



21st May, 2013

Via Facsimile: 394-2918

UBS (Bahamas) Limited
UBS House, East Bay Street
Nassau, Bahamas

Attn: Mrs. Cherise Cox-Nettage

Dear Sirs:

Re: Real Estate Collateralized Loan Offering

We refer to the above program, previously the subject of correspondence between your office and The Central Bank of The Bahamas ("The Bank").

Our records reflect that a final response in the matter was ever issued. The Bank regrets this occurrence and is now pleased to confirm its approval for UBS to conduct a real estate collateralized loan program to non-resident buyers of homes in the Bahamian second home market, as envisaged and detailed in your bank's proposal to the Central Bank for the program.

Where Bahamian security for such loans, formal application for approval of The Bank (the Exchange Control Department), supported by relevant details of the arrangement (e.g. description of the property, name of borrower, amount and terms of the loan).

UBS is also expected to respect all prudential norms governing such lending activities as a licensee of The Bank. These include:

- limiting loan exposure to single or connected parties to no more than twenty-five percent of capital;
- general provisioning of 1% of total loans;
- observance of regulation limiting large exposure to 800 times capital in aggregate.

We look forward to your co-operation.

Yours faithfully,

Gerard L. Horton
Manager
Exchange Control Department

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