

## EXECUTION VERSION

**UK MIFIR product governance / Professional investors and ECPs only target market** – Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**UK MiFIR**”); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”) where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”)** - In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined the classification of the Covered Bonds as capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

**Pricing Supplement dated 14 September 2021**

**UNITED OVERSEAS BANK LIMITED (the “Issuer”)**  
**(incorporated with limited liability in the Republic of Singapore)**  
**(Company Registration Number 193500026Z)**

Legal Entity Identifier: IO66REGK3RCBAMA8HR66

Issue of

£850,000,000 Floating Rate Covered Bonds due 2026 (the “**Covered Bonds**”)  
unconditionally and irrevocably guaranteed as to payments of interest and principal by

**Glacier Eighty Pte. Ltd. (“CBG”)**

*(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 6 April 2021 (the “**Offering Circular**”). 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 this Pricing Supplement and the Offering Circular. The Offering Circular has been published on the website of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

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.

1	(i) Issuer:	United Overseas Bank Limited
	(ii) Covered Bond Guarantor:	Glacier Eighty Pte. Ltd.
	(iii) Calculation Agent:	Deutsche Bank AG, Hong Kong Branch
2	(i) Series Number:	10
	(ii) Tranche Number:	1
	(iii) Date on which the Covered Bonds become fungible:	Not Applicable
3	Specified Currency or Currencies:	Sterling ( <b>GBP</b> or <b>£</b> )
4	Aggregate Nominal Amount:	£850,000,000

5	Issue Price:	103.520 per cent. of the Aggregate Nominal Amount
6	(i) Specified Denominations:	£100,000 and integral multiples of £1,000 in excess thereof
	(ii) Calculation Amount:	£1,000
7	(i) Issue Date:	21 September 2021
	(ii) Interest Commencement Date	Issue Date
8	(i) Maturity Date:	Interest Payment Date falling on or nearest to 21 September 2026
	(ii) Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee:	Applicable Interest Payment Date falling on or nearest to 21 September 2027
9	Interest Basis:	For the period from and including the Issue Date up to but excluding the Maturity Date: Compounded Daily SONIA plus 1 per cent. per annum Floating Rate payable quarterly in arrear (further particulars specified below) <i>(see paragraph 15 below)</i>  For the period from and including the Maturity Date up to but excluding the Extended Due for Payment Date: Compounded Daily SONIA plus 1 per cent. per annum payable monthly in arrear (further particulars specified below) <i>(see paragraph 15 below)</i>
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:	Applicable, see paragraph 9 above
12	Put/Call Options:	Not Applicable
13	Covered Bond Swap:	(i) Covered Bond Swap Provider: United Overseas Bank Limited (ii) Nature of Covered Bond Swap: Forward Starting (i.e. entered into on the Issue Date but no cashflows will be exchanged under such Covered Bond Swap unless and until service of a Notice to Pay on the CBG)

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

14	Fixed Rate Covered Bond Provisions:	Not Applicable
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15	Floating Rate Covered Bond Provisions	Applicable
	(i) Interest Period(s):	The period beginning from and including the Issue Date and ending on but excluding the first Specified Interest Payment Date and each successive period beginning on and including a Specified Interest Payment Date and ending on but excluding the next succeeding Specified Interest Payment Date, subject to adjustment in accordance with the Business Day Convention set out in (v) below
	(ii) Specified Interest Payment Dates:	21 March, 21 June, 21 September and 21 December in each year up to the Maturity Date, provided that after the Extension Determination Date, the Specified Interest Payment Dates shall be the 21st calendar day of each month commencing on but excluding the Maturity Date and ending on the Extended Due for Payment Date, in each case subject to adjustment in accordance with the Business Day Convention set out in (v) below
	(iii) Interest Period Date:	Specified Interest Payment Date
	(iv) First Specified Interest Payment Date:	21 December 2021, subject to adjustment in accordance with the Business Day Convention set out in (v) below
	(v) Business Day Convention:	Modified Following Business Day Convention
	(vi) Business Centre(s):	London, Singapore
	(vii) Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
	(viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Agent):	Not Applicable
	(ix) Screen Rate Determination:	
	– Reference Rate:	SONIA
	– Index Determination:	Not Applicable
	– Interest Determination Date(s):	The London Banking Day immediately following the end of each Observation Period.
	– Relevant Screen Page:	Reuters Screen SONIA (or any replacement thereto)
	– Observation Method:	Lag
	– "p":	5 London Banking Days
	(x) ISDA Determination:	Not Applicable
	(xi) Margin(s):	+1 per cent. per annum

(xii) Minimum Rate of Interest:	Not Applicable
(xiii) Maximum Rate of Interest:	Not Applicable
(xiv) Day Count Fraction:	Actual/365 (Fixed)
(xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Covered Bonds, if different from those set out in the Conditions:	Condition 4(b)(iii)(C)(bb) applies
– Lookback/Suspension Period:	Not Applicable

#### PROVISIONS RELATING TO REDEMPTION

16	Call Option	Not Applicable
17	Put Option	Not Applicable
18	Final Redemption Amount of each Covered Bond:	£1,000 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:	£1,000 per Calculation Amount
20	Details relating to redemption by Instalments: amount of each instalment (“ <b>Instalment Amount</b> ”), date on which each payment is to be made (“ <b>Instalment Date</b> ”):	Not Applicable

#### PROVISIONS RELATING TO UOB SUSTAINABLE COVERED BONDS

21	UOB Sustainable Covered Bonds:	Not Applicable
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#### GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

22	Form of Covered Bonds:	<b>Registered Covered Bonds:</b> Regulation S Global Covered Bond (£850,000,000 nominal amount) registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg
23	Financial Centre(s):	London, Singapore
24	Talons for future Coupons to be attached to Definitive Covered Bonds (and dates on which such Talons mature):	Not Applicable

Signed on behalf of United Overseas Bank Limited:

By:   
.....  
Duly authorised

Signed on behalf of Glacier Eighty Pte. Ltd.:

By: .....  
Duly authorised

Signed on behalf of United Overseas Bank Limited:

By: .....  
Duly authorised

Signed on behalf of Glacier Eighty Pte. Ltd.:



By: .....  
Duly authorised  
Sophia Lim Siew Fay  
Director

## PART B – OTHER INFORMATION

### 25 LISTING AND ADMISSION TO TRADING

Admission to trading: 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 one business day after issuance

### 26 RATINGS

Ratings: The Covered Bonds to be issued are expected to be rated:

S&P: AAA

Moody's: Aaa

### 27 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save for any fees payable to the Managers, 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 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.

### 28 OPERATIONAL INFORMATION

ISIN: XS2387450476

Common Code: 238745047

CMU Instrument Number: Not Applicable

Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking, S.A., the CMU and CDP and the relevant identification number(s): Not Applicable

Delivery: Delivery against payment

Names and addresses of additional Paying Agent(s) (if any): Not Applicable

### 29 DISTRIBUTION

(i) Method of distribution: Syndicated

(ii) If syndicated:

(A) Names of Managers: BNP Paribas  
Credit Suisse International  
United Overseas Bank Limited

(B) Stabilisation Manager(s) (if any): Credit Suisse International

(iii) If non-syndicated, name of Dealer: Not Applicable

(iv) US Selling Restrictions: Reg. S Compliance Category 2;  
TEFRA not applicable



- (v) Prohibition of Sales to EEA Retail Applicable Investors:
- (vi) Prohibition of Sales to UK Retail Applicable Investors:

## ANNEX 1

### SUPPLEMENTARY INFORMATION

The Issuer accepts responsibility for the information contained in this Annex 1. To the best of its knowledge (having taken all reasonable care to ensure that such is the case) the information contained in this Annex 1 is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the fullest extent permitted by law, none of BNP Paribas, Credit Suisse International and United Overseas Bank Limited (the “**Managers**”) accepts any responsibility or liability for the contents of this Annex 1, for the information incorporated by reference into the Offering Circular, or for any other statement, made or purported to be made by the Managers or on their behalf in connection with the Issuer or the issue and offering of the Covered Bonds. Each Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Annex 1 or any such statement.

#### RISK FACTORS

- (i) In the sub-section “Risk Factors – Risk Relating to the Group – The Issuer may face pressure on its capital and liquidity requirements” the following words appearing on page 18 of the Offering Circular:

“SIBs are required to meet capital adequacy requirements under MAS Notice 637 Risk-Based Capital Adequacy Requirements for Banks incorporated in Singapore dated 14 September 2012 (last revised on 23 September 2020) (“**MAS Notice 637**”), that are higher than the standards set by the BCBS. D-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:”

shall be deemed to be replaced with:

“SIBs are required to meet capital adequacy requirements under MAS Notice 637 Risk-Based Capital Adequacy Requirements for Banks incorporated in Singapore dated 14 September 2012 (last revised on 17 August 2021) (“**MAS Notice 637**”), that are higher than the standards set by the BCBS. D-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:”;

- (ii) In the sub-section “Risk Factors – Risk Related to the CBG – Impact of Section 62A of the Banking Act” the following words appearing on page 39 of the Offering Circular:

“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.”

shall be deemed to be replaced with:

“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 against any deposit of the depositor placed with the bank that is accepted (a) in Singapore dollars; or (b) on terms under which the deposit may be repaid by the bank in Singapore dollars. 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 that is accepted (a) in Singapore dollars; or (b) on terms under which the deposit may be repaid by the bank in Singapore dollars, 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.”;

- (iii) In the sub-section “Risk Factors – Risk Related to the CBG – Impact of Section 62A of the Banking Act” the following words appearing on page 40 of the Offering Circular shall be deleted in their entirety:

“On 31 August 2015, the 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 231 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.”;

## REGULATION AND SUPERVISION

- (i) In the sub-section “Regulation and Supervision – Regulation and Supervision in Singapore - COVID-19 Temporary Measures” the following words appearing on page 221 of the Offering Circular:

“The MAS announced in a media release on 29 July 2020 that it has called on locally incorporated banks headquartered in Singapore to cap their total dividends per share (“**DPS**”) for financial year ended 2020 at 60 per cent. of financial year ended 2019’s DPS, and offer shareholders the option of receiving the dividends to be paid for financial year ended 2020 in scrip in lieu of cash. The dividend restriction is a pre-emptive measure to bolster the banks’ ability to continue to support the credit needs of businesses and consumers in the current business environment.”

shall be deemed to be replaced with:

“The MAS announced in a media release on 29 July 2020 that it has called on locally incorporated banks headquartered in Singapore to cap their total dividends per share (“**DPS**”) for financial year ended 2020 at 60 per cent. of financial year ended 2019’s DPS, and offer shareholders the option of receiving the dividends to

be paid for financial year ended 2020 in scrip in lieu of cash. The dividend restriction is a pre-emptive measure to bolster the banks' ability to continue to support the credit needs of businesses and consumers in the current business environment. On 28 July 2021, the MAS announced that the dividend restrictions on locally-incorporated banks and finance companies headquartered in Singapore will not be extended.”;

- (ii) In the sub-section “Regulation and Supervision – The Regulatory Environment – Capital Adequacy Ratios” the following words:

“On 1 July 2021, MAS Notice 637 (Amendment) 2021 was released which sets out amendments to specify that the transitional arrangements for the adoption of the standardized approach for counterparty credit risk (SA-CCR) and the revised capital requirements for bank exposures to central counterparties will cease on 31 December 2021. On 18 August 2021, further amendments were made to MAS Notice 637 to implement the framework for the treatment of major stake investments in financial institutions at the Solo level.”

shall be deemed to be inserted immediately after the following words appearing on page 223 of the Offering Circular:

“On 23 September 2020, the MAS released MAS Notice 637 (Amendment No. 2) 2020 which set out the amendments to (a) define regulatory loss allowance which is recognised as Tier 2 Capital; (b) revise the capital treatment for public sector entities; and (c) implement other technical revisions to the credit and market risk framework.”;

- (iii) In the sub-section “Regulation and Supervision – The Regulatory Environment – Minimum Leverage Ratio and Leverage Ratio Disclosure” the following words:

“On 1 July 2021, MAS Notice 637 (Amendment) 2021 was issued reflecting amendments setting out an alternative treatment for the measurement of derivatives exposures for leverage ratio calculation, using a modified version of SA-CCR as well as other amendments to implement technical revisions to the credit risk framework.”

shall be deemed to be inserted immediately after the following words appearing on page 224 of the Offering Circular:

“On 10 June 2019, MAS Notice 637 (Amendment) 2019 was issued. The document reflected amendments made to MAS Notice 637 to allow the recognition of on-balance sheet netting agreements for loans and deposits for credit risk mitigation purposes, introduce proportionality for disclosure requirements, revise certain disclosure templates, and implement other technical revisions. These amendments have taken effect as of 30 June 2019.”;

- (iv) Paragraphs 10 to 22 of the sub-section “Regulation and Supervision – Other Key Prudential Provisions” appearing on pages 224 to 228 of the Offering Circular shall be deleted in their entirety and substituted therefor with the following:

“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:

- (a) identifying any person or class of persons, where exposure of the bank, or a bank within the class of banks, to the person or class of persons may result in concentration risk to the bank; or

- (b) limiting the exposure of the bank, or a bank within the class of banks, to any person or class of persons, where the exposure may result in concentration risk to the bank.

For the purposes of this paragraph, “exposure” means the maximum loss that a bank may incur as a result of the failure of a counterparty to meet any of its obligations.

MAS issued MAS Notice 656 Exposures to Single Counterparty Groups for Banks Incorporated in Singapore on 14 August 2019 (last revised on 14 June 2021) (“**MAS Notice 656**”), which took effect from 1 July 2021. The notice sets out limits on exposures of SIBs to a single counterparty group, the type of exposures to be included in or excluded from those limits, the basis for computation of exposures, the eligible credit risk mitigation techniques and the approach for aggregation of exposures. These requirements take into account relevant aspects of the “Supervisory framework for measuring and controlling large exposures” published by the Basel Committee in April 2014, and are intended to strengthen the regulatory framework for addressing concentration of exposures to counterparties and limiting the maximum loss that a bank faces in the event of a sudden counterparty default. Amongst others, MAS Notice 656 provides that, subject to certain exceptions, a SIB must not permit:

- (a) at the Solo level, the aggregate of its exposures to any single counterparty group to exceed 25 per cent. of its Tier 1 capital; and
- (b) at the Group level, the aggregate of exposures of the SIB and its banking group entities to any counterparty, any director group, any substantial shareholder group or any connected party group to exceed 25 per cent. the Tier 1 capital of the SIB and its banking group entities.

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 entity 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 SIB can hold any 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 2 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 contrast, for a bank incorporated outside Singapore, its branches or office located within Singapore is restricted from acquiring or holding any equity investment in a single company, the value of which exceeds in the aggregate any limited prescribed by the MAS or any limited specified by the MAS in a particular case by written notice to that branch or office. Under the Banking Regulations, these restrictions on equity investment 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 in certain conditions. In addition, equity investments in a single company acquired by a bank in certain businesses prescribed under Regulation 23B of the Banking Regulations is excluded from the equity investment restrictions pursuant to the newly introduced Regulation 6C of the Banking Regulations which took effect from 1 July 2021.

Under section 32 of the Banking Act, a bank cannot hold or acquire, directly or indirectly, a major stake in any entity without first obtaining the approval of the MAS. An "entity" means any body corporate or unincorporated, whether incorporated, formed or established in or outside Singapore. A "major stake" means: (a) any beneficial interest exceeding 10 per cent. of the total number of issued shares or such other measure corresponding to shares in a company as may be prescribed; (b) control over more than 10 per cent. of the voting power or such other measure corresponding to voting power in a company as may be prescribed; or (c) any interest in an entity, by reason of which the management of the entity is 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 entity.

No SIB 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. For banks incorporated outside Singapore, their branch or office located within Singapore is restricted from acquiring or holding any interest in or rights over immovable property the value of which exceeds any limit prescribed by the MAS or any limit specified by the MAS in a particular case by written notice to that branch of office. 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 itself, through special purpose vehicles or both the bank and special purpose vehicles, and residential mortgage loans and assets eligible for inclusion in cover pools (but which have not been included) and which are transferred to special purpose vehicles, must not exceed 10 per cent. of the value of the total assets of the SIB at all times. The total assets of a SIB for the purpose of MAS 648 include the assets of the overseas branches of the SIB but

exclude (i) the assets of its subsidiaries, whether in Singapore or overseas and (ii) the assets which the SIB uses to meet specified regulatory requirements.”;

- (v) Paragraphs 4 to 8 of the sub-section “Regulation and Supervision – Corporate Governance Regulations and Guidelines” appearing on pages 228 to 230 of the Offering Circular s hall be deleted in their entirety and substituted therefor with the following:

“To further enhance the corporate governance of banks, the Banking Act:

- (a) requires a SIB to seek the MAS’ approval before it appoints certain key appointment holders (including directors and chief executive officers), and in doing so, the MAS has the power to prescribe the duties of the appointment holders and to specify the maximum term of each appointment. A SIB must also immediately inform the MAS if a key appointment holder is (in accordance with the Guidelines on Fit and Proper Criteria (last revised on 28 January 2020)) no longer a fit and proper person to hold the appointment;
- (b) empowers the MAS to remove key appointment holders of banks if they are found to be not fit and proper; and
- (c) empowers the MAS to direct banks to remove their external auditors if they have not discharged their statutory duties satisfactorily, and protects banks’ external auditors who disclose, in good faith, information to the MAS in the course of their duties from any liability that may arise from such disclosure.

A new section 29A has been introduced by the Banking Amendment Act 2020 and took effect from 1 July 2021. Under the new section 29A, the MAS may, by written notice, impose on any bank in Singapore, or any class of banks in Singapore, requirements that are reasonably necessary for the purposes of monitoring and controlling the risk of conflict between the interests of the bank in Singapore or a bank within the class of banks in Singapore, and the interests of any person, branch, head office mentioned in section 27(2)(a), (b), (c), (d), (e), (f), (h), (i) or (j), by identifying any credit facility from the bank or any branch or entity in its bank group to, any exposure of the bank or any branch or entity in its bank group to, or any transaction of the bank or any branch or entity in its bank group with, any person, branch, entity or head office mentioned in section 27(a), (b), (c), (d), (e), (f), (h), (i) or (j) or monitoring, limiting or restricting such credit facilities, exposures and transactions. The persons mentioned in section 27(2)(a), (b), (c), (d), (e), (f), (h), (i) and (j) are:

- (a) any person in a director group of the bank;
- (b) in the case of a bank incorporated in Singapore, any person in a substantial shareholder group of the bank;
- (c) any entity in a major stake entity group of the bank;
- (d) any branch, entity or head office in a related corporation group of the bank;
- (e) any person in a senior management group of the bank;
- (f) any person in a key credit approver group of the bank;
- (h) any person whose duties or interests are in conflict with the interests of the bank, as determined by the bank in accordance with a manner and process specified by the MAS by written notice to the bank;

- (i) any person specified by the MAS by written notice to the bank whose duties or interests are, in the opinion of the MAS, in conflict with the interests of the bank; and
- (j) any other person or class of persons that is prescribed.

For the purposes of this above paragraph, “bank group”, “director”, “director group”, “exposure”, “key credit approver group”, “major stake entity group”, “related corporation group”, “senior management group”, “substantial shareholder group” and “transaction” have the meanings given to them in the Fifth Schedule of the Banking Act.

Under MAS Notice 643 (last revised on 28 June 2021) which took effect from 1 July 2021, a bank in Singapore is also required to obtain the approval of a special majority of three-fourths of its board and ensure that every branch and entity in its banking group obtains the approval of a special majority of three-fourths of that entity’s board before entering into related party transactions that pose material risks to the bank or writing off any exposures to any of the bank’s related parties (unless otherwise exempt), in order to provide more effective oversight over banks’ related party transactions.”;

- (vi) The sub-section “Regulation and Supervision – Other Significant Regulations” appearing on pages 230 and 231 of the Offering Circular shall be deleted in its entirety and substituted therefor with the following:

“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, amongst other things, that the bank: (a) has ceased to transact banking business in Singapore; (b) has furnished information or documents to the MAS in connection with its application for a bank licence which is or are false or misleading in a material particular; (c) proposes to make, or has made, any composition or arrangement with its creditors or has gone into liquidation or has been wound up or otherwise dissolved; (d) 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; (e) is contravening or has contravened the provisions of the Banking Act; (f) 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; (g) is contravening or has contravened any provision of the Deposit Insurance and Policy Owners’ Protection Schemes Act, Chapter 77B of Singapore (the “**Deposit Insurance Act**”) or any Rules issued by the deposit insurance and policy owners’ protection fund agency under the Deposit Insurance Act; or (h) is contravening or has contravened any provision of the MAS Act or any direction issued by the MAS under the MAS Act.

Section 48AA of the Banking Act imposes, *inter alia*, a duty on a bank in Singapore to immediately inform MAS of any development that has occurred or is likely to occur which the bank has reasonable grounds to believe has materially and adversely affected, or is likely to materially and adversely affect its financial soundness or reputation, its ability to conduct its businesses, or such other matters as MAS may prescribe. A SIB must immediately inform MAS of any development that has occurred or is likely to occur which the bank has reasonable grounds to believe has materially and adversely affected, or is likely to materially



and adversely affect the financial soundness or reputation of an entity in the bank group of the bank or an entity or trust in the financial holding company group of the designated financial holding company of the bank (if applicable), or the ability of any entity in the bank group of the bank or any entity or trust in the financial holding company group of the designated financial holding company of the bank (if applicable) to conduct its business, or such other matters as MAS may prescribe.

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 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, which are incurred (i) in Singapore dollars, or (ii) on terms under which the deposit liabilities may be discharged by the bank in Singapore dollars; (d) fourthly, deposit liabilities incurred by the bank with non-bank customers other than liabilities referred to in paragraphs (b) and (c); and (e) fifthly, any sum claimed by the trustee of a resolution fund from the bank under the MAS Act. As between liabilities of the same class referred to in each of (a) to (e) 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 203(1) of the IRDA.

Banks in Singapore previously had 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 4 November 2019, the Banking (Amendment) Bill (B35/2019) was introduced in Parliament to (among other things) remove the DBU-ACU divide, and make consequential amendments to regulatory requirements following the removal of the DBU-ACU divide. In conjunction with this, the MAS issued an updated MAS Notice to Banks No. 610 “Submission of Statistics and Returns” (the “**Updated MAS Notice 610**”) with revisions to facilitate the removal of the distinction between DBU and ACU. The Updated MAS Notice 610 took effect from 1 July 2021.

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.

SIBs that are listed on the SGX-ST, are required to apply SFRS(I) 9 in the preparation of their financial statements for reporting periods beginning on or after 1 January 2018 in accordance with sections 201 or 373 of the Companies Act. SFRS(I) 9 introduces a new approach for the estimation of allowance for credit losses based on ECL, which includes more forward-looking information. MAS has revised MAS Notice 637 and MAS Notice 612 in light of the changes in the recognition and measurement of allowance for credit losses introduced in SFRS(I) 9. The revised MAS Notice 612 requires banks to adhere to the principles and guidance set out in the “Guidance on credit risk and accounting for expected credit losses” issued by the BCBS in December 2015. In addition, locally incorporated D-SIBs are subject to a minimum level of loss allowance equivalent to the Minimum Regulatory Loss Allowance. Where the accounting loss allowance (which is the

ECL on the selected credit exposures determined and recognised by the D-SIB in accordance with the Accounting Loss Allowance) falls below the Minimum Regulatory Loss Allowance, the D-SIB shall maintain the additional loss allowance in a non-distributable RLAR account through an appropriation of its retained earnings. When the sum of the Accounting Loss Allowance and the additional loss allowance exceeds the Minimum Regulatory Loss Allowance, the D-SIB may transfer the excess amount in the RLAR to its retained earnings.”;

- (vii) In the sub-section “Regulation and Supervision – Examinations and Reporting Arrangements for Banks” the following words appearing on pages 231 and 232 of the Offering Circular:

“The MAS conducts on-site examinations of banks. Banks are also subject to annual audit by an external auditor approved by the 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 at least 50 percent;
- (c) serious irregularities have occurred, including irregularities that jeopardise the security of the creditors of the bank; or
- (d) he is unable to confirm that the claims of creditors of the bank are still covered by the assets.

As a consequence of the impending removal of the DBU-ACU divide, MAS has proposed to introduce a new reporting benchmark wherein the auditor must report to the MAS immediately if he becomes aware of any development that has occurred or is likely to occur which he has reasonable grounds to believe has materially affected adversely, or is likely to materially affect adversely, the financial soundness of the bank. With the new reporting benchmark, limb (b) above would no longer apply to all banks, but only to SIBs. The substance of these proposed changes have been included in the Banking Amendment Act 2020. As of the date of this Offering Circular, the relevant section under the Banking Amendment Act 2020 effecting such amendments has not come into force.”

shall be deemed to be replaced with:

“The MAS conducts on-site examinations of banks. Banks are also subject to annual audit by an external auditor approved by the 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) for SIBs, losses have been incurred which reduce the capital funds of the bank by at least 50 percent;
- (c) serious irregularities have occurred, including irregularities that jeopardise the security of the creditors of the bank;
- (d) he is unable to confirm that the claims of creditors of the bank are still covered by the assets; or
- (e) any development has occurred or is likely to occur which has materially and adversely affected, or is likely to materially and adversely affect, the financial soundness of the bank.”; and

## **TAXATION**

In the sub-section “Taxation – Singapore Taxation – Withholding Tax Exemption on Qualifying Payments by Specified Entities” the following words appearing on page 329 of the Offering Circular:

“A specified entity includes a bank licensed under the Banking Act or a merchant bank approved under the MAS Act. Pursuant to the Singapore Budget Statement 2021, the above withholding tax exemption is to be extended until 31 December 2026 to cover debt securities issued by such specified entities from 17 February 2012 to 31 December 2026 (both dates inclusive). The MAS will be providing further details of such extension in due course.”

shall be deemed to be replaced with:

“A specified entity includes a bank licensed under the Banking Act or a merchant bank approved under the MAS Act. Pursuant to the Singapore Budget Statement 2021 and the MAS Circular FDD Cir 04/2021 entitled “Tax Exemption/Waiver of Withholding Tax on Qualifying Payments Made by Qualifying Financial Institutions” issued by the MAS on 31 May 2021, the above withholding tax exemption is to be extended until 31 December 2026 to cover debt securities issued by such specified entities from 17 February 2012 to 31 December 2026 (both dates inclusive).”.