

## **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).

**4,000,000 European Style Cash Settled Short Certificates**  
**relating to the ordinary shares of Oversea-Chinese Banking Corporation Limited**  
**with a Daily Leverage of -5x**

**issued by**

**SG Issuer**

**(Incorporated in Luxembourg with limited liability)**

**unconditionally and irrevocably guaranteed by**

**Société Générale**

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**Issue Price: S\$0.60 per Certificate**

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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 products<sup>1</sup> and Specified Investment Products (SIPs)<sup>2</sup>, 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

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

<sup>2</sup> 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 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:	4,000,000 European Style Cash Settled Short Certificates relating to the ordinary shares of Oversea-Chinese Banking Corporation Limited (the “ <b>Underlying Stock</b> ”)
Company:	Oversea-Chinese Banking Corporation Limited (RIC: OCBC.SI)
Underlying Price <sup>3</sup> and Source:	S\$11.32 (Reuters)
Calculation Agent:	Société Générale
Strike Level:	Zero
Daily Leverage:	-5x (within the Leverage Inverse Strategy as described below)
Notional Amount per Certificate:	SGD 0.60
Management Fee (p.a.) <sup>4</sup> :	0.40%
Gap Premium (p.a.) <sup>5</sup> :	4.60%, is a hedging cost against extreme market movements overnight.
Stock Borrowing Cost <sup>6</sup> :	The annualised costs for borrowing stocks in order to take an inverse exposure on the Underlying Stock.
Rebalancing Cost <sup>6</sup> :	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

<sup>3</sup> 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.

<sup>4</sup> 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.

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

<sup>6</sup> 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:	In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:  Closing Level multiplied by the Notional Amount per Certificate  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.
Hedging Fee Factor:	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:  “ $t$ ” refers to “ <b>Observation Date</b> ” which means each Exchange Business Day from (and including) the Exchange Business Day immediately preceding the Expected Listing Date to the Valuation



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 (“ <b>SGD</b> ”)
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 (“ <b>SGX-ST</b> ”)
Relevant Stock Exchange for the Underlying Stock:	The SGX-ST
Business Day and Exchange Business Day:	A “ <b>Business Day</b> ” or an “ <b>Exchange Business Day</b> ” 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 (“ <b>CDP</b> ”)
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 <a href="http://dlc.socgen.com">dlc.socgen.com</a> 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<sub>t</sub>** 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<sub>t-1,t</sub>** 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<sub>t-1,t</sub>** 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<sub>t-1,t</sub>** 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<sub>t-1,t</sub>** 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<sub>t</sub>** 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<sub>t</sub>** 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<sub>t</sub>** 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<sub>t</sub>* 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<sub>IRD</sub>) should be computed as follows :

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

(2) If the last Intraday Restrike Event Observation Period on the relevant Intraday Restrike Date ends on the TimeReferenceClosing:

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

<b>ILSL<sub>IR(k)</sub></b>	<p>means, in respect of IR(k), the Intraday Leverage Inverse Strategy Level in accordance with the following provisions :</p> <p>(1) for k = 1 :</p> $ILSL_{IR(1)} = \text{Max}[LSL_{IRD-1} \times (1 + ILR_{IR(0),IR(1)} - FC_{IRD-1,IRD} - SB_{IRD-1,IRD} - IRC_{IR(0),IR(1)}), 0]$ <p>(2) for k &gt; 1 :</p> $ILSL_{IR(k)} = \text{Max}[ILSL_{IR(k-1)} \times (1 + ILR_{IR(k-1),IR(k)} - IRC_{IR(k-1),IR(k)}), 0]$
<b>ILR<sub>IR(k-1),IR(k)</sub></b>	<p>means the Intraday Leveraged Return between IR(k-1) and IR(k), calculated as follows :</p> $ILR_{IR(k-1),IR(k)} = \text{Leverage} \times \left( \frac{IS_{IR(k)}}{IS_{IR(k-1)}} - 1 \right)$
<b>IRC<sub>IR(k-1),IR(k)</sub></b>	<p>means the Intraday Rebalancing Cost of the Leverage Inverse Strategy in respect of IR(k) on a given Intraday Restrike Date, calculated as follows :</p> $IRC_{IR(k-1),IR(k)} = \text{Leverage} \times (\text{Leverage} - 1) \times \left( \left  \frac{IS_{IR(k)}}{IS_{IR(k-1)} \times Rfactor_t} - 1 \right  \right) \times TC$
<b>IS<sub>IR(k)</sub></b>	<p>means the Underlying Stock Price in respect of IR(k) computed as follows :</p> <p>(1) for k=0</p> $iS_{IR(0)} = S_{IRD-1} \times Rfactor_{IRD}$ <p>(2) for k=1 to n</p> <p>means in respect of IR(k), the lowest price of the Underlying Stock during the respective Intraday Restrike Observation Period</p> <p>(3) with respect to IR(C)</p> $iS_{IR(C)} = S_{IRD}$ <p>In each case, subject to the adjustments and provisions of the Conditions.</p>
<b>IR(k)</b>	<p>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;</p> <p>For k=1 to n, means the k<sup>th</sup> Intraday Restrike Event on the relevant Intraday Restrike Date.</p>
<b>IR(C)</b>	<p>means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the relevant Intraday Restrike Date.</p>
<b>n</b>	<p>means the number of Intraday Restrike Events that occurred on the relevant Intraday Restrike Date.</p>
<b>Intraday Restrike Event</b>	<p>means in respect of an Observation Date(t) :</p> <p>(1) provided no Intraday Restrike Event has previously occurred on such</p>

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:	Oversea-Chinese Banking Corporation Limited
The Certificates:	European Style Cash Settled Short Certificates relating to the Underlying Stock
Number:	4,000,000 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 " <b>Master Instrument</b> ") and executed by the Issuer and the Guarantor and a master warrant agent agreement dated 29 May 2017 (the " <b>Master Warrant Agent Agreement</b> ") 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	=	<b>Daily Management Fee Adjustment</b>
		$1 - \text{Management Fee} \times \text{ACT} (t-1;t) / 360$
		x
		<b>Daily Gap Premium Adjustment</b>
		$1 - \text{Gap Premium} (t-1) \times \text{ACT} (t-1;t) / 360$

### Illustration of the Calculation of Cash Settlement Amount

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

Value of Certificates	=	t'=0	x	t=1	x	t=2	x ...	t=i			
		Notional Amount		Leverage Inverse Strategy daily performance <sup>8</sup>		x		Daily Fees	Leverage Inverse Strategy daily performance	x	Daily Fees

Value of Certificates	=	t=0	x	<b>Product of the daily Leverage Inverse Strategy Performance</b>	x	<b>Product of the Daily Fees (Hedging Fee Factor)</b>					
		Notional Amount		Leverage Inverse Strategy daily performance		x	Leverage Inverse Strategy daily performance	x	Daily Fees	x	Daily Fees

Final Value of Certificates	=	t=0	x	Final Reference Level x Final Exchange Rate	÷	Initial Reference Level x Initial Exchange Rate	x	Hedging Fee Factor
		Notional Amount						

### 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.

<sup>7</sup> "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.

<sup>8</sup> 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 Oversea-Chinese Banking Corporation Limited
Expected Listing Date:	<b>03/07/2018</b>
Expiry Date:	<b>18/07/2018</b>
Initial Reference Level:	<b>1,000</b>
Initial Exchange Rate:	<b>1</b>
Final Reference Level:	<b>1,200</b>
Final Exchange Rate:	<b>1</b>
Issue Price:	<b>0.6 SGD</b>
Notional Amount per Certificate:	<b>0.6 SGD</b>
Management Fee (p.a.):	<b>0.40%</b>
Gap Premium (p.a.):	<b>4.60%</b>
Strike Level:	Zero

### Hedging Fee Factor

Hedging Fee Factor on the  $n^{\text{th}}$  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 2<sup>nd</sup> Exchange Business Day falls 3 Calendar Days after 1<sup>st</sup> 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:

Closing Level = [(Final Reference Level x Final Exchange Rate) / (Initial Reference Level x Initial Exchange Rate) – Strike Level] x Hedging Fee Factor

$$= [(1200 \times 1) / (1000 \times 1) - 0] \times 99.7919\%$$

$$= 119.75\%$$

Cash Settlement Amount = Closing Level x Notional Amount per Certificate

$$= 119.75\% \times 0.60 \text{ SGD}$$

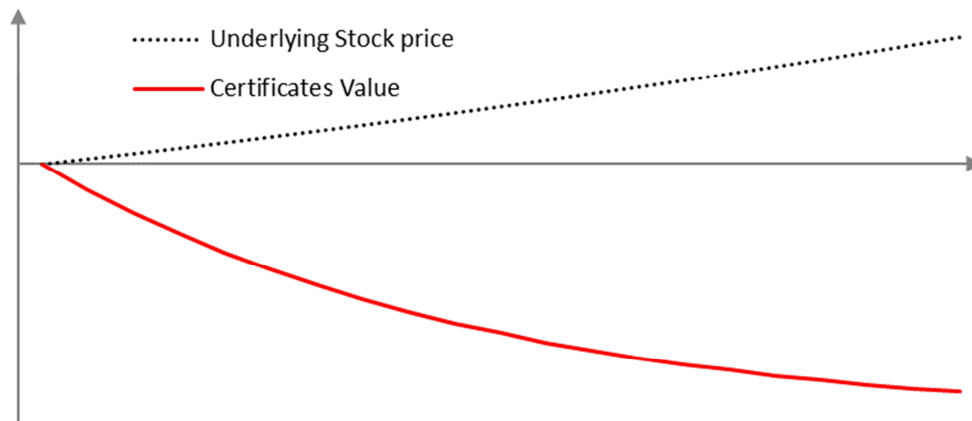
$$= \mathbf{0.719 \text{ SGD}}$$

## Illustration on how returns and losses can occur under different scenarios

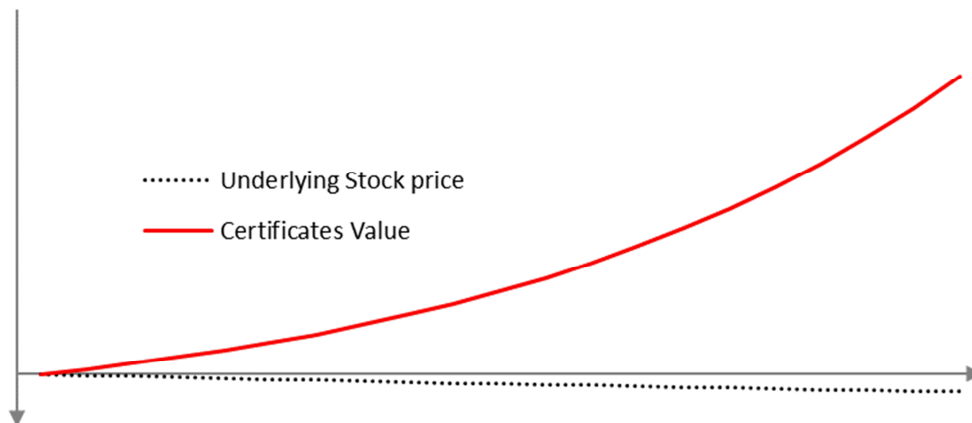
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends,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

### 1. Illustrative examples

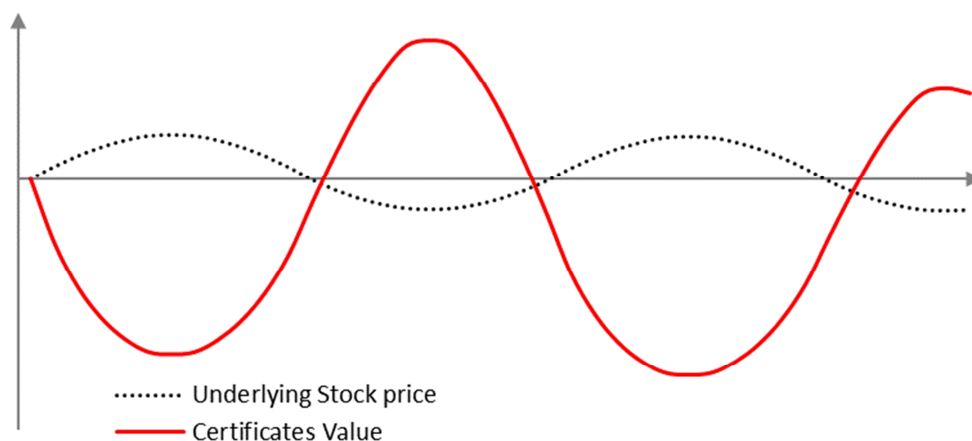
#### Scenario 1 – Upward Trend



#### Scenario 2 – Downward Trend



#### Scenario 3 – Volatile Market



## 2. Numerical Examples

### Scenario 1 – Upward Trend

<b>Underlying Stock</b>						
	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%

<b>Value of the Certificates</b>						
	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	0.6	0.54	0.49	0.44	0.39	0.35
Accumulated Return		-10.00%	-19.00%	-27.10%	-34.39%	-40.95%

### Scenario 2 – Downward Trend

<b>Underlying Stock</b>						
	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%

<b>Value of the Certificates</b>						
	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	0.6	0.66	0.73	0.80	0.88	0.97
Accumulated Return		10.00%	21.00%	33.10%	46.41%	61.05%

### Scenario 3 – Volatile Market

<b>Underlying Stock</b>						
	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%

<b>Value of the Certificates</b>						
	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	0.6	0.54	0.59	0.53	0.59	0.53
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

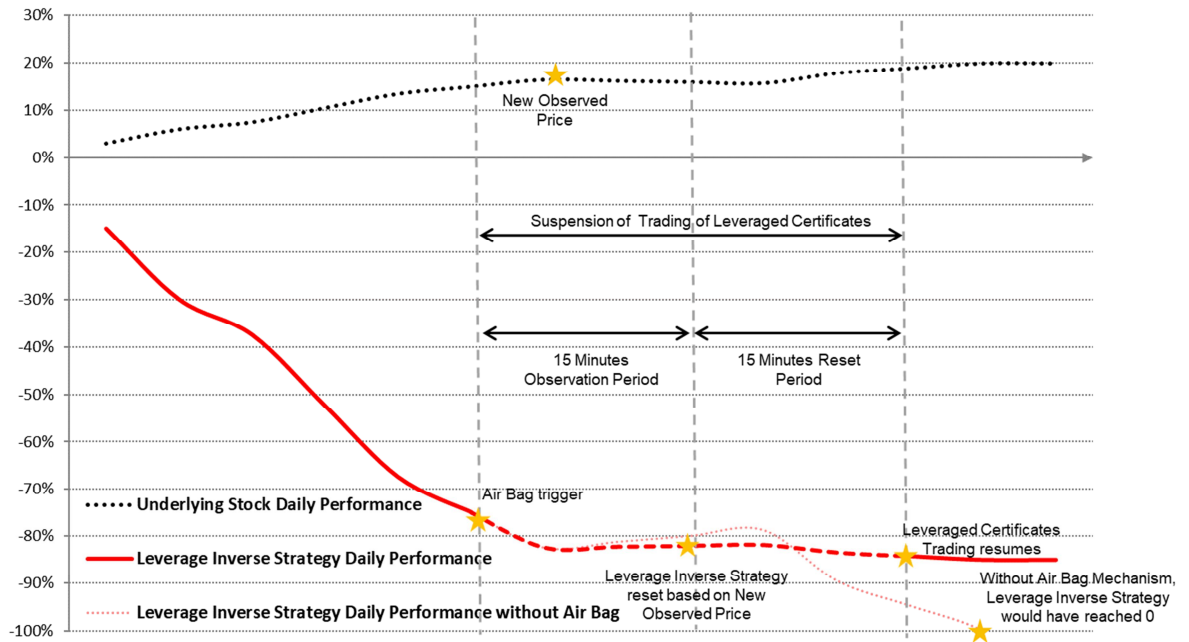
Air Bag Trigger	Observation Period	Resumption of Trading
More than 45 minutes before Market Close	First 15 minutes after Air Bag Trigger	Trading resumes the same day between 30 and 45 minutes after Air Bag Trigger
45 minutes before Market Close		Next trading day at Market Open
30 to 45 minutes before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

With **Market Close** defined as:

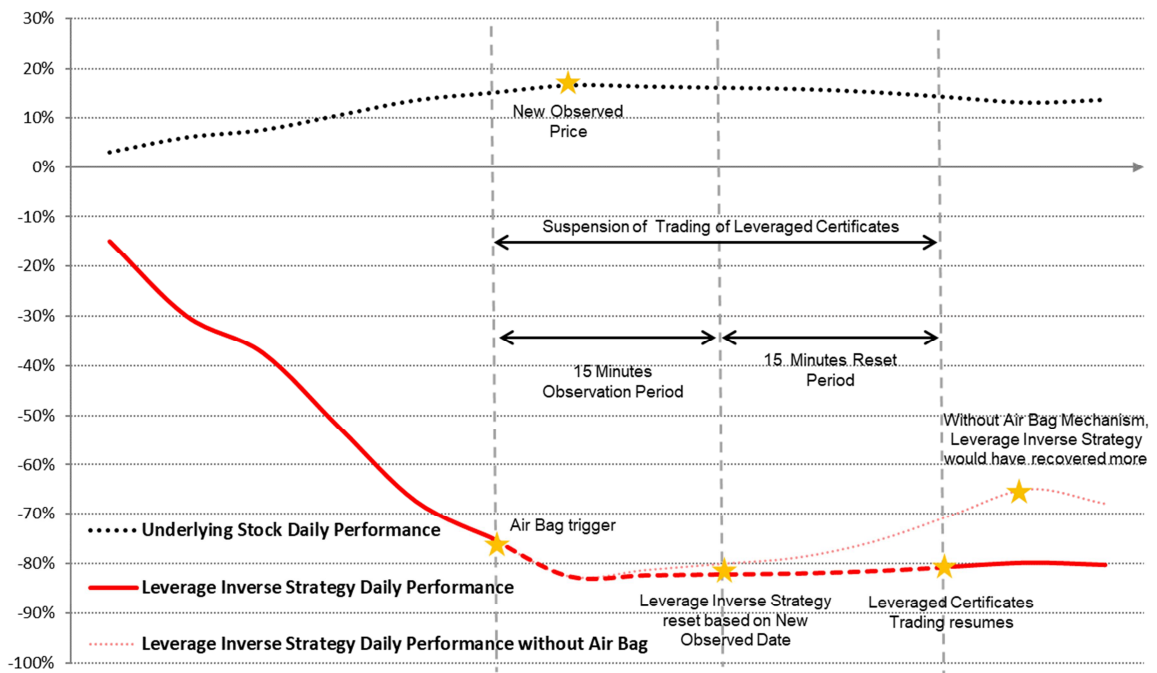
- Underlying Stock closing time with respect to the Observation Period
- The sooner between Underlying Stock closing time and SGX closing time with respect to the Resumption of Trading

Illustrative examples of the Air Bag Mechanism

Scenario 1 – Upward Trend after Air Bag trigger



Scenario 2 – Downward Trend after Air Bag trigger



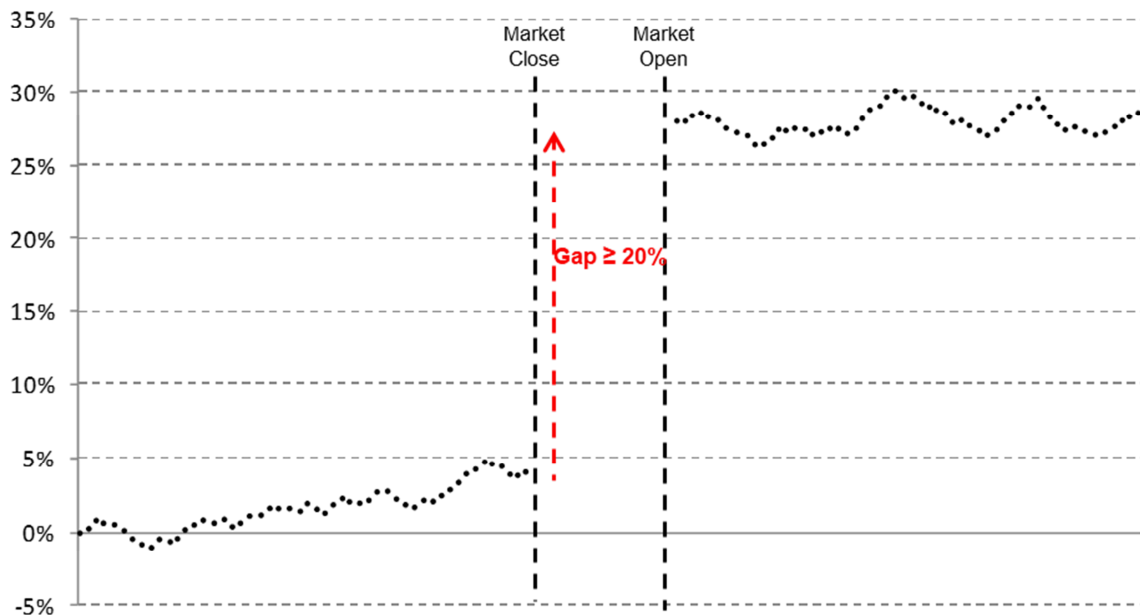
### Scenarios where the investor may lose the entire value of the investment

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

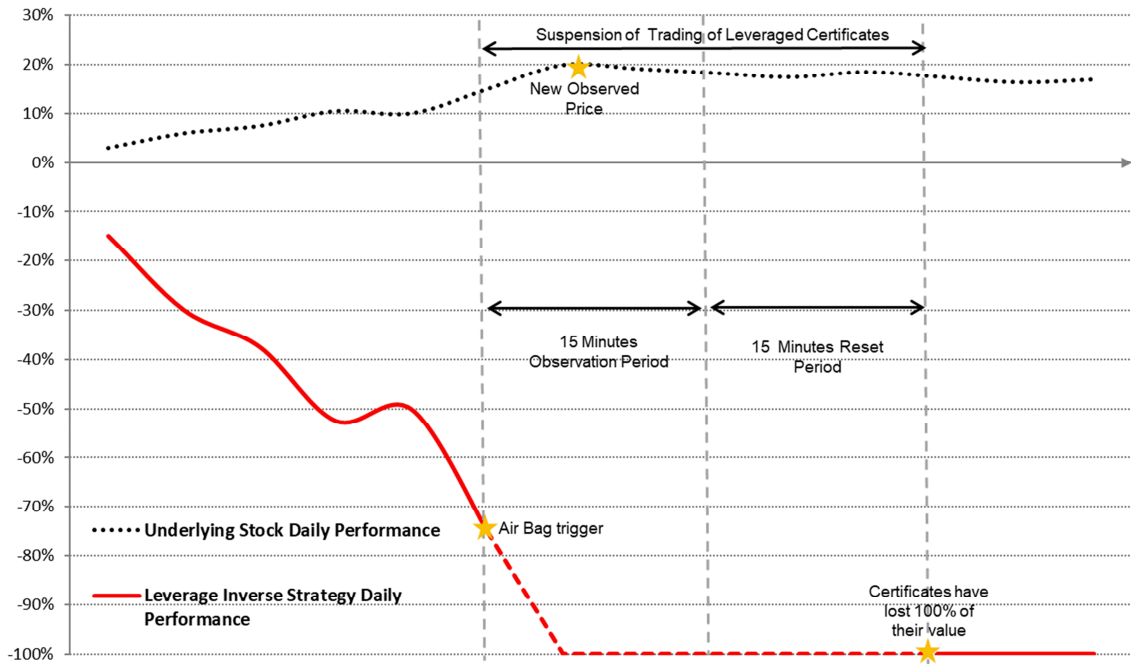


#### DLC Performance



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):

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

$$S_t = \$51$$

$$Div_t = \$0$$



DivExc<sub>t</sub> = \$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)
0.6	0.54	-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):

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

$S_t = \$202$

Div<sub>t</sub> = \$0

DivExc<sub>t</sub> = \$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)
0.6	0.57	-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)
0.6	0.45	-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:

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

$$S_t = \$85$$

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

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

$$R = \$0$$

$M = 0.2$  (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:

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

$S_{t-1}$	$S_{t-1} \times Rfactor_t$	$S_t$	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)
0.6	0.54	-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)
0.6	0.45	-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.*

Oversea-Chinese Banking Corporation Limited (“**OCBC Bank**” or the “**Company**”) was incorporated in Singapore on 31 October 1932 to carry on business in banking and finance. The Bank is the successor to Chinese Commercial Bank Ltd, Ho Hong Bank Ltd and the Overseas-Chinese Bank Ltd.

OCBC Bank offers a comprehensive range of banking services and financial solutions in consumer banking, business banking, international banking, global treasury and investment management. The OCBC Group has diverse subsidiaries that are involved in financial futures, regional stockbroking, trustee, nominee and custodian services, property development and hotel management.

In August 2001, OCBC Bank acquired Keppel Capital Holdings Ltd and all its subsidiaries, including Keppel TatLee Bank Ltd, Keppel Securities Pte Ltd and Keppel TatLee Finance Ltd. On 25 February 2002, OCBC Bank and Keppel TatLee Bank were operationally and legally integrated.

OCBC Bank currently has assets of S\$151 billion and a network of over 370 branches and representative offices in 15 countries and territories including Singapore, Malaysia, Indonesia, Vietnam, China, Hong Kong SAR, Brunei, Japan, Australia, UK and USA. This network includes more than 250 branches and offices in Indonesia operated by OCBC Bank's subsidiary, PT Bank NISP. OCBC Bank and its banking subsidiaries offer a wide range of specialist financial services, from consumer, corporate, investment, private and transaction banking to global treasury and stockbroking services to meet the needs of its customers across communities.

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 third quarter ended 30 September 2018 and has been extracted and reproduced from an announcement by the Company dated 1 November 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 THIRD QUARTER ENDED 30 SEPTEMBER 2018 OF OVERSEA-CHINESE BANKING CORPORATION 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 third quarter ended 30 September 2018 and has been extracted and reproduced from an announcement by the Company dated 1 November 2018 in relation to the same.

## Media Release

### **OCBC Group Reported 12% Year-on-Year Increase in Third Quarter 2018 Net Profit to a Record S\$1.25 billion**

*Third quarter earnings driven by a 23% rise in profit from banking operations  
Nine months net profit rose 18% to S\$3.57 billion*

Singapore, 1 November 2018 – Oversea-Chinese Banking Corporation Limited (“OCBC Bank”) reported a net profit after tax of S\$1.25 billion for the third quarter of 2018 (“3Q18”), an increase of 12% from S\$1.11 billion a year ago (“3Q17”), and up 3% from S\$1.21 billion in the previous quarter (“2Q18”). Annualised return on equity in the third quarter rose to 12.6% from 11.9% a year ago.

Net interest income in the third quarter grew 9% to S\$1.51 billion from S\$1.38 billion a year ago. This was led by broad-based growth in customer loans of 10% and a 6 basis points rise in net interest margin (“NIM”) to 1.72%. The increase in NIM was driven by improved margins in Singapore, Malaysia and Greater China, and a higher average loans-to-deposits ratio.

Non-interest income for 3Q18 was S\$1.04 billion, relatively unchanged from a year ago. Fee and commission income grew 3% to S\$502 million, underpinned by higher wealth management, loan and trade-related fees. Net trading income, mainly comprising treasury-related income from customer flows, rose 80% to S\$213 million, while net realised gains from the sale of investment securities of S\$4 million were below S\$64 million reported in the previous year. Profit from life assurance of S\$184 million was lower than S\$253 million reported in 3Q17 as the prior year’s results included higher mark-to-market gains from a more favourable market condition a year ago. Great Eastern Holdings’ (“GEH”) total weighted new sales rose 14% year-on-year to S\$347 million, mainly driven by a higher proportion of sales in single premium products in Singapore. New business embedded value (“NBEV”) was lower at S\$121 million as compared to S\$125 million in the previous year, as single premium products typically carry a lower NBEV margin.

Operating expenses of S\$1.07 billion were 7% higher than S\$1.00 billion in 3Q17, mainly from an increase in staff costs associated with annual base salary increments and a rise in expenses linked to business volume growth. Allowances for loans and other assets were lower at S\$49 million as compared to S\$156 million a year ago.

The Group’s share of results of associates increased 6% to S\$134 million.

Against the previous quarter, the Group's net profit after tax rose 3%. Net interest income grew 4% from 2Q18, driven by customer loan growth and a 5 basis points increase in NIM as higher asset yields outpaced the rise in funding costs. Non-interest income rose 1% quarter-on-quarter, largely from an increase in net trading income while fees and commissions and insurance income were lower as compared to 2Q18. Wealth management fee income of S\$217 million in 3Q18 was slightly below S\$223 million in the previous quarter, as weak market sentiment impacted customer investment activities. Despite the subdued market conditions, our private banking unit continued to record higher net new money inflows year-on-year and quarter-on-quarter. As a result, private banking assets under management ("AUM") increased to a record high of US\$105 billion. Expenses rose 3% from a quarter ago, while the cost-to-income ratio ("CIR") remained stable at 42.0%. Allowances of S\$49 million were higher than the low base of S\$21 million in 2Q18.

### **Nine Months Performance**

The Group reported a net profit after tax for the first nine months of 2018 ("9M18") of S\$3.57 billion, an increase of 18% from S\$3.01 billion a year ago ("9M17").

Net interest income rose 9% to S\$4.37 billion from S\$4.00 billion in 9M17, driven by a 10% increase in average loans and a 5 basis points rise in NIM. Non-interest income grew 3% to S\$2.98 billion from S\$2.89 billion a year ago. Fee and commission income increased 7% to S\$1.56 billion, led by growth in wealth management, fund management, credit card, loan and trade-related fees. Net trading income was up 20% at S\$499 million, while net gains from the sale of investment securities were S\$14 million, lower than S\$182 million reported in the previous year. Profit from life assurance increased 9% year-on-year to S\$540 million.

The Group's overall wealth management-related income, comprising income from insurance, private banking, asset management, stockbroking and other wealth management products, rose 5% year-on-year to S\$2.24 billion, as compared to S\$2.13 billion a year ago. Wealth management contributed 30% of the Group's total income. AUM at Bank of Singapore as at 30 September 2018 increased 11% to US\$105 billion (S\$144 billion) from US\$95 billion (S\$129 billion) a year ago and rose 3% from US\$102 billion (S\$139 billion) in the previous quarter, driven by sustained net new money inflows.

Operating expenses were 6% higher at S\$3.14 billion, while the Group's CIR improved to 42.7% from 43.1% in 9M17. Net allowances for loans and other assets were S\$83 million, significantly lower than the S\$493 million that was set aside in the previous year largely for corporate accounts in the oil and gas support vessels and services sector.

The share of profits from associates was S\$371 million in 9M18, an increase of 3% from S\$361 million a year ago.

Annualised return on equity for 9M18 was 12.3%, higher as compared to 11.0% a year ago. Annualised earnings per share rose to S\$1.13 from S\$0.95 in 9M17.

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### **Allowances and Asset Quality**

3Q18 total allowances for loans and other assets of S\$49 million were higher than the low base of S\$21 million in the previous quarter. This was substantially lower as compared to S\$156 million in 3Q17, which was mainly related to corporate accounts in the oil and gas support vessels and services sector.

The overall asset quality of the loan portfolio remained sound. Total non-performing assets were S\$3.59 billion as at 30 September 2018 as compared to S\$3.51 billion in the previous quarter, and the non-performing loans ratio was flat quarter-on-quarter at 1.4%.

### **Funding and Capital Position**

The Group's funding and capital position continued to be strong. As at 30 September 2018, customer loans were S\$257 billion, 10% higher than the previous year, while customer deposits rose 7% year-on-year to S\$287 billion. Current account and savings ("CASA") deposits represented 47.5% of total non-bank deposits and were slightly below 47.7% in 2Q18 as there was some migration of CASA balances to fixed deposits and structured products including single premium products offered by GEH during the quarter. Loans-to-deposits ratio was higher at 88.5% as compared to 85.3% a year ago.

For 3Q18, the average Singapore dollar and all-currency liquidity coverage ratios for the Group were 232% and 130% respectively, while the net stable funding ratio was 108%.

Based on Basel III rules which came into full effect on 1 January 2018, the Group's Common Equity Tier 1 capital adequacy ratio ("CAR"), Tier 1 CAR and Total CAR as at 30 September 2018 were 13.6%, 14.4% and 16.1% respectively. The Group's leverage ratio was 7.1% as at 30 September 2018.

These regulatory ratios were all above their respective regulatory requirements.

## **CEO's Comments**

Commenting on the Group's performance and outlook, CEO Samuel Tsien said:

“Our performance underscored the competitive strength and quality of our banking, wealth management and insurance franchise in the region. Record quarterly and year to date net profit were achieved through improved NIM, continued loan growth, higher non-interest income, and continued cost management discipline. Profit contributions from our key markets of Singapore, Malaysia, Indonesia and Greater China were higher than the prior year. Our technology and digital investments have strongly contributed to our franchise expansion, the deepening of relationships and the increase in customer loyalty. Despite the weakened regional market sentiments as a result of global trade tensions, the growth in our wealth management franchise continued, with sustained net new money inflows that drove our assets under management to an all-time high. The overall quality of the loan portfolio remained stable and sound, while our capital ratios were further strengthened.

As we remain alert to developments in the global economy and financial markets, our strong liquidity and capital base will position us well for prudent and sustainable growth.”



## About OCBC Bank

OCBC Bank is the longest established Singapore bank, formed in 1932 from the merger of three local banks, the oldest of which was founded in 1912. It is now the second largest financial services group in Southeast Asia by assets and one of the world's most highly-rated banks, with an Aa1 rating from Moody's. Recognised for its financial strength and stability, OCBC Bank is consistently ranked among the World's Top 50 Safest Banks by Global Finance and has been named Best Managed Bank in Singapore by The Asian Banker.

OCBC Bank and its subsidiaries offer a broad array of commercial banking, specialist financial and wealth management services, ranging from consumer, corporate, investment, private and transaction banking to treasury, insurance, asset management and stockbroking services.

OCBC Bank's key markets are Singapore, Malaysia, Indonesia and Greater China. It has more than 570 branches and representative offices in 18 countries and regions. These include over 310 branches and offices in Indonesia under subsidiary Bank OCBC NISP, and more than 100 branches and offices in Hong Kong, China and Macao under OCBC Wing Hang.

OCBC Bank's private banking services are provided by its wholly-owned subsidiary Bank of Singapore, which operates on a unique open-architecture product platform to source for the best-in-class products to meet its clients' goals.

OCBC Bank's insurance subsidiary, Great Eastern Holdings, is the oldest and most established life insurance group in Singapore and Malaysia. Its asset management subsidiary, Lion Global Investors, is one of the largest private sector asset management companies in Southeast Asia.

For more information, please visit [www.ocbc.com](http://www.ocbc.com).

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## **To Our Shareholders**

The Board of Directors of Oversea-Chinese Banking Corporation Limited (“OCBC”) reports the following:

### **Unaudited Financial Results for the Third Quarter Ended 30 September 2018**

For the third quarter ended 30 September 2018, Group reported net profit after tax was S\$1.25 billion. Details of the financial results are in the accompanying Group Financial Report.

### **Ordinary Dividend**

No interim dividend on ordinary shares has been declared for the third quarter ended 30 September 2018.

Peter Yeoh  
Secretary

Singapore, 1 November 2018

More details on the results are available on the Bank’s website at [www.ocbc.com](http://www.ocbc.com)



**Oversea-Chinese Banking Corporation Limited**  
**Third Quarter 2018 Group Financial Report**



Incorporated in Singapore  
Company Registration Number: 193200032W

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Notes:

1. Certain comparative figures have been restated to conform with the current period's presentation.
2. Amounts less than S\$0.5 million are shown as "0".
3. "nm" denotes not meaningful.

## FINANCIAL SUMMARY

OCBC Group adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (“SFRS(I)”) with effect from 1 January 2018. OCBC Group prepared its first set of financial statements for the first quarter of 2018 in accordance with SFRS(I).

The following new/revised financial reporting standards and interpretations were applied with effect from 1 January 2018:

SFRS(I) 9	<i>Financial Instruments</i>
SFRS(I) 15	<i>Revenue from Contracts with Customers</i>
SFRS(I) 1-28 (Amendments)	<i>Measuring an Associate or Joint Venture at Fair Value</i>
SFRS(I) 1-40 (Amendments)	<i>Investment Property: Transfers of Investment Property</i>
SFRS(I) 2 (Amendments)	<i>Share-based Payment: Classification and Measurement of Share-based Payment Transactions</i>
SFRS(I) 4 (Amendments)	<i>Insurance Contracts: Applying SFRS(I) 9 Financial Instruments with SFRS(I) 4 Insurance Contracts</i>
SFRS(I) INT 22	<i>Foreign Currency Transactions and Advance Consideration</i>

On initial implementation of SFRS(I), OCBC Group was required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. In this regard, the date of transition to SFRS(I) for the Group is 1 January 2017, unless otherwise stated.

The initial application of the above standards (including their consequential amendments) and interpretations did not have a significant impact on the Group’s financial statements, except for SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* and SFRS(I) 9 *Financial Instruments*.

### Financial Results

The Group reported a net profit after tax of S\$1.25 billion for the third quarter ended 30 September 2018 (“3Q18”), an increase of 12% from S\$1.11 billion a year ago (“3Q17”).

Net interest income for 3Q18 rose 9% to S\$1.51 billion from S\$1.38 billion in 3Q17, led by broad-based customer loans growth and higher net interest margin. Non-interest income was stable year-on-year at S\$1.04 billion. Fee and commission income for the quarter was S\$502 million, 3% higher as compared to S\$488 million in 3Q17, driven by higher wealth management, loan and trade-related fee income. Net trading income was S\$213 million, up from S\$118 million a year ago while profit from life assurance was 28% lower at S\$184 million. Net realised gains from the sale of investment securities were S\$4 million in 3Q18, down from S\$64 million a year ago. The share of results of associates increased 6% to S\$134 million for the quarter, up from S\$127 million in 3Q17.

Operating expenses rose 7% to S\$1.07 billion in 3Q18 from S\$1.00 billion a year ago. Allowances for loans and other assets were lower at S\$49 million as compared to S\$156 million a year ago. The Group’s non-performing loans (“NPL”) ratio was 1.4% as at 30 September 2018.

For the first nine months of 2018 (“9M18”), Group net profit after tax grew 18% to S\$3.57 billion from S\$3.01 billion a year ago (“9M17”), driven by higher net interest income and non-interest income, which more than offset the increase in operating expenses.

Annualised return on equity was 12.3% in 9M18, higher as compared to 11.0% a year ago. Annualised earnings per share increased to S\$1.13 from S\$0.95 in 9M17.

The Group’s unrealised valuation surplus as at 30 September 2018 was S\$8.89 billion. The unrealised valuation surplus represents the difference between the carrying amounts and market values of its properties, investments in associates and quoted subsidiaries.

## FINANCIAL SUMMARY (continued)

S\$ million	9M18	9M17	+ / (-) %	3Q18	3Q17	+ / (-) %	2Q18	+ / (-) %
<b>Selected Income Statement Items</b>								
Net interest income	<b>4,370</b>	3,999	9	<b>1,505</b>	1,382	9	1,450	4
Non-interest income	<b>2,981</b>	2,890	3	<b>1,039</b>	1,035	–	1,024	1
Total income	<b>7,351</b>	6,889	7	<b>2,544</b>	2,417	5	2,474	3
Operating expenses	<b>(3,136)</b>	(2,967)	6	<b>(1,069)</b>	(1,001)	7	(1,035)	3
Operating profit before allowances and amortisation	<b>4,215</b>	3,922	7	<b>1,475</b>	1,416	4	1,439	3
Amortisation of intangible assets	<b>(76)</b>	(78)	(2)	<b>(26)</b>	(26)	–	(26)	1
Allowances for loans and other assets	<b>(83)</b>	(493)	(83)	<b>(49)</b>	(156)	(68)	(21)	131
Operating profit after allowances and amortisation	<b>4,056</b>	3,351	21	<b>1,400</b>	1,234	13	1,392	1
Share of results of associates	<b>371</b>	361	3	<b>134</b>	127	6	112	20
Profit before income tax	<b>4,427</b>	3,712	19	<b>1,534</b>	1,361	13	1,504	2
<b>Net profit attributable to shareholders</b>	<b>3,566</b>	3,011	18	<b>1,245</b>	1,108	12	1,209	3
<b>Cash basis net profit attributable to shareholders <sup>1/</sup></b>	<b>3,642</b>	3,089	18	<b>1,271</b>	1,134	12	1,235	3

### Selected Balance Sheet Items

Ordinary equity	<b>39,835</b>	36,729	8	<b>39,835</b>	36,729	8	38,983	2
Equity attributable to equity holders of the Bank	<b>41,335</b>	38,229	8	<b>41,335</b>	38,229	8	39,483	5
Total assets	<b>464,115</b>	436,516	6	<b>464,115</b>	436,516	6	464,631	–
Assets excluding life assurance fund investment assets	<b>386,938</b>	367,246	5	<b>386,938</b>	367,246	5	389,359	(1)
Net customer loans	<b>253,823</b>	228,886	11	<b>253,823</b>	228,886	11	249,474	2
Deposits of non-bank customers	<b>286,686</b>	268,234	7	<b>286,686</b>	268,234	7	290,292	(1)

#### Notes:

1. Excludes amortisation of intangible assets.
2. Comparative figures have been restated with the adoption of SFRS(I) and Great Eastern Holdings' ("GEH") accounting policy change.



## FINANCIAL SUMMARY (continued)

	9M18	9M17	3Q18	3Q17	2Q18
<b>Key Financial Ratios (%)</b>					
<b>Performance ratios</b>					
Return on equity <sup>1/ 2/</sup>	<b>12.3</b>	11.0	<b>12.6</b>	11.9	12.6
Return on assets <sup>3/</sup>	<b>1.24</b>	1.12	<b>1.28</b>	1.20	1.26
<b>Revenue mix/efficiency ratios</b>					
Net interest margin	<b>1.69</b>	1.64	<b>1.72</b>	1.66	1.67
Net interest income to total income	<b>59.4</b>	58.0	<b>59.2</b>	57.2	58.6
Non-interest income to total income	<b>40.6</b>	42.0	<b>40.8</b>	42.8	41.4
Cost-to-income	<b>42.7</b>	43.1	<b>42.0</b>	41.4	41.9
Loans-to-deposits	<b>88.5</b>	85.3	<b>88.5</b>	85.3	85.9
NPL ratio	<b>1.4</b>	1.3	<b>1.4</b>	1.3	1.4
<b>Capital adequacy ratios <sup>8/</sup></b>					
Common Equity Tier 1	<b>13.6</b>	13.1	<b>13.6</b>	13.1	13.2
Tier 1	<b>14.4</b>	14.0	<b>14.4</b>	14.0	14.3
Total	<b>16.1</b>	16.2	<b>16.1</b>	16.2	15.9
<b>Leverage ratio <sup>5/ 8/</sup></b>	<b>7.1</b>	7.6	<b>7.1</b>	7.6	7.0
<b>Liquidity coverage ratios <sup>6/ 8/</sup></b>					
Singapore dollar	<b>237</b>	265	<b>232</b>	269	249
All-currency	<b>139</b>	145	<b>130</b>	147	138
<b>Net stable funding ratio <sup>7/ 8/</sup></b>	<b>na</b>	na	<b>108</b>	na	108
<b>Earnings per share (S\$) <sup>2/</sup></b>					
Basic earnings	<b>1.13</b>	0.95	<b>1.17</b>	1.04	1.15
Diluted earnings	<b>1.13</b>	0.95	<b>1.17</b>	1.03	1.15
<b>Net asset value per share (S\$)</b>					
Before valuation surplus	<b>9.37</b>	8.77	<b>9.37</b>	8.77	9.31
After valuation surplus	<b>11.46</b>	10.88	<b>11.46</b>	10.88	11.77

### Notes:

1. Preference equity, other equity instruments and non-controlling interests are not included in the computation for return on equity.
2. Calculated based on net profit less preference dividends and distributions on other equity instruments paid and estimated to be due at the end of the financial period.
3. Computation of return on assets excludes life assurance fund investment assets.
4. Return on equity, return on assets, net interest margin and earnings per share are computed on an annualised basis.
5. The Group's Leverage ratio is computed based on MAS Notice 637.
6. The Group's Liquidity coverage ratios ("LCR") are computed based on MAS Notice 649 and reported based on the average LCR for the respective periods.
7. The Group's Net stable funding ratio is computed based on MAS Notice 652.
8. Public disclosures required under MAS Notice 637 Notice on Risk Based Capital Adequacy Requirements for banks incorporated in Singapore, MAS Notice 651 Liquidity Coverage Ratio Disclosure and MAS Notice 653 Net Stable Funding Ratio Disclosure can be found in the Capital and Regulatory Disclosures section of the Bank's Investor Relations website ([http://www.ocbc.com/group/investors/Cap\\_and\\_Reg\\_Disclosures.html](http://www.ocbc.com/group/investors/Cap_and_Reg_Disclosures.html)).
9. Comparative figures have been restated with the adoption of SFRS(I) and GEH accounting policy change.
10. "na" denotes not applicable.

## NET INTEREST INCOME

### Average Balance Sheet

S\$ million	9M18			9M17		
	Average Balance	Interest	Average Rate <sup>2/</sup> %	Average Balance	Interest	Average Rate <sup>2/</sup> %
<b>Interest earning assets</b>						
Loans and advances to non-bank customers	245,808	5,979	3.25	222,595	5,049	3.03
Placements with and loans to banks	51,012	1,135	2.98	54,201	765	1.89
Other interest earning assets	49,656	959	2.58	48,517	876	2.41
	<b>346,476</b>	<b>8,073</b>	<b>3.12</b>	<b>325,313</b>	<b>6,690</b>	<b>2.75</b>
<b>Interest bearing liabilities</b>						
Deposits of non-bank customers	286,195	2,991	1.40	264,853	2,151	1.09
Deposits and balances of banks	9,009	137	2.03	11,849	109	1.23
Other borrowings	31,138	575	2.47	28,003	431	2.06
	<b>326,342</b>	<b>3,703</b>	<b>1.52</b>	<b>304,705</b>	<b>2,691</b>	<b>1.18</b>
<b>Net interest income/margin <sup>1/</sup></b>		<b>4,370</b>	<b>1.69</b>		<b>3,999</b>	<b>1.64</b>

S\$ million	3Q18			3Q17			2Q18		
	Average Balance	Interest	Average Rate <sup>2/</sup> %	Average Balance	Interest	Average Rate <sup>2/</sup> %	Average Balance	Interest	Average Rate <sup>2/</sup> %
<b>Interest earning assets</b>									
Loans and advances to non-bank customers	250,847	2,133	3.37	226,244	1,735	3.04	246,446	1,999	3.25
Placements with and loans to banks	46,570	382	3.26	54,786	289	2.09	51,978	389	3.00
Other interest earning assets	50,082	338	2.67	49,670	308	2.46	49,320	322	2.62
	<b>347,499</b>	<b>2,853</b>	<b>3.26</b>	<b>330,700</b>	<b>2,332</b>	<b>2.80</b>	<b>347,744</b>	<b>2,710</b>	<b>3.13</b>
<b>Interest bearing liabilities</b>									
Deposits of non-bank customers	286,592	1,084	1.50	268,646	757	1.12	287,888	1,021	1.42
Deposits and balances of banks	9,069	50	2.20	10,447	37	1.42	8,711	46	2.13
Other borrowings	31,226	214	2.72	31,920	156	1.94	30,988	193	2.50
	<b>326,887</b>	<b>1,348</b>	<b>1.64</b>	<b>311,013</b>	<b>950</b>	<b>1.21</b>	<b>327,587</b>	<b>1,260</b>	<b>1.54</b>
<b>Net interest income/margin <sup>1/</sup></b>		<b>1,505</b>	<b>1.72</b>		<b>1,382</b>	<b>1.66</b>		<b>1,450</b>	<b>1.67</b>

Notes:

1. Net interest margin is net interest income as a percentage of interest earning assets.
2. Average rates are computed on an annualised basis.

## NET INTEREST INCOME *(continued)*

Net interest income was S\$1.51 billion in 3Q18, 9% higher than S\$1.38 billion a year ago, led by broad-based customer loans growth of 10% and a rise in net interest margin. Net interest margin was up 6 basis points at 1.72%, from 1.66% in 3Q17, underpinned by higher margins and an increase in the average loans-to-deposits ratio.

Against 2Q18, net interest income increased 4% from S\$1.45 billion driven by higher customer loans and an improvement in net interest margin. Net interest margin rose 5 basis points to 1.72% from 1.67% as higher asset yields outpaced the rise in funding costs.

### Volume and Rate Analysis

Increase/(decrease) due to change in: S\$ million	9M18 vs 9M17			3Q18 vs 3Q17			3Q18 vs 2Q18		
	Volume	Rate	Net change	Volume	Rate	Net change	Volume	Rate	Net change
<b>Interest income</b>									
Loans and advances to non-bank customers	526	404	930	188	210	398	36	76	112
Placements with and loans to banks	(45)	415	370	(43)	136	93	(41)	30	(11)
Other interest earning assets	21	62	83	3	27	30	5	7	12
	502	881	1,383	148	373	521	0	113	113
<b>Interest expense</b>									
Deposits of non-bank customers	173	667	840	50	277	327	(5)	57	52
Deposits and balances of banks	(26)	54	28	(5)	18	13	2	1	3
Other borrowings	48	96	144	(3)	61	58	2	17	19
	195	817	1,012	42	356	398	(1)	75	74
<b>Impact on net interest income</b>	307	64	371	106	17	123	1	38	39
Due to change in number of days			–			–			16
<b>Net interest income</b>			371			123			55

## NON-INTEREST INCOME

S\$ million	9M18	9M17	+ / (-) %	3Q18	3Q17	+ / (-) %	2Q18	+ / (-) %
<b>Fees and commissions</b>								
Brokerage	54	54	–	13	19	(33)	16	(22)
Wealth management	697	636	10	217	205	6	223	(2)
Fund management	85	80	5	27	28	(5)	29	(5)
Credit card	126	118	6	46	40	16	45	2
Loan-related	228	221	3	81	76	7	76	6
Trade-related and remittances	176	161	10	62	56	11	59	5
Guarantees	14	14	(2)	5	5	(1)	5	13
Investment banking	72	68	6	19	15	30	31	(39)
Service charges	75	80	(6)	20	33	(40)	25	(19)
Others	30	29	6	12	11	14	9	23
Sub-total	<b>1,557</b>	1,461	7	<b>502</b>	488	3	518	(3)
<b>Dividends</b>	<b>113</b>	65	74	<b>60</b>	24	151	34	72
<b>Rental income</b>	<b>60</b>	62	(4)	<b>20</b>	21	(3)	20	4
<b>Profit from life assurance</b>	<b>540</b>	497	9	<b>184</b>	253	(28)	191	(3)
<b>Premium income from general insurance</b>	<b>124</b>	110	12	<b>41</b>	37	10	43	(5)
<b>Other income</b>								
Net trading income	499	417	20	213	118	80	192	10
Net gain from investment securities	14	182	(92)	4	64	(93)	2	174
Net gain/(loss) from disposal of subsidiaries and associates	5	12	(61)	(0)	(5)	100	5	(100)
Net gain from disposal of properties	40	55	(28)	7	25	(72)	9	(21)
Others	29	29	4	8	10	(16)	10	(21)
Sub-total	<b>587</b>	695	(15)	<b>232</b>	212	10	218	6
<b>Total non-interest income</b>	<b>2,981</b>	2,890	3	<b>1,039</b>	1,035	–	1,024	1
Fees and commissions/Total income	<b>21.2%</b>	21.2%		<b>19.8%</b>	20.2%		21.0%	

Note:

1. Comparative figures have been restated with the adoption of SFRS(I) and GEH accounting policy change.

Non-interest income was stable year-on-year at S\$1.04 billion.

Fee and commission income for the quarter was S\$502 million, representing a 3% increase from S\$488 million in 3Q17. This was underpinned by a 6% rise in wealth management income, and higher loan and trade-related fee income. Net trading income, predominantly treasury-related income from customer flows, was S\$213 million and was above S\$118 million a year ago. Net realised gains from the sale of investment securities were S\$4 million in 3Q18, down from S\$64 million a year ago. Profit from life assurance was 28% lower at S\$184 million as compared to S\$253 million in 3Q17, as the prior year's results included higher mark-to-market gains from a more favourable market condition a year ago.

Against 2Q18, non-interest income grew 1% from S\$1.02 billion, mainly attributable to higher net trading income while fees and commissions and insurance income were lower quarter-on-quarter.

## OPERATING EXPENSES

S\$ million	9M18	9M17	+ / (-) %	3Q18	3Q17	+ / (-) %	2Q18	+ / (-) %
<b>Staff costs</b>	<b>1,947</b>	1,829	6	<b>651</b>	608	7	633	3
<b>Property and equipment</b>								
Depreciation	<b>236</b>	234	1	<b>80</b>	79	1	79	1
Maintenance	<b>90</b>	88	3	<b>32</b>	29	11	29	9
Rental expenses	<b>75</b>	74	2	<b>24</b>	24	1	26	(4)
Others	<b>194</b>	187	4	<b>64</b>	63	2	68	(7)
	<b>595</b>	583	2	<b>200</b>	195	3	202	(1)
<b>Other operating expenses</b>	<b>594</b>	555	7	<b>218</b>	198	10	200	9
<b>Total operating expenses</b>	<b>3,136</b>	2,967	6	<b>1,069</b>	1,001	7	1,035	3
<b>Group staff strength</b>								
Period end	<b>29,719</b>	29,161	2	<b>29,719</b>	29,161	2	29,612	–
Average	<b>29,486</b>	29,453	–	<b>29,657</b>	29,159	2	29,517	–

Note:

1. Comparative figures have been restated with the adoption of SFRS(I) and GEH accounting policy change.

Operating expenses for the quarter grew 7% to S\$1.07 billion from S\$1.00 billion a year ago, mainly from an increase in staff costs associated with annual base salary increments and a rise in expenses linked to business volume growth. Staff costs were 7% higher at S\$651 million as compared to S\$608 million a year ago. Property and equipment-related expenses were S\$200 million in 3Q18, up 3% from S\$195 million in 3Q17. Other operating expenses were 10% higher year-on-year at S\$218 million, an increase from S\$198 million in 3Q17.

Compared to 2Q18, operating expenses rose 3% from S\$1.04 billion.

The cost-to-income ratio was 42.0% for 3Q18, compared to 41.9% the previous quarter and 41.4% a year ago.

## ALLOWANCES FOR LOANS AND OTHER ASSETS

S\$ million	9M18	9M17	+ / (-) %	3Q18	3Q17	+ / (-) %	2Q18	+ / (-) %
Allowances/(write-back):								
Impaired loans <sup>2/</sup>								
Singapore	<b>79</b>	205	(61)	<b>117</b>	49	139	(38)	402
Malaysia	<b>53</b>	34	57	<b>30</b>	4	572	16	79
Greater China	<b>18</b>	77	(76)	<b>17</b>	63	(72)	0	nm
Others	<b>(2)</b>	36	(107)	<b>(63)</b>	22	(385)	55	(214)
	<b>148</b>	352	(58)	<b>101</b>	138	(27)	33	205
Impaired other assets	<b>5</b>	41	(87)	<b>(2)</b>	15	(114)	9	(123)
Non-impaired loans <sup>3/</sup>	<b>(43)</b>	100	(142)	<b>(45)</b>	3	nm	(14)	(222)
Non-impaired other assets	<b>(27)</b>	–	–	<b>(5)</b>	–	–	(7)	27
<b>Allowances for loans and other assets</b>	<b>83</b>	493	(83)	<b>49</b>	156	(68)	21	131

Notes:

2. Referred to as specific allowances for periods prior to 2018.

3. Referred to as portfolio allowances for periods prior to 2018.

Allowances for loans and other assets were S\$49 million in 3Q18, an increase from the low base of S\$21 million in the previous quarter, but substantially down as compared to S\$156 million a year ago.

## CUSTOMER LOANS

S\$ million	30 Sep 2018	30 Jun 2018	31 Dec 2017	30 Sep 2017
Loans to customers	247,258	243,924	229,523	225,036
Bills receivable	9,318	8,440	7,798	7,389
Gross customer loans	256,576	252,364	237,321	232,425
Allowances				
Impaired loans	(1,267)	(1,229)	(1,236)	(696)
Non-impaired loans	(1,027)	(1,088)	(1,417)	(2,303)
	254,282	250,047	234,668	229,426
Less: assets pledged	(459)	(573)	(527)	(540)
Net customer loans	253,823	249,474	234,141	228,886
<b>By Maturity</b>				
Within 1 year	109,400	106,449	96,639	94,472
1 to 3 years	38,569	38,202	36,861	37,568
Over 3 years	108,607	107,713	103,821	100,385
	256,576	252,364	237,321	232,425
<b>By Industry</b>				
Agriculture, mining and quarrying	10,056	8,332	8,073	7,997
Manufacturing	16,399	15,176	12,501	12,991
Building and construction	51,463	40,931	35,436	35,250
Housing loans	65,553	65,885	64,542	62,037
General commerce	34,959	31,647	29,010	27,626
Transport, storage and communication	13,832	11,122	11,568	12,198
Financial institutions, investment and holding companies	20,801 <sup>2/</sup>	38,718	37,838	36,929
Professionals and individuals	30,698	30,925	28,704	27,943
Others	12,815	9,628	9,649	9,454
	256,576	252,364	237,321	232,425
<b>By Currency</b>				
Singapore Dollar	90,067	88,940	85,485	83,787
United States Dollar	67,907	65,183	61,445	60,808
Malaysian Ringgit	20,942	21,074	20,481	20,093
Indonesian Rupiah	8,437	8,392	7,795	7,642
Hong Kong Dollar	35,714	35,996	33,011	31,714
Chinese Renminbi	4,708	5,062	4,626	5,283
Others	28,801	27,717	24,478	23,098
	256,576	252,364	237,321	232,425
<b>By Geography <sup>1/</sup></b>				
Singapore	105,897	104,477	99,872	98,069
Malaysia	29,931	29,683	28,231	27,933
Indonesia	20,073	19,992	19,259	19,409
Greater China	65,929	65,190	59,114	57,346
Other Asia Pacific	13,457	13,011	12,754	12,685
Rest of the World	21,289	20,011	18,091	16,983
	256,576	252,364	237,321	232,425

Notes:

- Loans by geography are based on where the credit risks reside, which may be different from the borrower's country of residence or the booking location of the loans.
- Exposure to investment and other holding companies were recategorised to the underlying industries.

Gross loans to customers were S\$257 billion as at 30 September 2018, up 10% from S\$232 billion a year ago and 2% from S\$252 billion the previous quarter. In constant currency terms, customer loans grew 11% year-on-year and 2% quarter-on-quarter.

## NON-PERFORMING ASSETS

S\$ million	Total NPAs <sup>1/</sup>	Substandard	Doubtful	Loss	Secured NPAs/ Total NPAs %	NPLs <sup>2/</sup>	NPL Ratio <sup>2/</sup> %
<b>Singapore</b>							
<b>30 Sep 2018</b>	<b>1,196</b>	<b>811</b>	<b>213</b>	<b>172</b>	<b>74.7</b>	<b>1,153</b>	<b>1.1</b>
30 Jun 2018	936	587	183	166	76.7	909	0.9
31 Dec 2017	1,132	772	212	148	73.1	1,086	1.1
30 Sep 2017	963	449	353	161	62.2	913	0.9
<b>Malaysia</b>							
<b>30 Sep 2018</b>	<b>786</b>	<b>398</b>	<b>350</b>	<b>38</b>	<b>72.9</b>	<b>783</b>	<b>2.6</b>
30 Jun 2018	825	434	352	39	76.1	822	2.8
31 Dec 2017	862	485	335	42	77.4	857	3.0
30 Sep 2017	705	565	90	50	76.2	700	2.5
<b>Indonesia</b>							
<b>30 Sep 2018</b>	<b>774</b>	<b>482</b>	<b>124</b>	<b>168</b>	<b>66.2</b>	<b>772</b>	<b>3.8</b>
30 Jun 2018	746	505	69	172	66.1	745	3.7
31 Dec 2017	589	399	29	161	73.4	588	3.1
30 Sep 2017	677	436	115	126	67.7	677	3.5
<b>Greater China</b>							
<b>30 Sep 2018</b>	<b>200</b>	<b>71</b>	<b>91</b>	<b>38</b>	<b>61.6</b>	<b>199</b>	<b>0.3</b>
30 Jun 2018	223	88	93	42	56.2	222	0.3
31 Dec 2017	232	74	110	48	54.4	232	0.4
30 Sep 2017	304	63	188	53	49.4	304	0.5
<b>Other Asia Pacific</b>							
<b>30 Sep 2018</b>	<b>287</b>	<b>215</b>	<b>72</b>	<b>0</b>	<b>53.1</b>	<b>275</b>	<b>2.0</b>
30 Jun 2018	288	214	74	0	52.6	277	2.1
31 Dec 2017	252	223	29	–	68.7	252	2.0
30 Sep 2017	249	239	10	–	75.6	249	2.0
<b>Rest of the World</b>							
<b>30 Sep 2018</b>	<b>351</b>	<b>345</b>	<b>5</b>	<b>1</b>	<b>99.0</b>	<b>351</b>	<b>1.7</b>
30 Jun 2018	496	481	13	2	97.5	496	2.5
31 Dec 2017	401	386	13	2	97.3	400	2.2
30 Sep 2017	85	81	3	1	88.9	85	0.5
<b>Group</b>							
<b>30 Sep 2018</b>	<b>3,594</b>	<b>2,322</b>	<b>855</b>	<b>417</b>	<b>72.4</b>	<b>3,533</b>	<b>1.4</b>
30 Jun 2018	3,514	2,309	784	421	74.0	3,471	1.4
31 Dec 2017	3,468	2,339	728	401	75.5	3,415	1.5
30 Sep 2017	2,983	1,833	759	391	67.3	2,928	1.3

Notes:

1. Comprise non-bank loans, debt securities and contingent liabilities.
2. Exclude debt securities and contingent liabilities.

## NON-PERFORMING ASSETS (continued)

Non-performing assets (“NPAs”) were S\$3.59 billion as at 30 September 2018, up 20% from S\$2.98 billion a year ago. The year-on-year increase in NPAs was mainly due to the downgrade of exposures related to the oil and gas support vessels and services vessels sector in the previous year.

The Group's NPL ratio was 1.4%, higher from 1.3% a year ago and unchanged from the previous quarter. Of the total NPAs, 65% were in the substandard category and 72% were secured by collateral.

	30 Sep 2018		30 Jun 2018		31 Dec 2017		30 Sep 2017	
	S\$ million	% of loans	S\$ million	% of loans	S\$ million	% of loans	S\$ million	% of loans
<b>NPLs by Industry</b>								
Loans and advances								
Agriculture, mining and quarrying	382	3.8	285	3.4	305	3.8	154	1.9
Manufacturing	403	2.5	402	2.6	304	2.4	303	2.3
Building and construction	143	0.3	67	0.2	59	0.2	61	0.2
Housing loans	409	0.6	420	0.6	392	0.6	475	0.8
General commerce	406	1.2	329	1.0	291	1.0	324	1.2
Transport, storage and communication	1,362	9.8	1,201	10.8	1,277	11.0	732	6.0
Financial institutions, investment and holding companies	39 <sup>1/</sup>	0.2	370	1.0	376	1.0	477	1.3
Professionals and individuals	122	0.4	128	0.4	146	0.5	127	0.5
Others	267	2.1	269	2.8	265	2.7	275	2.9
<b>Total NPLs</b>	<b>3,533</b>	<b>1.4</b>	<b>3,471</b>	<b>1.4</b>	<b>3,415</b>	<b>1.5</b>	<b>2,928</b>	<b>1.3</b>
<b>Classified debt</b>	<b>26</b>		<b>25</b>		<b>35</b>		<b>40</b>	
<b>Classified contingent liabilities</b>	<b>35</b>		<b>18</b>		<b>18</b>		<b>15</b>	
<b>Total NPAs</b>	<b>3,594</b>		<b>3,514</b>		<b>3,468</b>		<b>2,983</b>	

	30 Sep 2018		30 Jun 2018		31 Dec 2017		30 Sep 2017	
	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%
<b>NPAs By Period Overdue</b>								
Over 180 days	1,216	34	1,252	36	1,212	35	1,461	49
Over 90 to 180 days	317	9	156	4	257	8	332	11
30 to 90 days	578	16	178	5	313	9	396	13
Less than 30 days	204	6	259	7	48	1	416	14
Not overdue	1,279	35	1,669	48	1,638	47	378	13
	<b>3,594</b>	<b>100</b>	<b>3,514</b>	<b>100</b>	<b>3,468</b>	<b>100</b>	<b>2,983</b>	<b>100</b>

S\$ million	30 Sep 2018		30 Jun 2018		31 Dec 2017		30 Sep 2017	
	Loan	Allowance	Loan	Allowance	Loan	Allowance	Loan	Allowance
<b>Restructured Loans</b>								
Substandard	779	215	702	179	703	242	549	18
Doubtful	272	193	277	193	211	128	291	136
Loss	75	49	74	49	52	42	46	30
	<b>1,126</b>	<b>457</b>	<b>1,053</b>	<b>421</b>	<b>966</b>	<b>412</b>	<b>886</b>	<b>184</b>

Note:

1. Exposure to investment and other holding companies were recategorised to the underlying industries.



## CUMULATIVE ALLOWANCES FOR ASSETS <sup>1/</sup>

S\$ million	Total cumulative allowances	Allowances for impaired assets <sup>2/</sup>	Allowances for non-impaired assets <sup>3/</sup>	Allowances for impaired assets as % of total NPAs	Cumulative allowances as % of total NPAs
				%	%
<b>Singapore</b>					
<b>30 Sep 2018</b>	<b>1,021</b>	<b>353</b>	<b>668</b>	<b>29.6</b>	<b>85.4</b>
30 Jun 2018	963	248	715	26.5	103.0
31 Dec 2017	764	320	444	28.2	67.4
30 Sep 2017	1,233	315	918	32.7	128.0
<b>Malaysia</b>					
<b>30 Sep 2018</b>	<b>536</b>	<b>330</b>	<b>206</b>	<b>41.9</b>	<b>68.2</b>
30 Jun 2018	537	333	204	40.3	65.1
31 Dec 2017	618	340	278	39.4	71.8
30 Sep 2017	490	136	354	19.2	69.5
<b>Indonesia</b>					
<b>30 Sep 2018</b>	<b>510</b>	<b>293</b>	<b>217</b>	<b>37.8</b>	<b>65.8</b>
30 Jun 2018	488	260	228	34.9	65.4
31 Dec 2017	416	232	184	39.4	70.7
30 Sep 2017	492	143	349	21.1	72.6
<b>Greater China</b>					
<b>30 Sep 2018</b>	<b>373</b>	<b>51</b>	<b>322</b>	<b>25.5</b>	<b>186.6</b>
30 Jun 2018	350	51	299	22.6	156.8
31 Dec 2017	428	61	367	26.5	184.8
30 Sep 2017	562	98	464	32.4	185.2
<b>Other Asia Pacific</b>					
<b>30 Sep 2018</b>	<b>157</b>	<b>112</b>	<b>45</b>	<b>39.2</b>	<b>55.0</b>
30 Jun 2018	162	114	48	39.6	56.3
31 Dec 2017	194	111	83	44.1	77.0
30 Sep 2017	128	3	125	1.3	51.4
<b>Rest of the World</b>					
<b>30 Sep 2018</b>	<b>201</b>	<b>130</b>	<b>71</b>	<b>37.0</b>	<b>57.1</b>
30 Jun 2018	300	226	74	45.6	60.5
31 Dec 2017	246	185	61	46.2	61.4
30 Sep 2017	104	11	93	12.6	121.8
<b>Group</b>					
<b>30 Sep 2018</b>	<b>2,798</b>	<b>1,269</b>	<b>1,529</b>	<b>35.3</b>	<b>77.9</b>
30 Jun 2018	2,800	1,232	1,568	35.1	79.7
31 Dec 2017	2,666	1,249	1,417	36.0	76.9
30 Sep 2017	3,009	706	2,303	23.7	100.9

Notes:

1. Included RLAR.
2. Referred to as specific allowances for periods prior to 2018.
3. Referred to as portfolio allowances for periods prior to 2018.

As at 30 September 2018, the Group's total cumulative allowances for assets were S\$2.80 billion, comprising S\$1.27 billion in allowances for impaired assets and S\$1.53 billion in allowances for non-impaired assets. The cumulative allowances represented 282% of unsecured NPAs and 78% of total NPAs.

## DEPOSITS

S\$ million	30 Sep 2018	30 Jun 2018	31 Dec 2017	30 Sep 2017
Deposits of non-bank customers	<b>286,686</b>	290,292	283,642	268,234
Deposits and balances of banks	<b>9,141</b>	9,078	7,485	11,640
	<b>295,827</b>	299,370	291,127	279,874
<b>Total Deposits By Maturity</b>				
Within 1 year	<b>291,004</b>	294,429	287,957	275,544
1 to 3 years	<b>2,574</b>	2,845	1,328	2,423
Over 3 years	<b>2,249</b>	2,096	1,842	1,907
	<b>295,827</b>	299,370	291,127	279,874
<b>Non-Bank Deposits By Product</b>				
Fixed deposits	<b>127,616</b>	124,987	118,078	108,338
Savings deposits	<b>52,245</b>	52,857	51,817	51,323
Current account	<b>84,074</b>	85,511	87,773	84,061
Others	<b>22,751</b>	26,937	25,974	24,512
	<b>286,686</b>	290,292	283,642	268,234
<b>Non-Bank Deposits By Currency</b>				
Singapore Dollar	<b>102,924</b>	100,848	97,665	95,579
United States Dollar	<b>89,380</b>	92,372	93,415	84,455
Malaysian Ringgit	<b>22,822</b>	23,105	22,364	22,309
Indonesian Rupiah	<b>7,835</b>	9,043	8,206	8,216
Hong Kong Dollar	<b>28,718</b>	27,678	28,640	25,811
Chinese Renminbi	<b>8,048</b>	7,922	7,551	7,654
Others	<b>26,959</b>	29,324	25,801	24,210
	<b>286,686</b>	290,292	283,642	268,234

Non-bank customer deposits as at 30 September 2018 were S\$287 billion, up 7% from S\$268 billion a year ago and 1% lower than S\$290 billion in 2Q18. The ratio of current account and savings ("CASA") deposits to total non-bank deposits was 47.5% as at 30 September 2018, slightly below 47.7% in the previous quarter, as there was some migration of CASA balances to fixed deposits and structured products, including single premium products offered by GEH during the quarter. The Group's loan-to-deposit ratio was 88.5%, as compared to 85.3% a year ago and 85.9% in the previous quarter.

## DEBT ISSUED

S\$ million	30 Sep 2018	30 Jun 2018	31 Dec 2017	30 Sep 2017
<b>Unsecured</b>				
Subordinated debt	<b>3,215</b>	3,222	4,556	5,323
Fixed and floating rate notes	<b>4,232</b>	3,829	3,425	2,790
Commercial papers	<b>19,692</b>	19,538	21,381	22,279
Structured notes	<b>1,527</b>	1,494	1,289	1,252
<b>Secured</b>				
Covered bonds	<b>3,576</b>	3,581	1,584	792
	<b>32,242</b>	31,664	32,235	32,436
<b>Debt Issued By Maturity</b>				
Within one year	<b>21,532</b>	21,394	24,618	25,443
Over one year	<b>10,710</b>	10,270	7,617	6,993
	<b>32,242</b>	31,664	32,235	32,436

As at 30 September 2018, the Group had S\$19.7 billion of commercial papers outstanding, a decline from a year ago but higher from the previous quarter. The commercial papers form part of the Group's diversified funding sources.

The covered bonds were issued by the Bank under its USD10 billion Global Covered Bond Programme. The Covered Bond Guarantor, Red Sail Pte. Ltd., guarantees the payments of interest and principal. The guarantee is secured by a portfolio of Singapore home loans transferred from OCBC Bank to Red Sail Pte. Ltd..

## CAPITAL ADEQUACY RATIOS <sup>1/</sup>

S\$ million	30 Sep 2018	30 Jun 2018	31 Dec 2017	30 Sep 2017
Ordinary shares	15,761	15,094	14,136	14,153
Disclosed reserves/others	18,415	18,416	18,130	22,775
Regulatory adjustments	(6,799)	(6,869)	(5,359)	(9,121)
<b>Common Equity Tier 1 Capital</b>	<b>27,377</b>	<b>26,641</b>	<b>26,907</b>	<b>27,807</b>
Additional Tier 1 capital	1,571	2,073	2,985	2,986
Regulatory adjustments	–	–	(932)	(1,099)
<b>Tier 1 Capital</b>	<b>28,948</b>	<b>28,714</b>	<b>28,960</b>	<b>29,694</b>
Tier 2 capital	3,353	3,361	4,673	5,738
Regulatory adjustments	(1)	(0)	(408)	(1,182)
<b>Total Eligible Capital</b>	<b>32,300</b>	<b>32,075</b>	<b>33,225</b>	<b>34,250</b>
<b>Risk Weighted Assets</b>	<b>200,322</b>	<b>200,786</b>	<b>193,082</b>	<b>211,372</b>
<b>Capital Adequacy Ratios</b>				
Common Equity Tier 1	13.6%	13.2%	13.9%	13.1%
Tier 1	14.4%	14.3%	14.9%	14.0%
Total	16.1%	15.9%	17.2%	16.2%

The Group remained strongly capitalised, with a Common Equity Tier 1 (“CET1”) capital adequacy ratio (“CAR”) of 13.6%, and Tier 1 and Total CAR of 14.4% and 16.1% respectively. These ratios were well above the regulatory minima of 6.5%, 8% and 10%, respectively, for 2018 <sup>2/</sup>.

The capital adequacy of the Group’s significant banking subsidiaries as at 30 September 2018 were:

S\$ million	Total Risk Weighted Assets	Capital Adequacy Ratios		
		Common Equity Tier 1	Tier 1	Total
OCBC Wing Hang Bank Limited	22,393	14.2%	14.2%	16.4%
OCBC Bank (Malaysia) Berhad	13,502	12.3%	14.2%	16.8%
Bank OCBC NISP	13,106	16.1%	16.1%	17.0%

The capital adequacy ratios of OCBC Wing Hang Bank Limited are computed in accordance with the Banking (Capital) Rules issued by the Hong Kong Monetary Authority, and the ratios for OCBC Bank (Malaysia) Berhad are computed in accordance with the Capital Adequacy Framework (Capital Components) issued by Bank Negara Malaysia. Bank OCBC NISP computes their ratios based on the Financial Services Authority Regulation in Indonesia.

<sup>1</sup> Public disclosures required under MAS Notice 637 can be found in the Capital and Regulatory Disclosures section of the Bank’s Investor Relations website ([http://www.ocbc.com/group/investors/Cap\\_and\\_Reg\\_Disclosures.html](http://www.ocbc.com/group/investors/Cap_and_Reg_Disclosures.html)).

<sup>2</sup> In addition to these minimum capital requirements, Capital Conservation Buffer (“CCB”) of 2.5% and Countercyclical Buffer (“CCyB”) of up to 2.5% are being phased in from 2016 to 2019. The CCB was 1.875% on 1 January 2018 and increases by 0.625% to reach 2.5% on 1 January 2019. The CCyB is not an on-going requirement and the applicable magnitude will be the weighted average of the country-specific CCyB requirements that are being applied by national authorities in jurisdictions to which the Bank has private sector credit exposures.

## PERFORMANCE BY BUSINESS SEGMENT

OCBC Group's businesses are presented in the following customer segments and business activities: Global Consumer/Private Banking, Global Corporate/Investment Banking, Global Treasury and Markets, OCBC Wing Hang and Insurance.

### Operating Profit by Business Segment

<b>S\$ million</b>	<b>9M18</b>	<b>9M17</b>	<b>+/(-) %</b>	<b>3Q18</b>	<b>3Q17</b>	<b>+/(-) %</b>	<b>2Q18</b>	<b>+/(-) %</b>
Global Consumer/Private Banking	<b>1,015</b>	945	7	<b>316</b>	312	2	330	(4)
Global Corporate/Investment Banking	<b>1,482</b>	1,146	29	<b>472</b>	369	28	505	(7)
Global Treasury and Markets	<b>392</b>	387	1	<b>142</b>	144	(1)	131	9
OCBC Wing Hang	<b>367</b>	286	28	<b>135</b>	111	22	133	1
Insurance	<b>672</b>	662	2	<b>239</b>	303	(21)	271	(11)
Others	<b>128</b>	(75)	268	<b>96</b>	(5)	nm	22	340
<b>Operating profit after allowances and amortisation</b>	<b>4,056</b>	3,351	21	<b>1,400</b>	1,234	13	1,392	1

Note:

1. Comparative figures have been restated with the adoption of SFRS(I) and GEH accounting policy change.

### Global Consumer/Private Banking

Global Consumer/Private Banking provides a full range of products and services to individual customers. At Global Consumer Banking, the products and services offered include deposit products (checking accounts, savings and fixed deposits), consumer loans (housing loans and other personal loans), credit cards, wealth management products (unit trusts, bancassurance products and structured deposits) and brokerage services. Private Banking caters to the specialised banking needs of high net worth individuals, offering wealth management expertise, including investment advice and portfolio management services, estate and trust planning, and wealth structuring.

Global Consumer/Private Banking's operating profit after allowances was S\$1.02 billion in 9M18 and S\$316 million in 3Q18, a year-on-year increase of 7% and 2% respectively. The growth for both periods was driven by higher net interest income and fee income, as well as lower allowances, partly offset by an increase in expenses. Quarter-on-quarter, operating profit declined by 4%, mainly attributable to lower fee income.

### Global Corporate/Investment Banking

Global Corporate/Investment Banking serves institutional customers ranging from large corporates and the public sector to small and medium enterprises. The products and services offered include long-term loans such as project financing, short-term credit such as overdrafts and trade financing, deposit accounts and fee-based services such as cash management and custodian services. Investment Banking offers a comprehensive range of financing solutions, syndicated loans and advisory services, corporate finance services for initial public offerings, secondary fund-raising, takeovers and mergers, as well as customised and structured equity-linked financing.

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## PERFORMANCE BY BUSINESS SEGMENT *(continued)*

Global Corporate/Investment Banking's operating profit after allowances grew by 29% to S\$1.48 billion in 9M18 from S\$1.15 billion a year ago, driven by net interest income growth and lower allowances, partly offset by higher expenses. 3Q18 operating profit rose 28% year-on-year to S\$472 million, led by higher net interest income and fee income, partly offset by an increase in expenses. Compared with 2Q18, operating profit fell by 7%, as higher net interest income and fee income, was more than offset by higher allowances.

### Global Treasury and Markets

Global Treasury and Markets is responsible for the management of the Group's asset and liability interest rate positions, engages in foreign exchange activities, money market operations, fixed income and derivatives trading, and offers structured treasury products and financial solutions to meet customers' investment and hedging needs. Income from treasury products and services offered to customers of other business segments, such as Global Consumer/Private Banking and Global Corporate/Investment Banking, is reflected in the respective business segments.

Global Treasury's operating profit after allowances rose 1% year-on-year to S\$392 million in 9M18, mainly from higher net trading income and lower allowances. 3Q18 operating profit of S\$142 million was 1% lower year-on-year, from a decline in net interest income, partly offset by an increase in net trading income. Quarter-on-quarter, operating profit grew by 9%, mainly driven by higher net interest income.

### OCBC Wing Hang

OCBC Wing Hang offers a comprehensive range of commercial banking and related financial services such as consumer financing, share brokerage and insurance.

OCBC Wing Hang's operating profit after allowances rose 28% to S\$367 million in 9M18 and was up 22% year-on-year to S\$135 million in 3Q18. The higher operating profit growth for both periods was largely contributed by higher net interest income and trading income, partly offset by higher allowances. Against the previous quarter, operating profit grew by 1%, as broad-based income growth was partly offset by an increase in allowances.

### Insurance

The Group's insurance business, including its fund management activities, is undertaken by 87.9%-owned subsidiary GEH and its subsidiaries, which provide both life and general insurance products to its customers mainly in Singapore and Malaysia.

Operating profit after allowances from GEH grew by 2% to S\$672 million in 9M18, led by higher operating profit from its underlying insurance business and lower expenses, partly offset by absence of gains on sale of investments. 3Q18 operating profit fell by 21% year-on-year to S\$239 million, with the decline mainly from weaker investment performance of the Life Insurance business. Compared with 2Q18, operating profit was 11% lower, mainly attributable to higher expenses and lower insurance income.

After tax and non-controlling interests, GEH's contribution to the Group's net profit was S\$496 million in 9M18 and S\$176 million in 3Q18, lower than S\$500 million in 9M17 and S\$240 million in 3Q17 respectively.

### Others

Others comprise mainly property holding, investment holding and items not attributable to the business segments described above.

## PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S\$ million	Global Consumer/ Private Banking	Global Corporate/ Investment Banking	Global Treasury And Markets	OCBC Wing Hang	Insurance	Others	Group
<b>9M18</b>							
Net interest income	1,425	1,896	464	615	58	(88)	4,370
Non-interest income	1,159	647	124	209	802	40	2,981
<b>Total income</b>	<b>2,584</b>	<b>2,543</b>	<b>588</b>	<b>824</b>	<b>860</b>	<b>(48)</b>	<b>7,351</b>
Operating profit before allowances and amortisation	1,049	1,721	394	411	702	(62)	4,215
Amortisation of intangible assets	(11)	–	–	(30)	(35)	–	(76)
Allowance for loans and impairment for other assets	(23)	(239)	(2)	(14)	5	190	(83)
<b>Operating profit after allowances and amortisation</b>	<b>1,015</b>	<b>1,482</b>	<b>392</b>	<b>367</b>	<b>672</b>	<b>128</b>	<b>4,056</b>
<b>Other information:</b>							
Capital expenditure	40	2	0	11	42	101	196
Depreciation	31	6	1	48	4	146	236
<b>9M17</b>							
Net interest income	1,320	1,654	504	554	69	(102)	3,999
Non-interest income	1,078	637	91	170	823	91	2,890
<b>Total income</b>	<b>2,398</b>	<b>2,291</b>	<b>595</b>	<b>724</b>	<b>892</b>	<b>(11)</b>	<b>6,889</b>
Operating profit before allowances and amortisation	1,002	1,518	397	315	711	(21)	3,922
Amortisation of intangible assets	(12)	–	–	(31)	(35)	–	(78)
Allowance for loans and impairment for other assets	(45)	(372)	(10)	2	(14)	(54)	(493)
<b>Operating profit after allowances and amortisation</b>	<b>945</b>	<b>1,146</b>	<b>387</b>	<b>286</b>	<b>662</b>	<b>(75)</b>	<b>3,351</b>
<b>Other information:</b>							
Capital expenditure	19	1	0	8	47	100	175
Depreciation	32	8	1	49	2	142	234

## PERFORMANCE BY BUSINESS SEGMENT *(continued)*

S\$ million	Global Consumer/ Private Banking	Global Corporate/ Investment Banking	Global Treasury And Markets	OCBC Wing Hang	Insurance	Others	Group
<b>3Q18</b>							
Net interest income	481	652	162	210	20	(20)	1,505
Non-interest income	365	228	48	92	295	11	1,039
<b>Total income</b>	<b>846</b>	<b>880</b>	<b>210</b>	<b>302</b>	<b>315</b>	<b>(9)</b>	<b>2,544</b>
Operating profit before allowances and amortisation	326	603	142	159	249	(4)	1,475
Amortisation of intangible assets	(4)	–	–	(10)	(12)	–	(26)
Allowance for loans and impairment for other assets	(6)	(131)	0	(14)	2	100	(49)
<b>Operating profit after allowances and amortisation</b>	<b>316</b>	<b>472</b>	<b>142</b>	<b>135</b>	<b>239</b>	<b>96</b>	<b>1,400</b>
<b>Other information:</b>							
Capital expenditure	16	1	0	2	16	35	70
Depreciation	11	2	0	16	2	49	80
<b>3Q17</b>							
Net interest income	455	567	179	192	22	(33)	1,382
Non-interest income	354	196	32	74	355	24	1,035
<b>Total income</b>	<b>809</b>	<b>763</b>	<b>211</b>	<b>266</b>	<b>377</b>	<b>(9)</b>	<b>2,417</b>
Operating profit before allowances and amortisation	331	503	145	126	322	(11)	1,416
Amortisation of intangible assets	(4)	–	–	(10)	(12)	–	(26)
Allowance for loans and impairment for other assets	(15)	(134)	(1)	(5)	(7)	6	(156)
<b>Operating profit after allowances and amortisation</b>	<b>312</b>	<b>369</b>	<b>144</b>	<b>111</b>	<b>303</b>	<b>(5)</b>	<b>1,234</b>
<b>Other information:</b>							
Capital expenditure	4	0	0	3	23	37	67
Depreciation	11	3	0	16	1	48	79
<b>2Q18</b>							
Net interest income	478	643	141	202	20	(34)	1,450
Non-interest income	379	202	53	79	292	19	1,024
<b>Total income</b>	<b>857</b>	<b>845</b>	<b>194</b>	<b>281</b>	<b>312</b>	<b>(15)</b>	<b>2,474</b>
Operating profit before allowances and amortisation	342	565	130	137	280	(15)	1,439
Amortisation of intangible assets	(4)	–	–	(10)	(12)	–	(26)
Allowance for loans and impairment for other assets	(8)	(60)	1	6	3	37	(21)
<b>Operating profit after allowances and amortisation</b>	<b>330</b>	<b>505</b>	<b>131</b>	<b>133</b>	<b>271</b>	<b>22</b>	<b>1,392</b>
<b>Other information:</b>							
Capital expenditure	15	1	0	5	13	46	80
Depreciation	10	2	1	16	1	49	79

**PERFORMANCE BY BUSINESS SEGMENT** *(continued)*

S\$ million	Global Consumer/ Private Banking	Global Corporate/ Investment Banking	Global Treasury And Markets	OCBC Wing Hang	Insurance	Others	Group
<b>At 30 September 2018</b>							
Segment assets	112,185	139,618	75,557	55,741	86,124	16,198	485,423
Unallocated assets							1,138
Elimination							(22,446)
<b>Total assets</b>							<b>464,115</b>
Segment liabilities	126,235	113,133	53,999	47,367	76,089	24,619	441,442
Unallocated liabilities							2,544
Elimination							(22,446)
<b>Total liabilities</b>							<b>421,540</b>
<b>Other information:</b>							
Gross non-bank loans	94,871	131,004	1,658	33,849	15	(4,821)	256,576
NPAs	558	2,971	–	143	2	(80)	3,594
<b>At 30 June 2018</b>							
Segment assets	112,719	134,990	81,212	57,196	84,011	14,128	484,256
Unallocated assets							1,107
Elimination							(20,732)
<b>Total assets</b>							<b>464,631</b>
Segment liabilities	126,806	114,905	54,456	48,933	74,194	21,301	440,595
Unallocated liabilities							2,552
Elimination							(20,732)
<b>Total liabilities</b>							<b>422,415</b>
<b>Other information:</b>							
Gross non-bank loans	95,563	126,544	1,645	33,684	16	(5,088)	252,364
NPAs	554	2,920	–	129	2	(91)	3,514
<b>At 31 December 2017</b>							
Segment assets	106,529	126,157	82,913	55,874	83,097	15,167	469,737
Unallocated assets							906
Elimination							(17,950)
<b>Total assets</b>							<b>452,693</b>
Segment liabilities	117,287	111,069	55,415	48,251	72,818	21,387	426,227
Unallocated liabilities							2,623
Elimination							(17,950)
<b>Total liabilities</b>							<b>410,900</b>
<b>Other information:</b>							
Gross non-bank loans	91,144	118,242	1,519	31,285	42	(4,911)	237,321
NPAs	559	2,847	–	157	5	(100)	3,468
<b>At 30 September 2017</b>							
Segment assets	103,805	124,888	77,920	54,220	78,553	12,982	452,368
Unallocated assets							1,069
Elimination							(16,921)
<b>Total assets</b>							<b>436,516</b>
Segment liabilities	114,669	106,082	53,069	47,321	68,674	20,157	409,972
Unallocated liabilities							2,549
Elimination							(16,921)
<b>Total liabilities</b>							<b>395,600</b>
<b>Other information:</b>							
Gross non-bank loans	89,309	116,724	1,426	30,387	50	(5,471)	232,425
NPAs	611	2,297	–	253	5	(183)	2,983



## PERFORMANCE BY GEOGRAPHICAL SEGMENT

	9M18		9M17		3Q18		3Q17		2Q18	
	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%
<b>Total income</b>										
Singapore	4,238	58	4,066	59	1,488	59	1,446	60	1,397	56
Malaysia	1,099	15	946	14	358	14	318	13	409	17
Indonesia	570	8	609	9	195	8	204	8	179	7
Greater China	1,110	15	987	14	392	15	354	15	373	15
Other Asia Pacific	164	2	121	2	50	2	42	2	46	2
Rest of the World	170	2	160	2	61	2	53	2	70	3
	<b>7,351</b>	<b>100</b>	<b>6,889</b>	<b>100</b>	<b>2,544</b>	<b>100</b>	<b>2,417</b>	<b>100</b>	<b>2,474</b>	<b>100</b>
<b>Profit before income tax</b>										
Singapore	2,373	54	1,961	53	802	52	735	54	874	58
Malaysia	700	16	595	16	230	15	218	16	263	18
Indonesia	237	5	229	6	123	8	72	5	8	1
Greater China	913	20	762	21	315	21	272	20	308	20
Other Asia Pacific	122	3	75	2	33	2	30	2	32	2
Rest of the World	82	2	90	2	31	2	34	3	19	1
	<b>4,427</b>	<b>100</b>	<b>3,712</b>	<b>100</b>	<b>1,534</b>	<b>100</b>	<b>1,361</b>	<b>100</b>	<b>1,504</b>	<b>100</b>

	30 Sep 2018		30 Jun 2018		31 Dec 2017		30 Sep 2017	
	S\$ million	%	S\$ million	%	S\$ million	%	S\$ million	%
<b>Total assets</b>								
Singapore	268,534	58	265,748	57	255,873	57	248,191	57
Malaysia	65,726	14	64,976	14	62,372	14	61,553	14
Indonesia	15,219	3	16,228	3	15,361	3	15,010	3
Greater China	83,358	18	86,842	19	85,757	19	81,677	19
Other Asia Pacific	14,098	3	13,856	3	13,399	3	13,309	3
Rest of the World	17,180	4	16,981	4	19,931	4	16,776	4
	<b>464,115</b>	<b>100</b>	<b>464,631</b>	<b>100</b>	<b>452,693</b>	<b>100</b>	<b>436,516</b>	<b>100</b>

Note:

- Comparative figures have been restated with the adoption of SFRS(I) and GEH accounting policy change.

The geographical segment analysis is based on the location where assets or transactions are booked. For 3Q18, Singapore accounted for 59% of total income and 52% of pre-tax profit, while Malaysia comprised 14% of total income and 15% of pre-tax profit. Indonesia made up for 8% of total income and 8% of pre-tax profit for the quarter. Greater China contributed 15% of total income and 21% of pre-tax profit.

Pre-tax profit for Singapore was S\$802 million in the third quarter, an increase of 9% from S\$735 million in 3Q17. This was driven by higher net interest income and lower allowances, which more than offset the decline in profit from life assurance. Malaysia's pre-tax profit was S\$230 million, 5% higher from S\$218 million a year ago, largely attributable to growth in net interest income. Pre-tax profit for Indonesia was S\$123 million in 3Q18, up 71% from S\$72 million a year ago mainly attributable to higher net interest income and lower allowances. Pre-tax profit for Greater China increased 16% to S\$315 million, from S\$272 million in 3Q17, led by an increase in share of associate's profits and higher net trading income.

9M18 pre-tax profit for Singapore was S\$2.37 billion, an increase of 21% from S\$1.96 billion in 9M17, as a result of higher net interest income and lower allowances, partly offset by a rise in operating expenses. Malaysia's pre-tax profit was S\$700 million for the period, up 18% from S\$595 million a year ago, underpinned by higher profit from life assurance and net interest income. Pre-tax profit for Indonesia of S\$237 million in 9M18 was relatively unchanged against S\$229 million in the previous year. Pre-tax profit for Greater China increased 20% to S\$913 million, from S\$762 million a year ago, mainly from higher net interest income, as well as income from associated companies.

## CONSOLIDATED INCOME STATEMENT (UNAUDITED)

S\$ million	9M18	9M17	+ / (-)	3Q18	3Q17	+ / (-)	2Q18	+ / (-)
			%			%		%
Interest income	8,073	6,690	21	2,853	2,332	22	2,710	5
Interest expense	(3,703)	(2,691)	38	(1,348)	(950)	42	(1,260)	7
<b>Net interest income</b>	<b>4,370</b>	<b>3,999</b>	<b>9</b>	<b>1,505</b>	<b>1,382</b>	<b>9</b>	<b>1,450</b>	<b>4</b>
Premium income	8,816	7,924	11	3,378	2,980	13	3,127	8
Investment income	1,025	3,115	(67)	1,347	1,064	27	(145)	nm
Net claims, surrenders and annuities	(4,627)	(3,872)	20	(1,699)	(1,387)	23	(1,551)	10
Change in life assurance fund contract liabilities	(3,501)	(5,317)	(34)	(2,375)	(1,943)	22	(896)	165
Commission and others	(1,173)	(1,353)	(13)	(467)	(461)	1	(344)	36
Profit from life assurance	540	497	9	184	253	(28)	191	(3)
Premium income from general insurance	124	110	12	41	37	10	43	(5)
Fees and commissions (net)	1,557	1,461	7	502	488	3	518	(3)
Dividends	113	65	74	60	24	151	34	72
Rental income	60	62	(4)	20	21	(3)	20	4
Other income	587	695	(15)	232	212	10	218	6
<b>Non-interest income</b>	<b>2,981</b>	<b>2,890</b>	<b>3</b>	<b>1,039</b>	<b>1,035</b>	<b>-</b>	<b>1,024</b>	<b>1</b>
<b>Total income</b>	<b>7,351</b>	<b>6,889</b>	<b>7</b>	<b>2,544</b>	<b>2,417</b>	<b>5</b>	<b>2,474</b>	<b>3</b>
Staff costs	(1,947)	(1,829)	6	(651)	(608)	7	(633)	3
Other operating expenses	(1,189)	(1,138)	5	(418)	(393)	6	(402)	4
<b>Total operating expenses</b>	<b>(3,136)</b>	<b>(2,967)</b>	<b>6</b>	<b>(1,069)</b>	<b>(1,001)</b>	<b>7</b>	<b>(1,035)</b>	<b>3</b>
<b>Operating profit before allowances and amortisation</b>	<b>4,215</b>	<b>3,922</b>	<b>7</b>	<b>1,475</b>	<b>1,416</b>	<b>4</b>	<b>1,439</b>	<b>3</b>
Amortisation of intangible assets	(76)	(78)	(2)	(26)	(26)	-	(26)	1
Allowances for loans and other assets	(83)	(493)	(83)	(49)	(156)	(68)	(21)	131
<b>Operating profit after allowances and amortisation</b>	<b>4,056</b>	<b>3,351</b>	<b>21</b>	<b>1,400</b>	<b>1,234</b>	<b>13</b>	<b>1,392</b>	<b>1</b>
Share of results of associates	371	361	3	134	127	6	112	20
<b>Profit before income tax</b>	<b>4,427</b>	<b>3,712</b>	<b>19</b>	<b>1,534</b>	<b>1,361</b>	<b>13</b>	<b>1,504</b>	<b>2</b>
Income tax expense	(706)	(546)	29	(233)	(192)	21	(246)	(5)
<b>Profit for the period</b>	<b>3,721</b>	<b>3,166</b>	<b>18</b>	<b>1,301</b>	<b>1,169</b>	<b>11</b>	<b>1,258</b>	<b>3</b>
<b>Profit attributable to:</b>								
Equity holders of the Bank	3,566	3,011	18	1,245	1,108	12	1,209	3
Non-controlling interests	155	155	(1)	56	61	(9)	49	15
	<b>3,721</b>	<b>3,166</b>	<b>18</b>	<b>1,301</b>	<b>1,169</b>	<b>11</b>	<b>1,258</b>	<b>3</b>
<b>Earnings per share <sup>1/</sup></b> <b>(for the period – cents)</b>								
Basic	84.7	71.0		29.5	26.2		28.9	
Diluted	84.5	70.9		29.5	26.2		28.8	

### Notes:

- Earnings mean profit attributable to ordinary equity holders of the bank.
- Comparative figures have been restated with the adoption of SFRS(I) and GEH accounting policy change.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

S\$ million	9M18	9M17	+ / (-) %	3Q18	3Q17	+ / (-) %	2Q18	+ / (-) %
<b>Profit for the period</b>	<b>3,721</b>	3,166	18	<b>1,301</b>	1,169	11	1,258	3
<b>Other comprehensive income:</b> Items that may be reclassified subsequently to income statement:								
Financial assets, at FVOCI / available-for-sale								
Gains/(losses) for the period	<b>(359)</b>	542	(166)	<b>34</b>	(22)	256	(162)	121
Reclassification of (gains)/losses to income statement								
– on disposal	<b>(11)</b>	(156)	93	<b>(4)</b>	(63)	93	1	(344)
– on impairment	<b>(28)</b>	40	(170)	<b>2</b>	14	(88)	(13)	114
Tax on net movements	<b>55</b>	(42)	233	<b>(4)</b>	(4)	3	49	(107)
Cash flow hedges	<b>(1)</b>	–	–	<b>(1)</b>	–	–	1	(201)
Currency translation on foreign operations	<b>(149)</b>	(484)	69	<b>(187)</b>	(97)	(93)	134	(240)
Other comprehensive income of associates	<b>(38)</b>	(184)	79	<b>(98)</b>	(37)	(161)	6	nm
Items that will not be reclassified subsequently to income statement:								
Financial assets, at FVOCI	<b>(11)</b>	–	–	<b>36</b>	–	–	52	(30)
Defined benefit plans remeasurements	<b>(0)</b>	0	(158)	<b>(0)</b>	0	(159)	(0)	2
<b>Total other comprehensive income, net of tax</b>	<b>(542)</b>	(284)	(91)	<b>(222)</b>	(209)	(6)	68	(428)
<b>Total comprehensive income for the period, net of tax</b>	<b>3,179</b>	2,882	10	<b>1,079</b>	960	12	1,326	(19)
<b>Total comprehensive income attributable to:</b>								
Equity holders of the Bank	<b>3,091</b>	2,710	14	<b>1,031</b>	908	13	1,295	(20)
Non-controlling interests	<b>88</b>	172	(49)	<b>48</b>	52	(8)	31	58
	<b>3,179</b>	2,882	10	<b>1,079</b>	960	12	1,326	(19)

Note:

1. Comparative figures have been restated with the adoption of SFRS(I) and GEH accounting policy change.

## BALANCE SHEETS (UNAUDITED)

S\$ million	GROUP				BANK			
	30 Sep 2018	30 Jun 2018	31 Dec 2017	30 Sep 2017	30 Sep 2018	30 Jun 2018	31 Dec 2017	30 Sep 2017
<b>EQUITY</b>								
<b>Attributable to equity holders of the Bank</b>								
Share capital	15,761	15,094	15,136	15,154	15,761	15,094	15,136	15,154
Other equity instruments	1,497	499	499	499	1,497	499	499	499
Capital reserves	875	812	361	322	587	312	99	117
Fair value reserves	19	(71)	352	492	(70)	(68)	12	70
Revenue reserves	23,183	23,149	22,680	21,762	12,630	13,094	13,017	12,539
	<b>41,335</b>	<b>39,483</b>	<b>39,028</b>	<b>38,229</b>	<b>30,405</b>	<b>28,931</b>	<b>28,763</b>	<b>28,379</b>
<b>Non-controlling interests</b>	<b>1,240</b>	<b>2,733</b>	<b>2,765</b>	<b>2,687</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total equity</b>	<b>42,575</b>	<b>42,216</b>	<b>41,793</b>	<b>40,916</b>	<b>30,405</b>	<b>28,931</b>	<b>28,763</b>	<b>28,379</b>
<b>LIABILITIES</b>								
Deposits of non-bank customers	286,686	290,292	283,642	268,234	177,504	180,574	178,146	165,607
Deposits and balances of banks	9,141	9,078	7,485	11,640	6,769	5,909	6,085	9,292
Due to subsidiaries	–	–	–	–	19,571	18,869	16,301	15,407
Due to associates	305	273	220	269	130	116	103	86
Trading portfolio liabilities	353	415	622	558	353	403	622	558
Derivative payables	8,607	8,650	6,454	6,013	6,517	6,920	4,989	4,722
Other liabilities	6,489	6,249	6,066	6,204	2,094	1,867	1,855	1,873
Current tax payables	1,019	1,161	1,107	1,062	340	476	440	398
Deferred tax liabilities	1,525	1,391	1,516	1,486	168	64	54	50
Debt issued	32,242	31,664	32,235	32,436	31,099	31,986	32,498	32,837
	<b>346,367</b>	<b>349,173</b>	<b>339,347</b>	<b>327,902</b>	<b>244,545</b>	<b>247,184</b>	<b>241,093</b>	<b>230,830</b>
Life assurance fund liabilities	75,173	73,242	71,553	67,698	–	–	–	–
<b>Total liabilities</b>	<b>421,540</b>	<b>422,415</b>	<b>410,900</b>	<b>395,600</b>	<b>244,545</b>	<b>247,184</b>	<b>241,093</b>	<b>230,830</b>
<b>Total equity and liabilities</b>	<b>464,115</b>	<b>464,631</b>	<b>452,693</b>	<b>436,516</b>	<b>274,950</b>	<b>276,115</b>	<b>269,856</b>	<b>259,209</b>
<b>ASSETS</b>								
Cash and placements with central banks	15,981	15,363	19,594	14,431	11,416	10,784	14,355	9,361
Singapore government treasury bills and securities	9,243	9,018	9,840	10,761	8,395	8,319	9,089	10,161
Other government treasury bills and securities	16,445	18,841	17,631	16,924	8,124	8,548	8,444	7,531
Placements with and loans to banks	38,054	43,159	49,377	46,559	28,328	31,398	34,756	33,163
Loans and bills receivable	253,823	249,474	234,141	228,886	155,450	151,158	143,516	139,728
Debt and equity securities	26,371	25,415	25,329	24,537	13,440	13,257	13,981	13,127
Assets pledged	2,368	3,193	1,056	2,715	1,287	1,431	741	1,492
Assets held for sale	2	41	39	35	2	3	2	1
Derivative receivables	8,643	8,401	6,386	6,310	6,458	6,635	5,117	5,070
Other assets	3,511	3,971	3,437	3,770	1,537	1,638	1,472	1,569
Deferred tax assets	93	101	143	149	28	29	65	62
Associates	3,067	2,995	2,352	2,624	906	906	483	594
Subsidiaries	–	–	–	–	36,610	39,030	34,824	34,346
Property, plant and equipment	3,327	3,339	3,332	3,358	575	583	614	604
Investment property	890	907	949	962	527	529	530	533
Goodwill and intangible assets	5,120	5,141	5,160	5,225	1,867	1,867	1,867	1,867
	<b>386,938</b>	<b>389,359</b>	<b>378,766</b>	<b>367,246</b>	<b>274,950</b>	<b>276,115</b>	<b>269,856</b>	<b>259,209</b>
Life assurance fund investment assets	77,177	75,272	73,927	69,270	–	–	–	–
<b>Total assets</b>	<b>464,115</b>	<b>464,631</b>	<b>452,693</b>	<b>436,516</b>	<b>274,950</b>	<b>276,115</b>	<b>269,856</b>	<b>259,209</b>
<b>Net asset value (before valuation surplus) per ordinary share – S\$</b>	<b>9.37</b>	<b>9.31</b>	<b>8.96</b>	<b>8.77</b>	<b>6.80</b>	<b>6.79</b>	<b>6.51</b>	<b>6.42</b>
<b>OFF-BALANCE SHEET ITEMS</b>								
Contingent liabilities	12,379	11,834	10,504	10,231	8,756	8,465	7,283	7,343
Commitments	142,118	139,940	130,383	127,374	84,852	83,769	80,501	78,063
Derivative financial instruments	1,064,984	1,031,309	919,224	931,805	880,611	851,875	754,752	778,135

Note:

1. Comparative figures have been restated with the adoption of SFRS(I) and GEH accounting policy change.

## STATEMENT OF CHANGES IN EQUITY – GROUP (UNAUDITED)

For the nine months ended 30 September 2018

S\$ million	Attributable to equity holders of the Bank						Non-controlling interests	Total equity
	Share capital and other equity	Capital reserves	Fair value reserves	Revenue reserves	Total			
<b>Balance at 1 January 2018</b>								
As previously reported	15,635	361	120	22,892	39,008	2,768	41,776	
Effect of adopting SFRS(I) 1 and GEH accounting policy change	–	–	232	(212)	20	(3)	17	
Effect of adopting SFRS(I) 9 and revised MAS612	–	354	(101)	(13)	240	0	240	
As restated <sup>1/</sup>	15,635	715	251	22,667	39,268	2,765	42,033	
Total comprehensive income for the period	–	–	(253)	3,344	3,091	88	3,179	
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Transfers	–	155	–	(155)	–	–	–	
Dividends and distribution	–	–	–	(1,015)	(1,015)	(116)	(1,131)	
DSP reserve from dividends on unvested shares	–	–	–	3	3	–	3	
Perpetual capital securities issued	998	–	–	–	998	–	998	
Redemption of preference shares issued	–	–	–	(1,000)	(1,000)	(1,500)	(2,500)	
Share-based staff costs capitalised	–	15	–	–	15	–	15	
Share buyback held in treasury	(188)	–	–	–	(188)	–	(188)	
Shares issuable in lieu of ordinary dividends	638	–	–	(638)	–	–	–	
Shares issued to non-executive directors	1	–	–	–	1	–	1	
Shares transferred to DSP Trust	–	(3)	–	–	(3)	–	(3)	
Shares vested under DSP Scheme	–	63	–	–	63	–	63	
Treasury shares transferred/sold	174	(70)	–	–	104	–	104	
Others	–	–	21	(25)	(4)	3	(1)	
Total contributions by and distributions to owners	1,623	160	21	(2,830)	(1,026)	(1,613)	(2,639)	
Changes in interests in subsidiaries that do not result in loss of control								
Changes in interests	–	–	–	2	2	–	2	
Total changes in interests in subsidiaries	–	–	–	2	2	–	2	
<b>Balance at 30 September 2018</b>	<b>17,258</b>	<b>875</b>	<b>19</b>	<b>23,183</b>	<b>41,335</b>	<b>1,240</b>	<b>42,575</b>	
Included in the balances:								
Share of reserves of associates	–	–	(21)	1,084	1,063	–	1,063	
<b>Balance at 1 January 2017</b>								
As previously reported	15,606	572	156	20,673	37,007	2,635	39,642	
Effect of adopting SFRS(I) 1 and GEH accounting policy change	–	–	131	(117)	14	(3)	11	
As restated <sup>2/</sup>	15,606	572	287	20,556	37,021	2,632	39,653	
Total comprehensive income for the period	–	–	205	2,505	2,710	172	2,882	
Transactions with owners, recorded directly in equity								
Contributions by and distributions to owners								
Transfers	–	(250)	–	250	–	–	–	
Dividends and distribution	–	–	–	(1,547)	(1,547)	(107)	(1,654)	
DSP reserve from dividends on unvested shares	–	–	–	5	5	–	5	
Share-based staff costs capitalised	–	11	–	–	11	–	11	
Share buyback held in treasury	(168)	–	–	–	(168)	–	(168)	
Shares issued to non-executive directors	1	–	–	–	1	–	1	
Shares transferred to DSP Trust	–	(7)	–	–	(7)	–	(7)	
Shares vested under DSP Scheme	–	49	–	–	49	–	49	
Treasury shares transferred/sold	214	(53)	–	–	161	–	161	
Total contributions by and distributions to owners	47	(250)	–	(1,292)	(1,495)	(107)	(1,602)	
Changes in interests in subsidiaries that do not result in loss of control								
Changes in interests	–	–	0	(7)	(7)	(10)	(17)	
Total changes in interests in subsidiaries	–	–	0	(7)	(7)	(10)	(17)	
<b>Balance at 30 September 2017</b>	<b>15,653</b>	<b>322</b>	<b>492</b>	<b>21,762</b>	<b>38,229</b>	<b>2,687</b>	<b>40,916</b>	
Included in the balances:								
Share of reserves of associates	–	–	(110)	1,046	936	–	936	

Notes:

- Included cumulative FCTR of S\$924 million was reclassified from FCTR to unappropriated profit within revenue reserves.
- Included cumulative FCTR of S\$918 million was reclassified from FCTR to unappropriated profit within revenue reserves.

## STATEMENT OF CHANGES IN EQUITY – GROUP (UNAUDITED)

For the three months ended 30 September 2018

S\$ million	Attributable to equity holders of the Bank						
	Share capital and other equity	Capital reserves	Fair value reserves	Revenue reserves	Total	Non-controlling interests	Total equity
<b>Balance at 1 July 2018</b>	<b>15,593</b>	<b>812</b>	<b>(71)</b>	<b>23,149</b>	<b>39,483</b>	<b>2,733</b>	<b>42,216</b>
Total comprehensive income for the period	–	–	69	962	1,031	48	1,079
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Transfers	–	57	–	(57)	–	–	–
Dividends and distribution	–	–	–	(209)	(209)	(44)	(253)
DSP reserve from dividends on unvested shares	–	–	–	1	1	–	1
Perpetual capital securities issued	998	–	–	–	998	–	998
Redemption of preference shares issued	–	–	–	–	–	(1,500)	(1,500)
Share-based staff costs capitalised	–	6	–	–	6	–	6
Share buyback held in treasury	(30)	–	–	–	(30)	–	(30)
Shares issuable in lieu of ordinary dividends	638	–	–	(638)	–	–	–
Shares vested under DSP Scheme	–	0	–	–	0	–	0
Treasury shares transferred/sold	59	–	–	–	59	–	59
Others	–	–	21	(25)	(4)	3	(1)
<b>Total contributions by and distributions to owners</b>	<b>1,665</b>	<b>63</b>	<b>21</b>	<b>(928)</b>	<b>821</b>	<b>(1,541)</b>	<b>(720)</b>
<b>Balance at 30 September 2018</b>	<b>17,258</b>	<b>875</b>	<b>19</b>	<b>23,183</b>	<b>41,335</b>	<b>1,240</b>	<b>42,575</b>
Included in the balances:							
Share of reserves of associates	–	–	(21)	1,084	1,063	–	1,063
<b>Balance at 1 July 2017</b>	<b>15,605</b>	<b>323</b>	<b>617</b>	<b>21,497</b>	<b>38,042</b>	<b>2,690</b>	<b>40,732</b>
Total comprehensive income for the period	–	–	(125)	1,033	908	52	960
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Dividends and distribution	–	–	–	(764)	(764)	(45)	(809)
DSP reserve from dividends on unvested shares	–	–	–	3	3	–	3
Share-based staff costs capitalised	–	3	–	–	3	–	3
Share buyback held in treasury	(61)	–	–	–	(61)	–	(61)
Shares transferred to DSP Trust	–	(4)	–	–	(4)	–	(4)
Shares vested under DSP Scheme	–	0	–	–	0	–	0
Treasury shares transferred/sold	109	(0)	–	–	109	–	109
<b>Total contributions by and distributions to owners</b>	<b>48</b>	<b>(1)</b>	<b>–</b>	<b>(761)</b>	<b>(714)</b>	<b>(45)</b>	<b>(759)</b>
Changes in interests in subsidiaries that do not result in loss of control							
Changes in interests	–	–	0	(7)	(7)	(10)	(17)
<b>Total changes in interests in subsidiaries</b>	<b>–</b>	<b>–</b>	<b>0</b>	<b>(7)</b>	<b>(7)</b>	<b>(10)</b>	<b>(17)</b>
<b>Balance at 30 September 2017</b>	<b>15,653</b>	<b>322</b>	<b>492</b>	<b>21,762</b>	<b>38,229</b>	<b>2,687</b>	<b>40,916</b>
Included in the balances:							
Share of reserves of associates	–	–	(110)	1,046	936	–	936

## STATEMENT OF CHANGES IN EQUITY – BANK (UNAUDITED)

For the nine months ended 30 September 2018

S\$ million	Share capital and other equity	Capital reserves	Fair value reserves	Revenue reserves	Total equity
<b>Balance at 1 January 2018</b>					
As previously reported	15,635	99	12	13,017	28,763
Effect of adopting SFRS(I) 9 and revised MAS612	–	122	28	(114)	36
As restated <sup>1/</sup>	15,635	221	40	12,903	28,799
Total comprehensive income for the period	–	–	(110)	2,728	2,618
Transfers	–	351	–	(351)	–
DSP reserve from dividends on unvested shares	–	–	–	3	3
Dividends and distribution	–	–	–	(1,015)	(1,015)
Redemption of preference shares issued	–	–	–	(1,000)	(1,000)
Perpetual capital securities issued	998	–	–	–	998
Share-based staff costs capitalised	–	15	–	–	15
Share buyback held in treasury	(188)	–	–	–	(188)
Shares issuable in lieu of ordinary dividends	638	–	–	(638)	–
Shares issued to non-executive directors	1	–	–	–	1
Treasury shares transferred/sold	174	–	–	–	174
<b>Balance at 30 September 2018</b>	<b>17,258</b>	<b>587</b>	<b>(70)</b>	<b>12,630</b>	<b>30,405</b>
<b>Balance at 1 January 2017</b>					
As previously reported	15,606	106	8	12,561	28,281
As restated <sup>1/</sup>	15,606	106	8	12,561	28,281
Total comprehensive income for the period	–	–	62	1,520	1,582
DSP reserve from dividends on unvested shares	–	–	–	5	5
Dividends and distribution	–	–	–	(1,547)	(1,547)
Share-based staff costs capitalised	–	11	–	–	11
Share buyback held in treasury	(168)	–	–	–	(168)
Shares issued to non-executive directors	1	–	–	–	1
Treasury shares transferred/sold	214	–	–	–	214
<b>Balance at 30 September 2017</b>	<b>15,653</b>	<b>117</b>	<b>70</b>	<b>12,539</b>	<b>28,379</b>

Note:

1. Included cumulative FCTR of S\$149 million was reclassified from FCTR to unappropriated profit within revenue reserves.

## STATEMENT OF CHANGES IN EQUITY – BANK (UNAUDITED)

For the three months ended 30 September 2018

S\$ million	Share capital and other equity	Capital reserves	Fair value reserves	Revenue reserves	Total equity
<b>Balance at 1 July 2018</b>					
	15,593	312	(68)	13,094	28,931
Total comprehensive income for the period	–	–	(2)	651	649
Transfers	–	269	–	(269)	–
DSP reserve from dividends on unvested shares	–	–	–	1	1
Dividends and distribution	–	–	–	(209)	(209)
Perpetual capital securities issued	998	–	–	–	998
Share-based staff costs capitalised	–	6	–	–	6
Share buyback held in treasury	(30)	–	–	–	(30)
Shares issuable in lieu of ordinary dividends	638	–	–	(638)	–
Treasury shares transferred/sold	59	–	–	–	59
<b>Balance at 30 September 2018</b>	<b>17,258</b>	<b>587</b>	<b>(70)</b>	<b>12,630</b>	<b>30,405</b>
<b>Balance at 1 July 2017</b>					
	15,605	114	99	12,849	28,667
Total comprehensive income for the period	–	–	(29)	451	422
DSP reserve from dividends on unvested shares	–	–	–	3	3
Dividends and distribution	–	–	–	(764)	(764)
Share-based staff costs capitalised	–	3	–	–	3
Share buyback held in treasury	(61)	–	–	–	(61)
Treasury shares transferred/sold	109	–	–	–	109
<b>Balance at 30 September 2017</b>	<b>15,653</b>	<b>117</b>	<b>70</b>	<b>12,539</b>	<b>28,379</b>



## CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the nine months ended 30 September 2018

<b>S\$ million</b>	<b>9M18</b>	<b>9M17</b>	<b>3Q18</b>	<b>3Q17</b>
<b>Cash flows from operating activities</b>				
Profit before income tax	4,427	3,712	1,534	1,361
Adjustments for non-cash items:				
Amortisation of intangible assets	76	78	26	26
Allowances for loans and other assets	83	493	49	156
Change in hedging transactions, trading, fair value through profit and loss securities and debt issued	248	13	11	60
Depreciation of property, plant and equipment and investment property	236	234	80	79
Net gain on disposal of property, plant and equipment and investment property	(39)	(55)	(7)	(25)
Net gain on disposal of government, debt and equity securities	(14)	(182)	(4)	(64)
Net (gain)/loss on disposal of interests in subsidiaries and associates	(5)	(13)	0	5
Share-based costs	48	41	17	14
Share of results of associates	(371)	(361)	(134)	(127)
Items relating to life assurance fund				
Surplus before income tax	573	860	198	359
Surplus transferred from life assurance fund	(541)	(497)	(184)	(254)
Operating profit before change in operating assets and liabilities	4,721	4,323	1,586	1,590
Change in operating assets and liabilities:				
Deposits of non-bank customers	3,129	6,811	(3,573)	3,871
Deposits and balances of banks	1,656	900	63	(94)
Derivative payables and other liabilities	2,543	(1,899)	(50)	671
Trading portfolio liabilities	(269)	(40)	(62)	51
Government securities and treasury bills	1,032	(3,359)	2,133	(1,183)
Restricted balances with central banks	519	(224)	201	(75)
Trading and fair value through profit and loss securities	334	(510)	93	(399)
Placements with and loans to banks	11,238	(6,923)	5,247	(1,754)
Loans and bills receivable	(19,387)	(12,585)	(4,291)	(3,704)
Derivative receivables and other assets	(2,285)	1,646	113	(214)
Net change in investment assets and liabilities of life assurance fund	(17)	117	285	105
Cash from/(used in) operating activities	3,214	(11,743)	1,745	(1,135)
Income tax paid	(681)	(483)	(266)	(171)
<b>Net cash from/(used in) operating activities</b>	<b>2,533</b>	<b>(12,226)</b>	<b>1,479</b>	<b>(1,306)</b>
<b>Cash flows from investing activities</b>				
Dividends from associates	81	57	81	57
Decrease/(increase) in associates	(62)	43	-	(14)
Purchases of debt and equity securities	(11,757)	(15,855)	(3,180)	(4,032)
Purchases of property, plant and equipment and investment property	(196)	(175)	(70)	(67)
Proceeds from disposal of debt and equity securities	9,098	14,216	2,696	3,982
Proceeds from disposal of interests in subsidiaries and associates	8	58	8	5
Proceeds from disposal of property, plant and equipment and investment property	51	90	14	30
<b>Net cash used in investing activities</b>	<b>(2,777)</b>	<b>(1,566)</b>	<b>(451)</b>	<b>(39)</b>
<b>Cash flows from financing activities</b>				
Acquisition of non-controlling interests	-	(17)	-	(17)
Dividends and distribution paid	(935)	(1,654)	(54)	(809)
Redemption of preference shares issued	(2,500)	-	(1,500)	-
Redemption of subordinated debt issued	(1,314)	(840)	-	(191)
Net issuance in other debt issued	1,240	14,288	584	1,463
Net proceeds from issue of perpetual capital securities	998	-	998	-
Proceeds from treasury shares transferred/sold under the Bank's employee share schemes	104	161	59	109
Share buyback held in treasury	(188)	(168)	(30)	(61)
<b>Net cash (used in)/from financing activities</b>	<b>(2,595)</b>	<b>11,770</b>	<b>57</b>	<b>494</b>
<b>Net currency translation adjustments</b>	<b>(254)</b>	<b>(332)</b>	<b>(273)</b>	<b>(37)</b>
<b>Net change in cash and cash equivalents</b>	<b>(3,093)</b>	<b>(2,354)</b>	<b>812</b>	<b>(888)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>13,835</b>	<b>11,177</b>	<b>9,930</b>	<b>9,711</b>
<b>Cash and cash equivalents at end of period</b>	<b>10,742</b>	<b>8,823</b>	<b>10,742</b>	<b>8,823</b>

Note:

1. Comparative figures have been restated with the adoption of SFRS(I) and GEH accounting policy change.



## SHARE CAPITAL AND OPTIONS ON SHARES IN THE BANK

The following table shows movements in the issued ordinary shares of the Bank:

Number of Shares	Nine months ended 30 Sep		Three months ended 30 Sep	
	2018	2017	2018	2017
<b>Issued ordinary shares</b>				
Balance at beginning of period	<b>4,193,784,461</b>	4,193,729,363	<b>4,193,837,129</b>	4,193,784,461
Shares issued to non-executive directors	<b>52,668</b>	55,098	–	–
Balance at end of period	<b>4,193,837,129</b>	4,193,784,461	<b>4,193,837,129</b>	4,193,784,461
<b>Treasury shares</b>				
Balance at beginning of period	<b>(7,070,767)</b>	(11,022,010)	<b>(8,806,708)</b>	(10,243,440)
Share buyback	<b>(14,925,000)</b>	(15,960,000)	<b>(2,650,000)</b>	(5,560,000)
Shares sold/transferred to employees pursuant to OCBC Share Option Scheme	<b>4,415,969</b>	11,594,811	<b>158,772</b>	6,211,363
Shares sold/transferred to employees pursuant to OCBC Employee Share Purchase Plan	<b>7,555,385</b>	6,034,437	<b>6,595,449</b>	5,310,522
Shares transferred to DSP Trust pursuant to OCBC Deferred Share Plan	<b>5,321,926</b>	5,075,828	–	4,621
Shares sold for cash	<b>46,983</b>	218	<b>46,983</b>	218
Balance at end of period	<b>(4,655,504)</b>	(4,276,716)	<b>(4,655,504)</b>	(4,276,716)
<b>Total</b>	<b>4,189,181,625</b>	4,189,507,745	<b>4,189,181,625</b>	4,189,507,745

Pursuant to the share purchase mandate approved at the annual general meeting held on 30 April 2018, the Bank purchased a total of 2,650,000 ordinary shares in the third quarter ended 30 September 2018. The ordinary shares were purchased by way of open market acquisitions at prices ranging from S\$10.94 to S\$12.12 per share and the total consideration paid was S\$30,096,355 (including transaction costs).

From 1 July 2018 to 30 September 2018 (both dates inclusive), the Bank utilised 158,772 treasury shares upon the exercise of options by employees of the Group pursuant to the OCBC Share Option Scheme 2001 (“SOS 2001”). As of 30 September 2018, the number of options outstanding under the OCBC SOS 2001 was 38,827,217 (30 September 2017: 38,374,256).

From 1 July 2018 to 30 September 2018 (both dates inclusive), the Bank utilised 6,595,449 treasury shares upon the exercise of acquisition rights by employees of the Group pursuant to OCBC Employee Share Purchase Plan (“ESPP”). As of 30 September 2018, the number of acquisition rights outstanding under the OCBC ESPP was 13,945,578 (30 September 2017: 15,266,617).

No new preference shares were allotted and issued by the Bank in the third quarter ended 30 September 2018.

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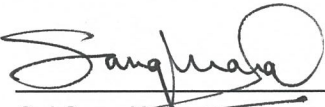
## OTHER MATTERS

1. The Bank has not obtained a general mandate from shareholders for Interested Party Transactions pursuant to Rule 920(1) of the Listing Manual.
2. The Bank has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual pursuant to Rule 720(1) of the Listing Manual.

## CONFIRMATION BY THE BOARD

We, Ooi Sang Kuang and Samuel N. Tsien, being directors of Oversea-Chinese Banking Corporation Limited (“the Bank”), do hereby confirm on behalf of the Board of Directors of the Bank, that to the best of our knowledge, nothing has come to our attention which may render the unaudited financial results of the Bank and of the Group for the quarter ended 30 September 2018 to be false or misleading.

On behalf of the Board of Directors



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Ooi Sang Kuang  
Chairman



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Samuel N. Tsien  
Chief Executive Officer / Director

31 October 2018

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