

The background of the slide is a photograph of two tall skyscrapers against a blue sky with light clouds. The building on the left is a dark, modern structure with a grid of windows. The building on the right is a white, older-style skyscraper with a rounded top and many windows. The image is taken from a low angle, looking up at the buildings.

United Overseas Bank Limited Covered Bond

Investor Presentation

February 2016

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Investment Highlights

Triple-A* Rated Covered Bonds to be issued by Highly Rated Solid Issuer

- Triple-A* rated Covered Bond to be issued by Aa1/AA-/AA- (Moody's/S&P/Fitch) rated bank
- Strong balance sheet and management with proven track record
- Prudent Capital, Liquidity and Balance Sheet Management

Robust Regulatory Framework

- Prudent and detailed regulatory framework with all the key fundamental components in line with global covered bond framework – including asset segregation, cover pool eligibility, minimum over-collateralisation, encumbrance limit, risk management, independent monitoring, regular reporting, etc.
- UOB Covered Bond is expected to be granted the ECBC Covered Bond label which demonstrates the issuer's strong commitment to transparency

High Quality Cover Pool

- 100% first ranking SGD denominated private residential mortgage loans originated by UOB in Singapore (one of the largest residential mortgage loan lenders in Singapore)
- Primarily owner-occupied (80%); Singapore Citizen/Permanent Resident (over 94%)
- Low weighted average LTV of 53.2% with long weighted average seasoning of 51 months (over 4 years)
- Maximum LTV cap of 80%

Dual Recourse

- Covered bondholders will have a direct claim against UOB and secured claim on the Cover Pool

Segregation and Bankruptcy Remoteness

- The Cover Pool is segregated by virtue of "true sale" to the Covered Bond Guarantor
- Legal opinion to ascertain that the cover pool assets are beyond the reach of UOB and its creditors, even in an insolvency situation

Structural Enhancements

- Asset Coverage Test, Amortisation Test, Pre-Maturity Test, Reserve Fund, Commingling Reserve Fund, Covered Bond Swap, Servicer Replacement, Indexation, Set-off Amount adjustment, Account Bank replacement, Legal Perfection, Cash Flow Waterfall

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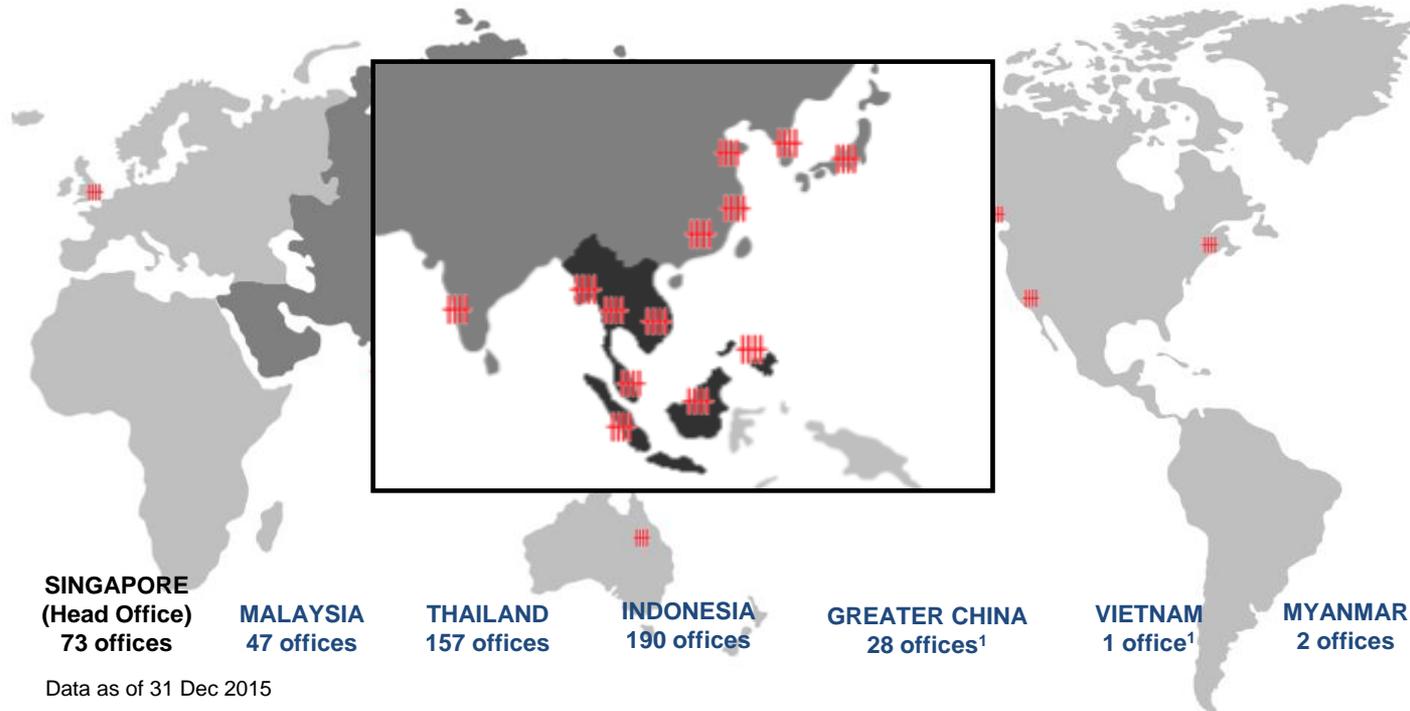
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UOB Overview

Group Profile

- Head office in Singapore, founded in August 1935 by a group of Chinese businessmen and Datuk Wee Kheng Chiang, grandfather of the present UOB Group CEO, Mr. Wee Ee Cheong
- UOB has grown over the decades through organic means and a series of acquisitions. It is today one of the leading banks in Singapore with an established presence in the ASEAN region
- The Group has an international network of over 500 offices in 19 countries and territories

Extensive Regional Footprint with 500+ Offices



	MOODY'S INVESTORS SERVICE	STANDARD & POOR'S	FitchRatings
Issuer Rating	Aa1	AA-	AA-
Outlook	Stable	Stable	Stable
Short Term Debt	P-1	A-1+	F1+

1.UOB owns c13% in Evergrowing Bank in China and c20% in Southern Commercial Joint Stock Bank in Vietnam

UOB Financial Highlights

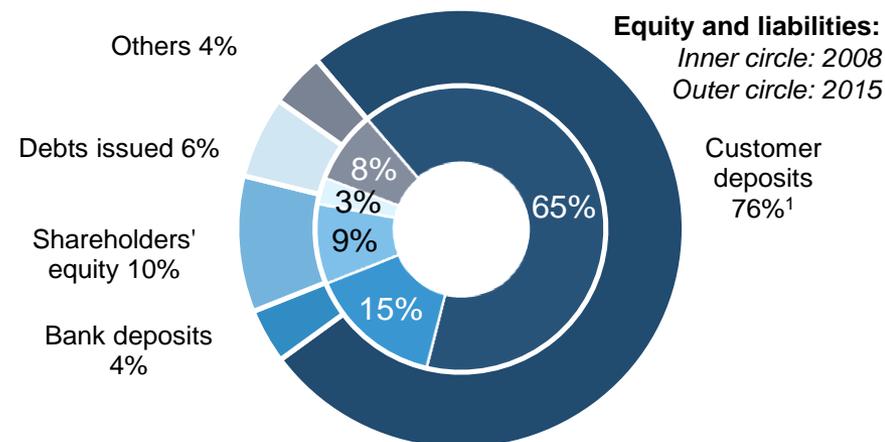
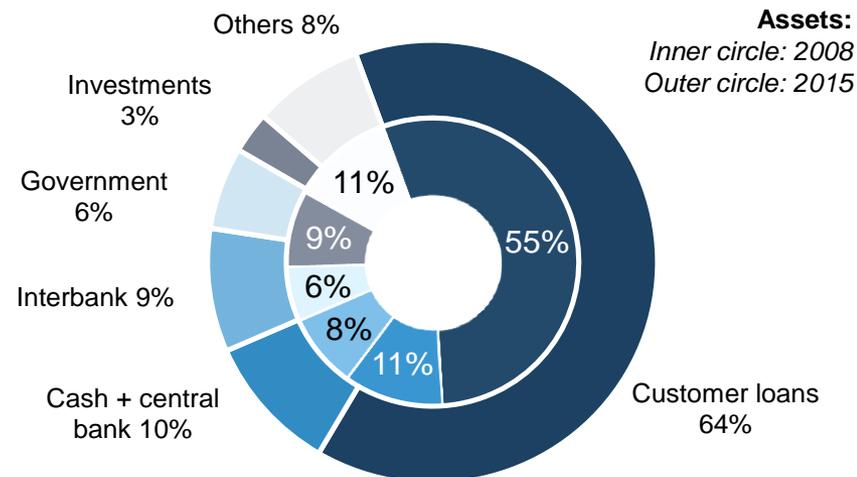
Key Statistics for FY15

■ Total assets	: SGD316.0b	(USD223.5b ¹)
■ Shareholder's equity	: SGD30.8b	(USD21.8b ¹)
■ Gross loans	: SGD207.4b	(USD146.7b ¹)
■ Customer deposits	: SGD240.5b	(USD170.1b ¹)
■ Common Equity Tier 1 CAR	: 13.0%	
■ Proforma Common Equity Tier 1 CAR ²	: 11.7%	
■ Leverage ratio ³	: 7.3%	
■ ROA	: 1.03%	
■ ROE ⁴	: 11.0%	
■ NIM	: 1.77%	
■ Non-interest/Total income	: 38.8%	
■ NPL ratio	: 1.4%	
■ Loans/Deposits ratio	: 84.7%	
■ Liquidity coverage ratios ⁵	: 142% (All-currency) / 217% (SGD)	
■ Cost / Income	: 44.7%	
■ Market Capitalisation ⁶	: SGD31.4b	(USD22.2b ¹)

Note: Financial statistics as at 31 December 2015.

1. FX rate used: USD 1 = SGD 1.4139 as at 31 December 2015.
2. Based on final rules effective 1 January 2018.
3. Leverage ratio is calculated based on the revised MAS Notice 637 which took effect from 1 January 2015.
4. Calculated based on profit attributable to equity holders of the Bank net of preference share dividend and capital securities distributions.
5. Average for fourth quarter 2015.
6. Listed on Singapore Stock Exchange

Asset Liability Mix



1. The definition of 'Customer Deposits' was expanded to include deposits from financial institutions relating to fund management and operating accounts from 1Q14 onwards

Established Franchise In Core Market Segments



Group Retail

- Best Retail Bank in Singapore¹
- Strong player in credit cards and private residential home loan business

Group Wholesale Banking

- Best SME Banking¹
- Seamless access to regional network for our corporate clients

Global Markets and Investment Management

- Strong player in Singapore dollar treasury instruments
- UOB Asset Management is one of Singapore's most awarded fund managers²

UOB Group's recognition in the industry

The Banker
GLOBAL FINANCIAL INTELLIGENCE SINCE 1926



Bank of the Year, Singapore



GLOBAL FINANCE

Best Bank in Singapore

THE ASIAN BANKER
STRATEGIC BUSINESS INTELLIGENCE FOR THE FINANCIAL SERVICES COMMUNITY



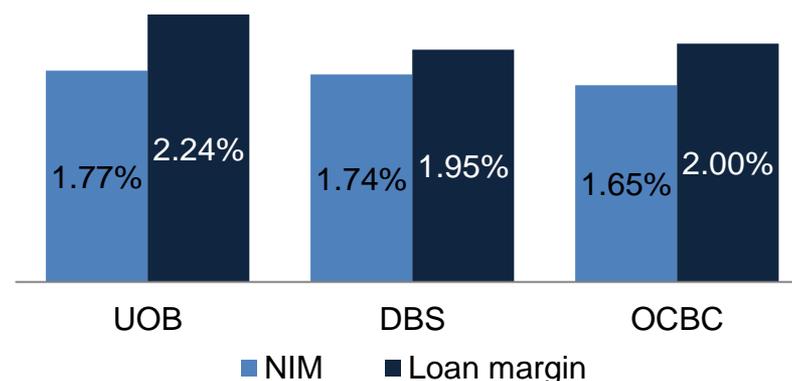
Best Retail Bank in Singapore

Best SME Banking

Source: Company reports.

1. The Asian Banker Excellence in Retail Financial Services International Awards 2011 (Retail and SME Banking), 2012 & 2014 (Retail Banking).
2. The Edge Lipper – Singapore Fund Awards.

Highest 9M15 NIM among local peers

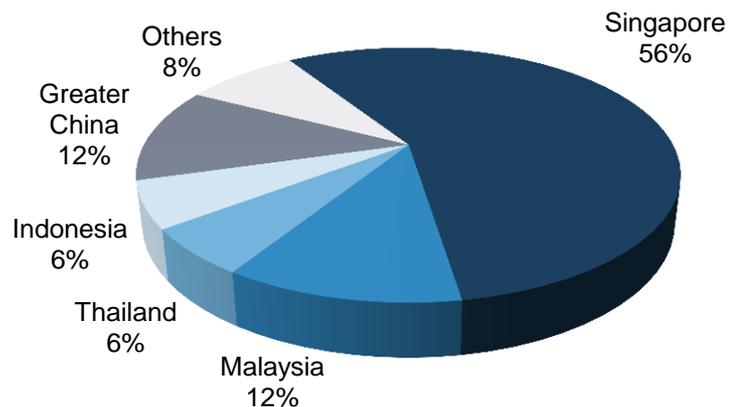


Loan margin is the difference between the rate of return from customer loans and costs of deposits.

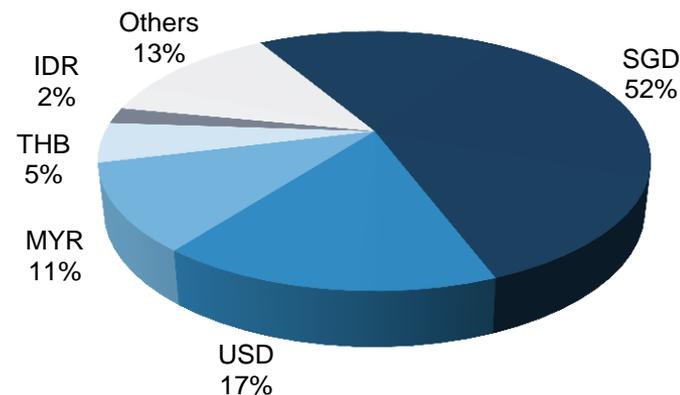
Source: Company reports.

Diversified Loan Portfolio

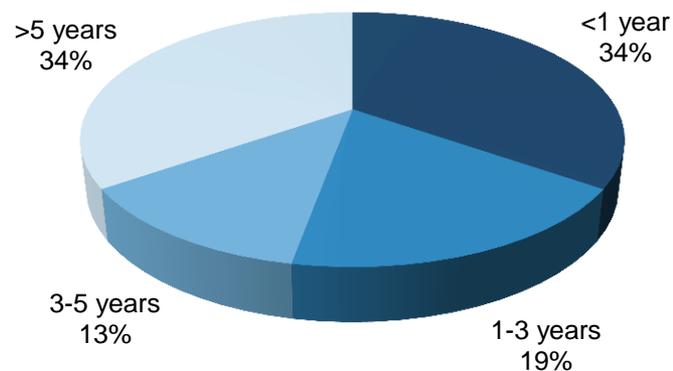
Gross Customer Loans by Geography¹



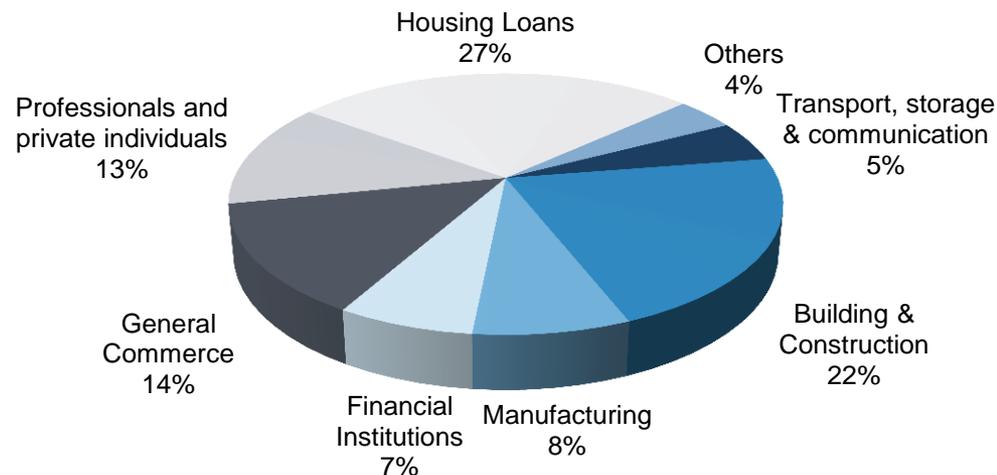
Gross Customer Loans by Currency



Gross Customer Loans by Maturity



Gross Customer Loans by Industry



Note: Financial statistics as at 31 December 2015.

1. Loans by geography are classified according to where credit risks reside, largely represented by the borrower's country of incorporation / operation (for non-individuals) and residence (for individuals)

Strong UOB Fundamentals

Strong Management with Proven Track Record

- Proven track record in steering the bank through various global events and crises
- Stability of management team ensures consistent execution of strategies

Consistent and Focused Financial Management

- FY15 NPAT stable at SGD3,209m, despite volatile market and modest growth
- Record revenue of SGD8,048m, driven by wider NIM (+6 basis points over FY14) and broad-based increase in fee income
- Maintain costs discipline; continue to invest in building long-term capabilities

Prudent Management of Capital, Liquidity and Balance Sheet

- Strong capital base; Common Equity Tier 1 capital adequacy ratio of 13.0% as at 31 December 2015, well above Basel III capital requirements
- Liquid and well diversified funding mix with loan/deposits ratio at 84.7%
- Stable asset quality, with well-diversified loan portfolio

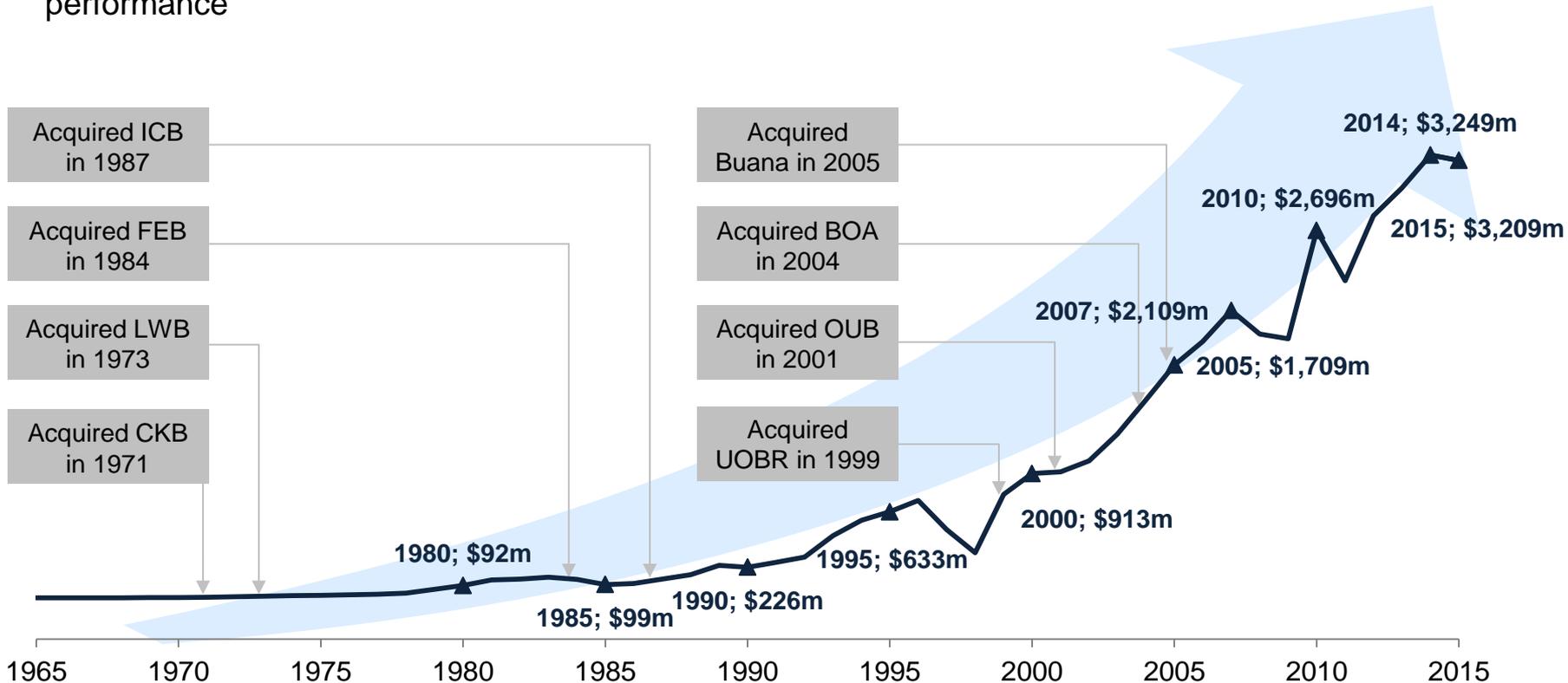
Delivering on Regional Strategy

- Holistic regional bank with effective full control of subsidiaries in key markets with lower credit penetration
- Key regional franchise continues to deliver as we leverage regional flows
- Entrenched local presence: ground resources and integrated regional network to better address the needs of our targeted segments

***UOB is focused on the basics of banking;
Stable management team with proven execution capabilities***

Proven Track Record Of Execution

- UOB Group’s management has a proven track record in steering the Group through various global events and crises. Achieved record NPAT of SGD3,249 million in 2014
- Stability of management team ensures consistent execution of strategies
- Disciplined management style which underpins the Group’s overall resilience and sustained performance



Note: Bank of Asia Public Company Limited (“BOA”), Chung Khiaw Bank Limited (“CKB”), Far Eastern Bank Limited (“FEB”), Industrial & Commercial Bank Limited ICB (“ICB”), Lee Wah Bank Limited (“LWB”), Overseas Union Bank Limited (“OUB”), Radanasin Bank Thailand “UOBR”.

Competitive Against Peers

	Moody's	S&P	Fitch		Standalone Strength	Efficient Cost Management	Competitive ROAA	Well-Maintained Liquidity
					Baseline credit assessment	Costs/income ratio	Return on average assets ¹	Loan/deposit ratio
Singaporean Banks	Aa1	AA-	AA-	UOB	aa3	44.1%	1.04%	81.6%
	Aa1	AA-	AA-	OCBC	aa3	41.9%	1.14%	83.5%
	Aa1	AA-	AA-	DBS	aa3	45.0%	0.99%	89.7%
Global Banks	A1	A	AA-	HSBC	a3	58.8%	0.76%	75.4%
	Aa3	A-	A+	SCB	a2	59.2%	0.43%	72.6%
South East Asian Banks	A3	A-	n.r.	CIMB	baa1	62.0%	0.77%	94.9%
	A3	A-	A-	MBB	a3	47.9%	1.03%	95.3%
	Baa1	BBB+	BBB+	BBL	baa2	43.1%	1.26%	87.5%
	Baa3	n.r.	BBB-	BCA	baa3	64.4%	3.86%	78.1%
US Banks	Baa1	BBB+	A	BOA	baa2	67.0%	0.82%	75.3%
	Baa1	BBB+	A	Citi	baa2	56.0%	1.01%	67.3%
	A3	A-	A+	JPM	a3	63.0%	1.02%	62.5%

UOB's competitiveness enhanced by prudent management and strong financials

Source: Company reports, Credit rating agencies.

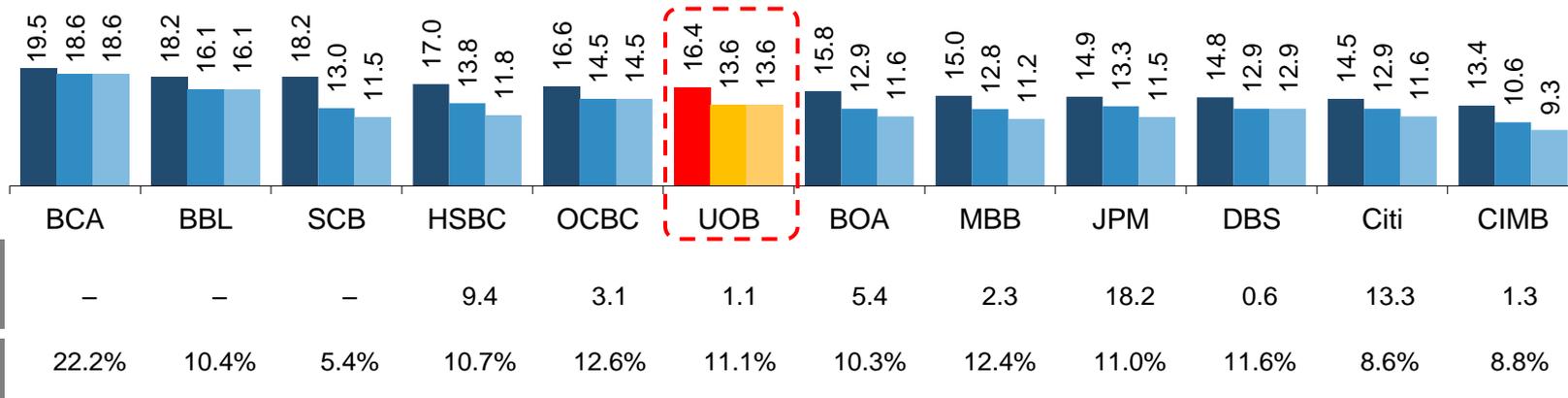
Financials of the above banks were as of 30 September 2015, except for Standard Chartered, whose financials were as of 30 June 2015.

1. ROAA calculated on an annualised basis.

Strong Capitalisation and Low Gearing Ratio

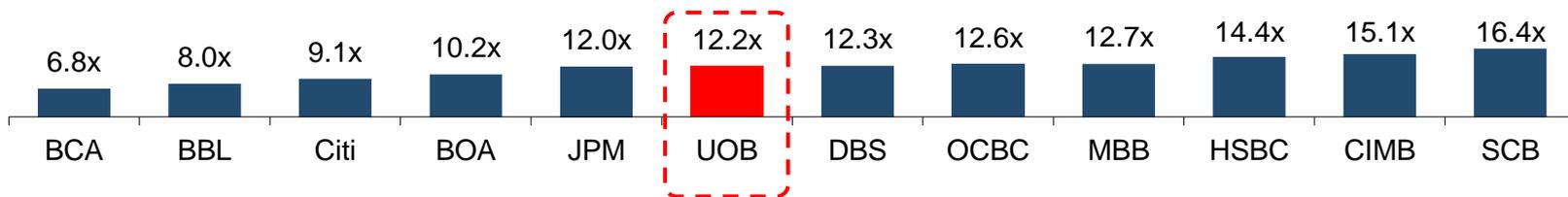
Total CAR, Tier 1 CAR, Common Equity Tier 1

(Total CAR, Tier 1 CAR, Common Equity Tier 1 CAR in %)



Gearing Ratio

Gearing Ratio (no. of times)³



UOB is one of the most well-capitalised banks with lower gearing ratio compared with some of the most renowned banks globally

Source: Company reports, Dealogic.

Financials of the above banks were as of 30 September 2015, except for HSBC and Standard Chartered, whose financials were as of 30 June 2015.

1. From 1 January 2013 till 31 December 2015 and includes Tier 1 capital.
2. Computed on an annualised basis.
3. Gearing Ratio is calculated as tangible assets (reported total assets less goodwill and intangibles) divided by tangible equity (reported total equity less goodwill and intangibles).

Strong Investment Grade Credit Ratings

Ratings



Aa1/Stable/P-1

- '...Strong and valuable business franchise'
- 'Long experience in serving SME segment should enable it to maintain its customer base.'
- 'Ability to keep its asset quality measures consistently at a good level'



AA- /Stable/A-1+

- 'Prudent management team... expect the bank to continue its emphasis on funding and capitalisation to buffer against global volatility'
- 'UOB will maintain its earnings, asset quality and capitalization while pursuing regional growth.'
- 'Above average funding and strong liquidity position'



AA- /Stable/F1+

- 'Ratings reflect its strong domestic franchise, prudent management, robust balance sheet...'
- 'Stable funding profile and liquid balance sheet...'
- 'Notable credit strengths ...core capitalisation, domestic funding franchises and close regulatory oversight.'

Debt Issuance History

Issue Date	Type	Structure	Call	Coupon	Amount	Issue Rating (M / S&P / F)
Tier 1						
Nov 2013	B3 AT1	Perpetual	2019	4.750%	SGD500m	A3 / BB+ / BBB
Jul 2013	B3 AT1	Perpetual	2018	4.900%	SGD850m	A3 / BB+ / BBB
Dec 2005	B2 AT1	Perpetual	2016	5.796%	USD500m	A3 / BBB- / BBB
Tier 2						
May 2014	B3 T2	12NC6	2020	3.500%	SGD500m	A2 / BBB / A+
Mar 2014	B3 T2	10.5NC5.5	2019	3.750%	USD800m	A2 / BBB / A+
Oct 2012	B2 LT2	10NC5	2017	2.875%	USD 500m	Aa3 / A+ / A+
Jul 2012	B2 LT2	10NC5	2017	3.150%	SGD1,200m	Aa3 / A+ / A+
Apr 2011	B2 LT2	10NC5	2016	3.450%	SGD1,000m	Aa3 / A+ / A+
Senior Unsecured						
Sep 2014	-	5.5yr FXN	-	2.50%	USD500m	Aa1 / AA- / AA-
Sep 2014	-	4yr FRN	-	BBSW 3m +0.64%	AUD300m	Aa1 / AA- / AA-
Nov 2013	-	3yr FRN	-	BBSW 3m +0.65%	AUD300m	Aa1 / AA- / AA-
Jun 2013	-	3yr FXN	-	2.50%	CNY500m	Aa1 / AA- / AA-
Mar 2012	-	5yr FXN	-	2.25%	USD750m	Aa1 / AA- / AA-

Debt Maturity Profile

(SGD m equivalent)

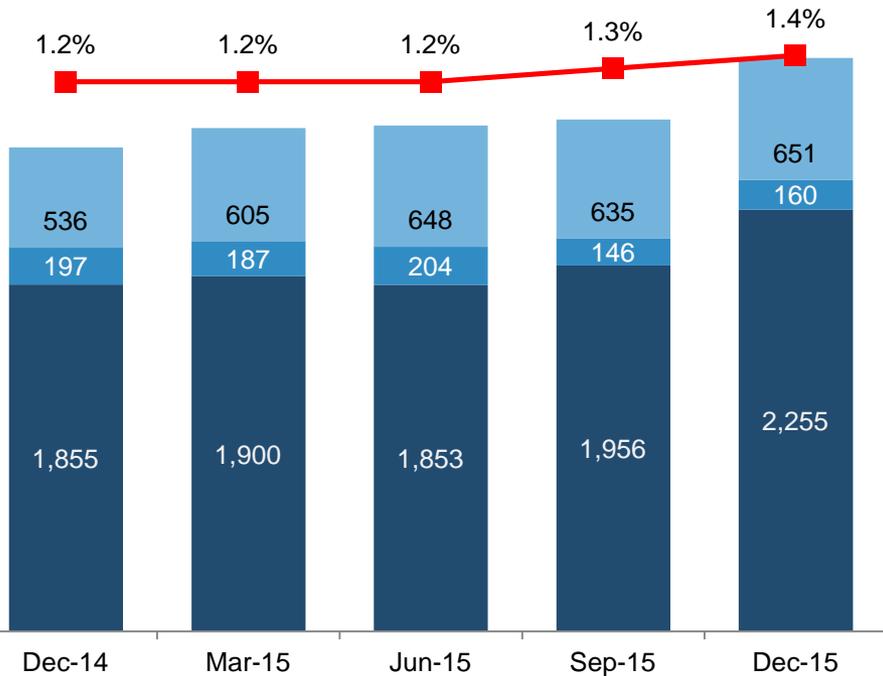


B2: Basel II, B3: Basel III, AT1: Additional Tier 1, T2: Tier 2, LT2: Lower Tier 2
 FXN: Fixed Rate Notes; FRN: Floating Rate Notes;
 The table includes rated public issuances of UOB Group; updated as of 30 October 2015.

Note: Maturities shown at first call date for Tier Capital Issuances
 FX rates as at 31 December 2015: USD 1 = SGD 1.41; SGD 1.03 = AUD 1.00; SGD 1 = CNY 4.59.

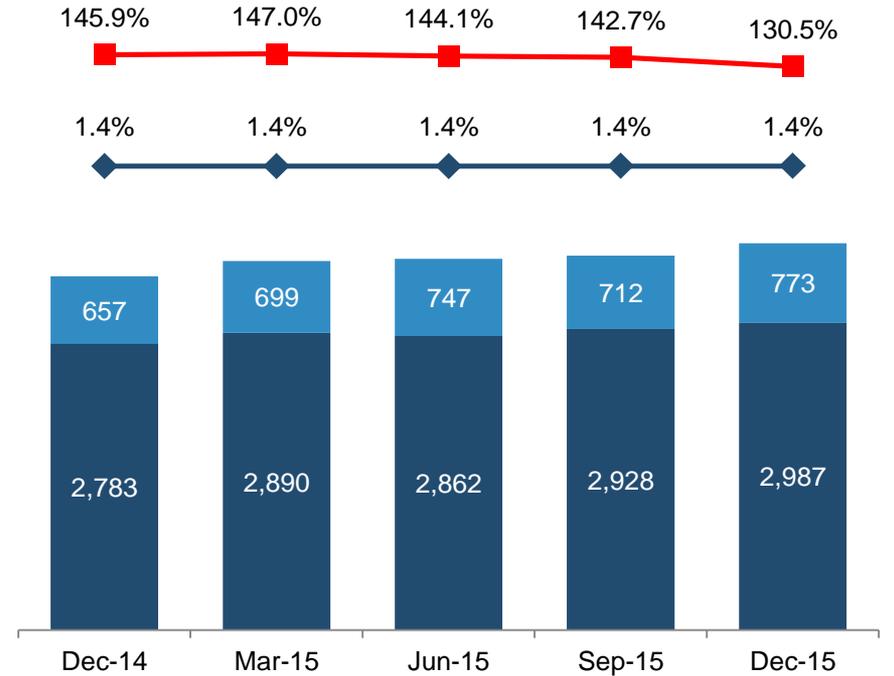
Resilient Asset Quality; High Allowances Coverage

Stable NPL Ratio



■ Substandard NPA (SGD m) ■ Doubtful NPA (SGD m)
■ Loss NPA (SGD m) ■ NPL Ratio (%)

Consistently High Allowances Coverage



■ Specific Allowances (SGD m)
■ General Allowances (SGD m)
■ Total Allowances / Total NPL (%)
◆ General Allowances / Gross Loans net of Specific Allowances (%)

Delivering on Regional Strategy

- Most diverse regional franchise among Singapore banks; effectively full control of regional subsidiaries
- Integrated regional platform improves operational efficiencies, enhances risk management and provides faster time-to-market and seamless customer service
- Focused on tapping growing intra-regional flows and rising consumer affluence in the region
- Aim for region to contribute 40% of Group's PBT in medium term

Profit before Tax and Intangible by Region

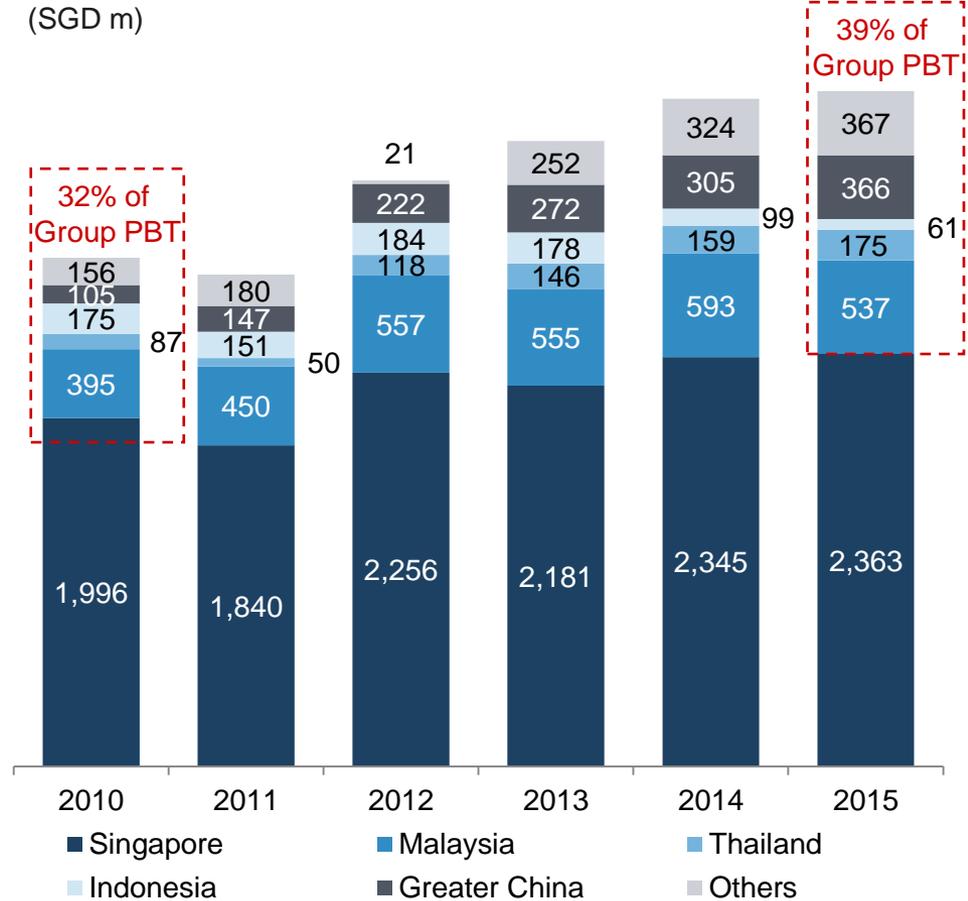


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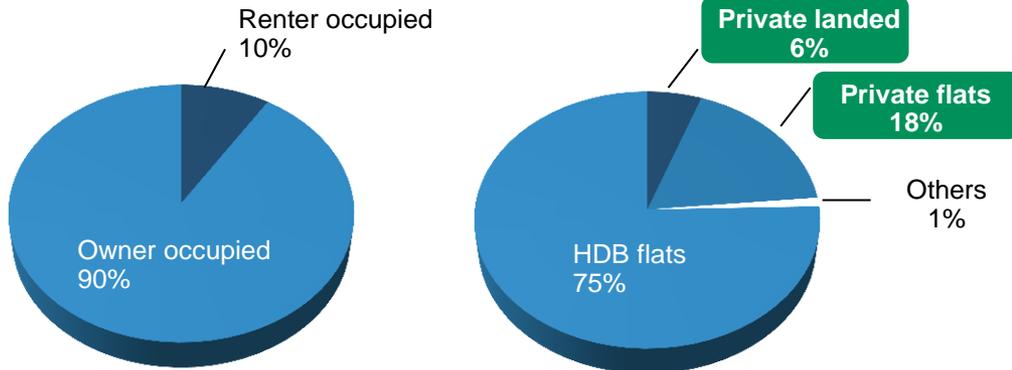
Background of Singapore Housing Market

- Housing and Development Board (HDB)¹
 - Set up in 1960 to solve Singapore’s housing crisis
 - Singapore’s public housing authority under the Ministry of National Development to plan and develop Singapore’s housing estates

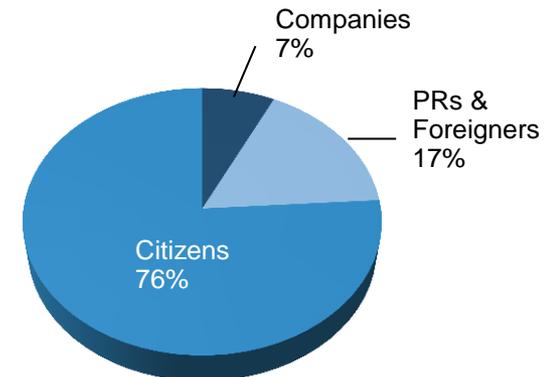
- Singapore housing market is skewed towards owner-occupation
 - Reflect government’s policy: To make home ownership accessible to Singaporeans

- 75% of population reside in HDB flats
 - Monthly combined housing income ceilings of up to S\$12,000 can apply to purchase new HDB flats

Residential Dwelling 2014²: 1.271m² units



Private Home Ownership 2Q 2015



Cover Pool Assets

¹ HDB Website, “Our History”

² Singstat – “Singapore in Figures 2015”

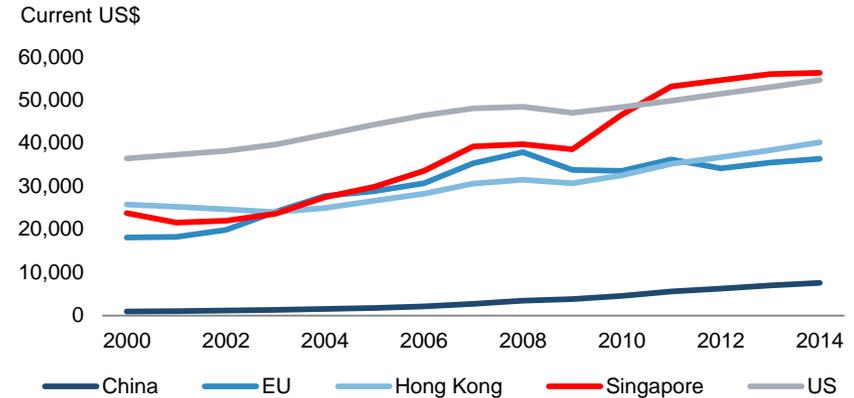
Source: CEIC, Singapore Department of Statistics, “Yearbook of Statistics Singapore, 2014” - Covered Bond Conference 2014 in Vienna

Strong Macroeconomic Fundamentals

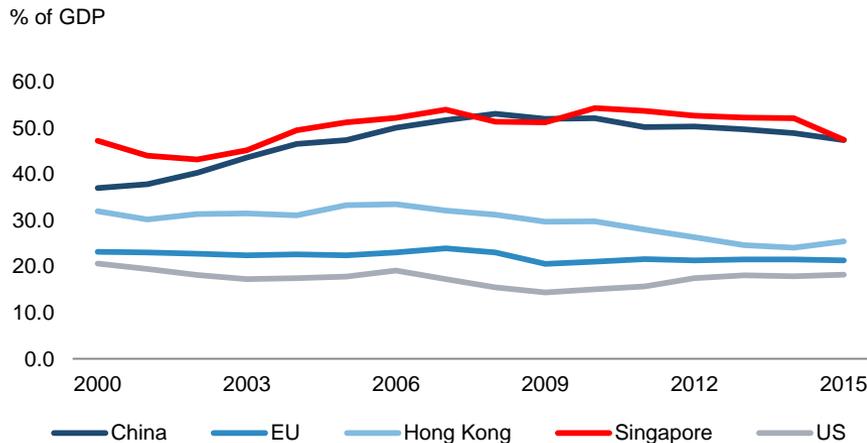
Key Data Summary¹

Population (2015)	5.535 million
Area / Population Density (2015)	719.1 Sq. Km / 7,697 per Sq. Km
Currency	Singapore (SGD)
GDP (3Q15)	SGD98,894 million
Unemployment Rate (3Q15)	2.0%
GDP per Capita (3Q15)	SGD71,318
Country Rating (S&P/Moody's/Fitch)	Aaa/AAA/AAA

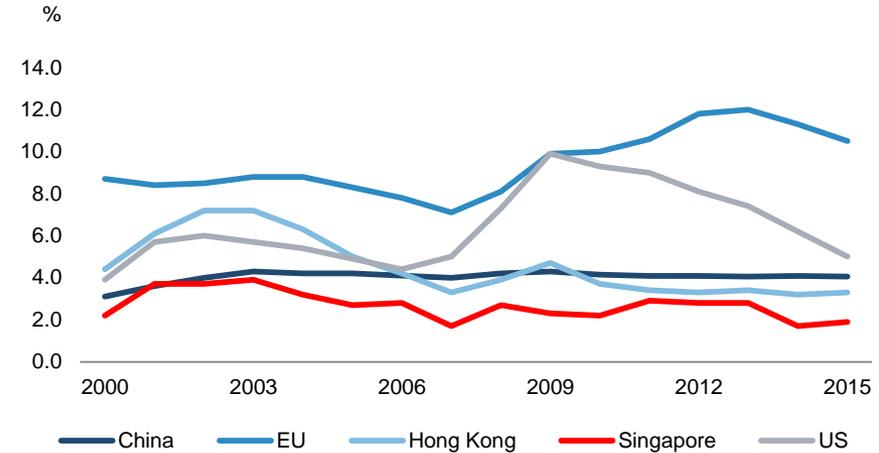
GDP per capita²



Gross Domestic Savings²



Unemployment Rate²



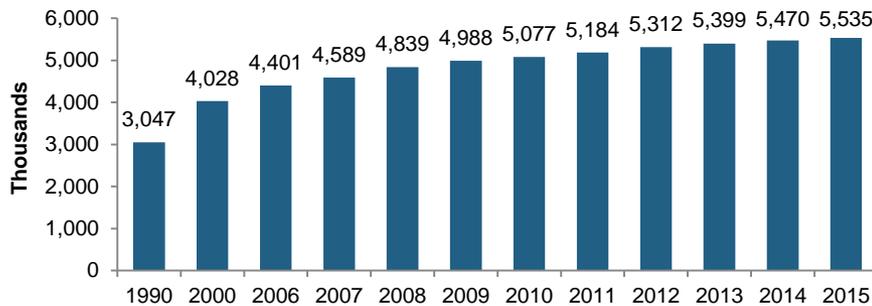
(1) Source: Singapore Department of Statistics

(2) Source: World Bank, Bloomberg

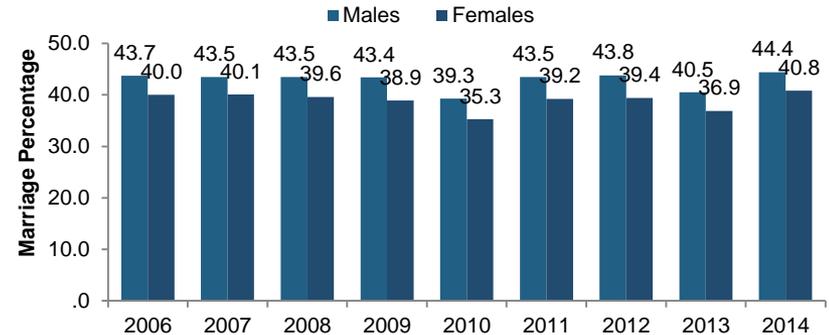
Strong Housing Demand

- The total population in Singapore is anticipated to reach 5.8 to 6.0 million by the end of 2020 and continue to increase during the following decade, growing to between 6.5 and 6.9 million in the year of 2030
- Household Formation – Average marriages last 5 years was 26,844 per year (2010-2014)
- Non-residents increased at an average of **48,000**/ year (last 5 years), accounting for **29%** of 2015's total population
- Although foreigners have underpinned housing demand over the last 5 years, the growth has tapered after 2013 following the introduction of the Additional Buyer's Stamp Duty (ABSD) measures

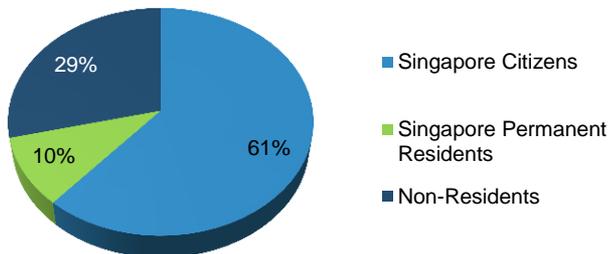
Strong Population Growth



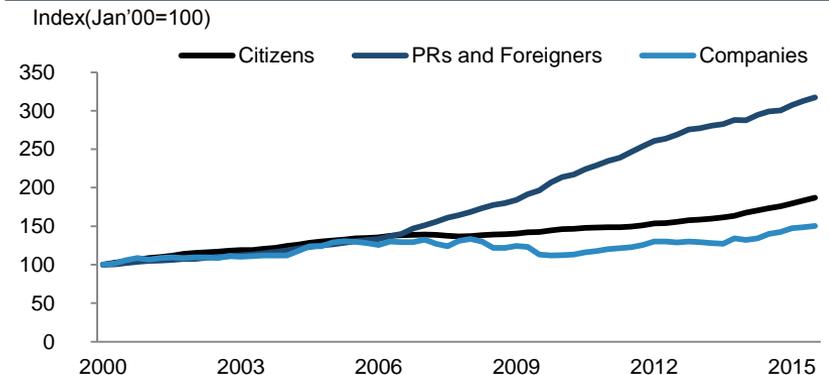
Stable Number of Marriages



Breakdown of Singapore Population (2015)



Private Home Ownership

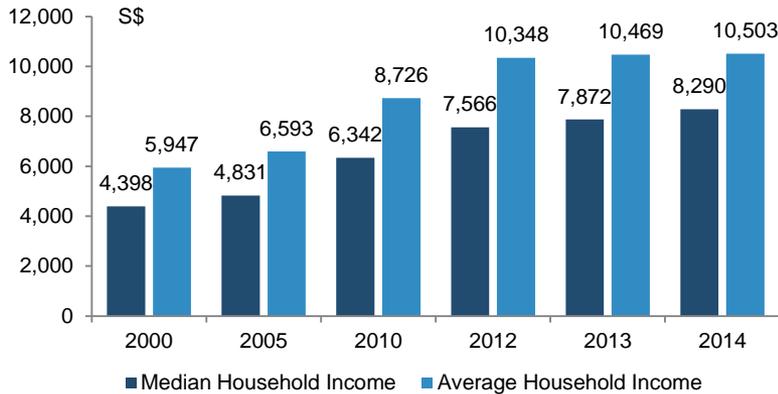


Note: Non-resident population comprises foreigners who were working, studying or living in Singapore but not granted permanent residence, excluding tourists and short-term visitors.
 Source: Singapore Department of Statistics, Ministry of Manpower, 2015, UOB Research

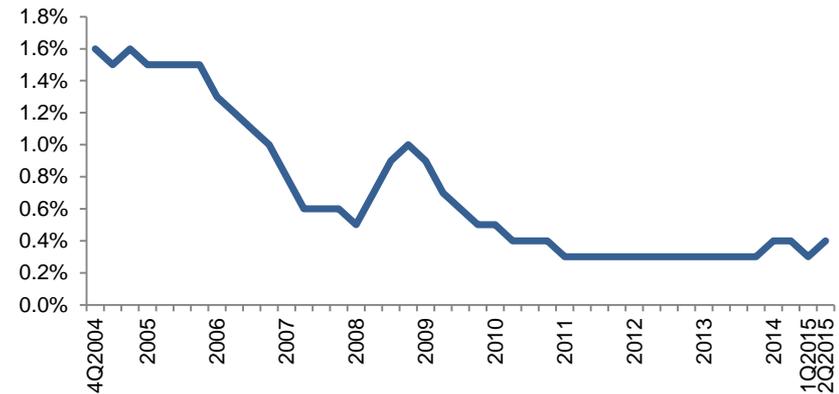
Strong Fundamentals to Support Singapore Mortgage Market

- Increasing Monthly Household Income¹
 - Median monthly HH income increased from S\$6,342 in 2010 to S\$8,290 in 2014
- At the same time, the average loan tenure of new mortgage loans had shortened from 30 years in Q3 2012, to about 24 years in Q3 2014
- Singapore housing NPL remains close to historical lows due to a combination of low unemployment levels and tighter underwriting standards as demonstrated by low average loan-to-value ratio (LTV) vis-à-vis other countries

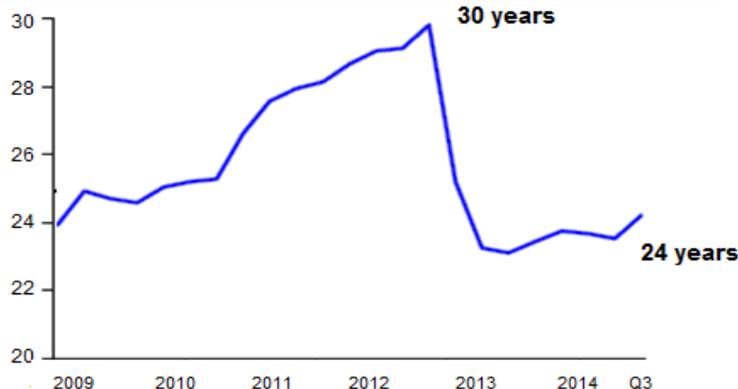
Median & Average Monthly Household Income



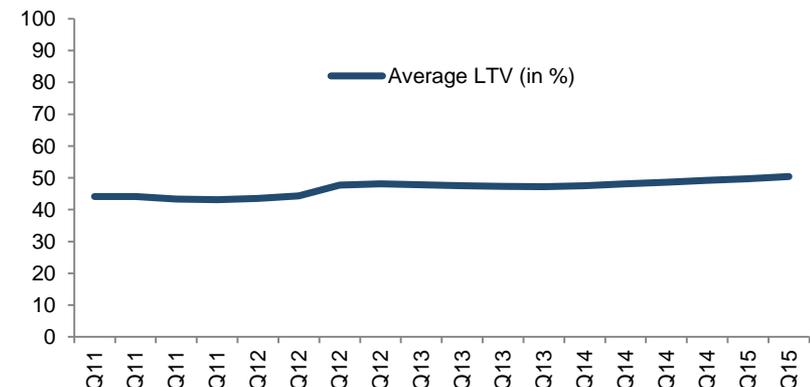
Housing Loans NPL Ratios



Average Loan Tenors of New Private Housing Loans



Low Average LTV (%)



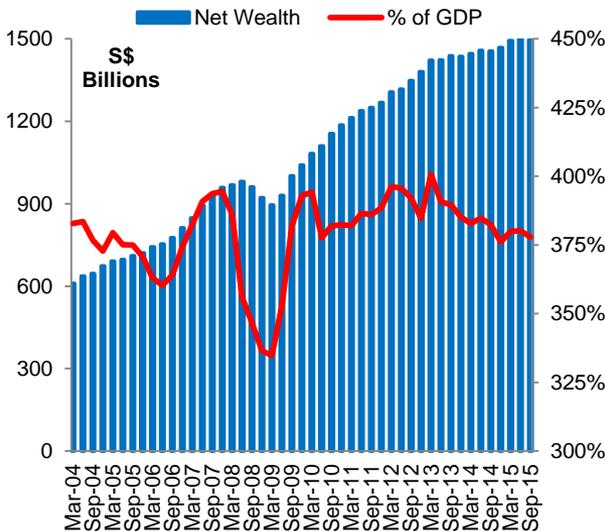
¹ Includes Employer CPF Contribution

Source: MAS, Financial Stability Review 2014, Bloomberg

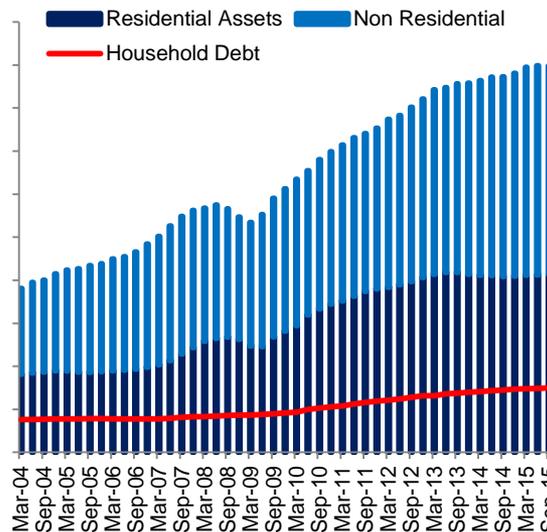
Low Household Leverage and Affordability Ratio

- Singapore's household balance sheet remains robust with Singapore household net worth (defined as household assets less household debt) growing at an average rate of 8% p.a. over the past 10 years (2Q2005 to 3Q2015)
- Household Assets
 - Property assets account for a large share of household assets (~50%)
 - Property price increase is the key driver of growth in household net worth
- Household Debt
 - Household leverage reduced significantly from 2004 and maintained at around the historical median since 2011
 - Housing loans continue to account for a large share of household sector liabilities (~74%)
 - This proportion is broadly comparable to that of several other countries like Hong Kong, Australia, the US and UK

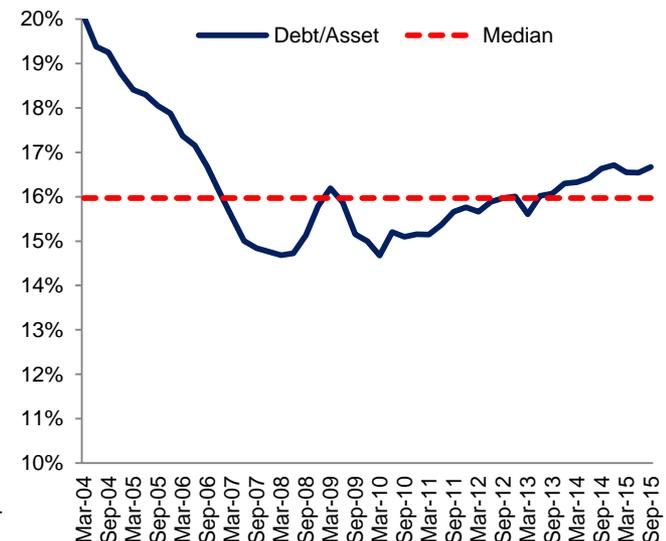
Household Net Wealth



Household Assets

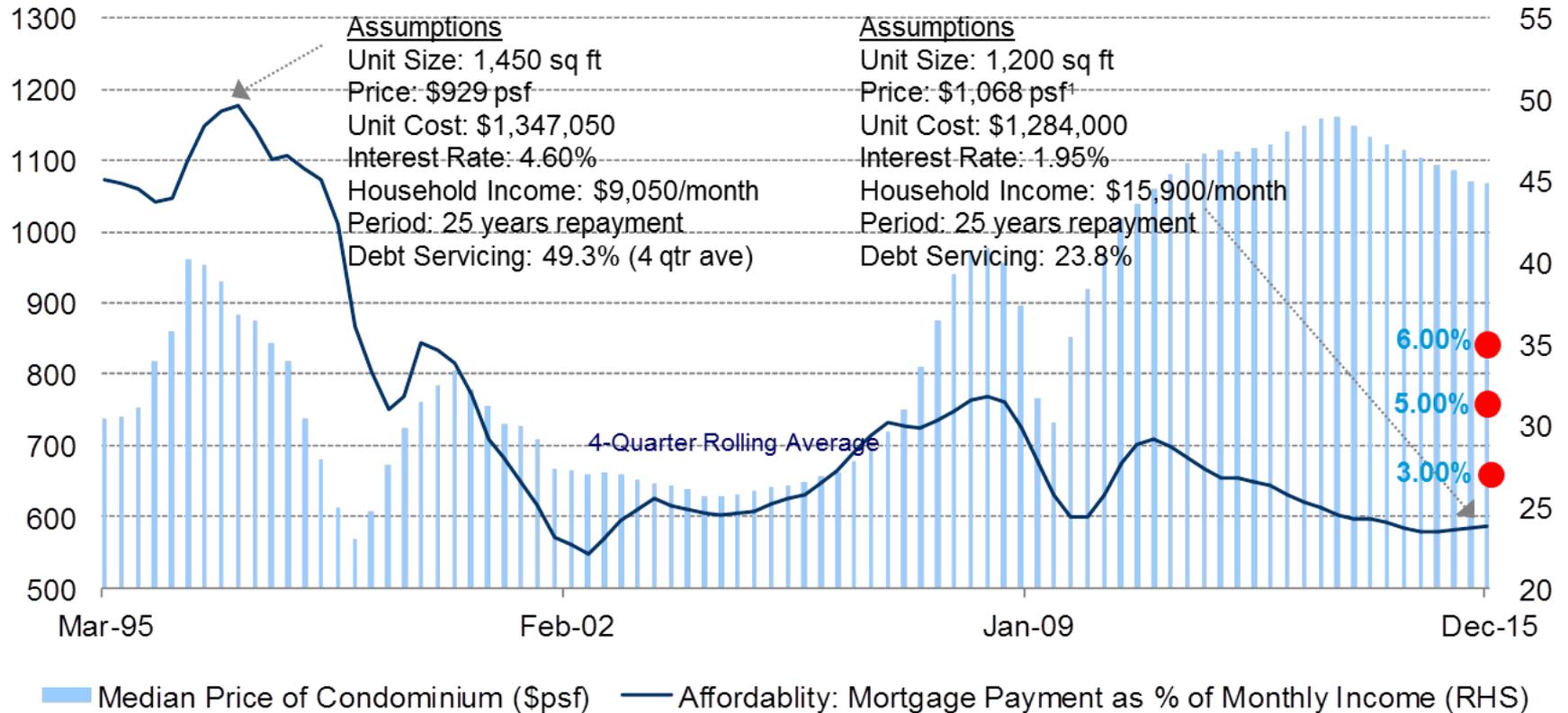


Household Debt



Mortgage Debt Serving Ratio Remains Low

Low Mortgage Debt Service Ratio due to Lower Interest Rates, High Income Growth and Smaller Unit Sizes

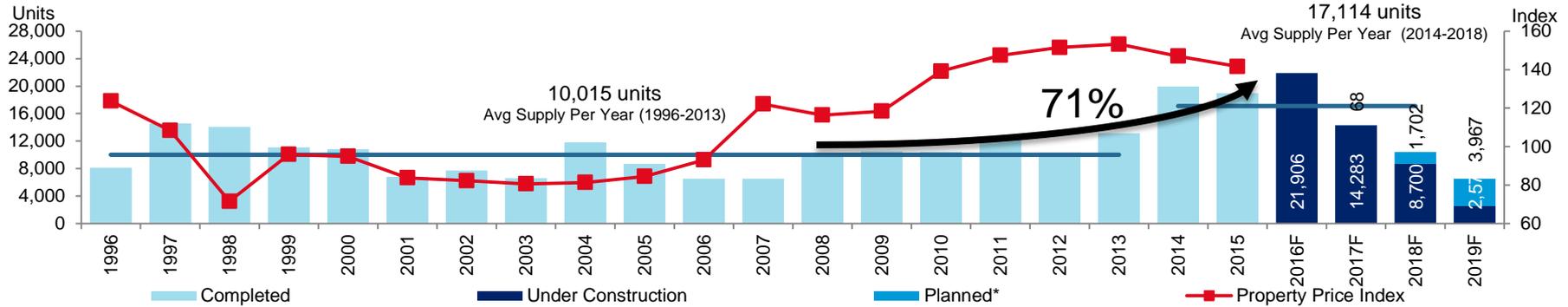


Note 1: Median price of non-landed private residential from 1Q04 onwards

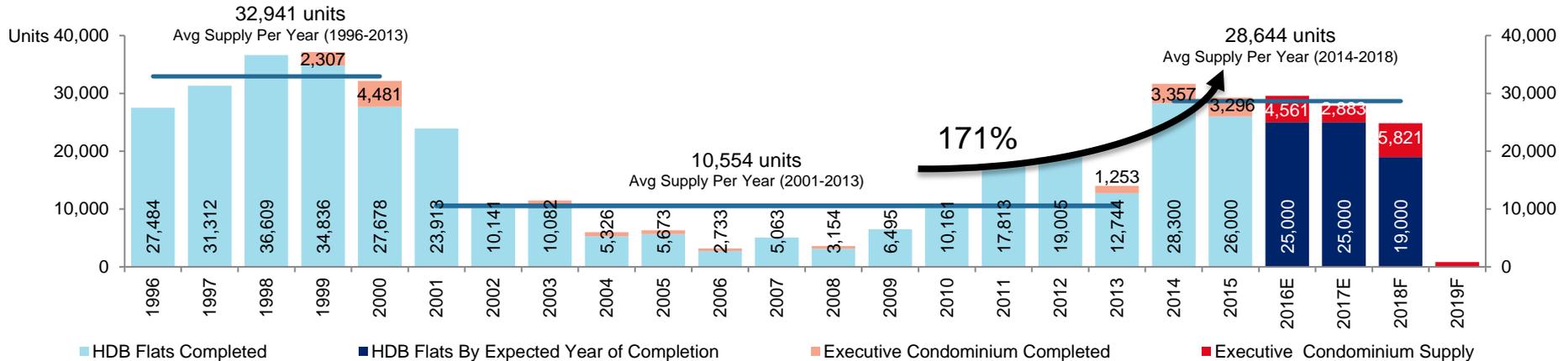
Source: URA, CEIC, Singapore Statistics, UOB Global Economics & Markets Research Estimates

Supply of Private and Public Housing

Private Residential Units By Year of Completion And Status (4Q 2015)



HDB Flats & Executive Condominium Constructed And BTO Supply (4Q 2015)

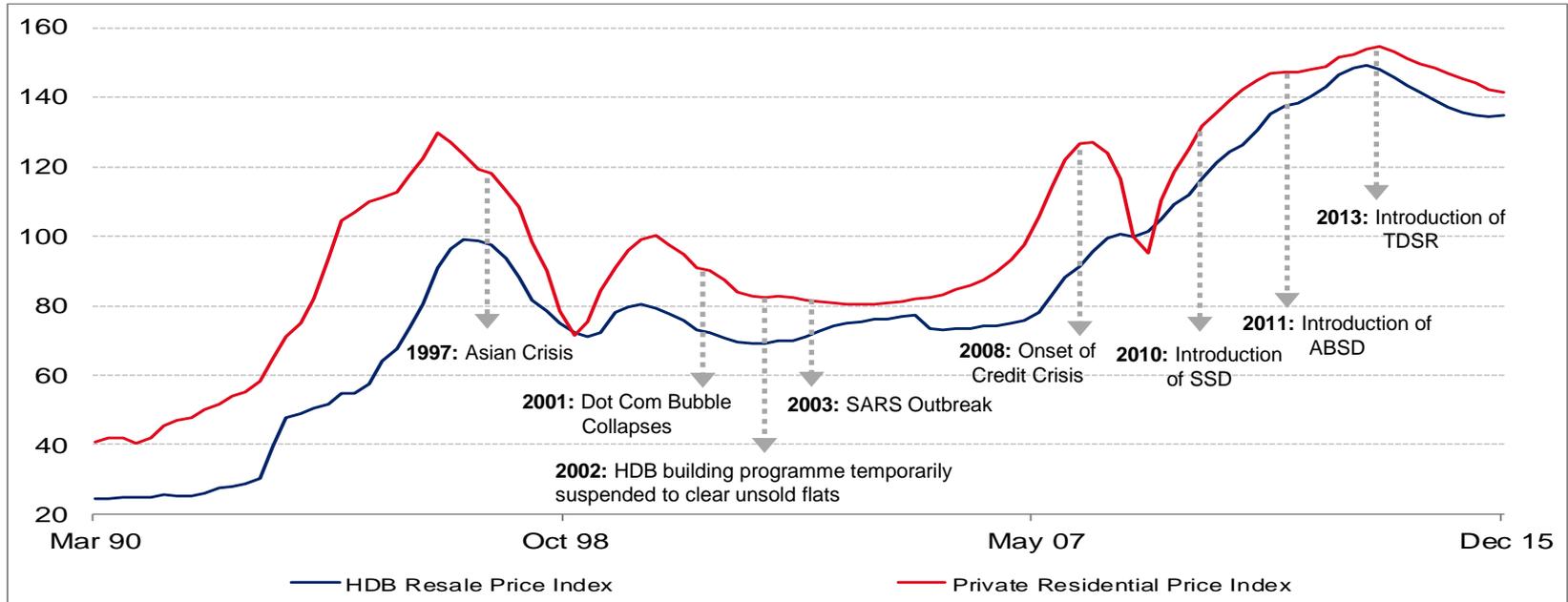


*Refer to projects with planning approvals

Source: CEIC, URA, MND, UOB Global Economics & Markets Research, Singapore Department of Statistics, HDB, SquareFoot

Prudent Policies for Sustainable Housing Market

Residential Property Price Indices



Regulatory Measures	2009	2010	2011	2012	2013
LTV Ratio Limit: 1st property	90%	80%	80%		80% / 60% ¹
2nd property	90%	70%	60%	60% / 40% ¹	50% / 30% ¹
Subsequent property	90%	70%	60%		40% / 20% ¹
Non- individual purchasers	90%	80% / 70% ²	50%	40%	20%
Maximum Mortgage Loan Tenor	Originating banks use their			35 years	No change
Total Debt Servicing Ratio (TDSR) Framework	own tenor and affordability guidelines				60% limit; Medium interest rates used: 3.5%
Seller Stamp Duty (SSD): Percentage / Holding Period	SSD may be applicable for properties purchased on and from 20 February 2010 if property is sold within the applicable holding period ³				
Additional Buyer's Stamp Duty (ABSD)	ABSD may be payable depending on the nationality and number of properties owned by the purchaser ³				

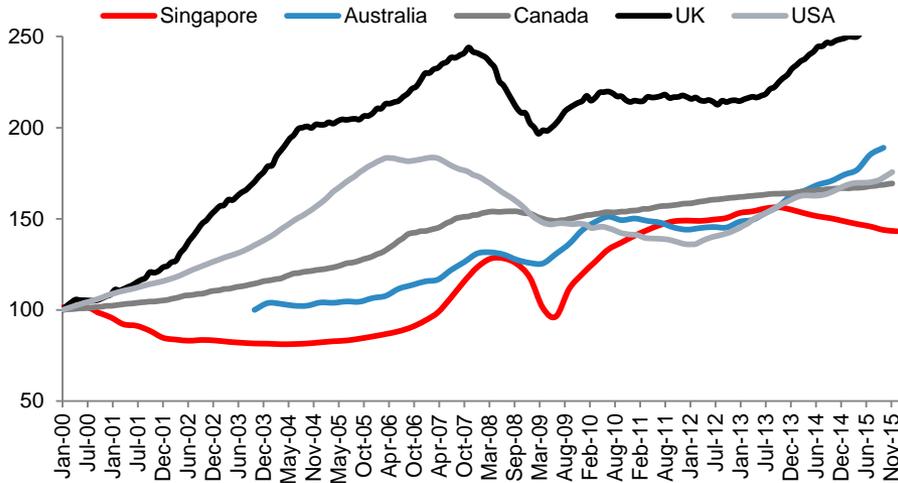
1. From 6th October 2012, higher LTV ratio limit will apply if the mortgage tenor ≤30 years and sum of tenor of mortgage plus age of borrower at time of applying for credit facility is ≤65 years old, otherwise lower LTV ratio limit will apply.

2. 80% LTV ratio limit for 1st property and 70% LTV ratio limit for 2nd and subsequent properties.

3. Refer to IRAS website for more details.

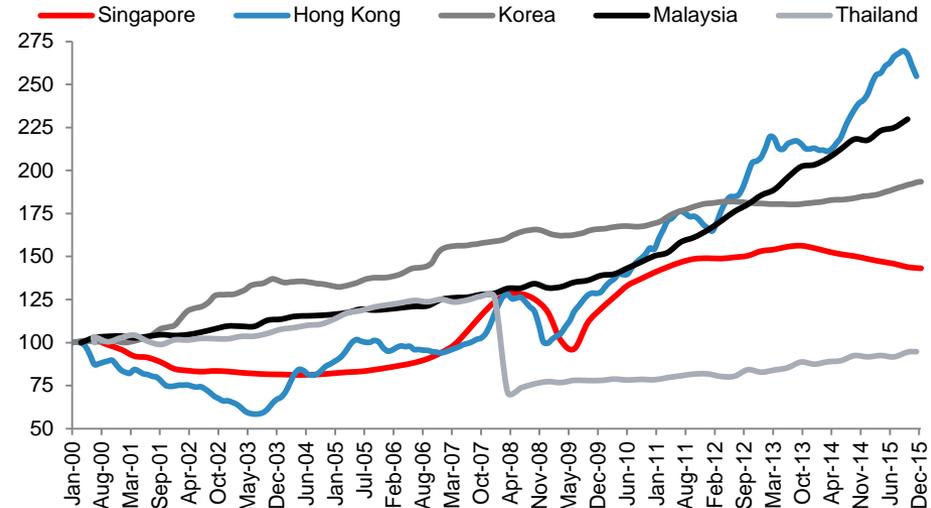
Comparison to Other Markets

Global House Price Indices

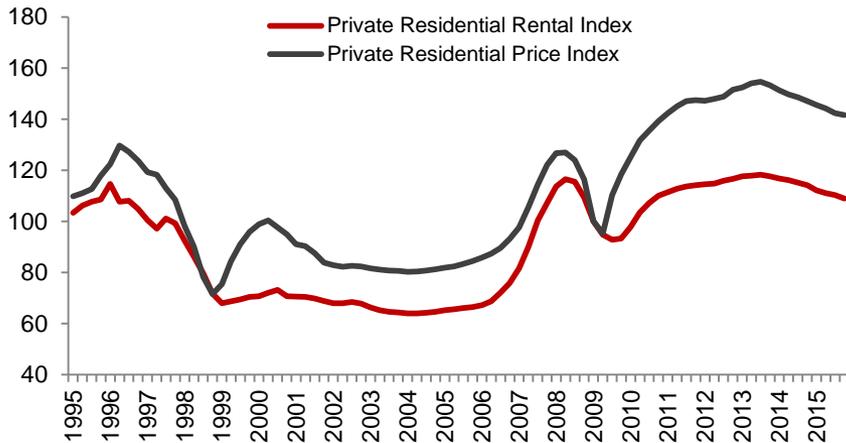


Note: For Australia (2003=100) as no available data prior to that

Regional House Price Indices

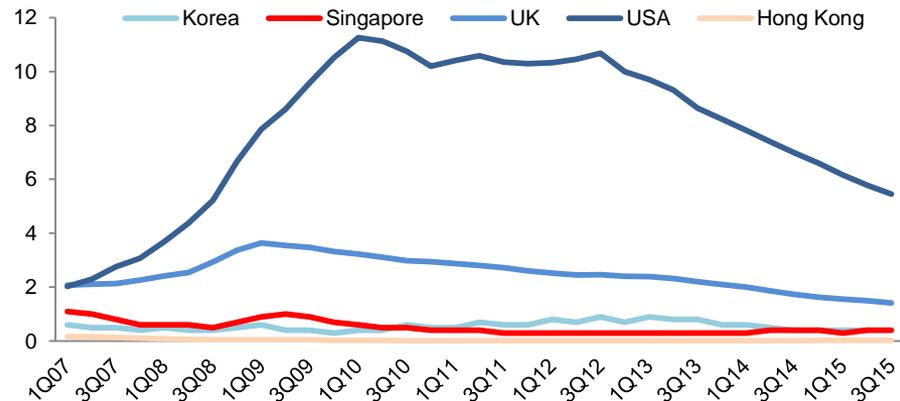


SG Private Residential Price and Rent Indices



Source: CEIC, URA, UOB Economic-Treasury Research, Singapore Department of Statistics, Bloomberg

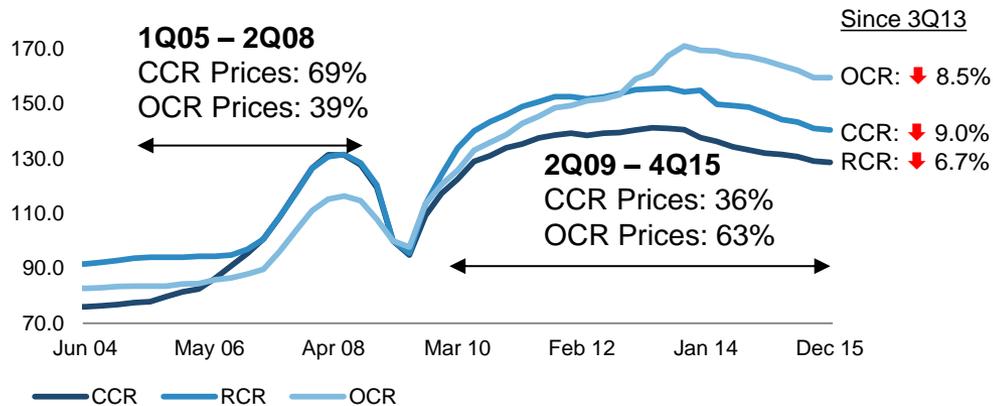
Mortgage Loan Delinquency Rate* Comparison



* The delinquency ratio of Korea captures loans in arrears for more than 1 day (no 3Q15 data), the ratios of USA include loans in arrears for more than 1 month, while the ratios of the Singapore, UK and Hong Kong count loans in arrears for more than 3 months

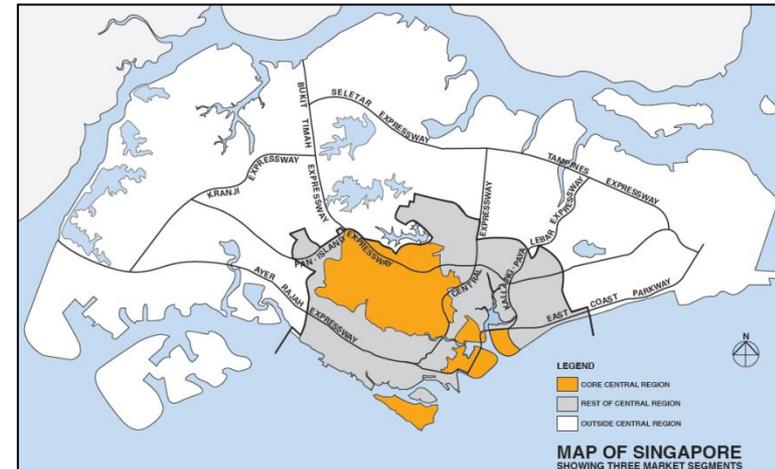
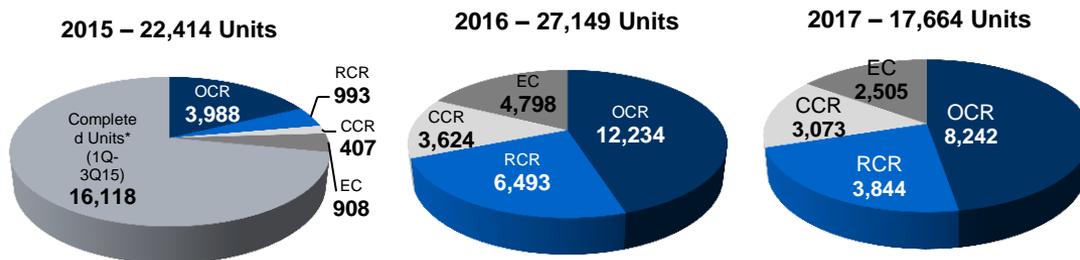
Mass Market Private Home Prices More Resilient Since TDSR*

Property Price Index: Private (Non-Landed)



- Price declines across all segments after consecutive rounds of cooling measures, with TDSR (since 3Q13) being the most effective
- Performance in high-end segments of Core Central Region (CCR) and Rest of Central Region (RCR) have been weaker due to higher property prices and fewer foreign buyers
- Most of new private home supply are from the mass market segment – Outside Central Region (OCR), where prices are holding up better compared to Core Central Region (CCR) and Rest of Central Region (RCR) post 3Q13 (TDSR)

Supply of Private Residential Units by Market Segment



CCR: Core Central Region comprises postal districts 9, 10, 11, Downtown Core Planning Area and Sentosa

RCR: Rest of Central Region comprises the area within Central Region that is outside postal districts 9, 10, 11, Downtown Core Planning Area and Sentosa

OCR: Outside Central Region

*TDSR refers to the Total Debt Servicing Ratio Framework implemented by MAS to determine the debt servicing ability of the mortgage loan borrower and prevent excessive consumer overleverage

Key Features – Singapore Mortgage Loans

- Contractual Tenor between 15 to 35 years
- Subject to age limit of 65
- Borrowers tend to repay loans early

Monthly Loan Repayments

- Variable rate based on:
 - Market benchmark rates (i.e. SIBOR¹ or SOR²) or
 - Bank's Board rate / deposit rate (floating)
- Fixed rate

Interest Rate Type

- Borrower
- Mortgaged property

Full Legal Recourse

- Mortgage insurance (Optional)
- Fire insurance (Mandatory)

Insurance

- LTV limit³: 1st mortgage loan: 80%; 2nd mortgage loan: 50%; Subsequent mortgage loan: 40%
- Total debt servicing ratio (TDSR) limit: equal to or < 60%

Loan-to-value (LTV) and Affordability at Origination

- Adjusted base on interest rates movements
- Each loan is fully amortised within its original loan term

Monthly Loan Repayments

- Banks manage new originations with “originate-to-hold” strategy
- Limited use of mortgage brokers

Origination

- CPF savings could be used to service housing loan but need to declare at loan application
- Apply for equity/ top-up term loan secured against same mortgage, provided that additional loan is within
 - (1) total LTV limits and
 - (2) borrowers' debt servicing capability

Other Features

For illustration only, actual mortgage terms and conditions may be different depending on the mortgage package offered

¹Singapore Interbank Offered Rate

²Singapore Swap Offer Rate

³Only application for loans with tenors 30 years and below. Above 30 years, a lower LTV limit applies

Key Features – Use of CPF funds in Residential Property Financing

What is CPF (Central Provident Fund)?

- CPF, established in 1955, is a comprehensive savings plan that requires working Singapore citizens and permanent residents to set aside funds for their retirement, healthcare and housing needs.
- Both employees and employers make monthly CPF contributions
- These contributions go into three accounts



Ordinary Account (OA)

For housing, insurance, investment and education



Special Account (SA)

For old age and investment in retirement-related financial products



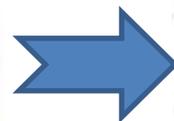
Medisave Account (MA)

For hospitalisation expenses and approved medical insurance

Use of CPF for housing loan

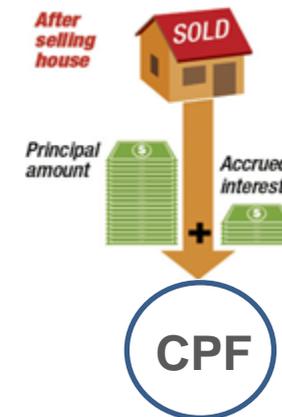
- CPF Members can use their savings (and future monthly contributions) in the Ordinary Account to finance residential property purchase and/or repay the housing loan in part or whole and/or to service the monthly housing loan instalments
- When CPF money is used for housing, a charge (CPF charge) is created on the residential properties in order to secure the refund of CPF money withdrawn, including interest, when the property is sold
- The CPF charge is to be registered ahead of the bank's mortgage over the property

Ordinary Account (OA)



CPF Board and Priority of Payments

- Under the present regime, if the property is sold (after deducting all costs and expenses incurred directly in connection with the sale), the proceeds will be applied to repay the outstanding housing loan ahead of the CPF money withdrawn



- This order of priority does not apply if the mortgage loans are transferred or assigned by the mortgagee without the CPF Board's consent
- Such consent from the CPF Board has not been obtained at the programme set-up date. To mitigate the risk that the CBG may lose its priority against enforcement proceeds, a declaration of asset trust structure is used for the sale of CPF Loan

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One of The Leading Mortgage Providers in UOB Singapore

Key characteristics for UOB's Singapore residential mortgage loan portfolio

Product	Private Residential Property	HDB
Outstanding Amount (in SGD bn)	43.2	3.9
Weighted average Loan-to-value ratio	60%	57%
Weighted average Seasoning (years)	3.3	3.3
Weighted average loan tenor (years)	27.5	26.2
Weighted average remaining tenor (years)	24.2	22.9

As of Dec 31, 2015, Source: UOB



UOB's Main Mortgage Loan Products

Summary of UOB's Mortgage Loan Products

Loan Type	<ul style="list-style-type: none"> ▪ Home Loan (HL) – is used to finance the purchase of the mortgaged property or refinance the loan from an existing financier. The refinanced amount is based on either the outstanding loan amount owing to the existing financier for the purchase of the mortgaged property or the current market value of the mortgaged property, whichever is lower ▪ Term Loan (TL) – is used for other general purposes, other than for the purchase of the mortgaged property
Repayment Types	<ul style="list-style-type: none"> ▪ Loan is repayable by monthly instalments (principal and interest) over an agreed tenor. The monthly instalment is always due on the 1st of the month* and the amount may vary according to the changes in the benchmark/reference interest rate
Interest Rate Types	<ul style="list-style-type: none"> ▪ Variable Rate <ul style="list-style-type: none"> ➢ Home loans pegged to SIBOR¹ and SOR² are designed for borrowers who prefer transparency on cost of funds which moves in tandem with market conditions. A spread is added to the SIBOR or SOR (as applicable) ➢ Floating Board Rate (BR) loans are benchmarked against UOB's Mortgage Loan Board Rates which are subject to change at UOB's discretion. A spread is deducted from the BR ▪ Fixed Rate <ul style="list-style-type: none"> ➢ Interest rates are fixed over 1, 2 or 3 years generally. Thereafter, the interest rate reverts to a Floating Board Rate type
Loan Tenor	<ul style="list-style-type: none"> ▪ For private property loan <ul style="list-style-type: none"> ➢ Maximum 35 years or age 75 of the borrower, whichever is earlier ➢ Minimum 5 years
Early Repayment	<ul style="list-style-type: none"> ▪ Full Redemption – the borrower must give at least 3-months' prior written notice to the Bank or pay interest-in-lieu of the written notice ▪ Partial Redemption – the borrower must give 1-month's prior written notice to the Bank or pay interest in lieu of the written notice. After that, the borrower will have the option to reduce monthly instalments by maintaining the same tenor or maintaining monthly instalment by reducing the loan tenor
Delinquent Loans Managements	<ul style="list-style-type: none"> ▪ Delinquent loans are effectively managed through highly automated collection tool with multiple reminders and outbound calls before it becomes non-performance loans (90+ days past due)

*The monthly installment due is on the 15th of the month for HDB mortgage loans

¹Singapore Interbank Offered Rate

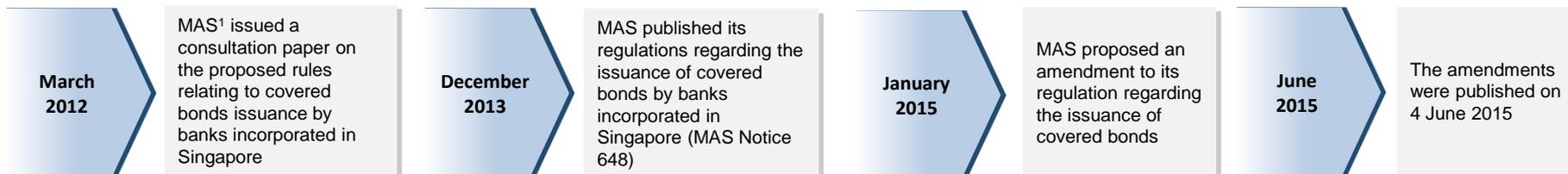
²Singapore Swap Offer Rate

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Singapore Covered Bond Legal Framework

History



Key Summary

Legal Framework	▶ The requirements set out in the notice are mandatory for Singapore's banks as MAS Notice 648 is issued pursuant to MAS' powers under the Singapore Banking Act
Dual Recourse	▶ Covered bonds means any bonds, notes or other debentures issued by a bank where amounts due to the covered bondholders are recoverable from the bank and secured by a cover pool
Segregation Structure	▶ Cover pool means a pool of assets that are (i) legally or beneficially owned by the SPV ² and/or (ii) held by the bank as trustee, or a replacement trustee, for the benefit of the SPV for the purpose of securing the covered bondholders
Bankruptcy Remoteness	▶ A legal opinion shall be obtained to confirm that assets included in the cover pool are beyond the bank's and its creditors' reach, even in an insolvency situation
Eligible Cover Pool Assets	▶ Residential mortgage loans and any other loans secured by the same residential property (including other related security such as guarantees and indemnities) ▶ Cash (including foreign currency), Singapore Government Securities (SGS), MAS Bills
Cap on Substitution Assets	▶ Value of Cash, SGS and MAS Bills must not >15% of the value of cover pool assets except if (i) it is required to accumulate liquidity for the next 12 months' payment obligations or (ii) it is due to the time lag of the receipt and the use of such substitution assets
Encumbrance Limit	▶ The value of the assets transferred to the SPV for the purpose of the programme by a bank cannot exceed 4% of the value of the total assets of the bank at all times
Legal Minimum Overcollateralisation	▶ Minimum of 3%
Cover Pool Controls	▶ Banks shall conduct a valuation of residential properties used to secure the loans on an annual basis. The aggregate value of the loans is capped at 80% of the valuation of the residential property
Risk Management	▶ The bank shall perform regular stress tests and have adequate risk management processes and internal controls
Independent Monitor	▶ An independent asset monitor to be appointed to check asset eligibility and ensure compliance with requirements under the MAS Notice 648, verify the accuracy of the asset register and assess the adequacy of the bank's risk management and internal controls for submission of a certified report to the MAS annually
Reporting	▶ The bank shall furnish MAS information on its covered bond programme at least one month prior to an issuance. In addition, the bank shall notify MAS at least three business days prior to the issuance of any covered bonds

¹Monetary Authority of Singapore

²Special purpose vehicle incorporated or established in Singapore

UOB Covered Bond Programme Summary

USD8,000,000,000 Global Covered Bond Programme

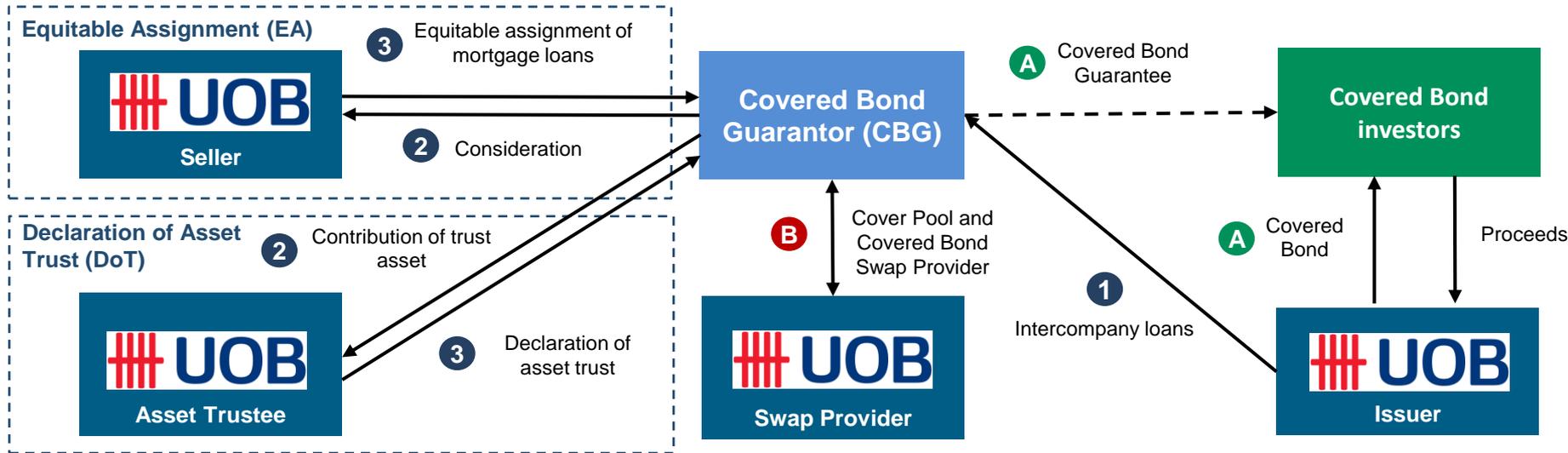
Issuer	United Overseas Bank Limited
Issuer Long Term Rating	Aa1 (stable) / AA- (stable) / AA- (stable) (Moody's / S&P / Fitch)
Issuer Short Term Rating	P-1 (stable) / A-1+ (stable) / F1+ (stable) (Moody's / S&P / Fitch)
Programme Limit	USD8,000,000,000
LCR Status / ECB Repo Eligibility	Expected Level 2A Eligible (EU) ¹ / Not Eligible
Programme Rating	Aaa / AAA (Moody's / S&P)
Issuance Structure (Dual Recourse)	Direct issuance covered bond regulated under MAS Notice 648, Senior unsecured claim against the Issuer and senior secured claim against the Cover Pool
Covered Bond Guarantor (CBG)	Glacier Eighty Pte. Ltd., a newly set up orphan SPV incorporated in Singapore for the sole purpose of facilitating the activities under the Covered Bond Programme
Covered Bond Guarantee	The CBG has provided a guarantee as to payments of interest and principal under the Covered Bonds
Cover Pool	Eligible 1 st ranking SGD denominated residential mortgages loans originated by UOB in Singapore (and other eligible assets)
Mortgage Loan-to-Value Cap	80% of latest Valuation of the Property, to be adjusted at least quarterly
Over-collateralization (OC)	Legal minimum OC of 3% and committed OC of 15.90%
Hedging	Cover Pool Swap ¹ to hedge against possible variances between the interest received from the residential mortgage loans to the CBG's SGD interest/swap payments; Covered Bond Swap to hedge against the currency risk between the amount received by the CBG against its payment in other currency
Listing	Singapore Stock Exchange (SGX – ST)
Governing Law	English law (bond & swap documents) and Singapore law (asset documents)
Servicer, Cash Manager and Seller	United Overseas Bank Limited
Asset Monitor	Ernst & Young LLP
Trustee	DB International Trust (Singapore) Limited
Issuing and Paying Agent	Deutsche Bank AG, Singapore Branch
Arrangers	BNP Paribas and United Overseas Bank Limited

¹Please refer to http://ec.europa.eu/finance/bank/docs/regcapital/acts/delegated/141010_delegated-act-liquidity-coverage_en.pdf and check for details. At the time of this presentation and subject to any relevant matters which are within the control of a relevant EU investor (including its compliance with the transparency requirement referred to in article 129(7) of Regulation (EU) 575/2013) and to the issuer and the covered bonds being regarded to be subject to supervisory and regulatory arrangements regarded to be at least equivalent to those applied in the EU, this bond should satisfy the eligibility criteria for its classification as a Level 2A asset in accordance with Chapter 2 of Regulation (EU) 2015/61 supplementing Regulation (EU) 575/2013. Notwithstanding the foregoing, it should be noted that whether or not a bond is a liquid asset for the purposes of the Liquidity Coverage Ratio under Regulation (EU) 575/2013 is ultimately to be determined by a relevant investor institution and its relevant supervisory authority and neither the issuer nor the manager accept any responsibility in this regard

¹Only entered into if and when required by either Rating Agency in order to ensure that the then current rating of the Covered Bonds would not be downgraded

Structure Diagram

- Notwithstanding that CPF's consent is required for the transfer or assignment of mortgages relating to CPF Loans, no such consent is required for a declaration of trust over mortgages relating to CPF Loans. The Seller is acting as the Assets Trustee and the CPF Loans are held on trust for the benefit of the Covered Bond Guarantor (CBG). Both EA and DOT mechanisms are permissible under MAS Notice 648 and such hybrid structure has been used in Covered Bond programmes in other jurisdiction



Credit Structure (Dual Recourse)

- A** Covered Bond issued directly from UOB constitutes direct, unsecured and unsubordinated obligations of the Issuer
 - CBG guarantees the payment of interest and principal on the Covered Bonds, secured by the Cover Pool

Hedging

- B** Cover Pool Swap¹ – to hedge interest rate risk between the mortgage loans and CBG's SGD interest/swap payments¹
 - Covered Bond Swap (if necessary) – to hedge against the currency risk between the amount received by the CBG against its payment in other currency

Segregation of mortgage loans

- UOB provides an intercompany loan to the CBG
- CBG pays UOB consideration for the purchase of the mortgage loans
- A dual ring-fencing structure which uses both equitable assignment (EA) and declaration of assets trust (DOT) mechanisms:
 - DOT – for the sale of DOT loans²
 - EA – for the sale of EA Loans³ via equitable assignment

¹Only entered into if and when required by either Rating Agency to ensure that the then current rating of the Covered Bonds would not be downgraded

²DOT Loans mean: (1) the borrowers had used CPF funds in connection with a residential property (CPF Loan) or (2) the required documentation for the borrowers' use of CPF funds, in connection with a residential property, is prepared

³EA Loans mean a non-CPF Loan and the required documentation for the borrowers' use of CPF funds, in connection with a residential property, is not prepared

Key Structural Features/Enhancements

Credit Structure (Dual Recourse)	<ul style="list-style-type: none"> ▶ The Covered Bonds will be direct, unsecured and unsubordinated obligations of the Issuer ▶ The CBG guarantees the payment of principal and interest under the Covered Bonds pursuant to the Covered Bond Guarantee and secured by the Cover Pool
Over-collateralisation from the Cover Pool	<ul style="list-style-type: none"> ▶ The adjusted aggregate principal amount of the Cover Pool must be equal to or in excess of the outstanding nominal amount of all Covered Bonds, as required by MAS Notice 648 and the rating agencies to maintain the ratings of the Covered Bonds
LTV Cap	<ul style="list-style-type: none"> ▶ Where a mortgage loan has a loan-to-value ratio in excess of 80%, the portion of the loan exceeding the 80% threshold will not be counted in the Asset Coverage Test
Asset Coverage Test (ACT)	<ul style="list-style-type: none"> ▶ The Asset Coverage Test (ACT) is performed monthly by the Cash Manager to test whether the required over-collateralisation level of Cover Pool is maintained
Amortisation Test	<ul style="list-style-type: none"> ▶ The Amortisation Test (AT) is performed monthly by the Cash Manager following the service of a Notice to Pay to test that the Amortisation Test Aggregate Loan Amount is at least equal to the nominal amount of all the outstanding covered bonds
Pre-Maturity Test (for Hard Bullet only)	<ul style="list-style-type: none"> ▶ An Issuer Event of Default will occur where the rating of UOB falls below the rating trigger(s) <u>and</u> the transaction account has not been pre-funded up to the outstanding nominal amount of Covered Bond maturing within the next six months
Reserve Fund	<ul style="list-style-type: none"> ▶ If UOB is downgraded below the rating trigger(s), UOB is required to establish a Reserve Fund equal to the next three months of interest due on the Covered Bonds or Covered Bond Swap payments plus one quarter of senior fees due and payable to Trustee, Cash Manager, Account Bank, Servicer, Asset Monitor
Commingling Reserve Fund	<ul style="list-style-type: none"> ▶ If UOB is downgraded below the rating trigger, UOB is required to establish a Commingling Reserve Fund equal to the previous three months¹ or two months² of principal and interest collections from the mortgage loans multiplied by the committed collateralisation percentage
Deposit Set-off	<ul style="list-style-type: none"> ▶ Additional collateralisation will be provided by the issuer to cover the potential set-off risk
Covered Bond Swap(s)	<ul style="list-style-type: none"> ▶ The Covered Bond Swap will, where necessary, convert SGD receipts by the CBG into the required currency and interest rate cash flows to match payment on the covered bonds. UOB is the Covered Bond Swap provider and will be required to post collateral and/or be replaced subject to ratings triggers
Servicer	<ul style="list-style-type: none"> ▶ UOB will be the servicer of Loans in the Cover Pool. The servicer role will be transferred to a suitably rated institution if UOB's rating falls below the rating trigger(s)
Indexation	<ul style="list-style-type: none"> ▶ Value of property included in the ACT is adjusted on a quarterly basis
Investor Report	<ul style="list-style-type: none"> ▶ UOB will produce and furnish covered bond investor reports on its website on a monthly basis
Cashflow Waterfall	<ul style="list-style-type: none"> ▶ Following the service of an Asset Coverage Test Breach Notice (not revoked), a Notice to Pay or CBG Acceleration Notice, cash collections from Cover Pool are "trapped" to ensure the asset coverage level is maintained and Covered Bondholders are protected

¹Pre-service of a Notice of Assignment or a Notice of Assets Trust

²Post-service of a Notice of Assignment or a Notice of Assets Trust

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Programme Eligibility Criteria

The “**Eligibility Criteria**” for each Loan in the Cover Pool shall be as follows:

- is originated and booked after 1 January 2003
- denominated and repayable in SGD
- a loan which has been fully drawn (the Borrower has no right to re-borrow any amount prepaid or repaid)
- 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 appraisal for the Loan origination
- is repayable by the relevant borrower within 35 years of the relevant closing date
- is a loan under which the Borrower has made at least one monthly payment
- is not in arrears for more than one month as of the relevant closing date
- is secured by a registered mortgage that constitutes a first ranking mortgage
- is not a staff loan
- is compliant with the requirements applicable to the cover pool asset class pursuant to MAS Notice 648

Cover Pool Characteristics

Cover Pool Summary (as of Dec 31, 2015)

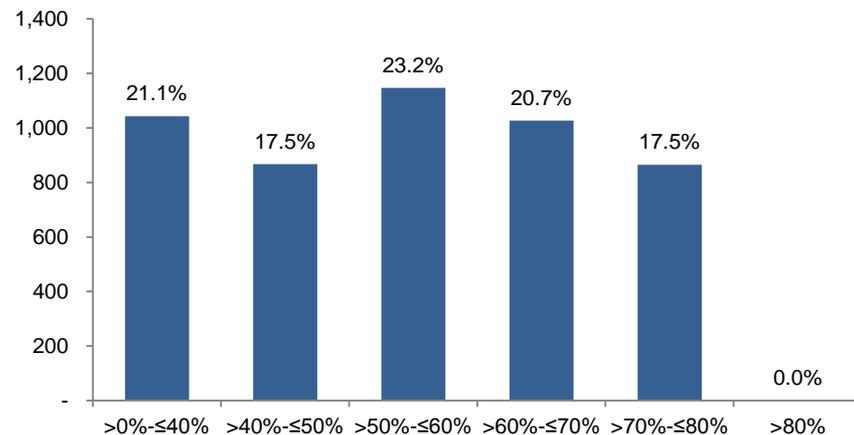
Number of Mortgage Loans	7,556
Loans to UOB's Staff	None
Total Current Balance (SGD)	4,946,476,037
Average Current Loan Balance (SGD)	654,642
Maximum Current Loan Balance (SGD)	9,094,431
W.A. Current Interest Rate	2.3%
W.A. Seasoning	51 months
W.A. Remaining Tenor	272 months
W.A. Indexed Current LTV	53.2%
W.A. Unindexed Current LTV*	60.7%

W.A. represents weighted averages

*Current loan balance divided by the original property value

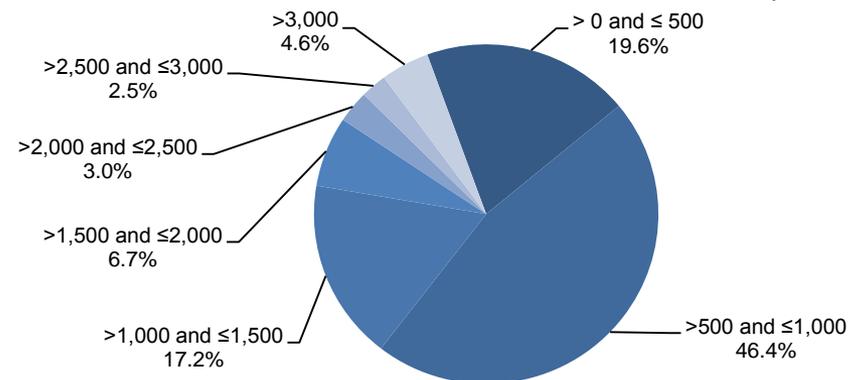
Indexed Current LTV Distribution

(SGD m)

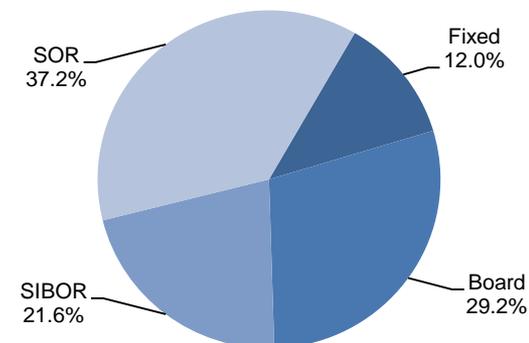


Current Balance

(SGD '000)



Interest Rate Type

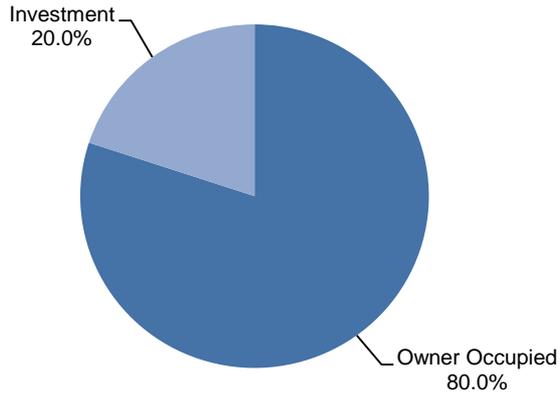


Board Rate is an interest rate benchmark set by UOB's at its discretion

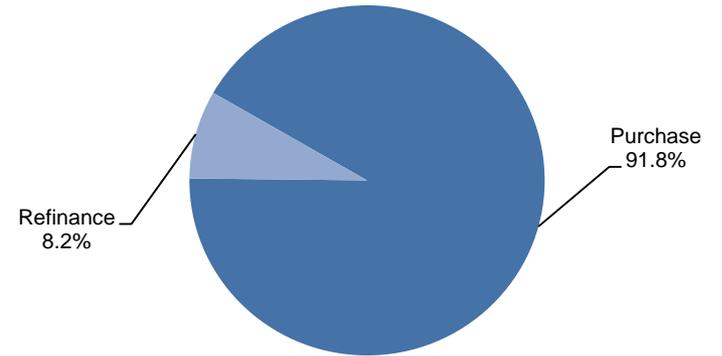
Note: For future updates, please refer to UOB's website – www.uobgroup.com

Cover Pool Characteristics (cont'd)

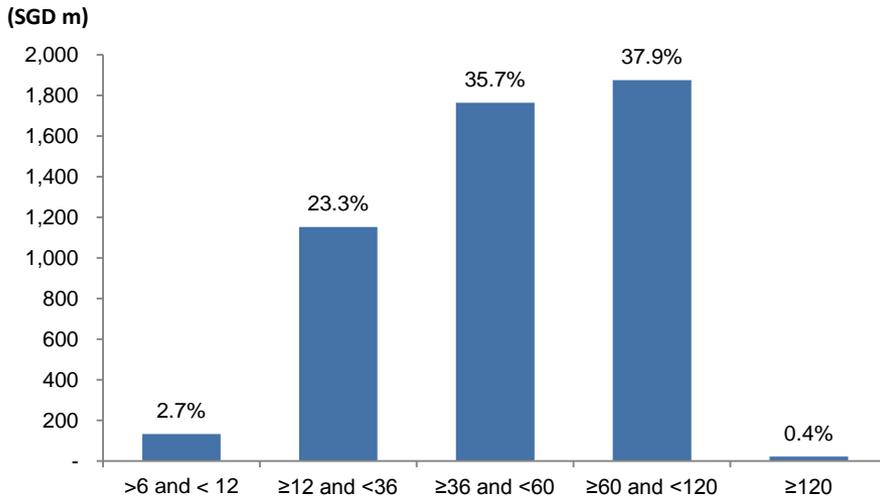
Occupancy Type



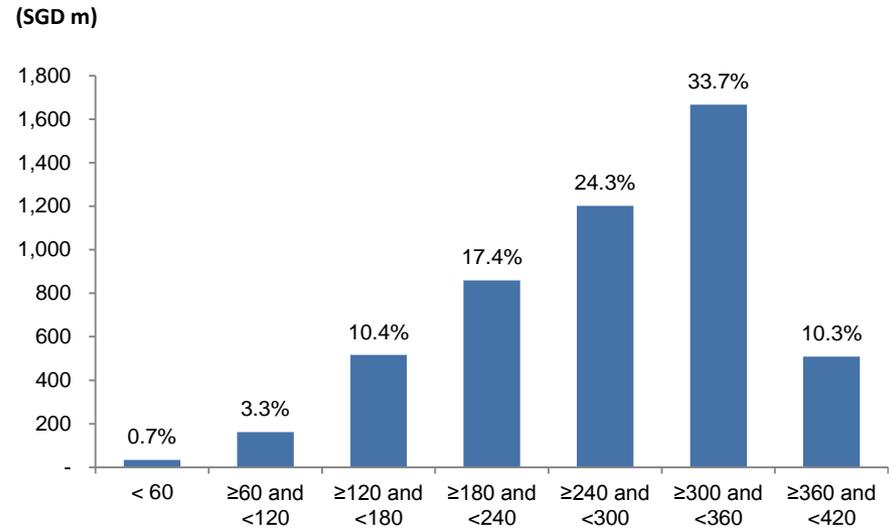
Loan Purpose



Seasoning (in months)

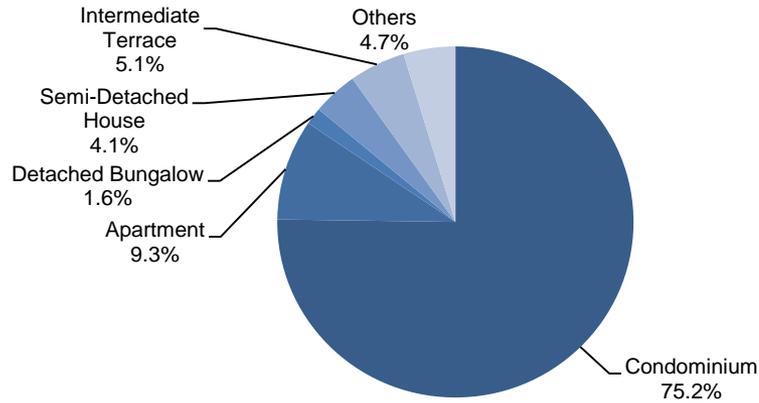


Remaining Loan Term (in months)

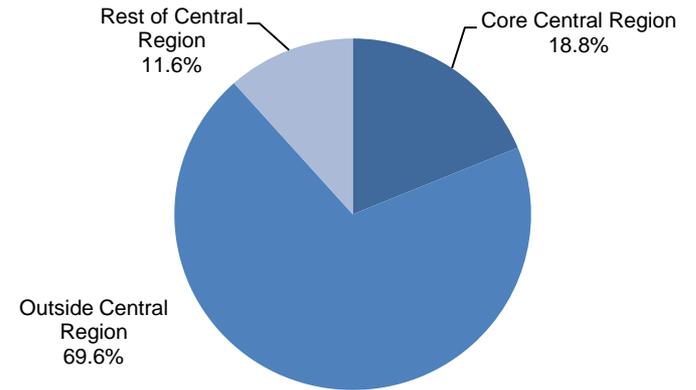


Cover Pool Characteristics (cont'd)

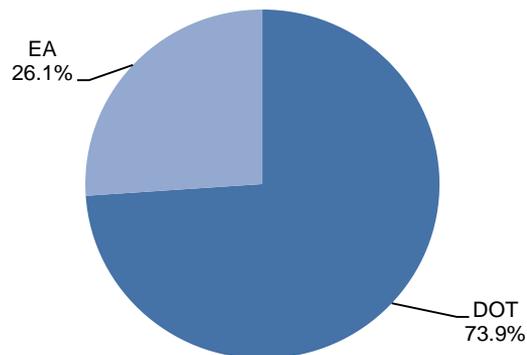
Property Type



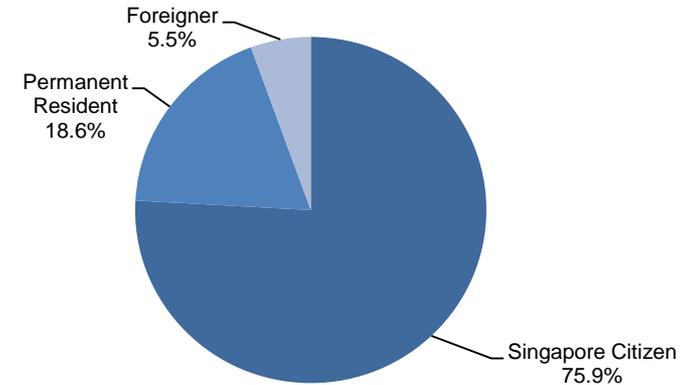
Geographical Distribution



Ring-Fencing Structure



Borrowers' Nationality



Contacts



Questions regarding the Issuer should be directed to UOB

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Adriel Low	Assistant Vice President Central Treasury Unit	Tel: +(65) 6539 3215	adriel.LowS@uobgroup.com
Stephen Lin	Executive Director, Investor Relations	Tel: +(65) 6539 2523	stephen.linst@uobgroup.com
Wendy Wan	Vice President Investor Relations	Tel: +(65) 6539 3945	wendy.wanhq@uobgroup.com



BNP PARIBAS

Questions regarding the programme structure should be directed to BNP Paribas

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2	United Overseas Bank Limited Overview	P-5
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Origination and Underwriting Workflow Overview



- 1** Origination
- Loan applications are acquired through developers' property launches, accredited real estate agent referrals, customer referrals, direct sales, branch network, etc.
 - Nevertheless, all loan approvals are subject to relevant regulatory requirements and UOB's mortgage loan policy
 - All loan applications are input into centrally controlled loan origination system - PLCE* by trained mortgage bankers

- 2**
- UOB's approval process is customised with inbuilt parameters for credit checks and risk assessments including:
- Product program parameter checks (tenor, borrower's age, nationality, etc.)
 - Interface and checks with Credit Bureau
 - Derogatory checks (bankruptcy, litigation, etc.)
 - Demographics analysis
 - Loan scorecard
 - Regulatory checks
 - Total Debt Servicing Ratio (TDSR) computation
- If the application is not automatically approved by the system, it will be reviewed by experienced credit approvers

- 3**
- Acceptance by Customer
- Generate letter of offer
 - Customer to sign letter of offer and other documents
- Documentation / System data entry checks
- Application form
 - Supporting application documents
 - Data entry in PLCE
 - Standard security documentation

- 4**
- Receive letter of offer acceptance
 - Create loan record in the system
 - Disbursement of funds against confirmation by external lawyers that
 - ❖ All documentation are complete, accurate, valid, legally binding and enforceable in the relevant jurisdiction
 - ❖ All conditions precedent are fulfilled
 - ❖ All requisite searches are in order

*PLCE (Power Lender Consumer Edition) is a loan origination system for processing consumer loans applications

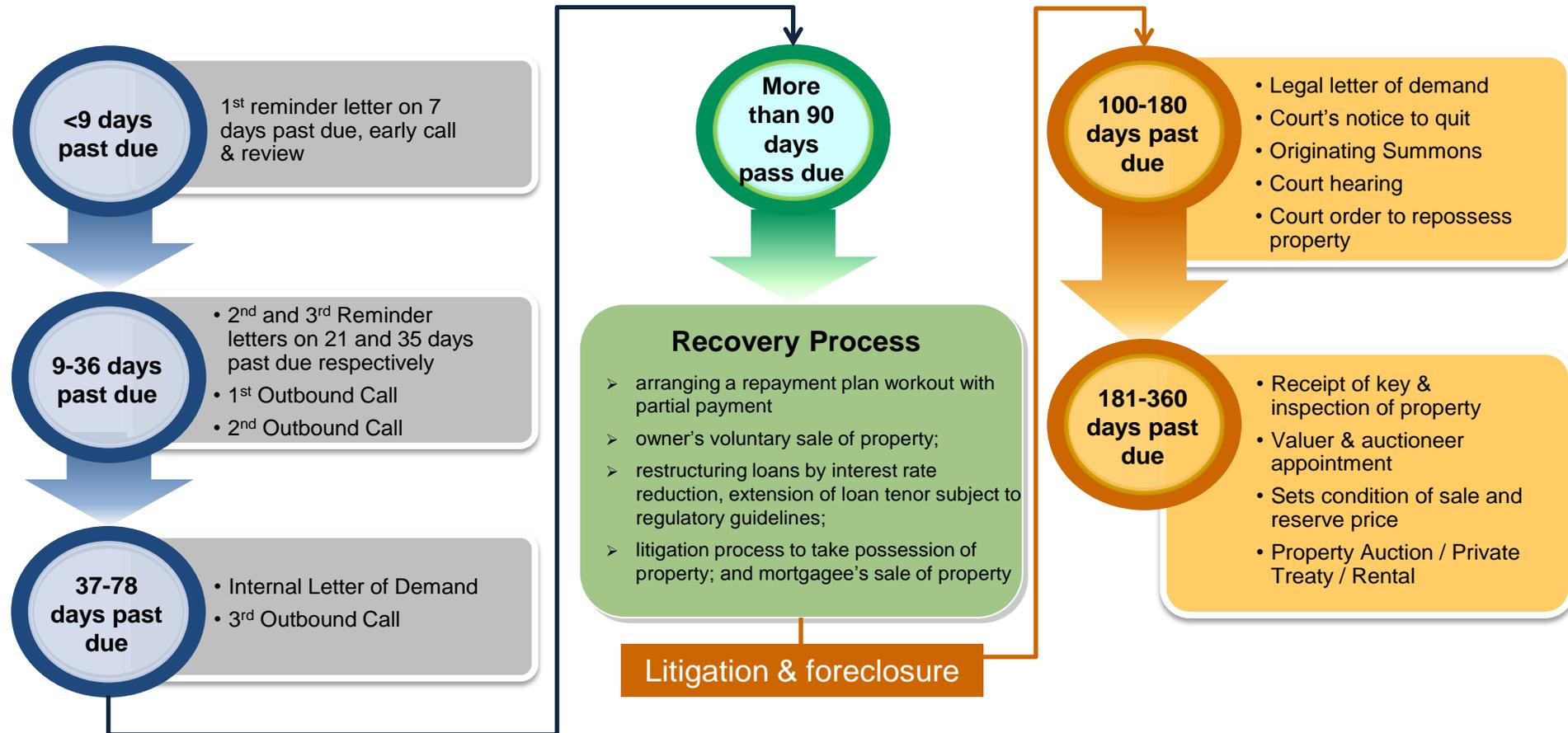
Stringent Credit Underwriting Criteria and Checks

Descriptions	Criteria
Age	<ul style="list-style-type: none"> • Minimum (at application): 21 years old • Maximum (at application): 65 years old* • Maximum upon maturity: 75 years old <p>*75 years old with lower LTV</p>
Loan tenor	<ul style="list-style-type: none"> • Minimum: 5 years • Maximum: 35 years
Remaining lease of property at loan maturity	At least 35 years
Employment	<ul style="list-style-type: none"> • Salaried: Must be gainfully employed • Self Employed: Minimum 2 years in business, otherwise haircut in income
Income	Borrower's income level for all mortgage loan approval subject to fulfillment per MAS's TDSR framework
Maximum number of borrowers	4
Servicing Ratio	Total Debt Servicing Ratio (TDSR) 60% or below
Loan To Value ratio	<p>Per MAS guidelines</p> <p>1st Mortgage Loan 80% or 60%*</p> <p>2nd Mortgage Loan 50% or 30%*</p> <p>3rd Mortgage Loan 40% or 20%*</p> <p>*Note: From 6 October 2012, the higher LTV ratio limit will apply if the mortgage tenor ≤30 years and sum of tenor of mortgage plus age of borrower at time of applying for credit facility is ≤65 years old, otherwise lower LTV ratio limit will apply.</p>

Descriptions	Criteria
Credit Bureau & Derogatory checks	<ul style="list-style-type: none"> • No written off / bank involuntary • No un-discharged bankruptcy • No adverse or unsettled monetary litigations • Not named in any bankruptcy petition or winding up order • No fraud blacklist hit or adverse blacklist hit
Internal credit checks	<ul style="list-style-type: none"> • No adverse or blacklist information • No written off/bank involuntary close accounts • No unsettled restructured account • All facilities with the borrower should be current at application
Valuation	<ul style="list-style-type: none"> • Sales staff obtains minimum 2 indicative valuations from UOB's panel of external valuers on the application • Formal valuation reports (incl. photos, comparables) or valuation certificate from valuers with on-site inspection, is required

Delinquent Loans Managements

- UOB administers, manages delinquency and optimizes recoveries through effective and efficient collections process using:
 - Highly automated Collection Tools such as: Computerized Collections System (CACS), a system to manage delinquent accounts
 - Non Performing Loan System (NPL), a system computes provisions and reporting to general ledger
- Collections strategies are built upon the solid platform provided by these tools to optimally contact / engage / remind customer for payment



Asset Coverage Test (ACT)

Adjusted Aggregate Loan Amount



SGD Equivalent of the Aggregate Outstanding Nominal Amount of all Covered Bonds

- ☐ Tested monthly on every Test Date prior to the service of a Notice to Pay and for so long as any Covered Bonds remain outstanding
- ☐ Failure of meeting the ACT on the Test Date after the service of an ACT Breach Notice will constitute an Issuer Event of Default
- ☐ The formula for calculating the Adjusted Aggregate Loan Amount is as follows:

$$A + B + C + D + E - Y$$

A

the lower of:
 (a) the sum of the **LTV Adjusted Principal Balance** of each Loan
 (b) the sum of the **Asset Percentage Adjusted Principal Balance** of each Loan

B

the aggregate amount of any Principal Receipts in the Portfolio that have not been applied to acquire further Loans and their Related Security

C

the aggregate amount of Advances under the Intercompany Loan and Subordinated Advances under the Subordinated Loan Agreement that have not been applied to acquire further Loans and their Related Security

D

any Authorised Investments and Substitution Assets standing to the credit of the Transaction Account

E

the amount of any Sale Proceeds standing to the credit of the Transaction Account and credited to the Pre-Maturity Liquidity Ledger

Y

(i) 0 or (ii) 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

LTV Adjusted Principal Balance of each Loan means

the lower of:

- the actual Principal Balance of the relevant Loan in the Portfolio[^]
- the aggregate of the Valuation[†] of each Property multiplied by M¹

minus

the deemed reductions

1. where, for all Loans that are not Defaulted Loans, 0.80 or such other amount as may be specified under MAS Notice 648; and where, for all Loans that are Defaulted Loans, zero

[†] Adjusted quarterly via indexation

Asset Percentage Adjusted Principal Balance of each Loan means

the actual Principal Balance of the relevant Loan^{**}

minus

the deemed reductions

then multiplied by

the Asset Percentage

[^]Excluding Top-up Loans and Converted Loans

Converted Loans = a non-CPF Loan, in respect of which CPF funds are subsequently drawn by the mortgagor after the sale into the cover pool

Amortisation Test

Amortisation Test Aggregate Loan Amount



SGD Equivalent of the Aggregated Outstanding Nominal Amount of the Covered Bonds

- ❑ Tested monthly on every Test Date following the service of a Notice to Pay but prior to the service of a CBG Acceleration Notice and for so long as Covered Bonds remain outstanding
- ❑ Breach of the Amortisation Test will immediately constitute a CBG Event of Default and will result the service of a CBG Acceleration Notice
- ❑ The formula for calculating the Amortisation Test Aggregate Loan Amount is as follows:



A

the sum of the “Amortisation Test Principal Balance” of each Loan[^], which will be the actual Principal Balance of the relevant Loan *multiplied* by M

where, M for all Loans that are not Defaulted Loans, 1; and where, for all Loans that are Defaulted Loans, 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

C

any Substitution Asset standing to the credit of the Transaction Account

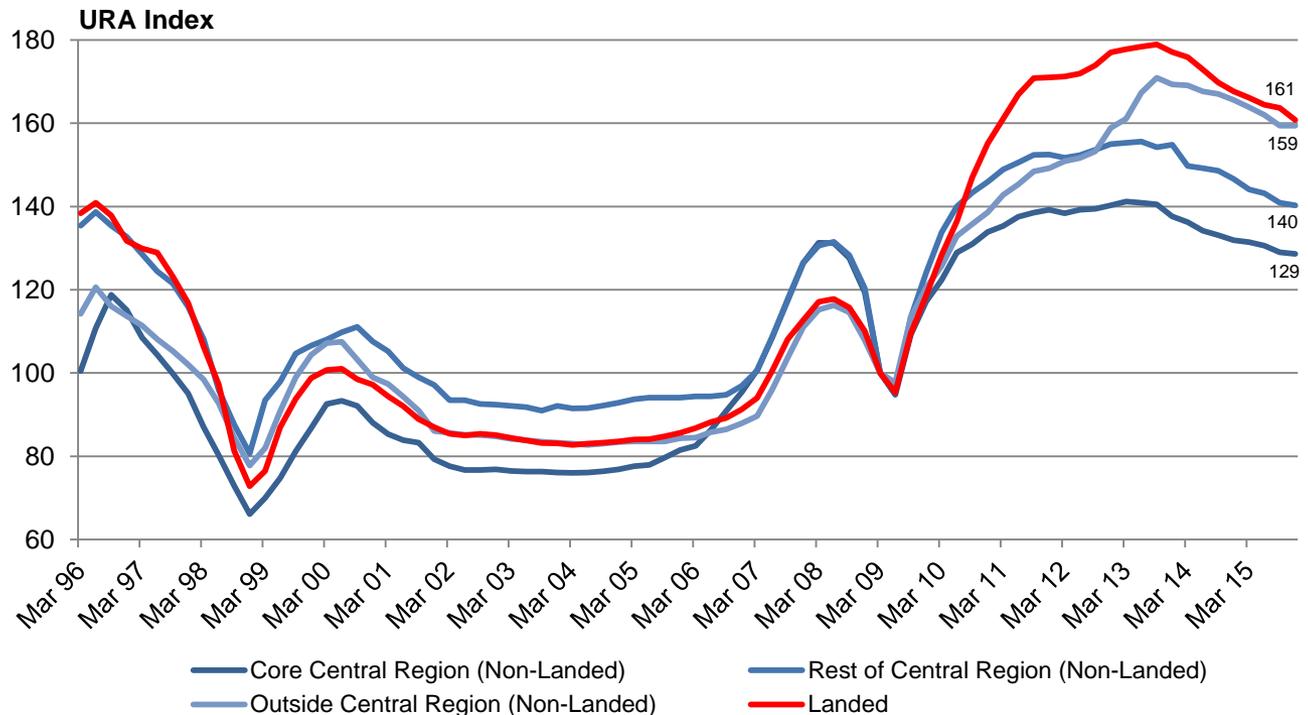
[^]Excluding Converted Loans

Converted Loans = a non-CPF Loan, in respect of which CPF funds are subsequently drawn by the mortgagor after the sale into the cover pool

House Price Indexation

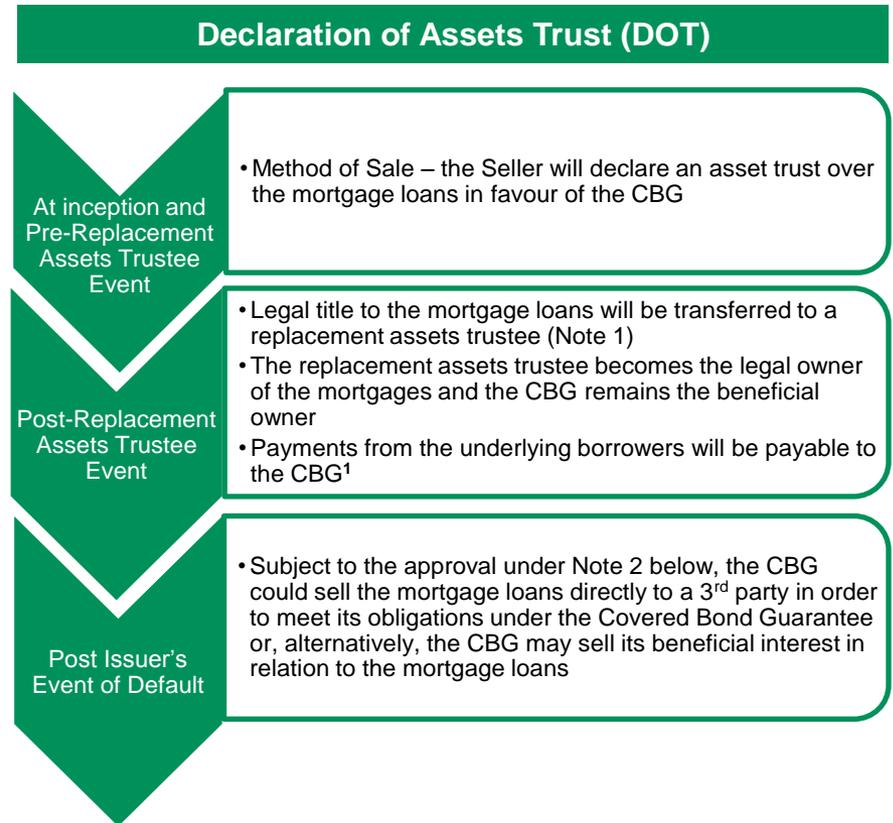
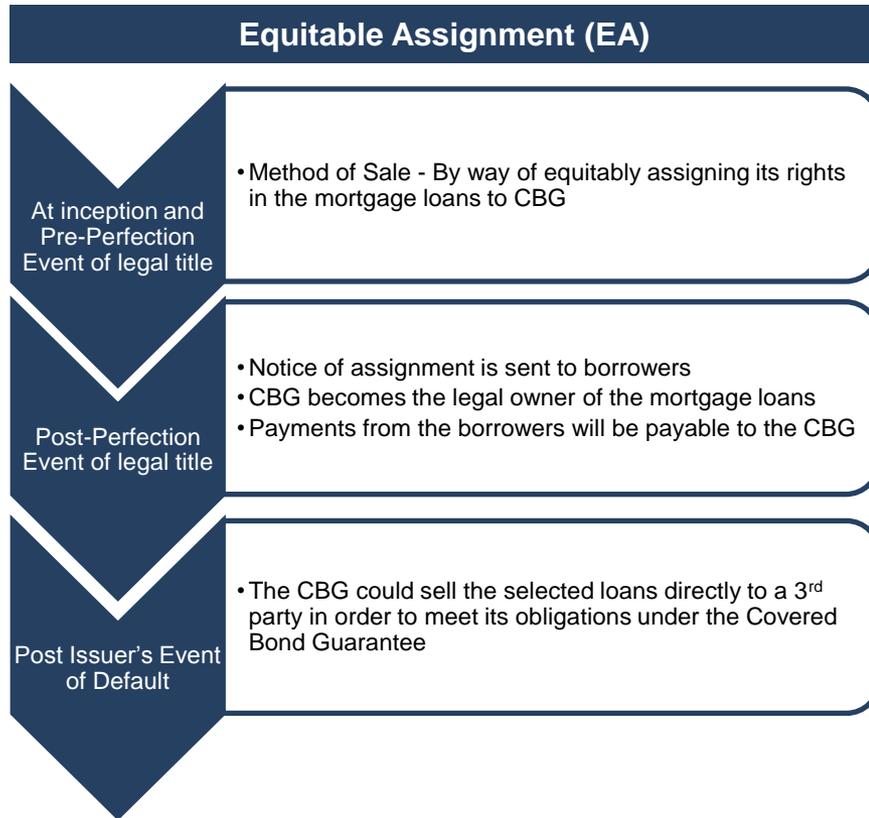
- ❑ Indexation is used in the Asset Coverage Test (ACT) to protect investors from a downward move in property prices
- ❑ In the calculation of the LTV Adjusted Principal Balance of each Loan (per Slide 48), on an annual basis, the Valuation of the Property of each Loan will be updated in accordance to the latest Valuation Report (if obtained) or UOB's policy (from 3rd party sources)
- ❑ Such Valuation of the Property of each Loan will be adjusted further, on a quarterly basis, base on any increase or decrease in the Reference Index since the date of the annual valuation above
- ❑ The Reference Index in use will be the URA private residential index which is a publicly accessible private residential property index published by Urban Redevelopment Authority (URA), a government body, in Singapore
- ❑ URA's private residential index reflects the broad price trends in Singapore's private residential market. The Index was published since 1975 and releases on a quarterly basis. It is broken down into a few categories below in order to best reflect the price trend under different category

- ❖ Landed Property
- ❖ Non-landed Property
 - Core Central Region
 - Rest of Central Region
 - Outside Central Region



Source: URA, UOB

Equitable Assignment -v- Declaration of Assets Trust Structure



Note 1: The Assets Trustee or the CBG will obtain one of the below three approvals in order for the mortgages relating to the loans under the DOT structure to be transferred to a new trustee unless the consent of the CPF Board is not required:

1. prior consent of the CPF Board;
2. a Section 55B/C Court Order approving the transfer if the proposed transferee is licensed to carry on banking business;
3. a Sections 210/212 Court Order approving the transfer if the proposed transferee is not licensed to carry on banking business and the prior consent of the CPF Board

Note 2: The Assets Trustee or the CBG will obtain any one of the approvals in Note 1 for the transfer to the 3rd party purchaser

Additional Note: Pending transfer to a replacement asset trustee, UOB shall continue to be the Assets Trustee and a sale of the beneficial interest in the assets trust to a 3rd party purchaser could still occur

The purchaser would be able to deal with the borrowers and/or enforce the loans (in the name of the assets trustee) via a power of attorney granted by the Assets Trustee

Key Programme Rating Triggers

Moody's		Trigger Events	S&P		Trigger Events
Long-term	Short-term		Long-term	Short-term	
Aaa	P-1	No impact	AAA	A-1+	No impact
Aa1			AA+		
Aa2			AA		
Aa3			AA-		
A1			A+	A-1	
A2			A		
A3	P-2	<ul style="list-style-type: none"> ▶ Pre-maturity Test ▶ Reserve Fund 	A-	A-2	<ul style="list-style-type: none"> ▶ Pre-maturity Test ▶ Reserve Fund ▶ Transfer of Account Bank ▶ Collateral Posting for Swap(s)[†] ▶ Procure a Guarantee/Replacement for Swap(s) Provider[†]
Baa1			<ul style="list-style-type: none"> ▶ Deposit Set-off ▶ Collateral Posting for Swap(s) 		
		Baa2	<ul style="list-style-type: none"> ▶ Procure a Guarantee/Replacement for Swap(s) Provider* 		
Baa3	BBB-	<ul style="list-style-type: none"> ▶ Deposit Set-off ▶ Commingling Reserve 			
Below Investment Grade		<ul style="list-style-type: none"> ▶ Replacement of Servicer ▶ Perfection of Title/Transfer of Asset Trustee ▶ Transfer of Account Bank 	Below Investment Grade		<ul style="list-style-type: none"> ▶ Replacement of Servicer ▶ Perfection of Title/Transfer of Asset Trustee

Trigger Event	Descriptions
Pre-Maturity Test	<ul style="list-style-type: none"> ▶ The Pre-Maturity Test is performed daily for 12 months prior to the Maturity Date in relation to a hard bullet Covered Bond ▶ If UOB's unsecured and unsubordinated debt obligations fall below the rating trigger, UOB shall fund the Pre-Maturity Liquidity Ledger in the amount equal to the Required Redemption Amount of the relevant Series of Hard Bullet Covered Bonds
Reserve Fund	<ul style="list-style-type: none"> ▶ The Cash Manager shall, within 5 calendar days, request UOB to fund the Reserve Ledger with an amount equal to the Reserve Fund Required Amount
Collateral Posting (Swap)	<ul style="list-style-type: none"> ▶ The Swap Provider will be required to provide collateral pursuant to a one-way credit support annex
Account Bank	<ul style="list-style-type: none"> ▶ If the Account Bank falls below the rating trigger, then its rights and obligations are required to be transferred to another bank
Deposit Set-off	<ul style="list-style-type: none"> ▶ Additional collateralisation will be provided by the issuer to cover the potential set-off amount against borrowers' deposit
Guarantee/Replacement for Swap(s) Provider	<ul style="list-style-type: none"> ▶ The Swap Provider uses commercially reasonable efforts to procure either a guarantee in respect of all present and future obligations or transfer the Cover Pool Swap (if applicable) or Covered Bond Swap
Replacement of Servicer	<ul style="list-style-type: none"> ▶ The Servicer role will be transferred to a suitably rated institution
Perfection of Title/Transfer of Asset Trustee	<ul style="list-style-type: none"> ▶ EA structure: Notification to borrowers for legal perfection ▶ DoT structure: Appointment of a replacement Assets Trustee
Commingling Reserve	<ul style="list-style-type: none"> ▶ The Cash Manager shall, within 5 calendar days, request UOB to fund the Reserve Ledger with an amount equal to the Commingling Reserve Fund Required Amount

UOB's current rating

[†]Rating level based on current selected option

Covered Bond Legal Framework Comparisons



	Singapore	Australia	Canada	Germany	United Kingdom	Korea
Legal Framework / Regulation	<i>Notice 648 under the Banking Act</i>	<i>Banking Amendment (Covered Bonds) Act 2011</i>	<i>Canadian Covered Bond Law (June 2012)</i>	<i>German Pfandbrief Act</i>	<i>UK Regulated Covered Bond Regulations</i>	<i>Covered Bonds Act of Korea</i>
Regulator	<i>Monetary Authority of Singapore</i>	<i>Australian Prudential Regulation Authority (APRA)</i>	<i>Canada Mortgage and Housing Corporation (CMHC)</i>	<i>The Federal Financial Supervisory Authority</i>	<i>Financial Services Authority (FSA)</i>	<i>Financial Services Commission of Korea (FSC)</i>

Issuers and Program Requirements

Structure	▶ Direct Issue Structure (with cover pool security ring-fenced via true sale to Covered Bond Guarantor)	▶ Direct Issue Structure (with cover pool security ring-fenced via true sale to Covered Bond Guarantor)	▶ Direct Issue Structure (with cover pool security ring-fenced via true sale to Covered Bond Guarantor)	▶ Direct Issue Structure (with cover pool security registered recorded in the cover register)	▶ Direct Issue Structure (with cover pool security ring-fenced via true sale to Covered Bond Guarantor)	▶ Direct Issue Structure (with cover pool security registered under the Covered Bond ACT)
Eligible Issuers	▶ All banks incorporated in Singapore (including Singapore-incorporated subsidiaries of foreign banks)	▶ Authorized Deposit-taking Institutions (ADI)	▶ Federal Regulated Financial Institutions, Cooperative Credit Society	▶ Regulated Financial Institutions, including Universal Banks and Specialist Mortgage Banks	▶ Authorised Credit Institutions	▶ Licensed Banks (min. KRW 100bn equity capital and BIS ratio ≥10%)
Issuance limit	▶ All the assets of the SPV must not exceed 4% of the bank's total assets	▶ Assets in cover pool must not exceed 8% of issuing ADI's Australian assets"	▶ Limited to 4% of total adjusted assets	▶ No specific limit	▶ Case-by-case basis, but ranging from 10 to 20% of total assets (soft limit: 20% of total assets)	▶ Principal amount of all covered bonds must not exceed 4% of such issuer's total asset value
Eligible Cover Pool Assets	▶ Residential mortgages ▶ Other loans secured by the same residential property ▶ Assets that form part of the security for residential mortgage loans (e.g. guarantees and indemnities)	▶ Residential mortgages ▶ Commercial mortgages	▶ Canadian residential mortgage loans	▶ Mortgage covered bonds: ▪ Any combination of residential and commercial mortgages ▶ Public sector covered bonds: ▪ Public sector loans ▶ Ship and aircraft finance-backed bonds also permitted	▶ Public sector credits / guarantees ▶ Bank debt ▶ Secured first-ranking mortgage / real estate loans ▶ Shipping, social housing, secured public-private partnership loans	▶ First priority residential mortgages ▶ Government / public sector loans and bonds ▶ Loans secured by ships or aircraft which are insured by insurance contracts ▶ ABS under the ABS Act and MBS under the KHFC Act

Covered Bond Legal Framework Comparisons



	Singapore	Australia	Canada	Germany	United Kingdom	Korea
Minimum Standards of Asset Quality	<ul style="list-style-type: none"> Residential mortgages ≤80% LTV 	<ul style="list-style-type: none"> Residential mortgages ≤80% LTV Commercial mortgages ≤60% LTV Excl. non-performing assets >90 days 	<ul style="list-style-type: none"> Residential mortgages ≤80% LTV The mortgaged property cannot exceed four residential units 	<ul style="list-style-type: none"> 60% LTV for both residential and commercial mortgage loans 	<ul style="list-style-type: none"> 80% LTV for residential mortgage loans 60% LTV for commercial mortgage loans 60% LTV for shipping loans 	<ul style="list-style-type: none"> 70% LTV for residential mortgage loans 70% LTV for loans secured by ships and aircraft Not a loan extended to any person in which an application for bankruptcy or rehabilitation proceedings has been filed or commenced
Substitution Assets	<ul style="list-style-type: none"> Cash/ cash equivalents (Singapore Government Bonds, Treasury Bills, MAS Bills), may not exceed 15% of cover pool, except under certain circumstances 	<ul style="list-style-type: none"> Cash/ deposit held with ADI and convertible into cash, Bank accepted bills or CDs (1) Repo eligible and mature within 100 days; (2) not issued by issuer of covered bonds; (3) must not exceed 15% of cover pool Government debt instrument issued by Commonwealth/ State/ Territory 	<ul style="list-style-type: none"> Securities issued by Government of Canada May not exceed 10% of cover pool" 	<ul style="list-style-type: none"> Up to 10% could be money claims against the European Central Bank, central banks in European Union or suitable credit institutions Derivatives are eligible under certain conditions but may not exceed 12% 	<ul style="list-style-type: none"> Sterling ST investments, Bank deposits, Debt securities with min. AA-rating or P-1/A-1+/F1+, AAA-rated RMBS notes, Government debt May not exceed 10% of cover pool 	<ul style="list-style-type: none"> Liquid assets (Cash, CD issued by other FIs <100 days)May not exceed 10% of cover pool
Collateralization	<ul style="list-style-type: none"> Minimum of at least 103% 	<ul style="list-style-type: none"> Minimum of 103% 	<ul style="list-style-type: none"> No legislative minimum Cover pool assets have to be at least equal to liabilities on a nominal basis, Market practice is to covenant to maintain overcollateralisation of between 3.0% and 7.5% 	<ul style="list-style-type: none"> Min. of 102% on a stressed net present value (NPV) basis Min. of 100% on an nominal basis 	<ul style="list-style-type: none"> Minimum of 108% (FSA to evaluate each program) 	<ul style="list-style-type: none"> Minimum of 105% on a nominal basis

Thank you

