

## **Supplemental Listing Document**

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

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

**1,600,000 European Style Cash Settled Long Certificates  
relating to the ordinary shares of DBS Group Holdings Ltd  
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\$1.50 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 a 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 fallen 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 Long 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 Strategy (as described below) including the Funding Cost (as defined below) and Rebalancing Cost (as defined below);
- (l) investors should note that there are leveraged risks because the Certificates integrate a 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 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 Strategy if the Underlying Stock falls further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to rise 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 fall 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 fall 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 decline. 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 Strategy performance built in the Certificate. The Calculation Agent will make the Leverage 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:	1,600,000 European Style Cash Settled Long Certificates relating to the ordinary shares of DBS Group Holdings Ltd (the “ <b>Underlying Stock</b> ”)
Company:	DBS Group Holdings Ltd (RIC: DBSM.SI)
Underlying Price <sup>3</sup> and Source:	S\$24.00 (Reuters)
Calculation Agent:	Société Générale
Strike Level:	Zero
Daily Leverage:	5x (within the Leverage Strategy as described below)
Notional Amount per Certificate:	SGD 1.50
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.
Funding Cost <sup>6</sup> :	The annualised costs of funding, referencing a publically published interbank offered rate plus spread.
Rebalancing Cost <sup>6</sup> :	The transaction costs (if applicable), computed as a function of leverage and daily 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 Strategy.

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:	<p>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.</p>
Cash Settlement Amount:	<p>In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:</p> <p>Closing Level multiplied by the Notional Amount per Certificate</p> <p>Please refer to the “Information relating to the European Style Cash Settled Long Certificates on Single Equities” section on pages 38 to 52 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.</p>
Hedging Fee Factor:	<p>In respect of each Certificate, shall be an amount calculated as: Product (for t from 1 to Valuation Date) of <math>(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))</math>, where:</p> <p>“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</p>



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 Long 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 Strategy (as described below) on the Valuation Date

The calculation of the closing level of the Leverage Strategy is set out in the “Specific Definitions relating to the Leverage 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 Strategy and which is designed to reduce the Leverage Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock falls by 15% or more (“**Air Bag Trigger Price**”) during the trading day (which represents approximately 75% loss after a 5 times leverage), the Air Bag Mechanism is triggered and the Leverage Strategy is adjusted intra-day. The Air Bag Mechanism reduces the impact on the Leverage Strategy if the Underlying Stock falls further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to rise 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 Strategy is floored at 0 and the Certificates cannot be valued below zero.

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

Underlying Stock Currency: Singapore Dollar (“**SGD**”)

Settlement Currency:	SGD
Exercise Expenses:	Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates.
Relevant Stock Exchange for the Certificates:	The Singapore Exchange Securities Trading Limited (" <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 Strategy including the Funding 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 Strategy**

### **Description of the Leverage Strategy**

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

At the end of each trading day of the Underlying Stock, the exposure of the Leverage Strategy to the Underlying Stock is reset within the Leverage Strategy in order to retain a daily leverage of 5 times the 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 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 Strategy Formula**

**LSL<sub>t</sub>** means, for any Observation Date(t), the Leverage Strategy Closing Level as of such day (t).

Subject to the occurrence of an Intraday Restrike Event, the Leverage 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):

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

**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 :

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

**RC<sub>t-1,t</sub>** means the Rebalancing Cost of the Leverage Strategy on Observation Date (t), calculated as follows :

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

**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), a rate calculated as of such day in accordance with the following formula:

$$\text{Rate}_t = \text{CashRate}_t + \% \text{SpreadLevel}_t$$

**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 net of any applicable withholding taxes.

**CashRate<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.

**%SpreadLevel<sub>t</sub>** means, in respect of each Observation Date(t), a rate which shall be determined with respect to such Valuation Date(t) by the Calculation Agent as the difference between (1) the ICE LIBOR USD 12 Month, as published on Reuters RIC USD1YFSR= and (2) USD SWAP OIS 1Y, as published on Reuters RIC USD1YOIS= or any successor page.

Provided that if such difference is negative, **%SpreadLevel<sub>t</sub>** should be 0%.

**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 Strategy Closing Level on the Intraday Restrike Date ( $LSL_{IRD}$ ) should be computed as follows :

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

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

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

**$ILSL_{IR(k)}$**

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

(1) for  $k = 1$  :

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

(2) for  $k > 1$  :

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

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

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

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

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

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

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

**$IS_{IR(k)}$**

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

(1) for  $k=0$

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

(2) for  $k=1$  to  $n$

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

(3) with respect to  $IR(C)$

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

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

**$IR(k)$**

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

For  $k=1$  to  $n$ , means the  $k^{\text{th}}$  Intraday Restrike Event on the relevant Intraday Restrike Date.

<b>IR(C)</b>	means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the relevant Intraday Restrike Date.
<b>n</b>	means the number of Intraday Restrike Events that occurred on the relevant Intraday Restrike Date.
<b>Intraday Restrike Event</b>	means in respect of an Observation Date(t) :  (1) provided no Intraday Restrike Event has previously occurred on such Observation Date (t), the decrease 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 decrease 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.
<b>Calculation Time</b>	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 Strategy Level.
<b>TimeReferenceOpening</b>	means the scheduled opening time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
<b>TimeReferenceClosing</b>	means the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
<b>Intraday Restrike Event Observation Period</b>	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.
<b>Intraday Restrike Event Time</b>	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:	DBS Group Holdings Ltd
The Certificates:	European Style Cash Settled Long Certificates relating to the Underlying Stock
Number:	1,600,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 21 June 2018 (the “ <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 LONG CERTIFICATES ON SINGLE EQUITIES

### What are European Style Cash Settled Long Certificates on Single Equities?

European style cash settled long 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 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 increase and are seeking short-term leveraged 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 Strategy including the Funding 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 – Management Fee x ACT (t-1;t) / 360	
		x	
		<b>Daily Gap Premium Adjustment</b>	
		1 – Gap Premium (t-1) x ACT (t-1;t) / 360	

### Illustration of the Calculation of Cash Settlement Amount

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

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

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

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

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

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

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

<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 Strategy daily performance is computed as the Leverage Strategy Closing Level on Business Day (t) divided by the Leverage 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 DBS Group Holdings Ltd
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>1.5 SGD</b>
Notional Amount per Certificate:	<b>1.5 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:

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

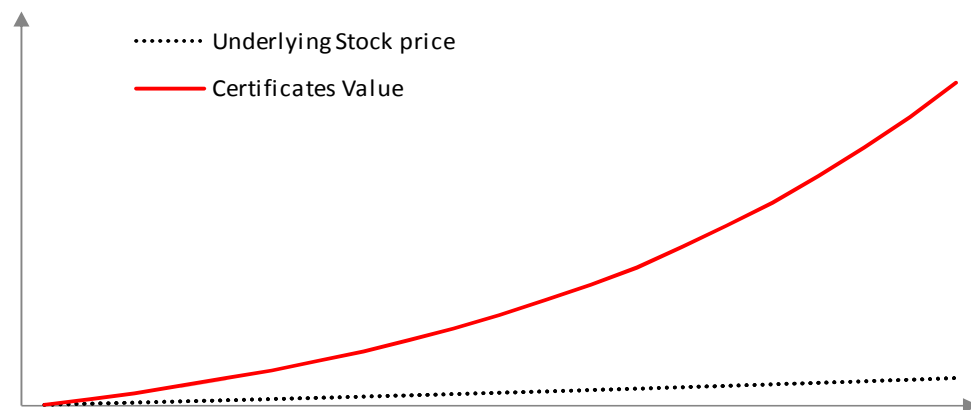
$$\begin{aligned} \text{Cash Settlement Amount} &= \text{Closing Level} \times \text{Notional Amount per Certificate} \\ &= 119.75\% \times 1.50 \text{ SGD} \\ &= \mathbf{1.796 \text{ SGD}} \end{aligned}$$

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

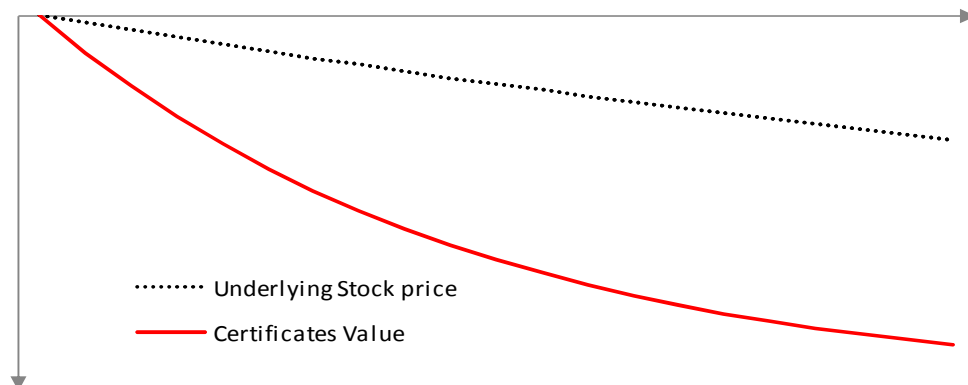
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends,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

### 1. Illustrative examples

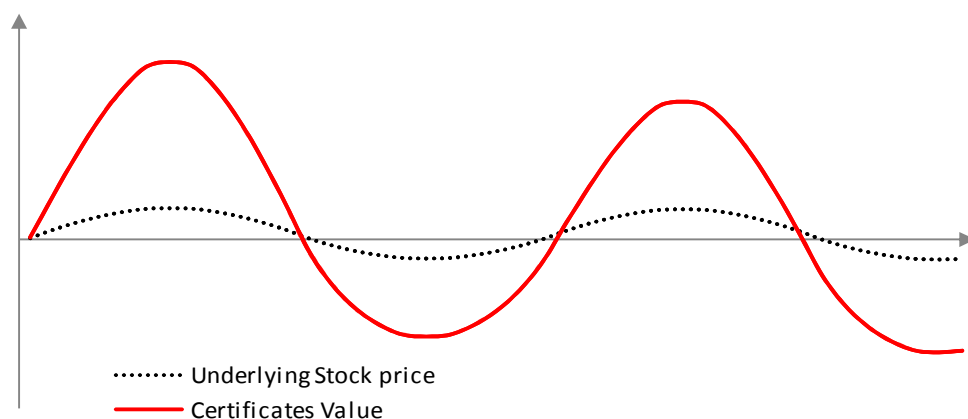
#### Scenario 1 – Upward Trend



#### Scenario 2 – Downward Trend



#### Scenario 3 – Volatile Market



## 2. Numerical Examples

### Scenario 1 – Upward Trend

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

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

### Scenario 2 – Downward Trend

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

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

### Scenario 3 – Volatile Market

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

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		10.0%	-10.0%	10.0%	-10.0%	10.0%
Price at end of day	1.5	1.65	1.48	1.63	1.47	1.62
Accumulated Return		10.00%	-1.00%	8.90%	-1.99%	7.81%

## 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 minimum price is recorded; and
- Reset Period: after 15 minutes, the Leverage Strategy is reset using the minimum 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 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.

### Air Bag Mechanism timeline

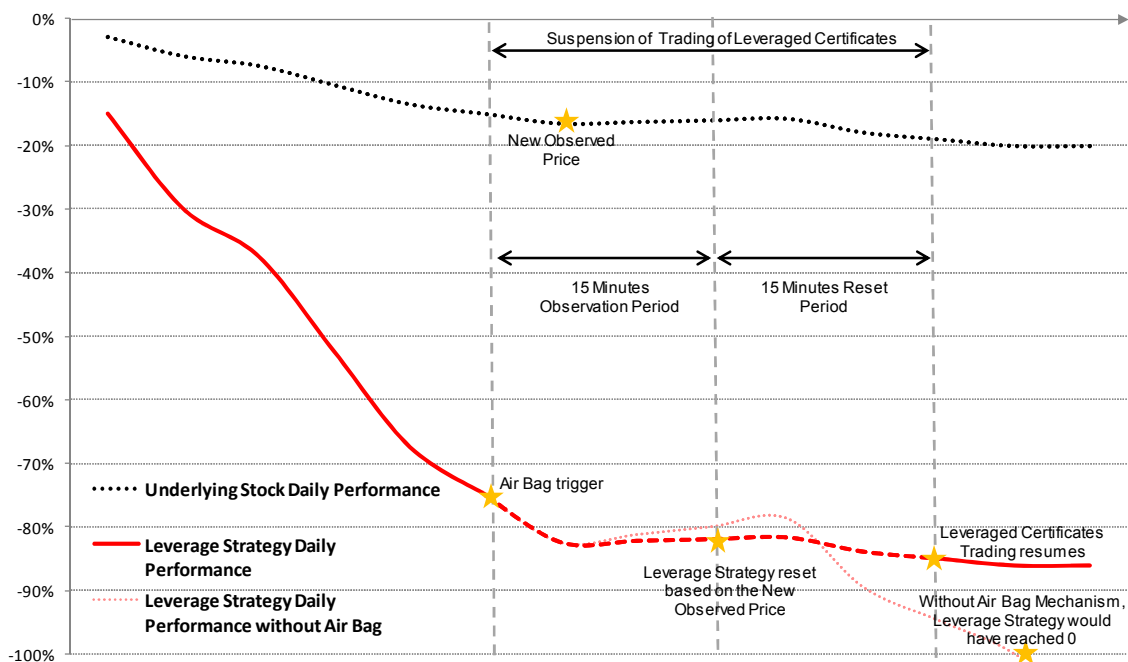
Air Bag Trigger	Observation Period	Resumption of Trading
More than 45 minutes before Market Close	First 15 minutes after Air Bag Trigger	Trading resumes the same day between 30 and 45 minutes after Air Bag Trigger
45 minutes before Market Close		Next trading day at Market Open
30 to 45 minutes before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

With **Market Close** defined as:

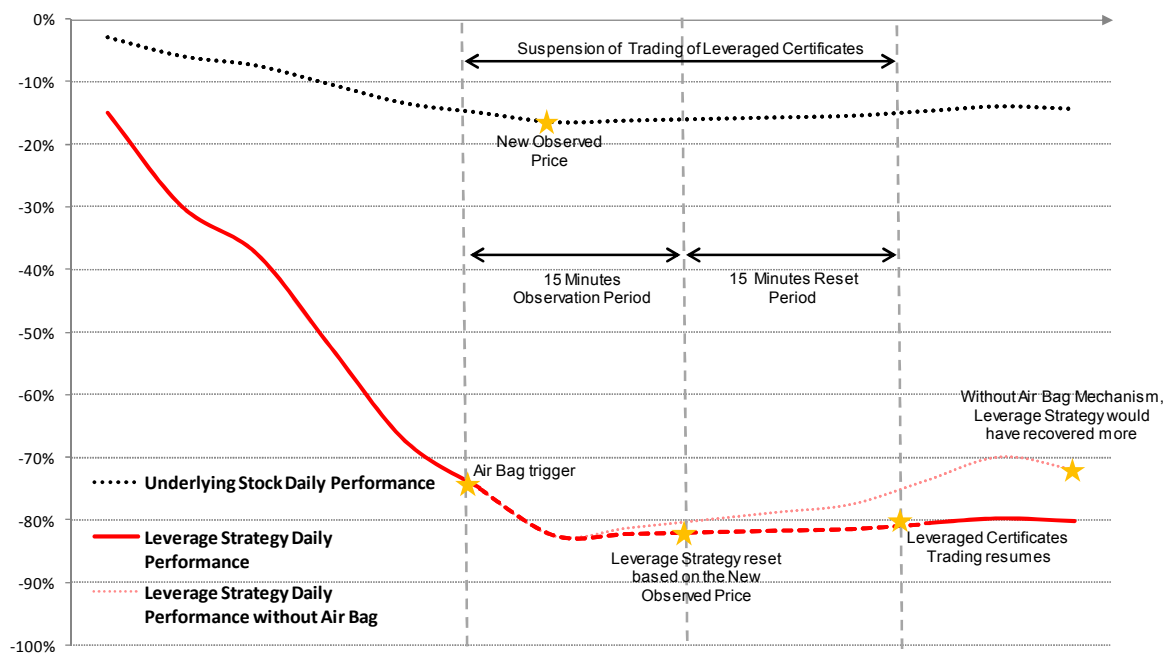
- Underlying Stock closing time with respect to the Observation Period
- The sooner between Underlying Stock closing time and SGX closing time with respect to the Resumption of Trading

## Illustrative examples of the Air Bag Mechanism

### Scenario 1 – Downward Trend after Air Bag trigger



### Scenario 2 – Upward Trend after Air Bag trigger

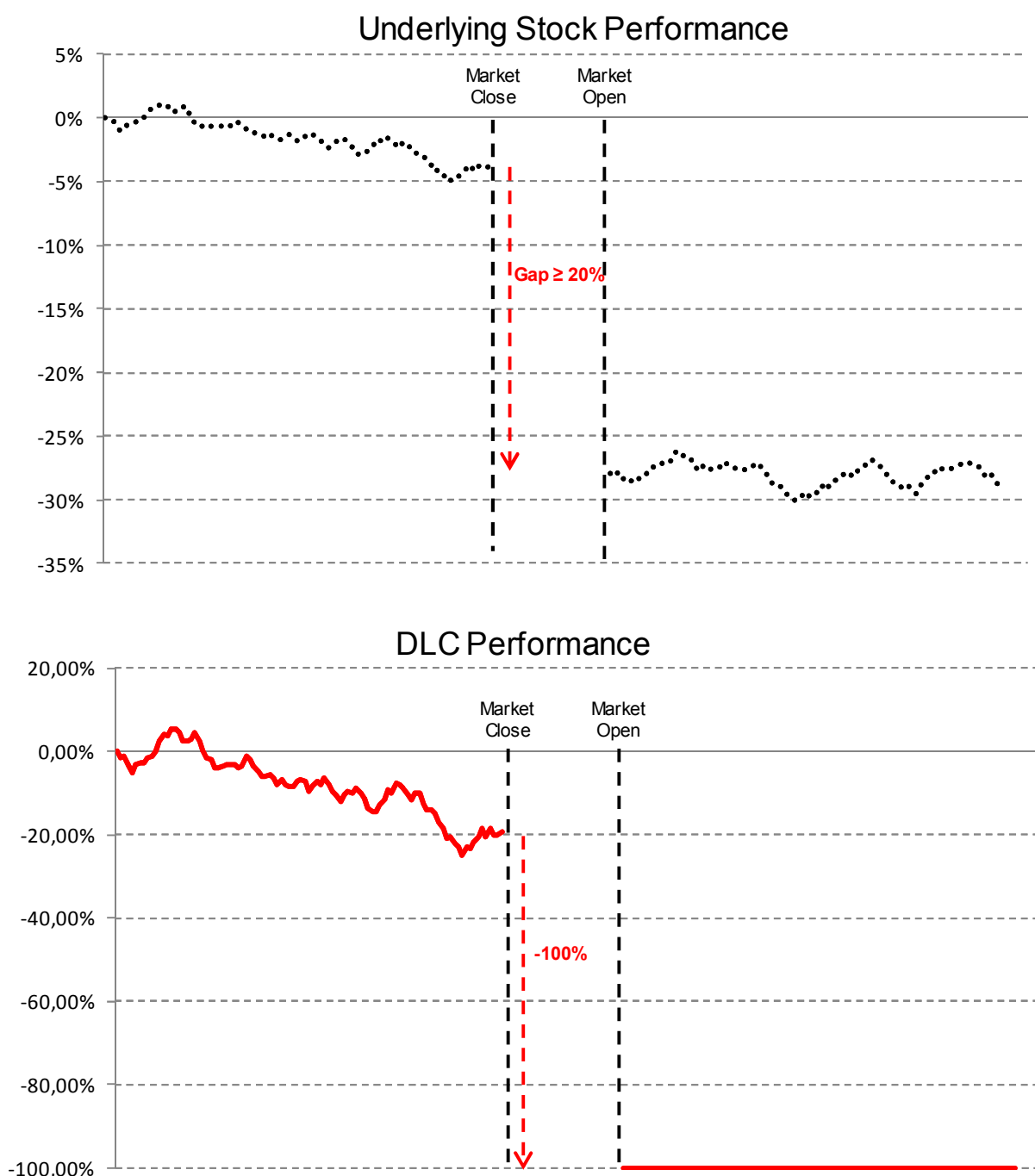


## Scenarios where the investor may lose the entire value of the investment

*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.*

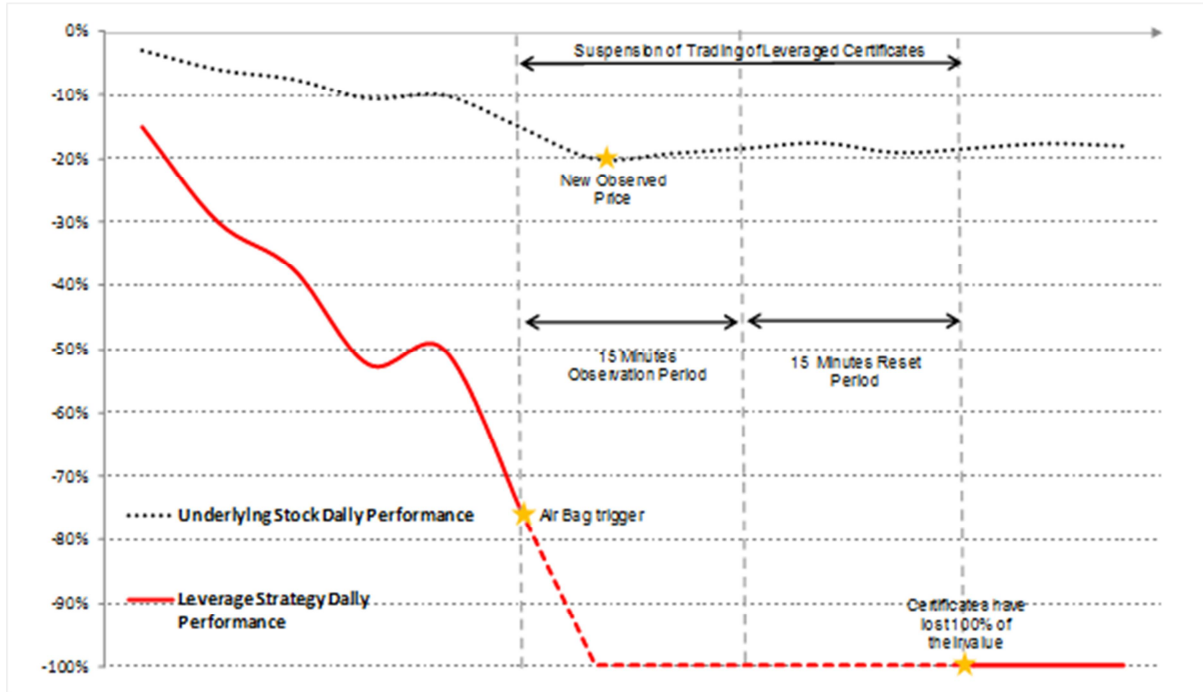
### Scenario 1 – Overnight fall of the Underlying Stock

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 below 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.



### Scenario 2 – Sharp intraday fall 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 falls 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 falls 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):

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

$$S_t = \$51$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$



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

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

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

As a consequence:

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

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

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.5	1.65	10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$42.5, which is 15% below \$50, the Underlying Stock Reference Price.

## 2. Share Consolidation

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

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

$$S_t = \$202$$

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

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

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

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

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

As a consequence:

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

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

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.5	1.575	5%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$170, which is 15% below \$200, the Underlying Stock Reference Price.

### 3. Rights Issues

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

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

$$S_t = \$84$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

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

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

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

As a consequence:

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

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

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.5	1.875	25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$68, which is 15% below \$80, the Underlying Stock Reference Price.

#### 4. Bonus Issues

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

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

$$S_t = \$85$$

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

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

$$R = \$0$$

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

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

As a consequence:

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

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

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.5	1.65	10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$70.83, which is 15% below \$83.33, the Underlying Stock Reference Price.

#### 5. Extraordinary Dividend

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

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

$$S_t = \$84$$

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

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

$$R = \$0$$

$$M = 0$$

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

As a consequence:

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

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

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
1.5	1.875	25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price falls to \$68, which is 15% below \$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.*

DBS Group Holdings Limited (“**DBS**” or the “**Company**”) is the holding company for DBS Bank, a leading financial services group in Asia, with over 280 branches across 17 markets.

Headquartered and listed in Singapore, DBS has a growing presence in the three key Asian axes of growth: Greater China, Southeast Asia and South Asia. Its capital position and "AA-" and "Aa1" credit ratings are among the highest in Asia-Pacific. DBS has been recognised for its leadership in the region, having been named “Asia’s Best Bank” by The Banker, a member of the Financial Times group, and “Best Bank in Asia-Pacific” by Global Finance. The bank has also been named “Safest Bank in Asia” by Global Finance for six consecutive years from 2009 to 2014.

DBS provides a full range of services in consumer, SME and corporate banking activities across Asia. As a bank born and bred in Asia, DBS understands the intricacies of doing business in the region’s most dynamic markets. These market insights and regional connectivity have helped to drive the bank’s growth as it sets out to be the Asian bank of choice.

DBS is committed to building lasting relationships with customers, and positively impacting communities through supporting social enterprises, as it banks the Asian way. It has also established a SGD 50 million foundation to strengthen its corporate social responsibility efforts in Singapore and across Asia.

The information set out in the Appendix to this document relates to the unaudited consolidated financial results of the Company and its subsidiaries for the nine months and third quarter ended 30 September 2018 and has been extracted and reproduced from an announcement by the Company dated 5 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 NINE MONTHS AND THIRD QUARTER ENDED 30 SEPTEMBER 2018 OF DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES**

The information set out below is a reproduction of the unaudited consolidated financial results of the Company and its subsidiaries for the nine months and third quarter ended 30 September 2018 and has been extracted and reproduced from an announcement by the Company dated 5 November 2018 in relation to the same.

To: Shareholders

The Board of Directors of DBS Group Holdings Ltd ("DBSH" or "the Company") reports the following:

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

Details of the financial results are in the accompanying performance summary.

**Dividends**

For the third quarter of 2018, no dividend has been declared for DBSH ordinary shares.

By order of the Board

Teoh Chia-Yin  
Group Secretary

5 November 2018  
Singapore

*More information on the above announcement is available at [www.dbs.com/investor](http://www.dbs.com/investor)*

...DBS/

DBS Group Holdings Ltd  
12 Marina Boulevard  
DBS Asia Central @  
Marina Bay Financial  
Centre Tower 3  
Singapore 018982

Tel: 65.6878 8888

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## **Performance Summary**

Financial Results  
For the Nine Months/ Third Quarter ended  
30 September 2018  
(Unaudited)

DBS Group Holdings Ltd  
Incorporated in the Republic of Singapore  
Company Registration Number: 199901152M

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## OVERVIEW

Singapore-incorporated companies listed on the Singapore Exchange reporting under Singapore Financial Reporting Standards (FRS) are required to apply Singapore Financial Reporting Standards (International) (SFRS(I)) from 1 January 2018. The convergence had no material impact on the financial statements and on the Group's accounting policies, except for those relating to SFRS(I) 9 Financial Instruments. The aggregate impact from the transition to SFRS(I) 9 was a net increase of \$9 million in the Group shareholders' funds.

More information about the transition to SFRS(I) and transition disclosures for SFRS(I) 9 are provided in the ***Appendix to Performance Summary for First Quarter 2018***.



# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

	3rd Qtr 2018	3rd Qtr 2017	% chg	2nd Qtr 2018	% chg	9 Mths 2018	9 Mths 2017	% chg
<b>Selected income statement items (\$m)</b>								
Net interest income	2,273	1,975	15	2,224	2	6,625	5,694	16
Net fee and commission income	695	685	1	706	(2)	2,145	1,986	8
Other non-interest income	407	399	2	273	49	1,168	1,189	(2)
<b>Total income</b>	<b>3,375</b>	<b>3,059</b>	<b>10</b>	<b>3,203</b>	<b>5</b>	<b>9,938</b>	<b>8,869</b>	<b>12</b>
Expenses	1,481	1,257	18	1,418	4	4,297	3,773	14
Profit before allowances	1,894	1,802	5	1,785	6	5,641	5,096	11
Allowances for credit and other losses	236	815	(71)	105	>100	505	1,319	(62)
<b>Profit before tax</b>	<b>1,658</b>	<b>987</b>	<b>68</b>	<b>1,680</b>	<b>(1)</b>	<b>5,136</b>	<b>3,777</b>	<b>36</b>
<b>Net profit</b>	<b>1,413</b>	<b>822</b>	<b>72</b>	<b>1,372</b>	<b>3</b>	<b>4,306</b>	<b>3,172</b>	<b>36</b>
One-time items	-	(20)	NM	(38)	NM	(48)	5	NM
- ANZ integration costs	-	(21)	NM	(4)	NM	(16)	(45)	64
- Others <sup>1</sup>	-	1	(100)	(34)	NM	(32)	50	NM
<b>Net profit including one-time items</b>	<b>1,413</b>	<b>802</b>	<b>76</b>	<b>1,334</b>	<b>6</b>	<b>4,258</b>	<b>3,177</b>	<b>34</b>
<b>Selected balance sheet items (\$m)</b>								
Customer loans	340,375	314,135	8	338,071	1	340,375	314,135	8
Constant-currency change			8		1			8
Total assets	541,524	507,766	7	540,004	-	541,524	507,766	7
Customer deposits	388,295	362,102	7	387,560	-	388,295	362,102	7
Constant-currency change			7		-			7
Total liabilities	493,009	459,005	7	491,960	-	493,009	459,005	7
Shareholders' funds	47,676	46,385	3	47,214	1	47,676	46,385	3
<b>Key financial ratios (%) (excluding one-time items)<sup>2</sup></b>								
Net interest margin	1.86	1.73		1.85		1.85	1.74	
Non-interest/total income	32.7	35.4		30.6		33.3	35.8	
Cost/income ratio	43.9	41.1		44.3		43.2	42.5	
Return on assets	1.04	0.65		1.03		1.08	0.87	
Return on equity <sup>3</sup>	12.2	7.1		11.8		12.4	9.4	
Loan/deposit ratio	87.7	86.8		87.2		87.7	86.8	
NPL ratio	1.6	1.7		1.6		1.6	1.7	
ECL <sup>4</sup> Stage 3 (SP) for loans/average loans (bp)	21	195		12		18	89	
Common Equity Tier 1 capital adequacy ratio	13.3	14.0		13.6		13.3	14.0	
Tier 1 capital adequacy ratio	14.4	14.8		14.4		14.4	14.8	
Total capital adequacy ratio	16.2	15.6		16.2		16.2	15.6	
Leverage ratio <sup>5</sup>	7.1	7.5		7.0		7.1	7.5	
Average all-currency liquidity coverage ratio <sup>6</sup>	132	141		135		131	143	
Net stable funding ratio <sup>7</sup>	109	NA		110		109	NA	
<b>Per share data (\$)</b>								
Per basic and diluted share								
- earnings excluding one-time items	2.16	1.25		2.12		2.22	1.64	
- earnings	2.16	1.24		2.10		2.20	1.64	
- net book value <sup>8</sup>	17.56	17.43		17.71		17.56	17.43	

## Notes:

1 One-time items for second quarter 2018 and 9 Mths 2018 include a remeasurement of deferred taxes due to a change in the applicable tax rate arising from the conversion of India Branch to a wholly-owned subsidiary.

2 Return on assets, return on equity, ECL Stage 3 (SP) for loans/average loans and per share data are computed on an annualised basis.

3 Calculated based on net profit attributable to the shareholders net of dividends on preference shares and other equity instruments. Non-controlling interests, preference shares and other equity instruments are not included as equity in the computation of return on equity.

4 Refers to expected credit loss

5 Leverage Ratio is computed based on MAS Notice 637.

6 Liquidity Coverage Ratio (LCR) is computed based on MAS Notice 649. For average SGD LCR and other disclosures required under MAS Notice 651, refer to <https://www.dbs.com/investor/index.html>.

7 Net stable funding ratio (NSFR) is computed based on MAS Notice 652.

8 Non-controlling interests are not included as equity in the computation of net book value per share.

NM Not meaningful

NA Not applicable

Total income for the third quarter rose to a record \$3.38 billion, up 5% from the previous quarter and 10% from a year ago, as loan growth, fee income trends and net interest margin progression were sustained. Net profit was 3% higher from the previous quarter at \$1.41 billion as the increase in total income was moderated by a doubling of total allowances due to a write-back in the previous quarter. Net profit was 72% higher than a year ago, when accelerated allowances had been taken for weak oil and gas support service exposures.

Net interest income rose 2% from the previous quarter and 15% from a year ago to \$2.27 billion. Loans increased 1% from the previous quarter, led by non-trade corporate and consumer loans, bringing growth from a year ago to 8%. Net interest margin rose one basis point from the previous quarter and 13 basis points from a year ago to 1.86% from higher interest rates in Singapore and Hong Kong.

Net fee income fell 2% from the previous quarter and increased 1% from a year ago to \$695 million as a decline in investment banking fees offset growth in other activities. Other non-interest income rose 49% from the previous quarter to \$407 million due to higher trading income. It was 2% higher than a year ago as an increase in trading income was offset by lower gains from investment securities.

Expenses increased 4% from the previous quarter and 18% from a year ago to \$1.48 billion, which included expenses for a fiftieth-anniversary staff bonus and other non-recurring items. Profit before allowances of \$1.89 billion was 6% higher than the previous quarter and 5% above a year ago.

Asset quality was healthy. Non-performing assets were stable from the previous quarter at \$5.90 billion. Total allowances of \$236 million for the third quarter brought the nine-month amount to \$505 million, with specific allowances at 18 basis points of loans. Allowance coverage was at 93% and at 174% if collateral was considered.

The liquidity coverage ratio was at 132% and the net stable funding ratio was at 109%. The Common Equity Tier 1 ratio was at 13.3% while the leverage ratio was at 7.1%.

Net profit for the nine months rose 36% to a record \$4.31 billion. Total income increased 12% to \$9.94 billion. Return on equity rose from 9.4% to 12.4% due to a higher net interest margin, a normalisation of allowances and a more efficient capital base.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## NET INTEREST INCOME

Average balance sheet	3rd Qtr 2018			3rd Qtr 2017			2nd Qtr 2018		
	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)
<b>Interest-bearing assets</b>									
Customer non-trade loans	291,353	2,331	3.17	266,016	1,809	2.70	286,477	2,154	3.01
Trade assets	48,609	412	3.36	45,501	293	2.56	50,107	392	3.14
Interbank assets <sup>1</sup>	42,205	187	1.76	47,819	163	1.35	45,573	207	1.82
Securities and others	102,593	644	2.49	92,716	506	2.17	100,051	611	2.45
<b>Total</b>	<b>484,760</b>	<b>3,574</b>	<b>2.93</b>	<b>452,052</b>	<b>2,771</b>	<b>2.43</b>	<b>482,208</b>	<b>3,364</b>	<b>2.80</b>
<b>Interest-bearing liabilities</b>									
Customer deposits	389,407	954	0.97	353,053	561	0.63	382,875	829	0.87
Other borrowings	67,451	347	2.04	63,358	235	1.47	68,201	311	1.83
<b>Total</b>	<b>456,858</b>	<b>1,301</b>	<b>1.13</b>	<b>416,411</b>	<b>796</b>	<b>0.76</b>	<b>451,076</b>	<b>1,140</b>	<b>1.01</b>
<b>Net interest income/margin<sup>2</sup></b>		<b>2,273</b>	<b>1.86</b>		<b>1,975</b>	<b>1.73</b>		<b>2,224</b>	<b>1.85</b>

Average balance sheet	9 Mths 2018			9 Mths 2017		
	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)
<b>Interest-bearing assets</b>						
Customer non-trade loans	285,403	6,463	3.03	260,731	5,211	2.67
Trade assets	49,318	1,146	3.11	43,381	815	2.51
Interbank assets <sup>1</sup>	45,653	610	1.79	46,988	429	1.22
Securities and others	99,357	1,789	2.41	86,843	1,436	2.21
<b>Total</b>	<b>479,731</b>	<b>10,008</b>	<b>2.79</b>	<b>437,943</b>	<b>7,891</b>	<b>2.41</b>
<b>Interest-bearing liabilities</b>						
Customer deposits	381,871	2,463	0.86	346,877	1,585	0.61
Other borrowings	67,640	920	1.82	57,926	612	1.41
<b>Total</b>	<b>449,511</b>	<b>3,383</b>	<b>1.01</b>	<b>404,803</b>	<b>2,197</b>	<b>0.73</b>
<b>Net interest income/margin<sup>2</sup></b>		<b>6,625</b>	<b>1.85</b>		<b>5,694</b>	<b>1.74</b>

Notes:

1 Includes non-restricted balances with central banks.

2 Net interest margin is net interest income expressed as a percentage of average interest-bearing assets.

Net interest income rose 15% from a year ago to \$2.27 billion. Net interest margin increased 13 basis points to 1.86% from higher interest rates in Singapore and Hong Kong. Assets were also higher, led by growth in loans and securities.

Compared to the previous quarter, net interest income rose 2% from loan growth and a one basis point increase in net interest margin. While higher interest rates in Singapore

and Hong Kong boosted net interest margin by four basis points, the impact was moderated by a lower net interest margin from Treasury Market activities and by the full-period impact of Tier-2 capital issuances in the previous quarter.

For the nine months, net interest income rose 16% to \$6.63 billion from asset growth and a higher net interest margin.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Volume and rate analysis (\$m) Increase/(decrease) due to change in	3rd Qtr 2018 vs 3rd Qtr 2017			3rd Qtr 2018 vs 2nd Qtr 2018		
	Volume	Rate	Net change	Volume	Rate	Net change
<b>Interest income</b>						
Customer non-trade loans	172	350	522	36	115	151
Trade assets	20	99	119	(12)	27	15
Interbank assets	(19)	43	24	(15)	(6)	(21)
Securities and others	54	84	138	16	11	27
<b>Total</b>	<b>227</b>	<b>576</b>	<b>803</b>	<b>25</b>	<b>147</b>	<b>172</b>
<b>Interest expense</b>						
Customer deposits	58	335	393	14	100	114
Other borrowings	15	97	112	(3)	36	33
<b>Total</b>	<b>73</b>	<b>432</b>	<b>505</b>	<b>11</b>	<b>136</b>	<b>147</b>
<b>Net impact on net interest income</b>	<b>154</b>	<b>144</b>	<b>298</b>	<b>14</b>	<b>11</b>	<b>25</b>
Due to change in number of days			-			24
<b>Net Interest Income</b>			<b>298</b>			<b>49</b>

Volume and rate analysis (\$m) Increase/(decrease) due to change in	9 Mths 2018 vs 9 Mths 2017		
	Volume	Rate	Net change
<b>Interest income</b>			
Customer non-trade loans	493	759	1,252
Trade assets	111	220	331
Interbank assets	(12)	193	181
Securities and others	207	146	353
<b>Total</b>	<b>799</b>	<b>1,318</b>	<b>2,117</b>
<b>Interest expense</b>			
Customer deposits	160	718	878
Other borrowings	102	206	308
<b>Total</b>	<b>262</b>	<b>924</b>	<b>1,186</b>
<b>Net impact on net interest income</b>	<b>537</b>	<b>394</b>	<b>931</b>
Due to change in number of days			-
<b>Net Interest Income</b>			<b>931</b>

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## NET FEE AND COMMISSION INCOME

(\$m)	3rd Qtr 2018	3rd Qtr 2017	% chg	2nd Qtr 2018	% chg	9 Mths 2018	9 Mths 2017	% chg
Brokerage	36	39	(8)	38	(5)	123	115	7
Investment banking	22	64	(66)	39	(44)	99	150	(34)
Transaction services <sup>1</sup>	162	154	5	160	1	478	465	3
Loan-related	110	100	10	91	21	300	332	(10)
Cards <sup>2</sup>	185	139	33	171	8	512	392	31
Wealth management <sup>3</sup>	292	272	7	300	(3)	923	739	25
Others	16	20	(20)	18	(11)	56	67	(16)
<b>Fee and commission income</b>	<b>823</b>	<b>788</b>	<b>4</b>	<b>817</b>	<b>1</b>	<b>2,491</b>	<b>2,260</b>	<b>10</b>
Less: Fee and commission expense	128	103	24	111	15	346	274	26
<b>Total</b>	<b>695</b>	<b>685</b>	<b>1</b>	<b>706</b>	<b>(2)</b>	<b>2,145</b>	<b>1,986</b>	<b>8</b>

Notes:

1 Includes trade & remittances, guarantees and deposit-related fees.

2 Net of interchange fees paid.

3 Includes fees of \$103 million for 9 Mths 2018 (9 Mths 2017: \$51 million) from sales of treasury products that were previously classified as other non-interest income. The change was applied prospectively from 1 April 2017.

Net fee income rose 1% from a year ago to \$695 million. Card fees increased 33% to \$185 million from higher customer transactions as well as the consolidation of ANZ. Wealth management fees grew 7% to \$292 million from higher bancassurance income. Transaction services fees rose 5% to \$162 million from higher cash management income. Offsetting these increases was a 66% decline in investment banking fees to \$22 million.

Net fee income was 2% below the previous quarter due to declines in investment banking and wealth management fees, which offset an increase in loan-related fees.

For the nine months, net fee income rose 8% to \$2.15 billion, led by wealth management and cards.

## OTHER NON-INTEREST INCOME

(\$m)	3rd Qtr 2018	3rd Qtr 2017	% chg	2nd Qtr 2018	% chg	9 Mths 2018	9 Mths 2017	% chg
Net trading income	354	265	34	227	56	949	830	14
Net income from investment securities <sup>1</sup>	48	120	(60)	30	60	100	317	(68)
Net gain on fixed assets	-	-	-	-	-	86	1	>100
Others <sup>2</sup> (include rental income and share of profits of associates)	5	14	(64)	16	(69)	33	41	(20)
<b>Total</b>	<b>407</b>	<b>399</b>	<b>2</b>	<b>273</b>	<b>49</b>	<b>1,168</b>	<b>1,189</b>	<b>(2)</b>

Notes:

1 Net income from investment securities includes gains from disposal of debt and equity securities in 2017. With effect from 2018, only the gains from disposal of debt securities is included.

2 Excludes one-time item.

Other non-interest income rose 2% from a year ago to \$407 million. Trading income increased 34% to \$354 million as treasury customer income and trading gains were both higher. The increase was offset by a 60% decline in income from investment securities to \$48 million.

Compared to the previous quarter, other non-interest income was 49% higher as trading income improved from the weak performance in the previous quarter.

For the nine months, other non-interest income fell 2% to \$1.17 billion as an increase in net trading income and a gain on fixed assets were offset by a decline in income from investment securities.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## EXPENSES<sup>1</sup>

(\$m)	3rd Qtr 2018	3rd Qtr 2017	% chg	2nd Qtr 2018	% chg	9 Mths 2018	9 Mths 2017	% chg
Staff	813	685	19	783	4	2,381	2,114	13
Occupancy	111	102	9	110	1	321	299	7
Computerisation	225	213	6	220	2	683	632	8
Revenue-related	89	71	25	99	(10)	268	208	29
Others	243	186	31	206	18	644	520	24
<b>Total</b>	<b>1,481</b>	<b>1,257</b>	<b>18</b>	<b>1,418</b>	<b>4</b>	<b>4,297</b>	<b>3,773</b>	<b>14</b>
Staff headcount at period-end	26,418	23,114	14	25,697	3	26,418	23,114	14
Staff headcount at period-end excluding insourcing staff and staff from ANZ integration <sup>2</sup>	21,780	20,887	4	21,179	3	21,780	20,887	4
Included in the above table were:								
Depreciation of properties and other fixed assets	84	74	14	83	1	244	219	11

Note:

1 Excludes one-time item.

2 Comparatives were restated following a re-alignment of headcount classification for support functions.

Expenses rose 18% from a year ago and 4% from the previous quarter to \$1.48 billion. Excluding a fiftieth-anniversary staff bonus and other non-recurring items, underlying expenses rose 15% and the cost-income ratio was 43%, in line with first-half 2018. ANZ accounted for six percentage points of the expense increase.

For the nine months, expenses rose 14% to \$4.30 billion. Excluding ANZ, they were 8% higher.

## ALLOWANCES FOR CREDIT AND OTHER LOSSES

(\$m)	3rd Qtr 2018	3rd Qtr 2017	% chg	2nd Qtr 2018	% chg	9 Mths 2018	9 Mths 2017	% chg
<b>ECL<sup>1</sup> Stage 1 and 2 (GP)<sup>2</sup></b>	<b>9</b>	<b>(850)</b>	<b>NM</b>	<b>7</b>	<b>29</b>	<b>23</b>	<b>(850)</b>	<b>NM</b>
ECL <sup>1</sup> Stage 3 (SP) for loans <sup>3</sup>	179	1,538	(88)	98	83	439	2,032	(78)
Singapore	66	1,300	(95)	29	>100	164	1,515	(89)
Hong Kong	17	65	(74)	15	13	31	186	(83)
Rest of Greater China	3	7	(57)	3	-	4	31	(87)
South and Southeast Asia	90	180	(50)	55	64	224	300	(25)
Rest of the World	3	(14)	NM	(4)	NM	16	-	NM
ECL <sup>1</sup> Stage 3 (SP) for other credit exposures	46	117	(61)	-	NM	41	124	(67)
<b>Total ECL<sup>1</sup> Stage 3 (SP)</b>	<b>225</b>	<b>1,655</b>	<b>(86)</b>	<b>98</b>	<b>&gt;100</b>	<b>480</b>	<b>2,156</b>	<b>(78)</b>
<b>Allowances for other assets</b>	<b>2</b>	<b>10</b>	<b>(80)</b>	<b>-</b>	<b>NM</b>	<b>2</b>	<b>13</b>	<b>(85)</b>
<b>Total</b>	<b>236</b>	<b>815</b>	<b>(71)</b>	<b>105</b>	<b>&gt;100</b>	<b>505</b>	<b>1,319</b>	<b>(62)</b>

Notes:

1 Refers to expected credit loss.

2 Excludes one-time item.

3 SP for loans by geography are determined according to the location where the borrower is incorporated.

NM Not Meaningful

Specific allowances for loans of \$179 million were 83% higher than the previous quarter as there had been a write-back then. Another \$46 million of specific allowances taken for other credit exposures were largely for an existing non-performing asset.

GP amounted to \$9 million for the quarter and \$23 million for the nine months mainly due to loan growth.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## PERFORMANCE BY BUSINESS SEGMENTS

(\$m)	Consumer Banking/ Wealth Management	Institutional Banking	Treasury Markets	Others	Total
<b>Selected income statement items</b>					
<b>3rd Qtr 2018</b>					
Net interest income	932	1,068	61	212	2,273
Net fee and commission income	406	287	-	2	695
Other non-interest income	108	129	163	7	407
<b>Total income</b>	<b>1,446</b>	<b>1,484</b>	<b>224</b>	<b>221</b>	<b>3,375</b>
Expenses	792	461	153	75	1,481
Allowances for credit and other losses	69	187	(11)	(9)	236
<b>Profit before tax</b>	<b>585</b>	<b>836</b>	<b>82</b>	<b>155</b>	<b>1,658</b>
<b>2nd Qtr 2018<sup>1</sup></b>					
Net interest income	872	1,008	91	253	2,224
Net fee and commission income	419	278	-	9	706
Other non-interest income	108	135	16	14	273
<b>Total income</b>	<b>1,399</b>	<b>1,421</b>	<b>107</b>	<b>276</b>	<b>3,203</b>
Expenses	748	456	156	58	1,418
Allowances for credit and other losses	58	74	1	(28)	105
<b>Profit before tax</b>	<b>593</b>	<b>891</b>	<b>(50)</b>	<b>246</b>	<b>1,680</b>
<b>3rd Qtr 2017<sup>1</sup></b>					
Net interest income	700	917	132	226	1,975
Net fee and commission income	381	295	-	9	685
Other non-interest income	93	115	79	112	399
<b>Total income</b>	<b>1,174</b>	<b>1,327</b>	<b>211</b>	<b>347</b>	<b>3,059</b>
Expenses	629	436	148	44	1,257
Allowances for credit and other losses	55	1,622	-	(862)	815
<b>Profit before tax</b>	<b>490</b>	<b>(731)</b>	<b>63</b>	<b>1,165</b>	<b>987</b>
<b>9 Mths 2018<sup>1</sup></b>					
Net interest income	2,597	3,016	277	735	6,625
Net fee and commission income	1,274	846	-	25	2,145
Other non-interest income	333	401	303	131	1,168
<b>Total income</b>	<b>4,204</b>	<b>4,263</b>	<b>580</b>	<b>891</b>	<b>9,938</b>
Expenses	2,225	1,358	452	262	4,297
Allowances for credit and other losses	174	346	(16)	1	505
<b>Profit before tax</b>	<b>1,805</b>	<b>2,559</b>	<b>144</b>	<b>628</b>	<b>5,136</b>
<b>9 Mths 2017<sup>1</sup></b>					
Net interest income	2,092	2,688	403	511	5,694
Net fee and commission income	1,062	891	-	33	1,986
Other non-interest income	319	365	253	252	1,189
<b>Total income</b>	<b>3,473</b>	<b>3,944</b>	<b>656</b>	<b>796</b>	<b>8,869</b>
Expenses	1,859	1,296	416	202	3,773
Allowances for credit and other losses	121	2,102	-	(904)	1,319
<b>Profit before tax</b>	<b>1,493</b>	<b>546</b>	<b>240</b>	<b>1,498</b>	<b>3,777</b>

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	Consumer Banking/ Wealth Management	Institutional Banking	Treasury Markets	Others	Total
<b>Selected balance sheet and other items<sup>2</sup></b>					
<b>30 Sep 2018</b>					
Total assets before goodwill and intangibles	115,298	260,053	104,048	56,950	536,349
Goodwill and intangibles					5,175
Total assets					541,524
Total liabilities	214,907	189,435	43,644	45,023	493,009
Capital expenditure for 3rd Qtr 2018	25	5	3	82	115
Depreciation for 3rd Qtr 2018	12	3	1	68	84
<b>30 Jun 2018</b>					
Total assets before goodwill and Intangibles	114,454	258,424	107,503	54,448	534,829
Goodwill and intangibles					5,175
Total assets					540,004
Total liabilities	213,520	187,926	46,505	44,009	491,960
Capital expenditure for 2nd Qtr 2018	19	2	3	94	118
Depreciation for 2nd Qtr 2018	10	2	1	70	83
<b>30 Sep 2017</b>					
Total assets before goodwill and intangibles	106,448	241,335	105,406	49,411	502,600
Goodwill and intangibles					5,166
Total assets					507,766
Total liabilities	203,057	170,192	46,596	39,160	459,005
Capital expenditure for 3rd Qtr 2017	23	4	2	61	90
Depreciation for 3rd Qtr 2017	11	4	1	58	74

**Notes:**

1 Non-interest income, expenses, allowances for credit and other losses and profit before tax exclude one-time items.

2 Refer to sections on Customer Loans and Non-Performing Assets and Loss Allowance Coverage for more information on business segments.

The business segment results are prepared based on the Group's internal management reporting, which reflects its management structure. As the activities of the Group are highly integrated, internal allocations have been made in preparing the segment information. Amounts for each business segment are shown after the allocation of certain centralised costs, funding income and the application of transfer pricing, where appropriate. Transactions between segments are recorded within the segment as if they are third party transactions and are eliminated on consolidation.

The various business segments are described below:

## Consumer Banking/ Wealth Management

Consumer Banking/ Wealth Management provides individual customers with a diverse range of banking and related financial services. The products and services available to customers include current and savings accounts, fixed deposits, loans and home

finance, cards, payments, investment and insurance products.

Compared to a year ago, profit before tax increased 19% to \$585 million as total income rose 23% to a record of \$1.45 billion. Net interest income grew 33% to \$932 million from higher loan and deposit volumes and an improved net interest margin. Non-interest income rose 8% to \$514 million from higher cards and bancassurance income. Expenses were 26% higher at \$792 million. Total allowances rose 25% to \$69 million partly due to the consolidation of ANZ.

Compared to the previous quarter, profit before tax declined 1%. Total income grew 3%. Net interest income increased 7% from higher loan and deposit balances and an improved net interest margin. Non-interest income decreased 2% due to lower investment sales. Expenses rose 6% while total allowances increased 19%.

For the nine months, profit before tax rose 21% to \$1.81 billion. Total income grew 21% to \$4.20 billion. Net interest income increased 24% to \$2.60 billion from higher loan and



deposit volumes and an improved net interest margin. Non-interest income rose 16% to \$1.61 billion from higher fees from cards, investment sales and bancassurance. Expenses rose 20% to \$2.23 billion from franchise investments, marketing and advertising. Total allowances increased \$53 million to \$174 million partly due to ANZ consolidation.

## Institutional Banking

Institutional Banking provides financial services and products to institutional clients, including bank and nonbank financial institutions, government-linked companies, large corporates and small and medium sized businesses. Products and services comprise the full range of credit facilities from short-term working capital financing to specialised lending. It also provides global transactional services such as cash management, trade finance and securities and fiduciary services; treasury and markets products; corporate finance and advisory banking as well as capital markets solutions.

Compared to a year ago, total income rose 12% to \$1.48 billion as growth in cash management and treasury customer flows was moderated by declines in loan-related and investment banking activities. Expenses rose 6% to \$461 million, while allowances fell to \$187 million from \$1.62 billion a year ago when accelerated allowances for weak oil and gas support service exposures had been taken.

Compared to previous quarter, profit before tax fell 6%. Total income increased 4% from growth in cash management and loan-related activities. Expenses rose 1% and allowances were \$113 million higher due to a SP write-back in the previous quarter.

For the nine months, profit before allowances increased 10% to \$2.91 billion. Total income rose 8% to \$4.26 billion led by growth in cash management. Expenses increased 5% to \$1.36 billion while allowances were one-fifth the level a year ago at \$346 million.

## Treasury Markets

Treasury Markets' activities primarily include structuring, market-making and trading across a broad range of treasury products.

Profit before tax rose 30% from a year ago to \$82 million. Total income rose 6% to \$224 million due to higher contributions from foreign exchange activities, partially offset by lower contributions from equity activities. Expenses were 3% higher at \$153 million as staff and business-related costs increased.

Compared to the previous quarter, total income doubled due to higher contributions from interest rate and credit activities, partially offset by lower contribution from equity activities. Expenses fell 2% from lower staff related costs.

For the nine months, profit before tax declined 40% to \$144 million. Total income declined 12% to \$580 million due to lower contributions from interest rate, credit and equity activities, partially offset by higher contributions from foreign exchange activities. Expenses rose 9% to \$452 million largely due to higher business-related and staff expenses.

Income from sale of treasury products offered to customers of Consumer Banking/Wealth Management and Institutional Banking is not reflected in the Treasury Markets segment, but in the respective customer segments.

Income from treasury customer activities rose 9% from a year ago to \$303 million due to higher income from sales of foreign exchange and interest rate products, which were partially offset by lower income from fixed income products.

Compared to the previous quarter, income from customer activities declined 3% due to lower sales of foreign exchange and equity products, partially offset by higher income from interest rate products.

For the nine months, income rose 8% to \$938 million mainly due to higher income from foreign exchange related and equity sales, partially offset by lower income from fixed income and credit products.

## Others

The Others segment encompasses the results of corporate decisions that are not attributed to business segments. It includes earnings on capital deployed into high quality assets, earnings from non-core asset sales and certain other head office items such as centrally raised allowances. DBS Vickers and the Islamic Bank of Asia are also included in this segment.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## PERFORMANCE BY GEOGRAPHY

(\$m)	S'pore	Hong Kong	Rest of Greater China	South and South-east Asia	Rest of the World	Total
<b>Selected income statement items</b>						
<b>3rd Qtr 2018</b>						
Net interest income	1,417	487	172	133	64	2,273
Net fee and commission income	430	148	46	53	18	695
Other non-interest income	255	37	84	13	18	407
<b>Total income</b>	<b>2,102</b>	<b>672</b>	<b>302</b>	<b>199</b>	<b>100</b>	<b>3,375</b>
Expenses	818	296	193	146	28	1,481
Allowances for credit and other losses	137	28	31	53	(13)	236
<b>Profit before tax</b>	<b>1,147</b>	<b>348</b>	<b>78</b>	<b>-</b>	<b>85</b>	<b>1,658</b>
Income tax expense	141	55	21	-	19	236
<b>Net profit</b>	<b>997</b>	<b>293</b>	<b>57</b>	<b>-</b>	<b>66</b>	<b>1,413</b>
<b>2nd Qtr 2018<sup>1</sup></b>						
Net interest income	1,418	440	167	137	62	2,224
Net fee and commission income	443	155	42	51	15	706
Other non-interest income	116	55	91	9	2	273
<b>Total income</b>	<b>1,977</b>	<b>650</b>	<b>300</b>	<b>197</b>	<b>79</b>	<b>3,203</b>
Expenses	816	255	177	144	26	1,418
Allowances for credit and other losses	37	31	(4)	43	(2)	105
<b>Profit before tax</b>	<b>1,124</b>	<b>364</b>	<b>127</b>	<b>10</b>	<b>55</b>	<b>1,680</b>
Income tax expense	172	60	31	1	16	280
<b>Net profit</b>	<b>924</b>	<b>304</b>	<b>96</b>	<b>9</b>	<b>39</b>	<b>1,372</b>
<b>3rd Qtr 2017<sup>1</sup></b>						
Net interest income	1,310	354	139	110	62	1,975
Net fee and commission income	435	161	36	37	16	685
Other non-interest income	280	48	38	21	12	399
<b>Total income</b>	<b>2,025</b>	<b>563</b>	<b>213</b>	<b>168</b>	<b>90</b>	<b>3,059</b>
Expenses	746	224	150	112	25	1,257
Allowances for credit and other losses	737	(10)	31	60	(3)	815
<b>Profit before tax</b>	<b>542</b>	<b>349</b>	<b>32</b>	<b>(4)</b>	<b>68</b>	<b>987</b>
Income tax expense	57	57	10	(14)	17	127
<b>Net profit</b>	<b>447</b>	<b>292</b>	<b>22</b>	<b>10</b>	<b>51</b>	<b>822</b>

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	S'pore	Hong Kong	Rest of Greater China	South and South-east Asia	Rest of the World	Total
<b>9 Mths 2018<sup>1</sup></b>						
Net interest income	4,195	1,329	515	396	190	6,625
Net fee and commission income	1,340	469	134	154	48	2,145
Other non-interest income	628	245	231	37	27	1,168
<b>Total income</b>	<b>6,163</b>	<b>2,043</b>	<b>880</b>	<b>587</b>	<b>265</b>	<b>9,938</b>
Expenses	2,483	783	542	409	80	4,297
Allowances for credit and other losses	299	41	38	147	(20)	505
<b>Profit before tax</b>	<b>3,381</b>	<b>1,219</b>	<b>300</b>	<b>31</b>	<b>205</b>	<b>5,136</b>
Income tax expense	455	186	73	-	49	763
<b>Net profit</b>	<b>2,859</b>	<b>1,033</b>	<b>227</b>	<b>31</b>	<b>156</b>	<b>4,306</b>
<b>9 Mths 2017<sup>1</sup></b>						
Net interest income	3,732	1,048	387	343	184	5,694
Net fee and commission income	1,280	444	111	106	45	1,986
Other non-interest income	806	131	131	82	39	1,189
<b>Total income</b>	<b>5,818</b>	<b>1,623</b>	<b>629</b>	<b>531</b>	<b>268</b>	<b>8,869</b>
Expenses	2,226	689	451	331	76	3,773
Allowances for credit and other losses	1,094	36	66	118	5	1,319
<b>Profit before tax</b>	<b>2,498</b>	<b>898</b>	<b>112</b>	<b>82</b>	<b>187</b>	<b>3,777</b>
Income tax expense	280	149	24	4	46	503
<b>Net profit</b>	<b>2,117</b>	<b>749</b>	<b>88</b>	<b>77</b>	<b>141</b>	<b>3,172</b>
<b>Selected balance sheet items</b>						
<b>30 Sep 2018</b>						
Total assets before goodwill and intangibles	343,956	92,347	50,096	23,100	26,850	536,349
Goodwill and intangibles	5,136	30	-	9	-	5,175
<b>Total assets</b>	<b>349,092</b>	<b>92,377</b>	<b>50,096</b>	<b>23,109</b>	<b>26,850</b>	<b>541,524</b>
Non-current assets <sup>2</sup>	1,551	328	142	136	4	2,161
Gross customer loans	216,798	65,866	29,913	13,574	18,950	345,101
<b>30 Jun 2018</b>						
Total assets before goodwill and intangibles	345,176	88,009	51,423	23,075	27,146	534,829
Goodwill and intangibles	5,136	29	-	10	-	5,175
<b>Total assets</b>	<b>350,312</b>	<b>88,038</b>	<b>51,423</b>	<b>23,085</b>	<b>27,146</b>	<b>540,004</b>
Non-current assets <sup>2</sup>	1,547	323	137	132	4	2,143
Gross customer loans	218,088	63,028	30,066	12,988	18,501	342,671
<b>30 Sep 2017</b>						
Total assets before goodwill and intangibles	331,231	78,551	44,929	20,964	26,925	502,600
Goodwill and intangibles	5,136	30	-	-	-	5,166
<b>Total assets</b>	<b>336,367</b>	<b>78,581</b>	<b>44,929</b>	<b>20,964</b>	<b>26,925</b>	<b>507,766</b>
Non-current assets <sup>2</sup>	1,558	349	77	64	5	2,053
Gross customer loans	206,578	56,654	25,440	12,322	17,841	318,835

**Notes:**

- 1 Non-interest income, expenses, allowances for credit and other losses, profit before tax and tax expense exclude one-time items.
- 2 Includes investments in associates, properties and other fixed assets.

The performance by geography is classified based on the location in which income and assets are recorded. Hong Kong comprises mainly DBS Bank (HK) Limited and DBS HK branch. Rest of Greater China comprises mainly DBS Bank (China) Ltd, DBS Bank (Taiwan) Ltd and DBS Taipei branch. South and Southeast Asia comprises mainly PT Bank DBS Indonesia, DBS India branches and DBS Labuan branch. All results are prepared in accordance with Singapore Financial Reporting Standards (International).

### **Singapore**

Total income increased 4% from a year ago to \$2.10 billion. An increase in net interest income and trading income was moderated by a decline in income from investment securities. Net interest income rose 8% to \$1.42 billion from higher net interest margin and loan volumes. Fee income was stable at \$430 million as increases in cash management and card fees were offset by a decline in investment banking fees. With expenses increasing 10% to \$818 million, which included fiftieth-anniversary staff bonus costs, profit before allowances was stable at \$1.28 billion. Allowances of \$137 million were one-fifth a year ago, when accelerated allowances had been taken for weak oil and gas support service exposures.

Compared to the previous quarter, net profit rose 8% as trading income increased from a low base. The improved trading performance resulted in a 6% increase in total income. Expenses were little changed at \$818 million, resulting in profit before allowances rising 11%. Total allowances tripled as there had been a SP write-back in the previous quarter.

For the nine months, net profit rose 35% to \$2.86 billion as total allowances fell by three-quarters to \$299 million. Total income increased 6% to \$6.16 billion from higher net interest margin, loan volumes and fee income from wealth management and cards. They were partially offset by a decline in income from investment securities. Expenses rose 12% to \$2.48 billion, resulting in profit before allowances rising 2% to \$3.68 billion.

### **Hong Kong**

There were minimal currency effects compared to both a year ago and the previous quarter.

Net profit was stable from a year ago at \$293 million as total income growth of 19% was more than offset by expense growth of 32% and higher allowances. Net interest income grew 38% to \$487 million from loan growth and a 38 basis point increase in net interest margin to 2.06%. Fee income fell 8% to \$148 million from a decline in investment product sales and investment banking fees, which were partially offset by higher cash management and bancassurance fees. Other non-interest income fell 23% to \$37 million due to lower trading gains. Expenses increased 32% to \$296 million due partly to fiftieth-anniversary staff bonus costs and a non-recurring item. Total allowances amounted to

\$28 million compared to a net write-back of \$10 million a year ago due to a specific allowance write-back.

Compared to the previous quarter, net profit was 4% lower as expenses rose faster than income. Total income grew 3% as an 11% increase in net interest income from loan growth and a higher net interest margin was moderated by a 12% decline in non-interest income mainly due to lower trading gains. Expenses were 16% higher. Total allowances were \$3 million lower.

For the nine months, net profit rose 38% to \$1.03 billion. Total income increased 26% to \$2.04 billion from broad-based growth while expenses rose 14% to \$783 million. Total allowances were \$5 million higher at \$41 million.

### **Rest of Greater China**

Net profit more than doubled to \$57 million from a year ago as total income rose faster than expenses. Total income increased 42% to \$302 million from the consolidation of ANZ in Taiwan, an improved net interest margin and higher trading gains. With expenses rising 29% to \$193 million due largely to the consolidation of ANZ, profit before allowances grew 73% to \$109 million. Total allowances were unchanged at \$31 million.

Compared to the previous quarter, net profit fell 41%. While total income was little changed, expenses rose 9% due to higher general expenses. There was a total allowance charge of \$31 million compared with a net write-back of \$4 million in the previous quarter.

For the nine months, net profit more than doubled to \$227 million. Total income grew 40% to \$880 million from the consolidation of ANZ in Taiwan as well as higher net interest margin, treasury customer sales and trading gains. With expenses increasing 20% to \$542 million, profit before allowances almost doubled to \$338 million. Total allowances halved to \$38 million due to lower SP.

**South and Southeast Asia**

South and Southeast Asia broke even compared to net profit of \$10 million a year ago due to a tax write-back. Profit before allowances fell 5% to \$53 million as an accretion from the consolidation of ANZ was more than offset by a decline in trading income and an increase in expenses. Total allowances fell \$7 million to \$53 million due to a higher GP write-back.

Compared to the previous quarter, profit before allowances was unchanged as both total income and expenses were little changed. Total allowances rose \$10 million as an increase in SP was partially offset by a GP write-back.

For the nine months, net profit fell 60% to \$31 million as total income growth was more than offset by higher expenses and allowances. Total income rose 11% to \$587 million and expenses increased 24% to \$409 million, mainly due to the consolidation of ANZ. Total allowances rose 25% to \$147 million, which was also due to ANZ.

**Rest of the World**

Net profit rose 29% to \$66 million from a year ago from growth in profit before allowances and from a GP write-back. Total income increased 11% to \$100 million from loan growth and higher trading income. Expenses rose 12% to \$28 million, resulting in an 11% increase in profit before allowances to \$72 million. There was a net allowance write-back of \$13 million compared to a write-back of \$3 million a year ago.

Compared to the previous quarter, net profit was 69% higher from an increase in trading income and the general allowance write-back. Total income rose 27% due to the higher trading income compared to an 8% increase in expenses. Profit before allowances rose 36%.

For the nine months, net profit was 11% higher at \$156 million. Total income was little changed at \$265 million as an increase in net interest income from higher loan and deposit volumes was offset by a decline in trading income. Expenses were 5% higher at \$80 million, resulting in a 4% decline in profit before allowances to \$185 million. There was a combined net GP and SP write-back of \$20 million compared to a total allowance charge of \$5 million a year ago.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## CUSTOMER LOANS

(\$m)	30 Sep 2018	30 Jun 2018	31 Dec 2017	30 Sep 2017
Gross	345,101	342,671	327,769	318,835
Less:				
ECL <sup>1</sup> Stage 3 (SP) <sup>2</sup>	2,432	2,376	2,276	2,211
ECL <sup>1</sup> Stage 1 & 2 (GP) <sup>2</sup>	2,294	2,224	2,394	2,489
Net total	340,375	338,071	323,099	314,135
<b>By business unit</b>				
Consumer Banking/Wealth Management	112,698	112,015	108,847	104,127
Institutional Banking	230,123	227,818	216,317	212,728
Others	2,280	2,838	2,605	1,980
Total (Gross)	345,101	342,671	327,769	318,835
<b>By geography<sup>3</sup></b>				
Singapore	160,978	159,655	155,299	152,270
Hong Kong	55,405	54,149	51,017	49,757
Rest of Greater China	52,009	55,642	53,020	49,463
South and Southeast Asia	29,043	27,832	24,474	25,922
Rest of the World	47,666	45,393	43,959	41,423
Total (Gross)	345,101	342,671	327,769	318,835
<b>By industry</b>				
Manufacturing	35,461	35,178	32,636	33,563
Building and construction	73,019	70,421	64,520	62,502
Housing loans	74,485	73,968	73,293	69,956
General commerce	50,764	53,153	51,119	50,792
Transportation, storage & communications	30,474	30,729	30,480	29,307
Financial institutions, investment & holding companies	21,506	20,445	17,221	15,605
Professionals & private individuals (excluding housing loans)	31,349	31,309	29,393	28,039
Others	28,043	27,468	29,107	29,071
Total (Gross)	345,101	342,671	327,769	318,835
<b>By currency</b>				
Singapore dollar	139,526	137,588	134,558	132,144
US dollar	109,460	107,873	103,943	100,678
Hong Kong dollar	41,366	41,648	38,891	36,932
Chinese yuan	12,166	12,926	11,055	10,340
Others	42,583	42,636	39,322	38,741
Total (Gross)	345,101	342,671	327,769	318,835

**Notes:**

- 1 Refers to expected credit loss.
- 2 2017 balances refer to SP and GP as prescribed by MAS Notice 612, which has modified the requirements of FRS 39. 2018 balances refer to expected credit losses following the transition to SFRS(I) 9.
- 3 Loans by geography are determined according to the location where the borrower, or the issuing bank in the case of bank backed export financing is incorporated.

Gross customer loans rose 1% from the previous quarter and 8% from a year ago in constant-currency terms to \$345 billion. The growth over the 12 months was broad-based across regions and businesses.

The growth during the quarter was due to consumer and non-trade corporate loans, partially offset by a decline in trade loans.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## NON-PERFORMING ASSETS AND LOSS ALLOWANCE COVERAGE

	30 Sep 2018			30 Jun 2018			31 Dec 2017			30 Sep 2017		
	NPA (\$m)	NPL (% of loans)	SP <sup>4</sup> (\$m)	NPA (\$m)	NPL (% of loans)	SP <sup>4</sup> (\$m)	NPA (\$m)	NPL (% of loans)	SP <sup>4</sup> (\$m)	NPA (\$m)	NPL (% of loans)	SP <sup>4</sup> (\$m)
<b>By business unit</b>												
Consumer Banking/ Wealth Management	687	0.6	139	703	0.6	150	676	0.6	130	578	0.6	120
Institutional Banking and Others	4,681	2.0	2,293	4,626	2.0	2,226	4,841	2.2	2,146	4,972	2.3	2,091
Total non-performing loans (NPL)	5,368	1.6	2,432	5,329	1.6	2,376	5,517	1.7	2,276	5,550	1.7	2,211
Debt securities, contingent liabilities & others	534	-	167	541	-	140	553	-	243	577	-	237
Total non-performing assets (NPA)	5,902	-	2,599	5,870	-	2,516	6,070	-	2,519	6,127	-	2,448
<b>By geography<sup>1</sup></b>												
Singapore	3,375	2.1	1,481	3,369	2.1	1,446	3,191	2.1	1,322	3,171	2.1	1,315
Hong Kong	540	1.0	271	555	1.0	269	625	1.2	279	715	1.4	294
Rest of Greater China	387	0.7	116	435	0.8	121	436	0.8	131	380	0.8	110
South and Southeast Asia	976	3.4	520	878	3.2	499	1,078	4.4	489	1,122	4.3	445
Rest of the World	90	0.2	44	92	0.2	41	187	0.4	55	162	0.4	47
Total non-performing loans (NPL)	5,368	1.6	2,432	5,329	1.6	2,376	5,517	1.7	2,276	5,550	1.7	2,211
Debt securities, contingent liabilities & others	534	-	167	541	-	140	553	-	243	577	-	237
Total non-performing assets (NPA)	5,902	-	2,599	5,870	-	2,516	6,070	-	2,519	6,127	-	2,448
<b>Loss Allowance Coverage</b>												
ECL <sup>2</sup> Stage 3 (SP)			2,599			2,516			2,519			2,448
ECL <sup>2</sup> Stage 1 and 2 (GP)			2,592			2,590			2,620			2,635
Total allowances			5,191			5,106			5,139			5,083
(Total allowances+RLAR) / NPA <sup>3</sup>			93%			92%			85%			83%
(Total allowances+RLAR) / unsecured NPA <sup>3</sup>			174%			173%			173%			171%

Note:

1 NPLs by geography are determined according to the location where the borrower is incorporated.

2 Refers to expected credit loss.

3 Computation for 2018 includes regulatory loss allowance reserves (RLAR) of \$311 million for 30 Sep'18 (30 Jun'18: \$286 million) as part of total allowances.

4 Refers to Expected Credit Loss Stage 3.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	30 Sep 2018		30 Jun 2018		31 Dec 2017		30 Sep 2017	
	NPA	SP <sup>1</sup>	NPA	SP <sup>1</sup>	NPA	SP <sup>1</sup>	NPA	SP <sup>1</sup>
<b>By industry</b>								
Manufacturing	614	308	710	352	817	358	852	287
Building and construction	249	138	236	132	229	96	280	108
Housing loans	180	8	181	8	167	7	153	9
General commerce	639	258	562	225	623	231	717	240
Transportation, storage & communications	2,944	1,498	2,874	1,431	2,824	1,350	2,870	1,366
Financial institutions, investment & holding companies	50	17	50	17	66	22	71	22
Professionals & private individuals (excluding housing loans)	506	129	521	139	491	121	404	106
Others	186	76	195	72	300	91	203	73
Total non-performing loans	5,368	2,432	5,329	2,376	5,517	2,276	5,550	2,211
Debt securities, contingent liabilities & others	534	167	541	140	553	243	577	237
Total non-performing assets	5,902	2,599	5,870	2,516	6,070	2,519	6,127	2,448

(\$m)	30 Sep 2018		30 Jun 2018		31 Dec 2017		30 Sep 2017	
	NPA	SP <sup>1</sup>	NPA	SP <sup>1</sup>	NPA	SP <sup>1</sup>	NPA	SP <sup>1</sup>
<b>By loan grading</b>								
<b>Non-performing assets</b>								
Substandard	3,214	384	3,205	360	3,561	397	4,023	517
Doubtful	1,279	806	1,267	758	1,216	829	805	632
Loss	1,409	1,409	1,398	1,398	1,293	1,293	1,299	1,299
Total	5,902	2,599	5,870	2,516	6,070	2,519	6,127	2,448
<b>Of which: restructured assets</b>								
Substandard	740	97	573	84	545	76	586	102
Doubtful	400	208	333	203	256	182	134	91
Loss	516	516	47	47	47	47	40	40
Total	1,656	821	953	334	848	305	760	233

(\$m)	30 Sep 2018	30 Jun 2018	31 Dec 2017	30 Sep 2017
	NPA	NPA	NPA	NPA
<b>By collateral type</b>				
Unsecured non-performing assets	3,166	3,117	2,978	2,975
Secured non-performing assets by collateral type				
Properties	802	819	959	992
Shares and debentures	196	208	224	194
Cash deposits	173	174	33	88
Others	1,565	1,552	1,876	1,878
Total	5,902	5,870	6,070	6,127

Note:

1 Refers to Expected Credit Loss Stage 3.



(\$m)	30 Sep 2018 NPA	30 Jun 2018 NPA	31 Dec 2017 NPA	30 Sep 2017 NPA
<b>By period overdue</b>				
Not overdue	<b>1,416</b>	1,414	1,448	1,591
Within 90 days	<b>461</b>	436	865	1,580
Over 90-180 days	<b>310</b>	343	1,097	378
Over 180 days	<b>3,715</b>	3,677	2,660	2,578
<b>Total</b>	<b>5,902</b>	5,870	6,070	6,127

Non-performing assets were stable from the previous quarter at \$5.90 billion as non-performing loan formation, which remained in line with recent quarters' levels, was offset by recoveries and write-offs.

Allowance coverage was at 93% and at 174% taking collateral into account, similar to the previous quarter.

**CUSTOMER DEPOSITS**

(\$m)	30 Sep 2018	30 Jun 2018	31 Dec 2017	30 Sep 2017
<b>By currency and product</b>				
Singapore dollar	156,764	155,266	156,893	156,629
Fixed deposits	15,125	12,223	15,153	16,349
Savings accounts	116,806	116,901	114,865	113,053
Current accounts	24,664	26,042	26,710	27,108
Others	169	100	165	119
US dollar	133,402	135,077	128,586	120,343
Fixed deposits	81,515	83,747	72,327	67,537
Savings accounts	20,656	19,643	20,671	19,296
Current accounts	29,427	29,946	34,072	31,911
Others	1,804	1,741	1,516	1,599
Hong Kong dollar	38,306	38,705	35,208	35,291
Fixed deposits	16,344	16,888	14,870	14,592
Savings accounts	9,480	9,363	9,505	10,083
Current accounts	12,100	12,398	10,272	9,985
Others	382	56	561	631
Chinese yuan	11,887	12,107	11,402	12,101
Fixed deposits	7,675	7,287	7,029	7,889
Savings accounts	955	910	1,056	1,054
Current accounts	2,345	2,925	2,699	2,568
Others	912	985	618	590
Others	47,936	46,405	41,545	37,738
Fixed deposits	33,849	32,503	28,317	25,922
Savings accounts	7,441	7,275	6,640	5,596
Current accounts	6,342	6,306	6,390	6,051
Others	304	321	198	169
<b>Total</b>	<b>388,295</b>	<b>387,560</b>	<b>373,634</b>	<b>362,102</b>
Fixed deposits	154,508	152,648	137,696	132,289
Savings accounts	155,338	154,092	152,737	149,082
Current accounts	74,878	77,617	80,143	77,623
Others	3,571	3,203	3,058	3,108

Customer deposits were stable from the previous quarter and 7% higher than a year ago at \$388 billion. Singapore

dollar fixed deposits accounted for most of the increase during the quarter.

**DEBTS ISSUED**

(\$m)	30 Sep 2018	30 Jun 2018	31 Dec 2017	30 Sep 2017
Subordinated term debts <sup>1</sup>	3,619	3,641	1,138	1,147
Senior medium term notes <sup>1</sup>	9,947	11,017	8,197	8,082
Commercial papers <sup>1</sup>	15,617	12,422	17,696	14,324
Negotiable certificates of deposit <sup>1</sup>	3,544	3,914	3,793	3,100
Other debt securities <sup>1</sup>	8,495	7,357	6,002	5,711
Covered bonds <sup>2</sup>	3,589	4,990	5,028	4,297
<b>Total</b>	<b>44,811</b>	<b>43,341</b>	<b>41,854</b>	<b>36,661</b>
Due within 1 year	28,299	26,218	27,851	22,715
Due after 1 year	16,512	17,123	14,003	13,946
<b>Total</b>	<b>44,811</b>	<b>43,341</b>	<b>41,854</b>	<b>36,661</b>

Notes:

1 Unsecured

2 Secured

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## CAPITAL ADEQUACY

(\$m)	30 Sep 2018	30 Jun 2018	31 Dec 2017	30 Sep 2017
Share capital	11,205	11,205	11,205	11,204
Disclosed reserves and others	33,354	33,918	34,455	33,384
Total regulatory adjustments to Common Equity Tier 1 capital	(5,468)	(5,508)	(4,490)	(4,431)
Common Equity Tier 1 capital	39,091	39,615	41,170	40,157
Additional Tier 1 capital instruments <sup>1</sup>	3,417	2,420	3,375	3,393
Total regulatory adjustments to Additional Tier 1 capital	-	-	(1,120)	(1,105)
Tier 1 capital	42,508	42,035	43,425	42,445
Total allowances eligible as Tier 2 capital	1,606	1,558	961	915
Tier 2 capital instruments <sup>1</sup>	3,648	3,669	1,212	1,232
Total capital	47,762	47,262	45,598	44,592
<b>Risk-Weighted Assets ("RWA")</b>				
Credit RWA	243,779	238,403	229,238	229,905
Market RWA	30,313	33,122	38,670	37,229
Operational RWA	20,675	20,294	19,681	19,288
Total RWA	294,767	291,819	287,589	286,422
<b>Capital Adequacy Ratio ("CAR") (%)</b>				
Basel III fully phased-in Common Equity Tier 1 <sup>2</sup>	13.3	13.6	13.9	13.6
Common Equity Tier 1	13.3	13.6	14.3	14.0
Tier 1	14.4	14.4	15.1	14.8
Total	16.2	16.2	15.9	15.6
<b>Minimum CAR including Buffer Requirements (%)<sup>3</sup></b>				
Common Equity Tier 1	8.7	8.7	8.0	8.0
Effective Tier 1	10.2	10.2	9.5	9.5
Effective Total	12.2	12.2	11.5	11.5
<b>Of which: Buffer Requirements (%)</b>				
Capital Conservation Buffer	1.875	1.875	1.25	1.25
Countercyclical Capital Buffer	0.3	0.3	0.2	0.2

### Notes:

- 1 As part of the Basel III transition arrangements, regulatory capital recognition of outstanding Additional Tier 1 and Tier 2 capital instruments that no longer meet the minimum criteria is gradually being phased out. Fixing the base at the nominal amount of such instruments outstanding on 1 January 2013, their recognition was capped at 90% in 2013, with this cap decreasing by 10 percentage points in each subsequent year. To the extent a capital instrument is redeemed or amortised after 1 January 2013, the nominal amount serving as the base is not reduced.
- 2 Calculated by dividing Common Equity Tier 1 capital after all regulatory adjustments (e.g., for goodwill) applicable from 1 January 2018 by RWA as at each reporting date. The transition period for regulatory adjustments ended on 1 January 2018, which means the disclosed CET1 ratio will henceforth be the same as the fully phased-in ratios.
- 3 Includes minimum Common Equity Tier 1, Tier 1 and Total CAR of 6.5%, 8.0% and 10.0% respectively.

The Common Equity Tier 1 ratio declined 0.3 percentage points from the previous quarter to 13.3% due to the interim dividend payout. The Group's leverage ratio stood at 7.1%, well above the 3% minimum requirement.

### PILLAR 3 AND LIQUIDITY COVERAGE RATIO DISCLOSURES

Pursuant to the Monetary Authority of Singapore's Notices to Banks No. 637 "Notice on Risk Based Capital Adequacy Requirements for Banks incorporated in Singapore" and No. 651 "Liquidity Coverage Ratio ("LCR") Disclosure", the combined Pillar 3 and LCR disclosures document and the Main Features of Capital Instruments document are published in the Investor Relations section of the Group website: (<http://www.dbs.com/investor/index.html>) and (<https://www.dbs.com/investor/capital-disclosures.html>) respectively.

### UNREALISED PROPERTY VALUATION SURPLUS

The unrealised property valuation surplus as at 30 September 2018 was approximately \$1,513 million.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## UNAUDITED CONSOLIDATED INCOME STATEMENT

In \$ millions	3rd Qtr 2018	3rd Qtr 2017	+/(-) %	2nd Qtr 2018	+/(-) %	9 Mths 2018	9 Mths 2017	+/(-) %
<b>Income</b>								
Interest income	3,574	2,771	29	3,364	6	10,008	7,891	27
Interest expense	1,301	796	63	1,140	14	3,383	2,197	54
<b>Net interest income</b>	<b>2,273</b>	<b>1,975</b>	<b>15</b>	<b>2,224</b>	<b>2</b>	<b>6,625</b>	<b>5,694</b>	<b>16</b>
Net fee and commission income	695	685	1	706	(2)	2,145	1,986	8
Net trading income	354	265	34	227	56	949	830	14
Net income from investment securities	48	120	(60)	30	60	100	317	(68)
Other income	5	14	(64)	16	(69)	119	392	(70)
<b>Non-interest income</b>	<b>1,102</b>	<b>1,084</b>	<b>2</b>	<b>979</b>	<b>13</b>	<b>3,313</b>	<b>3,525</b>	<b>(6)</b>
<b>Total income</b>	<b>3,375</b>	<b>3,059</b>	<b>10</b>	<b>3,203</b>	<b>5</b>	<b>9,938</b>	<b>9,219</b>	<b>8</b>
Employee benefits	813	686	19	785	4	2,384	2,131	12
Other expenses	668	592	13	637	5	1,929	1,687	14
<b>Total expenses</b>	<b>1,481</b>	<b>1,278</b>	<b>16</b>	<b>1,422</b>	<b>4</b>	<b>4,313</b>	<b>3,818</b>	<b>13</b>
<b>Profit before allowances</b>	<b>1,894</b>	<b>1,781</b>	<b>6</b>	<b>1,781</b>	<b>6</b>	<b>5,625</b>	<b>5,401</b>	<b>4</b>
Allowances for credit and other losses	236	815	(71)	105	>100	505	1,669	(70)
<b>Profit before tax</b>	<b>1,658</b>	<b>966</b>	<b>72</b>	<b>1,676</b>	<b>(1)</b>	<b>5,120</b>	<b>3,732</b>	<b>37</b>
Income tax expense	236	126	87	314	(25)	795	453	75
<b>Net profit</b>	<b>1,422</b>	<b>840</b>	<b>69</b>	<b>1,362</b>	<b>4</b>	<b>4,325</b>	<b>3,279</b>	<b>32</b>
Attributable to:								
<b>Shareholders</b>	<b>1,413</b>	<b>802</b>	<b>76</b>	<b>1,334</b>	<b>6</b>	<b>4,258</b>	<b>3,177</b>	<b>34</b>
Non-controlling interests	9	38	(76)	28	(68)	67	102	(34)
	<b>1,422</b>	<b>840</b>	<b>69</b>	<b>1,362</b>	<b>4</b>	<b>4,325</b>	<b>3,279</b>	<b>32</b>

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

In \$ millions	3rd Qtr 2018	3rd Qtr 2017	+/(-) %	2nd Qtr 2018	+/(-) %	9 Mths 2018	9 Mths 2017	+/(-) %
<b>Net profit</b>	<b>1,422</b>	<b>840</b>	<b>69</b>	<b>1,362</b>	<b>4</b>	<b>4,325</b>	<b>3,279</b>	<b>32</b>
<b>Other comprehensive income</b>								
<b>Items that may be reclassified subsequently to income statement:</b>								
Translation differences for foreign operations	(113)	(61)	(85)	175	NM	(57)	(197)	71
Other comprehensive income of associates	-	-	-	1	(100)	2	(5)	NM
Gains (losses) on debt instruments classified at fair value through other comprehensive income <sup>1</sup> / available-for-sale financial assets and others								
Net valuation taken to equity	(2)	12	NM	(149)	99	(345)	439	NM
Transferred to income statement	(68)	(100)	32	(23)	(>100)	(108)	(256)	58
Taxation relating to components of other comprehensive income	-	3	(100)	20	(100)	35	(9)	NM
<b>Items that will not be reclassified to income statement:</b>								
Gains (losses) on equity instruments classified at fair value through other comprehensive income (net of tax) <sup>1</sup>	(18)	-	NM	(53)	66	(58)	-	NM
Fair value change from own credit risk on financial liabilities designated at fair value (net of tax)	5	8	(38)	15	(67)	40	(102)	NM
<b>Other comprehensive income, net of tax</b>	<b>(196)</b>	<b>(138)</b>	<b>(42)</b>	<b>(14)</b>	<b>(&gt;100)</b>	<b>(491)</b>	<b>(130)</b>	<b>(&gt;100)</b>
<b>Total comprehensive income</b>	<b>1,226</b>	<b>702</b>	<b>75</b>	<b>1,348</b>	<b>(9)</b>	<b>3,834</b>	<b>3,149</b>	<b>22</b>
Attributable to:								
<b>Shareholders</b>	<b>1,217</b>	<b>665</b>	<b>83</b>	<b>1,319</b>	<b>(8)</b>	<b>3,766</b>	<b>3,049</b>	<b>24</b>
<b>Non-controlling interests</b>	<b>9</b>	<b>37</b>	<b>(76)</b>	<b>29</b>	<b>(69)</b>	<b>68</b>	<b>100</b>	<b>(32)</b>
	<b>1,226</b>	<b>702</b>	<b>75</b>	<b>1,348</b>	<b>(9)</b>	<b>3,834</b>	<b>3,149</b>	<b>22</b>

Note:

1 Arising from the adoption of SFRS(I) 9 on 1 Jan 2018, realised gains or losses on equity instruments classified as "Fair Value through Other Comprehensive Income" is not reclassified to the income statement. Previously, FRS 39 required realised gains or losses on available-for-sale equity instruments to be reclassified to the income statement.

NM Not Meaningful

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## UNAUDITED BALANCE SHEETS<sup>1</sup>

In \$ millions	The Group				The Company			
	30 Sep 2018	30 Jun 2018	31 Dec 2017 <sup>2</sup>	30 Sep 2017	30 Sep 2018	30 Jun 2018	31 Dec 2017 <sup>2</sup>	30 Sep 2017
<b>Assets</b>								
Cash and balances with central banks	20,096	20,959	26,463	26,817				
Government securities and treasury bills	49,934	48,011	39,753	43,675				
Due from banks	34,302	35,692	35,975	33,020	36	24	13	22
Derivatives	18,760	18,360	17,585	17,136	29	29	36	38
Bank and corporate securities	55,533	55,946	55,589	53,417				
Loans and advances to customers	340,375	338,071	323,099	314,135				
Other assets	15,188	15,647	12,066	12,347	7	3	2	-
Associates	835	849	783	874				
Subsidiaries	-	-	-	-	28,269	27,445	24,357	24,421
Properties and other fixed assets	1,326	1,294	1,233	1,179				
Goodwill and intangibles	5,175	5,175	5,165	5,166				
<b>Total assets</b>	<b>541,524</b>	<b>540,004</b>	<b>517,711</b>	<b>507,766</b>	<b>28,341</b>	<b>27,501</b>	<b>24,408</b>	<b>24,481</b>
<b>Liabilities</b>								
Due to banks	20,888	21,462	17,803	22,920				
Deposits and balances from customers	388,295	387,560	373,634	362,102				
Derivatives	18,344	18,893	18,003	17,166	34	26	28	16
Other liabilities	20,671	20,704	16,615	20,156	118	86	66	86
Other debt securities	41,192	39,700	40,716	35,514	4,140	4,130	4,078	4,144
Subordinated term debts	3,619	3,641	1,138	1,147	3,619	3,641	630	639
<b>Total liabilities</b>	<b>493,009</b>	<b>491,960</b>	<b>467,909</b>	<b>459,005</b>	<b>7,911</b>	<b>7,883</b>	<b>4,802</b>	<b>4,885</b>
<b>Net assets</b>	<b>48,515</b>	<b>48,044</b>	<b>49,802</b>	<b>48,761</b>	<b>20,430</b>	<b>19,618</b>	<b>19,606</b>	<b>19,596</b>
<b>Equity</b>								
Share capital	10,974	11,200	11,082	11,082	10,976	11,203	11,092	11,092
Other equity instruments	2,812	1,812	1,812	1,812	2,812	1,812	1,812	1,812
Other reserves	3,606	3,758	4,256	4,351	127	108	170	143
Revenue reserves	30,284	30,444	30,308	29,140	6,515	6,495	6,532	6,549
<b>Shareholders' funds</b>	<b>47,676</b>	<b>47,214</b>	<b>47,458</b>	<b>46,385</b>	<b>20,430</b>	<b>19,618</b>	<b>19,606</b>	<b>19,596</b>
Non-controlling interests	839	830	2,344	2,376				
<b>Total equity</b>	<b>48,515</b>	<b>48,044</b>	<b>49,802</b>	<b>48,761</b>	<b>20,430</b>	<b>19,618</b>	<b>19,606</b>	<b>19,596</b>
<b>Other Information</b>								
Net book value per share (\$)								
(i) Basic and diluted	17.56	17.71	17.85	17.43	6.90	6.94	6.96	6.95

Note:

1 The Group's and the Company's SFRS(I) opening balance sheets on 1 January 2018 are not presented above as there were no material changes from the transition of FRS to SFRS(I).

2 Audited

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018

The Group	Attributable to shareholders of the Company						
	Share Capital	Other equity instruments	Other reserves	Revenue reserves	Total Shareholders' funds	Non-controlling interests	Total equity
In \$ millions							
<b>Balance at 1 January 2018</b>	<b>11,082</b>	<b>1,812</b>	<b>4,256</b>	<b>30,308</b>	<b>47,458</b>	<b>2,344</b>	<b>49,802</b>
Impact of adopting SFRS(I) 9 on 1 January 2018			(86)	95	9		9
<b>Balance at 1 January 2018 after adoption of SFRS(I) 9</b>	<b>11,082</b>	<b>1,812</b>	<b>4,170</b>	<b>30,403</b>	<b>47,467</b>	<b>2,344</b>	<b>49,811</b>
Purchase of treasury shares	(227)				(227)		(227)
Draw-down of reserves upon vesting of performance shares	119		(119)		-		-
Issue of perpetual capital securities		1,000			1,000		1,000
Cost of share-based payments			83		83		83
Dividends paid to shareholders <sup>1</sup>				(4,413)	(4,413)		(4,413)
Dividends paid to non-controlling interests					-	(66)	(66)
Change in non-controlling interests					-	(7)	(7)
Redemption of preference shares issued by a subsidiary					-	(1,500)	(1,500)
Total comprehensive income			(528)	4,294	3,766	68	3,834
<b>Balance at 30 September 2018</b>	<b>10,974</b>	<b>2,812</b>	<b>3,606</b>	<b>30,284</b>	<b>47,676</b>	<b>839</b>	<b>48,515</b>
<b>Balance at 1 January 2017</b>	<b>10,670</b>	<b>1,812</b>	<b>4,322</b>	<b>27,805</b>	<b>44,609</b>	<b>2,361</b>	<b>46,970</b>
Draw-down of reserves upon vesting of performance shares	106		(106)		-		-
Issue of shares pursuant to Scrip Dividend Scheme	306				306		306
Cost of share-based payments			83		83		83
Transfers			78	(78)	-		-
Dividends paid to shareholders <sup>1</sup>				(1,662)	(1,662)		(1,662)
Dividends paid to non-controlling interests					-	(62)	(62)
Change in non-controlling interests					-	(23)	(23)
Total comprehensive income			(26)	3,075	3,049	100	3,149
<b>Balance at 30 September 2017</b>	<b>11,082</b>	<b>1,812</b>	<b>4,351</b>	<b>29,140</b>	<b>46,385</b>	<b>2,376</b>	<b>48,761</b>

Note:

<sup>1</sup> Includes distributions of \$55 million paid on capital securities classified as equity (Sep'17: \$56 million)



# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2018

The Group	Attributable to shareholders of the Company						
	Share Capital	Other equity instruments	Other reserves	Revenue reserves	Shareholders' funds	Non-controlling interests	Total equity
In \$ millions							
Balance at 1 July 2018	11,200	1,812	3,758	30,444	47,214	830	48,044
Purchase of treasury shares	(227)				(227)		(227)
Draw-down of reserves upon vesting of performance shares	1		(1)		-		-
Issue of perpetual capital securities		1,000			1,000		1,000
Cost of share-based payments			28		28		28
Dividends paid to shareholders <sup>1</sup>				(1,556)	(1,556)		(1,556)
Total comprehensive income			(179)	1,396	1,217	9	1,226
Balance at 30 September 2018	10,974	2,812	3,606	30,284	47,676	839	48,515
Balance at 1 July 2017	11,042	1,812	4,469	29,191	46,514	2,355	48,869
Draw-down of reserves upon vesting of performance shares	1		(1)		-		-
Issue of shares pursuant to Scrip Dividend Scheme	39				39		39
Cost of share-based payments			28		28		28
Dividends paid to shareholders <sup>1</sup>				(861)	(861)		(861)
Change in non-controlling interests					-	(16)	(16)
Total comprehensive income			(145)	810	665	37	702
Balance at 30 September 2017	11,082	1,812	4,351	29,140	46,385	2,376	48,761

Note:

<sup>1</sup> Includes distributions of \$18 million paid on capital securities classified as equity (Sep'17: \$18 million)

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018

### The Company

In \$ millions	Share capital	Other equity instruments	Other reserves	Revenue reserves	Total equity
<b>Balance at 1 January 2018</b>	<b>11,092</b>	<b>1,812</b>	<b>170</b>	<b>6,532</b>	<b>19,606</b>
Purchase of treasury shares	(227)				(227)
Transfer of treasury shares	111				111
Draw-down of reserves upon vesting of performance shares			(119)		(119)
Issue of perpetual capital securities		1,000			1,000
Cost of share-based payments			83		83
Dividends paid to shareholders <sup>1</sup>				(4,413)	(4,413)
Total comprehensive income			(7)	4,396	4,389
<b>Balance at 30 September 2018</b>	<b>10,976</b>	<b>2,812</b>	<b>127</b>	<b>6,515</b>	<b>20,430</b>
<b>Balance at 1 January 2017</b>	<b>10,690</b>	<b>1,812</b>	<b>168</b>	<b>6,545</b>	<b>19,215</b>
Transfer of treasury shares	96				96
Draw-down of reserves upon vesting of performance shares			(106)		(106)
Issue of shares pursuant to Scrip Dividend Scheme	306				306
Cost of share-based payments			83		83
Dividends paid to shareholders <sup>1</sup>				(1,662)	(1,662)
Total comprehensive income			(2)	1,666	1,664
<b>Balance at 30 September 2017</b>	<b>11,092</b>	<b>1,812</b>	<b>143</b>	<b>6,549</b>	<b>19,596</b>

Note:

1 Includes distributions of \$55 million paid on capital securities classified as equity (Sep'17: \$56 million)

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2018

### The Company

In \$ millions	Share capital	Other equity instruments	Other reserves	Revenue reserves	Total equity
<b>Balance at 1 July 2018</b>	<b>11,203</b>	<b>1,812</b>	<b>108</b>	<b>6,495</b>	<b>19,618</b>
Purchase of treasury shares	(227)				(227)
Draw-down of reserves upon vesting of performance shares			(1)		(1)
Issue of perpetual capital securities		1,000			1,000
Cost of share-based payments			28		28
Dividends paid to shareholders <sup>1</sup>				(1,556)	(1,556)
Total comprehensive income			(8)	1,576	1,568
<b>Balance at 30 September 2018</b>	<b>10,976</b>	<b>2,812</b>	<b>127</b>	<b>6,515</b>	<b>20,430</b>
<b>Balance at 1 July 2017</b>	<b>11,053</b>	<b>1,812</b>	<b>115</b>	<b>6,533</b>	<b>19,513</b>
Draw-down of reserves upon vesting of performance shares			(1)		(1)
Issue of shares pursuant to Scrip Dividend Scheme	39				39
Cost of share-based payments			28		28
Dividends paid to shareholders <sup>1</sup>				(861)	(861)
Total comprehensive income			1	877	878
<b>Balance at 30 September 2017</b>	<b>11,092</b>	<b>1,812</b>	<b>143</b>	<b>6,549</b>	<b>19,596</b>

Note:

<sup>1</sup> Includes distributions of \$18 million paid on capital securities classified as equity (Sep'17: \$18 million)

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

In \$ millions	9 Mths 2018	9 Mths 2017	3rd Qtr 2018	3rd Qtr 2017
<b>Cash flows from operating activities</b>				
Profit before tax	5,120	3,732	1,658	966
<b>Adjustments for non-cash and other items:</b>				
Allowances for credit and other losses	505	1,669	236	815
Depreciation of properties and other fixed assets	244	219	84	74
Share of profits or losses of associates	(19)	(23)	(4)	(10)
Net gain on disposal (net of write-off) of properties and other fixed assets	(84)	4	1	5
Net gain on divestment of subsidiary	-	(350)	-	-
Net income from investment securities	(100)	(317)	(48)	(120)
Cost of share-based payments	83	83	28	28
Interest expense on subordinated term debts	32	54	10	16
Profit before changes in operating assets & liabilities	5,781	5,071	1,965	1,774
<b>Increase/(Decrease) in:</b>				
Due to banks	3,296	7,185	(365)	277
Deposits and balances from customers	13,508	7,904	1,284	8,908
Other liabilities	4,644	213	(368)	2,331
Other debt securities and borrowings	649	7,795	1,485	1,268
<b>(Increase)/Decrease in:</b>				
Restricted balances with central banks	(363)	(585)	(896)	(842)
Government securities and treasury bills	(10,652)	(10,644)	(2,084)	(3,659)
Due from banks	1,429	(3,200)	1,190	(2,895)
Bank and corporate securities	65	(8,114)	409	(4,138)
Loans and advances to customers	(17,087)	(12,232)	(3,072)	(6,700)
Other assets	(4,600)	4,319	(155)	(314)
Tax paid	(516)	(485)	(138)	(163)
<b>Net cash used in operating activities (1)</b>	<b>(3,846)</b>	<b>(2,773)</b>	<b>(745)</b>	<b>(4,153)</b>
<b>Cash flows from investing activities</b>				
Dividends from associates	20	29	4	8
Proceeds from disposal of interest in associate	8	2	8	1
Increase in investment in associate	(69)	-	-	-
Proceeds from disposal of properties and other fixed assets	99	1	-	-
Purchase of properties and other fixed assets	(313)	(238)	(115)	(90)
Proceeds from divestment of subsidiary	-	735	-	-
Proceeds from acquisition of business	262	5,212	-	5,212
Change in non-controlling interests	(7)	(23)	-	(16)
<b>Net cash generated from/ (used in) investing activities (2)</b>	<b>-</b>	<b>5,718</b>	<b>(103)</b>	<b>5,115</b>
<b>Cash flows from financing activities</b>				
Issue of perpetual capital securities	1,000	-	1,000	-
Issue of subordinated term debts	3,013	-	-	-
Interest paid on subordinated term debts	(24)	(73)	(1)	(25)
Redemption/purchase of subordinated term debts	(508)	(1,897)	-	(1,031)
Redemption of preference shares issued by a subsidiary	(1,500)	-	-	-
Purchase of treasury shares	(227)	-	(227)	-
Dividends paid to non-controlling interests	(66)	(62)	-	-
Dividends paid to shareholders of the Company, net of scrip dividends <sup>1</sup>	(4,413)	(1,356)	(1,556)	(822)
<b>Net cash used in financing activities (3)</b>	<b>(2,725)</b>	<b>(3,388)</b>	<b>(784)</b>	<b>(1,878)</b>
Exchange translation adjustments (4)	(59)	(111)	(53)	(41)
<b>Net change in cash and cash equivalents<sup>2</sup> (1)+(2)+(3)+(4)</b>	<b>(6,630)</b>	<b>(554)</b>	<b>(1,685)</b>	<b>(957)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>18,693</b>	<b>20,132</b>	<b>13,745</b>	<b>20,535</b>
<b>Impact of adopting SFRS(I) 9 at beginning of period</b>	<b>(3)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at end of period</b>	<b>12,060</b>	<b>19,578</b>	<b>12,060</b>	<b>19,578</b>

Notes:

1 Includes distributions paid on capital securities classified as equity

2 Cash and cash equivalents refer to cash and non-restricted balances with central banks

**OTHER FINANCIAL INFORMATION**
**1. Off-balance Sheet Items**

In \$ millions	30 Sep 2018	30 Jun 2018	31 Dec 2017	30 Sep 2017
Contingent liabilities	<b>26,001</b>	25,161	20,819	21,819
Commitments <sup>1</sup>	<b>268,919</b>	256,733	245,264	241,583
Financial Derivatives	<b>2,141,200</b>	2,118,343	1,975,967	2,004,961

Note:

1 Includes commitments that are unconditionally cancellable at any time of \$223,019 million (Jun'18: \$213,528 million, Dec'17: \$204,338 million, Sep'17: \$196,331 million).

**ADDITIONAL INFORMATION**
**SHARE CAPITAL**

- (a) The movement in the number of issued and fully paid-up ordinary shares is as follows:

<b>Number of shares</b>	<b>9 Mths 2018</b>	<b>9 Mths 2017</b>	<b>3rd Qtr 2018</b>	<b>3rd Qtr 2017</b>
<b>Issued Ordinary shares</b>				
Balance at beginning of period	<b>2,563,936,434</b>	2,548,962,085	<b>2,563,936,434</b>	2,562,052,009
Shares issued pursuant to Scrip Dividend Scheme	-	14,974,349	-	1,884,425
Balance at end of period	<b>2,563,936,434</b>	2,563,936,434	<b>2,563,936,434</b>	2,563,936,434
<b>Treasury shares</b>				
Balance at beginning of period	<b>(6,303,700)</b>	(11,727,700)	<b>(65,700)</b>	(6,303,700)
Shares transferred to trust holding shares pursuant to DBSH Share Plan/ DBSH Employee Share Plan	<b>6,238,000</b>	5,424,000	-	-
Purchase of treasury shares	<b>(9,054,800)</b>	-	<b>(9,054,800)</b>	-
Balance at end of period	<b>(9,120,500)</b>	(6,303,700)	<b>(9,120,500)</b>	(6,303,700)
<b>Issued Ordinary shares net of Treasury shares</b>	<b>2,554,815,934</b>	2,557,632,734	<b>2,554,815,934</b>	2,557,632,734

- (b) The weighted average number of Issued Ordinary shares net of Treasury shares (both basic and fully diluted) for the first nine months of 2018 is 2,561,752,845.

**INTERESTED PARTY TRANSACTIONS PURSUANT TO LISTING RULE 920(1)**

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

**CONFIRMATION OF DIRECTORS AND EXECUTIVE OFFICERS' UNDERTAKINGS PURSUANT TO LISTING RULE 720(1)**

The Company has procured undertakings from all its directors and executive officers in compliance with Listing Rule 720(1).

**CONFIRMATION BY THE BOARD**

We, Peter Seah Lim Huat and Piyush Gupta, being two directors of DBS Group Holdings Ltd (the Company), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the Third Quarter ended 30 September 2018 Unaudited Financial Results of the Company and of the Group to be false or misleading in any material aspect.

On behalf of the board of directors



Peter Seah Lim Huat  
Chairman



Piyush Gupta  
Chief Executive Officer

2 November 2018  
Singapore

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