Title Transfer Approvals</b>	The meaning given in “ <i>Summary of Principal Documents</i> ” on page 177;
<b>Reserve Fund</b>	The reserve fund that the CBG will be required to establish in the Transaction Account up to an aggregate amount equal to the Reserve Fund Required Amount;
<b>Reserve Fund Required Amount</b>	The meaning given in “ <i>Credit Structure</i> ” on page 214;
<b>Reserve Ledger</b>	The ledger on the Transaction Account of such name maintained by the Cash Manager pursuant to the Cash Management Agreement, to record the crediting of Revenue Receipts to the Reserve Fund and the debiting of such Reserve Fund in accordance with the terms of the Establishment Deed;
<b>Reset Date</b>	The meaning given in the ISDA Definitions;
<b>Residential Property</b>	The meaning given on page 136;

**Revenue Ledger**

The ledger on the Transaction Account of such name maintained by the Cash Manager pursuant to the Cash Management Agreement to record credits and debits of Revenue Receipts in accordance with the terms of the Establishment Deed;

**Revenue Receipts**

- (a) payments of interest (including Accrued Interest and Arrears of Interest but excluding Accrued Interest and Arrears of Interest as at the relevant Closing Date of a Loan which belong to the Seller) and other fees due from time to time under the Loans and other amounts received by the CBG in respect of the Loans other than the Principal Receipts;
- (b) recoveries of interest from defaulting Borrowers and/or Mortgages (as the case may be) under Loans being enforced; and
- (c) recoveries of interest from defaulting Borrowers and/or Mortgages (as the case may be) under Loans in respect of which enforcement procedures have been completed,

(for the avoidance of doubt, excludes all payments in respect of Third Party Amounts and Top-up Loans);

**S&P**

Standard & Poor’s Ratings Services;

**Sale Advisor**

The meaning given on page 196;

**Sale Proceeds**

The cash proceeds realised from the sale of Selected Loans;

**Scheduled Interest**

An amount equal to the amount in respect of interest which would have been due and payable under the Covered Bonds on each Interest Payment Date as specified in Condition 4 (*Interest and other Calculations*) (but excluding any additional amounts relating to premiums, default interest or interest upon interest (“**Excluded Scheduled Interest Amounts**”) payable by the Issuer following an Issuer Event of Default but including such amounts (whenever the same arose) following service of a CBG Acceleration Notice) as if the Covered Bonds had not become due and repayable prior to their Maturity Date and, if the Pricing Supplement specified that an Extended Due for Payment Date is applicable to the relevant Covered Bonds, as if the maturity date of the Covered Bonds had been the Extended Due for Payment Date (but taking into account any principal repaid in respect of such Covered Bonds or any Guaranteed Amounts paid in respect of such principal prior to the Extended Due for Payment Date), less any additional amounts the Issuer would be obliged to pay as a result of any gross-up in respect of any withholding or deduction made under the circumstances set out in Condition 7 (*Taxation*);

<b>Scheduled Payment Date</b>	In relation to payments under the Covered Bond Guarantee, each Interest Payment Date or the Maturity Date as if the Covered Bonds had not become due and repayable prior to their Maturity Date;
<b>Scheduled Principal</b>	An amount equal to the amount in respect of principal which would have been due and repayable under the Covered Bonds on each Interest Payment Date or the Maturity Date (as the case may be) as specified in Condition 5(a) ( <i>Redemption by Instalments and Final Redemption</i> ), Condition 5(d) ( <i>Redemption at the Option of the Issuer</i> ) and Condition 5(e) ( <i>Redemption at the Option of Covered Bondholders</i> ) (but excluding any additional amounts relating to prepayments, early redemption, broken funding indemnities, penalties, premiums or default interest (“ <b>Excluded Scheduled Principal Amounts</b> ”) payable by the Issuer following an Issuer Event of Default but including such amounts (whenever the same arose) following service of a CBG Acceleration Notice) as if the Covered Bonds had not become due and repayable prior to their Maturity Date and, if the Pricing Supplement specifies that an Extended Due for Payment Date is applicable to the relevant Covered Bonds, as if the maturity date of the Covered Bonds had been the Extended Due for Payment Date;
<b>Section 55B/C Transfer</b>	The transfer of that part of the Assets Trustee’s banking business that comprises legal title to such DOT Loans and their Related Security (and, where applicable, any related Top-up Loans) pursuant to Sections 55A to C of Part VIIA of the Banking Act;
<b>Section 210/212 Scheme</b>	The mechanism for the whole or any part of the undertaking or the property of a banking corporation incorporated in Singapore to be transferred to any transferee, which includes a transfer of the legal title to any of the DOT Loans and their Related Security (and any related Top-up Loans) held in the Assets Trust;
<b>Secured Creditors</b>	The Security Trustee (in its own capacity and on behalf of the other Secured Creditors), the Bond Trustee (in its own capacity and on behalf of the Covered Bondholders), the Covered Bondholders, the Receiptholders, the Couponholders, the Issuer, the Seller, the Intercompany Loan Provider, the Ancillary Intercompany Loan Provider, the Subordinated Loan Provider, the Servicer, the Account Bank, the Cash Manager, the Swap Providers, the Corporate Services Provider, the Paying Agents and any other person which becomes a Secured Creditor pursuant to the Deeds of Charge;
<b>Securities Act</b>	United States. Securities Act of 1933, as amended;
<b>Security</b>	The meaning given in “ <i>Summary of the Principal Documents</i> ” on page 207;

<b>Security Interest</b>	Any mortgage, sub mortgage, charge, sub charge, pledge, lien (other than a lien arising in the ordinary course of business or by operation of law) or other encumbrance or security interest howsoever created or arising in any jurisdiction;
<b>Security Trustee</b>	DB International Trust (Singapore) Limited in its capacity as security trustee under the Trust Deed and the Deeds of Charge together with any successor security trustee or additional security trustees appointed from time to time;
<b>Secured Obligations</b>	Any and all monies, obligations and liabilities and all other amounts due, owing, payable or owed by the CBG which the CBG covenants and undertakes to pay and discharge pursuant to the Deeds of Charge and all claims, demands or damages for breach of any such covenant, and references to Secured Obligations includes references to any of the same;
<b>Selected Loans</b>	Loans and their Related Security (and, where applicable, any related Top-up Loans) to be sold by the CBG pursuant to the terms of the Establishment Deed;
<b>Selected Loans Offer Notice</b>	A notice substantially in the form set out in Schedule 8 ( <i>Selected Loans Offer Notice</i> ) to the Mortgage Sale Agreement, and served in accordance with the terms of the Mortgage Sale Agreement or (as the case may be) the Declaration of Assets Trust;
<b>Selected Loans Repurchase Notice</b>	A notice substantially in the form set out in Schedule 9 ( <i>Selected Loans Repurchase Notice</i> ) to the Mortgage Sale Agreement, and served in accordance with the terms of the Mortgage Sale Agreement or (as the case may be) the Declaration of Assets Trust;
<b>Seller</b>	United Overseas Bank Limited;
<b>Seller's Policy</b>	The originating, underwriting, administration, arrears and enforcement policy applied by the Seller from time to time to loans and the security for their repayment which are beneficially owned solely by the Seller or, at any time when the Servicer is not also the Seller, the policies and procedures from time to time which would be adopted by a Reasonable, Prudent Mortgage Lender;
<b>Servicer</b>	United Overseas Bank Limited in its capacity as servicer under the Servicing Agreement or any successor servicer appointed from time to time;
<b>Servicer Event of Default</b>	The meaning given in Clause 19 ( <i>Termination</i> ) of the Servicing Agreement;
<b>Servicer Termination Event</b>	The meaning given in Clause 19 ( <i>Termination</i> ) of the Servicing Agreement;

**Servicer's Remittance Rating**

A long-term rating of the Servicer that is equal to or above BBB from S&P;

**Servicing Agreement**

The servicing agreement (as amended, restated, supplemented and novated from time to time) entered into on the Programme Date between, *inter alia*, the CBG, the CBG Beneficiary, the Seller, the Servicer, the Assets Trustee, and the Security Trustee;

**Set-off Amount**

The aggregate as at the relevant Calculation Date of all deposits (placed with the Seller) of each Borrower or each Mortgagor (as the case may be) having a Loan or Loans (whether the Borrower or the Mortgagor (as the case may be) has assumed the obligation to repay any such Loan or any part of it jointly, severally or otherwise) in the Portfolio as at the relevant Calculation Date, less any deduction of deposit insurance amount to be determined, subject to Rating Confirmation, if the Seller's long-term, unsecured, unsubordinated and unguaranteed debt obligation rating is below BBB by S&P or A3 by Moody's provided that:

- (a) where a Borrower or a Mortgagor (as the case may be) has more than one Loan in the Portfolio, any such deposits shall only be counted and aggregated once;
- (b) there shall be excluded and not aggregated any deposits of the Borrower or the Mortgagor (as the case may be) placed with the Asian Currency Unit of the Seller, and all references to deposits in relation to this definition shall not include any deposits of the Borrower or the Mortgagor (as the case may be) placed with the Asian Currency Unit of the Seller;
- (c) there shall be excluded and not aggregated any deposits of the Borrower or the Mortgagor (as the case may be) placed with the Seller, where:
  - (i) a court of competent jurisdiction in Singapore issues a final and non-appealable judgment, order or direction; or
  - (ii) the MAS or any other body having for the time being the power to regulate banks and financial institutions in Singapore directs or notifies the Seller in writing or issues a specific or applicable directive or notice in writing; or
  - (iii) the Covered Bondholders agree by way of an Extraordinary Resolution; or

(iv) the statutory manager, statutory adviser, the liquidator, judicial manager, trustee, administrator or similar officer (including in each case, such provisional and interim officers) of the Seller opines or determines, with any such judgement being final and non-appealable; or

(v) a law or regulation is passed or made in Singapore to the effect,

that all and any applicable legislation, law and/or regulation conferring priority in insolvency to set-off rights of depositors liabilities against bank deposits in respect of banks in Singapore:

(A) has no application at all or is abrogated or replaced; or

(B) has no application in any particular circumstances and such circumstance or circumstances exist as at the relevant Calculation Date;

(d) there shall be excluded and not aggregated:

(i) in the case where any Loan has or Loans have the same Borrower or Borrowers, such amount of total deposit(s) of the Borrower or Borrowers, or the same Mortgagor or Mortgagors (as the case may be) in relation to such Loan(s) in excess of such Loan(s) as at the Calculation Date; or

(ii) in the case of Loans with multiple Borrowers or multiple Mortgagors (as the case may be) where at least one of the Borrowers or one of the Mortgagors is common across the Loans, such amount of the total deposits of all the Borrowers and/or a Mortgagor (as the case may be) in excess of the maximum amount of such Loans that could be appropriated against deposits held by such Borrower(s) or such Mortgagor(s) (as the case may be) as at the Calculation Date;

**SGD/Singapore dollars**

The lawful currency of Singapore;

**SGD Equivalent**

In relation to a Covered Bond which is denominated in (i) a currency other than Singapore dollars, the Singapore dollar equivalent of such amount ascertained using the relevant Covered Bond Swap Rate relating to such Covered Bond and (ii) Singapore dollars, the applicable amount in Singapore dollars;



<b>Shares Declaration of Trust</b>	The declaration of trust executed as a deed by the Share Trustee pursuant to which the issued share capital of the CBG are held on trust by the Share Trustee for the benefit of one or more organisations or institutions established in Singapore for charitable, benevolent or philanthropic purposes as described in further detail therein;
<b>Singapore Business Day</b>	A day (other than Saturday and Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Singapore;
<b>Singapore Deed of Charge</b>	The Singapore deed of charge (as amended, restated, supplemented or novated from time to time) dated the Programme Date and made between the CBG, the CBG Beneficiary, the Issuer, the Seller, the Issuer, the Seller, the Assets Trustee, the Cash Manager, the Servicer, the Account Bank, the Intercompany Loan Provider, the Ancillary Intercompany Loan Provider, the Subordinated Loan Provider, the Agents, the Corporate Services Provider, the Cash Manager, the Servicer, the Account Bank, the Intercompany Loan Provider, the Subordinated Loan Provider, the Agents, the Corporate Services Provider, the Bond Trustee, the Security Trustee and certain other Secured Creditors (and governed by Singapore law);
<b>Singapore Land Authority</b>	The Singapore Land Authority established under the Singapore Land Authority Act, Chapter 301 of Singapore;
<b>Single Mortgage Bundle</b>	The meaning given to it on page 198;
<b>Specified Currency</b>	Subject to any applicable legal or regulatory restrictions, Singapore dollars, euro, Sterling, U.S. dollars and such other currency or currencies as may be agreed from time to time by the Issuer, the relevant Dealer(s), the Issuing and Paying Agent and the Bond Trustee and specified in the applicable Pricing Supplement;
<b>Standard Documentation</b>	The standard documentation, or any update or replacement therefor as the Seller may from time to time introduce acting in accordance with the standards of a Reasonable, Prudent Mortgage Lender;
<b>State Lands Act</b>	The State Lands Act, Chapter 314 of Singapore;
<b>Subordinated Advances</b>	An amount advanced, or to be advanced, by the Subordinated Loan Provider to the CBG under the Subordinated Loan Agreement, including Deemed Subordinated Advances;
<b>Subordinated Loan</b>	The aggregate outstanding principal amount of the Subordinated Advances pursuant to the Subordinated Loan Agreement;

<b>Subordinated Loan Agreement</b>	The subordinated loan agreement (as amended, restated, supplemented and novated from time to time) dated the Programme Date between the Subordinated Loan Provider, the CBG, the CBG Beneficiary, the Cash Manager and the Security Trustee;
<b>Subordinated Loan Facility</b>	The facility made available by the Subordinated Loan Provider to the CBG under the Subordinated Loan Agreement;
<b>Subordinated Loan Ledger</b>	The ledger of such name maintained by the Cash Manager pursuant to the Cash Management Agreement to record all payments of interest and repayments of principal on each of the Subordinated Advances and the Deemed Subordinated Advances;
<b>Subordinated Loan Provider</b>	The meaning given on page 200;
<b>Subscription Agreement</b>	An agreement supplemental to the Dealer Agreement (by whatever name called) in or substantially in the form set out in the Dealer Agreement or in such other form as may be agreed between the Issuer, the CBG and the Lead Manager or one or more Dealers (as the case may be);
<b>Subsidiary</b>	Any company which is for the time being a subsidiary (within the meaning of Section 5 of the Companies Act);
<b>Substitution Assets</b>	<p>(a) cash in any currency;</p> <p>(b) any securities issued by the MAS under the Monetary Authority of Singapore Act (Chapter. 186 of Singapore);</p> <p>(c) any security or equivalent instrument issued under the Singapore Government Securities Act (Chapter. 121A of Singapore) and any Treasury bill or equivalent instrument issued under the Singapore Local Treasury Bills Act (Chapter. 167 of Singapore); or</p> <p>(d) any other substitution asset which satisfies the requirements for eligible assets pursuant to MAS Notice 648,</p> <p>provided that in the case of (a) to (c) such assets are eligible assets pursuant to MAS Notice 648;</p>
<b>Swap Agreements</b>	The Covered Bond Swap Agreements together with the Cover Pool Swap Agreement, and each a “ <b>Swap Agreement</b> ”;

<b>Swap Collateral</b>	At any time, any asset (including, without limitation, cash and/or securities) which is paid or transferred by a Swap Provider to the CBG as collateral to secure the performance by such Swap Provider of its obligations under the relevant Swap Agreement together with any income or distributions received in respect of such asset and any equivalent of such asset into which such asset is transformed;
<b>Swap Collateral Account</b>	Any account in the name of the CBG held with the Account Bank into which Swap Collateral in respect of the Cover Pool Swap or a Covered Bond Swap may be deposited in accordance with the terms of any applicable Swap Agreement;
<b>Swap Collateral Available Amounts</b>	At any time, the amount of Swap Collateral which under the terms of the relevant Swap Agreement may be applied at that time in satisfaction of the relevant Swap Provider's obligations to the CBG to the extent that such obligations relate to payments to be made in connection with the Pre-Acceleration Revenue Priority of Payments or the Guarantee Priority of Payments;
<b>Swap Collateral Excluded Amounts</b>	At any time, the amount of Swap Collateral which may not be applied under the terms of the relevant Swap Agreement at that time in satisfaction of the relevant Swap Provider's obligations to the CBG, including Swap Collateral which is to be returned to the relevant Swap Provider from time to time in accordance with the terms of the Swap Agreements and ultimately upon termination of the relevant Swap Agreement;
<b>Swap Provider Default</b>	The occurrence of (i) an Event of Default or (ii) a Termination Event (each as defined in each of the relevant Swap Agreements) where the relevant Swap Provider is the sole Affected Party under Section 5(b)(iii) only or Defaulting Party (each as defined in the relevant Swap Agreement);
<b>Swap Provider Downgrade Event</b>	The occurrence of an Additional Termination Event or an Event of Default (each as defined in the relevant Swap Agreement) following a failure by the Swap Provider to comply with the requirements of the ratings downgrade provisions set out in the relevant Swap Agreement;
<b>Swap Providers</b>	Each Covered Bond Swap Provider and the Cover Pool Swap Provider, and each a " <b>Swap Provider</b> ";
<b>Swaps</b>	The Covered Bond Swaps together with the Cover Pool Swap, each a " <b>Swap</b> ";
<b>Tax Credit</b>	A credit against any Tax or any relief or remission for Tax (or its repayment);

**Taxes**

All present and future taxes, levies, imposts, duties (including stamp and transaction duties), fees, deductions, withholdings or charges of any nature whatsoever and wheresoever imposed, except if imposed on, or calculated having regard to the net income of the relevant party, but including, without limitation, income tax, company tax, corporation tax, goods and services tax or value added tax or other tax in respect of added value and any franchise, transfer, sales, gross receipts, use, business, occupation, excise, personal property, real property or other tax imposed by any national, local or supranational taxing or fiscal authority or agency, together with any penalties, fines or interest, and “**Tax**” and “**Taxation**” shall be construed accordingly;

**Test Date**

The 15th day of each month or if not a Singapore Business Day, the next following Singapore Business Day;

**Third Party Amounts**

Each of:

- (a) amounts under an unpaid direct debit which are repaid by the Seller to the bank making such payment if such bank is unable to recoup that amount itself from its customer’s account;
- (b) payments by the Borrower and/or the Mortgagor (as the case may be) of any fees and other charges which are due to the Seller;
- (c) any amounts due or arising from any overpayment by any person or arising from any reimbursement by any person of any such overpayment (including, for the avoidance of doubt, where arising from the failure of a direct debit);
- (d) (subject to any right to refuse or withhold payment or of set-off that has arisen by reason of the Borrower’s and/or the Mortgagor (as the case may be) breach of the terms of the relevant Mortgage or Loan) any amount payable to a Borrower or a Mortgagor (as the case may be) under the terms of the Mortgage or the Loan to which that Borrower and/or that Mortgagor (as the case may be) is a party (other than a Top-up Loan);
- (e) any amounts owed to the Seller pursuant to Clause 15 (*All Monies Trusts in respect of EA Loans*) of the Mortgage Sale Agreement and Clause 21 (*All Monies Trust in respect of DOT Loans*) of the Declaration of Assets Trust; and

- (f) any amount received from a Borrower or a Mortgagor (as the case may be) for the express purpose of payment being made to a third party for the provision of a service (including giving insurance cover) to any of that Borrower or any of that Mortgagor (as the case may be) or the Seller or the CBG,

which amounts may be paid daily from monies on deposit in the CBG Accounts;

**Title Deeds**

In relation to each Loan and its Related Security and the Property relating thereto, all conveyancing deeds and documents or evidence of title which make up the title to the Property and the security for the Loan and all searches and enquiries undertaken in connection with the grant by the Borrower and/or Mortgagor of the related Mortgage;

**Top-up Loan**

Any loan which:

is sold by the Seller to the CBG from time to time under the terms of the Mortgage Sale Agreement or the Declaration of Assets Trust (as the case may be);

which is secured by the same Mortgage over a Property as the Loan to which such Top-up Loan relates; and

the repayment of which is subordinated to such Loan and any CPF Funds withdrawn in connection with the Property in terms of priority of repayment in respect of such Loan,

and comprises the aggregate of all principal sums, interest, costs, charges, expenses and other monies due or owing with respect to or apportioned to that Top-up Loan from time to time outstanding, or, as the context may require, the Borrower's and/or the Mortgagor's (as the case may be) obligations in respect of the same and shall include any Associated Debt purchased by the CBG but excluding any such Top-up Loan which is repurchased by the Seller or otherwise sold by the CBG and no longer beneficially owned by it;

**Top-up Receipts**

means all amounts received from a Borrower or a Mortgagor (as the case may be) in respect of a Top-up Loan (including any receipts of interest and principal and proceeds of enforcement of the relevant Mortgage allocable to such Top-up Loan);

**Transaction Account**

The account designated as such in the name of the CBG held with the Account Bank and maintained subject to the terms of the Bank Account Agreement and the Singapore Deed of Charge or such other account as may for the time being be in place with the prior consent of the Security Trustee and designated as such;

## Transaction Documents

- (a) Agency Agreement;
- (b) Ancillary Intercompany Loan Agreement;
- (c) Asset Monitor Agreement;
- (d) Bank Account Agreement;
- (e) Cash Management Agreement;
- (f) CBG Declaration of Trusts; Corporate Services Agreement;
- (g) Corporate Services Agreement;
- (h) each covered Bond Swap Agreement;
- (i) each Cover Pool Swap Agreement;
- (j) Dealer Agreement;
- (k) Declaration of Assets Trust;
- (l) English Security Deed;
- (m) Establishment Deed;
- (n) each Pricing Supplement (as applicable in the case of each issue of listed Covered Bonds subscribed pursuant to a subscription agreement);
- (o) Intercompany Loan Agreement;
- (p) Master Definitions Agreement;
- (q) Mortgage Sale Agreement;
- (r) Servicing Agreement;
- (s) Shares Declaration of Trust;
- (t) Singapore Deed of Charge (and any documents entered into pursuant to the Singapore Deed of Charge);
- (u) Subordinated Loan Agreement;
- (v) each Subscription Agreement (as applicable in the case of each issue of listed Covered Bonds subscribed agreement);
- (w) Trust Deed;

- (x) each document, agreement or indenture ancillary or supplemental to any of the documents specified in paragraphs (a) to (v) (inclusive) above; and
- (y) any other agreement or document from time to time designated as such by the issuer, the CBG, the Bond Trustee and the Security Trustee;

**Trust Assets**

The DOT Loans and their Related Security (and any related Top-up Loans) sold by the Seller to the CBG from time to time and which are subject to the Assets Trust, as identified in the Declaration of Assets Trust, and all such rights, estate, title interests, benefits and remedies in and to any monies currently owed or to be owed in the future by a Borrower and/or Mortgagor, all monies paid by any Borrower and/or Mortgagor from time to time for the purposes of discharging amounts owed, any receipts from the enforcement of any Related Security (and any related Top-up Loans) (including but not limited to the Seller's benefit in and to any rights to receive payments under any Insurance Policy), and the Seller's benefit in and to all Related Security and any rights relating to such DOT Loans (and any related Top-up Loans);

**Trust Deed**

The Trust Deed dated the Programme Date (as amended or supplemented as at the date of the issue Date) between the Issuer, the CBG, the Security Trustee and the Bond Trustee under which Covered Bonds will, on issue, be constituted and which sets out the terms and conditions on which the Bond Trustee has agreed to act as bond trustee and includes any trust deed or other document executed by the Issuer, the CBG, the Security Trustee and the Bond Trustee in accordance with the provisions of the Trust Deed and expressed to be supplemental to the Trust Deed;

**UCTA**

The Unfair Contract Terms Act, Chapter 396 of Singapore;

**Valuation**

In relation to any Property at any date, the value given to that Property by reference to either (a) the latest Valuation Report (if obtained) in respect of that Property, or (b) if no such Valuation Report has been obtained, such valuation of that Property as determined by the Seller or the Servicer in accordance with the Seller's Policy from time to time, or, if the Seller's Policy is no longer applicable, using a methodology which would be acceptable to a Reasonable, Prudent Mortgage Lender, provided that such value shall be adjusted at least quarterly to account for subsequent price adjustments using the Reference Indexed Valuation;

<b>Valuation Report</b>	The valuation report or reports for mortgage purposes, in the form of one of the pro-forma contained in the Standard Documentation, obtained by the Seller from a Valuer in respect of each Property or a valuation report in respect of a valuation made using a methodology which would be acceptable to a Reasonable, Prudent Mortgage Lender and which has been approved by the relevant officers or the Seller;
<b>Valuer</b>	An independent valuation company selected from the Seller's panel of approved valuers;
<b>VAT</b>	Within the European Union, such tax as may be levied in accordance with (but subject to derogations from) Directive 2006/112/EC and, outside the European Union, any taxation levied by reference to value added or sales or similar tax; and
<b>Written Resolution</b>	A resolution in writing signed by the holders of not less than 90 per cent. in nominal amount of the Covered Bonds outstanding.



*This page has been intentionally left blank.*

## **FINANCIAL INFORMATION**

UOB Group Financial Report for the Nine Months/Third Quarter 2015 .....	F-2
Consolidated Income Statement (Unaudited) .....	F-22
Consolidated Statement of Comprehensive Income (Unaudited) .....	F-23
Consolidated Balance Sheet (Unaudited) .....	F-24
Consolidated Statement of Changes in Equity (Unaudited) .....	F-25
Consolidated Cash Flow Statement (Unaudited) .....	F-27
UOB Group Financial Report for the Financial Year/Fourth Quarter 2014 .....	F-32
Consolidated Income Statement (Audited) .....	F-52
Consolidated Statement of Comprehensive Income (Audited) .....	F-53
Consolidated Balance Sheet (Audited) .....	F-54
Consolidated Statement of Changes in Equity (Audited) .....	F-55
Consolidated Cash Flow Statement (Audited) .....	F-57
Independent Auditor's Report .....	F-62

**GROUP FINANCIAL REPORT  
UNAUDITED FINANCIAL RESULTS FOR THE NINE MONTHS/  
THIRD QUARTER ENDED 30 SEPTEMBER 2015**



**Group Financial Report**  
**For the Nine Months/Third Quarter 2015**

**United Overseas Bank Limited**  
**Incorporated in the Republic of Singapore**



## **Contents**

### **Page**

2	Financial Highlights
4	Performance Review
6	Net Interest Income
8	Non-Interest Income
9	Operating Expenses
10	Allowances for Credit and Other Losses
11	Customer Loans
12	Non-Performing Assets
14	Customer Deposits
14	Debts Issued
15	Shareholders' Equity
15	Changes in Issued Shares of the Bank
16	Performance by Operating Segment
18	Performance by Geographical Segment
19	Capital Adequacy and Leverage Ratios

### **Appendix**

1	Consolidated Income Statement
2	Consolidated Statement of Comprehensive Income
3	Consolidated Balance Sheet
4	Consolidated Statement of Changes in Equity
5	Consolidated Cash Flow Statement
6	Balance Sheet of the Bank
7	Statement of Changes in Equity of the Bank
8	Capital Adequacy Ratios of Major Bank Subsidiaries

#### Notes:

- 1 The financial statements are presented in Singapore dollars.
  - 2 Certain comparative figures have been restated to conform with the current period's presentation.
  - 3 Certain figures in this report may not add up to the respective totals due to rounding.
  - 4 Amounts less than \$500,000 in absolute term are shown as "0".
- "NM" denotes not meaningful.  
"NA" denotes not applicable.

## Financial Highlights

	9M15	9M14	+ / (-) %	3Q15	3Q14	+ / (-) %	2Q15	+ / (-) %
<b>Selected income statement items (\$m)</b>								
Net interest income	3,649	3,389	7.7	1,235	1,155	6.9	1,213	1.8
Fee and commission income	1,403	1,299	8.0	485	475	2.1	465	4.2
Other non-interest income	915	919	(0.4)	365	341	7.1	248	47.0
Total income	5,967	5,607	6.4	2,085	1,971	5.8	1,927	8.2
Less: Total expenses	2,633	2,341	12.4	904	800	13.0	877	3.1
Operating profit	3,334	3,266	2.1	1,181	1,171	0.8	1,050	12.5
Less: Total allowances	481	469	2.6	160	162	(1.4)	152	5.0
Add: Share of profit of associates and joint ventures	72	106	(32.2)	28	37	(24.5)	40	(30.2)
Net profit before tax	2,925	2,903	0.8	1,049	1,046	0.3	938	11.9
Less: Tax and non-controlling interests	504	440	14.6	191	180	6.4	176	8.8
Net profit after tax <sup>1</sup>	2,421	2,463	(1.7)	858	866	(1.0)	762	12.6

## Selected balance sheet items (\$m)

Net customer loans	199,587	192,584	3.6	199,587	192,584	3.6	198,798	0.4
Customer deposits	244,630	224,365	9.0	244,630	224,365	9.0	241,485	1.3
Total assets	323,357	302,710	6.8	323,357	302,710	6.8	310,077	4.3
Shareholders' equity <sup>1</sup>	30,206	28,611	5.6	30,206	28,611	5.6	30,548	(1.1)

## Key financial ratios (%)

Net interest margin <sup>2</sup>	1.77	1.72		1.77	1.71		1.77	
Non-interest income/Total income	38.8	39.6		40.8	41.4		37.0	
Expense/Income ratio	44.1	41.8		43.4	40.6		45.5	
Overseas profit before tax contribution	39.7	37.6		38.5	36.6		40.2	
Loan charge off rate (bp) <sup>2</sup>								
Exclude general allowances	18	11		11	15		31	
Include general allowances	32	32		32	32		32	
NPL ratio <sup>3</sup>	1.3	1.2		1.3	1.2		1.2	

### Notes:

1 Relate to amount attributable to equity holders of the Bank.

2 Computed on an annualised basis.

3 Refer to non-performing loans as a percentage of gross customer loans.

**Financial Highlights (cont'd)**

	9M15	9M14	3Q15	3Q14	2Q15
<b>Key financial ratios (%) (cont'd)</b>					
Return on average total assets <sup>1</sup>	<b>1.04</b>	1.12	<b>1.09</b>	1.16	0.98
Return on average ordinary shareholders' equity <sup>1,2</sup>	<b>11.1</b>	12.6	<b>11.8</b>	12.9	10.4
Loan/Deposit ratio <sup>3</sup>	<b>81.6</b>	85.8	<b>81.6</b>	85.8	82.3
Capital adequacy ratios					
Common Equity Tier 1	<b>13.6</b>	14.0	<b>13.6</b>	14.0	14.0
Tier 1	<b>13.6</b>	14.0	<b>13.6</b>	14.0	14.0
Total	<b>16.4</b>	17.0	<b>16.4</b>	17.0	16.8
Liquidity coverage ratios ("LCR") <sup>4</sup>					
All-currency	<b>134</b>	NA	<b>134</b>	NA	142
Singapore dollar	<b>186</b>	NA	<b>186</b>	NA	166
Leverage ratio <sup>5</sup>	<b>7.2</b>	NA	<b>7.2</b>	NA	7.6
Earnings per ordinary share (\$) <sup>1,2</sup>					
Basic	<b>1.95</b>	2.00	<b>2.07</b>	2.10	1.84
Diluted	<b>1.94</b>	2.00	<b>2.07</b>	2.09	1.83
Net asset value ("NAV") per ordinary share (\$) <sup>6</sup>	<b>17.49</b>	16.51	<b>17.49</b>	16.51	17.71
Revalued NAV per ordinary share (\$) <sup>6</sup>	<b>20.13</b>	19.12	<b>20.13</b>	19.12	20.34

**Notes:**

1 Computed on an annualised basis.

2 Calculated based on profit attributable to equity holders of the Bank net of preference share dividend and capital securities distributions.

3 Refer to net customer loans and customer deposits.

4 LCR are calculated based on MAS Notice 649. A minimum requirement of Singapore dollar LCR of 100% and all-currency LCR of 60% shall be maintained at all times with effect from 1 January 2015, with the all-currency LCR increasing by 10% each year to 100% by 2019.

5 Leverage ratio is calculated based on the revised MAS Notice 637 which took effect from 1 January 2015. A minimum requirement of 3% is applied during the parallel run period from 1 January 2013 to 1 January 2017.

6 Preference shares and capital securities are excluded from the computation.

## **Performance Review**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Singapore Companies Act, with modification to FRS39 Financial Instruments: Recognition and Measurement in respect of loan loss provisioning, as provided in the Monetary Authority of Singapore ("MAS") Notice 612 Credit Files, Grading and Provisioning.

The revised FRS applicable to the Group with effect from 1 January 2015 is listed below. The adoption of the FRS has no significant impact on the financial statements of the Group.

- Amendments to FRS19 – Defined Benefit Plans: Employee Contributions

Other than the above change, the accounting policies and computation methods adopted in the financial statements for the nine months of 2015 are the same as those adopted in the audited financial statements for the financial year ended 31 December 2014.

## **Nine months 2015 ("9M15") performance**

### **9M15 versus 9M14**

The Group reported a net profit after tax of \$2.42 billion for 9M15, a marginal decline of 1.7% from a year ago as prior year results included a higher write-back of tax provisions. Total income rose 6.4% to \$5.97 billion on the back of steady core income growth and higher treasury income.

Net interest income rose 7.7% to \$3.65 billion, driven by healthy loan growth and improved net interest margin. Net interest margin increased 5 basis points to 1.77%, largely from improved loan yields on rising interest rates in Singapore.

Non-interest income grew 4.5% to \$2.32 billion in 9M15. Fee and commission income rose 8.0% to \$1.40 billion across most fee categories. Trading and investment income increased 5.2% to \$691 million on higher gains on sale of securities as well as healthy growth in treasury customer income.

Total expenses increased 12.4% to \$2.63 billion mainly due to higher staff costs, revenue and IT-related expenses as the Group continued to invest in people capabilities and technology. This was also partly due to an expense of \$28 million incurred on a brand campaign and employee incentives to celebrate both UOB's 80<sup>th</sup> anniversary ("UOB80") and Singapore's Golden Jubilee ("SG50"). Expense-to-income ratio was 44.1%, or 43.7% after excluding the one-off expense.

Total allowances increased 2.6% year-on-year to \$481 million, while total loan charge-off rate was stable at 32 basis points. Specific allowances on loans increased 67.1% to \$277 million mainly from a few large NPL accounts in Singapore, Indonesia and Greater China. The increase was partially offset by a decline in general allowances.

Contribution from associates' profits was \$72 million in 9M15, 32.2% lower from \$106 million in 9M14 due to divestment gain in the prior period.

Tax expense increased 15.9% to \$495 million mainly due to a lower tax write-back of prior years' provision.

## **Third quarter 2015 ("3Q15") performance**

### **3Q15 versus 3Q14**

The Group's net earnings for 3Q15 decreased marginally by 1.0% to \$858 million when compared with 3Q14. Total income was 5.8% higher at \$2.09 billion, led by strong core income and one-off gains from sale of investment securities.

Net interest income grew 6.9% to \$1.24 billion in 3Q15. Net interest margin increased 6 basis points to 1.77%, contributed mainly by improved loan yields as the loan portfolio re-priced on rising interbank and swap offer rates.

Fee and commission income grew 2.1% to \$485 million, on higher contributions from credit card and wealth management income. Trading and investment income surged 20.6% to \$310 million due to one-off gains from the sale of investment securities, but partly offset by lower net trading income. Consequently, non-interest income for 3Q15 increased 4.2% to \$850 million.

Total expenses increased 13.0% to \$904 million mainly on higher headcount and increased business volumes in support of franchise growth. Expense-to-income ratio was 43.4% in 3Q15.

Total allowances were flat at \$160 million.

---

**Performance Review (cont'd)****3Q15 versus 2Q15**

Compared with 2Q15, net earnings was 12.6% higher on the back of strong income growth of 8.2%. The stronger income growth was boosted by increase in net interest income, higher loan-related fee income, coupled with one-off gains from the sale of investment securities.

Net interest income grew 1.8% from the previous quarter to \$1.24 billion, while net interest margin remained flat at 1.77%.

Fee and commission income registered an increase of 4.2%, contributed largely by loan-related fee income. Trading and investment income improved to \$310 million due to one-off gains from the sale of investment securities and stronger net trading income.

Total expenses increased 3.1% to \$904 million mainly due to UOB80 and SG50 commemorative events as well as the brand campaign.

Total allowances increased 5.0% to \$160 million in 3Q15 on higher general allowances set aside for loans. However, specific allowances on loans declined 64.9% to \$56 million due to loan recoveries and lower NPL.

**Balance sheet and capital position**

Gross loans grew 3.7% from a year ago and 0.4% quarter-on-quarter to \$203 billion as at 30 September 2015. In constant currency terms, the underlying loan growth was 5.5% when compared to the same period last year.

The Group's liquidity position remained robust. Customer deposits rose 9.0% from a year ago and 1.3% over 2Q15 to \$245 billion as at 30 September 2015, led mainly by growth in Singapore dollar deposits. The Group's loan-to-deposit ratio was 81.6% with deposit growth outpacing loan growth in the quarter. The Singapore dollar and all-currency liquidity coverage ratios were 186% and 134% respectively, well above the regulatory requirements of 100% and 60%.

Asset quality stayed resilient with a NPL ratio of 1.3% as at 30 September 2015. NPL coverage remained strong at 142.7% and 345.4% if collateral was considered.

Shareholders' equity increased 5.6% from a year ago to \$30.2 billion as at 30 September 2015, largely contributed by net profits and improved valuations on available-for-sale investments. Compared with 2Q15, shareholders' equity decreased 1.1% mainly due to lower revaluation gain on available-for-sale investments. Return on equity was 11.1% for 9M15.

As at 30 September 2015, the Group's strong capital position remained well above the MAS minimum requirements with Common Equity Tier 1 and Total CAR at 13.6% and 16.4% respectively. The Group's leverage ratio stood at 7.2% as at 30 September 2015, well above the minimum requirement of 3%.



## Net Interest Income

### Net interest margin

	9M15			9M14		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	\$m	\$m	%	\$m	\$m	%
<b>Interest bearing assets</b>						
Customer loans	199,294	4,928	3.31	189,167	4,361	3.08
Interbank balances	52,133	468	1.20	47,265	515	1.46
Securities	24,941	396	2.12	27,578	441	2.14
<b>Total</b>	<b>276,369</b>	<b>5,792</b>	<b>2.80</b>	<b>264,010</b>	<b>5,316</b>	<b>2.69</b>
<b>Interest bearing liabilities</b>						
Customer deposits	238,207	1,898	1.07	213,939	1,637	1.02
Interbank balances/others	29,833	245	1.10	41,558	290	0.93
<b>Total</b>	<b>268,040</b>	<b>2,143</b>	<b>1.07</b>	<b>255,497</b>	<b>1,927</b>	<b>1.01</b>
<b>Net interest margin <sup>1</sup></b>			<b>1.77</b>			<b>1.72</b>

	3Q15			3Q14			2Q15		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	\$m	\$m	%	\$m	\$m	%	\$m	\$m	%
<b>Interest bearing assets</b>									
Customer loans	200,479	1,677	3.32	193,378	1,505	3.09	198,925	1,654	3.34
Interbank balances	51,880	151	1.15	47,349	160	1.34	51,241	154	1.20
Securities	24,555	123	1.99	27,193	146	2.14	24,523	130	2.13
<b>Total</b>	<b>276,914</b>	<b>1,951</b>	<b>2.80</b>	<b>267,919</b>	<b>1,811</b>	<b>2.68</b>	<b>274,688</b>	<b>1,938</b>	<b>2.83</b>
<b>Interest bearing liabilities</b>									
Customer deposits	239,231	633	1.05	215,613	560	1.03	239,967	647	1.08
Interbank balances/others	29,338	83	1.13	43,097	96	0.88	27,088	78	1.16
<b>Total</b>	<b>268,569</b>	<b>716</b>	<b>1.06</b>	<b>258,710</b>	<b>655</b>	<b>1.01</b>	<b>267,055</b>	<b>726</b>	<b>1.09</b>
<b>Net interest margin <sup>1</sup></b>			<b>1.77</b>			<b>1.71</b>			<b>1.77</b>

Note:

<sup>1</sup> Net interest margin represents annualised net interest income as a percentage of total interest bearing assets.

## Net Interest Income (cont'd)

### Volume and rate analysis

	9M15 vs 9M14			3Q15 vs 3Q14			3Q15 vs 2Q15		
	Volume change	Rate change	Net change	Volume change	Rate change	Net change	Volume change	Rate change	Net change
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Interest income</b>									
Customer loans	233	334	567	55	117	173	13	(8)	5
Interbank balances	53	(100)	(47)	15	(24)	(9)	2	(7)	(5)
Securities	(42)	(2)	(45)	(14)	(9)	(23)	0	(9)	(9)
<b>Total</b>	<b>244</b>	<b>231</b>	<b>476</b>	<b>56</b>	<b>84</b>	<b>140</b>	<b>15</b>	<b>(24)</b>	<b>(9)</b>
<b>Interest expense</b>									
Customer deposits	186	76	262	61	12	73	(2)	(19)	(21)
Interbank balances/others	(81)	35	(45)	(30)	18	(12)	6	(2)	4
<b>Total</b>	<b>105</b>	<b>111</b>	<b>216</b>	<b>31</b>	<b>30</b>	<b>61</b>	<b>4</b>	<b>(21)</b>	<b>(17)</b>
Change in number of days	-	-	-	-	-	-	-	-	13
<b>Net interest income</b>	<b>140</b>	<b>120</b>	<b>260</b>	<b>25</b>	<b>54</b>	<b>80</b>	<b>11</b>	<b>(2)</b>	<b>22</b>

Net interest income rose 7.7% from a year ago to \$3.65 billion in 9M15, led by a larger loan base and improved net interest margin. Net interest margin improved 5 basis points to 1.77%, benefiting from loan repricing on rising interest rates in Singapore.

Net interest income grew 6.9% over 3Q14 and 1.8% quarter-on-quarter to \$1.24 billion in 3Q15. Net interest margin increased 6 basis points to 1.77% in 3Q15 from a year ago while it remained flat when compared with 2Q15. The improvement in the net interest margin over 3Q14 was due to improved loan yields as the loan portfolio continued to re-price on rising interbank and swap offer rates.

### Non-Interest Income

	9M15	9M14	+ / (-)	3Q15	3Q14	+ / (-)	2Q15	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
<b>Fee and commission income</b>								
Credit card	254	205	24.1	87	72	21.0	86	1.2
Fund management	126	115	8.9	43	46	(7.1)	45	(5.2)
Wealth management	321	289	11.2	104	100	4.4	108	(3.5)
Loan-related <sup>1</sup>	363	362	0.3	136	146	(7.2)	111	21.8
Service charges	87	81	7.3	30	28	6.8	29	1.0
Trade-related	194	204	(4.8)	64	70	(7.5)	66	(2.2)
Others	58	43	35.2	22	14	52.5	20	6.8
	<b>1,403</b>	<b>1,299</b>	<b>8.0</b>	<b>485</b>	<b>475</b>	<b>2.1</b>	<b>465</b>	<b>4.2</b>
<b>Other non-interest income</b>								
Net trading income	430	480	(10.5)	163	222	(26.5)	114	42.7
Net gain/(loss) from investment securities	261	177	47.8	148	36	>100.0	42	>100.0
Dividend income	33	45	(27.3)	5	14	(67.0)	27	(82.7)
Rental income	88	87	0.8	29	28	4.6	29	(1.2)
Other income	103	130	(20.5)	21	41	(49.3)	36	(41.4)
	<b>915</b>	<b>919</b>	<b>(0.4)</b>	<b>365</b>	<b>341</b>	<b>7.1</b>	<b>248</b>	<b>47.0</b>
<b>Total</b>	<b>2,318</b>	<b>2,218</b>	<b>4.5</b>	<b>850</b>	<b>816</b>	<b>4.2</b>	<b>714</b>	<b>19.1</b>

Fee and commission income rose 8.0% from a year ago to \$1.40 billion with broad-based growth across most businesses. Trading and investment income increased 5.2% year-on-year to \$691 million, driven by higher gains on sale of securities and healthy growth in treasury customer income. Consequently, non-interest income grew 4.5% to \$2.32 billion.

Non-interest income for 3Q15 was recorded at \$850 million, 4.2% and 19.1% higher when compared with 3Q14 and 2Q15 respectively. The increase was backed by one-off gains on sale of investment securities and higher fee income.

Note:

<sup>1</sup> Loan-related fees include fees earned from corporate finance activities.

### Operating Expenses

	9M15	9M14	+ / (-)	3Q15	3Q14	+ / (-)	2Q15	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
<b>Staff costs</b>	<b>1,542</b>	1,371	12.4	<b>528</b>	461	14.6	517	2.1
<b>Other operating expenses</b>								
Revenue-related	550	498	10.6	195	175	10.9	177	10.1
Occupancy-related	231	222	4.1	79	75	4.5	77	2.0
IT-related	183	137	33.3	60	48	24.6	60	(0.1)
Others	127	113	12.0	42	40	6.7	45	(6.1)
	<b>1,091</b>	970	12.5	<b>376</b>	339	11.0	359	4.6
<b>Total</b>	<b>2,633</b>	2,341	12.4	<b>904</b>	800	13.0	877	3.1
Of which,								
Depreciation of assets	135	108	24.4	46	37	23.2	45	1.9
Manpower (number)	<b>25,129</b>	24,821	308	<b>25,129</b>	24,821	308	25,134	(5)

Total expenses increased 12.4% year-on-year to \$2.63 billion in 9M15 on higher staff costs, revenue and IT-related expenses. This was also partly due to an expense of \$28 million incurred on a brand campaign and employee incentives to celebrate both UOB's 80th anniversary ("UOB80") and Singapore's Golden Jubilee ("SG50"). Expense-to-income ratio was 44.1%, or 43.7% if the one-off expense is excluded.

Total expenses increased 13.0% over 3Q14 to \$904 million mainly on higher staff costs and revenue-related expenses. Compared with 2Q15, total expenses increased 3.1% mainly due to the UOB80 and SG50 commemorative events as well as the brand campaign.

### Allowances for credit and other losses

	<b>9M15</b>	9M14	+ / (-)	<b>3Q15</b>	3Q14	+ / (-)	2Q15	+ / (-)
	<b>\$m</b>	\$m	%	<b>\$m</b>	\$m	%	\$m	%
<b>Specific allowances on loans <sup>1</sup></b>								
Singapore	<b>68</b>	19	>100.0	<b>15</b>	6	>100.0	38	(62.0)
Malaysia	<b>26</b>	17	56.4	<b>5</b>	5	(9.8)	8	(45.1)
Thailand	<b>62</b>	57	8.9	<b>25</b>	22	15.2	18	39.3
Indonesia	<b>108</b>	52	>100.0	<b>28</b>	28	0.3	68	(59.1)
Greater China <sup>2</sup>	<b>21</b>	2	>100.0	<b>5</b>	(2)	>100.0	16	(66.9)
Others	<b>(9)</b>	20	(>100.0)	<b>(21)</b>	15	(>100.0)	11	(>100.0)
	<b>277</b>	166	67.1	<b>56</b>	75	(24.9)	160	(64.9)
<b>Specific allowances on securities and others</b>	<b>47</b>	49	(4.0)	<b>(3)</b>	16	(>100.0)	16	(>100.0)
<b>General allowances</b>	<b>158</b>	255	(38.0)	<b>107</b>	72	49.3	(23)	>100.0
<b>Total</b>	<b>481</b>	469	2.6	<b>160</b>	162	(1.4)	152	5.0

Total allowances increased 2.6% from a year ago to \$481 million in 9M15 with total loan charge-off rate stable at 32 basis points. Specific allowances on loans were higher at \$277 million mainly from a few large NPL accounts in Singapore, Indonesia and Greater China. The increase was partially offset by a decline in general allowances.

Total allowances for 3Q15 were \$160 million, 5.0% higher over 2Q15, but was flat when compared to 3Q14. Compared with 2Q15, specific allowances on loans were lower due to loan recoveries and lower NPL. General allowances stood higher at \$107 million as compared to the comparative quarters.

Notes:

1 Specific allowances on loans by geography is classified according to where credit risks reside, largely represented by the borrower's country of incorporation/operation (for non-individuals) and residence (for individuals).

2 Comprise China, Hong Kong and Taiwan.

## Customer Loans

	Sep-15	Jun-15	Dec-14	Sep-14
	\$m	\$m	\$m	\$m
Gross customer loans	<b>203,228</b>	202,406	199,343	195,943
Less: Specific allowances	<b>712</b>	747	657	659
General allowances	<b>2,928</b>	2,862	2,783	2,701
Net customer loans	<b>199,587</b>	198,798	195,903	192,584
<b>By industry <sup>1</sup></b>				
Transport, storage and communication	<b>9,943</b>	9,590	10,014	8,963
Building and construction	<b>43,616</b>	40,648	38,672	37,710
Manufacturing	<b>15,622</b>	17,164	17,139	17,080
Financial institutions	<b>14,088</b>	15,834	16,039	16,987
General commerce	<b>29,369</b>	27,550	27,119	26,782
Professionals and private individuals	<b>25,533</b>	25,829	26,008	25,530
Housing loans	<b>54,915</b>	55,295	54,711	53,755
Others	<b>10,143</b>	10,497	9,641	9,137
Total (gross)	<b>203,228</b>	202,406	199,343	195,943
<b>By currency</b>				
Singapore dollar	<b>106,611</b>	107,614	106,785	106,517
US dollar	<b>35,776</b>	33,568	33,471	31,653
Malaysian ringgit	<b>21,383</b>	23,352	24,364	24,860
Thai baht	<b>10,594</b>	10,501	10,155	9,757
Indonesian rupiah	<b>4,586</b>	4,567	4,777	4,613
Others	<b>24,278</b>	22,805	19,791	18,543
Total (gross)	<b>203,228</b>	202,406	199,343	195,943
<b>By maturity</b>				
Within 1 year	<b>72,404</b>	71,567	66,066	65,237
Over 1 year but within 3 years	<b>38,091</b>	37,200	39,220	38,661
Over 3 years but within 5 years	<b>23,892</b>	23,171	24,341	23,251
Over 5 years	<b>68,841</b>	70,469	69,715	68,794
Total (gross)	<b>203,228</b>	202,406	199,343	195,943
<b>By geography <sup>2</sup></b>				
Singapore	<b>114,260</b>	115,024	109,700	109,148
Malaysia	<b>23,658</b>	25,325	25,768	26,094
Thailand	<b>11,151</b>	11,003	10,836	10,456
Indonesia	<b>10,796</b>	10,829	11,100	10,673
Greater China	<b>25,064</b>	23,915	25,308	24,173
Others	<b>18,300</b>	16,310	16,631	15,400
Total (gross)	<b>203,228</b>	202,406	199,343	195,943

Gross customer loans rose 3.7% year-on-year to \$203 billion as at 30 September 2015 across most territories. In constant currency terms, the underlying loan growth was 5.5%. Compared with the previous quarter, gross customer loans registered a marginally growth of 0.4% mainly due to regional currency depreciation.

Loans from Singapore grew 4.7% from a year ago and were little changed over the previous quarter to \$114 billion as at 30 September 2015. Excluding currency effects, regional countries continued to contribute a strong growth year-on-year.

### Notes:

1 In 2Q15, some loans to investment holding companies were reclassified in order to more accurately align to Singapore Standard Industrial Classification (SSIC) guidelines. Prior period comparatives were restated accordingly.

2 Loans by geography is classified according to where credit risks reside, largely represented by the borrower's country of incorporation/operation (for non-individuals) and residence (for individuals).

### Non-Performing Assets

	Sep-15	Jun-15	Dec-14	Sep-14
	\$m	\$m	\$m	\$m
Loans ("NPL")	2,551	2,504	2,358	2,289
Debt securities and others	186	201	230	234
<b>Non-Performing Assets ("NPA")</b>	<b>2,737</b>	<b>2,705</b>	<b>2,588</b>	<b>2,523</b>

#### **By grading**

Substandard	1,956	1,853	1,855	1,832
Doubtful	146	204	197	143
Loss	635	648	536	548
<b>Total</b>	<b>2,737</b>	<b>2,705</b>	<b>2,588</b>	<b>2,523</b>

#### **By security coverage**

Secured	1,503	1,455	1,387	1,242
Unsecured	1,234	1,250	1,201	1,281
<b>Total</b>	<b>2,737</b>	<b>2,705</b>	<b>2,588</b>	<b>2,523</b>

#### **By ageing**

Current	457	416	536	521
Within 90 days	204	190	152	140
Over 90 to 180 days	347	475	319	432
Over 180 days	1,730	1,624	1,581	1,430
<b>Total</b>	<b>2,737</b>	<b>2,705</b>	<b>2,588</b>	<b>2,523</b>

#### **Total Allowances**

Specific	876	922	819	802
General	3,028	2,962	2,910	2,828
<b>Total</b>	<b>3,904</b>	<b>3,884</b>	<b>3,729</b>	<b>3,630</b>
As a % of NPA	142.6%	143.6%	144.1%	143.9%
As a % of unsecured NPA	316.4%	310.7%	310.5%	283.4%

	NPL	NPL	NPL	NPL	NPL	NPL	NPL
	ratio	ratio	ratio	ratio	ratio	ratio	ratio
	\$m	%	\$m	%	\$m	%	\$m
<b>NPL by industry</b> <sup>1</sup>							
Transport, storage and communication	825	8.3	773	8.1	714	7.1	699
Building and construction	244	0.6	223	0.5	226	0.6	145
Manufacturing	208	1.3	262	1.5	280	1.6	309
Financial institutions	103	0.7	112	0.7	109	0.7	105
General commerce	309	1.1	280	1.0	265	1.0	287
Professionals and private individuals	289	1.1	252	1.0	209	0.8	201
Housing loans	532	1.0	541	1.0	507	0.9	502
Others	41	0.4	61	0.6	48	0.5	41
<b>Total</b>	<b>2,551</b>	<b>1.3</b>	<b>2,504</b>	<b>1.2</b>	<b>2,358</b>	<b>1.2</b>	<b>2,289</b>

Note:

1 In 2Q15, some loans to investment holding companies were reclassified in order to more accurately align to Singapore Standard Industrial Classification (SSIC) guidelines. Prior period comparatives were restated accordingly.

**Non-Performing Assets (cont'd)**

NPL by geography <sup>1</sup>	NPL \$m	NPL ratio %	Total allowances	
			as a % of NPL %	as a % of unsecured NPL %
<b>Singapore</b>				
<b>Sep-15</b>	<b>1,046</b>	<b>0.9</b>	<b>233.2</b>	<b>715.2</b>
Jun-15	931	0.8	253.4	776.0
Dec-14	864	0.8	249.9	817.8
Sep-14	805	0.7	260.7	638.0
<b>Malaysia</b>				
<b>Sep-15</b>	<b>378</b>	<b>1.6</b>	<b>125.1</b>	<b>446.2</b>
Jun-15	423	1.7	117.7	433.0
Dec-14	386	1.5	135.0	505.8
Sep-14	400	1.5	128.5	417.9
<b>Thailand</b>				
<b>Sep-15</b>	<b>238</b>	<b>2.1</b>	<b>120.6</b>	<b>312.0</b>
Jun-15	289	2.6	114.9	235.5
Dec-14	267	2.5	121.3	241.8
Sep-14	259	2.5	117.0	238.6
<b>Indonesia</b>				
<b>Sep-15</b>	<b>372</b>	<b>3.4</b>	<b>47.0</b>	<b>121.5</b>
Jun-15	335	3.1	46.9	130.8
Dec-14	298	2.7	55.4	150.0
Sep-14	275	2.6	63.3	130.8
<b>Greater China</b>				
<b>Sep-15</b>	<b>166</b>	<b>0.7</b>	<b>99.4</b>	<b>161.8</b>
Jun-15	149	0.6	98.0	153.7
Dec-14	124	0.5	109.7	191.5
Sep-14	118	0.5	116.1	217.5
<b>Others</b>				
<b>Sep-15</b>	<b>351</b>	<b>1.9</b>	<b>28.8</b>	<b>37.5</b>
Jun-15	377	2.3	31.0	41.1
Dec-14	419	2.5	32.2	45.0
Sep-14	432	2.8	30.8	43.8
<b>Group NPL</b>				
<b>Sep-15</b>	<b>2,551</b>	<b>1.3</b>	<b>142.7</b>	<b>345.4</b>
Jun-15	2,504	1.2	144.1	340.5
Dec-14	2,358	1.2	145.9	350.3
Sep-14	2,289	1.2	146.8	311.4

The Group's asset quality remained resilient with the NPL ratio at 1.3%. NPL coverage stayed strong at 142.7% and 345.4% if collateral was considered.

Group NPL increased 11.4% from a year ago to \$2.55 billion, primarily due to a few large NPL accounts in Singapore, Indonesia and Greater China. Compared with 2Q15, NPL was 1.9% higher mainly due to corporate loans that were well collateralised with minimum specific allowances, partially offset by a few loan resolution.

The Group continued to maintain strong general allowances coverage ratio of 1.4% on the loan portfolio.

Note:

1 Non-performing loans by geography is classified according to where credit risks reside, largely represented by the borrower's country of incorporation/operation (for non-individuals) and residence (for individuals).



### Customer Deposits

	<b>Sep-15</b>	Jun-15	Dec-14	Sep-14
	<b>\$m</b>	\$m	\$m	\$m
<b>By product</b>				
Fixed deposits	<b>134,536</b>	133,995	129,787	126,144
Savings deposits	<b>54,340</b>	53,765	51,654	51,090
Current accounts	<b>48,582</b>	46,970	45,482	40,934
Others	<b>7,172</b>	6,755	6,827	6,196
<b>Total</b>	<b>244,630</b>	241,485	233,750	224,365
<b>By maturity</b>				
Within 1 year	<b>237,822</b>	234,455	226,593	214,410
Over 1 year but within 3 years	<b>4,908</b>	5,380	5,521	8,400
Over 3 years but within 5 years	<b>603</b>	508	646	582
Over 5 years	<b>1,297</b>	1,142	989	973
<b>Total</b>	<b>244,630</b>	241,485	233,750	224,365
<b>By currency</b>				
Singapore dollar	<b>118,000</b>	114,691	112,608	111,018
US dollar	<b>59,269</b>	60,590	49,068	44,518
Malaysian ringgit	<b>23,627</b>	26,047	27,199	27,410
Thai baht	<b>10,967</b>	10,655	10,970	10,193
Indonesian rupiah	<b>4,756</b>	4,718	4,822	4,421
Others	<b>28,011</b>	24,784	29,082	26,805
<b>Total</b>	<b>244,630</b>	241,485	233,750	224,365
Group Loan/Deposit ratio (%)	<b>81.6</b>	82.3	83.8	85.8
Singapore dollar Loan/Deposit ratio (%)	<b>88.4</b>	91.9	93.0	94.1
US dollar Loan/Deposit ratio (%)	<b>59.8</b>	54.9	67.7	70.6

Customer deposits grew 9.0% from a year ago to \$245 billion, mainly contributed by Singapore dollar and US dollar deposits. Compared with 2Q15, customer deposits increased 1.3% mainly from current and savings account deposits.

As at 30 September 2015, Group's loan-to-deposit ratio and Singapore dollar loan-to-deposit ratio remained healthy at 81.6% and 88.4% respectively.

### Debts Issued (Unsecured)

	<b>Sep-15</b>	Jun-15	Dec-14	Sep-14
	<b>\$m</b>	\$m	\$m	\$m
Subordinated debts	<b>4,903</b>	4,834	4,640	4,578
Commercial papers	<b>8,851</b>	6,609	10,502	12,704
Fixed and floating rate notes	<b>3,795</b>	3,593	4,211	4,122
Others	<b>2,300</b>	1,799	1,601	1,600
<b>Total</b>	<b>19,849</b>	16,834	20,953	23,004
Due within 1 year	<b>11,325</b>	7,993	12,393	14,623
Due after 1 year	<b>8,524</b>	8,840	8,560	8,381
<b>Total</b>	<b>19,849</b>	16,834	20,953	23,004

### Shareholders' Equity

	<b>Sep-15</b>	Jun-15	Dec-14	Sep-14
	<b>\$m</b>	\$m	\$m	\$m
Shareholders' equity	<b>30,206</b>	30,548	29,569	28,611
Add: Revaluation surplus	<b>4,231</b>	4,220	4,224	4,183
Shareholders' equity including revaluation surplus	<b>34,436</b>	34,768	33,793	32,794

Shareholders' equity rose 5.6% from a year ago to \$30.2 billion as at 30 September 2015, largely led by higher net profits and improved valuations on the available-for-sale investments. Compared with 2Q15, shareholders' equity decreased 1.1% due to lower valuations gain on the available-for-sale investments.

As at 30 September 2015, revaluation surplus of \$4.23 billion relates to Group's properties, are not recognised in the financial statements.

### Changes in Issued Shares of the Bank

	<b>Number of shares</b>			
	<b>9M15</b>	9M14	<b>3Q15</b>	3Q14
	<b>'000</b>	'000	<b>'000</b>	'000
<b>Ordinary shares</b>				
Balance at beginning of period	<b>1,614,544</b>	1,590,494	<b>1,614,544</b>	1,614,544
Issue of shares under scrip dividend scheme	-	24,050	-	-
Balance at end of period	<b>1,614,544</b>	1,614,544	<b>1,614,544</b>	1,614,544
<b>Treasury shares</b>				
Balance at beginning of period	<b>(11,857)</b>	(14,069)	<b>(12,271)</b>	(13,363)
Share buyback - held in treasury	<b>(812)</b>	-	-	-
Issue of shares under share-based compensation plans	<b>412</b>	878	<b>14</b>	172
Balance at end of period	<b>(12,257)</b>	(13,191)	<b>(12,257)</b>	(13,191)
Ordinary shares net of treasury shares	<b>1,602,287</b>	1,601,353	<b>1,602,287</b>	1,601,353

## **Performance by Operating Segment**

The Group is organised to be segment-led across key markets. Global segment heads are responsible for driving business, with decision-making balanced with a geographical perspective. For internal management purposes, the following segments represent the key customer segments and business activities:

### **Group Retail ("GR")**

GR segment covers Consumer, Privilege, Business and Private Banking. Consumer Banking serves the individual customers, while Business Banking serves small enterprises with a wide range of products and services, including deposits, loans, investments, credit and debit cards and insurance products. Privilege Banking provides an extended range of financial services, including wealth management, and restricted products such as structured notes, funds of hedge funds, and insurance plans to the wealthy and affluent customers. Private Banking caters to the high net worth individuals and accredited investors, offering financial and portfolio planning, including investment management, asset management and estate planning.

Segment profit increased 9.9% to \$1.03 billion in 9M15, mainly driven by higher net interest income as well as higher non-interest income from wealth management and credit card products. The increase was partly offset by higher business volume-related operating expenses.

### **Group Wholesale Banking ("GWB")**

GWB segment encompasses Commercial Banking, Corporate Banking and Financial Institutions client segments as well as Transaction Banking, Structured Trade Commodities Finance, Investment Banking and Specialised Asset Finance. Commercial Banking serves medium and large enterprises, while Corporate Banking includes large local corporations, multi-national corporations and government-linked companies and agencies. Financial Institutions include bank and non-bank financial institutions, including insurance companies, fund managers and sovereign wealth funds. GWB provides customers with a broad range of products and services that include cash management and liquidity solutions; payments, current accounts, and deposit services; trade finance and structure finance solutions; working capital and term lending, and specialised asset finance. Investment Banking provides corporate finance services that include lead managing and underwriting equity offerings and corporate advisory M&A services. Debt Capital Markets specialises in solution-based structures to meet clients' financing requirements in structuring, underwriting and arranging syndicated loans for general corporate needs, leveraged buy-outs, project and structured finance, and underwriting and lead managing bond issues.

Segment profit grew 6.8% to \$1.77 billion in 9M15, contributed by higher net interest income and increased cross-sell income from global markets products and transaction banking. Revenue growth was partly offset by higher allowances and higher operating expenses. Increased operating expenses primarily resulted from the continued investment in product capabilities and hiring of new talents as the business expanded regionally.

### **Global Markets and Investment Management ("GMIM")**

GMIM segment provides a comprehensive range of global markets products and services, including foreign exchange, money market, fixed income, derivatives, margin trading, futures broking, precious metals products, as well as an array of structured products. It is a dominant player in Singapore dollar instruments as well as a provider of banknote services in the region. It also engages in asset management, proprietary investment activities and management of excess liquidity and capital funds. Income from global markets products and services offered to customers of other operating segments, such as Group Retail and Group Wholesale Banking, is reflected in the respective customer segments.

Segment profit decreased 34.5% to \$285 million in 9M15, mainly due to lower income from market making activities.

### **Others**

Others include property-related activities, insurance businesses and income and expenses not attributable to other operating segments mentioned above.

Other segment recorded a higher loss of \$157 million in 9M15, mainly due to lower share of associates' profit.

**Performance by Operating Segment** <sup>1,2</sup> (cont'd)

	GR	GWB	GMIM	Others	Elimination	Total
	\$m	\$m	\$m	\$m	\$m	\$m
<b>9M15</b>						
Operating income	2,488	2,490	622	500	(133)	5,967
Operating expenses	(1,330)	(548)	(348)	(540)	133	(2,633)
Allowances for credit and other losses	(129)	(174)	(1)	(177)	-	(481)
Share of profit of associates and joint ventures	-	-	12	60	-	72
Profit before tax	1,029	1,768	285	(157)	-	2,925
Tax						(495)
<b>Profit for the financial period</b>						<b>2,430</b>
<b>Segment assets</b>						
Segment assets	88,794	133,340	99,112	2,571	(5,699)	318,118
Intangible assets	1,319	2,090	660	69	-	4,138
Investment in associates and joint ventures	-	-	331	770	-	1,101
Total assets	90,113	135,430	100,103	3,410	(5,699)	323,357
<b>Segment liabilities</b>						
Segment liabilities	113,206	133,376	41,565	11,257	(6,410)	292,994
<b>Other information</b>						
Inter-segment operating income	342	(19)	(625)	435	(133)	-
Gross customer loans	88,652	114,551	16	9	-	203,228
Non-performing assets	903	1,739	16	79	-	2,737
Capital expenditure	19	15	16	475	-	525
Depreciation of assets	9	4	4	118	-	135
<b>9M14</b>						
Operating income	2,239	2,245	774	478	(129)	5,607
Operating expenses	(1,203)	(498)	(299)	(470)	129	(2,341)
Allowances for credit and other losses	(100)	(91)	(48)	(230)	-	(469)
Share of profit of associates and joint ventures	-	-	8	98	-	106
Profit before tax	936	1,656	435	(124)	-	2,903
Tax						(427)
<b>Profit for the financial period</b>						<b>2,476</b>
<b>Segment assets</b>						
Segment assets	87,189	127,382	83,903	2,260	(3,324)	297,410
Intangible assets	1,318	2,088	660	80	-	4,146
Investment in associates and joint ventures	-	-	316	838	-	1,154
Total assets	88,507	129,470	84,879	3,178	(3,324)	302,710
<b>Segment liabilities</b>						
Segment liabilities	106,850	95,603	67,088	8,319	(3,960)	273,900
<b>Other information</b>						
Inter-segment operating income	256	(265)	(286)	424	(129)	-
Gross customer loans	87,046	108,664	223	10	-	195,943
Non-performing assets	776	1,659	6	82	-	2,523
Capital expenditure	12	4	11	162	-	189
Depreciation of assets	7	3	3	95	-	108

Notes:

1 Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

2 Long Term Investment has been reclassified from Others to GMIM and prior period comparatives have been restated accordingly.

## Performance by Geographical Segment <sup>1</sup>

	9M15	9M14	3Q15	3Q14	2Q15
	\$m	\$m	\$m	\$m	\$m
<b>Total operating income</b>					
Singapore	3,441	3,290	1,219	1,156	1,102
Malaysia	758	771	251	275	246
Thailand	591	504	208	184	191
Indonesia	299	304	108	103	94
Greater China	524	445	184	140	170
Others	354	293	115	113	124
<b>Total</b>	<b>5,967</b>	<b>5,607</b>	<b>2,085</b>	<b>1,971</b>	<b>1,927</b>
<b>Profit before tax</b>					
Singapore	1,763	1,810	645	663	560
Malaysia	405	470	124	173	137
Thailand	144	120	51	47	43
Indonesia	46	55	25	16	10
Greater China	292	244	95	73	92
Others	276	204	108	76	95
<b>Total</b>	<b>2,925</b>	<b>2,903</b>	<b>1,049</b>	<b>1,046</b>	<b>938</b>

The Group's total operating income rose 6.4% over a year ago to \$5.97 billion in 9M15. Singapore grew 4.6% driven by strong net interest income and fees. Regional growth was higher at 7.3% largely led by Thailand and Greater China. At the pre-tax profit level, the Group increased 0.8% to \$2.93 billion in 9M15. Overseas contributed 39.7% of the Group's pre-tax profit due to core income growth.

Total operating income and pre-tax profit grew 8.2% and 11.9% respectively from the previous quarter, largely driven by gains on sale of investment securities and core income in Singapore. Compared with 3Q14, operating income of the Group was 5.8% higher, mainly from Singapore and Greater China. In terms of pre-tax profit, higher performance was seen across most territories except for Malaysia mainly due to currency depreciation.

	Sep-15	Jun-15	Dec-14	Sep-14
	\$m	\$m	\$m	\$m
<b>Total assets</b>				
Singapore	200,978	189,754	187,529	185,477
Malaysia	33,048	34,910	37,269	37,972
Thailand	16,111	16,245	15,915	15,165
Indonesia	7,795	8,039	8,143	7,712
Greater China	32,980	31,788	31,977	29,902
Others	28,308	25,198	21,754	22,336
	<b>319,219</b>	<b>305,934</b>	<b>302,587</b>	<b>298,563</b>
Intangible assets	4,138	4,143	4,149	4,146
<b>Total</b>	<b>323,357</b>	<b>310,077</b>	<b>306,736</b>	<b>302,710</b>

Note:

1 Based on the location where the transactions and assets are booked which approximates that based on the location of the customers and assets. Information is stated after elimination of inter-segment transactions.

## Capital Adequacy and Leverage Ratios <sup>1,2,3</sup>

	Sep-15	Jun-15	Dec-14	Sep-14
	\$m	\$m	\$m	\$m
Share capital	3,704	3,704	3,715	3,689
Disclosed reserves/others	24,207	24,544	23,590	22,661
Regulatory adjustments	(2,657)	(2,754)	(2,408)	(2,415)
<b>Common Equity Tier 1 Capital ("CET1")</b>	<b>25,254</b>	<b>25,494</b>	<b>24,897</b>	<b>23,935</b>
Preference shares/others	2,179	2,179	2,180	2,179
Regulatory adjustments - capped	(2,179)	(2,179)	(2,180)	(2,179)
<b>Additional Tier 1 Capital ("AT1")</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tier 1 Capital</b>	<b>25,254</b>	<b>25,494</b>	<b>24,897</b>	<b>23,935</b>
Subordinated notes	4,541	4,435	4,405	4,339
Provisions/others	942	928	918	878
Regulatory adjustments	(298)	(380)	(12)	(13)
<b>Tier 2 Capital</b>	<b>5,185</b>	<b>4,983</b>	<b>5,311</b>	<b>5,204</b>
<b>Eligible Total Capital</b>	<b>30,439</b>	<b>30,477</b>	<b>30,208</b>	<b>29,139</b>
<b>Risk-Weighted Assets ("RWA")</b>	<b>185,504</b>	<b>181,552</b>	<b>178,792</b>	<b>171,426</b>
<b>Capital Adequacy Ratios ("CAR")</b>				
CET1	13.6%	14.0%	13.9%	14.0%
Tier 1	13.6%	14.0%	13.9%	14.0%
Total	16.4%	16.8%	16.9%	17.0%
Proforma CET1 (based on final rules effective 1 Jan 2018)	12.2%	12.5%	12.6%	12.6%
<b>Leverage Exposure</b>	<b>349,217</b>	337,146	NA	NA
<b>Leverage Ratio</b>	<b>7.2%</b>	7.6%	NA	NA

The Group's CET1, Tier 1 and Total CAR as at 30 September 2015 were well above the regulatory minimum requirements.

Compared to a year ago, capital ratios were lower mainly attributed to higher RWA resulting from asset growth partially offset by higher retained earnings.

Compared with 30 June 2015, total eligible capital decreased by \$38 million to \$30.4 billion. Coupled with an increase in RWA arising mainly from loan growth, capital ratios as at 30 September 2015 were lower compared to the last quarter.

The Group's leverage ratio stood at 7.2% as at 30 September 2015. This was a decline from the previous quarter due to lower Tier 1 capital and increased sovereign exposures.

### Notes:

1 For year 2015, banks incorporated in Singapore are to maintain minimum CAR of CET1 at 6.5% (2014: 5.5%), Tier 1 at 8% (2014: 7%) and Total at 10%. By year 2019, including the capital conservation buffer of 2.5%, the minimum CAR will be CET1 at 9%, Tier 1 at 10.5% and Total at 12.5%.

2 Leverage ratio is calculated based on the revised MAS Notice 637 which took effect from 1 January 2015. A minimum requirement of 3% is applied during the parallel run period from 1 January 2013 to 1 January 2017.

3 More regulatory disclosure is available in the UOB website at [www.uobgroup.com/investor/financial/overview.html](http://www.uobgroup.com/investor/financial/overview.html).

**Consolidated Income Statement (Unaudited)**

	<b>9M15</b>	9M14	+ / (-)	<b>3Q15</b>	3Q14	+ / (-)	2Q15	+ / (-)
	<b>\$m</b>	\$m	%	<b>\$m</b>	\$m	%	\$m	%
Interest income	<b>5,792</b>	5,316	9.0	<b>1,951</b>	1,811	7.7	1,938	0.6
Less: Interest expense	<b>2,143</b>	1,927	11.2	<b>716</b>	655	9.3	726	(1.3)
<b>Net interest income</b>	<b>3,649</b>	3,389	7.7	<b>1,235</b>	1,155	6.9	1,213	1.8
Fee and commission income	<b>1,403</b>	1,299	8.0	<b>485</b>	475	2.1	465	4.2
Dividend income	<b>33</b>	45	(27.3)	<b>5</b>	14	(67.0)	27	(82.7)
Rental income	<b>88</b>	87	0.8	<b>29</b>	28	4.6	29	(1.2)
Net trading income	<b>430</b>	480	(10.5)	<b>163</b>	222	(26.5)	114	42.7
Net gain/(loss) from investment securities	<b>261</b>	177	47.8	<b>148</b>	36	>100.0	42	>100.0
Other income	<b>103</b>	130	(20.5)	<b>21</b>	41	(49.3)	36	(41.4)
<b>Non-interest income</b>	<b>2,318</b>	2,218	4.5	<b>850</b>	816	4.2	714	19.1
<b>Total operating income</b>	<b>5,967</b>	5,607	6.4	<b>2,085</b>	1,971	5.8	1,927	8.2
Less: Staff costs	<b>1,542</b>	1,371	12.4	<b>528</b>	461	14.6	517	2.1
Other operating expenses	<b>1,091</b>	970	12.5	<b>376</b>	339	11.0	359	4.6
<b>Total operating expenses</b>	<b>2,633</b>	2,341	12.4	<b>904</b>	800	13.0	877	3.1
<b>Operating profit before allowances</b>	<b>3,334</b>	3,266	2.1	<b>1,181</b>	1,171	0.8	1,050	12.5
Less: Allowances for credit and other losses	<b>481</b>	469	2.6	<b>160</b>	162	(1.4)	152	5.0
<b>Operating profit after allowances</b>	<b>2,853</b>	2,797	2.0	<b>1,021</b>	1,009	1.2	898	13.7
Share of profit of associates and joint ventures	<b>72</b>	106	(32.2)	<b>28</b>	37	(24.5)	40	(30.2)
<b>Profit before tax</b>	<b>2,925</b>	2,903	0.8	<b>1,049</b>	1,046	0.3	938	11.9
Less: Tax	<b>495</b>	427	15.9	<b>189</b>	176	6.9	173	8.9
<b>Profit for the financial period</b>	<b>2,430</b>	2,476	(1.9)	<b>860</b>	870	(1.1)	764	12.5
Attributable to:								
<b>Equity holders of the Bank</b>	<b>2,421</b>	2,463	(1.7)	<b>858</b>	866	(1.0)	762	12.6
Non-controlling interests	<b>9</b>	13	(28.6)	<b>3</b>	3	(18.3)	3	4.7
	<b>2,430</b>	2,476	(1.9)	<b>860</b>	870	(1.1)	764	12.5

**Consolidated Statement of Comprehensive Income (Unaudited)**

	<b>9M15</b>	9M14	+ / (-)	<b>3Q15</b>	3Q14	+ / (-)	2Q15	+ / (-)
	<b>\$m</b>	\$m	%	<b>\$m</b>	\$m	%	\$m	%
<b>Profit for the financial period</b>	<b>2,430</b>	2,476	(1.9)	<b>860</b>	870	(1.1)	764	12.5
Currency translation adjustments	<b>(376)</b>	60	(>100.0)	<b>(181)</b>	69	(>100.0)	(311)	42.0
Change in available-for-sale reserve								
Change in fair value	<b>365</b>	483	(24.4)	<b>(348)</b>	(90)	(>100.0)	243	(>100.0)
Transfer to income statement on disposal/impairment	<b>(228)</b>	(71)	(>100.0)	<b>(126)</b>	(24)	(>100.0)	(42)	(>100.0)
Tax relating to available-for-sale reserve	<b>1</b>	(6)	>100.0	<b>37</b>	24	56.1	(12)	>100.0
Change in share of other comprehensive income of associates and joint ventures	<b>3</b>	23	(84.9)	<b>0</b>	25	(98.8)	(3)	>100.0
Remeasurement of defined benefit obligation <sup>1</sup>	<b>(0)</b>	(0)	(29.5)	<b>-</b>	0	NM	(0)	NM
<b>Other comprehensive income for the financial period, net of tax</b>	<b>(235)</b>	489	(>100.0)	<b>(617)</b>	3	(>100.0)	(125)	(>100.0)
<b>Total comprehensive income for the financial period, net of tax</b>	<b>2,195</b>	2,965	(26.0)	<b>243</b>	873	(72.2)	640	(62.0)
Attributable to:								
<b>Equity holders of the Bank</b>	<b>2,193</b>	2,950	(25.6)	<b>248</b>	872	(71.6)	639	(61.2)
Non-controlling interests	<b>2</b>	15	(88.0)	<b>(5)</b>	1	(>100.0)	1	(>100.0)
	<b>2,195</b>	2,965	(26.0)	<b>243</b>	873	(72.2)	640	(62.0)

Note:

1 Refer to item that will not be reclassified subsequently to Income Statement.



**Consolidated Balance Sheet (Unaudited)**

	Sep-15 \$m	Jun-15 \$m	Dec-14 <sup>1</sup> \$m	Sep-14 \$m
<b>Equity</b>				
Share capital and other capital	5,882	5,881	5,892	5,866
Retained earnings	15,025	14,769	14,064	13,325
Other reserves	9,299	9,898	9,613	9,420
Equity attributable to equity holders of the Bank	<b>30,206</b>	30,548	29,569	28,611
Non-controlling interests	157	164	203	198
Total	<b>30,363</b>	30,712	29,772	28,809
<b>Liabilities</b>				
Deposits and balances of banks	14,884	10,958	11,226	15,467
Deposits and balances of customers	244,630	241,485	233,750	224,365
Bills and drafts payable	563	609	951	1,423
Other liabilities	13,069	9,480	10,084	9,641
Debts issued	19,849	16,834	20,953	23,004
Total	<b>292,994</b>	279,366	276,964	273,900
<b>Total equity and liabilities</b>	<b>323,357</b>	310,077	306,736	302,710
<b>Assets</b>				
Cash, balances and placements with central banks	44,733	38,741	35,083	34,226
Singapore Government treasury bills and securities	6,741	7,017	7,757	7,884
Other government treasury bills and securities	11,253	9,808	10,141	9,400
Trading securities	1,380	1,499	738	881
Placements and balances with banks	27,600	25,658	28,692	29,851
Loans to customers	199,587	198,798	195,903	192,584
Investment securities	10,356	11,003	11,440	11,443
Other assets	13,729	9,608	9,256	8,778
Investment in associates and joint ventures	1,101	1,079	1,189	1,154
Investment properties	1,285	1,279	960	960
Fixed assets	1,453	1,445	1,428	1,404
Intangible assets	4,138	4,143	4,149	4,146
Total	<b>323,357</b>	310,077	306,736	302,710
<b>Off-balance sheet items</b>				
Contingent liabilities	19,272	19,818	18,515	20,352
Financial derivatives	719,283	681,087	605,487	619,857
Commitments	105,150	99,093	99,593	92,688
<b>Net asset value per ordinary share (\$)</b>	<b>17.49</b>	17.71	17.09	16.51

Note:

1 Audited.

**Consolidated Statement of Changes in Equity (Unaudited)**

	<b>Attributable to equity holders of the Bank</b>					<b>Total equity</b>
	<b>Share capital and other capital</b>	<b>Retained earnings</b>	<b>Other reserves</b>	<b>Total</b>	<b>Non-controlling interests</b>	
	\$m	\$m	\$m	\$m	\$m	
Balance at 1 January 2015	5,892	14,064	9,613	29,569	203	29,772
Profit for the financial period	-	2,421	-	2,421	9	2,430
Other comprehensive income for the financial period	-	(0)	(227)	(227)	(8)	(235)
Total comprehensive income for the financial period	-	2,421	(227)	2,193	2	2,195
Transfers	-	75	(75)	-	-	-
Change in non-controlling interests	-	-	(33)	(33)	(41)	(75)
Dividends	-	(1,534)	-	(1,534)	(6)	(1,540)
Share buyback - held in treasury	(19)	-	-	(19)	-	(19)
Share-based compensation	-	-	29	29	-	29
Issue of shares under share-based compensation plans	8	-	(8)	-	-	-
Balance at 30 September 2015	<b>5,882</b>	<b>15,025</b>	<b>9,299</b>	<b>30,206</b>	<b>157</b>	<b>30,363</b>
Balance at 1 January 2014	5,333	12,003	9,053	26,388	189	26,577
Profit for the financial period	-	2,463	-	2,463	13	2,476
Other comprehensive income for the financial period	-	(0)	487	487	2	489
Total comprehensive income for the financial period	-	2,463	487	2,950	15	2,965
Transfers	-	126	(126)	-	-	-
Change in non-controlling interests	-	-	1	1	(1)	1
Dividends	-	(1,267)	-	(1,267)	(6)	(1,272)
Issue of shares under scrip dividend scheme	517	-	-	517	-	517
Share-based compensation	-	-	22	22	-	22
Issue of shares under share-based compensation plans	17	-	(17)	-	-	-
Balance at 30 September 2014	<b>5,866</b>	<b>13,325</b>	<b>9,420</b>	<b>28,611</b>	<b>198</b>	<b>28,809</b>

**Consolidated Statement of Changes in Equity (Unaudited)**

	<b>Attributable to equity holders of the Bank</b>					<b>Total equity</b>
	<b>Share capital and other capital</b>	<b>Retained earnings</b>	<b>Other reserves</b>	<b>Total</b>	<b>Non-controlling interests</b>	
	\$m	\$m	\$m	\$m	\$m	
Balance at 1 July 2015	5,881	14,769	9,898	30,548	164	30,712
Profit for the financial period	-	858	-	858	3	860
Other comprehensive income for the financial period	-	-	(610)	(610)	(7)	(617)
Total comprehensive income for the financial period	-	858	(610)	248	(5)	243
Dividends	-	(601)	-	(601)	(2)	(603)
Share-based compensation	-	-	11	11	-	11
Issue of shares under share-based compensation plans	0	-	(0)	-	-	-
Balance at 30 September 2015	<b>5,882</b>	<b>15,025</b>	<b>9,299</b>	<b>30,206</b>	<b>157</b>	<b>30,363</b>
Balance at 1 July 2014	5,863	12,813	9,416	28,091	198	28,289
Profit for the financial period	-	866	-	866	3	870
Other comprehensive income for the financial period	-	0	5	5	(2)	3
Total comprehensive income for the financial period	-	866	5	872	1	873
Transfers	-	5	(6)	(1)	1	-
Change in non-controlling interests	-	-	1	1	(1)	0
Dividends	-	(359)	-	(359)	(1)	(360)
Share-based compensation	-	-	7	7	-	7
Issue of shares under share-based compensation plans	3	-	(3)	-	-	-
Balance at 30 September 2014	<b>5,866</b>	<b>13,325</b>	<b>9,420</b>	<b>28,611</b>	<b>198</b>	<b>28,809</b>

**Consolidated Cash Flow Statement (Unaudited)**

	<b>9M15</b>	9M14	<b>3Q15</b>	3Q14
	<b>\$m</b>	\$m	<b>\$m</b>	\$m
<b>Cash flows from operating activities</b>				
Profit for the financial period	<b>2,430</b>	2,476	<b>860</b>	870
Adjustments for:				
Allowances for credit and other losses	<b>481</b>	469	<b>160</b>	162
Share of profit of associates and joint ventures	<b>(72)</b>	(106)	<b>(28)</b>	(37)
Tax	<b>495</b>	427	<b>189</b>	176
Depreciation of assets	<b>135</b>	108	<b>46</b>	37
Net gain on disposal of assets	<b>(283)</b>	(221)	<b>(135)</b>	(54)
Share-based compensation	<b>30</b>	23	<b>12</b>	7
Operating profit before working capital changes	<b>3,216</b>	3,176	<b>1,103</b>	1,162
Increase/(decrease) in working capital				
Deposits and balances of banks	<b>3,657</b>	1,761	<b>3,926</b>	(2,894)
Deposits and balances of customers	<b>10,881</b>	9,817	<b>3,145</b>	8,237
Bills and drafts payable	<b>(388)</b>	388	<b>(46)</b>	(275)
Other liabilities	<b>2,932</b>	385	<b>3,591</b>	1,273
Restricted balances with central banks	<b>376</b>	(64)	<b>305</b>	102
Government treasury bills and securities	<b>(74)</b>	324	<b>(1,167)</b>	1,828
Trading securities	<b>(639)</b>	(237)	<b>117</b>	25
Placements and balances with banks	<b>1,092</b>	1,561	<b>(1,942)</b>	606
Loans to customers	<b>(4,174)</b>	(14,192)	<b>(953)</b>	(3,048)
Investment securities	<b>1,479</b>	985	<b>311</b>	338
Other assets	<b>(4,442)</b>	435	<b>(4,101)</b>	(776)
Cash generated from operations	<b>13,915</b>	4,337	<b>4,287</b>	6,578
Income tax paid	<b>(457)</b>	(490)	<b>(163)</b>	(197)
Net cash provided by operating activities	<b>13,458</b>	3,847	<b>4,124</b>	6,381
<b>Cash flows from investing activities</b>				
Net cash flow on disposal/(acquisition) of:				
Associates	<b>(9)</b>	1	-	1
Properties and other fixed assets	<b>(460)</b>	(158)	<b>(63)</b>	(47)
Distribution/(investment) from associates and joint ventures	<b>157</b>	276	<b>10</b>	64
Change in non-controlling interests	-	(3)	-	-
Net cash (used in)/provided by investing activities	<b>(311)</b>	116	<b>(53)</b>	19
<b>Cash flows from financing activities</b>				
Net increase/(decrease) in debts issued	<b>(1,104)</b>	4,023	<b>3,016</b>	(1,056)
Share buyback - held in treasury	<b>(19)</b>	-	-	-
Change in non-controlling interests	<b>(75)</b>	4	-	0
Dividends paid on ordinary shares	<b>(1,442)</b>	(671)	<b>(561)</b>	(320)
Dividends paid on preference shares	<b>(41)</b>	(37)	<b>(21)</b>	(18)
Distribution for perpetual capital securities	<b>(53)</b>	(53)	<b>(21)</b>	(21)
Dividends paid to non-controlling interests	<b>(6)</b>	(6)	<b>(2)</b>	(1)
Net cash (used in)/provided by financing activities	<b>(2,739)</b>	3,260	<b>2,412</b>	(1,416)
Currency translation adjustments	<b>(381)</b>	58	<b>(186)</b>	65
<b>Net increase in cash and cash equivalents</b>	<b>10,026</b>	7,281	<b>6,297</b>	5,049
Cash and cash equivalents at beginning of the financial period	<b>29,704</b>	21,244	<b>33,433</b>	23,476
<b>Cash and cash equivalents at end of the financial period</b>	<b>39,730</b>	28,525	<b>39,730</b>	28,525

**Balance Sheet of the Bank (Unaudited)**

	<b>Sep-15</b>	Jun-15	Dec-14 <sup>1</sup>	Sep-14
	\$m	\$m	\$m	\$m
<b>Equity</b>				
Share capital and other capital	<b>5,050</b>	5,050	5,061	5,035
Retained earnings	<b>11,440</b>	11,356	10,809	10,219
Other reserves	<b>9,927</b>	10,280	9,780	9,663
<b>Total</b>	<b>26,417</b>	26,685	25,650	24,917
<b>Liabilities</b>				
Deposits and balances of banks	<b>13,417</b>	9,742	10,666	14,651
Deposits and balances of customers	<b>196,060</b>	189,723	179,123	170,934
Deposits and balances of subsidiaries	<b>2,117</b>	2,811	2,767	2,707
Bills and drafts payable	<b>307</b>	420	191	328
Other liabilities	<b>9,851</b>	6,940	7,843	7,671
Debts issued	<b>19,795</b>	16,693	21,139	23,165
<b>Total</b>	<b>241,546</b>	226,329	221,728	219,456
<b>Total equity and liabilities</b>	<b>267,963</b>	253,015	247,378	244,373
<b>Assets</b>				
Cash, balances and placements with central banks	<b>35,738</b>	28,787	24,807	22,713
Singapore Government treasury bills and securities	<b>6,737</b>	7,013	7,628	7,755
Other government treasury bills and securities	<b>6,104</b>	4,679	3,982	4,282
Trading securities	<b>1,075</b>	1,326	738	742
Placements and balances with banks	<b>24,311</b>	21,312	24,333	26,194
Loans to customers	<b>155,929</b>	153,916	149,530	146,535
Placements with and advances to subsidiaries	<b>6,043</b>	7,052	7,727	7,845
Investment securities	<b>9,526</b>	10,177	10,294	10,271
Other assets	<b>10,819</b>	7,073	7,278	7,002
Investment in associates and joint ventures	<b>413</b>	415	523	501
Investment in subsidiaries	<b>5,688</b>	5,700	4,981	4,980
Investment properties	<b>1,180</b>	1,197	1,229	1,231
Fixed assets	<b>1,218</b>	1,188	1,146	1,141
Intangible assets	<b>3,182</b>	3,182	3,182	3,182
<b>Total</b>	<b>267,963</b>	253,015	247,378	244,373
<b>Off-balance sheet items</b>				
Contingent liabilities	<b>13,661</b>	13,961	12,695	14,346
Financial derivatives	<b>611,462</b>	574,648	520,163	511,116
Commitments	<b>86,371</b>	80,219	79,892	72,574
<b>Net asset value per ordinary share (\$)</b>	<b>15.65</b>	15.81	15.16	14.72

Note:

1 Audited.

**Statement of Changes in Equity of the Bank (Unaudited)**

	Share capital and other capital \$m	Retained earnings \$m	Other reserves \$m	Total equity \$m
Balance at 1 January 2015	5,061	10,809	9,780	25,650
Profit for the financial period	-	2,053	-	2,053
Other comprehensive income for the financial period	-	-	199	199
Total comprehensive income for the financial period	-	2,053	199	2,252
Transfers	-	74	(74)	-
Dividends	-	(1,495)	-	(1,495)
Share buyback - held in treasury	(19)	-	-	(19)
Share-based compensation	-	-	29	29
Issue of shares under share-based compensation plans	8	-	(8)	-
Balance at 30 September 2015	<b>5,050</b>	<b>11,440</b>	<b>9,927</b>	<b>26,417</b>
Balance at 1 January 2014	4,501	9,255	9,446	23,202
Profit for the financial period	-	2,089	-	2,089
Other comprehensive income for the financial period	-	-	328	328
Total comprehensive income for the financial period	-	2,089	328	2,417
Transfers	-	116	(116)	-
Dividends	-	(1,241)	-	(1,241)
Issue of shares under scrip dividend scheme	517	-	-	517
Share-based compensation	-	-	22	22
Issue of shares under share-based compensation plans	17	-	(17)	-
Balance at 30 September 2014	<b>5,035</b>	<b>10,219</b>	<b>9,663</b>	<b>24,917</b>

**Statement of Changes in Equity of the Bank (Unaudited)**

	Share capital and other capital	Retained earnings	Other reserves	Total equity
	\$m	\$m	\$m	\$m
Balance at 1 July 2015	5,050	11,356	10,280	26,685
Profit for the financial period	-	666	-	666
Other comprehensive income for the financial period	-	-	(364)	(364)
Total comprehensive income for the financial period	-	666	(364)	301
Dividends	-	(581)	-	(581)
Share-based compensation	-	-	11	11
Issue of shares under share-based compensation plans	0	-	(0)	-
Balance at 30 September 2015	5,050	11,440	9,927	26,417
Balance at 1 July 2014	5,031	9,909	9,733	24,673
Profit for the financial period	-	647	-	647
Other comprehensive income for the financial period	-	-	(70)	(70)
Total comprehensive income for the financial period	-	647	(70)	577
Transfers	-	4	(4)	-
Dividends	-	(341)	-	(341)
Share-based compensation	-	-	7	7
Issue of shares under share-based compensation plans	3	-	(3)	-
Balance at 30 September 2014	5,035	10,219	9,663	24,917

**Capital Adequacy Ratios of Major Bank Subsidiaries**

The information below is prepared on solo basis under the capital adequacy framework of the respective countries.

	Sep-15			
	Total Risk- Weighted Assets	Capital Adequacy Ratios		
		CET1	Tier 1	Total
	\$m	%	%	%
United Overseas Bank (Malaysia) Bhd	15,038	14.1	14.1	17.8
United Overseas Bank (Thai) Public Company Limited	9,906	15.9	15.9	18.7
PT Bank UOB Indonesia	6,976	13.2	13.2	15.5
United Overseas Bank (China) Limited	6,035	24.5	24.5	25.1



**GROUP FINANCIAL REPORT  
AUDITED FINANCIAL RESULTS FOR THE FINANCIAL YEAR/  
FOURTH QUARTER ENDED 31 DECEMBER 2014**



**Group Financial Report**  
**For the Financial Year / Fourth Quarter 2014**

**United Overseas Bank Limited**  
**Incorporated in the Republic of Singapore**  
**Company Registration Number: 193500026Z**

---

## **Contents**

### **Page**

2	Financial Highlights
4	Performance Review
6	Net Interest Income
8	Non-Interest Income
9	Operating Expenses
10	Impairment Charges
11	Customer Loans
12	Non-Performing Assets
14	Customer Deposits
14	Debts Issued
15	Shareholders' Equity
15	Changes in Issued Shares of the Bank
16	Performance by Operating Segment
18	Performance by Geographical Segment
19	Capital Adequacy Ratios

### **Appendix**

1	Consolidated Income Statement
2	Consolidated Statement of Comprehensive Income
3	Consolidated Balance Sheet
4	Consolidated Statement of Changes in Equity
5	Consolidated Cash Flow Statement
6	Balance Sheet of the Bank
7	Statement of Changes in Equity of the Bank
8	Capital Adequacy Ratios of Major Bank Subsidiaries

**Attachment:** Independent Auditor's Report

#### Notes:

- 1 The financial statements are presented in Singapore dollars.
  - 2 Certain comparative figures have been restated to conform with the current period's presentation.
  - 3 Certain figures in this report may not add up to the respective totals due to rounding.
  - 4 Amounts less than \$500,000 in absolute term are shown as "0".
- "NM" denotes not meaningful.  
"NA" denotes not applicable.

**Financial Highlights**

	2014	2013	+ / (-)	4Q14	4Q13	+ / (-)	3Q14	+ / (-)
			%			%		%
<b>Selected income statement items (\$m)</b>								
Net interest income	4,558	4,120	10.6	1,168	1,095	6.7	1,155	1.1
Fee and commission income	1,749	1,731	1.1	450	435	3.5	475	(5.3)
Other non-interest income	1,151	870	32.3	232	212	9.2	341	(32.0)
Total income	7,457	6,720	11.0	1,850	1,742	6.2	1,971	(6.1)
Less: Total expenses	3,146	2,898	8.6	805	762	5.6	800	0.7
Operating profit	4,311	3,822	12.8	1,045	980	6.7	1,171	(10.8)
Less: Impairment charges	635	429	48.1	166	139	19.9	162	2.4
Add: Share of profit of associates and joint ventures	149	191	(21.9)	43	14	>100.0	37	16.5
Net profit before tax	3,825	3,584	6.7	922	855	7.8	1,046	(11.9)
Less: Tax and non-controlling interests	576	576	(0.1)	136	82	65.7	180	(24.4)
Net profit after tax <sup>1</sup>	3,249	3,008	8.0	786	773	1.7	866	(9.3)

**Selected balance sheet items (\$m)**

Net customer loans	195,903	178,857	9.5	195,903	178,857	9.5	192,584	1.7
Customer deposits	233,750	214,548	9.0	233,750	214,548	9.0	224,365	4.2
Total assets	306,736	284,229	7.9	306,736	284,229	7.9	302,710	1.3
Shareholders' equity <sup>1</sup>	29,569	26,388	12.1	29,569	26,388	12.1	28,611	3.3

**Key financial ratios (%)**

Net interest margin <sup>2</sup>	1.71	1.72		1.69	1.74		1.71	
Non-interest income/Total income	38.9	38.7		36.8	37.1		41.4	
Expense/Income ratio	42.2	43.1		43.5	43.8		40.6	
Overseas profit before tax contribution	38.7	39.1		42.0	42.1		36.6	
Loan charge off rate (bp) <sup>2</sup>								
Exclude collective impairment	12	8		14	11		15	
Include collective impairment	32	30		32	30		32	
NPL ratio <sup>3</sup>	1.2	1.1		1.2	1.1		1.2	

## Notes:

1 Relate to amount attributable to equity holders of the Bank.

2 Computed on an annualised basis.

3 Refer to non-performing loans as a percentage of gross customer loans.

**Financial Highlights (cont'd)**

	2014	2013	4Q14	4Q13	3Q14
<b>Key financial ratios (%) (cont'd)</b>					
Return on average total assets <sup>1</sup>	<b>1.10</b>	1.12	<b>1.03</b>	1.11	1.16
Return on average ordinary shareholders' equity <sup>1,2</sup>	<b>12.3</b>	12.3	<b>11.3</b>	12.8	12.9
Loan/Deposit ratio <sup>3</sup>	<b>83.8</b>	83.4	<b>83.8</b>	83.4	85.8
Capital adequacy ratios					
Common Equity Tier 1	<b>13.9</b>	13.2	<b>13.9</b>	13.2	14.0
Tier 1	<b>13.9</b>	13.2	<b>13.9</b>	13.2	14.0
Total	<b>16.9</b>	16.6	<b>16.9</b>	16.6	17.0
Earnings per ordinary share (\$) <sup>1,2</sup>					
Basic	<b>1.98</b>	1.84	<b>1.90</b>	1.94	2.10
Diluted	<b>1.97</b>	1.84	<b>1.89</b>	1.93	2.09
Net asset value ("NAV") per ordinary share (\$) <sup>4</sup>	<b>17.09</b>	15.36	<b>17.09</b>	15.36	16.51
Revalued NAV per ordinary share (\$) <sup>4</sup>	<b>19.73</b>	17.96	<b>19.73</b>	17.96	19.12

**Notes:**

1 Computed on an annualised basis.

2 Calculated based on profit attributable to equity holders of the Bank net of preference share dividend and capital securities distributions.

3 Refer to net customer loans and customer deposits.

4 Preference shares and capital securities are excluded from the computation.

## **Performance Review**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Singapore Companies Act, with modification to FRS39 Financial Instruments: Recognition and Measurement in respect of loan loss provisioning, as provided in the Monetary Authority of Singapore ("MAS") Notice 612 Credit Files, Grading and Provisioning.

The new/revised FRS applicable to the Group with effect from 1 January 2014 are listed below. The adoption of these FRS has no significant impact on the financial statements of the Group.

- FRS27 Separate Financial Statements
- FRS28 Investments in Associates and Joint Ventures
- FRS110 Consolidated Financial Statements
- FRS111 Joint Arrangements
- FRS112 Disclosure of Interests in Other Entities
- Amendments to FRS32 – Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS36 – Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to FRS39 – Novation of Derivatives and Continuation of Hedge Accounting

Other than the above changes, the accounting policies and computation methods adopted in the audited financial statements for the financial year ended 31 December 2014 are the same as those adopted in the audited financial statements for the financial year ended 31 December 2013.

To better reflect the underlying risk of the credit exposure by geography, the Group has changed the basis of disclosure from booking location to where credit risks reside, largely represented by the borrower's country of incorporation/operation (for non-individuals) and residence (for individuals). The changes are made to individual impairment on loans by geography (page 10), loans by geography (page 11) and non-performing loans by geography (page 13) in this report. Prior period comparatives have been restated to conform with the current period presentation.

## **Full year 2014 ("2014") performance**

### **2014 versus 2013**

The Group delivered strong net earnings of \$3.25 billion, an increase of 8.0% from a year ago. Total income rose 11.0% year-on-year, crossing a new record at \$7.46 billion, driven by robust loan growth and higher trading and investment income.

Net interest income registered a double-digit growth of 10.6% from a year ago to \$4.56 billion on strong loan growth. Net interest margin was relatively flat at 1.71%.

Non-interest income rose 11.5% to \$2.90 billion in 2014. Fee and commission income increased 1.1% to \$1.75 billion from a year ago with increased contributions from credit card, wealth management, trade and loan-related activities, but partly offset by lower fund management and corporate finance fees. Trading and investment income surged 50.1% to \$817 million on higher treasury customer income, investment gains and trading income on the back of improved market sentiment, after concerns over QE tapering in 2013.

Operating expenses increased 8.6% from a year ago to \$3.15 billion mainly due to higher staff costs, revenue and IT-related expenses to support the Group's growing franchise and increased business volume. With a stronger revenue growth, expense-to-income ratio improved from 43.1% to 42.2%.

Total impairment charges of \$635 million was 48.1% higher than a year ago due to a larger loan book coupled with an increase in the total charge off rate to 32 basis points. Individual impairment on loans increased due to a few isolated non-performing accounts in Thailand and Indonesia.

The share of associates' profits decreased 21.9% from a year ago to \$149 million, as some associates realised non-recurring gain on investments in 2013.

## **Fourth quarter 2014 ("4Q14") performance**

### **4Q14 versus 4Q13**

The Group reported net earnings of \$786 million in 4Q14, 1.7% higher than 4Q13 driven by core income streams.

Net interest income grew 6.7% to \$1.17 billion in 4Q14 supported by loan growth, but offset by a decrease in net interest margin.

Non-interest income for 4Q14 stood at \$682 million, 5.4% higher than 4Q13 due to broad-based increase in fee and commission income as well as higher trading and investment income.

Operating expenses of \$805 million in 4Q14 was 5.6% higher from a year ago due to higher revenue and IT-related expenses.

Total impairment charges were 19.9% higher at \$166 million in 4Q14, due mainly to higher individual impairment on loans as well as collective impairment set aside for loan growth.

### **4Q14 versus 3Q14**

Net earnings decreased 9.3% to \$786 million from the previous quarter.

Non-interest income was 16.4% lower when compared with 3Q14 on lower fee and commission income due to seasonal slowdown in business volume. Trading and investment income decreased 37.8% over the previous quarter to \$160 million mainly due to higher hedging gains in 3Q14 on the back of favourable market conditions.

## **Balance sheet and capital position**

Gross customer loans rose 9.5% year-on-year and 1.7% during the quarter to \$199 billion as at 31 December 2014. Loan growth was broad-based across most of the territories and industries.

With the Group's ongoing efforts to build a sustainable funding base, customer deposits increased 9.0% from a year ago to \$234 billion as at 31 December 2014. Compared with 3Q14, deposits grew 4.2%. Total and SGD loan-to-deposit ratios stayed healthy at 83.8% and 93.0% respectively as at 31 December 2014.

Asset quality remained sound with NPL ratio at 1.2% while NPL coverage was strong at 145.9%. NPL increased to \$2.36 billion in 2014, as compared with the previous quarter and 2013, due to a few isolated NPL accounts in Singapore, Thailand and Indonesia. Housing loans NPL stabilised in 4Q14 after the NPL associated to a property project of \$166 million was recognised in the previous two quarters.

Shareholders' equity was \$29.6 billion as at 31 December 2014, up 12.1% due to net profit, improved valuation on the available-for-sale investments and issuance of new ordinary shares pursuant to the scrip dividend scheme. Compared with 3Q14, shareholders' equity rose 3.3%. Return on equity for 2014 was 12.3%.

As at 31 December 2014, the Group's capital position remained strong and well above the MAS minimum requirements with Common Equity Tier 1 ("CET1"), Tier 1 and Total CAR at 13.9%, 13.9% and 16.9% respectively.

## Net Interest Income

### Net interest margin

	2014			2013		
	Average balance	Average Interest	Average rate	Average balance	Average Interest	Average rate
	\$m	\$m	%	\$m	\$m	%
<b>Interest bearing assets</b>						
Customer loans	190,773	5,913	3.10	168,787	5,297	3.14
Interbank balances	48,851	693	1.42	41,225	654	1.59
Securities	27,176	584	2.15	29,846	557	1.86
<b>Total</b>	<b>266,801</b>	<b>7,189</b>	<b>2.69</b>	<b>239,858</b>	<b>6,508</b>	<b>2.71</b>
<b>Interest bearing liabilities</b>						
Customer deposits	217,548	2,252	1.04	200,890	2,040	1.02
Interbank balances/others	40,438	380	0.94	31,961	348	1.09
<b>Total</b>	<b>257,986</b>	<b>2,632</b>	<b>1.02</b>	<b>232,851</b>	<b>2,388</b>	<b>1.03</b>
<b>Net interest margin</b> <sup>1</sup>			<b>1.71</b>			<b>1.72</b>

	4Q14			4Q13			3Q14		
	Average balance	Average Interest	Average rate	Average balance	Average Interest	Average rate	Average balance	Average Interest	Average rate
	\$m	\$m	%	\$m	\$m	%	\$m	\$m	%
<b>Interest bearing assets</b>									
Customer loans	195,539	1,552	3.15	178,053	1,397	3.11	193,378	1,505	3.09
Interbank balances	53,557	177	1.31	42,524	176	1.64	47,349	160	1.34
Securities	25,985	143	2.19	28,405	138	1.93	27,193	146	2.14
<b>Total</b>	<b>275,081</b>	<b>1,873</b>	<b>2.70</b>	<b>248,981</b>	<b>1,711</b>	<b>2.73</b>	<b>267,919</b>	<b>1,811</b>	<b>2.68</b>
<b>Interest bearing liabilities</b>									
Customer deposits	228,258	615	1.07	207,417	529	1.01	215,613	560	1.03
Interbank balances/others	37,114	89	0.95	35,002	87	0.99	43,097	96	0.88
<b>Total</b>	<b>265,371</b>	<b>705</b>	<b>1.05</b>	<b>242,419</b>	<b>616</b>	<b>1.01</b>	<b>258,710</b>	<b>655</b>	<b>1.01</b>
<b>Net interest margin</b> <sup>1</sup>			<b>1.69</b>			<b>1.74</b>			<b>1.71</b>

Note:

1 Net interest margin represents annualised net interest income as a percentage of total interest bearing assets.

**Net Interest Income (cont'd)**
**Volume and rate analysis**

	2014 vs 2013			4Q14 vs 4Q13			4Q14 vs 3Q14		
	Volume change	Rate change	Net change	Volume change	Rate change	Net change	Volume change	Rate change	Net change
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Interest income</b>									
Customer loans	690	(74)	616	137	18	156	17	31	48
Interbank balances	121	(83)	38	46	(44)	1	21	(3)	18
Securities	(50)	77	27	(12)	17	5	(7)	3	(3)
<b>Total</b>	<b>761</b>	<b>(80)</b>	<b>681</b>	<b>171</b>	<b>(9)</b>	<b>162</b>	<b>31</b>	<b>31</b>	<b>62</b>
<b>Interest expense</b>									
Customer deposits	169	42	212	53	34	87	33	23	56
Interbank balances/others	103	(72)	32	7	(5)	2	(13)	7	(6)
<b>Total</b>	<b>273</b>	<b>(29)</b>	<b>243</b>	<b>60</b>	<b>29</b>	<b>89</b>	<b>20</b>	<b>29</b>	<b>49</b>
<b>Net interest income</b>	<b>489</b>	<b>(51)</b>	<b>438</b>	<b>111</b>	<b>(38)</b>	<b>73</b>	<b>11</b>	<b>2</b>	<b>13</b>

Net interest income rose 10.6% from a year ago to \$4.56 billion, driven largely by robust loan growth of 9.5%. Net interest margin was relatively flat at 1.71% as compared with 2013.

Net interest income grew 6.7% from 4Q13 and increased 1.1% over the previous quarter to \$1.17 billion. Net interest margin was lower at 1.69% in 4Q14 resulted from higher funding costs.



**Non-Interest Income**

	<b>2014</b>	2013	+ / (-)	<b>4Q14</b>	4Q13	+ / (-)	3Q14	+ / (-)
	<b>\$m</b>	\$m	%	<b>\$m</b>	\$m	%	\$m	%
<b>Fee and commission income</b>								
Credit card	<b>281</b>	262	7.0	<b>76</b>	72	5.8	72	5.2
Fund management	<b>156</b>	172	(9.6)	<b>40</b>	39	1.9	46	(12.5)
Investment-related	<b>431</b>	420	2.8	<b>102</b>	101	1.2	118	(13.9)
Loan-related	<b>448</b>	442	1.4	<b>118</b>	113	4.1	131	(10.1)
Service charges	<b>113</b>	111	1.8	<b>32</b>	30	7.8	28	15.3
Trade-related	<b>273</b>	268	2.0	<b>69</b>	70	(0.5)	70	(0.6)
Others	<b>47</b>	56	(15.8)	<b>14</b>	11	21.1	11	26.1
	<b>1,749</b>	1,731	1.1	<b>450</b>	435	3.5	475	(5.3)
<b>Other non-interest income</b>								
Net trading income	<b>599</b>	511	17.2	<b>119</b>	160	(26.0)	222	(46.4)
Net gain/(loss) from investment securities	<b>218</b>	33	>100.0	<b>41</b>	(16)	>100.0	36	15.7
Dividend income	<b>48</b>	53	(9.4)	<b>3</b>	3	(12.1)	14	(80.2)
Rental income	<b>115</b>	114	1.3	<b>28</b>	30	(4.7)	28	2.5
Other income	<b>170</b>	159	7.4	<b>40</b>	35	15.3	41	(2.5)
	<b>1,151</b>	870	32.3	<b>232</b>	212	9.2	341	(32.0)
<b>Total</b>	<b>2,900</b>	2,600	11.5	<b>682</b>	647	5.4	816	(16.4)

Non-interest income rose 11.5% year-on-year to \$2.90 billion in 2014. Fee and commission income increased 1.1% to \$1.75 billion from a year ago with increased contribution from credit card, wealth management, trade and loan-related activities, but partly offset by lower fund management and corporate finance fees. Trading and investment income surged 50.1% to \$817 million on higher treasury customer income, investment gains and trading income on the back of favourable market sentiment.

Non-interest income for 4Q14 stood at \$682 million. Compared with 4Q13, the growth of 5.4% was contributed by broad-based increase in fee and commission income as well as higher trading and investment income.

Fee and commission income was 5.3% lower from 3Q14 on seasonal slowdown in business volume. Trading and investment income decreased 37.8% over the previous quarter to \$160 million mainly due to higher hedging gains in 3Q14 on the back of favourable market conditions.

**Operating Expenses**

	<b>2014</b>	2013	+ / (-)	<b>4Q14</b>	4Q13	+ / (-)	3Q14	+ / (-)
	<b>\$m</b>	\$m	%	<b>\$m</b>	\$m	%	\$m	%
<b>Staff costs</b>	<b>1,825</b>	1,712	6.6	<b>454</b>	447	1.4	461	(1.6)
<b>Other operating expenses</b>								
Revenue-related	<b>672</b>	570	17.9	<b>175</b>	152	15.3	175	(0.3)
Occupancy-related	<b>287</b>	291	(1.5)	<b>65</b>	72	(10.1)	75	(13.6)
IT-related	<b>199</b>	160	24.5	<b>62</b>	41	52.7	48	29.3
Others	<b>163</b>	164	(0.9)	<b>49</b>	50	(1.9)	40	23.6
	<b>1,321</b>	1,186	11.4	<b>351</b>	315	11.6	339	3.8
<b>Total</b>	<b>3,146</b>	2,898	8.6	<b>805</b>	762	5.6	800	0.7
Of which, depreciation of assets	<b>163</b>	130	25.6	<b>55</b>	34	63.5	37	48.3
Manpower (number)	<b>25,009</b>	24,484	525	<b>25,009</b>	24,484	525	24,821	188

Total operating expenses increased 8.6% to \$3.15 billion from a year ago mainly due to higher staff costs, revenue and IT-related expenses in support of the Group's growing franchise and increased business volume. With a stronger revenue growth, expense-to-income ratio improved from 43.1% in 2013 to 42.2% in 2014.

Total expenses was flat at \$805 million in 4Q14 when compared with the previous quarter, but 5.6% higher than a year ago mainly on higher revenue and IT-related costs.

**Impairment Charges**

	<b>2014</b>	2013	+ / (-)	<b>4Q14</b>	4Q13	+ / (-)	3Q14	+ / (-)
	<b>\$m</b>	\$m	%	<b>\$m</b>	\$m	%	\$m	%
<b>Individual impairment on loans <sup>1</sup></b>								
Singapore	<b>53</b>	50	5.8	<b>34</b>	27	27.0	6	>100.0
Malaysia	<b>28</b>	18	52.0	<b>11</b>	7	45.7	5	>100.0
Thailand	<b>73</b>	7	>100.0	<b>16</b>	16	2.7	22	(26.6)
Indonesia	<b>49</b>	(21)	>100.0	<b>(2)</b>	(6)	69.2	28	(>100.0)
Greater China <sup>2</sup>	<b>6</b>	7	(18.8)	<b>4</b>	(2)	>100.0	(2)	>100.0
Others	<b>29</b>	74	(60.1)	<b>10</b>	9	6.0	15	(34.9)
	<b>238</b>	136	75.8	<b>73</b>	51	41.8	75	(2.5)
<b>Individual impairment on securities and others</b>	<b>63</b>	22	>100.0	<b>14</b>	37	(61.6)	16	(10.4)
<b>Collective impairment</b>	<b>334</b>	272	22.8	<b>79</b>	50	57.8	72	10.3
<b>Total</b>	<b>635</b>	429	48.1	<b>166</b>	139	19.9	162	2.4

Total impairment charges for 2014 were \$635 million, an increase of 48.1% from a year ago due to a larger loan book coupled with an increase in the total charge off rate to 32 basis points. Individual impairment on loans increased due to a few isolated non-performing accounts in Thailand and Indonesia.

Total impairment charges were \$166 million in 4Q14. This was an increase of 19.9% from 4Q13, due mainly to higher collective impairment set aside for loan growth and individual impairment charges. Compared with 3Q14, it was a marginal increase of \$4 million, mainly due to payments and additional collateral received from NPL accounts in Indonesia.

**Notes:**

1 With effect from December 2014, individual impairment charges on loans by geography is classified according to where credit risks reside, largely represented by the borrower's country of incorporation/operation (for non-individuals) and residence (for individuals). Prior period comparatives have been restated to conform with the current presentation.

2 Comprise China, Hong Kong and Taiwan.

**Customer Loans**

	Dec-14	Sep-14	Dec-13
	\$m	\$m	\$m
Gross customer loans	<b>199,343</b>	195,943	181,978
Less: Individual impairment	<b>657</b>	659	798
Collective impairment	<b>2,783</b>	2,701	2,323
Net customer loans	<b>195,903</b>	192,584	178,857
<b>By industry</b>			
Transport, storage and communication	<b>10,014</b>	8,963	7,983
Building and construction	<b>25,160</b>	25,128	23,845
Manufacturing	<b>17,139</b>	17,080	15,999
Financial institutions	<b>29,551</b>	29,569	29,173
General commerce	<b>27,119</b>	26,782	22,159
Professionals and private individuals	<b>26,008</b>	25,530	24,611
Housing loans	<b>54,711</b>	53,755	50,487
Others	<b>9,641</b>	9,137	7,722
Total (gross)	<b>199,343</b>	195,943	181,978
<b>By currency</b>			
Singapore dollar	<b>106,785</b>	106,517	101,538
US dollar	<b>33,471</b>	31,653	26,923
Malaysian ringgit	<b>24,364</b>	24,860	23,308
Thai baht	<b>10,155</b>	9,757	9,148
Indonesian rupiah	<b>4,777</b>	4,613	4,242
Others	<b>19,791</b>	18,543	16,819
Total (gross)	<b>199,343</b>	195,943	181,978
<b>By maturity</b>			
Within 1 year	<b>66,066</b>	65,237	59,256
Over 1 year but within 3 years	<b>39,220</b>	38,661	37,508
Over 3 years but within 5 years	<b>24,341</b>	23,251	20,620
Over 5 years	<b>69,715</b>	68,794	64,595
Total (gross)	<b>199,343</b>	195,943	181,978
<b>By geography <sup>1</sup></b>			
Singapore	<b>109,700</b>	109,148	103,726
Malaysia	<b>25,768</b>	26,094	24,196
Thailand	<b>10,836</b>	10,456	9,883
Indonesia	<b>11,100</b>	10,673	9,607
Greater China	<b>25,308</b>	24,173	19,134
Others	<b>16,631</b>	15,400	15,431
Total (gross)	<b>199,343</b>	195,943	181,978

Gross customer loans rose 9.5% year-on-year and 1.7% over the previous quarter to \$199 billion as at 31 December 2014. Loan growth was broad-based across most of the territories and industries.

In Singapore, customer loans base expanded 5.8% over a year ago to \$110 billion as at 31 December 2014. Regional countries continued to contribute a strong loan growth of 16.2% over a year ago and 2.3% quarter-on-quarter to \$73.0 billion as at 31 December 2014.

Note:

<sup>1</sup> With effect from December 2014, loans by geography is classified according to where credit risks reside, largely represented by the borrower's country of incorporation/operation (for non-individuals) and residence (for individuals). Prior period comparatives have been restated to conform with the current presentation.

**Non-Performing Assets**

	Dec-14	Sep-14	Dec-13
	\$m	\$m	\$m
Loans ("NPL")	2,358	2,289	2,074
Debt securities and others	230	234	240
<b>Non-Performing Assets ("NPA")</b>	<b>2,588</b>	<b>2,523</b>	<b>2,314</b>
<b>By grading</b>			
Substandard	1,855	1,832	1,265
Doubtful	197	143	462
Loss	536	548	587
<b>Total</b>	<b>2,588</b>	<b>2,523</b>	<b>2,314</b>
<b>By security coverage</b>			
Secured	1,387	1,242	1,088
Unsecured	1,201	1,281	1,226
<b>Total</b>	<b>2,588</b>	<b>2,523</b>	<b>2,314</b>
<b>By ageing</b>			
Current	536	521	295
Within 90 days	152	140	197
Over 90 to 180 days	319	432	241
Over 180 days	1,581	1,430	1,581
<b>Total</b>	<b>2,588</b>	<b>2,523</b>	<b>2,314</b>
<b>Cumulative impairment</b>			
Individual	819	802	958
Collective	2,910	2,828	2,450
<b>Total</b>	<b>3,729</b>	<b>3,630</b>	<b>3,408</b>
As a % of NPA	144.1%	143.9%	147.3%
As a % of unsecured NPA	310.5%	283.4%	278.0%

	NPL	NPL	NPL	NPL	NPL
	\$m	ratio	\$m	ratio	ratio
	\$m	%	\$m	%	%
<b>NPL by industry</b>					
Transport, storage and communication	714	7.1	699	7.8	819
Building and construction	192	0.8	143	0.6	123
Manufacturing	280	1.6	309	1.8	223
Financial institutions	143	0.5	107	0.4	102
General commerce	265	1.0	287	1.1	265
Professionals and private individuals	209	0.8	201	0.8	192
Housing loans	507	0.9	502	0.9	311
Others	48	0.5	41	0.4	39
<b>Total</b>	<b>2,358</b>	<b>1.2</b>	<b>2,289</b>	<b>1.2</b>	<b>2,074</b>
					1.1

**Non-Performing Assets (cont'd)**

	NPL \$m	NPL ratio %	Total cumulative impairment	
			as a % of NPL %	as a % of unsecured NPL %
<b>NPL by geography</b> <sup>1</sup>				
Singapore				
<b>Dec-14</b>	<b>864</b>	<b>0.8</b>	<b>249.9</b>	<b>817.8</b>
Sep-14	805	0.7	260.7	638.0
Dec-13	521	0.5	355.9	986.2
Malaysia				
<b>Dec-14</b>	<b>386</b>	<b>1.5</b>	<b>135.0</b>	<b>505.8</b>
Sep-14	400	1.5	128.5	417.9
Dec-13	408	1.7	120.8	359.9
Thailand				
<b>Dec-14</b>	<b>267</b>	<b>2.5</b>	<b>121.3</b>	<b>241.8</b>
Sep-14	259	2.5	117.0	238.6
Dec-13	203	2.1	140.4	285.0
Indonesia				
<b>Dec-14</b>	<b>298</b>	<b>2.7</b>	<b>55.4</b>	<b>150.0</b>
Sep-14	275	2.6	63.3	130.8
Dec-13	147	1.5	40.1	118.0
Greater China				
<b>Dec-14</b>	<b>124</b>	<b>0.5</b>	<b>109.7</b>	<b>191.5</b>
Sep-14	118	0.5	116.1	217.5
Dec-13	126	0.7	88.9	177.8
Others				
<b>Dec-14</b>	<b>419</b>	<b>2.5</b>	<b>32.2</b>	<b>45.0</b>
Sep-14	432	2.8	30.8	43.8
Dec-13	669	4.3	47.5	62.8
Group NPL				
<b>Dec-14</b>	<b>2,358</b>	<b>1.2</b>	<b>145.9</b>	<b>350.3</b>
Sep-14	2,289	1.2	146.8	311.4
Dec-13	2,074	1.1	150.5	298.9

The Group's asset quality remained sound. NPL ratio was stable at 1.2% with a strong NPL coverage of 145.9%.

NPL increased to \$2.36 billion from the previous quarter and a year ago due to a few isolated NPL accounts in Singapore, Thailand and Indonesia. Housing loans NPL stabilised in 4Q14 after the NPL associated to a property project of \$166 million was recognised in the previous two quarters.

Note:

<sup>1</sup> With effect from December 2014, non-performing loans by geography is classified according to where credit risks reside, largely represented by the borrower's country of incorporation/operation (for non-individuals) and residence (for individuals). Prior period comparatives have been restated to conform with the current presentation.

**Customer Deposits**

	Dec-14	Sep-14	Dec-13
	\$m	\$m	\$m
<b>By product</b>			
Fixed deposits	129,787	126,144	120,773
Savings deposits	51,654	51,090	45,492
Current accounts	45,482	40,934	40,289
Others	6,827	6,196	7,993
<b>Total</b>	<b>233,750</b>	<b>224,365</b>	<b>214,548</b>
<b>By maturity</b>			
Within 1 year	226,593	214,410	210,750
Over 1 year but within 3 years	5,521	8,400	2,488
Over 3 years but within 5 years	646	582	488
Over 5 years	989	973	822
<b>Total</b>	<b>233,750</b>	<b>224,365</b>	<b>214,548</b>
<b>By currency</b>			
Singapore dollar	112,608	111,018	106,573
US dollar	49,068	44,518	40,902
Malaysian ringgit	27,199	27,410	26,521
Thai baht	10,970	10,193	9,235
Indonesian rupiah	4,822	4,421	4,320
Others	29,082	26,805	26,997
<b>Total</b>	<b>233,750</b>	<b>224,365</b>	<b>214,548</b>
Group Loan/Deposit ratio (%)	83.8	85.8	83.4
SGD Loan/Deposit ratio (%)	93.0	94.1	93.6
USD Loan/Deposit ratio (%)	67.7	70.6	65.2

Compared to a year ago, customer deposit growth was 9.0%, in line with loan growth and mainly contributed by Singapore-dollar and US-dollar deposits.

Customers deposits continued to grow 4.2% from the previous quarter to \$234 billion, led by US-dollar deposits.

As at 31 December 2014, Group's loan-to-deposit ratio and SGD loan-to-deposit ratio was healthy at 83.8% and 93.0% respectively.

**Debts Issued (Unsecured)**

	Dec-14	Sep-14	Dec-13
	\$m	\$m	\$m
Subordinated debts	4,640	4,578	5,357
Commercial papers	10,502	12,704	9,734
Fixed and floating rate notes	4,211	4,122	2,080
Others	1,601	1,600	1,810
<b>Total</b>	<b>20,953</b>	<b>23,004</b>	<b>18,981</b>
Due within 1 year	12,393	14,623	11,507
Due after 1 year	8,560	8,381	7,474
<b>Total</b>	<b>20,953</b>	<b>23,004</b>	<b>18,981</b>

### Shareholders' Equity

	<b>Dec-14</b>	Sep-14	Dec-13
	<b>\$m</b>	\$m	\$m
Shareholders' equity	<b>29,569</b>	28,611	26,388
Add: Revaluation surplus	<b>4,224</b>	4,183	4,098
Shareholders' equity including revaluation surplus	<b>33,793</b>	32,794	30,486

Shareholders' equity was \$29.6 billion as at 31 December 2014, up 12.1% from a year ago. The increase was largely led by higher net profits, improved valuation on the available-for-sale investments and issuance of new ordinary shares pursuant to the scrip dividend scheme. Compared with 3Q14, shareholders' equity rose 3.3%.

As at 31 December 2014, revaluation surplus of \$4.22 billion relates to Group's properties, which are not recognised in the financial statements.

### Changes in Issued Shares of the Bank

	<b>Number of shares</b>			
	<b>2014</b>	2013	<b>4Q14</b>	4Q13
	<b>'000</b>	'000	<b>'000</b>	'000
<b>Ordinary shares</b>				
Balance at beginning of period	<b>1,590,494</b>	1,590,494	<b>1,614,544</b>	1,590,494
Issue of shares under scrip dividend scheme	<b>24,050</b>	-	-	-
Balance at end of period	<b>1,614,544</b>	1,590,494	<b>1,614,544</b>	1,590,494
<b>Treasury shares</b>				
Balance at beginning of period	<b>(14,069)</b>	(15,733)	<b>(13,191)</b>	(15,264)
Issue of shares under share-based compensation plans	<b>2,212</b>	1,664	<b>1,334</b>	1,194
Balance at end of period	<b>(11,857)</b>	(14,069)	<b>(11,857)</b>	(14,069)
Ordinary shares net of treasury shares	<b>1,602,687</b>	1,576,425	<b>1,602,687</b>	1,576,425
<b>Preference shares</b>				
Balance at beginning of period	-	13,200	-	-
Class E non-cumulative non-convertible preference shares fully redeemed on 16 September 2013	-	(13,200)	-	-
Balance at end of period	-	-	-	-



## **Performance by Operating Segment**

The Group is organised to be segment-led across key markets. Global segment heads are responsible for driving business, with decision-making balanced with a geographical perspective. For internal management purposes, the following segments represent the key customer segments and business activities:

### **Group Retail ("GR")**

GR segment covers Consumer, Privilege, Business and Private Banking. Consumer Banking serves the individual customers, while Business Banking serves small enterprises with a wide range of products and services, including deposits, loans, investments, credit and debit cards and insurance products. Privilege Banking provides an extended range of financial services, including wealth management, and restricted products such as structured notes, funds of hedge funds, and insurance plans to the wealthy and affluent customers. Private Banking caters to the high net worth individuals and accredited investors, offering financial and portfolio planning, including investment management, asset management and estate planning.

Segment profit increased 6.8% to \$1,247 million in 2014, mainly driven by higher net interest income as well as higher non-interest income from treasury and credit cards products. The increase was partly negated by higher business volume-related costs.

### **Group Wholesale Banking ("GWB")**

GWB segment encompasses Commercial Banking, Corporate Banking, Financial Institutions Group ("FIG"), Corporate Finance and Debt Capital Markets. Commercial Banking serves the medium and large enterprises, while Corporate Banking serves large local corporations, government-linked companies and agencies, and FIG serves financial institutions. Commercial Banking, Corporate Banking and FIG provide customers with a broad range of products and services that include current accounts, deposits, lending, asset finance, ship finance, trade finance, structured finance, cash management and cross-border payments. Corporate Finance provides services that include lead managing and underwriting equity offerings and corporate advisory services. Debt Capital Markets specialises in solution-based structures to meet clients' financing requirements in structuring, underwriting and arranging syndicated loans for general corporate needs, leveraged buy-outs, project and structured finance, and underwriting and lead managing bond issues.

Segment profit grew 5.3% to \$2,218 million in 2014, driven by net interest income and increased cross-sell income from transaction banking and treasury products. The growth was partly negated by higher impairment charges and higher operating expenses. Higher operating expenses were resulted from the continued investment in product capabilities and hiring of new talents as the business expanded regionally.

### **Global Markets and Investment Management ("GMIM")**

GMIM segment provides a comprehensive range of global markets products and services, including foreign exchange, money market, fixed income, derivatives, margin trading, futures broking, precious metals products, as well as an array of structured products. It is a dominant player in Singapore dollar instruments as well as a provider of banknote services in the region. It also engages in asset management, proprietary investment activities and management of excess liquidity and capital funds. Income from global markets products and services offered to customers of other operating segments, such as Group Retail and Group Wholesale Banking, is reflected in the respective customer segments.

Segment profit increased 15.6% to \$452 million in 2014, mainly attributed to higher gain on investment securities and market making activities as well as higher share of associates' profits.

### **Others**

Others include property-related activities, insurance businesses and income and expenses not attributable to other operating segments mentioned above.

Other segment recorded a loss of \$92 million in 2014, as compared to a loss of \$82 million in 2013, mainly due to lower associates' profits.

**Performance by Operating Segment**<sup>1</sup> (cont'd)

	<b>GR</b>	<b>GWB</b>	<b>GMIM</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>
<b>2014</b>						
Operating income	3,017	3,023	884	705	(172)	7,457
Operating expenses	(1,631)	(674)	(410)	(603)	172	(3,146)
Impairment charges	(139)	(131)	(59)	(306)	-	(635)
Share of profit of associates and joint ventures	-	-	37	112	-	149
Profit before tax	1,247	2,218	452	(92)	-	3,825
Tax						(561)
<b>Profit for the financial year</b>						<b>3,264</b>
<b>Segment assets</b>	<b>88,706</b>	<b>126,424</b>	<b>87,743</b>	<b>2,605</b>	<b>(4,080)</b>	<b>301,398</b>
Intangible assets	1,319	2,090	660	80	-	4,149
Investment in associates and joint ventures	-	-	333	856	-	1,189
<b>Total assets</b>	<b>90,025</b>	<b>128,514</b>	<b>88,736</b>	<b>3,541</b>	<b>(4,080)</b>	<b>306,736</b>
<b>Segment liabilities</b>	<b>108,874</b>	<b>110,574</b>	<b>52,731</b>	<b>9,526</b>	<b>(4,741)</b>	<b>276,964</b>
<b>Other information</b>						
Inter-segment operating income	346	(336)	(412)	574	(172)	-
Gross customer loans	88,571	109,853	909	10	-	199,343
Non-performing assets	784	1,697	25	82	-	2,588
Capital expenditure	20	6	14	219	-	259
Depreciation of assets	10	5	4	144	-	163
<b>2013</b>						
Operating income	2,772	2,738	870	526	(186)	6,720
Operating expenses	(1,515)	(607)	(406)	(556)	186	(2,898)
Impairment charges	(89)	(24)	(76)	(240)	-	(429)
Share of profit of associates and joint ventures	-	-	3	188	-	191
Profit before tax	1,168	2,107	391	(82)	-	3,584
Tax						(559)
<b>Profit for the financial year</b>						<b>3,025</b>
<b>Segment assets</b>	<b>82,721</b>	<b>118,766</b>	<b>79,907</b>	<b>2,185</b>	<b>(4,491)</b>	<b>279,088</b>
Intangible assets	1,317	2,087	660	80	-	4,144
Investment in associates and joint ventures	-	-	9	988	-	997
<b>Total assets</b>	<b>84,038</b>	<b>120,853</b>	<b>80,576</b>	<b>3,253</b>	<b>(4,491)</b>	<b>284,229</b>
<b>Segment liabilities</b>	<b>103,492</b>	<b>90,641</b>	<b>59,777</b>	<b>8,865</b>	<b>(5,123)</b>	<b>257,652</b>
<b>Other information</b>						
Inter-segment operating income	392	(257)	(342)	393	(186)	-
Gross customer loans	82,114	99,509	330	25	-	181,978
Non-performing assets	577	1,637	20	80	-	2,314
Capital expenditure	11	5	9	196	-	221
Depreciation of assets	9	4	3	114	-	130

Note:

1 Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

**Performance by Geographical Segment**<sup>1</sup>

	2014	2013	4Q14	4Q13	3Q14
	\$m	\$m	\$m	\$m	\$m
<b>Total operating income</b>					
Singapore	4,313	3,775	1,022	972	1,156
Malaysia	1,047	969	276	257	275
Thailand	691	632	187	166	184
Indonesia	410	436	106	106	103
Greater China	587	502	142	125	140
Others	409	406	117	116	113
<b>Total</b>	<b>7,457</b>	<b>6,720</b>	<b>1,850</b>	<b>1,742</b>	<b>1,971</b>
<b>Profit before tax</b>					
Singapore	2,345	2,181	535	495	663
Malaysia	593	555	124	138	173
Thailand	159	146	39	31	47
Indonesia	99	178	44	52	16
Greater China	305	272	61	58	73
Others	324	252	119	81	76
<b>Total</b>	<b>3,825</b>	<b>3,584</b>	<b>922</b>	<b>855</b>	<b>1,046</b>

In 2014, the Group's total operating income grew 11.0% to \$7.46 billion, which largely contributed by Singapore growth of 14.3% to \$4.31 billion and regional growth of 7.7% to \$2.74 billion. In terms of pre-tax profit, improved performance was seen across most territories except for Indonesia due to currency depreciation and higher impairment on loans. Overseas profit before tax contribution was 38.7% of total Group's pre-tax profit.

	Dec-14	Sep-14	Dec-13
	\$m	\$m	\$m
<b>Total assets</b>			
Singapore	187,529	185,477	176,590
Malaysia	37,269	37,972	35,647
Thailand	15,915	15,165	15,608
Indonesia	8,143	7,712	7,173
Greater China	31,977	29,902	27,395
Others	21,754	22,336	17,672
	<b>302,587</b>	<b>298,563</b>	<b>280,085</b>
Intangible assets	4,149	4,146	4,144
<b>Total</b>	<b>306,736</b>	<b>302,710</b>	<b>284,229</b>

Note:

<sup>1</sup> Based on the location where the transactions and assets are booked which approximates that based on the location of the customers and assets. Information is stated after elimination of inter-segment transactions.

**Capital Adequacy Ratios**<sup>1,2</sup>

	Dec-14	Sep-14	Dec-13
	\$m	\$m	\$m
Share capital	3,715	3,689	3,155
Disclosed reserves/others	23,590	22,661	20,981
Regulatory adjustments	(2,408)	(2,415)	(2,348)
<b>Common Equity Tier 1 Capital ("CET1")</b>	<b>24,897</b>	<b>23,935</b>	<b>21,788</b>
Preference shares/others	2,180	2,179	2,180
Regulatory adjustments - capped	(2,180)	(2,179)	(2,180)
<b>Additional Tier 1 Capital ("AT1")</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tier 1 Capital</b>	<b>24,897</b>	<b>23,935</b>	<b>21,788</b>
Subordinated notes	4,405	4,339	4,692
Provisions/others	918	878	867
Regulatory adjustments	(12)	(13)	(37)
<b>Tier 2 Capital</b>	<b>5,311</b>	<b>5,204</b>	<b>5,522</b>
<b>Eligible Total Capital</b>	<b>30,208</b>	<b>29,139</b>	<b>27,310</b>
<b>Risk-Weighted Assets ("RWA")</b>	<b>178,792</b>	<b>171,426</b>	<b>164,911</b>
<b>Capital Adequacy Ratios ("CAR")</b>			
CET1	13.9%	14.0%	13.2%
Tier 1	13.9%	14.0%	13.2%
Total	16.9%	17.0%	16.6%

The Group's CET1, Tier 1 and Total CAR as at 31 December 2014 were well above the regulatory minimum requirements.

Compared to a year ago, the improvement in capital ratios was mainly attributed to retained earnings partially offset by higher RWA resulting from asset growth.

Compared with 30 September 2014, capital ratios were slightly lower mainly due to higher credit RWA arising from loan growth. Total capital increased, largely attributed to fourth quarter's retained earnings and higher available-for-sale valuation reserves.

**Notes:**

1 For year 2014, banks incorporated in Singapore are to maintain minimum CAR of CET1 at 5.5% (2013: 4.5%), Tier 1 at 7% (2013: 6%) and Total at 10%. By year 2019, including the capital conservation buffer of 2.5%, the minimum CAR will be CET1 at 9%, Tier 1 at 10.5% and Total at 12.5%.

2 More regulatory disclosure is available in the UOB website at [www.uobgroup.com/investor/financial/overview.html](http://www.uobgroup.com/investor/financial/overview.html).

**Consolidated Income Statement (Audited)**

	2014	2013	+ / (-)	4Q14 <sup>1</sup>	4Q13 <sup>1</sup>	+ / (-)	3Q14 <sup>1</sup>	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Interest income	<b>7,189</b>	6,508	10.5	<b>1,873</b>	1,711	9.5	1,811	3.4
Less: Interest expense	<b>2,632</b>	2,388	10.2	<b>705</b>	616	14.4	655	7.5
<b>Net interest income</b>	<b>4,558</b>	4,120	10.6	<b>1,168</b>	1,095	6.7	1,155	1.1
Fee and commission income	<b>1,749</b>	1,731	1.1	<b>450</b>	435	3.5	475	(5.3)
Dividend income	<b>48</b>	53	(9.4)	<b>3</b>	3	(12.1)	14	(80.2)
Rental income	<b>115</b>	114	1.3	<b>28</b>	30	(4.7)	28	2.5
Net trading income	<b>599</b>	511	17.2	<b>119</b>	160	(26.0)	222	(46.4)
Net gain/(loss) from investment securities	<b>218</b>	33	>100.0	<b>41</b>	(16)	>100.0	36	15.7
Other income	<b>170</b>	159	7.4	<b>40</b>	35	15.3	41	(2.5)
<b>Non-interest income</b>	<b>2,900</b>	2,600	11.5	<b>682</b>	647	5.4	816	(16.4)
<b>Total operating income</b>	<b>7,457</b>	6,720	11.0	<b>1,850</b>	1,742	6.2	1,971	(6.1)
Less: Staff costs	<b>1,825</b>	1,712	6.6	<b>454</b>	447	1.4	461	(1.6)
Other operating expenses	<b>1,321</b>	1,186	11.4	<b>351</b>	315	11.6	339	3.8
<b>Total operating expenses</b>	<b>3,146</b>	2,898	8.6	<b>805</b>	762	5.6	800	0.7
<b>Operating profit before impairment charges</b>	<b>4,311</b>	3,822	12.8	<b>1,045</b>	980	6.7	1,171	(10.8)
Less: Impairment charges	<b>635</b>	429	48.1	<b>166</b>	139	19.9	162	2.4
<b>Operating profit after impairment charges</b>	<b>3,676</b>	3,393	8.3	<b>879</b>	841	4.5	1,009	(12.9)
Share of profit of associates and joint ventures	<b>149</b>	191	(21.9)	<b>43</b>	14	>100.0	37	16.5
<b>Profit before tax</b>	<b>3,825</b>	3,584	6.7	<b>922</b>	855	7.8	1,046	(11.9)
Less: Tax	<b>561</b>	559	0.3	<b>134</b>	78	71.5	176	(24.1)
<b>Profit for the financial period</b>	<b>3,264</b>	3,025	7.9	<b>788</b>	777	1.4	870	(9.4)
Attributable to:								
<b>Equity holders of the Bank</b>	<b>3,249</b>	3,008	8.0	<b>786</b>	773	1.7	866	(9.3)
Non-controlling interests	<b>15</b>	17	(12.1)	<b>2</b>	4	(51.0)	3	(41.4)
	<b>3,264</b>	3,025	7.9	<b>788</b>	777	1.4	870	(9.4)
<b>Total operating income</b>								
First half	<b>3,636</b>	3,315	9.7					
Second half	<b>3,821</b>	3,405	12.2					
<b>Profit for the financial year attributed to equity holders of the Bank</b>								
First half	<b>1,596</b>	1,505	6.1					
Second half	<b>1,653</b>	1,503	10.0					

Note:

1 Unaudited.

**Consolidated Statement of Comprehensive Income (Audited)**

	<b>2014</b>	2013	+ / (-)	<b>4Q14<sup>1</sup></b>	4Q13 <sup>1</sup>	+ / (-)	<b>3Q14<sup>1</sup></b>	+ / (-)
	<b>\$m</b>	\$m	%	<b>\$m</b>	\$m	%	\$m	%
<b>Profit for the financial period</b>	<b>3,264</b>	3,025	7.9	<b>788</b>	777	1.4	870	(9.4)
Currency translation adjustments	<b>110</b>	(264)	>100.0	<b>50</b>	(94)	>100.0	69	(28.1)
Change in available-for-sale reserve								
Change in fair value	<b>649</b>	(201)	>100.0	<b>166</b>	22	>100.0	(90)	>100.0
Transfer to income statement on disposal/impairment	<b>(92)</b>	41	(>100.0)	<b>(21)</b>	40	(>100.0)	(24)	11.6
Tax relating to available-for-sale reserve	<b>(17)</b>	(17)	(2.3)	<b>(11)</b>	(7)	(56.8)	24	(>100.0)
Change in share of other comprehensive income of associates and joint ventures	<b>19</b>	(97)	>100.0	<b>(4)</b>	(12)	71.0	25	(>100.0)
Remeasurement of defined benefit obligation <sup>2</sup>	<b>(5)</b>	(4)	(11.5)	<b>(5)</b>	(4)	(9.3)	0	(>100.0)
<b>Other comprehensive income for the financial period, net of tax</b>	<b>663</b>	(542)	>100.0	<b>174</b>	(56)	>100.0	3	>100.0
<b>Total comprehensive income for the financial period, net of tax</b>	<b>3,928</b>	2,483	58.2	<b>962</b>	721	33.4	873	10.3
Attributable to:								
<b>Equity holders of the Bank</b>	<b>3,909</b>	2,468	58.4	<b>959</b>	716	33.9	872	10.0
Non-controlling interests	<b>19</b>	15	29.5	<b>4</b>	5	(28.2)	1	>100.0
	<b>3,928</b>	2,483	58.2	<b>962</b>	721	33.4	873	10.3

Note:

1 Unaudited.

2 Refer to item that will not be reclassified subsequently to Income Statement.

**Consolidated Balance Sheet (Audited)**

	Dec-14	Sep-14 <sup>1</sup>	Dec-13
	\$m	\$m	\$m
<b>Equity</b>			
Share capital and other capital	5,892	5,866	5,333
Retained earnings	14,064	13,325	12,003
Other reserves	9,613	9,420	9,053
Equity attributable to equity holders of the Bank	29,569	28,611	26,388
Non-controlling interests	203	198	189
<b>Total</b>	<b>29,772</b>	<b>28,809</b>	<b>26,577</b>
<b>Liabilities</b>			
Deposits and balances of banks	11,226	15,467	13,706
Deposits and balances of customers	233,750	224,365	214,548
Bills and drafts payable	951	1,423	1,035
Other liabilities	10,084	9,641	9,382
Debts issued	20,953	23,004	18,981
<b>Total</b>	<b>276,964</b>	<b>273,900</b>	<b>257,652</b>
<b>Total equity and liabilities</b>	<b>306,736</b>	<b>302,710</b>	<b>284,229</b>
<b>Assets<sup>2</sup></b>			
Cash, balances and placements with central banks	35,083	34,226	26,881
Singapore Government treasury bills and securities	7,757	7,884	9,655
Other government treasury bills and securities	10,141	9,400	7,943
Trading securities	738	881	628
Placements and balances with banks	28,692	29,851	31,412
Loans to customers	195,903	192,584	178,857
Investment securities	11,440	11,443	12,140
Other assets	9,256	8,778	9,280
Investment in associates and joint ventures	1,189	1,154	997
Investment properties	960	960	985
Fixed assets	1,428	1,404	1,308
Intangible assets	4,149	4,146	4,144
<b>Total</b>	<b>306,736</b>	<b>302,710</b>	<b>284,229</b>
<b>Off-balance sheet items</b>			
Contingent liabilities	18,515	20,352	24,098
Financial derivatives	605,487	619,857	451,573
Commitments	99,593	92,688	69,757
<b>Net asset value per ordinary share (\$)</b>	<b>17.09</b>	<b>16.51</b>	<b>15.36</b>

Notes:

1 Unaudited.

2 Assets pledged under repurchase agreements are included in the respective asset items.

**Consolidated Statement of Changes in Equity (Audited)**

	Attributable to equity holders of the Bank				Non-controlling interests	Total equity
	Share capital and other capital	Retained earnings	Other reserves	Total		
	\$m	\$m	\$m	\$m		
Balance at 1 January 2014	5,333	12,003	9,053	26,388	189	26,577
Profit for the financial year	-	3,249	-	3,249	15	3,264
Other comprehensive income for the financial year	-	(5)	664	660	4	663
Total comprehensive income for the financial year	-	3,244	664	3,909	19	3,928
Transfers	-	96	(96)	-	-	-
Change in non-controlling interests	-	-	1	1	1	2
Dividends	-	(1,279)	-	(1,279)	(6)	(1,285)
Issue of shares under scrip dividend scheme	517	-	-	517	-	517
Share-based compensation	-	-	34	34	-	34
Reclassification of share-based compensation reserves on expiry	-	0	(0)	-	-	-
Issue of shares under share-based compensation plans	43	-	(43)	-	-	-
Balance at 31 December 2014	<b>5,892</b>	<b>14,064</b>	<b>9,613</b>	<b>29,569</b>	<b>203</b>	<b>29,772</b>
Balance at 1 January 2013	5,272	10,222	9,586	25,080	192	25,272
Profit for the financial year	-	3,008	-	3,008	17	3,025
Other comprehensive income for the financial year	-	(4)	(535)	(540)	(3)	(542)
Total comprehensive income for the financial year	-	3,004	(535)	2,468	15	2,483
Transfers	-	(23)	23	-	-	-
Change in non-controlling interests	-	-	(9)	(9)	(10)	(19)
Dividends	-	(1,206)	-	(1,206)	(7)	(1,213)
Share-based compensation	-	-	29	29	-	29
Reclassification of share-based compensation reserves on expiry	-	6	(6)	-	-	-
Issue of shares under share-based compensation plans	32	-	(32)	-	-	-
Increase in statutory reserves	-	-	1	1	-	1
Issuance of perpetual capital securities	1,346	-	-	1,346	-	1,346
Redemption of preference shares	(1,317)	-	(3)	(1,320)	-	(1,320)
Balance at 31 December 2013	<b>5,333</b>	<b>12,003</b>	<b>9,053</b>	<b>26,388</b>	<b>189</b>	<b>26,577</b>



**Consolidated Statement of Changes in Equity (Unaudited)**

	<b>Attributable to equity holders of the Bank</b>					
	<b>Share capital and other capital</b>	<b>Retained earnings</b>	<b>Other reserves</b>	<b>Total</b>	<b>Non- controlling interests</b>	<b>Total equity</b>
	\$m	\$m	\$m	\$m	\$m	\$m
Balance at 1 October 2014	5,866	13,325	9,420	28,611	198	28,809
Profit for the financial period	-	786	-	786	2	788
Other comprehensive income for the financial period	-	(5)	177	172	2	174
<b>Total comprehensive income for the financial period</b>	<b>-</b>	<b>781</b>	<b>177</b>	<b>959</b>	<b>4</b>	<b>962</b>
Transfers	-	(30)	30	-	-	-
Change in non-controlling interests	-	-	-	-	2	2
Dividends	-	(12)	-	(12)	(1)	(13)
Share-based compensation	-	-	11	11	-	11
Reclassification of share-based compensation reserves on expiry	-	0	(0)	-	-	-
Issue of shares under share-based compensation plans	26	-	(26)	-	-	-
<b>Balance at 31 December 2014</b>	<b>5,892</b>	<b>14,064</b>	<b>9,613</b>	<b>29,569</b>	<b>203</b>	<b>29,772</b>
Balance at 1 October 2013	4,812	11,265	9,106	25,183	196	25,379
Profit for the financial period	-	773	-	773	4	777
Other comprehensive income for the financial period	-	(4)	(53)	(57)	1	(56)
<b>Total comprehensive income for the financial period</b>	<b>-</b>	<b>769</b>	<b>(53)</b>	<b>716</b>	<b>5</b>	<b>721</b>
Transfers	-	(22)	22	-	-	-
Change in non-controlling interests	-	-	(9)	(9)	(11)	(21)
Dividends	-	(9)	-	(9)	(0)	(10)
Share-based compensation	-	-	10	10	-	10
Issue of shares under share-based compensation plans	23	-	(23)	-	-	-
Issuance of perpetual capital securities	497	-	-	497	-	497
<b>Balance at 31 December 2013</b>	<b>5,333</b>	<b>12,003</b>	<b>9,053</b>	<b>26,388</b>	<b>189</b>	<b>26,577</b>

**Consolidated Cash Flow Statement (Audited)**

	2014	2013	4Q14 <sup>1</sup>	4Q13 <sup>1</sup>
	\$m	\$m	\$m	\$m
<b>Cash flows from operating activities</b>				
Operating profit before impairment charges	4,311	3,822	1,045	980
Adjustments for:				
Depreciation of assets	163	130	55	34
Net (gain)/loss on disposal of assets	(271)	(56)	(50)	5
Share-based compensation	32	28	10	10
Operating profit before working capital changes	4,236	3,924	1,060	1,028
Increase/(decrease) in working capital				
Deposits and balances of banks	(2,480)	4,709	(4,241)	1,958
Deposits and balances of customers	19,202	19,977	9,385	5,596
Bills and drafts payable	(84)	(537)	(472)	(335)
Other liabilities	804	(264)	419	518
Restricted balances with central banks	258	(873)	322	(14)
Government treasury bills and securities	(286)	4,961	(610)	1,463
Trading securities	(92)	(356)	145	(311)
Placements and balances with banks	2,720	(15,421)	1,159	(6,795)
Loans to customers	(17,672)	(26,444)	(3,480)	(5,514)
Investment securities	1,170	(1,023)	184	(393)
Other assets	(100)	228	(535)	(137)
Cash generated from/(used in) operations	7,673	(11,117)	3,336	(2,936)
Income tax paid	(563)	(578)	(72)	(81)
Net cash provided by/(used in) operating activities	7,111	(11,695)	3,264	(3,018)
<b>Cash flows from investing activities</b>				
Capital injection into associates and joint ventures	(0)	-	(0)	-
Proceeds from disposal of associates and joint ventures	-	18	-	18
Distribution from associates and joint ventures	282	43	5	5
Acquisition of properties and other fixed assets	(259)	(221)	(70)	(86)
Proceeds from disposal of properties and other fixed assets	40	87	3	32
Change in non-controlling interests	(3)	1	-	-
Net cash provided by/(used in) investing activities	61	(71)	(62)	(31)
<b>Cash flows from financing activities</b>				
Issuance of perpetual capital securities	-	1,346	-	497
Redemption of preference shares	-	(1,320)	-	-
Issuance of subordinated notes	1,544	-	-	-
Redemption of subordinated notes	(2,252)	(1,265)	-	-
Issuance/(redemption) of other debts	2,680	7,446	(2,051)	1,960
Change in non-controlling interests	5	(21)	2	(21)
Dividends paid on ordinary shares	(671)	(1,103)	-	-
Dividends paid on preference shares	(37)	(103)	-	-
Distribution for perpetual capital securities	(65)	-	(12)	-
Dividends paid to non-controlling interests	(6)	(7)	(1)	(0)
Net cash provided by/(used in) financing activities	1,198	4,973	(2,062)	2,436
Currency translation adjustments	91	(256)	39	(92)
<b>Net increase/(decrease) in cash and cash equivalents</b>	8,460	(7,049)	1,179	(704)
Cash and cash equivalents at beginning of the financial period	21,244	28,293	28,525	21,948
<b>Cash and cash equivalents at end of the financial period</b>	29,704	21,244	29,704	21,244

Note:

1 Unaudited.

**Balance Sheet of the Bank (Audited)**

	<b>Dec-14</b>	Sep-14 <sup>1</sup>	Dec-13
	\$m	\$m	\$m
<b>Equity</b>			
Share capital and other capital	<b>5,061</b>	5,035	4,501
Retained earnings	<b>10,809</b>	10,219	9,255
Other reserves	<b>9,780</b>	9,663	9,446
<b>Total</b>	<b>25,650</b>	24,917	23,202
<b>Liabilities</b>			
Deposits and balances of banks	<b>10,666</b>	14,651	13,131
Deposits and balances of customers	<b>179,123</b>	170,934	163,492
Deposits and balances of subsidiaries	<b>2,767</b>	2,707	2,630
Bills and drafts payable	<b>191</b>	328	254
Other liabilities	<b>7,843</b>	7,671	7,290
Debts issued	<b>21,139</b>	23,165	18,546
<b>Total</b>	<b>221,728</b>	219,456	205,344
<b>Total equity and liabilities</b>	<b>247,378</b>	244,373	228,546
<b>Assets <sup>2</sup></b>			
Cash, balances and placements with central banks	<b>24,807</b>	22,713	13,854
Singapore Government treasury bills and securities	<b>7,628</b>	7,755	9,526
Other government treasury bills and securities	<b>3,982</b>	4,282	3,628
Trading securities	<b>738</b>	742	566
Placements and balances with banks	<b>24,333</b>	26,194	28,032
Loans to customers	<b>149,530</b>	146,535	136,538
Placements with and advances to subsidiaries	<b>7,727</b>	7,845	7,691
Investment securities	<b>10,294</b>	10,271	10,969
Other assets	<b>7,278</b>	7,002	7,196
Investment in associates and joint ventures	<b>523</b>	501	269
Investment in subsidiaries	<b>4,981</b>	4,980	4,752
Investment properties	<b>1,229</b>	1,231	1,281
Fixed assets	<b>1,146</b>	1,141	1,061
Intangible assets	<b>3,182</b>	3,182	3,182
<b>Total</b>	<b>247,378</b>	244,373	228,546
<b>Off-balance sheet items</b>			
Contingent liabilities	<b>12,695</b>	14,346	15,860
Financial derivatives	<b>520,163</b>	511,116	375,040
Commitments	<b>79,892</b>	72,574	53,984
<b>Net asset value per ordinary share (\$)</b>	<b>15.16</b>	14.72	13.86

Notes:

1 Unaudited.

2 Assets pledged under repurchase agreements are included in the respective asset items.

**Statement of Changes in Equity of the Bank (Audited)**

	Share capital and other capital \$m	Retained earnings \$m	Other reserves \$m	Total equity \$m
Balance at 1 January 2014	4,501	9,255	9,446	23,202
Profit for the financial year	-	2,691	-	2,691
Other comprehensive income for the financial year	-	-	459	459
Total comprehensive income for the financial year	-	2,691	459	3,150
Transfers	-	115	(115)	-
Dividends	-	(1,253)	-	(1,253)
Issue of shares under scrip dividend scheme	517	-	-	517
Share-based compensation	-	-	34	34
Reclassification of share-based compensation reserves on expiry	-	0	(0)	-
Issue of treasury shares under share-based compensation plans	43	-	(43)	-
Balance at 31 December 2014	<b>5,061</b>	<b>10,809</b>	<b>9,780</b>	<b>25,650</b>
Balance at 1 January 2013	4,440	8,120	9,572	22,133
Profit for the financial year	-	2,298	-	2,298
Other comprehensive income for the financial year	-	(0)	(114)	(115)
Total comprehensive income for the financial year	-	2,298	(114)	2,184
Dividends	-	(1,169)	-	(1,169)
Share-based compensation	-	-	29	29
Reclassification of share-based compensation reserves on expiry	-	6	(6)	-
Issue of treasury shares under share-based compensation plans	32	-	(32)	-
Issuance of perpetual capital securities	1,346	-	-	1,346
Redemption of preference shares	(1,317)	-	(3)	(1,320)
Balance at 31 December 2013	<b>4,501</b>	<b>9,255</b>	<b>9,446</b>	<b>23,202</b>

**Statement of Changes in Equity of the Bank (Unaudited)**

	Share capital and other capital	Retained earnings	Other reserves	Total equity
	\$m	\$m	\$m	\$m
Balance at 1 October 2014	5,035	10,219	9,663	24,917
Profit for the financial period	-	602	-	602
Other comprehensive income for the financial period	-	-	132	132
Total comprehensive income for the financial period	-	602	132	733
Transfers	-	(1)	1	-
Dividends	-	(12)	-	(12)
Share-based compensation	-	-	11	11
Reclassification of share-based compensation reserves on expiry	-	0	(0)	-
Issue of treasury shares under share-based compensation plans	26	-	(26)	-
Balance at 31 December 2014	<b>5,061</b>	<b>10,809</b>	<b>9,780</b>	<b>25,650</b>
Balance at 1 October 2013	3,981	8,689	9,401	22,071
Profit for the financial period	-	566	-	566
Other comprehensive income for the financial period	-	(0)	58	58
Total comprehensive income for the financial period	-	566	58	624
Share-based compensation	-	-	10	10
Issue of treasury shares under share-based compensation plans	23	-	(23)	-
Issuance of perpetual capital securities	497	-	-	497
Balance at 31 December 2013	<b>4,501</b>	<b>9,255</b>	<b>9,446</b>	<b>23,202</b>

**Capital Adequacy Ratios of Major Bank Subsidiaries**

The information below is prepared on solo basis under the capital adequacy framework of the respective countries.

	<b>Dec-14</b>			
	<b>Total Risk- Weighted Assets</b>	<b>Capital Adequacy Ratios</b>		
		<b>CET1</b>	<b>Tier 1</b>	<b>Total</b>
<b>\$m</b>	<b>%</b>	<b>%</b>	<b>%</b>	
United Overseas Bank (Malaysia) Bhd	<b>16,871</b>	<b>12.8</b>	<b>12.8</b>	<b>15.2</b>
United Overseas Bank (Thai) Public Company Limited	<b>9,739</b>	<b>15.2</b>	<b>15.2</b>	<b>18.0</b>
PT Bank UOB Indonesia	<b>7,150</b>	<b>NA</b>	<b>13.4</b>	<b>15.8</b>
United Overseas Bank (China) Limited	<b>5,781</b>	<b>14.7</b>	<b>14.7</b>	<b>15.6</b>

The extract of the auditor's report dated 12 February 2015, on the financial statements of United Overseas Bank Limited and Its Subsidiaries for the financial year ended 31 December 2014, is as follows:

**United Overseas Bank Limited and Its Subsidiaries**  
**Independent Auditor's Report for the financial year ended 31 December 2014**

---

**Independent Auditor's Report to the Members of United Overseas Bank Limited**

**Report on the financial statements**

We have audited the accompanying financial statements of United Overseas Bank Limited (the Bank) and its subsidiaries (collectively, the Group) set out on pages 7 to 86, which comprise the balance sheets of the Bank and Group as at 31 December 2014, the income statements, the statements of comprehensive income, and the statements of changes in equity of the Bank and Group and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements of the Group and the financial statements of the Bank are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards, including the modification of the requirements of FRS 39 Financial Instruments: Recognition and Measurement in respect of loan loss provisioning by Notice to Banks No. 612 "Credit Files, Grading and Provisioning" issued by the Monetary Authority of Singapore, so as to give a true and fair view of the state of affairs of the Group and of the Bank as at 31 December 2014, of the results and changes in equity of the Group and of the Bank and cash flows of the Group for the year ended on that date.

**Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Bank and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



**ERNST & YOUNG LLP**  
Public Accountants and Chartered Accountants  
Singapore

12 February 2015

**THE ISSUER**

**United Overseas Bank Limited**  
80 Raffles Place  
UOB Plaza  
Singapore 048624

**THE COVERED BOND GUARANTOR**

**Glacier Eighty Pte. Ltd.**  
38 Beach Road, South Beach Tower  
#29-11, Singapore 189767

**JOINT ARRANGERS**

**BNP PARIBAS**  
10 Collyer Quay  
Ocean Financial Centre, #31-01  
Singapore 049315

**United Overseas Bank Limited**  
80 Raffles Place, #03-01  
UOB Plaza 1  
Singapore 048624

**DEALERS**

**BNP PARIBAS**  
10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**United Overseas Bank Limited**  
80 Raffles Place, #03-01  
UOB Plaza 1  
Singapore 048624

**LEGAL ADVISERS**

*To the Dealers  
as to Singapore Law*

**Allen & Overy LLP**  
50 Collyer Quay, #09-01  
OUE Bayfront  
Singapore 049321

*To the Dealers and the Trustee  
as to English Law*

**Allen & Overy LLP**  
One Bishops Square  
London E1 6AD

*To the Issuer, the CBG and the Seller  
as to Singapore Law*

**Allen and Gledhill LLP**  
One Marina Boulevard, #28-00  
Singapore 018989

*To the Issuer and the Seller  
as to English Law*

**Linklaters LLP**  
One Silk Street  
London EC2Y 8HQ

**AUDITORS**

**Ernst & Young LLP**  
Level 18 North Tower  
One Raffles Quay  
Singapore 048583

**BOND TRUSTEE AND  
SECURITY TRUSTEE**

**DB International Trust (Singapore) Limited**  
One Raffles Quay, #16-00  
South Tower  
Singapore 048583

**REGISTRAR  
(IN RESPECT OF  
COVERED BONDS OTHER THAN  
COVERED BONDS CLEARED THROUGH CDP)**

**Deutsche Bank Luxembourg S.A.**  
2, Boulevard Konrad Adenauer  
L-1115 Luxembourg  
Luxembourg

**CMU LODGING AND PAYING AGENT,  
PAYING AGENT, TRANSFER AGENT AND  
CALCULATION AGENT  
(IN RESPECT OF  
COVERED BONDS OTHER THAN  
COVERED BONDS CLEARED THROUGH CDP)**

**Deutsche Bank AG, Hong Kong Branch**  
Level 52, International Commerce Centre  
1 Austin Road West  
Kowloon  
Hong Kong

**ISSUING AND PAYING AGENT,  
CDP PAYING AGENT, PAYING AGENT,  
TRANSFER AGENT, REGISTRAR AND  
CALCULATION AGENT  
(IN RESPECT OF  
COVERED BONDS CLEARED THROUGH CDP)**

**Deutsche Bank AG, Singapore Branch**  
One Raffles Quay, #16-00  
South Tower  
Singapore 048583



*This page has been intentionally left blank.*

*This page has been intentionally left blank.*

*This page has been intentionally left blank.*