

Supplemental Listing Document

If you are in any doubt as to any aspect of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

Application has been made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in and for quotation of the Certificates (as defined below). The SGX-ST takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of SG Issuer, Société Générale, the Certificates, or the Company (as defined below).

1,600,000 European Style Cash Settled Short Certificates
relating to the ordinary shares of United Overseas Bank Limited
with a Daily Leverage of -5x

issued by

SG Issuer

(Incorporated in Luxembourg with limited liability)

unconditionally and irrevocably guaranteed by

Société Générale

Issue Price: S\$1.50 per Certificate

This document is published for the purpose of obtaining a listing of all the above certificates (the “**Certificates**”) to be issued by SG Issuer (the “**Issuer**”) unconditionally and irrevocably guaranteed by Société Générale (the “**Guarantor**”), and is supplemental to and should be read in conjunction with a base listing document dated 21 June 2018 including such further base listing documents as may be issued from time to time (the “**Base Listing Document**”), as supplemented by an addendum to the Base Listing Document dated 5 November 2018 (the “**Addendum**”), for the purpose of giving information with regard to the Issuer, the Guarantor and the Certificates. Information relating to the Company (as defined below) is contained in this document.

This document does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, Certificates or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration the Certificates or other securities of the Issuer.

Restrictions have been imposed on offers and sales of the Certificates and on distributions of documents relating thereto in Singapore, Hong Kong, the European Economic Area, the United Kingdom and the United States (see “Placing and Sale” contained herein).

Investors are warned that the price of the Certificates may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. The price of the Certificates also depends on the supply and demand for the Certificates in the market and the price at which the Certificates is trading at any time may differ from the underlying valuation of the Certificates because of market inefficiencies. It is not possible to predict the secondary market for the Certificates. Although the Issuer, the Guarantor and/or any of their affiliates may from time to time purchase the Certificates or sell additional Certificates on the market, the Issuer, the Guarantor and/or any of their affiliates are not obliged to do so. Investors should also note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock (as defined below) and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock.

The Certificates are classified as capital markets products other than prescribed capital markets products¹ and Specified Investment Products (SIPs)², and may only be sold to retail investors with enhanced safeguards, including an assessment of such investors' investment knowledge or experience.

The Certificates constitute general unsecured obligations of the Issuer and of no other person, and the guarantee dated 21 June 2018 (the "**Guarantee**") and entered into by the Guarantor constitutes general unsecured obligations of the Guarantor and of no other person, and if you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person.

Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. It is expected that dealings in the Certificates will commence on or about 7 November 2018.

As of the date hereof, the Guarantor's long term credit rating by S&P Global Ratings is A, and by Moody's Investors Service, Inc. is A1.

The Issuer is regulated by the Luxembourg Commission de Surveillance du Secteur Financier on a consolidated basis and the Guarantor is regulated by, *inter alia*, the Autorité des Marchés Financiers, the Autorité de Contrôle Prudentiel et de Résolution and the European Central Bank.

5 November 2018

¹ As defined in the Securities and Futures (Capital Markets Products) Regulations 2018.

² As defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

Subject as set out below, the Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this document, the Base Listing Document and the Addendum in relation to themselves and the Certificates. To the best of the knowledge and belief of the Issuer and the Guarantor (each of which has taken all reasonable care to ensure that such is the case), the information contained in this document, the Base Listing Document and the Addendum for which they accept responsibility (subject as set out below in respect of the information contained herein with regard to the Company) is in accordance with the facts and does not omit anything likely to affect the import of such information. The information with regard to the Company as set out herein is extracted from publicly available information. The Issuer and the Guarantor accept responsibility only for the accurate reproduction of such information. No further or other responsibility or liability in respect of such information is accepted by the Issuer and the Guarantor.

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the offering of the Certificates, and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or the Guarantor. Neither the delivery of this document nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, the Guarantor or their respective subsidiaries and associates since the date hereof.

This document does not constitute an offer or invitation by or on behalf of the Issuer or the Guarantor to purchase or subscribe for any of the Certificates. The distribution of this document and the offering of the Certificates may, in certain jurisdictions, be restricted by law. The Issuer and the Guarantor require persons into whose possession this document comes to inform themselves of and observe all such restrictions. In particular, the Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the “**CFTC**”) under the United States Commodity Exchange Act of 1936, as amended. Accordingly, Certificates, or interests thereon, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade or maintain a position in the Certificates. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised. A further description of certain restrictions on offering and sale of the Certificates and distribution of this document is given in the section headed “Placing and Sale” contained herein.

The SGX-ST has made no assessment of, nor taken any responsibility for, the financial soundness of the Issuer or the Guarantor or the merits of investing in the Certificates, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

The Issuer, the Guarantor and/or any of their affiliates may repurchase Certificates at any time on or after the date of issue and any Certificates so repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer, the Guarantor and/or any of their affiliates. Investors should not therefore make any assumption as to the number of Certificates in issue at any time.

References in this document to the “**Conditions**” shall mean references to the Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities contained in the Addendum. Terms not defined herein shall have the meanings ascribed thereto in the Conditions.

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RISK FACTORS

The following are risk factors relating to the Certificates:

- (a) investment in Certificates involves substantial risks including market risk, liquidity risk, and the risk that the Issuer and/or the Guarantor will be unable to satisfy its/their obligations under the Certificates. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Certificates. You should consider carefully whether Certificates are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Certificates are not suitable for inexperienced investors;
- (b) the Certificates constitute general unsecured obligations of the Issuer and of no other person, and the Guarantee constitutes general unsecured obligations of the Guarantor and of no other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Certificates, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person;
- (c) since the Certificates relate to the price of the Underlying Stock, certain events relating to the Underlying Stock may cause adverse movements in the value and the price of the Underlying Stock, as a result of which, the Certificate Holders (as defined in the Conditions of the Certificates) may, in extreme circumstances, sustain a significant loss of their investment if the price of the Underlying Stock has risen sharply on the Expiry Date;
- (d) due to their nature, the Certificates can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Certificates may fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the Underlying Stock, the time remaining to expiry, the currency exchange rates and the creditworthiness of the Issuer and the Guarantor;
- (e) if, whilst any of the Certificates remain unexercised, trading in the Underlying Stock is suspended or halted on the relevant stock exchange, trading in the Certificates will be suspended for a similar period;
- (f) as indicated in the Conditions of the Certificates and herein, a Certificate Holder must tender a specified number of Certificates at any one time in order to exercise. Thus, Certificate Holders with fewer than the specified minimum number of Certificates in a particular series will either have to sell their Certificates or purchase additional Certificates, incurring transactions costs in each case, in order to realise their investment;
- (g) investors should note that in the event of there being a Market Disruption Event (as defined in the Conditions) determination or payment of the Cash Settlement Amount (as defined in the Conditions) may be delayed, all as more fully described in the Conditions;
- (h) certain events relating to the Underlying Stock require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions. Investors may refer to the Conditions 4 and 6 on pages 27 to 31 and the examples and illustrations of adjustments set out in the "Information relating to the European Style Cash Settled Short Certificates on Single Equities" section of this document for more information;

- (i) the Certificates are only exercisable on the Expiry Date and may not be exercised by Certificate Holders prior to such Expiry Date. Accordingly, if on the Expiry Date the Cash Settlement Amount is zero, a Certificate Holder will lose the value of his investment;
- (j) the total return on an investment in any Certificate may be affected by the Hedging Fee Factor (as defined below), Management Fee (as defined below) and Gap Premium (as defined below);
- (k) investors holding their position overnight should note that they would be required to bear the annualised cost which consists of the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy (as described below) including the Stock Borrowing Cost (as defined below) and Rebalancing Cost (as defined below);
- (l) investors should note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock;
- (m) when held for longer than a day, the performance of the Certificates could be more or less than the leverage factor that is embedded within the Certificates. The performance of the Certificates each day is locked in, and any subsequent returns are based on what was achieved the previous day. This process, referred to as compounding, may lead to a performance difference from 5 times the inverse performance of the Underlying Stock over a period longer than one day. This difference may be amplified in a volatile market with a sideways trend, where market movements are not clear in direction, whereby investors may sustain substantial losses;
- (n) investors should note that the Air Bag Mechanism (as defined below) reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses;
- (o) there is no assurance that the Air Bag Mechanism will prevent investors from losing the entire value of their investment, in the event of (i) an overnight increase in the Underlying Stock, where there is a 20% or greater gap between the previous day closing price and the opening price of the Underlying Stock the following day, as the Air Bag Mechanism will only be triggered when market opens the following day or (ii) a sharp intraday increase in the price of the Underlying Stock of 20% or greater (comparative to the previous closing price of the Underlying Stock or the previous observed price in case of an air bag previously on the same day) during the Observation Period. Investors may refer to pages 46 to 47 of this document for more information;
- (p) certain events may, pursuant to the terms and conditions of the Certificates, trigger (i) the implementation of methods of adjustment or (ii) the early termination of the Certificates. The Issuer will give the investors reasonable notice of any early termination. If the Issuer terminates the Certificates early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of the Certificate less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. The performance of this commitment shall depend on (i) general

market conditions and (ii) the liquidity conditions of the underlying instrument(s) and, as the case may be, of any other hedging transactions. Investors should note that the amount repaid by the Issuer may be less than the amount initially invested. Investors may refer to the Condition 13 on pages 33 to 35 of this document for more information;

- (q) there is no assurance that an active trading market for the Certificates will sustain throughout the life of the Certificates, or if it does sustain, it may be due to market making on the part of the Designated Market Maker. The Issuer acting through its Designated Market Maker may be the only market participant buying and selling the Certificates. Therefore, the secondary market for the Certificates may be limited and you may not be able to realise the value of the Certificates. Do note that the bid-ask spread increases with illiquidity;
- (r) in the ordinary course of their business, including without limitation, in connection with the Issuer or its appointed designated market maker's market making activities, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the Underlying Stock. In addition, in connection with the offering of any Certificates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into one or more hedging transactions with respect to the Underlying Stock. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer, the Guarantor and any of their respective subsidiaries and affiliates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into transactions in the Underlying Stock which may affect the market price, liquidity or value of the Certificates and which may affect the interests of Certificate Holders;
- (s) various potential and actual conflicts of interest may arise from the overall activities of the Issuer, the Guarantor and/or any of their subsidiaries and affiliates.

The Issuer, the Guarantor and any of their subsidiaries and affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and investment and other activities for their own account or the account of others. In addition, the Issuer, the Guarantor and any of their subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the Underlying Stock. Such activities and information may involve or otherwise affect issuers of the Underlying Stock in a manner that may cause consequences adverse to the Certificate Holders or otherwise create conflicts of interests in connection with the issue of Certificates by the Issuer. Such actions and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The Issuer, the Guarantor and any of their subsidiaries and affiliates have no obligation to disclose such information about the Underlying Stock or such activities. The Issuer, the Guarantor and any of their subsidiaries and affiliates and their officers and directors may engage in any such activities without regard to the issue of Certificates by the Issuer or the effect that such activities may directly or indirectly have on any Certificate;

- (t) legal considerations which may restrict the possibility of certain investments:

Some investors' investment activities are subject to specific laws and regulations or laws and regulations currently being considered by various authorities. All potential investors must consult their own legal advisers to check whether and to what extent (i) they can legally purchase the Certificates (ii) the Certificates can be used as collateral security for various forms of borrowing (iii) if other restrictions apply to the purchase of Certificates or their use as

collateral security. Financial institutions must consult their legal advisers or regulators to determine the appropriate treatment of the Certificates under any applicable risk-based capital or similar rules;

- (u) the credit rating of the Guarantor is an assessment of its ability to pay obligations, including those on the Certificates. Consequently, actual or anticipated declines in the credit rating of the Guarantor may affect the market value of the Certificates;
- (v) the Certificates are linked to the Underlying Stock and subject to the risk that the price of the Underlying Stock may rise. The following is a list of some of the significant risks associated with the Underlying Stock:
 - Historical performance of the Underlying Stock does not give an indication of future performance of the Underlying Stock. It is impossible to predict whether the price of the Underlying Stock will fall or rise over the term of the Certificates; and
 - The price of the Underlying Stock may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which the Underlying Stock may be traded;
- (w) the value of the Certificates depends on the Leverage Inverse Strategy performance built in the Certificate. The Calculation Agent will make the Leverage Inverse Strategy last closing level and a calculation tool available to the investors on a website;
- (x) two or more risk factors may simultaneously have an effect on the value of a Certificate such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Certificate;
- (y) as the Certificates are represented by a global warrant certificate which will be deposited with The Central Depository (Pte) Limited (“**CDP**”):
 - (i) investors should note that no definitive certificate will be issued in relation to the Certificates;
 - (ii) there will be no register of Certificate Holders and each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates by way of interest (to the extent of such number) in the global warrant certificate in respect of those Certificates represented thereby shall be treated as the holder of such number of Certificates;
 - (iii) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Certificates; and
 - (iv) notices to such Certificate Holders will be published on the web-site of the SGX-ST. Investors will need to check the web-site of the SGX-ST regularly and/or rely on their brokers/custodians to obtain such notices;
- (z) the US Foreign Account Tax Compliance Act (“**FATCA**”) withholding risk:

FATCA generally imposes a 30 per cent. withholding tax on certain U.S.-source payments to certain non-US persons that do not provide certification of their compliance with IRS rules to disclose the identity of their US owners and account holders (if any) or establish a basis for exemption for such disclosure. The Issuer is subject to FATCA and, as a result, is required to obtain certification from investors that they have complied with FATCA disclosure requirements or have established a basis for exemption from FATCA. If an investor does not provide us with such certification, the Issuer and the Guarantor could be required to withhold

U.S. tax on U.S.-source income (if any) paid pursuant to the Certificates. In certain cases, the Issuer could be required to close an account of an investor who does not comply with the FATCA certification procedures.

FATCA IS PARTICULARLY COMPLEX. EACH INVESTOR SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO DETERMINE HOW THIS LEGISLATION MIGHT AFFECT EACH INVESTOR IN ITS PARTICULAR CIRCUMSTANCES;

(aa) U.S. withholding tax

U.S. Treasury regulations issued under Section 871(m) of the U.S. Internal Revenue Code of 1986 (“**Section 871(m) Regulations**”) generally impose a 30% withholding tax on dividend equivalents paid or deemed paid to a non-United States holder as defined pursuant to Section 871(m) Regulations (a “**Non-U.S. Holder**”) with respect to certain financial instruments linked to U.S. equities or indices that include U.S. equities (“**U.S. Underlying Equities**”). The 30% withholding tax on dividend equivalents paid or deemed paid to Non-U.S. Holders may be reduced by an applicable tax treaty, eligible for credit against other U.S. tax liabilities or refunded, provided that the beneficial owner claims a credit or refund from the United States Internal Revenue Service (“**IRS**”) in a timely manner, but the Issuer makes no assessment as to whether any such tax credits will be available to Non-U.S. Holders.

Specifically, Section 871(m) Regulations will generally apply to Certificates the pricing date of which occurs from 1 January 2017 and that substantially replicate the economic performance of one or more U.S. Underlying Equity(ies) as determined by the Issuer on the date for such Certificates as of which the expected delta of the product is determined by the Issuer (such date being the “pricing date”) based on tests in accordance with the applicable Section 871(m) Regulations (for the purposes of the Notice, such Certificates are deemed “delta-one” instruments) (“**Specified Certificates**”). If one or more of the U.S. Underlying Equities are expected to pay dividends during the term of the Specified Certificates, withholding generally will still be required even if the Specified Certificate does not provide for payments explicitly linked to dividends. Even where a Certificate is a Specified Certificate, no tax should be imposed under Section 871(m) as long as either (1) no dividend is paid with respect to any U.S. Underlying Equity during the term of the Certificates or (2) both (x) no additional amount is paid to the holder of a Certificate in respect of any such dividend and (y) as estimated by the Issuer (with the meaning of Treas. Reg. § 1.871-15(i)(2)(iii)) at the time of issuance the amount of all such dividends will be zero (Zero Estimated Dividends Certificates). In such case, the Issuer will estimate the amount of dividends to be paid with respect to U.S. Underlying Equities for all periods during the term of the Certificates to be zero and will not make any adjustments for dividends, including extraordinary dividends, that are taxable as dividend for U.S. federal income tax purposes, and thus there should be no tax imposed under section 871(m) on the Certificates even if one or more dividends are paid with respect to a U.S. Underlying Equity.

Certificates linked to U.S. Underlying Equities which the Issuer has determined not to be a Specified Certificate will not be subject to withholding tax under Section 871(m) Regulations. In withholding this tax, the Issuer will regularly apply the general tax rate of 30% to the payments subject to U.S. provisions (or amounts deemed payments) without regard to any applicable treaty rate. Therefore, in such cases, an investor’s individual tax situation will not be taken into account.

The Issuer has determined that generally Certificates should not be “delta-one” transactions within the meaning of the relevant notices and, therefore, should not be Specified Certificates

subject to withholding tax under Section 871(m) Regulations. Investors are advised that the Issuer's determination is binding on all Non-U.S. Holders of the Certificates, but it is not binding on the IRS and the IRS may therefore disagree with the Issuer's determination.

The rules of Section 871(m) Regulations require complex calculations in respect of the instruments that include U.S. Underlying Equities and application of these rules to a specific issue of Certificates may be uncertain. **Consequently the IRS may determine they are to be applied even if the Issuer initially assumed the rules would not apply. There is a risk in such case that holders of the Certificates are subject to withholding tax ex post.**

As neither the Issuer nor the withholding agent will be required to gross up any amounts withheld in connection with a Specified Certificate, holders will receive smaller payments in such case than they would have received without withholding tax being imposed.

Investors should consult their tax adviser regarding the potential application of Section 871(m) Regulations to their investment in the Certificates; and

(bb) risk factors relating to the BRRD

French law and European legislation regarding the resolution of financial institutions may require the write-down or conversion to equity of the Certificates or other resolution measures if the Issuer or the Guarantor is deemed to meet the conditions for resolution

Directive 2014/59/EU of the European Parliament and of the Council of the European Union dated 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**BRRD**") entered into force on 2 July 2014. As a Directive, the BRRD is not directly applicable in France and had to be transposed into national legislation. The French ordonnance No. 2015-1024 of 20 August 2015 transposed the BRRD into French law and amended the French Code monétaire et financier for this purpose. The French ordonnance has been ratified by law no. 2016-1691 dated 9 December 2016 (Loi n°2016-1691 du 9 décembre 2016 relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique) which also incorporates provisions which clarify the implementation of the BRRD.

The stated aim of the BRRD and Regulation (EU) No. 806/2014 of the European Parliament and of the Council of the European Union of 15 July 2014 (the "**SRM Regulation**") is to provide for the establishment of an EU-wide framework for the recovery and resolution of credit institutions, investment firms, certain financial institutions and certain holding companies (each a relevant entity). The regime provided for by the BRRD is, among other things, stated to be needed to provide the authority designated by each EU Member State (the "**Resolution Authority**") with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing relevant entity so as to ensure the continuity of the relevant entity's critical financial and economic functions while minimising the impact of a relevant entity's failure on the economy and financial system (including taxpayers' exposure to losses).

Under the SRM Regulation a centralised power of resolution is established and entrusted to the Single Resolution Board (the "**SRB**") and to the national resolution authorities.

The powers provided to the Resolution Authority in the BRRD and the SRM Regulation include write-down/conversion powers to ensure that capital instruments (including subordinated debt instruments) and eligible liabilities (including senior debt instruments if junior instruments prove insufficient to absorb all losses) absorb losses of the issuing relevant entity under resolution in accordance with a set order of priority (the "**Bail-in Tool**").

The conditions for resolution under the French Code monétaire et financier implementing the BRRD are deemed to be met when: (i) the Resolution Authority or the relevant supervisory authority determines that the relevant entity is failing or is likely to fail, (ii) there is no reasonable prospect that any measure other than a resolution measure would prevent the failure within a reasonable timeframe, and (iii) a resolution measure is necessary for the achievement of the resolution objectives (in particular, ensuring the continuity of critical functions, avoiding a significant adverse effect on the financial system, protecting public funds by minimising reliance on extraordinary public financial support, and protecting client funds and assets) and winding up of the relevant entity under normal insolvency proceedings would not meet those resolution objectives to the same extent.

The Resolution Authority could also, independently of a resolution measure or in combination with a resolution measure where the conditions for resolution are met, write-down or convert capital instruments (including subordinated debt instruments) into equity when it determines that the relevant entity or its group will no longer be viable unless such write down or conversion power is exercised or when the relevant entity requires extraordinary public financial support (except when extraordinary public financial support is provided in the form defined in Article L. 613-48 III, 3° of the French Code monétaire et financier).

The Bail-in Tool or the exercise of write-down/conversion powers by the Resolution Authority with respect to capital instruments (including subordinated debt instruments) could result in the full (i.e., to zero) or partial write-down or conversion of the Certificates into ordinary shares or other instruments of ownership, or the variation of the terms of the Certificates (for example, the maturity and/or interest payable may be altered and/or a temporary suspension of payments may be ordered). Extraordinary public financial support should only be used as a last resort after having assessed and applied, to the maximum extent practicable, the resolutions measures, including the Bail-in Tool. In addition, if the Issuer's or the Guarantor's financial condition deteriorates, the existence of the Bail-in Tool could cause the market price or value of the Certificates to decline more rapidly than would be the case in the absence of such power.

In addition to the Bail-in Tool, the BRRD provides the Resolution Authority with broader powers to implement other resolution measures with respect to relevant entities that meet the conditions for resolution, which may include (without limitation) the sale of the relevant entity's business, the creation of a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), removing management, appointing an interim administrator, and discontinuing the listing and admission to trading of financial instruments.

Before taking a resolution measure or exercising the power to write down or convert relevant capital instruments, the Resolution Authority must ensure that a fair, prudent and realistic valuation of the assets and liabilities of the institution is carried out by a person independent from any public authority.

Since 1 January 2016, French credit institutions (such as the Issuer and the Guarantor) have to meet, at all times, a minimum requirement for own funds and eligible liabilities ("**MREL**") pursuant to Article L. 613-44 of the French Code monétaire et financier. The MREL, which is expressed as a percentage of the total liabilities and own funds of the institution, aims at avoiding institutions to structure their liabilities in a manner that impedes the effectiveness of the Bail-in Tool. From January 2019, G-SIBs (global systemically important banks) such as

the Issuer and the Guarantor will also have to comply with the total loss absorbing capacity (TLAC) requirements.

In accordance with the provisions of the SRM Regulation, when applicable, the SRB, has replaced the national resolution authorities designated under the BRRD with respect to all aspects relating to the decision-making process and the national resolution authorities designated under the BRRD continue to carry out activities relating to the implementation of resolution schemes adopted by the SRB. The provisions relating to the cooperation between the SRB and the national resolution authorities for the preparation of the banks' resolution plans have applied since 1 January 2015 and the SRM has been fully operational since 1 January 2016.

The application of any resolution measure under the French BRRD implementing provisions or any suggestion of such application with respect to the Issuer, the Guarantor or the Group could materially adversely affect the rights of Certificate Holders, the price or value of an investment in the Certificates and/or the ability of the Issuer or the Guarantor to satisfy its obligations under the Certificates, and as a result investors may lose their entire investment.

Moreover, if the Issuer's or the Guarantor's financial condition deteriorates, the existence of the Bail-in Tool or the exercise of write-down/conversion powers by the Resolution Authority independently of a resolution measure with respect to capital instruments (including subordinated debt instruments) or in combination with a resolution measure when it determines that the institution or its group will no longer be viable could cause the market price or value of the Certificates to decline more rapidly than would be the case in the absence of such powers.

Implementation of BRRD in Luxembourg

The BRRD was implemented by the Luxembourg act dated 18 December 2015 (the "**BRR Act 2015**"). Under the BRR Act 2015, the competent authority is the CSSF and the resolution authority is the CSSF acting as Resolution Council (le Conseil de *résolution*).

The BRR Act 2015 provides for certain resolution measures, including the power to impose in certain circumstances a suspension of activities. Any suspension of activities can, to the extent determined by the CSSF, result in the partial or complete suspension of the performance of agreements entered into by a Luxembourg incorporated credit institution or investment firm. The BRR Act 2015 also grants the power to the Resolution Council to take a number of resolution measures including (i) a forced sale of a Luxembourg incorporated credit institution or investment firm (sale of business), (ii) the establishment of a bridge institution or, (iii) the forced transfer of all or part of the assets, rights or obligations of a Luxembourg incorporated credit institution or investment firm (asset separation) and (iv) the application of the general bail-in tool. The powers set out in the BRR Act 2015 will impact how credit institutions, investment firms or relevant financial institutions (such as SG Issuer) established in Luxembourg, are managed as well as, in certain circumstances, the rights of creditors.

If the general bail-in tool and the statutory write-down and conversion power become applicable to SG Issuer, the Certificates may be subject to write-down or conversion into equity (ordinary shares or other instrument of ownership) on any application of the bail-in tool, which may result in such Certificates' holders losing some or all of their investment (notably, the amount of the outstanding may be reduced, including to zero). Subject to certain conditions, the terms of the obligations owed under the Certificates may also be varied by the Resolution Council (e.g. as to maturity, interest and interest payment dates). The exercise of any power under the BRR Act 2015 or any suggestion of such exercise could materially

adversely affect the rights of the holders of the Certificates, the price or value of their investment in any Certificates and/or the ability of SG Issuer to satisfy its obligations under any Certificate.

Regulation (EU) no. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of significant credit institutions and financial groups, in the framework of a Single Resolution Mechanism and a Single Resolution Fund, established a centralised power of resolution and entrusted to a Single Resolution Board and to the national resolution authorities of participating EU Member States (including Luxembourg and the CSSF through the Resolution Council). Since 1 January 2015, the Single Resolution Board works in close cooperation with the Resolution Council, in particular in relation to the elaboration of resolution planning, and has assumed full resolution powers since 1 January 2016.

TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the terms and conditions of the Certificates and should be read in conjunction with, and are qualified by reference to, the other information set out in this document, the Base Listing Document and the Addendum.

The Conditions are set out in the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” in the Addendum. For the purposes of the Conditions, the following terms shall have the following meanings:

Certificates:	1,600,000 European Style Cash Settled Short Certificates relating to the ordinary shares of United Overseas Bank Limited (the “Underlying Stock”)
Company:	United Overseas Bank Limited (RIC: UOBH.SI)
Underlying Price ³ and Source:	S\$24.65 (Reuters)
Calculation Agent:	Société Générale
Strike Level:	Zero
Daily Leverage:	-5x (within the Leverage Inverse Strategy as described below)
Notional Amount per Certificate:	SGD 1.50
Management Fee (p.a.) ⁴ :	0.40%
Gap Premium (p.a.) ⁵ :	4.60%, is a hedging cost against extreme market movements overnight.
Stock Borrowing Cost ⁶ :	The annualised costs for borrowing stocks in order to take an inverse exposure on the Underlying Stock.
Rebalancing Cost ⁶ :	The transaction costs (if applicable), computed as a function of leverage and daily inverse performance of the Underlying Stock.
Launch Date:	31 October 2018
Closing Date:	5 November 2018
Expected Listing Date:	7 November 2018

³ These figures are calculated as at, and based on information available to the Issuer on or about 5 November 2018. The Issuer is not obliged, and undertakes no responsibility to any person, to update or inform any person of any changes to the figures after 5 November 2018.

⁴ Please note that the Management Fee is calculated on a 360-day basis and may be increased up to a maximum of 3% p.a. on giving one month's notice to investors. Any increase in the Management Fee will be announced on the SGXNET. Please refer to “Fees and Charges” below for further details of the fees and charges payable and the maximum of such fees as well as other ongoing expenses that may be borne by the Certificates.

⁵ Please note that the Gap Premium is calculated on a 360-day basis.

⁶ These costs are embedded within the Leverage Inverse Strategy. Please note that the Stock Borrowing Cost may be changed on giving 5 Business Days' notice to investors. Any change in the Stock Borrowing Cost will be announced on the SGXNET.

Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 28 October 2021
Expiry Date:	5 November 2021 (if the Expiry Date is not a Business Day, then the Expiry Date shall fall on the preceding Business Day and subject to adjustment of the Valuation Date upon the occurrence of Market Disruption Events as set out in the Conditions of the Certificates)
Board Lot:	100 Certificates
Valuation Date:	3 November 2021 or if such day is not an Exchange Business Day, the immediately preceding Exchange Business Day.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Cash Settlement Amount:	<p>In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:</p> <p>Closing Level multiplied by the Notional Amount per Certificate</p> <p>Please refer to the “Information relating to the European Style Cash Settled Short Certificates on Single Equities” section on pages 38 to 52 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.</p>
Hedging Fee Factor:	<p>In respect of each Certificate, shall be an amount calculated as: Product (for t from 1 to Valuation Date) of $(1 - \text{Management Fee} \times (\text{ACT}(t-1;t) \div 360)) \times (1 - \text{Gap Premium}(t-1) \times (\text{ACT}(t-1;t) \div 360))$, where:</p> <p>“$t$” refers to “Observation Date” which means each Exchange Business Day from (and including) the Exchange Business Day immediately preceding the Expected Listing Date to the Valuation</p>

Date; and

ACT (t-1;t) means the number of calendar days between the Exchange Business Day immediately preceding the Observation Date (which is “t-1”) (included) and the Observation Date (which is “t”) (excluded).

Please refer to the “Information relating to the European Style Cash Settled Short Certificates on Single Equities” section on pages 38 to 52 of this document for examples and illustrations of the calculation of the Hedging Fee Factor.

Closing Level:

In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level} \right) \times \text{Hedging Fee Factor}$$

Initial Reference Level:

1,000

Final Reference Level:

The closing level of the Leverage Inverse Strategy (as described below) on the Valuation Date

The calculation of the closing level of the Leverage Inverse Strategy is set out in the “Specific Definitions relating to the Leverage Inverse Strategy” section on pages 19 to 22 below.

Initial Exchange Rate:

1

Final Exchange Rate:

1

Air Bag Mechanism:

The “**Air Bag Mechanism**” refers to the mechanism built in the Leverage Inverse Strategy and which is designed to reduce the Leverage Inverse Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock rises by 15% or more (“**Air Bag Trigger Price**”) during the trading day (which represents approximately 75% loss after a 5 times inverse leverage), the Air Bag Mechanism is triggered and the Leverage Inverse Strategy is adjusted intra-day. The Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses.

Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered.

The Leverage Inverse Strategy is floored at 0 and the Certificates cannot be valued below zero.

Please refer to the “Extraordinary Strategy Adjustment for Performance Reasons (“Air Bag Mechanism”)” section on pages 20 to 22 below and the “Description of Air Bag Mechanism” section on pages 44 to 45 of this document for further information of the Air Bag Mechanism.

Underlying Stock Currency:	Singapore Dollar (“ SGD ”)
Settlement Currency:	SGD
Exercise Expenses:	Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates.
Relevant Stock Exchange for the Certificates:	The Singapore Exchange Securities Trading Limited (“ SGX-ST ”)
Relevant Stock Exchange for the Underlying Stock:	The SGX-ST
Business Day and Exchange Business Day:	A “ Business Day ” or an “ Exchange Business Day ” is a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.
Warrant Agent:	The Central Depository (Pte) Limited (“ CDP ”)
Clearing System:	CDP
Fees and Charges:	<p>Normal transaction and brokerage fees shall apply to the trading of the Certificates on the SGX-ST. Investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred. Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.</p> <p>Investors holding position overnight would also be required to bear the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and Rebalancing Cost. The Management Fee may be increased up to a maximum of 3% p.a. on giving one month’s notice to investors in accordance with the terms and conditions of the Certificates. Any increase in the Management Fee will be announced on the SGXNET.</p>
Further Information:	Please refer to the website at dlc.socgen.com for more information on the theoretical closing price of the Certificates on the previous trading day, the closing price of the Underlying Stock on the previous trading day, the Air Bag Trigger Price for each trading day and the Management Fee and Gap Premium.

Specific Definitions relating to the Leverage Inverse Strategy

Description of the Leverage Inverse Strategy

The Leverage Inverse Strategy is designed to track a 5 times daily leveraged inverse exposure to the Underlying Stock.

At the end of each trading day of the Underlying Stock, the exposure of the Leverage Inverse Strategy to the Underlying Stock is reset within the Leverage Inverse Strategy in order to retain a daily leverage of 5 times the inverse performance of the Underlying Stock (excluding costs) regardless of the performance of the Underlying Stock on the preceding day. This mechanism is referred to as the Daily Reset.

The Leverage Inverse Strategy incorporates an air bag mechanism which is designed to reduce exposure to the Underlying Stock during extreme market conditions, as further described below.

Leverage Inverse Strategy Formula

LSL_t means, for any Observation Date(t), the Leverage Inverse Strategy Closing Level as of such day (t).

Subject to the occurrence of an Intraday Restrike Event, the **Leverage Inverse Strategy Closing Level** as of such Observation Date(t) is calculated in accordance with the following formulae:

On Observation Date(1):

$$LSL_1 = 1000$$

On each subsequent Observation Date(t):

$$LSL_t = \text{Max}[LSL_{t-1} \times (1 + LR_{t-1,t} - FC_{t-1,t} - SB_{t-1,t} - RC_{t-1,t}), 0]$$

LR_{t-1,t} means the Leveraged Return of the Underlying Stock between Observation Date(t-1) and Observation Date(t) closing prices, calculated as follows:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right)$$

FC_{t-1,t} means, the Funding Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows :

$$FC_{t-1,t} = (\text{Leverage} - 1) \times \frac{\text{Rate}_{t-1} \times \text{ACT}(t-1, t)}{\text{DayCountBasisRate}}$$

SB_{t-1,t} means the Stock Borrowing Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows:

$$SB_{t-1,t} = -\text{Leverage} \times \frac{\text{CB} \times \text{ACT}(t-1, t)}{\text{DayCountBasisRate}}$$

CB means the Cost of Borrowing applicable that is equal to :0.02

RC_{t-1,t} means the Rebalancing Cost of the Leverage Inverse Strategy on

Observation Date (t), calculated as follows :

$$RC_{t-1,t} = \text{Leverage} \times (\text{Leverage} - 1) \times \left(\left| \frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right| \right) \times TC$$

TC means the Transaction Costs applicable (including Stamp Duty) that are equal to :

0.04%

Leverage -5

S_t means, in respect of each Observation Date(t), the Closing Price of the Underlying Stock as of such Observation Date(t), subject to the adjustments and provisions of the Conditions.

Rate_t means, in respect of each Observation Date(t), the SGD Swap Offer Rate (SOR) Reference Rate, as published on Reuters RIC SGDTRDONF=ABSG or any successor page

Rfactor_t means, in the event Observation Date (t) is an ex-dividend date of the Underlying Stock, an amount determined by the Calculation Agent, subject to the adjustments and provisions of the Conditions, according to the following formula :

$$Rfactor_t = 1 - \frac{Div_t}{S_{t-1}}$$

where

Div_t is the dividend to be paid out in respect of the Underlying Stock and the relevant ex-dividend date which shall be considered gross of any applicable withholding taxes.

ACT(t-1,t) ACT (t-1;t) means the number of calendar days between the Exchange Business Day immediately preceding the Observation Date (which is “t-1”) (included) and the Observation Date (which is “t”) (excluded).

DayCountBasisRate 365

Extraordinary Strategy Adjustment for Performance Reasons (“Air Bag Mechanism”)

Extraordinary Strategy Adjustment for Performance Reasons

If the Calculation Agent determines that an Intraday Restrike Event has occurred during an Observation Date(t) (the **Intraday Restrike Date**, noted hereafter **IRD**), an adjustment (an **Extraordinary Strategy Adjustment for Performance Reasons**) shall take place during such Observation Date(t) in accordance with the following provisions.

(1) Provided the last Intraday Restrike Observation Period as of such Intraday Restrike Date does not end on the TimeReferenceClosing, the Leverage Inverse Strategy Closing Level on the Intraday Restrike Date (LSL_{IRD}) should be computed as follows :

$$LSL_{IRD} = \text{Max}[\text{ILSL}_{IR(n)} \times (1 + \text{ILR}_{IR(n),IR(C)} - \text{IRC}_{IR(n),IR(C)}), 0]$$

(2) If the last Intraday Restrike Event Observation Period on the relevant

Intraday Restrike Date ends on the TimeReferenceClosing:

$$LSL_{IRD} = \text{Max}[ILSL_{IR(n)}, 0]$$

ILSL_{IR(k)}

means, in respect of IR(k), the Intraday Leverage Inverse Strategy Level in accordance with the following provisions :

(1) for k = 1 :

$$ILSL_{IR(1)} = \text{Max}[LSL_{IRD-1} \times (1 + ILR_{IR(0),IR(1)} - FC_{IRD-1,IRD} - SB_{IRD-1,IRD} - IRC_{IR(0),IR(1)}), 0]$$

(2) for k > 1 :

$$ILSL_{IR(k)} = \text{Max}[ILSL_{IR(k-1)} \times (1 + ILR_{IR(k-1),IR(k)} - IRC_{IR(k-1),IR(k)}), 0]$$

ILR_{IR(k-1),IR(k)}

means the Intraday Leveraged Return between IR(k-1) and IR(k), calculated as follows :

$$ILR_{IR(k-1),IR(k)} = \text{Leverage} \times \left(\frac{IS_{IR(k)}}{IS_{IR(k-1)}} - 1 \right)$$

IRC_{IR(k-1),IR(k)}

means the Intraday Rebalancing Cost of the Leverage Inverse Strategy in respect of IR(k) on a given Intraday Restrike Date, calculated as follows :

$$IRC_{IR(k-1),IR(k)} = \text{Leverage} \times (\text{Leverage} - 1) \times \left(\left| \frac{IS_{IR(k)}}{IS_{IR(k-1)} \times Rfactor_t} - 1 \right| \right) \times TC$$

IS_{IR(k)}

means the Underlying Stock Price in respect of IR(k) computed as follows :

(1) for k=0

$$iS_{IR(0)} = S_{IRD-1} \times Rfactor_{IRD}$$

(2) for k=1 to n

means in respect of IR(k), the lowest price of the Underlying Stock during the respective Intraday Restrike Observation Period

(3) with respect to IR(C)

$$iS_{IR(C)} = S_{IRD}$$

In each case, subject to the adjustments and provisions of the Conditions.

IR(k)

For k=0, means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the Observation Date immediately preceding the relevant Intraday Restrike Date;

For k=1 to n, means the kth Intraday Restrike Event on the relevant Intraday Restrike Date.

IR(C)

means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the relevant Intraday Restrike Date.

n

means the number of Intraday Restrike Events that occurred on the relevant Intraday Restrike Date.

Intraday Restrike Event

means in respect of an Observation Date(t) :

(1) provided no Intraday Restrike Event has previously occurred on such Observation Date (t), the increase at any Calculation Time of the

Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $iS_{IR(0)}$ as of such Calculation Time.

(2) if k Intraday Restrike Events have occurred on the relevant Intraday Restrike Date, the increase at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $iS_{IR(k)}$ as of such Calculation Time.

Calculation Time means any time between the TimeReferenceOpening and the TimeReferenceClosing, provided that the relevant data is available to enable the Calculation Agent to determine the Leverage Inverse Strategy Level.

TimeReferenceOpening means the scheduled opening time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).

TimeReferenceClosing means the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).

Intraday Restrike Event Observation Period means in respect of an Intraday Restrike Event, the period starting on and excluding the Intraday Restrike Event Time and finishing on and including the sooner between (1) the time falling 15 minutes after the Intraday Restrike Event Time and (2) the TimeReferenceClosing.

Where, during such period, the Calculation Agent determines that (1) the trading in the Underlying Stock is disrupted or subject to suspension or limitation or (2) the Relevant Stock Exchange for the Underlying Stock is not open for continuous trading, the Intraday Restrike Event Observation Period will be extended to the extent necessary until (1) the trading in the Underlying Stock is no longer disrupted, suspended or limited and (2) the Relevant Stock Exchange for the Underlying Stock is open for continuous trading.

Intraday Restrike Event Time means in respect of an Intraday Restrike Event, the Calculation Time on which such event occurs.

The Conditions set out in the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” in the Addendum are set out below. This section is qualified in its entirety by reference to the detailed information appearing elsewhere in this document which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions set out below, replace or modify the relevant Conditions for the purpose of the Certificates.

TERMS AND CONDITIONS OF

THE EUROPEAN STYLE CASH SETTLED LONG/SHORT CERTIFICATES ON SINGLE EQUITIES

1. Form, Status and Guarantee, Transfer and Title

- (a) *Form.* The Certificates (which expression shall, unless the context otherwise requires, include any further certificates issued pursuant to Condition 11) are issued subject to and with the benefit of:-
- (i) a master instrument by way of deed poll (the “**Master Instrument**”) dated 21 June 2018, made by SG Issuer (the “**Issuer**”) and Société Générale (the “**Guarantor**”); and
 - (ii) a warrant agent agreement (the “**Master Warrant Agent Agreement**” or “**Warrant Agent Agreement**”) dated any time before or on the Closing Date, made between the Issuer and the Warrant Agent for the Certificates.

Copies of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The holders of the Certificates (the “**Certificate Holders**”) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement.

- (b) *Status and Guarantee.* The Certificates constitute direct, general and unsecured obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Certificates provide for cash settlement on exercise. The Certificates do not entitle Certificate Holders to the delivery of any Underlying Stock, are not secured by the Underlying Stock and do not entitle Certificate Holders to any interest in any Underlying Stock.

The due and punctual payment of any amounts due by the Issuer in respect of the Certificates issued by the Issuer is unconditionally and irrevocably guaranteed by the Guarantor as provided in the Guarantee (each such amount payable under the Guarantee, a “**Guarantee Obligation**”).

The Guarantee Obligations will constitute direct, unconditional, unsecured and unsubordinated obligations of the Guarantor ranking as senior preferred obligations as provided for in Article L. 613-30-3 I 3° of the French Code *Monétaire et Financier* (the “**Code**”).

Such Guarantee Obligations rank and will rank equally and rateably without any preference or priority among themselves and:

- (i) *pari passu* with all other direct, unconditional, unsecured and unsubordinated obligations of the Guarantor outstanding as of the date of the entry into force of the

law no. 2016-1691 (the “**Law**”) on 11 December 2016;

- (ii) *pari passu* with all other present or future direct, unconditional, unsecured and senior preferred obligations (as provided for in Article L. 613-30-3 I 3° of the Code) of the Guarantor issued after the date of the entry into force of the Law on 11 December 2016;
- (iii) junior to all present or future claims of the Guarantor benefiting from the statutorily preferred exceptions; and
- (iv) senior to all present and future senior non-preferred obligations (as provided for in Article L.613-30-3 I 4° of the Code) of the Guarantor.

In the event of the failure of the Issuer to promptly perform its obligations to any Certificate Holder under the terms of the Certificates, such Certificate Holder may, but is not obliged to, give written notice to the Guarantor at Société Générale, Tour Société Générale, 75886 Paris Cedex 18, France marked for the attention of SEGL/JUR/OMF - Market Transactions & Financing.

- (c) **Transfer.** The Certificates are represented by a global warrant certificate (“**Global Warrant**”) which will be deposited with The Central Depository (Pte) Limited (“**CDP**”). Certificates in definitive form will not be issued. Transfers of Certificates may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.
- (d) **Title.** Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates shall be treated by the Issuer, the Guarantor and the Warrant Agent as the holder and absolute owner of such number of Certificates, notwithstanding any notice to the contrary. The expression “**Certificate Holder**” shall be construed accordingly.
- (e) **Bail-In.** By the acquisition of Certificates, each Certificate Holder (which, for the purposes of this Condition, includes any current or future holder of a beneficial interest in the Certificates) acknowledges, accepts, consents and agrees:
 - (i) to be bound by the effect of the exercise of the Bail-In Power (as defined below) by the Relevant Resolution Authority (as defined below) or the Regulator (as defined below), which may include and result in any of the following, or some combination thereof:
 - (A) the reduction of all, or a portion, of the Amounts Due (as defined below), on a permanent basis;
 - (B) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or another person (and the issue to the Certificate Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the Conditions of the Certificates, in which case the Certificate Holder agrees to accept in lieu of its rights under the Certificates any such shares, other securities or other obligations of the Issuer or another person;
 - (C) the cancellation of the Certificates; and/or
 - (D) the amendment or alteration of the expiration of the Certificates or

amendment of the amounts payable on the Certificates, or the date on which the amounts become payable, including by suspending payment for a temporary period; and

- (ii) that the terms of the Certificates are subject to, and may be varied, if necessary, to give effect to, the exercise of the Bail-In Power by the Relevant Resolution Authority or the Regulator.

“Amounts Due” means any amounts due by the Issuer under the Certificates.

“Bail-In Power” means any power existing from time to time under any laws, regulations, rules or requirements in effect in France, relating to the transposition of Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended from time to time, the **“BRRD”**), including without limitation pursuant to French decree-law No. 2015-1024 dated 20 August 2015 (*Ordonnance portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière*) (as amended from time to time, the **“20 August 2015 Decree Law”**), Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (as amended from time to time, the **“Single Resolution Mechanism Regulation”**), or otherwise arising under French law, and in each case the instructions, rules and standards created thereunder, pursuant to which the obligations of a Regulated Entity (or an affiliate of such Regulated Entity) can be reduced (in part or in whole), cancelled, suspended, transferred, varied or otherwise modified in any way, or securities of a Regulated Entity (or an affiliate of such Regulated Entity) can be converted into shares, other securities, or other obligations of such Regulated Entity or any other person, whether in connection with the implementation of a bail-in tool following placement in resolution or otherwise.

“Regulated Entity” means any entity referred to in Section I of Article L.613-34 of the French *Code monétaire et financier* as modified by the 20 August 2015 Decree Law, which includes certain credit institutions, investment firms, and certain of their parent or holding companies established in France.

“Relevant Resolution Authority” means the *Autorité de contrôle prudentiel et de résolution* (the ACPR), the Single Resolution Board established pursuant to the Single Resolution Mechanism Regulation, and/or any other authority entitled to exercise or participate in the exercise of any Bail-in Power from time to time (including the Council of the European Union and the European Commission when acting pursuant to Article 18 of the Single Resolution Mechanism Regulation).

“Regulator” means the European Central Bank and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer.

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Bail-in Power by the Relevant Resolution Authority or the Regulator with respect to the Issuer unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be

permitted to be made by the Issuer under the laws and regulations in effect in France and the European Union applicable to the Issuer or other members of its group.

Upon the exercise of any Bail-in Power by the Relevant Resolution Authority or the Regulator with respect to the Certificates, the Issuer will provide a written notice to the Certificate Holders in accordance with Condition 9 as soon as practicable regarding such exercise of the Bail-in Power. Any delay or failure by the Issuer to give notice shall not affect the validity and enforceability of the Bail-in Power nor the effects on the Certificates described above.

Neither a cancellation of the Certificates, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Bail-in Power by the Relevant Resolution Authority or the Regulator with respect to the Issuer, nor the exercise of any Bail-in Power by the Relevant Resolution Authority or the Regulator with respect to the Certificates will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Certificate Holder to any remedies (including equitable remedies) which are hereby expressly waived.

If the Relevant Resolution Authority or the Regulator exercises the Bail-in Power with respect to less than the total Amounts Due, unless otherwise instructed by the Issuer or the Relevant Resolution Authority or the Regulator, any cancellation, write-off or conversion made in respect of the Certificates pursuant to the Bail-in Power will be made on a pro-rata basis.

The matters set forth in this Condition shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer and each Certificate Holder. No expenses necessary for the procedures under this Condition, including, but not limited to, those incurred by the Issuer, shall be borne by any Certificate Holder.

2. Certificate Rights and Exercise Expenses

- (a) *Certificate Rights.* Every Certificate entitles each Certificate Holder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The “**Cash Settlement Amount**”, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The “**Closing Level**”, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level} \right) \times \text{Hedging Fee Factor}$$

If the Issuer determines, in its sole discretion, that on the Valuation Date a Market Disruption Event has occurred, then that Valuation Date shall be postponed until the first succeeding Exchange Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date. In that case:-

- (i) that fifth Exchange Business Day shall be deemed to be the Valuation Date

notwithstanding the Market Disruption Event; and

- (ii) the Issuer shall determine the Final Reference Level on the basis of its good faith estimate of the Final Reference Level that would have prevailed on that fifth Exchange Business Day but for the Market Disruption Event.

"Market Disruption Event" means the occurrence or existence on the Valuation Date of (i) any suspension of trading on the Relevant Stock Exchange of the Underlying Stock requested by the Company if that suspension is, in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Underlying Stock if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange if that disruption is, in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism.

- (b) *Exercise Expenses.* Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates (the **"Exercise Expenses"**). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Certificate Holders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Certificate Holders in accordance with Condition 4.
- (c) *No Rights.* The purchase of Certificates does not confer on the Certificate Holders any right (whether in respect of voting, dividend or other distributions in respect of the Underlying Stock or otherwise) which the holder of an Underlying Stock may have.

3. **Expiry Date**

Unless automatically exercised in accordance with Condition 4(b), the Certificates shall be deemed to expire at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day (as defined below), the immediately preceding Business Day.

4. **Exercise of Certificates**

- (a) *Exercise.* Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in accordance with Condition 4(b).
- (b) *Automatic Exercise.* Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a

Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.

- (c) *Settlement.* In respect of Certificates which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the relevant Certificate Holder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Business Days following the Expiry Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Certificate Holder only (or, in the case of joint Certificate Holders, the first-named Certificate Holder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Certificate Holder and posted to the Certificate Holder's address appearing in the records maintained by CDP (or, in the case of joint Certificate Holders, to the address of the first-named Certificate Holder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.
- (d) *CDP not liable.* CDP shall not be liable to any Certificate Holder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Certificates or otherwise pursuant to or in connection with these Conditions.
- (e) *Business Day.* In these Conditions, a "**Business Day**" shall be a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

5. Warrant Agent

- (a) *Warrant Agent.* The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Certificates are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Certificate Holders in accordance with Condition 9.
- (b) *Agent of Issuer.* The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Certificate Holders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Certificate Holders.

6. Adjustments

- (a) *Potential Adjustment Event.* Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Underlying Stock are traded.

- (b) *Definitions. “Potential Adjustment Event”* means any of the following:
- (i) a subdivision, consolidation, reclassification or other restructuring of the Underlying Stock (excluding a Merger Event) or a free distribution or dividend of any such Underlying Stock to existing holders by way of bonus, capitalisation or similar issue;
 - (ii) a distribution or dividend to existing holders of the Underlying Stock of (1) such Underlying Stock, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Underlying Stock, or (3) share capital or other securities of another issuer acquired by the Company as a result of a “spin-off” or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;
 - (iii) an extraordinary dividend;
 - (iv) a call by the Company in respect of the Underlying Stock that is not fully paid;
 - (v) a repurchase by the Company of the Underlying Stock whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
 - (vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a “poison pill” being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or
 - (vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock.
- (c) *Merger Event, Tender Offer, Nationalisation and Insolvency.* If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Underlying Stock, the Issuer may take any action described below:
- (i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Underlying Stock traded on that options exchange;
 - (ii) cancel the Certificates by giving notice to the Certificate Holders in accordance with Condition 9. If the Certificates are so cancelled, the Issuer will pay an amount to each Certificate Holder in respect of each Certificate held by such Certificate Holder which amount shall be the fair market value of a Certificate taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer

and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9; or

- (iii) following any adjustment to the settlement terms of options on the Underlying Stock on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the “**Option Reference Source**”) make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Underlying Stock are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Certificate Holders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Certificate Holders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

- (d) *Definitions.* “**Insolvency**” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Underlying Stock of that Company is required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Stock of that Company become legally prohibited from transferring them. “**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. “**Merger Event**” means, in respect of the Underlying Stock, any (i) reclassification or change of such Underlying Stock that results in a transfer of or an irrevocable commitment to transfer all of such Underlying Stock outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Underlying Stock outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Stock of the Company that results in a transfer of or an irrevocable commitment to transfer all such Underlying Stock (other than such Underlying Stock owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Stock outstanding but results in the outstanding Underlying Stock (other than Underlying Stock owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent.

of the outstanding Underlying Stock immediately following such event, in each case if the Merger Date is on or before the Valuation Date. “**Nationalisation**” means that all the Underlying Stock or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. “**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.

- (e) *Other Adjustments.* Except as provided in this Condition 6 and Conditions 10 and 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole discretion and without any obligation whatsoever) to make such adjustments and amendments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such adjustment or, as the case may be, amendment provided that such adjustment or, as the case may be, amendment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction).
- (f) *Notice of Adjustments.* All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Certificate Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9.

7. Purchases

The Issuer, the Guarantor or any of their respective subsidiaries may at any time purchase Certificates at any price in the open market or by tender or by private treaty. Any Certificates so purchased may be held or resold or surrendered for cancellation.

8. Meetings of Certificate Holders; Modification

- (a) *Meetings of Certificate Holders.* The Master Warrant Agent Agreement or Warrant Agent Agreement contains provisions for convening meetings of the Certificate Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Warrant Agent Agreement or Warrant Agent Agreement) of a modification of the provisions of the Certificates or of the Master Warrant Agent Agreement or Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Certificate Holders.

Such a meeting may be convened by the Issuer or by Certificate Holders holding not less than ten per cent. of the Certificates for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or

more persons holding or representing not less than 25 per cent. of the Certificates for the time being remaining unexercised, or at any adjourned meeting, two or more persons being or representing Certificate Holders whatever the number of Certificates so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Certificate Holders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Certificate Holders shall be binding on all the Certificate Holders whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

- (b) *Modification.* The Issuer may, without the consent of the Certificate Holders, effect (i) any modification of the provisions of the Certificates or the Master Instrument which is not materially prejudicial to the interests of the Certificate Holders or (ii) any modification of the provisions of the Certificates or the Master Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Certificate Holders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. Notices

- (a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Certificate Holder or to which a Certificate Holder is entitled or which the Issuer shall have agreed to deliver to a Certificate Holder may be delivered by hand or sent by post addressed to the Certificate Holder at his address appearing in the records maintained by CDP or, in the case of joint Certificate Holders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Certificate Holder.
- (b) *Notices.* All notices to Certificate Holders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Certificate, give notice of the date of expiry of such Certificate in the manner prescribed above.

10. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Certificates will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory

requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

11. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Certificate Holders, to create and issue further certificates so as to form a single series with the Certificates, subject to the approval of the SGX-ST.

12. Delisting

- (a) **Delisting.** If at any time, the Underlying Stock ceases to be listed on the Relevant Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Certificates as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Certificate Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Certificate Holder or the tax or other consequences that may result in any particular jurisdiction).
- (b) **Issuer's Determination.** The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Certificate Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Certificate Holders in accordance with Condition 9 as soon as practicable after they are determined.

13. Early Termination

- (a) *Early Termination for Illegality and Force Majeure, etc.* If the Issuer determines that a Regulatory Event (as defined below) has occurred and, for reasons beyond its control, the performance of its obligations under the Certificates has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Certificates for any reason, the Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(c).

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

For the purposes of this Condition:

"Regulatory Event" means, following the occurrence of a Change in Law (as defined below) with respect to the Issuer and/or Société Générale as Guarantor or in any other capacity (including without limitation as hedging counterparty of the Issuer, market maker of the Certificates or direct or indirect shareholder or sponsor of the Issuer) or any of its affiliates involved in the issuer of the Certificates (hereafter the **"Relevant Affiliates"** and each of the Issuer, Société Générale and the Relevant Affiliates, a **"Relevant Entity"**) that, after the Certificates have been issued, (i) any Relevant Entity would incur a materially increased (as compared with circumstances existing prior to such event) amount of tax, duty, liability, penalty, expense, fee, cost or regulatory capital charge however defined or collateral requirements for performing its obligations under the Certificates or hedging the Issuer's obligations under the Certificates, including, without limitation, due to clearing requirements of, or the absence of, clearing of the transactions entered into in connection with the issue of, or hedging the Issuer's

obligation under, the Certificates, (ii) it is or will become for any Relevant Entity impracticable, impossible (in each case, after using commercially reasonable efforts), unlawful, illegal or otherwise prohibited or contrary, in whole or in part, under any law, regulation, rule, judgement, order or directive of any governmental, administrative or judicial authority, or power, applicable to such Relevant Entity (a) to hold, acquire, issue, reissue, substitute, maintain, settle, or as the case may be, guarantee, the Certificates, (b) to acquire, hold, sponsor or dispose of any asset(s) (or any interest thereof) of any other transaction(s) such Relevant Entity may use in connection with the issue of the Certificates or to hedge the Issuer's obligations under the Certificates, (c) to perform obligations in connection with, the Certificates or any contractual arrangement entered into between the Issuer and Société Générale or any Relevant Affiliate (including without limitation to hedge the Issuer's obligations under the Certificates) or (d) to hold, acquire, maintain, increase, substitute or redeem all or a substantial part of its direct or indirect shareholding in the Issuer's capital or the capital of any Relevant Affiliate or to directly or indirectly sponsor the Issuer or any Relevant Affiliate, or (iii) there is or may be a material adverse effect on a Relevant Entity in connection with the issue of the Certificates.

"Change in law" means (i) the adoption, enactment, promulgation, execution or ratification of any applicable new law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) after the Certificates have been issued, (ii) the implementation or application of any applicable law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) already in force when the Certificates have been issued but in respect of which the manner of its implementation or application was not known or unclear at the time, or (iii) the change of any applicable law, regulation or rule existing when the Certificates are issued, or the change in the interpretation or application or practice relating thereto, existing when the Certificates are issued of any applicable law, regulation or rule, by any competent court, tribunal, regulatory authority or any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any additional or alternative court, tribunal, authority or entity, to that existing when the Certificates are issued).

- (b) *Early Termination for other reasons.* The Issuer reserves the right (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to terminate the Certificates in accordance with Condition 13(c) where an event or events occur which it believes in its sole discretion should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such termination provided that such termination (i) is considered by the Issuer not to be materially prejudicial to the interests of Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such termination in any particular jurisdiction); or (ii) is otherwise considered by the Issuer to be appropriate and such termination is approved by the SGX-ST.
- (c) *Termination.* If the Issuer terminates the Certificates early, then the Issuer will give notice to the Certificate Holders in accordance with Condition 9. The Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of a Certificate notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the

Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9.

14. Governing Law

The Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and the Guarantor and each Certificate Holder (by its purchase of the Certificates) shall be deemed to have submitted for all purposes in connection with the Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore. The Guarantee shall be governed by and construed in accordance with Singapore law.

15. Prescription

Claims against the Issuer for payment of any amount in respect of the Certificates will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Certificates shall be forfeited and shall revert to the Issuer.

16. Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore

Unless otherwise provided in the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

SUMMARY OF THE ISSUE

The following is a summary of the issue and should be read in conjunction with, and is qualified by reference to, the other information set out in this document, the Base Listing Document and the Addendum. Terms used in this Summary are defined in the Conditions.

Issuer:	SG Issuer
Company:	United Overseas Bank Limited
The Certificates:	European Style Cash Settled Short Certificates relating to the Underlying Stock
Number:	1,600,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 21 June 2018 (the “ Master Instrument ”) and executed by the Issuer and the Guarantor and a master warrant agent agreement dated 29 May 2017 (the “ Master Warrant Agent Agreement ”) and made between the Issuer, the Guarantor and the Warrant Agent.
Cash Settlement Amount:	In respect of each Certificate, is the amount (if positive) equal to: Notional Amount per Certificate x Closing Level
Denominations:	Certificates are represented by a global warrant in respect of all the Certificates.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders will not be required to deliver an exercise notice. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates will be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Exercise and Trading Currency:	SGD
Board Lot:	100 Certificates

Transfers of Certificates:	Certificates may only be transferred in Board Lots (or integral multiples thereof). All transfers in Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records of CDP.
Listing:	Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. Issue of the Certificates is conditional on such listing being granted. It is expected that dealings in the Certificates on the SGX-ST will commence on or about 7 November 2018.
Governing Law:	The laws of Singapore
Warrant Agent:	The Central Depository (Pte) Limited 11 North Buona Vista Drive #06-07 The Metropolis Tower 2 Singapore 138589
Further Issues:	Further issues which will form a single series with the Certificates will be permitted, subject to the approval of the SGX-ST.

The above summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this document, the Base Listing Document and the Addendum.

INFORMATION RELATING TO THE EUROPEAN STYLE CASH SETTLED SHORT CERTIFICATES ON SINGLE EQUITIES

What are European Style Cash Settled Short Certificates on Single Equities?

European style cash settled short certificates on single equities (the “**Certificates**”) are structured products relating to the Underlying Stock and the return on a Certificate is linked to the performance of the Leverage Inverse Strategy.

A) Cash Settlement Amount Payable upon the Exercise of the Certificates at Expiry

Upon the exercise of the Certificates at expiry, the Certificate Holders would be paid a Cash Settlement Amount in respect of each Certificate.

The Cash Settlement Amount, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The Closing Level, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to (1) divided by (2) less (3) subject to any adjustments such as (4), where:

(1) is the Final Reference Level multiplied by the Final Exchange Rate;

(2) is the Initial Reference Level multiplied by the Initial Exchange Rate;

(3) is the Strike Level; and

(4) is the Hedging Fee Factor.

If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised and investors will receive a Cash Settlement Amount. If the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired. Please refer to the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” for further details on the calculation of the Cash Settlement Amount.

The Certificates are only suitable for investors who believe that the price of the Underlying Stock will decrease and are seeking short-term leveraged inverse exposure to the Underlying Stock.

B) Trading the Certificates before Expiry

If the Certificate Holders want to cash out their investments in the Certificates before the expiry of the Certificates, they may sell the Certificates in the secondary market during the life of the Certificates, and would be subject to the following fees and charges:

- (i) For Certificate Holders who trade the Certificates intraday: shall pay normal transaction and brokerage fees for the trading of the Certificates on the SGX-ST, and may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred; and
- (ii) For Certificate Holders who hold the Certificates overnight: in addition to the normal transaction and brokerage fees and applicable stamp taxes, would also be required to bear the Management Fee and Gap Premium as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and Rebalancing Cost.

Illustration of the Calculation of Hedging Fee Factor

Hedging Fee Factor	=	Product of the Daily Fees
--------------------	---	---------------------------

Daily Fees	=	Daily Management Fee Adjustment	
		1 – Management Fee x ACT (t-1;t) / 360	
		x	
		Daily Gap Premium Adjustment	
		1 – Gap Premium (t-1) x ACT (t-1;t) / 360	

Illustration of the Calculation of Cash Settlement Amount

Cash Settlement Amount = Final Value of Certificates – Strike Level (zero)

Value of Certificates	=	<table border="1"> <tr><th>t'=0</th></tr> <tr><td>Notional Amount</td></tr> </table>	t'=0	Notional Amount	x	<table border="1"> <tr><th>t=1</th></tr> <tr> <td>Leverage Inverse Strategy daily performance⁸</td> <td>x</td> <td>Daily Fees</td> </tr> </table>	t=1	Leverage Inverse Strategy daily performance ⁸	x	Daily Fees	x	<table border="1"> <tr><th>t=2</th></tr> <tr> <td>Leverage Inverse Strategy daily performance</td> <td>x</td> <td>Daily Fees</td> </tr> </table>	t=2	Leverage Inverse Strategy daily performance	x	Daily Fees	x ...	<table border="1"> <tr><th>t=i</th></tr> <tr> <td>Leverage Inverse Strategy Daily performance</td> <td>x</td> <td>Daily Fees</td> </tr> </table>	t=i	Leverage Inverse Strategy Daily performance	x	Daily Fees
			t'=0																			
Notional Amount																						
t=1																						
Leverage Inverse Strategy daily performance ⁸	x	Daily Fees																				
t=2																						
Leverage Inverse Strategy daily performance	x	Daily Fees																				
t=i																						
Leverage Inverse Strategy Daily performance	x	Daily Fees																				

Value of Certificates	=	<table border="1"> <tr><th>t=0</th></tr> <tr><td>Notional Amount</td></tr> </table>	t=0	Notional Amount	x	Product of the daily Leverage Inverse Strategy Performance		x	Product of the Daily Fees (Hedging Fee Factor)	
			t=0							
Notional Amount										
<table border="1"> <tr> <td>Leverage Inverse Strategy daily performance</td> <td>x</td> <td>Leverage Inverse Strategy daily performance</td> </tr> </table>	Leverage Inverse Strategy daily performance	x	Leverage Inverse Strategy daily performance	<table border="1"> <tr> <td>Daily Fees</td> <td>x</td> <td>Daily Fees</td> </tr> </table>	Daily Fees	x	Daily Fees			
Leverage Inverse Strategy daily performance	x	Leverage Inverse Strategy daily performance								
Daily Fees	x	Daily Fees								

Final Value of Certificates	=	<table border="1"> <tr><th>t=0</th></tr> <tr><td>Notional Amount</td></tr> </table>	t=0	Notional Amount	x	<table border="1"> <tr> <td>Final Reference Level x Final Exchange Rate</td> <td>÷</td> <td>Initial Reference Level x Initial Exchange Rate</td> </tr> </table>	Final Reference Level x Final Exchange Rate	÷	Initial Reference Level x Initial Exchange Rate	x	Hedging Fee Factor
			t=0								
Notional Amount											
Final Reference Level x Final Exchange Rate	÷	Initial Reference Level x Initial Exchange Rate									

Illustration of the applicable fees and charges for an intraday trading scenario

Hedging Fee is implemented overnight in the price of the Certificate. As a consequence, when trading intraday, investors will not bear any Hedging Fee.

Investors will only support bid/ask costs, which are the difference between the price at which the Designated Market Maker purchases (bid) and sells (ask) the Certificate at any point of time.

⁷ "t" refers to "Observation Date" which means each Exchange Business Day from (and including) the Exchange Business Day immediately preceding the Expected Listing Date to the Valuation Date.

⁸ Leverage Inverse Strategy daily performance is computed as the Leverage Inverse Strategy Closing Level on Business Day (t) divided by the Leverage Inverse Strategy Closing Level on Business Day (t-1).

Example of Calculation of Hedging Fee Factor and Cash Settlement Amount

The example is purely hypothetical. We include the example to illustrate how the Certificates work, and you MUST NOT rely on them as any indication of the actual return or what the payout on the Certificates might actually be. The example also assumes a product which expires 16 days after listing date, to illustrate the daily calculation of price, costs and fees from listing date to expiry date.

Assuming an investor purchases the following Certificates at the Issue Price:

Underlying Stock:	Ordinary shares of United Overseas Bank Limited
Expected Listing Date:	03/07/2018
Expiry Date:	18/07/2018
Initial Reference Level:	1,000
Initial Exchange Rate:	1
Final Reference Level:	1,200
Final Exchange Rate:	1
Issue Price:	1.5 SGD
Notional Amount per Certificate:	1.5 SGD
Management Fee (p.a.):	0.40%
Gap Premium (p.a.):	4.60%
Strike Level:	Zero

Hedging Fee Factor

Hedging Fee Factor on the n^{th} Exchange Business Day after issuance of Certificate ("HFF (n)") is calculated as follows:

$$\text{HFF}(0) = 100\%$$

On Next Calendar Day (assuming it is an Exchange Business Day):

$$\text{HFF}(1) = \text{HFF}(0) \times \left(1 - \text{Management Fee} \times \frac{\text{ACT}(t-1; t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT}(t-1; t)}{360}\right)$$

$$\text{HFF}(1) = 100\% \times \left(1 - 0.40\% \times \frac{1}{360}\right) \times \left(1 - 4.60\% \times \frac{1}{360}\right)$$

$$\text{HFF}(1) = 100\% \times 99.9989\% \times 99.9872\% \approx 99.9861\%$$

Assuming 2nd Exchange Business Day falls 3 Calendar Days after 1st Exchange Business Day:

$$\text{HFF (2)} = \text{HFF (1)} \times \left(1 - \text{Management Fee} \times \frac{\text{ACT (t - 1; t)}}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT (t - 1; t)}}{360}\right)$$

$$\text{HFF (2)} = 99.9861\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 4.60\% \times \frac{3}{360}\right)$$

$$\text{HFF (2)} = 99.9861\% \times 99.9967\% \times 99.9617\% \approx 99.9445\%$$

The same principle applies to the following Exchange Business Days:

$$\text{HFF (n)} = \text{HFF (n - 1)} \times \left(1 - \text{Management Fee} \times \frac{\text{ACT (t - 1; t)}}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT (t - 1; t)}}{360}\right)$$

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 99.7919% as illustrated below:

Date	HFF
3/7/2018	100.0000%
4/7/2018	99.9861%
5/7/2018	99.9722%
6/7/2018	99.9583%
9/7/2018	99.9167%
10/7/2018	99.9028%
11/7/2018	99.8889%
12/7/2018	99.8751%
13/7/2018	99.8612%
16/7/2018	99.8196%
17/7/2018	99.8057%
18/7/2018	99.7919%

Cash Settlement Amount

In this example, the Closing Level and the Cash Settlement Amount would be computed as follows:

$$\begin{aligned} \text{Closing Level} &= [(\text{Final Reference Level} \times \text{Final Exchange Rate}) / (\text{Initial Reference Level} \times \text{Initial Exchange Rate}) - \text{Strike Level}] \times \text{Hedging Fee Factor} \\ &= [(1200 \times 1) / (1000 \times 1) - 0] \times 99.7919\% \\ &= 119.75\% \end{aligned}$$

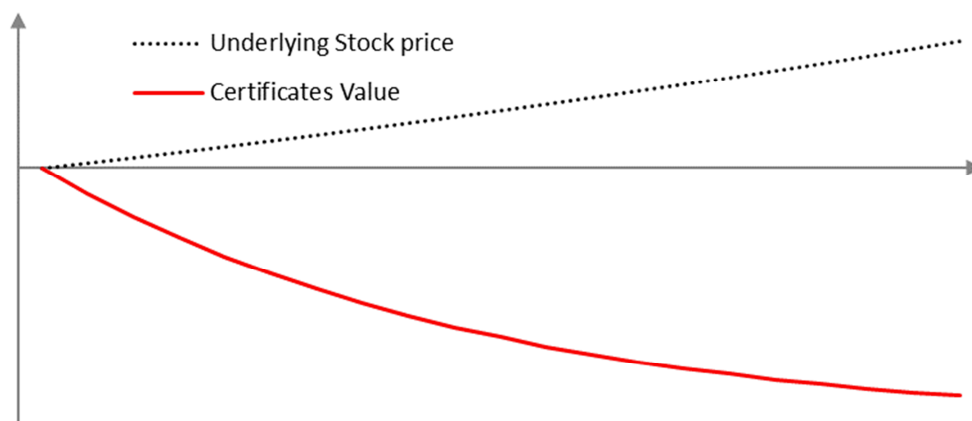
$$\begin{aligned} \text{Cash Settlement Amount} &= \text{Closing Level} \times \text{Notional Amount per Certificate} \\ &= 119.75\% \times 1.50 \text{ SGD} \\ &= \mathbf{1.796 \text{ SGD}} \end{aligned}$$

Illustration on how returns and losses can occur under different scenarios

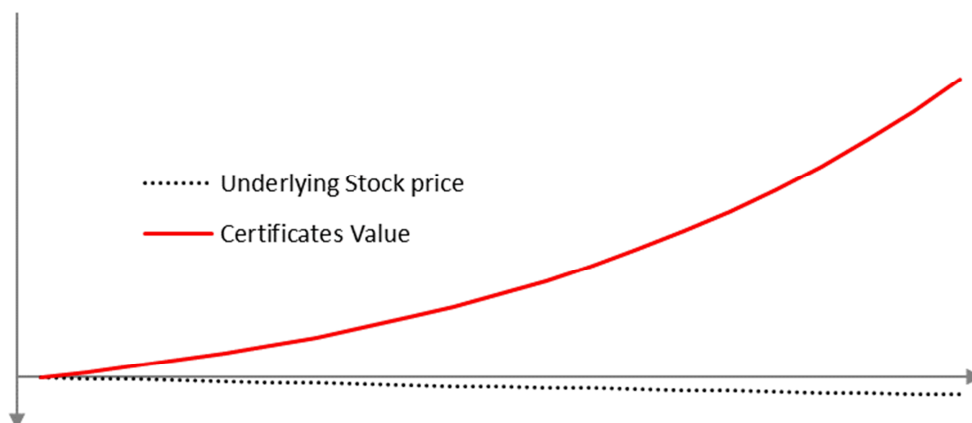
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends, or any other market parameters.

1. Illustrative examples

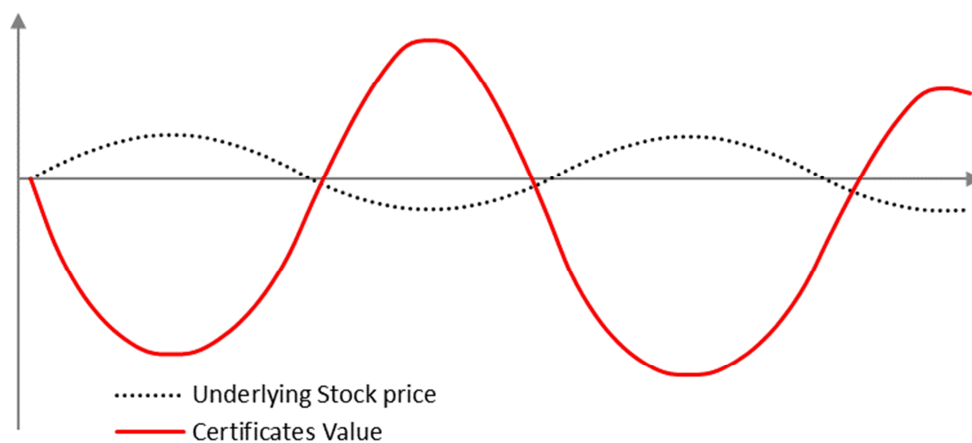
Scenario 1 – Upward Trend



Scenario 2 – Downward Trend



Scenario 3 – Volatile Market



2. Numerical Examples

Scenario 1 – Upward Trend

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	2.0%	2.0%	2.0%	2.0%
Value at end of day	10,000.0	10,200.0	10,404.0	10,612.1	10,824.3	11,040.8
Accumulated Return		2.00%	4.04%	6.12%	8.24%	10.41%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-10.0%	-10.0%	-10.0%	-10.0%	-10.0%
Price at end of day	1.5	1.35	1.22	1.09	0.98	0.89
Accumulated Return		-10.00%	-19.00%	-27.10%	-34.39%	-40.95%

Scenario 2 – Downward Trend

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
Value at end of day	10,000.0	9,800.0	9,604.0	9,411.9	9,223.7	9,039.2
Accumulated Return		-2.00%	-3.96%	-5.88%	-7.76%	-9.61%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		10.0%	10.0%	10.0%	10.0%	10.0%
Price at end of day	1.5	1.65	1.82	2.00	2.20	2.42
Accumulated Return		10.00%	21.00%	33.10%	46.41%	61.05%

Scenario 3 – Volatile Market

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	-2.0%	2.0%	-2.0%	2.0%
Value at end of day	10,000.0	10,200.0	9,996.0	10,195.9	9,992.0	10,191.8
Accumulated Return		2.00%	-0.04%	1.96%	-0.08%	1.92%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-10.0%	10.0%	-10.0%	10.0%	-10.0%
Price at end of day	1.5	1.35	1.49	1.34	1.47	1.32
Accumulated Return		-10.00%	-1.00%	-10.90%	-1.99%	-11.79%

Description of Air Bag Mechanism

The Certificates integrate an “Air Bag Mechanism” which is designed to reduce exposure to the Underlying Stock during extreme market conditions.

When the Air Bag triggers, a 30-minute period starts. This period is divided into two sub-periods:

- Observation Period : during 15 minutes after the Air Bag trigger, the price of the Underlying Stock is observed and its maximum price is recorded; and
- Reset Period: after 15 minutes, the Leverage Inverse Strategy is reset using the maximum price of the Underlying Stock during the Observation Period as the New Observed Price. The New Observed Price replaces the last closing price of the Underlying Stock in order to compute the performance of the Leverage Inverse Strategy, 30 minutes after the Air Bag trigger.

Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered. Investors cannot sell or purchase any Certificates during this period.

The performance of the Leverage Inverse Strategy will be the inverse of the Underlying Stock.

Air Bag Mechanism timeline

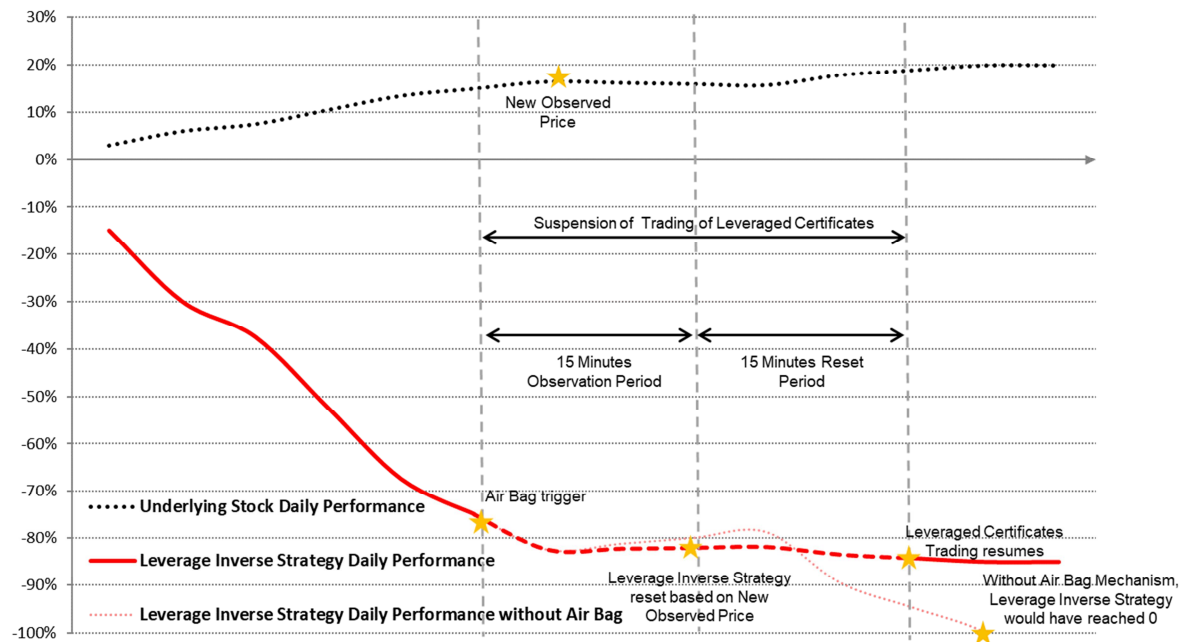
Air Bag Trigger	Observation Period	Resumption of Trading
More than 45 minutes before Market Close	First 15 minutes after Air Bag Trigger	Trading resumes the same day between 30 and 45 minutes after Air Bag Trigger
45 minutes before Market Close		Next trading day at Market Open
30 to 45 minutes before Market Close		
30 minutes before Market Close		
15 to 30 minutes before Market Close		
15 minutes before Market Close	From Air Bag Trigger to Market Close	
Less than 15 minutes before Market Close		

With **Market Close** defined as:

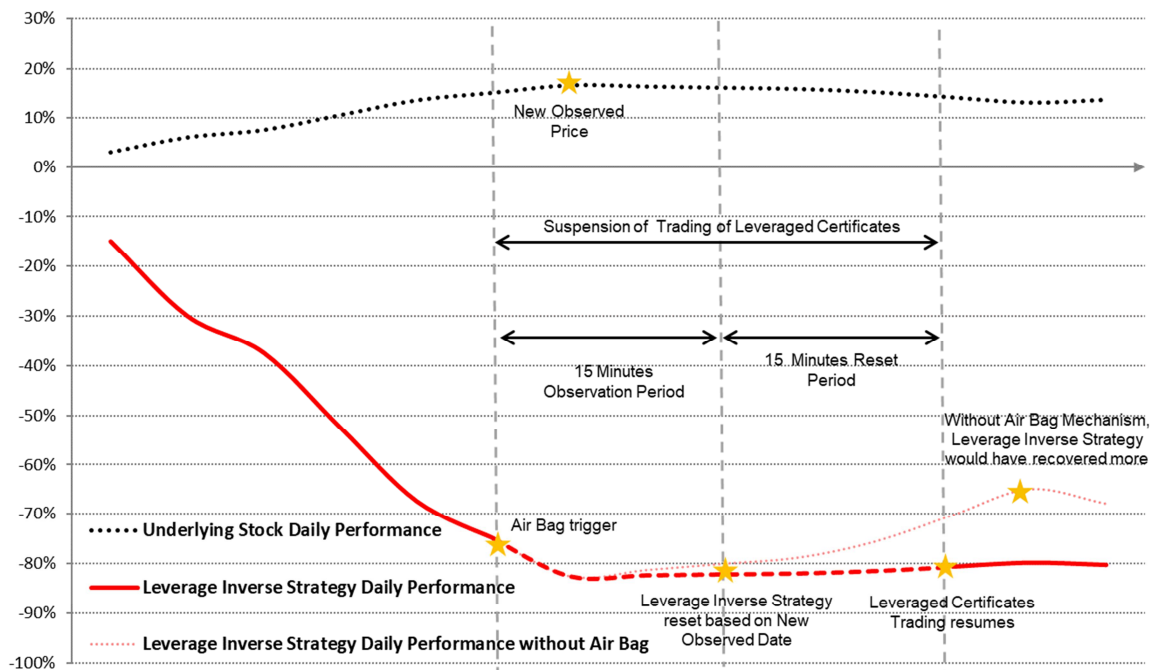
- Underlying Stock closing time with respect to the Observation Period
- The sooner between Underlying Stock closing time and SGX closing time with respect to the Resumption of Trading

Illustrative examples of the Air Bag Mechanism

Scenario 1 – Upward Trend after Air Bag trigger



Scenario 2 – Downward Trend after Air Bag trigger



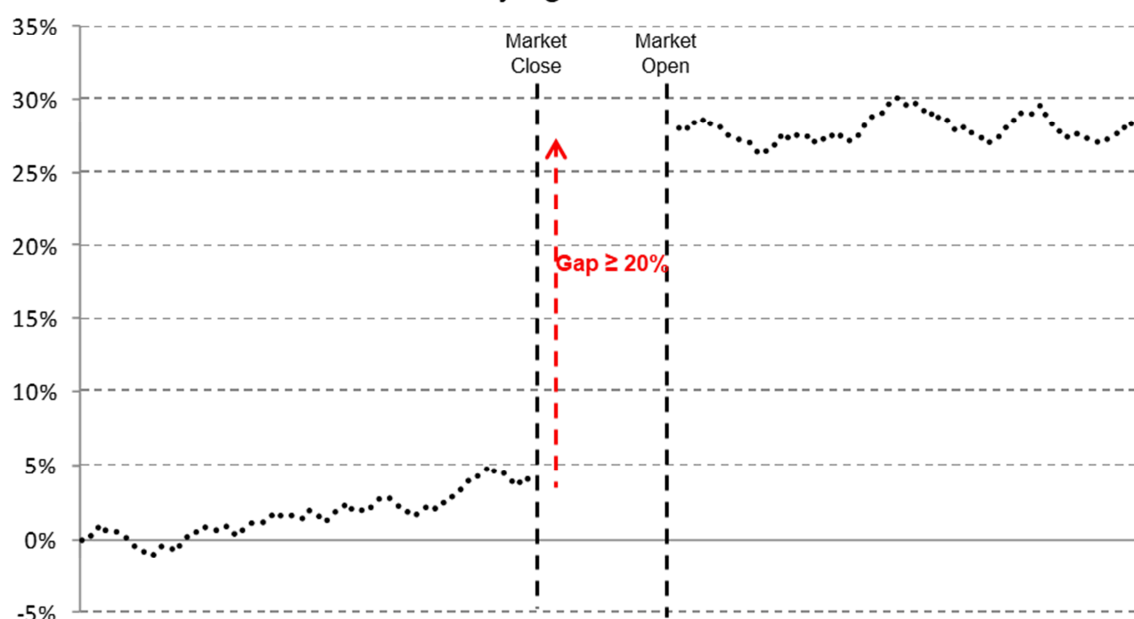
Scenarios where the investor may lose the entire value of the investment

The scenarios below are purely hypothetical and do not take fees and charges payable by investors into consideration. The scenarios highlight cases where the Certificates may lose 100% of their value.

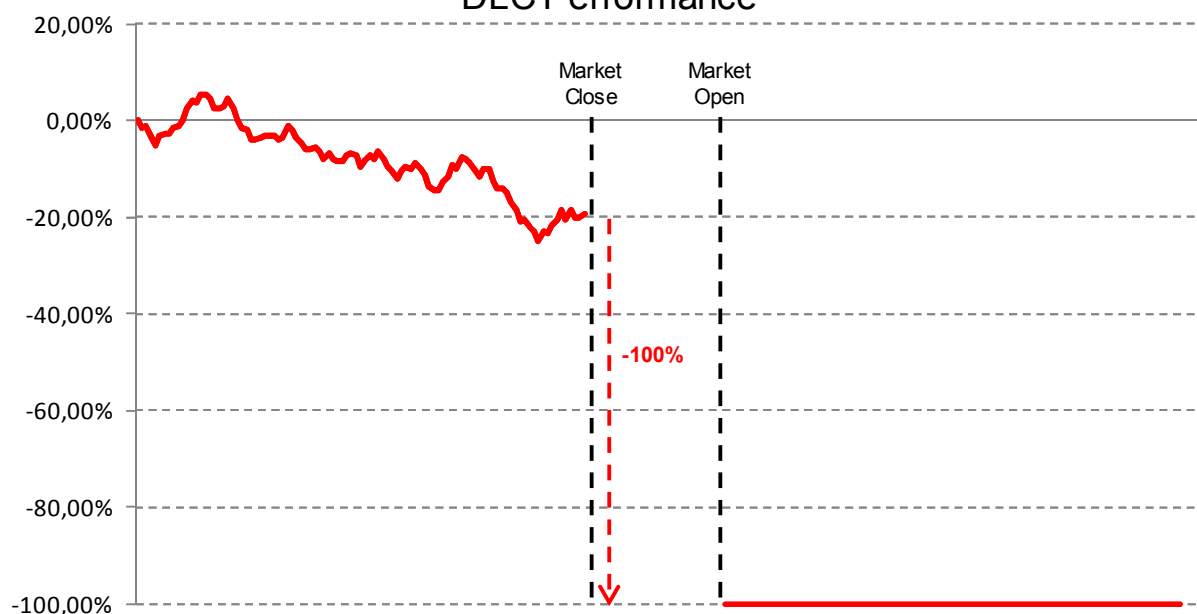
Scenario 1 – Overnight rise of the Underlying Stock

On any business day, the opening price of the Underlying Stock may be higher or lower than the closing price on the previous day. The difference between the previous closing price and the opening price of the Underlying Stock is termed a “gap”. If the opening price of the Underlying Stock is 20% or more above the previous day closing price, the Air Bag Mechanism would only be triggered when the market opens the following day, and the Certificates would lose their entire value in such event.

Underlying Stock Performance

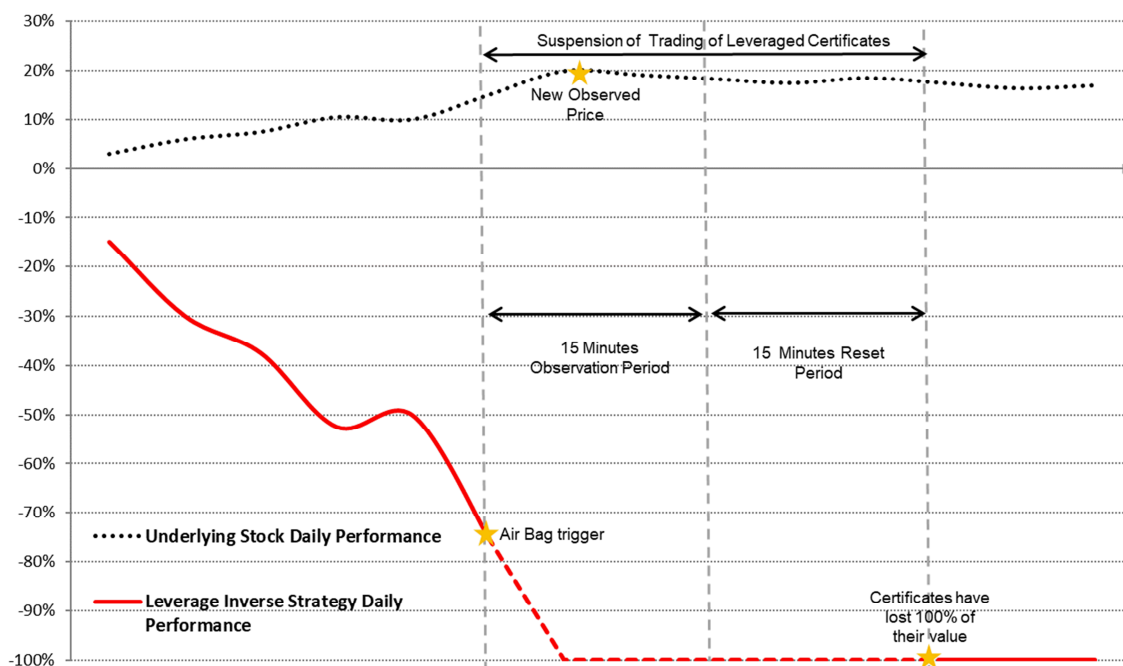


DLC Performance



Scenario 2 – Sharp intraday rise of the Underlying Stock

Although the Air Bag Mechanism is designed to reduce the exposure to the Underlying Stock during extreme market conditions, the Certificate can lose 100% of its value in the event the price of the Underlying Stock rises by 20% or more compared to the previous closing price of the Underlying Stock or the previous observed price in case of an air bag previously on the same day within the 15 minute Observation Period. The Certificates would lose their entire value in such event.



Examples and illustrations of adjustments due to certain corporate actions

The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of corporate actions on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, or any other market parameters.

In the case of any corporate action on the Underlying Stock, the Calculation Agent will, as soon as reasonably practical after it becomes aware of such event, determine whether such corporate action has a dilutive or concentrative effect on the theoretical value of the Underlying Stock, and if so, will (a) calculate the corresponding adjustment, if any, to be made to the elements relating to the Underlying Stock which are used to determine any settlement or payment terms under the Certificates and/or adjust at its discretion any other terms of the Certificates as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Certificates and (b) determine the effective date of such adjustment.

Notwithstanding the foregoing, in the event Observation Date (t) is an ex-date with respect to a corporate action related to the Underlying Stock, the Calculation Agent may, in its sole and absolute discretion, replace the $Rfactor_t$ with respect to such Observation Date (t) by an amount computed according to the following generic formula :

$$Rfactor_t = \left[1 - \frac{Div_t + DivExc_t - M \times R}{S_{t-1}} \right] \times \frac{1}{1 + M}$$

This formula is provided for indicative purposes and the Calculation Agent may determine that this formula is not appropriate for certain corporate actions and may apply a different formula instead.

Such adjustment of $Rfactor_t$ would affect the Leveraged Return, the Rebalancing Cost, and the Underlying Reference Price used to determine the Intraday Restrike Event. The Air Bag mechanism would not be triggered if the stock price rises by 15% exclusively because of the dilutive effect of a corporate action.

Where:

$DivExc_t$ is the amount received as an Extraordinary Dividend by a holder of existing Shares for each Share held prior to the Extraordinary Dividend, net of any applicable withholding taxes.

M is the number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe or to receive (positive amount) or the number of existing Shares redeemed or canceled per existing Share (negative amount), as the case may be, resulting from the corporate action.

R is the subscription price per Share (positive amount) or the redemption price per Share (negative amount) including any dividends or other benefits forgone to be subscribe to or to receive (as applicable), or to redeem a Share.

1. Stock split

Assuming the Underlying Stock is subject to a 1 to 2 stock split (i.e. 1 new Share for every 1 existing share):

$$S_{t-1} = \$100$$

$$S_t = \$51$$

$$Div_t = \$0$$

$$\text{DivExc}_t = \$0$$

$M = 1$ (i.e. 1 new Shares for 1 existing Share)

$R = \$0$ (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 2 \times 0}{100} \right] \times \frac{1}{1 + 1} = 50\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = -5 \times \left(\frac{51}{100 \times 50\%} - 1 \right) = -10\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	50	51	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.5	1.35	-10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$57.5, which is 15% above \$50, the Underlying Stock Reference Price.

2. Share Consolidation

Assuming the Underlying Stock is subject to a 2 to 1 share consolidation (i.e. 1 Share canceled for every 2 existing Shares):

$$S_{t-1} = \$100$$

$$S_t = \$202$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$0$$

$M = -0.5$ (i.e. 0.5 Shares canceled for each 1 existing Share)

$R = \$0$ (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - (-0.5) \times 0}{100} \right] \times \frac{1}{1 + (-0.5)} = 200\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = -5 \times \left(\frac{202}{100 \times 200\%} - 1 \right) = -5\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	200	202	1%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.5	1.425	-5%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$230, which is 15% above \$200, the Underlying Stock Reference Price.

3. Rights Issues

Assuming there is a rights issue with respect to the Underlying Stock, with a right to receive 1 new Share for every 2 existing Shares, for a subscription price of \$40.

$$S_{t-1} = \$100$$

$$S_t = \$84$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

$$R = \$40 \text{ (i.e. subscription price of \$40)}$$

$$M = 0.5 \text{ (i.e. 1 new share for every 2 existing shares)}$$

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.5 \times 40}{100} \right] \times \frac{1}{1 + 0.5} = 80\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = -5 \times \left(\frac{84}{100 \times 80\%} - 1 \right) = -25\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.5	1.125	-25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$92, which is 15% above \$80, the Underlying Stock Reference Price.

4. Bonus Issues

Assuming there is a bonus issue with respect to the Underlying Stock, where shareholders receive 1 bonus share for 5 existing shares:

$$S_{t-1} = \$100$$

$$S_t = \$85$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$0$$

$$R = \$0$$

$$M = 0.2 \text{ (i.e. 1 new share for 5 existing shares)}$$

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.2 \times 0}{100} \right] \times \frac{1}{1 + 0.2} = 83.33\%$$

As a consequence:

$$\text{LR}_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = -5 \times \left(\frac{85}{100 \times 83.33\%} - 1 \right) = -10\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	83.33	85	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.5	1.35	-10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$95.83, which is 15% above \$83.33, the Underlying Stock Reference Price.

5. Extraordinary Dividend

Assuming there is an extraordinary dividend of \$20 (net of taxes) paid in respect of each stock.

$$S_{t-1} = \$100$$

$$S_t = \$84$$

$$\text{Div}_t = \$0$$

$$\text{DivExc}_t = \$20$$

$$R = \$0$$

$$M = 0$$

$$Rfactor_t = \left[1 - \frac{0 + 20 - 0 \times 0}{100} \right] \times \frac{1}{1 + 0} = 80\%$$

As a consequence:

$$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right) = -5 \times \left(\frac{84}{100 \times 80\%} - 1 \right) = -25\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.5	1.125	-25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$92, which is 15% above \$80, the Underlying Stock Reference Price.

INFORMATION RELATING TO THE COMPANY

All information contained in this document regarding the Company, including, without limitation, its financial information, is derived from publicly available information which appears on the web-site of the SGX-ST at <http://www.sgx.com>. The Issuer has not independently verified any of such information.

United Overseas Bank Limited (“**UOB**” or the “**Company**”) was incorporated as a public company under the name of United Chinese Bank Limited in 1935. The present name United Overseas Bank Limited was adopted in 1965.

It was officially quoted on 20 July 1970 on the then Stock Exchange of Malaysia and Singapore, a predecessor of the Singapore Exchange Trading Securities Limited.

Over the past 71 years, UOB has grown with Singapore. Through a series of acquisitions, it is now a leading bank in Singapore with banking subsidiaries in Malaysia, Thailand and Indonesia. Today, the UOB Group has a network of 502 offices in 18 countries and territories in Asia-Pacific, Western Europe and North America.

Besides Far Eastern Bank in Singapore, UOB’s banking subsidiaries include United Overseas Bank (Malaysia), United Overseas Bank (Thai), PT Bank UOB Indonesia, PT Bank Buana Indonesia and United Overseas Bank Philippines.

UOB provides a wide range of financial services through its global network of branches/offices and subsidiaries/associates: personal financial services, private banking, trust services, commercial and corporate banking, investment banking, corporate finance, capital market activities, treasury services, futures broking, asset management, venture capital management, general insurance, life assurance and stockbroking services.

Through other subsidiaries, as well as associates, UOB also has diversified interests in travel, leasing, property development and management, hotel operations and general trading.

The information set out in the Appendix to this document relates to the unaudited consolidated financial results of the Company and its subsidiaries for the nine months and third quarter ended 30 September 2018 and has been extracted and reproduced from an announcement by the Company dated 26 October 2018 in relation to the same. Further information relating to the Company may be located on the web-site of the SGX-ST at <http://www.sgx.com>.

INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

Société Générale has been appointed the designated market maker (“**DMM**”) for the Certificates. The DMM will provide competitive buy and sell quotes for the Certificates continuously during the trading hours of the SGX-ST on the following basis:

- (a) Maximum bid and offer spread : 10 ticks or S\$0.20 whichever is greater
- (b) Minimum quantity subject to bid and offer spread : 10,000 Certificates
- (c) Last Trading Day for Market Making : The date falling 5 Exchange Business Days immediately preceding the Expiry Date

In addition, the DMM may not provide a quotation in the following circumstances:

- (i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;
- (ii) if the Certificates are valueless (where the Issuer’s bid price is below the minimum bid size for such securities as prescribed by the SGX-ST), the DMM will not provide the bid price. In such an instance, the DMM will provide the offer price only;
- (iii) where the Certificates are suspended from trading for any reason;
- (iv) market disruption events, including, without limitation, any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the SGX-ST or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) in the Underlying Stock;
- (v) where the Issuer or the DMM faces technical problems affecting the ability of the DMM to provide bids and offer quotations;
- (vi) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;
- (vii) in cases where the Issuer has no Certificates to sell, then the DMM will only provide the bid price;
- (viii) if the stock market experiences exceptional price movement and volatility;
- (ix) when it is a public holiday in Singapore and/or the SGX-ST is not open for dealings; and
- (x) during the suspension of trading of Certificates after an Air Bag Mechanism has been triggered.

The last trading day on which the DMM will provide competitive quotations for the Certificates would be the fifth Exchange Business Day immediately preceding the Expiry Date.

SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on page 86 of the Base Listing Document, and the Addendum.

1. Save as disclosed in this document and the Base Listing Document (as amended and supplemented by the Addendum), neither the Issuer nor the Guarantor is involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) which may have or have had in the previous 12 months a significant effect on the financial position of the Issuer or the Guarantor in the context of the issuance of the Certificates.
2. Settlement of trades done on a normal “ready basis” on the SGX-ST generally take place on the third Business Day following the transaction. Dealing in the Certificates will take place in Board Lots in Singapore dollars. For further details on the transfer of Certificates and their exercise, please refer to the section headed “Summary of the Issue” above.
3. It is not the current intention of the Issuer to apply for a listing of the Certificates on any stock exchange other than the SGX-ST.
4. Save as disclosed in the Base Listing Document, the Addendum and herein, there has been no material adverse change in the financial position or prospects of the Issuer or the Guarantor since 30 June 2018, in the context of the issuance of Certificates hereunder.
5. The following contracts, relating to the issue of the Certificates, have been or will be entered into by the Issuer and/or the Guarantor and may be material to the issue of the Certificates:
 - (a) the Guarantee;
 - (b) the Master Instrument; and
 - (c) the Master Warrant Agent Agreement.

None of the directors of the Issuer and the Guarantor has any direct or indirect interest in any of the above contracts.

6. The Auditors of the Issuer and the Guarantor have given and have not withdrawn their written agreement to the inclusion of the report, included herein, in the form and context in which it is included. Their report was not prepared exclusively for incorporation into this document.

The Auditors of the Issuer and the Guarantor have no shareholding in the Issuer or the Guarantor or any of its subsidiaries, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of the Issuer or the Guarantor or any of its subsidiaries.

7. The Certificates are not fully covered by the Underlying Stock held by Issuer or a trustee for and on behalf of the Issuer. The Issuer has appropriate risk management capabilities to manage the issue of the Certificates.
8. Société Générale, Singapore Branch, currently of 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, has been authorised to accept, on behalf of the Issuer and the Guarantor, service of process and any other notices required to be served on the Issuer or the Guarantor. Any notices required to be served on the Issuer or the Guarantor should be sent to Société Générale at the above address for the attention of Société Générale Legal Department.

9. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the offices of Société Générale, Singapore Branch at 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, during the period of 14 days from the date of this document:
- (a) the Memorandum and Articles of Association of the Issuer and the Constitutional Documents of the Guarantor;
 - (b) the latest financial reports (including the notes thereto) of the Issuer;
 - (c) the latest financial reports (including the notes thereto) of the Guarantor;
 - (d) the consent letters from the Auditors to the Issuer and the Guarantor referred to in paragraph 6 above;
 - (e) the Base Listing Document;
 - (f) the Addendum;
 - (g) this document; and
 - (h) the Guarantee.

PLACING AND SALE

General

No action has been or will be taken by the Issuer that would permit a public offering of the Certificates or possession or distribution of any offering material in relation to the Certificates in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Certificates, or distribution of any offering material relating to the Certificates may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on the Issuer. In the event that the Issuer contemplates a placing, placing fees may be payable in connection with the issue and the Issuer may at its discretion allow discounts to placees.

Each Certificate Holder undertakes that it will inform any subsequent purchaser of the terms and conditions of the Certificates and all such subsequent purchasers as may purchase such securities from time to time shall be deemed to be a Certificate Holder for the purposes of the Certificates and shall be bound by the terms and conditions of the Certificates.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Certificates may not be circulated or distributed, nor may Certificates be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, any applicable provision of the Securities and Futures Act, Chapter 289 of Singapore.

Hong Kong

Each dealer has represented and agreed, and each further dealer appointed in respect of the Certificates and each other purchaser will be required to represent and agree, that it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong and any rules made under that Ordinance.

European Economic Area

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree that, it has not offered, sold or otherwise made available and will not offer, sell, or otherwise make available any Certificates which are the subject of the offering as contemplated by the this document to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
 - (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 2002/92/EC (as amended, the Insurance Mediation Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, including by Directive 2010/73/EU, the Prospectus Directive); and
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates.

United Kingdom

Each dealer has represented and agreed, and each further dealer appointed in respect of the Certificates will be required to represent and agree, that:

- (a) in respect to Certificates having a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Certificates would otherwise constitute a contravention of Section 19 of Financial Services and Markets Act, as amended (the “**FSMA**”) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

United States

The Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the “**CFTC**”) under the United States Commodity Exchange Act of 1936, as amended (the “**Commodity Exchange Act**”). Accordingly, Certificates, or interests thereon, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade or maintain a position in the Certificates. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised.

Each dealer has represented and agreed, and each further dealer will be required to represent and agree, that it has not and will not at any time offer, sell, resell, trade, pledge, exercise,

redeem, transfer or deliver, directly or indirectly, Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redeem, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such U.S. person. Any person purchasing Certificates of any tranches must agree with the relevant dealer or the seller of such Certificates that (i) it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, any Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person, (ii) it is not purchasing any Certificates for the account or benefit of any U.S. person and (iii) it will not make offers, sales, re-sales, trades, pledges, redemptions, transfers or deliveries of any Certificates (otherwise acquired), directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person.

Exercise of Certificates will be conditional upon certification that each person exercising a Certificate is not a U.S. person or in the United States and that the Certificate is not being exercised on behalf of a U.S. person. No payment will be made to accounts of holders of the Certificates located in the United States.

As used in the preceding paragraphs, the term “**United States**” includes the territories, the possessions and all other areas subject to the jurisdiction of the United States of America, and the term “**U.S. person**” means any person who is (i) an individual who is a citizen or resident of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; (vi) any entity organised principally for passive investment, ten per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the CFTC’s regulations by virtue of its participants being non-U.S. persons; or (vii) any other “U.S. person” as such term may be defined in Regulation S under the Securities Act or the regulations adopted under the Commodity Exchange Act.

APPENDIX

REPRODUCTION OF THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE NINE MONTHS AND THIRD QUARTER ENDED 30 SEPTEMBER 2018 OF UNITED OVERSEAS BANK LIMITED AND ITS SUBSIDIARIES

The information set out below is a reproduction of the unaudited consolidated financial results of the Company and its subsidiaries for the nine months and third quarter ended 30 September 2018 and has been extracted and reproduced from an announcement by the Company dated 26 October 2018 in relation to the same.

Announcement

To: All Shareholders

The Board of Directors of United Overseas Bank Limited wishes to make the following announcement:

Unaudited Financial Results for the Nine Months/Third Quarter Ended 30 September 2018

Details of the financial results are in the accompanying Group Financial Report.

Dividends and Distributions for the Third Quarter ended 30 September 2018

Ordinary share dividend

No dividend on ordinary shares has been declared for the third quarter of 2018.

Distributions on perpetual capital securities

On 23 July 2018, a semi-annual distribution at an annual rate of 4.90% totalling S\$21 million was paid on the Bank's S\$850 million 4.90% non-cumulative non-convertible perpetual capital securities for the period from 23 January 2018 up to, but excluding, 23 July 2018.

Interested Person Transactions

The Bank has not obtained a general mandate from shareholders for Interested Person Transactions.

Confirmation by Directors

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results of the Group for the nine months/third quarter ended 30 September 2018 to be false or misleading in any material aspect.

Undertakings from Directors and Executive Officers

The Bank has procured undertakings in the form set out in Appendix 7.7 of the Listing Manual from all its directors and executive officers pursuant to Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

UNITED OVERSEAS BANK LIMITED

Ms Joyce Sia
Secretary

Dated this 26th day of October 2018

The results are also available at www.uobgroup.com



Group Financial Report

For the Nine Months/Third Quarter ended 30 September 2018

United Overseas Bank Limited
Incorporated in the Republic of Singapore



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Notes

- 1 The financial statements are presented in Singapore dollars.
- 2 Certain comparative figures have been restated to conform with current period's presentation.
- 3 Certain figures in this report may not add up to the respective totals due to rounding.
- 4 Amounts less than \$500,000 in absolute term are shown as "0".
- 5 Non-impaired assets refer to Stage 1 and Stage 2 assets under SFRS(I) 9.
- 6 Impaired assets refer to Stage 3 and purchased or originated credit-impaired assets under SFRS(I) 9.

Abbreviation

"9M18" and "9M17" denote to the nine months of 2018 and 2017 respectively.

"2Q18" denotes second quarter of 2018.

"3Q18" and "3Q17" denote third quarter of 2018 and 2017 respectively.

"NM" denotes not meaningful.

"NA" denotes not applicable.

Financial Highlights

	9M18	9M17	+ / (-) %	3Q18	3Q17	+ / (-) %	2Q18	+ / (-) %
Selected income statement items (\$m)								
Net interest income	4,612	4,067	13	1,599	1,408	14	1,542	4
Net fee and commission income	1,500	1,364	10	484	477	2	498	(3)
Other non-interest income	789	900	(12)	244	279	(13)	302	(19)
Total income	6,901	6,331	9	2,327	2,164	8	2,342	(1)
Less: Operating expenses	3,019	2,712	11	1,011	900	12	1,022	(1)
Operating profit	3,881	3,619	7	1,317	1,265	4	1,320	(0)
Less: Allowances for credit and other losses	265	587	(55)	95	221	(57)	90	5
Add: Share of profit of associates and joint ventures	106	88	20	25	29	(16)	52	(53)
Net profit before tax	3,722	3,120	19	1,246	1,073	16	1,282	(3)
Less: Tax and non-controlling interests	630	585	8	209	190	10	205	2
Net profit after tax ¹	3,092	2,535	22	1,037	883	17	1,077	(4)

Selected balance sheet items (\$m)

Net customer loans	251,755	230,068	9	251,755	230,068	9	246,392	2
Customer deposits	293,634	268,296	9	293,634	268,296	9	287,515	2
Total assets	382,638	354,143	8	382,638	354,143	8	384,263	(0)
Shareholders' equity ¹	36,768	35,147	5	36,768	35,147	5	37,660	(2)

Key financial ratios (%)

Net interest margin ²	1.83	1.76		1.81	1.79		1.83	
Non-interest income/Total income	33.2	35.8		31.3	34.9		34.2	
Cost/Income ratio	43.8	42.8		43.4	41.6		43.6	
Overseas profit before tax contribution	41.4	41.8		41.1	37.7		40.0	
Credit costs on loans (bp) ²								
Non-impaired	2	(6)		3	(4)		3	
Impaired	12	38		15	37		11	
Total	14	32		18	32		13	
NPL ratio ³	1.6	1.6		1.6	1.6		1.7	

Notes:

- 1 Relate to amount attributable to equity holders of the Bank.
- 2 Computed on an annualised basis.
- 3 Refer to non-performing loans as a percentage of gross customer loans.

Financial Highlights (cont'd)

	9M18	9M17	3Q18	3Q17	2Q18
Key financial ratios (%) (cont'd)					
Return on average ordinary shareholders' equity ^{1,2}	11.6	10.3	11.7	10.5	12.1
Return on average total assets ¹	1.11	0.99	1.09	1.02	1.16
Return on average risk-weighted assets ¹	2.02	1.60	1.99	1.69	2.13
Loan/Deposit ratio ³	85.7	85.8	85.7	85.8	85.7
Liquidity coverage ratios ("LCR") ⁴					
All-currency	137	151	142	142	142
Singapore dollar	205	211	235	196	206
Net stable funding ratio ("NSFR") ⁵	110	NA	110	NA	110
Capital adequacy ratios					
Common Equity Tier 1	14.1	14.3	14.1	14.3	14.5
Tier 1	15.1	14.8	15.1	14.8	16.0
Total	17.4	17.8	17.4	17.8	18.4
Leverage ratio ⁶	7.4	7.7	7.4	7.7	7.7
Earnings per ordinary share (\$) ^{1,2}					
Basic	2.41	2.00	2.43	2.07	2.51
Diluted	2.40	1.99	2.42	2.06	2.50
Net asset value ("NAV") per ordinary share (\$) ⁷	20.78	19.88	20.78	19.88	20.77
Revalued NAV per ordinary share (\$) ⁷	23.64	22.62	23.64	22.62	23.63

Notes:

- 1 Computed on an annualised basis.
- 2 Calculated based on profit attributable to equity holders of the Bank net of perpetual capital securities distributions.
- 3 Refer to net customer loans and customer deposits.
- 4 Figures reported are based on average LCR for the respective periods. A minimum requirement of Singapore dollar LCR of 100% and all-currency LCR of 90% shall be maintained at all times with effect from 1 January 2018 (2017: 80%), with all-currency LCR increasing to 100% by 2019. Public disclosure required under MAS Notice 651 is available in the UOB website at www.UOBGroup.com/investor/financial/overview.html.
- 5 NSFR is calculated based on MAS Notice 652. A minimum requirement of 100% shall be maintained effective January 2018. Public disclosure required under MAS Notice 653 is available in the UOB website at www.UOBGroup.com/investor/financial/overview.html.
- 6 Leverage ratio is calculated based on MAS Notice 637. A minimum ratio of 3% is required effective 1 January 2018.
- 7 Perpetual capital securities are excluded from the computation.

Performance Review

Changes in Accounting Policies

The Group adopted the following changes with effect from 1 January 2018:

(i) New financial reporting framework

Singapore listed companies are required to apply a new financial reporting framework - Singapore Financial Reporting Standards (International) ("SFRS(I)") that is equivalent to the International Financial Reporting Standards ("IFRS") with effect from 1 January 2018. Accordingly, the financial statements have been prepared based on the new reporting framework. SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International) was applied with no impact on the financial statements.

(ii) SFRS(I) and SFRS(I) Interpretations

SFRS(I) and SFRS(I) Interpretations effective from 1 January 2018 have been applied. The following represents a change from the requirements previously applied under Singapore Financial Reporting Standards ("FRS").

- SFRS(I) 9 Financial Instruments
- SFRS(I) 15 Revenue from Contracts with Customers
- SFRS(I) INT 22 Foreign Currency Transactions and Advance Consideration
- Amendments to FRS incorporated within SFRS(I):
 - Amendments to FRS 40: Transfers of Investment Property
 - Amendments to FRS 102: Classification and Measurement of Share-based Payment Transactions
 - Amendments to FRS 104: Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts

(iii) Monetary Authority of Singapore ("MAS") Notice 612 Credit Files, Grading and Provisioning

The Notice requires Singapore-incorporated Domestic Systemically Important Banks to maintain a minimum level of regulatory loss allowance equivalent to 1% of the gross carrying amount of the selected credit exposures net of collaterals. Where the loss allowance provided for under SFRS(I) 9 for the selected credit exposures falls below the minimum regulatory requirement, an additional loss allowance in a non-distributable regulatory loss allowance reserve through an appropriation of retained earnings is required.

The adoption of the above changes did not have a significant impact on the Group's financial statements on transition date. The impact of adopting SFRS(I) 9 on retained earnings and other reserves is shown in Appendix 4 - Consolidated Statement of Changes in Equity. No additional loss allowance was required by MAS Notice 612 on transition date.

Other than the above changes, the accounting policies and computation methods adopted in the financial statements for the nine months ended 30 September 2018 are the same as those applied in the audited financial statements for the financial year ended 31 December 2017.

9M18 versus 9M17

Net earnings for 9M18 of \$3.09 billion was 22% higher than a year ago.

Net interest income expanded 13% to \$4.61 billion, lifted by higher net interest margin and healthy loan growth of 9%. Net interest margin improved seven basis points to 1.83%, mainly from an increase in net loan margin by six basis points due to the favourable interest rate environment.

Net fee and commission income rose 10% to \$1.50 billion due to broad-based growth across loan-related, fund management, credit card and wealth management fees. Other non-interest income declined 12% to \$789 million, mainly due to lower net gains from investment securities and trading income.

Business segments continued to register strong income growth in 9M18 against last year. Group Retail income grew 5% to \$2.94 billion, led by healthy volume growth and increased contribution from wealth management and credit cards. Total income for Group Wholesale Banking rose 12% to \$2.93 billion, mainly driven by net interest income from double-digit volume growth and deposit margin improvement, coupled with higher fee income. Global Markets income increased 8% to \$362 million, supported by higher trading income and favourable foreign exchange movements.

Total expenses increased 11% year on year to \$3.02 billion. This was mainly due to higher performance-related staff costs and IT-related expenses as the Group continued to invest in talent, technology and infrastructure to enhance productivity, product capabilities and customer experience. Cost-to-income ratio increased marginally to 43.8%.

Year on year, total allowances decreased 55% to \$265 million, attributed to the benign credit environment with lower residual risks from the oil and gas and shipping sectors and continued resilience in the broader portfolio. Credit costs on impaired loans for 9M18 eased to 12 basis points.

Performance Review (cont'd)

3Q18 versus 3Q17

The Group reported net earnings of \$1.04 billion in 3Q18, 17% higher than the same quarter last year, driven by double-digit growth in net interest income and lower allowances.

Net interest income rose 14% to \$1.60 billion, from healthy loan growth and a net interest margin uplift of two basis points to 1.81%.

Net fee and commission income increased 2% to \$484 million due to higher loan-related, credit card and trade-related fees. Other non-interest income was lower at \$244 million as 3Q17 recorded stronger gains from investment securities.

Total expenses for the quarter increased 12% from a year ago to \$1.01 billion, mainly from higher staff costs and IT-related expenses. The cost-to-income ratio for the quarter was 43.4%.

Total allowances more than halved to \$95 million, largely due to high allowances provided for impaired loans from the oil and gas and shipping sectors in 3Q17.

3Q18 versus 2Q18

Compared with the previous quarter, net earnings for the quarter were 4% lower at \$1.04 billion, as credit costs rose marginally, while total income and expenses were stable despite intensifying macro headwinds.

Net interest income grew 4% to \$1.60 billion. With the expectation of further interest rate increases, the Group built up deposits during the quarter to ensure that its funding position remains well placed to meet projected business growth. This resulted in a slight dip in net interest margin to 1.81% for the quarter.

Net fee and commission income decreased 3% to \$484 million on the back of lower loan-related and fund management fees. Other non-interest income declined 19% quarter on quarter, mainly due to lower gains from structural foreign exchange positions.

Total expenses declined 1% to \$1.01 billion in line with lower operating income, resulting in a slight improvement in cost-to-income ratio to 43.4% for the quarter.

Total allowances increased by \$5 million to \$95 million, with credit costs on impaired loans rising to 15 basis points for the quarter.

Balance sheet and capital position

As at 30 September 2018, the Group's funding position remained strong with stable loan-to-deposit ratio at 85.7% as customer deposits and gross loans both grew 2% from last quarter to \$294 billion and \$255 billion respectively.

The non-performing loan ratio improved to 1.6% from 1.7% in the last quarter. The coverage for non-performing assets remained stable at 90%, or 189% after taking collateral into account. Total allowances for non-impaired assets remained adequate at \$1.99 billion as at 30 September 2018.

The average Singapore dollar and all-currency liquidity coverage ratios for 3Q18 were 235% and 142% respectively, well above the corresponding regulatory requirements of 100% and 90%. The net stable funding ratio was 110% as at 30 September 2018.

Shareholders' equity increased 5% from a year ago to \$36.8 billion mainly from higher retained earnings. Compared with last quarter, shareholders' equity decreased 2% mainly due to the redemption of the \$850 million perpetual capital securities.

As at 30 September 2018, the Group's Common Equity Tier 1 CAR remained strong at 14.1%. The Group's leverage ratio of 7.4% was more than double the regulatory minimum requirement of 3%. The Group remains well capitalised against growing macro uncertainties ahead.

Net Interest Income

Net interest margin

	9M18			9M17		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	\$m	\$m	%	\$m	\$m	%
Interest bearing assets						
Customer loans	241,231	6,436	3.57	226,378	5,541	3.27
Interbank balances	68,989	1,113	2.16	57,315	706	1.65
Securities	27,239	554	2.72	25,853	444	2.30
Total	337,459	8,103	3.21	309,546	6,690	2.89
Interest bearing liabilities						
Customer deposits	283,973	2,914	1.37	262,761	2,226	1.13
Interbank balances/others	38,649	577	1.99	36,121	397	1.47
Total	322,622	3,491	1.45	298,882	2,623	1.17
Net interest margin ¹			1.83			1.76

	3Q18			3Q17			2Q18		
	Average balance	Interest	Average rate	Average balance	Interest	Average rate	Average balance	Interest	Average rate
	\$m	\$m	%	\$m	\$m	%	\$m	\$m	%
Interest bearing assets									
Customer loans	248,590	2,303	3.68	227,610	1,899	3.31	240,568	2,162	3.61
Interbank balances	72,704	421	2.30	62,158	276	1.76	69,710	381	2.19
Securities	28,418	195	2.73	23,086	146	2.50	27,463	186	2.71
Total	349,712	2,920	3.31	312,854	2,321	2.94	337,741	2,729	3.24
Interest bearing liabilities									
Customer deposits	294,404	1,107	1.49	265,940	778	1.16	283,545	980	1.39
Interbank balances/others	39,834	214	2.13	34,757	134	1.53	39,035	207	2.12
Total	334,238	1,321	1.57	300,697	912	1.20	322,580	1,186	1.48
Net interest margin ¹			1.81			1.79			1.83

Note:

¹ Net interest margin represents annualised net interest income as a percentage of total interest bearing assets.

Net Interest Income (cont'd)

Volume and rate analysis

	9M18 vs 9M17			3Q18 vs 3Q17			3Q18 vs 2Q18		
	Volume change	Rate change	Net change	Volume change	Rate change	Net change	Volume change	Rate change	Net change
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Interest income									
Customer loans	364	532	895	175	230	405	72	44	116
Interbank balances	144	263	407	47	98	145	16	19	36
Securities	24	86	110	34	16	50	6	1	8
Total	531	881	1,412	256	344	599	95	64	159
Interest expense									
Customer deposits	180	509	689	83	245	329	38	77	115
Interbank balances/others	28	152	179	20	60	80	4	0	5
Total	207	661	868	103	305	408	42	78	120
Change in number of days	-	-	-	-	-	-	-	-	17
Net interest income	324	221	544	153	38	191	53	(14)	57

Net interest income expanded 13% year on year to \$4.61 billion, lifted by higher net interest margin and healthy loan growth of 9%. Net interest margin improved seven basis points to 1.83%, mainly from an increase in net loan margin by six basis points due to the favourable interest rate environment.

Against the same quarter last year, net interest income rose 14% to \$1.60 billion, from healthy loan growth and a net interest margin uplift of two basis points to 1.81%.

Quarter on quarter, net interest income grew 4%. With the expectation of further interest rate increases, the Group built up deposits during the quarter to ensure that its funding position remains well placed to meet projected business growth. This resulted in a slight dip in net interest margin to 1.81% for the quarter.

Non-Interest Income

	9M18	9M17	+/(−)	3Q18	3Q17	+/(−)	2Q18	+/(−)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Net fee and commission income								
Credit card ¹	317	292	9	110	103	7	108	1
Fund management	201	173	16	65	62	5	68	(5)
Wealth management	429	405	6	133	143	(7)	132	1
Loan-related ²	424	338	26	135	122	10	148	(9)
Service charges	110	107	3	37	35	7	37	1
Trade-related ³	220	200	10	74	68	9	74	1
Others	49	62	(20)	15	18	(19)	15	(2)
	1,751	1,577	11	568	551	3	581	(2)
Less: Fee and commission expenses ⁴	(252)	(213)	(18)	(84)	(74)	(14)	(83)	(1)
	1,500	1,364	10	484	477	2	498	(3)
Other non-interest income								
Net trading income	565	589	(4)	174	164	7	215	(19)
Net gain from investment securities	24	115	(79)	11	57	(80)	1	>100
Dividend income	26	22	21	5	3	51	20	(74)
Rental income	90	90	0	30	29	1	30	(2)
Other income	84	85	(1)	23	26	(10)	36	(35)
	789	900	(12)	244	279	(13)	302	(19)
Total	2,289	2,264	1	728	756	(4)	800	(9)

Net fee and commission income rose 10% to \$1.50 billion due to broad-based growth across loan-related, fund management, credit card and wealth management fees. Other non-interest income declined 12% to \$789 million, mainly due to lower net gains from investment securities and trading income.

Compared with the same quarter last year, net fee and commission income increased 2% to \$484 million due to higher loan-related, credit card and trade-related fees. Other non-interest income was lower at \$244 million as 3Q17 recorded stronger gains from investment securities.

Quarter on quarter, net fee and commission income decreased 3% on the back of lower loan-related and fund management fees. Other non-interest income declined 19%, mainly due to lower gains from structural foreign exchange positions.

Notes:

- Credit card fees are net of interchange fees paid.
- Loan-related fees include fees earned from corporate finance activities.
- Trade-related fees include trade, remittance and guarantees related fees.
- Fee and commission expenses that were directly attributable to the fee and commission income. Certain comparative figures have been restated to conform with current period's presentation.

Operating Expenses

	9M18	9M17	+/(−)	3Q18	3Q17	+/(−)	2Q18	+/(−)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Staff costs	1,850	1,616	14	626	543	15	619	1
Other operating expenses								
Revenue-related ¹	439	430	2	147	146	0	149	(1)
Occupancy-related	238	246	(3)	77	82	(6)	81	(6)
IT-related	321	267	20	106	90	18	112	(6)
Others	171	152	12	55	38	44	61	(10)
	1,169	1,096	7	384	357	8	403	(5)
Total	3,019	2,712	11	1,011	900	12	1,022	(1)
Of which,								
Depreciation of assets	200	188	6	68	63	8	68	1
Manpower (number)	25,826	24,898	928	25,826	24,898	928	25,424	402

Total expenses increased 11% year on year to \$3.02 billion. This was mainly due to higher performance-related staff costs and IT-related expenses as the Group continued to invest in talent, technology and infrastructure to enhance productivity, product capabilities and customer experience. Cost-to-income ratio increased marginally to 43.8%.

Compared with the same quarter last year, total expenses increased 12% to \$1.01 billion, mainly from higher staff costs and IT-related expenses. The cost-to-income ratio for the quarter was 43.4%.

Quarter on quarter, total expenses declined 1% in line with lower operating income, resulting in a slight improvement in cost-to-income ratio to 43.4% for the quarter.

Note:

- ¹ Expenses directly attributable to the fee and commission income are presented net of fee and commission income. Certain comparative figures have been restated to conform with current period's presentation.

Allowances for Credit and Other Losses

	9M18	9M17	+ / (-)	3Q18	3Q17	+ / (-)	2Q18	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Allowances for non-impaired assets	25	(107)	>100	8	(26)	>100	27	(71)
Allowances for impaired loans ¹	230	663	(65)	94	214	(56)	64	47
Singapore	39	374	(90)	20	107	(82)	12	61
Malaysia	15	96	(84)	15	19	(24)	(1)	>100
Thailand	87	82	7	32	28	13	19	69
Indonesia	77	55	41	19	4	>100	27	(31)
Greater China ²	7	39	(81)	6	41	(85)	(0)	>100
Others	4	18	(77)	3	15	(81)	7	(61)
Allowances for impaired securities and others	9	31	(69)	(7)	33	(>100)	(1)	(>100)
Total	265	587	(55)	95	221	(57)	90	5

Total allowances decreased 55% to \$265 million from a year ago, attributed to the benign credit environment with lower residual risks from the oil and gas and shipping sectors and continued resilience in the broader portfolio. Credit costs on impaired loans for 9M18 eased to 12 basis points.

Compared with same quarter last year, total allowances more than halved to \$95 million, largely due to high allowances provided for impaired loans from the oil and gas and shipping sectors in 3Q17.

Quarter on quarter, total allowances increased by \$5 million to \$95 million, with credit costs on impaired loans rising to 15 basis points for the quarter.

Notes:

- 1 Allowances for impaired 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).
- 2 Comprise China, Hong Kong and Taiwan.

Customer Loans

	Sep-18	Jun-18	Dec-17	Sep-17
	\$m	\$m	\$m	\$m
Gross customer loans	255,122	249,739	236,028	234,115
Less: Allowances for non-impaired loans	1,586	1,581	1,961	2,595
Allowances for impaired loans	1,781	1,766	1,855	1,452
Net customer loans	251,755	246,392	232,212	230,068
By industry				
Transport, storage and communication	9,996	9,575	9,388	9,704
Building and construction	60,174	57,861	53,646	53,688
Manufacturing	21,507	21,809	18,615	18,949
Financial institutions, investment and holding companies	22,698	21,558	19,090	18,131
General commerce	32,365	31,470	30,664	30,317
Professionals and private individuals	28,934	28,851	28,182	27,812
Housing loans	67,631	66,983	65,569	63,918
Others	11,816	11,633	10,874	11,594
Total (gross)	255,122	249,739	236,028	234,115
By currency				
Singapore dollar	119,752	118,168	115,750	114,823
US dollar	50,377	49,367	44,507	45,409
Malaysian ringgit	24,929	25,100	24,000	23,296
Thai baht	15,161	14,487	14,006	13,385
Indonesian rupiah	5,014	5,044	4,853	5,162
Others	39,888	37,572	32,912	32,039
Total (gross)	255,122	249,739	236,028	234,115
By maturity				
Within 1 year	103,778	104,084	92,969	92,149
Over 1 year but within 3 years	45,505	43,553	42,828	41,627
Over 3 years but within 5 years	28,763	26,626	24,851	26,130
Over 5 years	77,075	75,476	75,379	74,209
Total (gross)	255,122	249,739	236,028	234,115
By geography ¹				
Singapore	133,018	130,503	127,602	127,241
Malaysia	28,980	29,009	26,948	26,220
Thailand	16,363	15,685	14,977	14,443
Indonesia	11,114	10,892	10,718	11,276
Greater China	38,882	38,190	32,301	31,588
Others	26,765	25,460	23,482	23,347
Total (gross)	255,122	249,739	236,028	234,115

As at 30 September 2018, gross loans rose 9% year on year and 2% quarter on quarter to \$255 billion, driven by broad-based increase across most territories and industries.

Singapore loans grew 5% from a year ago to \$133 billion as at 30 September 2018, while regional countries contributed a strong growth of 14% in the same period.

Note:

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).

Non-Performing Assets

	Sep-18	Jun-18	Dec-17	Sep-17
	\$m	\$m	\$m	\$m
Loans ("NPL")	4,185	4,208	4,211	3,748
Debt securities and others	189	196	178	171
Non-performing assets ("NPA")	4,374	4,404	4,389	3,919

By grading

Substandard	2,436	2,467	2,411	2,325
Doubtful	277	260	128	435
Loss	1,661	1,677	1,850	1,159
Total	4,374	4,404	4,389	3,919

By security

Secured by collateral type:

Properties	1,877	1,896	1,771	1,458
Shares and debentures	6	7	8	8
Fixed deposits	15	15	12	12
Others ¹	397	416	467	565
	2,295	2,334	2,258	2,043
Unsecured	2,079	2,070	2,131	1,876
Total	4,374	4,404	4,389	3,919

By ageing

Current	768	713	936	537
Within 90 days	475	400	600	661
Over 90 to 180 days	457	422	735	460
Over 180 days	2,674	2,869	2,118	2,261
Total	4,374	4,404	4,389	3,919

Total allowances

Non-impaired	1,991	1,998	1,976	2,610
Impaired	1,944	1,937	2,014	1,580
Total	3,935	3,935	3,990	4,190

	NPL \$m	NPL ratio %	NPL \$m	NPL ratio %	NPL \$m	NPL ratio %	NPL \$m	NPL ratio %
NPL by industry								
Transport, storage and communication	1,113	11.1	1,131	11.8	1,209	12.9	1,254	12.9
Building and construction	530	0.9	474	0.8	428	0.8	317	0.6
Manufacturing	617	2.9	589	2.7	638	3.4	434	2.3
Financial institutions, investment and holding companies	31	0.1	66	0.3	92	0.5	78	0.4
General commerce	583	1.8	586	1.9	485	1.6	587	1.9
Professionals and private individuals	294	1.0	296	1.0	295	1.0	283	1.0
Housing loans	683	1.0	736	1.1	677	1.0	622	1.0
Others	334	2.8	330	2.8	387	3.6	173	1.5
Total	4,185	1.6	4,208	1.7	4,211	1.8	3,748	1.6

Note:

1 Comprise mainly marine vessels.

Non-Performing Assets (cont'd)

NPL by geography ¹	NPL/NPA	NPL ratio	Allowances for impaired assets	Allowances for impaired assets as a % of NPL/NPA
	\$m	%	\$m	%
Singapore				
Sep-18	1,963	1.5	827	42
Jun-18	1,943	1.5	821	42
Dec-17	2,058	1.6	934	45
Sep-17	1,675	1.3	696	42
Malaysia				
Sep-18	629	2.2	208	33
Jun-18	623	2.1	202	32
Dec-17	585	2.2	220	38
Sep-17	563	2.1	153	27
Thailand				
Sep-18	416	2.5	143	34
Jun-18	482	3.1	159	33
Dec-17	439	2.9	157	36
Sep-17	386	2.7	145	38
Indonesia				
Sep-18	749	6.7	364	49
Jun-18	721	6.6	351	49
Dec-17	694	6.5	312	45
Sep-17	608	5.4	208	34
Greater China				
Sep-18	138	0.4	83	60
Jun-18	139	0.4	79	57
Dec-17	132	0.4	76	58
Sep-17	244	0.8	143	59
Others				
Sep-18	290	1.1	155	53
Jun-18	300	1.2	154	51
Dec-17	303	1.3	156	52
Sep-17	272	1.2	107	39
Group NPL				
Sep-18	4,185	1.6	1,781	43
Jun-18	4,208	1.7	1,766	42
Dec-17	4,211	1.8	1,855	44
Sep-17	3,748	1.6	1,452	39
Group NPA				
Sep-18	4,374		1,944	44
Jun-18	4,404		1,937	44
Dec-17	4,389		2,014	46
Sep-17	3,919		1,580	40
Total allowances				
Group	as a % of NPA	as a % of unsecured NPA		
	%	%	%	
Sep-18	90		189	
Jun-18	89		190	
Dec-17	91		187	
Sep-17	107		223	

The Group's NPA increased 12% as compared to a year ago mainly due to the accelerated recognition of residual vulnerable exposures in oil and gas and shipping sectors as NPA in the last quarter of 2017. As compared with the previous quarter, the Group's NPA decreased 1% point to \$4.37 billion.

NPL ratio was 1.6% as at 30 September 2018, 0.1% point lower than last quarter. The coverage for non-performing assets remained adequate at 90%, or 189% after taking collateral into account.

Note:

¹ NPL 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).

Customer Deposits

	Sep-18 \$m	Jun-18 \$m	Dec-17 \$m	Sep-17 \$m
By product				
Fixed deposits	155,775	148,755	139,257	140,590
Savings deposits	70,081	69,513	66,404	64,984
Current accounts	57,617	56,817	57,570	54,171
Others	10,161	12,430	9,534	8,552
Total	293,634	287,515	272,765	268,296
By maturity				
Within 1 year	287,601	282,021	268,233	263,435
Over 1 year but within 3 years	4,397	3,692	2,545	2,739
Over 3 years but within 5 years	852	1,094	1,174	1,038
Over 5 years	784	708	813	1,083
Total	293,634	287,515	272,765	268,296
By currency				
Singapore dollar	129,665	123,671	123,806	122,832
US dollar	76,299	75,874	67,739	68,251
Malaysian ringgit	28,452	28,649	26,475	26,199
Thai baht	17,369	16,383	15,317	15,024
Indonesian rupiah	5,117	5,151	5,119	5,311
Others	36,732	37,787	34,308	30,679
Total	293,634	287,515	272,765	268,296
Group Loan/Deposit ratio (%)	85.7	85.7	85.1	85.8
Singapore dollar Loan/Deposit ratio (%)	91.6	94.8	92.3	91.9
US dollar Loan/Deposit ratio (%)	64.5	63.5	63.9	65.3

Customer deposits grew in tandem with loan growth by 9% year on year and 2% quarter on quarter to \$294 billion as at 30 September 2018.

As at 30 September 2018, the Group's loan-to-deposit ratio and Singapore dollar loan-to-deposit ratio remained healthy at 85.7% and 91.6% respectively.

Debts Issued

	Sep-18 \$m	Jun-18 \$m	Dec-17 \$m	Sep-17 \$m
Unsecured				
Subordinated debts	5,021	4,833	4,827	5,529
Commercial papers	7,393	12,788	13,674	13,750
Fixed and floating rate notes	5,429	4,869	2,630	2,280
Others	1,617	1,602	1,801	1,829
Secured				
Covered bonds	4,446	3,664	2,247	2,268
Total	23,906	27,756	25,178	25,655
Due within 1 year	8,809	14,499	14,807	14,636
Due after 1 year	15,098	13,257	10,371	11,019
Total	23,906	27,756	25,178	25,655

Shareholders' Equity

	Sep-18	Jun-18	Dec-17	Sep-17
	\$m	\$m	\$m	\$m
Shareholders' equity	36,768	37,660	36,850	35,147
Add: Revaluation surplus	4,770	4,775	4,679	4,546
Shareholders' equity including revaluation surplus	41,538	42,434	41,529	39,693

Shareholders' equity increased 5% from a year ago to \$36.8 billion as at 30 September 2018 mainly from higher retained earnings. Compared with the last quarter, shareholders' equity decreased 2% mainly due to the redemption of the S\$850 million perpetual capital securities.

As at 30 September 2018, the revaluation surplus of \$4.77 billion relating to the Group's properties, was not recognised in the financial statements.

Changes in Issued Shares of the Bank

	Number of shares			
	9M18	9M17	3Q18	3Q17
	'000	'000	'000	'000
Ordinary shares				
Balance at beginning of period	1,671,534	1,646,966	1,680,541	1,669,416
Shares issued under scrip dividend scheme	9,007	24,568	-	2,118
Balance at end of period	1,680,541	1,671,534	1,680,541	1,671,534
Treasury shares				
Balance at beginning of period	(8,879)	(11,274)	(10,777)	(10,430)
Shares re-purchased - held in treasury	(6,061)	-	(2,330)	-
Shares issued under share-based compensation plans	1,854	1,975	21	1,131
Balance at end of period	(13,086)	(9,299)	(13,086)	(9,299)
Ordinary shares net of treasury shares	1,667,455	1,662,235	1,667,455	1,662,235

Performance by Business Segment

Business segment performance reporting is prepared based on the Group's internal organisation structure and the methodologies adopted in our management reporting framework. Our business segments' results include all applicable revenue, expenses, internal fund transfer price and cost allocations associated with the activities of the business. Transactions between business segments are operated on an arm's length basis in a manner similar to third party transactions and they are eliminated on consolidation.

Following the adoption of SFRS(I) 9 with effect from 1Q18, business segment results now include both allowances for impaired and non-impaired assets as compared to previous year where allowances for non-impaired assets were reported under Others segment.

The Banking Group is organised into three major business segments - Group Retail, Group Wholesale Banking and Global Markets. Others includes non-banking activities and corporate functions.

Group Retail ("GR")

GR segment covers personal and small enterprise customers.

Customers have access to a diverse range of products and services, including deposits, insurance, card, wealth management, investment, loan and trade financing products which are available across the Group's global branch network.

Compared to a year ago, profit before tax in 9M18 grew 2% to \$1.37 billion. Net interest income rose 5% to \$2.01 billion from higher loan and deposit volumes, partly offset by decline in loan margin. Non-interest income grew 3% to \$934 million supported by wealth management and credit card products. Expenses were higher by 8% mainly from investments in headcount and technology for franchise growth.

Against last quarter and the same quarter last year, profit before tax decreased marginally to \$443 million as higher net interest income was offset by increase in staff, technology and revenue-related expenses.

Group Wholesale Banking ("GWB")

GWB encompasses corporate and institutional client segments which include medium and large enterprises, local corporations, multi-national corporations, financial institutions, government-linked entities, financial sponsors and property funds.

GWB provides customers with a broad range of products and services, including financing, trade services, cash management, capital markets solutions and advisory and treasury products.

Operating profit in 9M18 increased 11% to \$2.25 billion as compared to a year ago. Total income rose 12% to \$2.93 billion, driven by stronger net interest income from volume growth and deposit margin improvement on the back of rising interest rates. Non-interest income improved by 8% from loan-related fees, trade and investment banking. Expenses were higher primarily from continued investments and headcount to support regional expansion. Profit before tax increased 48% to \$2.20 billion as credit costs eased in a benign credit environment.

Compared to the same quarter last year, operating profit grew 11% to \$766 million. Total income increased 13% to \$1 billion, led by higher net interest income from healthy volume growth. As compared to the previous quarter, operating profit and profit before tax remained relatively flat.

Global Markets ("GM")

GM provides a comprehensive suite of treasury products and services across multi-asset classes which includes foreign exchange, interest rate, credit, commodities, equities and structured investment products to help customers manage market risks and volatility. GM also engages in market making activities and management of funding and liquidity.

Income from products and services offered to customers of Group Retail and Group Wholesale Banking are reflected in the respective client segments.

Compared to a year ago, operating profit rose 8% to \$174 million in 9M18. Total income improved 8% to \$362 million on the back of favourable foreign exchange movements and higher trading income. Expenses were 7% higher primarily from staff and technology related expenses.

Operating profit grew 3% to \$29 million against the same quarter last year but declined 55% from the previous quarter, mainly from unfavourable foreign exchange movements and lower trading income while expenses were relatively flat.

Others

Others includes corporate support functions and decisions not attributable to business segments mentioned above and other activities, which comprises property, insurance and investment management.

Others registered a loss of \$3 million in 9M18 as compared to a net profit of \$132 million a year ago, mainly from higher operating expenses and allowances for non-impaired assets.

Against the same quarter last year, profit before tax was lower at \$35 million as income growth from central treasury activities was offset by gain from sale of equity investments a year ago. Compared to the previous quarter, profit before tax was higher, attributable to decrease in operating expenses.

Performance by Business Segment^{1,2} (cont'd)

Selected income statement items	GR \$m	GWB \$m	GM \$m	Others \$m	Total \$m
9M18					
Net interest income	2,009	2,089	94	420	4,612
Non-interest income	934	841	268	246	2,289
Operating income	2,943	2,930	362	666	6,901
Operating expenses	(1,414)	(683)	(188)	(734)	(3,019)
Allowances for credit and other losses	(162)	(74)	(12)	(17)	(265)
Share of profit of associates and joint ventures	-	23	-	83	106
Profit before tax	1,367	2,196	162	(3)	3,722
Tax					(620)
Profit for the financial period					3,102
Other information:					
Capital expenditure	46	26	16	270	358
Depreciation of assets	18	8	5	169	200
9M17					
Net interest income	1,908	1,842	176	141	4,067
Non-interest income	905	781	161	417	2,264
Operating income	2,813	2,623	337	558	6,331
Operating expenses	(1,310)	(595)	(176)	(631)	(2,712)
Allowances for credit and other losses	(160)	(546)	-	119	(587)
Share of profit of associates and joint ventures	-	2	-	86	88
Profit before tax	1,343	1,484	161	132	3,120
Tax					(574)
Profit for the financial period					2,546
Other information:					
Capital expenditure	33	19	7	195	253
Depreciation of assets	17	9	5	158	188

Notes:

- Operating income is presented net of fee and commission expense. Certain comparative figures have been restated to conform with current period's presentation.
- Comparative segment information for prior periods have been adjusted for changes in organisational structure and management reporting methodology.

Performance by Business Segment^{1,2} (cont'd)

Selected income statement items	GR \$m	GWB \$m	GM \$m	Others \$m	Total \$m
3Q18					
Net interest income	695	741	25	138	1,599
Non-interest income	304	262	66	96	728
Operating income	999	1,003	91	234	2,327
Operating expenses	(487)	(237)	(62)	(225)	(1,011)
Allowances for credit and other losses	(69)	(31)	0	4	(95)
Share of profit of associates and joint ventures	-	3	-	22	25
Profit before tax	443	738	30	35	1,246
Tax					(206)
Profit for the financial period					1,040
Other information:					
Capital expenditure	20	11	5	88	124
Depreciation of assets	6	3	2	57	68

2Q18					
Net interest income	676	715	21	130	1,542
Non-interest income	305	291	107	97	800
Operating income	980	1,006	129	227	2,342
Operating expenses	(474)	(234)	(64)	(250)	(1,022)
Allowances for credit and other losses	(49)	(48)	7	1	(90)
Share of profit of associates and joint ventures	-	19	-	33	52
Profit before tax	457	743	72	10	1,282
Tax					(202)
Profit for the financial period					1,080
Other information:					
Capital expenditure	17	11	7	116	151
Depreciation of assets	6	3	2	57	68

3Q17					
Net interest income	645	625	48	90	1,408
Non-interest income	317	266	40	133	756
Operating income	962	891	88	223	2,164
Operating expenses	(451)	(200)	(60)	(189)	(900)
Allowances for credit and other losses	(59)	(189)	-	28	(221)
Share of profit of associates and joint ventures	-	1	-	28	29
Profit before tax	452	503	28	90	1,073
Tax					(187)
Profit for the financial period					886
Other information:					
Capital expenditure	12	6	2	66	86
Depreciation of assets	6	3	2	53	63

Notes:

- Operating income is presented net of fee and commission expense. Certain comparative figures have been restated to conform with current period's presentation.
- Comparative segment information for prior periods have been adjusted for changes in organisational structure and management reporting methodology.

Performance by Business Segment^{1,2} (cont'd)

Selected balance sheet items	GR \$m	GWB \$m	GM \$m	Others \$m	Total \$m
At 30 September 2018					
Segment assets	106,706	175,067	63,812	31,653	377,238
Intangible assets	1,314	2,083	659	81	4,136
Investment in associates and joint ventures	-	163	-	1,100	1,264
Total assets	108,020	177,313	64,471	32,834	382,638
Segment liabilities	140,271	159,549	32,771	13,089	345,680
Other information:					
Gross customer loans	106,723	147,932	451	16	255,122
Non-performing assets	1,163	3,182	8	21	4,374
At 30 June 2018					
Segment assets	105,832	176,198	66,116	30,726	378,873
Intangible assets	1,315	2,084	659	81	4,138
Investment in associates and joint ventures	-	163	-	1,089	1,252
Total assets	107,147	178,445	66,775	31,895	384,263
Segment liabilities	138,456	154,421	42,951	10,586	346,413
Other information:					
Gross customer loans	105,875	143,238	605	21	249,739
Non-performing assets	1,215	3,160	8	21	4,404
At 30 September 2017					
Segment assets	101,595	159,209	57,842	30,176	348,822
Intangible assets	1,317	2,087	660	80	4,144
Investment in associates and joint ventures	-	102	-	1,075	1,177
Total assets	102,912	161,399	58,501	31,331	354,143
Segment liabilities	132,314	141,300	36,413	8,787	318,814
Other information:					
Gross customer loans	101,377	132,605	100	33	234,115
Non-performing assets	1,089	2,814	16	-	3,919

Notes:

- 1 Operating income is presented net of fee and commission expense. Certain comparative figures have been restated to conform with current period's presentation.
- 2 Comparative segment information for prior periods have been adjusted for changes in organisational structure and management reporting methodology.

Performance by Geographical Segment ¹

	9M18	9M17	3Q18	3Q17	2Q18
	\$m	\$m	\$m	\$m	\$m
Total operating income					
Singapore	3,911	3,637	1,315	1,247	1,342
Malaysia	789	723	261	243	258
Thailand	711	639	243	226	234
Indonesia	328	348	111	113	110
Greater China	659	555	217	188	231
Others	502	430	180	148	167
Total	6,901	6,331	2,327	2,164	2,342
Profit before tax					
Singapore	2,183	1,816	734	668	770
Malaysia	447	452	144	144	145
Thailand	216	160	79	63	60
Indonesia	56	32	5	(12)	11
Greater China	387	316	145	102	124
Others	432	343	140	107	172
Total	3,722	3,120	1,246	1,073	1,282

Total operating income for 9M18 rose 9% year on year to \$6.90 billion, led by broad-based growth across most of the geographical segments. Profit before tax also registered a strong growth of 19% to \$3.72 billion over the same period last year, on the back of strong performance and lower allowances in a benign credit environment.

Compared with the same quarter last year, profit before tax rose 16% to \$1.25 billion, led by strong overall operating income and lower allowances.

Quarter on quarter, total operating income remained largely the same at \$2.33 billion, while profit before tax decreased 3% to \$1.25 billion mainly from Singapore.

	Sep-18	Jun-18	Dec-17	Sep-17
	\$m	\$m	\$m	\$m
Total assets				
Singapore	222,510	225,965	217,979	215,424
Malaysia	40,362	40,110	35,373	35,398
Thailand	22,329	21,365	20,988	21,097
Indonesia	9,257	8,666	9,105	9,459
Greater China	55,230	55,229	46,298	44,377
Others	28,814	28,790	24,707	24,244
	378,502	380,125	354,450	349,999
Intangible assets	4,136	4,138	4,142	4,144
Total	382,638	384,263	358,592	354,143

Note:

¹ Based on the location where the transactions and assets are booked. Information is stated after elimination of inter-segment transactions.

Capital Adequacy and Leverage Ratios^{1,2,3}

	Sep-18	Jun-18	Dec-17	Sep-17
	\$m	\$m	\$m	\$m
Share capital	4,931	4,993	4,792	4,783
Disclosed reserves/others	29,541	29,530	28,922	28,114
Regulatory adjustments	(4,570)	(4,602)	(3,580)	(3,505)
Common Equity Tier 1 Capital ("CET1")	29,902	29,921	30,134	29,392
Perpetual capital securities/others	2,129	2,976	2,976	2,096
Regulatory adjustments	-	-	(890)	(872)
Additional Tier 1 Capital ("AT1")	2,129	2,976	2,086	1,224
Tier 1 Capital	32,030	32,897	32,220	30,616
Subordinated notes	4,144	4,150	4,150	4,908
Provisions/others	721	755	983	1,116
Regulatory adjustments	-	-	(5)	(4)
Tier 2 Capital	4,865	4,905	5,128	6,020
Eligible Total Capital	36,895	37,803	37,348	36,636
Risk-Weighted Assets ("RWA")	212,502	205,704	199,481	206,169
Capital Adequacy Ratios ("CAR")				
CET1	14.1%	14.5%	15.1%	14.3%
Tier 1	15.1%	16.0%	16.2%	14.8%
Total	17.4%	18.4%	18.7%	17.8%
Fully-loaded CET1 (fully phased-in per Basel III rules)	14.1%	14.5%	14.7%	13.8%
Leverage Exposure	430,329	428,845	400,803	396,451
Leverage Ratio	7.4%	7.7%	8.0%	7.7%

The Group's CET1, Tier 1 and Total CAR as at 30 September 2018 were well above the regulatory minimum requirements.

Year on year, total capital was higher mainly from retained earnings, partly offset by redemption of old-style Tier-2 subordinated notes and lower eligible provisions. RWA was higher largely due to asset growth.

Total capital was lower quarter on quarter, mainly due to the redemption of the S\$850 million perpetual capital securities. The higher RWA was mainly due to loan growth.

As at 30 September 2018, the Group's leverage ratio was 7.4%, more than double the regulatory minimum requirement of 3%.

Notes:

- 1 Singapore-incorporated banks are required to maintain minimum CAR as follows: CET1 at 6.5%, Tier 1 at 8% and Total at 10%. In addition, with the phased-in implementation of the capital conservation buffer (CCB) and the countercyclical capital buffer (CCyB) commencing 1 January 2016, the Group is required to maintain CET1 capital to meet CCB of 1.875% and CCyB (computed as the weighted average of effective CCyB in jurisdictions to which the Group has private sector exposures) of up to 1.875% for the year 2018. With effect from 1 January 2018, all regulatory adjustments are fully phased-in, i.e., CET1 CAR is reported on fully-loaded basis.
- 2 Leverage ratio is calculated in accordance with MAS Notice 637. A minimum ratio of 3% is required effective 1 January 2018.
- 3 Disclosures required under MAS Notice 637 are published on our website: www.UOBGroup.com/investor/financial/overview.html.

Consolidated Income Statement (Unaudited)

	9M18	9M17	+ / (-)	3Q18	3Q17	+ / (-)	2Q18	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Interest income ¹	8,103	6,690	21	2,920	2,321	26	2,729	7
Less: Interest expense	3,491	2,623	33	1,321	912	45	1,186	11
Net interest income	4,612	4,067	13	1,599	1,408	14	1,542	4
Net fee and commission income	1,500	1,364	10	484	477	2	498	(3)
Dividend income	26	22	21	5	3	51	20	(74)
Rental income	90	90	0	30	29	1	30	(2)
Net trading income	565	589	(4)	174	164	7	215	(19)
Net gain from investment securities	24	115	(79)	11	57	(80)	1	>100
Other income	84	85	(1)	23	26	(10)	36	(35)
Non-interest income	2,289	2,264	1	728	756	(4)	800	(9)
Total operating income	6,901	6,331	9	2,327	2,164	8	2,342	(1)
Less: Staff costs	1,850	1,616	14	626	543	15	619	1
Other operating expenses	1,169	1,096	7	384	357	8	403	(5)
Total operating expenses	3,019	2,712	11	1,011	900	12	1,022	(1)
Operating profit before allowance	3,881	3,619	7	1,317	1,265	4	1,320	(0)
Less: Allowances for credit and other losses	265	587	(55)	95	221	(57)	90	5
Operating profit after allowance	3,616	3,032	19	1,222	1,044	17	1,230	(1)
Share of profit of associates and joint ventures	106	88	20	25	29	(16)	52	(53)
Profit before tax	3,722	3,120	19	1,246	1,073	16	1,282	(3)
Less: Tax	620	574	8	206	187	10	202	2
Profit for the financial period	3,102	2,546	22	1,040	886	17	1,080	(4)
Attributable to:								
Equity holders of the Bank	3,092	2,535	22	1,037	883	17	1,077	(4)
Non-controlling interests	10	11	(11)	3	3	(6)	4	(20)
	3,102	2,546	22	1,040	886	17	1,080	(4)

1 Included interest income on financial assets at fair value through profit or loss of \$36 million, \$29 million and \$19 million for 3Q17, 2Q18 and 3Q18 respectively.

Consolidated Statement of Comprehensive Income (Unaudited)

	9M18	9M17	+ / (-)	3Q18	3Q17	+ / (-)	2Q18	+ / (-)
	\$m	\$m	%	\$m	\$m	%	\$m	%
Profit for the financial period	3,102	2,546	22	1,040	886	17	1,080	(4)
Other comprehensive income that will not be reclassified to income statement								
Net gains/(losses) on equity instruments at fair value through other comprehensive income	(217)	-	NM	(80)	-	NM	(244)	67
Fair value changes on financial liabilities designated at fair value due to the Bank's own credit risk	31	-	NM	(18)	-	NM	24	(>100)
Remeasurement of defined benefit obligation	6	(0)	>100	6	-	NM	0	>100
Related tax on above items	(3)	-	NM	12	-	NM	5	>100
	(183)	(0)	(>100)	(81)	-	NM	(215)	63
Other comprehensive income that will be reclassified to income statement								
Currency translation adjustments	(69)	(132)	48	(121)	(13)	(>100)	(84)	(44)
Debt instruments at fair value through other comprehensive income								
Change in fair value	(226)	-	NM	39	-	NM	(97)	>100
Transfer to income statement on disposal	26	-	NM	5	-	NM	4	28
Changes in allowance for expected credit losses	(4)	-	NM	(5)	-	NM	3	(>100)
Related tax	6	-	NM	(8)	-	NM	10	(>100)
Available-for-sale financial assets								
Change in fair value	-	682	NM	-	221	NM	-	-
Transfer to income statement on disposal/impairment	-	(63)	NM	-	(37)	NM	-	-
Related tax	-	(39)	NM	-	(13)	NM	-	-
	(267)	447	(>100)	(91)	158	(>100)	(164)	45
Change in shares of other comprehensive income of associates and joint ventures	(10)	(0)	(>100)	(3)	(3)	22	(0)	(>100)
Other comprehensive income for the financial period, net of tax	(460)	447	(>100)	(174)	154	(>100)	(380)	54
Total comprehensive income for the financial period, net of tax	2,641	2,993	(12)	866	1,040	(17)	700	24
Attributable to:								
Equity holders of the Bank	2,632	2,974	(12)	863	1,036	(17)	697	24
Non-controlling interests	9	18	(51)	3	4	(37)	4	(23)
	2,641	2,993	(12)	866	1,040	(17)	700	24

Consolidated Balance Sheet (Unaudited)

	Sep-18 \$m	Jun-18 \$m	Dec-17 ¹ \$m	Sep-17 \$m
Equity				
Share capital and other capital	7,057	7,967	7,766	6,878
Retained earnings	20,863	20,681	19,707	18,879
Other reserves	8,848	9,011	9,377	9,390
Equity attributable to equity holders of the Bank	36,768	37,660	36,850	35,147
Non-controlling interests	190	190	187	182
Total	36,959	37,850	37,037	35,329
Liabilities				
Deposits and balances of banks	14,811	17,161	11,440	13,024
Deposits and balances of customers	293,634	287,515	272,765	268,296
Bills and drafts payable	769	873	702	836
Other liabilities	12,559	13,108	11,469	11,003
Debts issued	23,906	27,756	25,178	25,655
Total	345,680	346,413	321,556	318,814
Total equity and liabilities	382,638	384,263	358,592	354,143
Assets				
Cash, balances and placements with central banks	24,375	29,450	26,625	30,809
Singapore Government treasury bills and securities	5,761	5,864	4,267	3,956
Other government treasury bills and securities	12,393	11,066	11,709	10,205
Trading securities	2,075	2,174	1,766	1,593
Placements and balances with banks	54,954	57,929	52,181	46,973
Loans to customers	251,755	246,392	232,212	230,068
Investment securities	12,467	11,784	11,273	12,143
Other assets	10,258	11,053	10,164	10,043
Investment in associates and joint ventures	1,264	1,252	1,194	1,177
Investment properties	1,038	1,046	1,088	1,079
Fixed assets	2,161	2,114	1,971	1,954
Intangible assets	4,136	4,138	4,142	4,144
Total	382,638	384,263	358,592	354,143
Off-balance sheet items				
Contingent liabilities	31,524	30,998	26,415	25,774
Financial derivatives	987,792	1,001,268	961,880	982,707
Commitments	146,065	140,924	136,664	135,341
Net asset value per ordinary share (\$)	20.78	20.77	20.37	19.88

Note:

¹ Audited.

Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to equity holders of the Bank					
	Share capital and other capital	Retained earnings	Other reserves	Total	Non- controlling interests	Total equity
	\$m	\$m	\$m	\$m	\$m	\$m
Balance at 1 January 2018	7,766	19,707	9,377	36,850	187	37,037
Impact of adopting SFRS(I) 9	-	62	(59)	3	(1)	2
Restated opening balance under SFRS(I) 9	7,766	19,769	9,318	36,853	185	37,039
Profit for the financial period	-	3,092	-	3,092	10	3,102
Other comprehensive income for the financial period	-	6	(466)	(460)	(1)	(460)
Total comprehensive income for the financial period	-	3,098	(466)	2,632	9	2,641
Transfers	-	(6)	6	-	-	-
Change in non-controlling interests	-	-	-	-	4	4
Dividends	-	(1,998)	-	(1,998)	(8)	(2,007)
Shares re-purchased - held in treasury	(167)	-	-	(167)	-	(167)
Shares issued under scrip dividend scheme	267	-	-	267	-	267
Share-based compensation	-	-	31	31	-	31
Shares issued under share-based compensation plans	39	-	(39)	-	-	-
Redemption of perpetual capital securities	(847)	-	(3)	(850)	-	(850)
Balance at 30 September 2018	7,057	20,863	8,848	36,768	190	36,959
Balance at 1 January 2017	6,351	17,334	9,189	32,873	169	33,042
Profit for the financial period	-	2,535	-	2,535	11	2,546
Other comprehensive income for the financial period	-	(0)	439	439	8	447
Total comprehensive income for the financial period	-	2,535	439	2,974	18	2,993
Transfers	-	232	(232)	-	-	-
Change in non-controlling interests	-	-	-	-	1	1
Dividends	-	(1,222)	-	(1,222)	(5)	(1,227)
Shares issued under scrip dividend scheme	488	-	-	488	-	488
Share-based compensation	-	-	33	33	-	33
Shares issued under share-based compensation plans	39	-	(39)	-	-	-
Balance at 30 September 2017	6,878	18,879	9,390	35,147	182	35,329

Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to equity holders of the Bank					Total equity
	Share capital and other capital	Retained earnings	Other reserves	Total	Non-controlling interests	
	\$m	\$m	\$m	\$m	\$m	
Balance at 1 July 2018	7,967	20,681	9,011	37,660	190	37,850
Profit for the financial period	-	1,037	-	1,037	3	1,040
Other comprehensive income for the financial period	-	6	(180)	(174)	(0)	(174)
Total comprehensive income for the financial period	-	1,043	(180)	863	3	866
Transfers	-	(7)	7	-	-	-
Dividends	-	(855)	-	(855)	(2)	(857)
Shares re-purchased - held in treasury	(63)	-	-	(63)	-	(63)
Share-based compensation	-	-	13	13	-	13
Shares issued under share-based compensation plans	0	-	(0)	-	-	-
Redemption of perpetual capital securities	(847)	-	(3)	(850)	-	(850)
Balance at 30 September 2018	7,057	20,863	8,848	36,768	190	36,959
Balance at 1 July 2017	6,805	18,367	9,480	34,652	178	34,830
Profit for the financial period	-	883	-	883	3	886
Other comprehensive income for the financial period	-	-	153	153	1	154
Total comprehensive income for the financial period	-	883	153	1,036	4	1,040
Transfers	-	230	(230)	-	-	-
Change in non-controlling interests	-	-	-	-	1	1
Dividends	-	(601)	-	(601)	(1)	(602)
Shares issued under scrip dividend scheme	51	-	-	51	-	51
Share-based compensation	-	-	9	9	-	9
Shares issued under share-based compensation plans	22	-	(22)	-	-	-
Balance at 30 September 2017	6,878	18,879	9,390	35,147	182	35,329

Consolidated Cash Flow Statement (Unaudited)

	9M18	9M17	3Q18	3Q17
	\$m	\$m	\$m	\$m
Cash flows from operating activities				
Profit for the financial period	3,102	2,546	1,040	886
Adjustments for:				
Allowances for credit and other losses	265	587	95	221
Share of profit of associates and joint ventures	(106)	(88)	(25)	(29)
Tax	620	574	206	187
Depreciation of assets	200	188	68	63
Net loss/(gain) on disposal of assets	11	(175)	4	(67)
Share-based compensation	31	33	13	10
Operating profit before working capital changes	4,123	3,665	1,401	1,271
Change in working capital:				
Deposits and balances of banks	3,419	1,168	(2,286)	1,363
Deposits and balances of customers	21,004	12,982	6,827	8,376
Bills and drafts payable	61	314	(105)	40
Other liabilities	822	(2,139)	(351)	403
Restricted balances with central banks	151	(66)	22	(86)
Government treasury bills and securities	(2,212)	3,344	(1,281)	(339)
Trading securities	(308)	1,595	88	161
Placements and balances with banks	(2,751)	(6,940)	2,850	1,059
Loans to customers	(19,606)	(8,890)	(6,093)	(6,464)
Investment securities	(1,689)	232	(845)	(462)
Other assets	(212)	3,289	734	(134)
Cash generated from operations	2,802	8,554	961	5,189
Income tax paid	(617)	(559)	(300)	(234)
Net cash provided by operating activities	2,185	7,996	662	4,955
Cash flows from investing activities				
Capital injection into associates and joint ventures	(32)	(27)	(13)	(12)
Acquisition of associates and joint ventures	-	(0)	-	-
Distribution from associates and joint ventures	48	27	16	8
Acquisition of properties and other fixed assets	(358)	(253)	(124)	(86)
Proceeds from disposal of properties and other fixed assets	21	12	8	2
Change in non-controlling interests	4	-	-	-
Net cash used in investing activities	(318)	(241)	(112)	(89)
Cash flows from financing activities				
Redemption of perpetual capital securities	(850)	-	(850)	-
Issuance of debts issued	27,217	34,812	3,351	11,881
Redemption of debts issued	(28,428)	(34,983)	(7,182)	(12,771)
Shares re-purchased - held in treasury	(167)	-	(63)	-
Change in non-controlling interests	-	1	-	1
Dividends paid on ordinary shares	(1,647)	(665)	(834)	(530)
Distribution for perpetual capital securities	(85)	(68)	(21)	(21)
Dividends paid to non-controlling interests	(8)	(5)	(2)	(1)
Net cash used in financing activities	(3,968)	(909)	(5,600)	(1,441)
Currency translation adjustments	19	(424)	46	(89)
Net increase in cash and cash equivalents	(2,082)	6,421	(5,004)	3,336
Cash and cash equivalents at beginning of the financial period	20,975	18,401	23,898	21,486
Cash and cash equivalents at end of the financial period	18,893	24,822	18,893	24,822

Balance Sheet of the Bank (Unaudited)

	Sep-18 \$m	Jun-18 \$m	Dec-17 ¹ \$m	Sep-17 \$m
Equity				
Share capital and other capital	7,057	7,967	7,766	6,878
Retained earnings	15,457	15,489	14,701	13,954
Other reserves	9,631	9,685	10,045	10,094
Total	32,144	33,140	32,512	30,927
Liabilities				
Deposits and balances of banks	13,743	16,107	10,870	11,879
Deposits and balances of customers	230,858	224,804	215,212	209,834
Deposits and balances of subsidiaries	9,307	11,159	6,505	8,733
Bills and drafts payable	476	564	492	597
Other liabilities	8,346	8,952	7,434	7,247
Debts issued	22,207	26,248	23,890	24,391
Total	284,937	287,834	264,404	262,681
Total equity and liabilities	317,082	320,974	296,916	293,608
Assets				
Cash, balances and placements with central banks	20,088	24,445	19,960	23,362
Singapore Government treasury bills and securities	5,761	5,864	4,267	3,956
Other government treasury bills and securities	5,709	5,105	6,236	4,085
Trading securities	1,938	1,951	1,502	1,375
Placements and balances with banks	41,631	45,767	42,772	37,872
Loans to customers	196,687	191,934	180,521	179,250
Placements with and advances to subsidiaries	15,457	15,652	12,485	13,461
Investment securities	10,969	10,575	10,495	11,405
Other assets	6,686	7,575	6,878	7,006
Investment in associates and joint ventures	353	345	338	343
Investment in subsidiaries	5,912	5,912	5,744	5,793
Investment properties	1,098	1,102	1,119	1,120
Fixed assets	1,611	1,565	1,417	1,398
Intangible assets	3,182	3,182	3,182	3,182
Total	317,082	320,974	296,916	293,608
Off-balance sheet items				
Contingent liabilities	20,775	20,467	17,500	17,034
Financial derivatives	799,820	826,681	788,002	820,724
Commitments	120,124	115,270	114,167	112,179
Net asset value per ordinary share (\$)	18.00	18.07	17.77	17.35

Note:

¹ Audited.

Statement of Changes in Equity of the Bank (Unaudited)

	Share capital and other capital	Retained earnings	Other reserves	Total equity
	\$m	\$m	\$m	\$m
Balance at 1 January 2018	7,766	14,701	10,045	32,512
Impact of adopting SFRS(I) 9	-	93	(34)	59
Restated opening balance under SFRS(I) 9	7,766	14,794	10,011	32,571
Profit for the financial period	-	2,667	-	2,667
Other comprehensive income for the financial period	-	0	(376)	(376)
Total comprehensive income for the financial period	-	2,667	(376)	2,291
Transfers	-	(6)	6	-
Dividends	-	(1,998)	-	(1,998)
Share buyback - held in treasury	(167)	-	-	(167)
Shares issued under scrip dividend scheme	267	-	-	267
Share-based compensation	-	-	31	31
Shares issued under share-based compensation plans	39	-	(39)	-
Redemption of perpetual capital securities	(847)	-	(3)	(850)
Balance at 30 September 2018	7,057	15,457	9,631	32,144
Balance at 1 January 2017	6,351	13,031	9,625	29,007
Profit for the financial period	-	2,143	-	2,143
Other comprehensive income for the financial period	-	(0)	477	477
Total comprehensive income for the financial period	-	2,143	477	2,620
Transfers	-	2	(2)	-
Dividends	-	(1,222)	-	(1,222)
Shares issued under scrip dividend scheme	488	-	-	488
Share-based compensation	-	-	33	33
Shares issued under share-based compensation plans	39	-	(39)	-
Balance at 30 September 2017	6,878	13,954	10,094	30,927

Statement of Changes in Equity of the Bank (Unaudited)

	Share capital and other capital	Retained earnings	Other reserves	Total equity
	\$m	\$m	\$m	\$m
Balance at 1 July 2018	7,967	15,489	9,685	33,140
Profit for the financial period	-	830	-	830
Other comprehensive income for the financial period	-	(0)	(71)	(71)
Total comprehensive income for the financial period	-	830	(71)	759
Transfers	-	(7)	7	-
Dividends	-	(855)	-	(855)
Share buyback - held in treasury	(63)	-	-	(63)
Share-based compensation	-	-	13	13
Shares issued under share-based compensation plans	0	-	(0)	-
Redemption of perpetual capital securities	(847)	-	(3)	(850)
Balance at 30 September 2018	7,057	15,457	9,631	32,144
Balance at 1 July 2017	6,805	13,849	9,970	30,624
Profit for the financial period	-	707	-	707
Other comprehensive income for the financial period	-	-	137	137
Total comprehensive income for the financial period	-	707	137	844
Dividends	-	(601)	-	(601)
Share-based compensation	-	-	9	9
Shares issued under scrip dividend scheme	51	-	-	51
Shares issued under share-based compensation plans	22	-	(22)	-
Balance at 30 September 2017	6,878	13,954	10,094	30,927

Capital Adequacy Ratios of Significant Banking Subsidiaries

The CAR information of the Group's significant banking subsidiaries is prepared based on the capital adequacy framework of the countries in which they operate.

	Total Risk- Weighted Assets	Sep-18		
		Capital Adequacy Ratios		
		CET1	Tier 1	Total
	\$m	%	%	%
United Overseas Bank (Malaysia) Bhd	18,955	14.8	14.8	18.1
United Overseas Bank (Thai) Public Company Limited	13,267	16.7	16.7	19.1
PT Bank UOB Indonesia	7,543	13.6	13.6	15.9
United Overseas Bank (China) Limited	10,172	13.3	13.3	14.3

REGISTERED OFFICE OF THE ISSUER

SG Issuer
33, Boulevard Prince Henri
L-1724 Luxembourg
Luxembourg

REGISTERED OFFICE OF THE GUARANTOR

Société Générale
29, boulevard Haussmann
75009 Paris
France

ISSUER'S AUDITORS

Ernst & Young Société Anonyme
35E, avenue John F. Kennedy
L-1855 Luxembourg
Luxembourg

**Ernst & Young et
Autres**
Tour First
TSA 14444
92037 Paris-La
Défense Cedex
France

GUARANTOR'S AUDITORS

Deloitte et Associés
185, avenue Charles-de-
Gaulle 92524 Neuilly-
sur-Seine cedex France

WARRANT AGENT

THE CENTRAL DEPOSITORY (PTE) LIMITED

11 North Buona Vista Drive
#06-07 The Metropolis Tower 2
Singapore 138589

LEGAL ADVISERS TO THE ISSUER

(as to Singapore law)

ALLEN & GLEDHILL LLP
One Marina Boulevard #28-00
Singapore 018989