

PRICING SUPPLEMENT

No prospectus is required in accordance with Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended) (the "EUWA"), for the issue of the PR Exempt Notes described herein. The FCA acting under Part VI of FSMA has neither approved nor reviewed information contained in this Pricing Supplement.

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 Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (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 Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS: The Notes 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 Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended (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 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes 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 Notes 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 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 EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (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 Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Singapore Securities and Futures Act Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore as modified or amended from time to time, (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded 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).

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any Notes 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 1947 of Singapore (the "ITA") shall not apply if such person acquires such Notes 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 Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

IMPORTANT NOTICE TO PROSPECTIVE INVESTORS – Prospective investors should be aware that certain intermediaries in the context of this offering of the Notes, including certain dealers for this offering of the Notes (the "**Managers**"), are "capital market intermediaries" ("**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" ("**OCs**") for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association ("**Association**") with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Manager or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any Manager, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Manager when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to this offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Managers and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of

complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

IMPORTANT NOTICE TO CMIS (INCLUDING PRIVATE BANKS) – This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the Managers accordingly.

CMIs are informed that the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place “X-orders” into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Notes.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Managers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Notes, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a “principal” basis may require the relevant affiliated Manager(s) (if any) to categorise it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- the name of each underlying investor;
- a unique identification number for each investor;
- whether an underlying investor has any “Associations” (as used in the SFC Code);
- whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code); and
- whether any underlying investor order is a duplicate order.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Manager with such evidence within the timeline requested.

Pricing Supplement dated 18 August 2023

Lloyds Banking Group plc
(the "Company")

Legal Entity Identifier (LEI): 549300PPXHEU2JF0AM85

Issue of SGD 500,000,000 5.250 per cent. Fixed Rate Reset Dated Subordinated Notes due 2033 (the "Notes")
under the £25,000,000,000 Euro Medium Term Note Programme

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "Conditions") contained in the amended and restated Trust Deed dated 30 June 2023 and set forth in the prospectus dated 30 June 2023 as supplemented by the supplemental prospectus dated 26 July 2023 (the "Prospectus"). This document constitutes the Pricing Supplement of the Notes and must be read in conjunction with the Prospectus, in order to obtain all the relevant information, save in respect of the Conditions. The Prospectus is published on the Company's website <https://www.lloydsbankinggroup.com/investors/fixed-income-investors/unsecured-funding.html>

1	Issuer:	Lloyds Banking Group plc
2	(i) Series Number:	LBG0021S
	(ii) Tranche Number:	1
	(iii) Date on which Notes will be consolidated and form a single Series:	Not Applicable
3	Specified Currency:	Singapore Dollars ("SGD")
4	Aggregate Nominal Amount:	
	(i) Series:	SGD 500,000,000
	(ii) Tranche:	SGD 500,000,000
5	Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
6	(i) Specified Denominations:	SGD 250,000
	(ii) Calculation Amount:	SGD 250,000
7	(i) Issue Date:	22 August 2023
	(ii) Interest Commencement Date:	Issue Date
8	Maturity Date:	22 August 2033
9	Interest Basis:	5.250 per cent. to be reset on 22 August 2028 Fixed Rate Reset
10	Redemption Basis:	Redemption at par

11	Change of Interest or Redemption/Payment Basis:	Not Applicable
12	Alternative Currency Equivalent:	Not Applicable
13	Put/Call Options:	Call Option (further particulars specified at paragraph 21 below)
14	Status of the Notes:	Dated Subordinated
15	Senior Notes Waiver of Set-off:	Not Applicable
16	Senior Notes Restricted Events of Default:	Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17	Fixed Rate Note Provisions	Not Applicable
18	Fixed Rate Reset Note Provisions	Applicable
	(i) Initial Rate of Interest:	5.250 per cent. per annum payable semi-annually in arrear
	(ii) Interest Payment Dates:	22 February and 22 August in each year from, and including, 22 February 2024 until, and including, the Maturity Date, subject, in each case, to adjustment in accordance with the Business Day Convention specified at paragraph 18(xx) below
	(iii) First Reset Date:	22 August 2028
	(iv) Second Reset Date:	Not Applicable
	(v) Anniversary Date(s):	Not Applicable
	(vi) Reset Determination Dates:	The second Singapore Business Day prior to the First Reset Date "Singapore Business Day" means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore
	(vii) Reset Rate:	Ask Rate (semi-annual) For the purposes of these Notes: (i) all references to "Mid-Swap Rate" and "mid-swap rate" in the Conditions will be deemed deleted and replaced with "Ask Rate" and "ask rate", respectively; (ii) all references to "Mid-Swap Quotations" in the Conditions will be deemed deleted and replaced with "Ask Quotations"; and (iii) in the resulting definition of "Ask Quotations", the reference to "the arithmetic mean of the bid and offered rates" will be deemed deleted and replaced with "the ask (offered) rate"
	(viii) Swap Rate Period:	5 Years
	(ix) CMT Designated Maturity:	Not Applicable

(x) Screen Page:	For the purposes of these Notes, the definition of "Screen Page" in the Conditions shall be deemed deleted and replaced with the following: "Screen Page" means "OTC SGD OIS" page on Bloomberg under the "BGN" panel and the column headed "Ask" (or such other substitute page thereof or if there is no substitute page, the screen page which is the generally accepted page used by market participants at that time as determined by an independent financial institution (which is appointed by the Issuer at its own expense) and notified to the Calculation Agent)
(xi) Fixed Leg	Semi-annual (calculated on an Actual/365 (Fixed) day count basis)
(xii) Floating Leg	Compounded daily Singapore Overnight Rate Average (SORA) compounded for 6 months, calculated on an Actual/365 (Fixed) day count basis and payable in arrear
(xiii) Margin:	+ 1.938 per cent. per annum
(xiv) Fixed Coupon Amount to (but excluding) the First Reset Date:	Not Applicable. The amount of interest payable on each Interest Payment Date up to (and including) the First Reset Date will be calculated on the basis of the Day Count Fraction specified below.
(xv) Broken Amount:	Not Applicable
(xvi) Day Count Fraction:	Actual/365 (Fixed)
(xvii) Determination Dates:	Not Applicable
(xviii) Calculation Agent:	Citibank, N.A., London Branch
(xix) Benchmark Determination Agent:	To be appointed by the Company prior to the Reset Determination Date
(xx) Business Day Convention:	Following Business Day Convention (Unadjusted)
(xxi) First Reset Period Fallback:	3.312 per cent. per annum
(xxii) Business Centres:	London and Singapore
19 Floating Rate Note Provisions	Not Applicable
20 Zero Coupon Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21 Call Option	Applicable
(i) Optional Redemption Date:	22 August 2028
(ii) Optional Redemption Amount:	Early Redemption Amount
(iii) Make Whole Redemption Price:	Not Applicable
(iv) If redeemable in part:	

	(a) Minimum Redemption Amount:	Not Applicable
	(b) Maximum Redemption Amount:	Not Applicable
	(v) Notice period:	Not less than fifteen nor more than thirty days
22	Company Residual Call:	Not Applicable
23	Put Option	Not Applicable
24	Capital Disqualification Event Call	Applicable
25	Loss Absorption Disqualification Event Call	Not Applicable
26	Final Redemption Amount	SGD 250,000 per Calculation Amount
27	Early Redemption Amount	SGD 250,000 per Calculation Amount
	Early Redemption Amount payable on redemption for taxation reasons, following a Capital Disqualification Event or on event of default or other early redemption:	
28	Substitution or Variation	Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

29	Form of Notes:	Bearer Notes:
		Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note
30	New Global Note:	Yes
31	Additional Financial Centre(s) or other special provisions relating to payment dates:	London and Singapore
32	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	No

THIRD PARTY INFORMATION

The ratings definitions in Part B, Item 2 of this Pricing Supplement has been extracted from the websites of Moody's and Fitch, as defined below. The Company confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Moody's and Fitch, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Company:

DocuSigned by:

Claire Elizabeth Padley
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By:

Duly authorised

PART B – OTHER INFORMATION

1 LISTING

(i) Listing:	London
(ii) Admission to trading:	Application is expected to be made for the Notes to be admitted to trading on the International Securities Market of the London Stock Exchange with effect from on or about the Issue Date
(iii) Estimate of total expenses related to admission to trading:	£5,410

2 RATINGS

Ratings: The Notes to be issued are expected to be rated:

Moody's Investors Service Ltd. ("Moody's"): Baa1

As defined by Moody's, obligations rated Baa are considered medium-grade intrinsic, or standalone, financial strength, and thus subject to moderate credit risk and, as such, may possess certain speculative credit elements absent any possibility of extraordinary support from an affiliate or a government. The modifier 1 indicates a ranking in the higher end of that generic assessment category.

(Source: Moody's, <https://www.moodys.com/researchandratings/research-type/regulatory/rating-symbols-and-definitions/003011001003/003011001003/-/0/0/-/0/-/1/-/-/en/global/pdf/-rra>)

Fitch Ratings Ltd ("Fitch"): BBB+

As defined by Fitch, a BBB rating denotes expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate, but adverse business or economic conditions are more likely to impair this capacity than is the case for higher ratings. The addition of a plus (+) shows relative probability of default or recovery for issues within the rating category.

(Source, Fitch Ratings, <https://www.fitchratings.com/products/rating-definitions>)

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in the "Subscription and Sale" section in the Prospectus, so far as the Company is aware, no person involved in the issue of the Notes has an interest material to the issue.

4 REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

(i) Reasons for the offer: See "Use of Proceeds" in Prospectus

(ii) Estimated net proceeds: SGD 497,750,000

5 YIELD

Indication of yield to the First Reset 5.250 per cent. (on a semi-annual basis)

Date: This indication of yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield

6 OPERATIONAL INFORMATION

ISIN: XS2668240844

Common Code: 266824084

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

Delivery: Delivery against payment

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

Name and address of Calculation Agent:
Citibank, N.A., London Branch
Canada Square
Canary Wharf
London E14 5LB

Intended to be held in a manner which
would allow Eurosystem eligibility:

No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

Relevant Benchmarks: Not Applicable

8 DISTRIBUTION

U.S. Selling Restrictions: Reg S Category 2; TEFRA D

ANNEX

SINGAPORE RISK FACTOR AND TAXATION

RISK FACTOR

Holders of the Notes may be exposed to risks relating to Singapore taxation

The Notes are intended to be qualifying debt securities ("QDS") for the purposes of the ITA pursuant to the MAS Circular FDD Cir 08/2023 titled "Qualifying Debt Securities (QDS) and Primary Dealer Schemes – Extension and Refinements" issued by the Monetary Authority of Singapore (the "MAS") on 31 May 2023 (the "MAS Circular"), subject to the fulfilment of certain conditions more particularly described in the section titled "Taxation - Singapore Taxation" below.

However, there is no assurance that the conditions for QDS will be met or that the Notes would continue to be eligible for the tax concessions for QDS should the relevant tax laws or MAS circulars be amended or revoked at any time, or should the required conditions cease to be fulfilled.

In addition, the tax concessions for QDS may not be available for the Notes if the Inland Revenue Authority of Singapore ("IRAS") does not regard the Notes as debt securities for Singapore income.

TAXATION

The comments below are of a general nature and are not intended to be exhaustive. They assume that there will be no substitution of the Company and do not address the consequences of any such substitution (notwithstanding that such substitution may be permitted by the terms and conditions of the Notes). Any Noteholders who are in doubt as to their own tax position should consult their professional advisers. In particular, Noteholders should be aware that the tax legislation of any jurisdiction where a Noteholder is resident or otherwise subject to taxation (as well as the jurisdiction discussed below) may have an impact on the tax consequences of an investment in the Notes including in respect of any income received from the Notes.

Singapore Taxation

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the IRAS and the MAS (including the MAS Circular) in force as at the date of this Pricing Supplement and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, administrative guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, administrative guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Pricing Supplement are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. The statements should not be regarded as advice on the tax position of any person and should be treated with appropriate caution. Prospective holders and holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Relevant Dealers and any other persons involved in the issuance of the Notes accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

In addition, the disclosure below is on the assumption that the IRAS regards the Notes, which are intended to be "qualifying debt securities" for the purposes of the ITA, as "debt securities" for the purposes of the ITA and that distribution payments made under the Notes will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, provided that the other conditions for the qualifying debt securities scheme are satisfied.

If the Notes are not regarded as "debt securities" for the purposes of the ITA, the distributions made under the Notes are not regarded as interest payable on indebtedness and/or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. No assurance, warranty or guarantee is given on the tax treatment to holders of the Notes in respect of the distributions payable to them. Investors and holders of the Notes should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Notes.

1. Interest and Other Payments

On the basis that the Notes are issued on or before 31 December 2028 and more than half of the Notes are distributed by DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Standard Chartered Bank (Singapore) Limited, each of which is a Specified Licensed Entity at such time and assuming that the Notes are regarded as "debt securities" for the purposes of the ITA, the Notes would be, pursuant to the ITA and the MAS Circular, QDS for the purposes of the ITA, to which the following treatment shall apply.

Subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer or such other person as the MAS may direct, to the MAS of a return on debt securities in the prescribed format for the Notes within one month of the date of issue of the Notes or such period as the MAS may specify and such other particulars in connection with the Notes as the MAS may require to MAS), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Notes paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates) under section 43H(1) of the ITA.

Notwithstanding the foregoing:

- (a) if during the primary launch of the Notes, the Notes are issued to fewer than four persons and 50.0% or more of the issue of the Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, the Notes would not qualify as QDS; and
- (b) even though the Notes are QDS, if, at any time during the tenure of the Notes, 50.0% or more of the Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from the Notes held by:
 - (i) any related party of the Issuer; or
 - (ii) any other person where the funds used by such person to acquire the Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**Specified Licensed Entities**" is defined in the MAS Circular to mean the following entities holding the relevant licenses:

- (a) any bank or merchant bank licensed under the Banking Act 1970 of Singapore;
- (b) any finance company licensed under the Finance Companies Act 1967 of Singapore; or
- (c) an entity that holds a Capital Markets Services Licence under the Securities and Futures Act 2001 of Singapore to carry out regulated activities – Advising on Corporate Finance or Dealing in Capital Markets Products – Securities.

The terms "**break cost**", "**prepayment fee**", "**redemption premium**" and "**related party**" are defined in section 13(16) of the ITA as follows:

"**break cost**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

"**prepayment fee**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;

"**redemption premium**", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and

"**related party**", in relation to a person ("A"), means any person (a) who directly or indirectly controls A, (b) who is being controlled directly or indirectly by A, or (c) who, together with A, is directly or indirectly under the control of a common person.

References to "**break cost**", "**prepayment fee**", "**redemption premium**" and "**related party**" in this Singapore tax disclosure have the same meaning as defined in the ITA.

All foreign-sourced income received in Singapore on or after 1 January 2004 by Singapore tax-resident individuals will be exempt from income tax, provided such foreign-sourced income is not received through a partnership in Singapore.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS (subject to certain conditions) under the ITA shall not apply if such person acquires such Notes 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 (i.e., the Qualifying Income) derived from the Notes is not exempt from tax (including for the reasons described above) is required to include such income in a return of income made under the ITA.

In addition, pursuant to the MAS Circular, with effect from 15 February 2023, the scope of qualifying income under the QDS scheme also includes all payments made by the issuer of the QDS on the redemption of the QDS upon their maturity or on the early redemption of the QDS.

Singapore Tax Classification of Hybrid Instruments

The ITA currently does not contain specific provisions on how financial instruments that exhibit both debt-like and equity-like features, i.e. hybrid instruments, should be treated for income tax purposes. However, the IRAS has published the e-Tax Guide: Income Tax Treatment of Hybrid Instruments (Second Edition) on 21 October 2019 (the "**Hybrid Instruments e-Tax Guide**") which sets out the income tax treatment of hybrid instruments, including the

factors that the IRAS will generally use to determine whether such instruments are debt or equity instruments for income tax purposes.

Among others, the IRAS has stated in the Hybrid Instruments e-Tax Guide that:

- (a) whether or not a hybrid instrument will be treated as debt or equity security for income tax purposes will firstly depend on its legal form, to be determined based on an examination of the legal rights and obligations attached to the instrument;
- (b) a hybrid instrument is generally characterised as equity if the legal terms of the instrument indicate ownership interests in the issuer. If the legal form of a hybrid instrument is not indicative of or does not reflect the legal rights and obligations, the facts and circumstances surrounding the instrument and a combination of factors, not limited to the following, would have to be examined to ascertain the nature of the instrument for income tax purposes.

These factors include (but are not limited to):

- (i) nature of interest acquired;
- (ii) investor's right to participate in issuer's business;
- (iii) voting rights conferred by the instrument;
- (iv) obligation to repay the principal amount;
- (v) payout;
- (vi) investor's right to enforce payment;
- (vii) classification by other regulatory authority; and
- (viii) ranking for repayment in the event of liquidation or dissolution;
- (c) if a hybrid instrument is characterised as a debt instrument for income tax purposes, distributions from the issuer to the investors are regarded as interest; and
- (d) if a hybrid instrument issued by a company or a REIT (as defined in the ITA) is characterised as an equity instrument for income tax purposes, distributions from the issuer to the investors are regarded as either dividends or distributions.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or who are required to apply Singapore Financial Reporting Standard 39 ("FRS 39"), Financial Reporting Standard 109 Financial Instruments ("FRS 109") or Singapore Financial Reporting Standard (International) 9 ("SFRS(I) 9") (as the case may be), may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on "Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes".

3. Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled "Income Tax Implications arising from the adoption of FRS 39 – Financial Instruments: Recognition and Measurement".

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 (as the case may be) for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Notes who may be subject to the tax treatment under Sections 34A and 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.