

**Malayan Banking Berhad, Singapore Branch
(as Transferor)**

and

**Maybank Singapore Limited
(as Transferee)**

**Summary of the Transfer of the Community Financial Services business in Singapore from
Malayan Banking Berhad, Singapore Branch to Maybank Singapore Limited
under Sections 55B and 55C of Part VIIA, Division 1 of the Banking Act, Chapter 19 of Singapore**

PART ONE

1. Background to the Transfer

1.1 Malayan Banking Berhad, Singapore Branch (UEN: S60FC1376L) (“**Transferor**”) is seeking to transfer its Community Financial Services business, namely the retail (personal banking, privilege wealth, premier wealth), private wealth, SME (retail, small medium enterprises (RSME) banking) and commercial banking business (collectively, the “**Business**”) to Maybank Singapore Limited (UEN: 201804195C) (“**Subsidiary**” or “**Transferee**”). The Subsidiary, which is an indirect wholly-owned subsidiary of Malayan Banking Berhad (“**MBB**”), has applied for a licence to carry on banking business in Singapore pursuant to the Banking Act, Chapter 19 of Singapore (the “**Banking Act**”).

1.2 The subsidiarisation would involve the transfer (“**Transfer**”) of the Business via:

1.2.1 a scheme of transfer (“**Scheme**”) under sections 55B and 55C of Part VIIA, Division 1 of the Banking Act; and

1.2.2 for the purpose of transferring certain parts of the Business which are not transferable pursuant to the Scheme (for example, employment contracts), a transfer agreement,

entered into by the Transferor and the Transferee. Subject to the Transferor obtaining a court order from the High Court of the Republic of Singapore (“**High Court**”) in accordance with the Banking Act, the Transfer is expected to occur on the Effective Date (defined below).

1.3 This summary of the Transfer has been approved by the Monetary Authority of Singapore (“**MAS**”) pursuant to the requirements of section 55C(2)(c) of the Banking Act.

2. Parties to the Transfer

2.1 Maybank Group

The Maybank group of companies (“**Maybank Group**”) was founded in Malaysia in 1960. Today, the Maybank Group includes, among others, MBB, the Transferor and the Subsidiary.

2.2 Malayan Banking Berhad (MBB)

The Maybank Group is among Asia's leading banking groups and South East Asia's fourth largest bank by assets. It has an international network of over 2,200 offices in Malaysia, Singapore, Indonesia, Philippines, Brunei Darussalam, Vietnam, Cambodia, Thailand, People's Republic of China, Bahrain, Uzbekistan, Myanmar, Laos, Pakistan, India, Saudi Arabia, Mauritius, Great Britain and the United States of America. The Maybank Group offers an extensive range of products and services, which includes consumer and corporate banking, investment banking, Islamic banking, stock broking, insurance and takaful and asset management. It has over 43,000 employees worldwide. Today, MBB is also the biggest corporate entity on the Malaysian bourse, with a market capitalisation of RM100 billion - the first listed company to hit this milestone.

2.3 Malayan Banking Berhad, Singapore Branch (Transferor)

The Transferor is the Singapore branch of MBB and one of the Maybank Group's largest overseas operations.

The Transferor has held a licence to transact banking business under the Banking Act since 1960 and was awarded Qualifying Full Bank privileges by the MAS with effect from January 2002. It has established a significant presence in the retail, corporate and global banking markets over the 5 decades of operating in Singapore.

The Transferor's registered office is located at 2 Battery Road, #01-01 Maybank Tower, Singapore 049907 and it operates its main place of business at the said Maybank Tower and in 27 service locations in Singapore.

As at 31 December 2017, the Transferor had about 785,937 customers and approximately S\$47.5 billion of customer deposits, S\$49.5 billion of assets under management (consisting of deposits and unit trusts) and S\$40.5 billion of customer loans, and employed over 1,800 employees.

Following the Transfer taking effect on the Effective Date, the Transferor intends to carry on banking business in Singapore at up to 13 service locations including 2 Battery Road, #01-01 Maybank Tower, Singapore 049907 and will continue to hold a full banking licence under the Banking Act. After the Effective Date, the Transferor will continue to operate the Global Banking business (including Global Markets) and the Retained Business (as defined in paragraph 2.1 of Part Two of this summary).

2.4 Maybank Singapore Limited (Subsidiary or Transferee)

The Transferee is a public limited company incorporated in Singapore on 1 February 2018.

An application has been submitted to the MAS for the Transferee to hold a full banking licence under the Banking Act with Qualifying Full Bank privileges and upon receipt of regulatory approvals from the MAS, the Transferee intends to carry on banking business in Singapore at 2 Battery Road, #01-01 Maybank Tower, Singapore 049907 and in 27 service locations in Singapore. Following the Transfer, it is expected that the Transferee will be staffed by approximately 1,650 people in Singapore. There will be no material change as to how the Business will be staffed before and after the Transfer.

PART TWO

1. Expected timeline of the Scheme

1.1 The Scheme will take effect from the date ordered by the High Court as to when the Scheme becomes effective (“**Effective Date**”). The Transferor intends to apply to the High Court for an order that the Effective Date be:

- (a) 00:01 hours (Singapore time) on 5 November 2018;
- (b) in the event that the Transferor and the Transferee agree that the Effective Date should not occur on 5 November 2018 to better facilitate the migration of the Business, any date as the Transferor and the Transferee may agree but in any event not later than 5 February 2019; or
- (c) such other date as the High Court may approve as the Effective Date of the Scheme.

In the event that paragraph 1.1(b) or (c) above applies, notice shall be given on the website of the Transferor and the Transferee and should the Scheme lapse for any reason, notice shall be given to all customers in writing.

1.2 Subject to the provisions in sections 55B and 55C of the Banking Act, the Scheme provides for the transfer of the business, assets, liabilities, duties and obligations of the Transferor in connection with the Business carried out by the Transferor, and certain specified contracts such as certain leases and maintenance and other service contracts, to the Transferee on the Effective Date.

2. Effective Date

2.1 On and from the Effective Date, *inter alia*, every customer of the Business shall in connection with any account(s) or contract(s) in respect of the Business (other than all standby letters of credit and documentary credits issued by the Transferor (“**Retained Business**”)) become entitled, in substitution for any right(s) available to him under such account(s) or contract(s) against the Transferor, to the same right(s) against the Transferee, and shall also become responsible for the same obligations to the Transferee as were owed by him to the Transferor under such account(s) or contract(s) prior to the Effective Date, and accordingly, such right(s) that were available to, and such obligations that were owed by, each of the Transferor and such customer against each other shall be extinguished. In addition, the title on assets and collaterals held by the Transferor as security for the debts and liabilities of any customer or counterparty in respect of the Business (other than the Retained Business) shall be transferred to and held by the Transferee under the Scheme on and from the Effective Date.

2.2 The Transferee will offer a similar range of products and services in respect of the Business to those that were offered by the Transferor prior to the Effective Date.

3. Subsequent Transfer Date

3.1 The Scheme provides for certain assets and liabilities which for some reason, cannot be transferred to the Transferee on the Effective Date or which the parties have agreed not to transfer on the Effective Date, to be transferred at a later date, when the impediment to their transfer has been removed or when the parties determine that such assets and liabilities should be transferred (“**Subsequent Transfer Date**”). Customers who are affected by any such transfer at a Subsequent Transfer Date will be notified.

3.2 In particular, the Transferor and the Transferee have agreed that the registered title to mortgages over Singapore real properties held by the Transferor as security for loans which

will be transferred to the Transferee (“**Singapore Mortgages**”) will be held by the Transferor on trust for the Transferee on the Effective Date until the transfer of mortgage instruments in relation to the Singapore Mortgages are lodged with the Singapore Land Authority from time to time. From the Effective Date and until the transfer of mortgage instruments in relation to the Singapore Mortgages are lodged with the Singapore Land Authority, the Transferor will hold the Singapore Mortgages together with any proceeds of sale, income or other accrual or return arising in respect thereof, on trust for the Transferee absolutely. The Transferee will be granted all necessary powers and authority to exercise all rights and take any actions in relation to the Singapore Mortgages, including collection of monies, issuance of receipts and statements, amendment of all relevant terms, grant of releases and to enforce all rights and interests therein and to take any steps or do anything which the Transferee in its absolute discretion considers necessary or desirable in connection with the Singapore Mortgages.

4. Integration Plans - Impact of the Transfer on Customers

- 4.1 Under the terms of the Scheme, customer agreements which relate to the Business (other than in relation to the Retained Business) and which are governed by Singapore law shall automatically be transferred from the Transferor to the Transferee.
- 4.2 Customer agreements which relate to the Business (other than in relation to the Retained Business) and which are governed by a law other than Singapore law shall either be transferred under the Scheme if this method of transfer is recognised under the relevant foreign law, or if it is not so recognised, under the method of transfer which is applicable to the relevant foreign law or as may be ordered by the High Court under section 55C(11) of the Banking Act.
- 4.3 To the extent that customer consent is required under the relevant method of transfer or an order by the High Court, express customer consent will be obtained in order to enable the transfer of such customer agreements prior to, or on, the Effective Date. To the extent that customer consent is required and not obtained by the Effective Date, such customer agreements will be transferred at a Subsequent Transfer Date when consent has been received.
- 4.4 Customer agreements which relate to the Business (other than in relation to the Retained Business) will be transferred from the Transferor to the Transferee on the same terms and conditions which are in effect as at the Effective Date or the Subsequent Transfer Date (as the case may be).

5. Integration Plans - Impact of the Transfer on Third Parties

- 5.1 Under the terms of the Scheme, third party agreements which relate to the Business (other than in relation to the Retained Business) and which are governed by Singapore law shall automatically be transferred from the Transferor to the Transferee.
- 5.2 Third party agreements which relate to the Business (other than in relation to the Retained Business) and which are governed by a law other than Singapore law shall either be transferred via the Scheme if this method of transfer is recognised under the relevant foreign law, or if it is not so recognised, under the method of transfer which is applicable to the relevant foreign law or as may be ordered by the High Court under section 55C(11) of the Banking Act.
- 5.3 To the extent that consent is required for the transfer of such third party agreements, express consent will be obtained. Consent will be obtained in order to enable the transfer of the

majority of such third party agreements prior to, or on, the Effective Date. To the extent that such consent is required and not obtained by the Effective Date, such third party agreements will be transferred at a Subsequent Transfer Date, when consent has been received.

6. Application to the High Court

The Transfer will be achieved by way of the Scheme. An application will be made by the Transferor to the High Court for approval of the Transfer at a hearing. If the High Court approves the Transfer, it is expected that the Transfer (other than the transfer of the assets and liabilities which will be transferred at a Subsequent Transfer Date) will become effective on the Effective Date.

7. General

- 7.1** The Transferor and the Transferee have undertaken to be bound by the terms of the Scheme and to do all acts necessary or expedient to give effect to the Scheme.
- 7.2** The Transferor and the Transferee may agree that the Scheme shall take effect on some other later date (after the Effective Date) which they determine, subject to the High Court having made an order under sections 55B and 55C of the Banking Act approving the Scheme.
- 7.3** Any modification of or addition to the Scheme will require the consent of both the Transferor and the Transferee and the approval of the High Court.
- 7.4** The approval of this summary of the Transfer by the MAS pursuant to the requirements of section 55C(2)(c) of the Banking Act is not to be taken as the MAS' endorsement of the information stated herein or the merits of the Transfer, the Transferor, or the Transferee.
- 7.5** The Scheme is governed by and shall be construed in accordance with Singapore law.