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).

16,700,000 European Style Cash Settled Short Certificates

relating to the ordinary shares of Singapore Exchange Limited

with a Daily Leverage of -5x

issued by

SG Issuer

(Incorporated in Luxembourg with limited liability)

unconditionally and irrevocably guaranteed by

Société Générale

Issue Price: S$0.60 per Certificate

This document is published for the purpose of obtaining a listing of all the above certificates (the "**Certificates**") to be issued by SG Issuer (the "**Issuer**") unconditionally and irrevocably guaranteed by Société Générale (the "**Guarantor**"), and is supplemental to and should be read in conjunction with a base listing document dated 17 June 2022 including such further base listing documents as may be issued from time to time (the "**Base Listing Document**") 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).

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

The Certificates are classified as capital markets products other than prescribed capital markets products[1] and Specified Investment Products (SIPs)[2], and may only be sold to retail investors with enhanced safeguards, including an assessment of such investors' investment knowledge or experience.

The Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the guarantee dated 17 June 2022 (the "**Guarantee**") and entered into by the Guarantor constitutes direct unconditional unsecured senior preferred 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 20 December 2022.

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.

19 December 2022

[1] As defined in the Securities and Futures (Capital Markets Products) Regulations 2018.
[2] As defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

Subject as set out below, the Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this document and the Base Listing Document 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 and the Base Listing Document 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 and the Issuer will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, 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, own, hold or maintain a position in the Certificates or any interests therein. 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 and commodity pools. 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 Base Listing Document. 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 (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the Guarantee constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Certificates, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person;

(c) since the Certificates relate to the price of the Underlying Stock, certain events relating to the Underlying Stock may cause adverse movements in the value and the price of the Underlying Stock, as a result of which, the Certificate Holders (as defined in the Conditions of the Certificates) may, in extreme circumstances, sustain a significant loss of their investment if the price of the Underlying Stock has risen sharply;

(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 may 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 31 to 35 and the examples and illustrations of adjustments set out in the "Information relating to the European Style Cash Settled Short Certificates on Single Equities" section of this document for more information;

(i) the Certificates are only exercisable on the Expiry Date and may not be exercised by Certificate Holders prior to such Expiry Date. Accordingly, if on the Expiry Date the Cash Settlement Amount is zero, a Certificate Holder will lose the value of his investment;

(j) the total return on an investment in any Certificate may be affected by the Hedging Fee Factor (as defined below), Management Fee (as defined below) and Gap Premium (as defined below);

(k) investors holding their position overnight should note that they would be required to bear the annualised cost which consists of the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy (as described below) including the Stock Borrowing Cost (as defined below) and Rebalancing Cost (as defined below);

(l) investors should note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock;

(m) when held for longer than a day, the performance of the Certificates could be more or less than the leverage factor that is embedded within the Certificates. The performance of the Certificates each day is locked in, and any subsequent returns are based on what was achieved the previous day. This process, referred to as compounding, may lead to a performance difference from 5 times the inverse performance of the Underlying Stock over a period longer than one day. This difference may be amplified in a volatile market with a sideway trend, where market movements are not clear in direction, whereby investors may sustain substantial losses;

(n) the Air Bag Mechanism (as defined below) is triggered only when the Underlying Stock is calculated or traded, which may not be during the trading hours of the Relevant Stock Exchange for the Certificates (as defined below);

(o) investors should note that the Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses;

(p) there is no assurance that the Air Bag Mechanism will prevent investors from losing the entire value of their investment, in the event of (i) an overnight increase in the Underlying Stock, where there is a 20% or greater gap between the previous day closing price and the opening price of the Underlying Stock the following day, as the Air Bag Mechanism will only be triggered when market opens (including the pre-opening session) the following day or (ii) a sharp intraday increase in the price of the Underlying Stock of 20% or greater within the 15 minutes Observation Period compared to the reference price, being: (1) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (2) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. Investors may refer to pages 51 to 52 of this document for more information;

(q) In the case of extreme market conditions or where the Air Bag Mechanisms are triggered simultaneously, trading in the Certificates may be suspended for an extended period, which may be up to an additional 15 minutes, to facilitate the intra-day adjustment under the Air Bag Mechanism;

(r) 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 37 to 38 of this document for more information;

(s) 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;

(t) 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;

(u) 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;

(v) 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;

(w) 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;

(x) the Certificates are linked to the Underlying Stock and subject to the risk that the price of the Underlying Stock may rise. The following is a list of some of the significant risks associated with the Underlying Stock:

- Historical performance of the Underlying Stock does not give an indication of future performance of the Underlying Stock. It is impossible to predict whether the price of the Underlying Stock will fall or rise over the term of the Certificates; and

- The price of the Underlying Stock may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which the Underlying Stock may be traded;

(y) the value of the Certificates depends on the Leverage Inverse Strategy performance built in the Certificate. The Calculation Agent will make the Leverage Inverse Strategy last closing level and a calculation tool available to the investors on a website;

(z) 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;

(aa) 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;

(bb) 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 or an investor's broker or custodian may be subject to FATCA and, as a result, may be 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 the Issuer or the relevant broker or custodian with such certification, the Issuer and the Guarantor or other withholding agent 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 or the relevant broker or custodian 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;

(cc) U.S. withholding tax

The Issuer has determined that this Certificate is not linked to U.S. Underlying Equities within the meaning of applicable regulations under Section 871(m) of the United States Internal Revenue Code, as discussed in the accompanying Base Listing Document under "TAXATION—TAXATION IN THE UNITED STATES OF AMERICA—Section 871(m) of the U.S. Internal Revenue Code of 1986." Accordingly, the Issuer expects that Section 871(m) will not apply to the Certificates. Such determination is not binding on the IRS, and the IRS may disagree with this determination. Section 871(m) is complex and its application may depend on a Certificate Holder's particular circumstances. Certificate Holders should consult with their own tax advisers regarding the potential application of Section 871(m) to the Certificates; and

(dd) risk factors relating to the BRRD

French and Luxembourg 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. The BRRD has been implemented into Luxembourg law by, among others, the Luxembourg act dated 18 December 2015 on the failure of credit institutions and certain investment firms, as amended (the "**BRR Act 2015**"). Under the BRR Act 2015, the competent authority is the Luxembourg financial sector supervisory authority (*Commission de surveillance du secteur financier*, the CSSF) and the resolution authority is the CSSF acting as resolution council (*conseil de résolution*).

Moreover, 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 ("**SRM**") and a Single Fund Framework (the "**SRM Regulation**") has established a centralised power of resolution entrusted to a Single Resolution Board (the "**SRB**") in cooperation with the national resolution authorities.

Since November 2014, the European Central Bank ("**ECB**") has taken over the prudential supervision of significant credit institutions in the member states of the Eurozone under the Single Supervisory Mechanism ("**SSM**"). In addition, the SRM has been put in place to ensure that the resolution of credit institutions and certain investment firms across the Eurozone is harmonised. As mentioned above, the SRM is managed by the SRB. Under Article 5(1) of the SRM Regulation, the SRM has been granted those responsibilities and powers granted to the EU Member States' resolution authorities under the BRRD for those credit institutions and certain investment firms subject to direct supervision by the ECB. The ability of the SRB to exercise these powers came into force at the beginning of 2016.

Societe Generale has been, and continues to be, designated as a significant supervised entity for the purposes of Article 49(1) of Regulation (EU) No 468/2014 of the ECB of 16 April 2014 establishing the framework for cooperation within the SSM between the ECB and national competent authorities and with national designated authorities (the "**SSM Regulation**") and is consequently subject to the direct supervision of the ECB in the context of the SSM. This means that Societe Generale and SG Issuer (being covered by the consolidated prudential supervision of Societe Generale) are also subject to the SRM which came into force in 2015. The SRM Regulation mirrors the BRRD and, to a large part, refers to the BRRD so that the SRB is able to apply the same powers that would otherwise be available to the relevant national resolution authority.

The stated aim of the BRRD and the SRM Regulation is to provide for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and certain investment firms. The regime provided for by the BRRD is, among other things, stated to be needed to provide the resolution 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 institution so as to ensure the continuity of the institution's critical financial and economic functions while minimising the impact of an institution's failure on the economy and financial system (including taxpayers' exposure to losses).

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 institutions' resolution plans have applied since 1 January 2015 and the SRM has been fully operational since 1 January 2016.

The SRB is the Resolution Authority for the Issuer and the Guarantor.

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 institution that is subject to resolution in accordance with a set order of priority (the "**Bail-in Power**"). The conditions for resolution under the SRM Regulation are deemed to be met when: (i) the Resolution Authority determines that the institution 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 minimizing reliance on extraordinary public financial support, and protecting client funds and assets) and winding up of the institution 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, fully or partially write-down or convert capital instruments (including subordinated debt instruments) into equity when it determines that the institution or its group will no longer be viable unless such write-down or conversion power is exercised or when the institution requires extraordinary public financial support (except when extraordinary public financial support is provided in Article 10 of the SRM Regulation). The terms and conditions of the Certificates contain provisions giving effect to the Bail-in Power in the context of resolution and write-down or conversion of capital instruments at the point of non-viability.

The Bail-in Power 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 resolution measures. No support will be available until a minimum amount of contribution to loss absorption and recapitalization of 8% of total liabilities including own funds has been made by shareholders, holders of capital instruments and other eligible liabilities through write-down, conversion or otherwise.

In addition to the Bail-in Power, the BRRD provides the Resolution Authority with broader powers to implement other resolution measures with respect to institutions that meet the conditions for resolution, which may include (without limitation) the sale of the institution’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, including implementing the Bail-in Power, 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.

The BRRD, the BRR Act 2015 and the SRM Regulation however also state that, under exceptional circumstances, if the bail-in instrument is applied, the SRB, in cooperation with the CSSF, may completely or partially exclude certain liabilities from the application of the impairment or conversion powers under certain conditions.

Since 1 January 2016, EU credit institutions (such as Societe Generale) and certain investment firms have to meet, at all times, a minimum requirement for own funds and eligible liabilities (“**MREL**”) pursuant to Article 12 of the SRM Regulation. The MREL, which is expressed as a percentage of the total liabilities and own funds of the institution, aims at preventing institutions from structuring their liabilities in a manner that impedes the effectiveness of the Bail-in Power in order to facilitate resolution.

The regime has evolved as a result of the changes adopted by the EU legislators. On 7 June 2019, as part of the contemplated amendments to the so-called “EU Banking Package”, the following legislative texts were published in the Official Journal of the EU 14 May 2019:

- Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (“**BRRD II**”); and

- Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the SRM Regulation as regards the loss-absorbing and recapitalisation capacity ("**TLAC**") of credit institutions and investment firms (the "**SRM II Regulation**" and, together with the BRRD II, the "**EU Banking Package Reforms**").

The EU Banking Package Reforms introduced, among other things, the TLAC standard as implemented by the Financial Stability Board's TLAC Term Sheet ("**FSB TLAC Term Sheet**"), by adapting, among other things, the existing regime relating to the specific MREL with aim of reducing risks in the banking sector and further reinforcing institutions' ability to withstand potential shocks will strengthen the banking union and reduce risks in the financial system.

The TLAC has been implemented in accordance with the FSB TLAC Term Sheet, which impose a level of "Minimum TLAC" that will be determined individually for each global systemically important bank ("**G-SIB**"), such as Societe Generale, in an amount at least equal to (i) 16%, plus applicable buffers, of risk weight assets since January 1, 2022 and 18%, plus applicable buffers, thereafter and (ii) 6% of the Basel III leverage ratio denominator since January 1, 2022 and 6.75% thereafter (each of which could be extended by additional firm-specific requirements).

Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the "**CRR**"), as amended by Regulation (EU) 2019/876 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements (the "**CRR II**"), EU G-SIBs, such as Societe Generale, have to comply with TLAC requirements, on top of the MREL requirements, since the entry into force of the CRR II. As such, G-SIBs, such as Societe Generale have to comply with both the TLAC and MREL requirements.

Consequently, the criteria for MREL-eligible liabilities have been closely aligned with the criteria for TLAC-eligible liabilities under CRR II, but subject to the complementary adjustments and requirements introduced in the BRRD II. In particular, certain debt instruments with an embedded derivative component, such as certain structured notes, will be eligible, subject to certain conditions, to meet MREL requirements to the extent that they have a fixed or increasing principal amount repayable at maturity that is known in advance with only an additional return permitted to be linked to that derivative component and dependent on the performance of a reference asset.

The level of capital and eligible liabilities required under MREL is set by the SRB for Societe Generale on an individual and/or consolidated basis based on certain criteria including systemic importance and may also be set for SG Issuer. Eligible liabilities may be senior or subordinated, provided, among other requirements, that they have a remaining term of at least one year and, they recognise contractually the Resolution Authority's power to write down or convert the liabilities governed by non-EU law.

The scope of liabilities used to meet MREL includes, in principle, all liabilities resulting from claims arising from ordinary unsecured creditors (non-subordinated liabilities) unless they do not meet specific eligibility criteria set out in BRRD, as amended by BRRD II. To enhance the resolvability of institutions and entities through an effective use of the bail-in tool, the SRB should be able to require that MREL be met with own funds and other subordinated liabilities, in particular where there are clear indications that bailed-in creditors are likely to bear losses in resolution that would exceed the losses that they would incur under normal insolvency proceedings. Moreover the SRB should assess the need to require institutions and entities to meet the MREL with own funds and other subordinated liabilities where the amount of liabilities excluded from the application of the bail- in tool reaches a certain threshold within a class of liabilities that includes MREL-eligible liabilities. Any subordination of debt instruments requested by the SRB for the MREL shall be without prejudice to the possibility to partly meet the TLAC requirements with non-subordinated debt instruments in accordance with the CRR, as amended by the CRR II, as permitted by the TLAC standard. Specific requirements apply to resolution groups with assets above EUR 100 billion (top-tier banks, including Societe Generale).

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 and the Base Listing Document.

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 Base Listing Document. For the purposes of the Conditions, the following terms shall have the following meanings:

Certificates:	16,700,000 European Style Cash Settled Short Certificates relating to the ordinary shares of Singapore Exchange Limited (the **"Underlying Stock**")
ISIN:	LU2375047714
Company:	Singapore Exchange Limited (RIC: SGXL.SI)
Underlying Price[3] and Source:	S$8.980 (Reuters)
Calculation Agent:	Société Générale
Strike Level:	Zero
Daily Leverage:	-5x (within the Leverage Inverse Strategy as described below)
Notional Amount per Certificate:	SGD 0.60
Management Fee (p.a.)[4]:	0.40%
Gap Premium (p.a.)[5]:	6.90%, is a hedging cost against extreme market movements overnight.
Stock Borrowing Cost[6]:	The annualised costs for borrowing stocks in order to take an inverse exposure on the Underlying Stock.
Rebalancing Cost[6]:	The transaction costs (if applicable), computed as a function of leverage and daily inverse performance of the Underlying Stock.
Launch Date:	13 December 2022
Closing Date:	19 December 2022

[3] These figures are calculated as at, and based on information available to the Issuer on or about 19 December 2022. 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 19 December 2022.
[4] Please note that the Management Fee is calculated on a 360-day basis and may be increased up to a maximum of 3% p.a. on giving one month's notice to investors. Any increase in the Management Fee will be announced on the SGXNET. Please refer to "Fees and Charges" below for further details of the fees and charges payable and the maximum of such fees as well as other ongoing expenses that may be borne by the Certificates.
[5] Please note that the Gap Premium is calculated on a 360-day basis.
[6] These costs are embedded within the Leverage Inverse Strategy. Please note that the Stock Borrowing Cost may be changed on giving 5 Business Days' notice to investors. Any change in the Stock Borrowing Cost will be announced on the SGXNET.

Expected Listing Date:	20 December 2022
Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 11 December 2024
Expiry Date:	18 December 2024 (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:	17 December 2024 or if such day is not an Exchange Business Day, the immediately preceding Exchange Business Day.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Cash Settlement Amount:	In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to: Closing Level multiplied by the Notional Amount per Certificate Please refer to the "Information relating to the European Style Cash Settled Short Certificates on Single Equities" section on pages 42 to 57 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.
Hedging Fee Factor:	In respect of each Certificate, shall be an amount calculated as: Product (for t from 2 to Valuation Date) of (1 – Management Fee x (ACT (t-1;t) ÷ 360)) x (1 – Gap Premium (t-1) x (ACT (t-1;t) ÷ 360)), where:

"**t**" refers to "**Observation Date**" which means each Exchange Business Day (subject to Market Disruption Event) from (and including) the Exchange Business Day immediately preceding the Expected Listing Date to the Valuation Date; and

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

If the Issuer determines, in its sole discretion, that on any Observation Date a Market Disruption Event has occurred, then that Observation 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 an Observation Date. In that case, that fifth Exchange Business Day shall be deemed to be the Observation Date notwithstanding the Market Disruption Event and the Issuer shall determine, its good faith estimate of the level of the Leverage Inverse Strategy and the value of the Certificate on that fifth Exchange Business Day in accordance with the formula for and method of calculation last in effect prior to the occurrence of the first Market Disruption Event taking into account, inter alia, the exchange traded or quoted price of the Underlying Stock and the potential increased cost of hedging by the Issuer as a result of the occurrence of the Market Disruption Event.

Please refer to the "Information relating to the European Style Cash Settled Short Certificates on Single Equities" section on pages 42 to 57 of this document for examples and illustrations of the calculation of the Hedging Fee Factor.

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

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

Initial Reference Level: 1,000

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

The calculation of the closing level of the Leverage Inverse Strategy is set out in the "Specific Definitions relating to the Leverage Inverse Strategy" section on pages 19 to 25 below.

Initial Exchange Rate: 1

Final Exchange Rate: 1

Air Bag Mechanism:	The "**Air Bag Mechanism**" refers to the mechanism built in the Leverage Inverse Strategy and which is designed to reduce the Leverage Inverse Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock rises by 15% or more ("**Air Bag Trigger Price**") during the trading day (which represents an approximately 75% loss after a 5 times inverse leverage), the Air Bag Mechanism is triggered and the Leverage Inverse Strategy is adjusted intra-day. The Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses. Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered. The Leverage Inverse Strategy is floored at 0 and the Certificates cannot be valued below zero. Please refer to the "Extraordinary Strategy Adjustment for Performance Reasons ("Air Bag Mechanism")" section on pages 23 to 25 below and the "Description of Air Bag Mechanism" section on pages 48 to 50 of this document for further information of the Air Bag Mechanism.
Adjustments and Extraordinary Events:	The Issuer has the right to make adjustments to the terms of the Certificates if certain events, including any capitalisation issue, rights issue, extraordinary distributions, merger, delisting, insolvency (as more specifically set out in the terms and conditions of the Certificates) occur in respect of the Underlying Stock. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.
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 (the "**SGX-ST**")
Relevant Stock Exchange for the Underlying Stock:	The SGX-ST
Business Day and Exchange Business Day:	A "**Business Day**" or an "**Exchange Business Day**" is a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.
Warrant Agent:	The Central Depository (Pte) Limited ("**CDP**")

Clearing System:	CDP
Fees and Charges:	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. Investors holding position overnight would also be required to bear the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and Rebalancing Cost. The Management Fee may be increased up to a maximum of 3% p.a. on giving one month's notice to investors in accordance with the terms and conditions of the Certificates. Any increase in the Management Fee will be announced on the SGXNET.
Further Information:	Please refer to the website at dlc.socgen.com for more information on the theoretical closing price of the Certificates on the previous trading day, the closing price of the Underlying Stock on the previous trading day, the Air Bag Trigger Price for each trading day and the Management Fee and Gap Premium.

Specific Definitions relating to the Leverage Inverse Strategy

Description of the Leverage Inverse Strategy

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

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

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

Leverage Inverse Strategy Formula

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

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

On Observation Date(1):

$$\mathrm{LSL}_1 = 1000$$

On each subsequent Observation Date(t):

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

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

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

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

$$\mathrm{FC_{t-1,t}} = (\mathrm{Leverage} - 1) \times \frac{\mathrm{Rate_{t-1}} \times \mathrm{ACT(t-1,t)}}{\mathrm{DayCountBasisRate}}$$

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

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

CB means the Cost of Borrowing applicable that is equal to: 2.00%

$\mathbf{RC_{t-1,t}}$ means the Rebalancing Cost of the Leverage Inverse Strategy on Observation Date (t), calculated as follows:

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

TC means the Transaction Costs applicable (including Stamp Duty and any other applicable taxes, levies and costs which may be levied on the stock transactions on the Relevant Stock Exchange for the Underlying Stock by the applicable regulatory authorities from time to time) that are currently equal to:

0.04%

"Stamp Duty" refers to the applicable rate of stamp duty on the stock transactions in the jurisdiction of the Relevant Stock Exchange for the Underlying Stock, which may be changed by the applicable regulatory authorities from time to time.

Leverage -5

$\mathbf{S_t}$	means, in respect of each Observation Date(t), the Closing Price of the Underlying Stock as of such Observation Date(t), subject to the adjustments and provisions of the Conditions.
$\mathbf{Rate_t}$	means, in respect of each Observation Date(t), the daily Singapore Overnight Rate Average (SORA) provided by the Monetary Authority of Singapore as administrator of the benchmark (or a successor administrator), as published on BLOOMBERG/SIBCSORA Index or any successor page, being the rate as of day (t-2) at 09:00 Singapore time, provided that if such rate is not available, then such rate shall be determined by reference to the last available rate that was published on Refinitiv Screen (SORA=MAST) or any successor page.
$\mathbf{Rfactor_t}$	means, in the event Observation Date (t) is an ex-dividend date of the Underlying Stock, an amount determined by the Calculation Agent, subject to the adjustments and provisions of the Conditions, according to the following formula : $$Rfactor_t = 1 - \frac{Div_t}{\mathbf{S_{t-1}}}$$ where Div_t is the dividend to be paid out in respect of the Underlying Stock and the relevant ex-dividend date which shall be considered gross of any applicable withholding taxes.
ACT(t-1,t)	ACT (t-1;t) means the number of calendar days between the Exchange Business Day immediately preceding the Observation Date (which is “t-1”) (included) and the Observation Date (which is “t”) (excluded).
DayCountBasisRate	365
Benchmark Fallback	upon the occurrence or likely occurrence, as determined by the Calculation Agent, of a Reference Rate Event, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.
Reference Rate Event	means, in respect of the Reference Rate any of the following has occurred or will occur: (i) a Reference Rate Cessation; (ii) an Administrator/Benchmark Event; or (iii) a Reference Rate is, with respect to over-the-counter derivatives transactions which reference such Reference Rate, the subject of any market-wide development formally agreed upon by the International Swaps and Derivative Association (ISDA) or the Asia

Securities Industry & Financial Markets Association (ASIFMA), pursuant to which such Reference Rate is, on a specified date, replaced with a risk-free rate (or near risk-free rate) established in order to comply with the recommendations in the Financial Stability Board's paper titled "Reforming Major Interest Rate Benchmarks" dated 22 July 2014.

Reference Rate Cessation means, for a Reference Rate, the occurrence of one or more of the following events:

(i) a public statement or publication of information by or on behalf of the administrator of the Reference Rate announcing that it has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate;

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Reference Rate, the central bank for the currency of the Reference Rate, an insolvency official with jurisdiction over the administrator for the Reference Rate, a resolution authority with jurisdiction over the administrator for the Reference Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Reference Rate, which states that the administrator of the Reference Rate has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate; or

(iii) in respect of a Reference Rate, a public statement or publication of information by the regulatory supervisor for the administrator of such Reference Rate announcing that (a) the regulatory supervisor has determined that such Reference Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Reference Rate is intended to measure and that representativeness will not be restored and (b) it is being made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts;

Administrator/Benchmark Event means, for a Reference Rate, any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Reference Rate or the administrator or sponsor of the Benchmark has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that either the Issuer, the Calculation Agent or any other entity is not, or will not be, permitted under any applicable law or regulation to use the Reference Rate to perform its or their respective obligations under the Certificates.

Reference Rate(s) means the rate(s) used in the Leverage Inverse Strategy Formula, for example SORA, SOFR and US Federal Funds Effective Rate.

<u>Extraordinary Strategy Adjustment for Performance Reasons ("Air Bag Mechanism")</u>

Extraordinary Strategy Adjustment for Performance Reasons

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

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

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

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

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

$\mathbf{ILSL_{IR(k)}}$

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

(1) for k = 1 :

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

(2) for k > 1 :

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

$\mathbf{ILR_{IR(k-1),IR(k)}}$

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

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

$\mathbf{IRC_{IR(k-1),IR(k)}}$

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

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

$\mathbf{IS_{IR(k)}}$

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

(1) for k=0

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

(2) for k=1 to n

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

(3) with respect to IR(C)

$$\mathrm{IS}_{\mathrm{IR(C)}} = \mathrm{S}_{\mathrm{IRD}}$$

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^{th} Intraday Restrike Event on the relevant Intraday Restrike Date.
IR(C)	means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the relevant Intraday Restrike Date.
n	means the number of Intraday Restrike Events that occurred on the relevant Intraday Restrike Date.
Intraday Restrike Event	means in respect of an Observation Date(t): (1) provided no Intraday Restrike Event has previously occurred on such Observation Date (t), the increase at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $\mathbf{IS}_{\mathbf{IR(0)}}$ as of such Calculation Time. (2) if k Intraday Restrike Events have occurred on the relevant Intraday Restrike Date, the increase at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $\mathbf{IS}_{\mathbf{IR(k)}}$ as of such Calculation Time.
Calculation Time	means any time between the TimeReferenceOpening and the TimeReferenceClosing, provided that the relevant data is available to enable the Calculation Agent to determine the Leverage Inverse Strategy Level.
TimeReferenceOpening	means the scheduled opening time (including pre-opening session) for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
TimeReferenceClosing	means the scheduled closing time (including closing auction session) for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
Intraday Restrike Event Observation Period	means in respect of an Intraday Restrike Event, the period starting on and excluding the Intraday Restrike Event Time and finishing on and including the sooner between (1) the time falling 15 minutes after the Intraday Restrike Event Time and (2) the TimeReferenceClosing. Where, during such period, the Calculation Agent determines that (1) the trading in the Underlying Stock is disrupted or subject to suspension or limitation or (2) the Relevant Stock Exchange for the Underlying Stock is not open for continuous trading, the Intraday Restrike Event Observation Period will be extended to the extent necessary until (1) the trading in the Underlying

Stock is no longer disrupted, suspended or limited and (2) the Relevant Stock Exchange for the Underlying Stock is open for continuous trading.

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

The Conditions set out in the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" in the Base Listing Document 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 17 June 2022, 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) on the Issuer's liabilities under the Certificates, 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 the Guarantor 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 the Guarantor 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

that 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,

(the "**Statutory Bail-In**");

(ii) if the Relevant Resolution Authority exercises its Bail-In Power on liabilities of the Guarantor, pursuant to Article L.613-30-3-I-3 of the French Monetary and Financial Code (the "**M&F Code**"):

(A) ranking:

(1) junior to liabilities of the Guarantor benefitting from statutorily preferred exceptions pursuant to Article L.613-30-3-I 1° and 2 of the M&F Code;

(2) *pari passu* with liabilities of the Guarantor as defined in Article L.613-30-3-I-3 of the M&F Code; and

(3) senior to liabilities of the Guarantor as defined in Article L.613-30-3-I-4 of the M&F Code; and

(B) which are not *titres non structurés* as defined under Article R.613-28 of the M&F Code, and

(C) which are not or are no longer eligible to be taken into account for the purposes of the MREL (as defined below) ratio of the Guarantor

and such exercise of the Bail-In Power results in the write-down or cancellation of all, or a portion of, the principal amount of, or the outstanding amount payable in respect of, and/or interest on, such liabilities, and/or the conversion of all, or a portion, of the principal amount of, or the outstanding amount payable in respect of, or interest on, such liabilities into shares or other securities or other obligations of the Guarantor or another person, including by means of variation to their terms and conditions in order to give effect to such exercise of Bail-In Power, then the Issuer's obligations under the Certificates will be limited to (i) payment of the amount as reduced or cancelled that would be recoverable by the Certificate Holders and/or (ii) the delivery or the payment of value of the shares or other securities or other obligations of the Guarantor or another person that would be paid or delivered to the Certificate Holders as if, in either case, the Certificates had been directly issued by the Guarantor itself and any Amount Due under the Certificates had accordingly been directly subject to the exercise of the Bail-In Power (the "**Contractual Bail-in**").

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Statutory Bail-In with respect to the Issuer or the Guarantor 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 or the Guarantor under the applicable laws and regulations in effect in France or Luxembourg and the European Union applicable to the Issuer or the Guarantor or other members of its group.

No repayment or payment of the Amounts Due will become due and payable or be paid under the Certificates issued by SG Issuer after implementation of the Contractual Bail-in.

Upon the exercise of the Statutory Bail-in or upon implementation of the Contractual Bail-in with respect to the Certificates, the Issuer or the Guarantor will provide a written notice to the Certificate Holders in accordance with Condition 9 as soon as practicable regarding such exercise of the Statutory Bail-in or implementation of the Contractual Bail-in. Any delay or failure by the Issuer or the Guarantor to give notice shall not affect the validity and enforceability of the Statutory Bail-in or Contractual Bail-in 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 the Guarantor or another person, as a result of the exercise of the Statutory Bail-in or the implementation of the Contractual Bail-in 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.

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, the Guarantor and each Certificate Holder. No expenses necessary for the procedures under this Condition, including, but not limited to, those incurred by the Issuer and the Guarantor, shall be borne by any Certificate Holder.

For the purposes of this Condition:

"**Amounts Due**" means any amounts due by the Issuer under the Certificates.

"**Bail-In Power**" means any statutory cancellation, write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms, or any other applicable laws or regulations, as amended, or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled, varied or otherwise modified in any way and/or converted into shares or other securities or obligations of the obligor or any other person.

"**MREL**" means the Minimum Requirement for own funds and Eligible Liabilities as defined in 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).

"**Relevant Resolution Authority**" means any authority with the ability to exercise the Bail-in Power on Societe Generale or SG Issuer as the case may be.

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 or any Observation Date a Market Disruption Event has occurred, then that Valuation Date or Observation Date shall be postponed until the first succeeding Exchange Business Day or Underlying Stock Business Day, as the case may be, on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days or Underlying Stock Business Days, as the case may be, immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date or an Observation Date. In that case: -

(i) that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, shall be deemed to be the Valuation Date or the Observation Date notwithstanding the Market Disruption Event; and

(ii) the Issuer shall determine the Final Reference Level or the relevant closing level on the basis of its good faith estimate of the Final Reference Level or the relevant closing level that would have prevailed on that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, but for the Market Disruption Event.

"**Market Disruption Event**" means the occurrence or existence 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. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

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(d).

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 Holding Limit Event*. The Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(d) where a Holding Limit Event (as defined below) occurs.

For the purposes of this Condition:

"**Holding Limit Event**" means, assuming the investor is the Issuer and/or any of its affiliates, the Issuer together with its affiliates, in aggregate hold, an interest in the Underlying Stock, constituting or likely to constitute (directly or indirectly) ownership, control or the power to vote a percentage of any class of voting securities of the Underlying Stock, of the Underlying Stock in excess of a percentage permitted or advisable, as determined by the Issuer, for the purpose of its compliance with the Bank Holding Company Act of 1956 as amended by Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Volcker Rule), including any requests, regulations, rules, guidelines or directives made by the relevant governmental authority under, or issued by the relevant governmental authority in connection with, such statutes.

(c) *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(d) 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.

(d) *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, impracticality or the relevant event 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. Substitution of the Issuer

The Issuer may be replaced by the Guarantor or any subsidiary of the Guarantor as principal obligor in respect of the Certificates without the consent of the relevant Certificate Holders. If the Issuer determines that it shall be replaced by the Guarantor or any subsidiary of the Guarantor (the "**Substituted Obligor**"), it shall give at least 90 days' notice (exclusive of the day on which the notice is given and of the day on which the substitution is effected) specifying the date of the substitution, in accordance with Condition 9, to the Certificate Holders of such event and, immediately on the expiry of such notice, the Substituted Obligor shall become the principal obligor in place of the Issuer and the Certificate Holders shall thereupon cease to have any rights or claims whatsoever against the Issuer.

Upon any such substitution, all references to the Issuer in the Conditions and all agreements relating to the Certificates will be to the Substituted Obligor and the Certificates will be modified as required, and the Certificate Holders will be notified of the modified terms and conditions of such Certificates in accordance with Condition 9.

For the purposes of this Condition, it is expressly agreed that by subscribing to, acquiring or otherwise purchasing or holding the Certificates, the Certificate Holders are expressly deemed to have consented to the substitution of the Issuer by the Substituted Obligor and to the release of the Issuer from any and all obligations in respect of the Certificates and all agreements relating thereto and are expressly deemed to have accepted such substitution and the consequences thereof.

15. 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.

16. 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.

17. Contracts (Rights of Third Parties) Act 2001 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 2001 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 and the Base Listing Document. Terms used in this Summary are defined in the Conditions.

Issuer:	SG Issuer
Company:	Singapore Exchange Limited
The Certificates:	European Style Cash Settled Short Certificates relating to the Underlying Stock
Number:	16,700,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 17 June 2022 (the "**Master Instrument**") and executed by the Issuer and the Guarantor and a master warrant agent agreement dated 29 May 2017 (the "**Master Warrant Agent Agreement**") and made between the Issuer, the Guarantor and the Warrant Agent.
Cash Settlement Amount:	In respect of each Certificate, is the amount (if positive) equal to: Notional Amount per Certificate x Closing Level
Denominations:	Certificates are represented by a global warrant in respect of all the Certificates.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders will not be required to deliver an exercise notice. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates will be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Exercise and Trading Currency:	SGD
Board Lot:	100 Certificates

Transfers of Certificates:	Certificates may only be transferred in Board Lots (or integral multiples thereof). All transfers in Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records of CDP.
Listing:	Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. Issue of the Certificates is conditional on such listing being granted. It is expected that dealings in the Certificates on the SGX-ST will commence on or about 20 December 2022.
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 and the Base Listing Document.

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

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

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

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

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

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

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

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

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

(3) is the Strike Level; and

(4) is the Hedging Fee Factor.

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

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

B) Trading the Certificates before Expiry

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

(i) For Certificate Holders who trade the Certificates intraday: shall pay normal transaction and brokerage fees for the trading of the Certificates on the SGX-ST, and may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred; and

(ii) For Certificate Holders who hold the Certificates overnight: in addition to the normal transaction and brokerage fees and applicable stamp taxes, would also be required to bear the Management Fee and Gap Premium as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and Rebalancing Cost.

Illustration of the Calculation of Hedging Fee Factor

Hedging Fee Factor	=	Product of the Daily Fees

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

Illustration of the Calculation of Cash Settlement Amount

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

		t[7]=0		t=1		t=2		t=i
Value of Certificates	=	Notional Amount	x	Leverage Inverse Strategy daily performance[8] x Daily Fees	x	Leverage Inverse Strategy daily performance x Daily Fees	x …	Leverage Inverse Strategy Daily performance x Daily Fees

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

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

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

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

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

[7] "t" refers to "**Observation Date**" which means each Exchange Business Day (subject to Market Disruption Event) from (and including) the Exchange Business Day immediately preceding the Expected Listing Date to the Valuation Date.

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

Example of Calculation of Hedging Fee Factor and Cash Settlement Amount

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

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

Underlying Stock:	Ordinary shares of Singapore Exchange Limited
Expected Listing Date:	**03/07/2018**
Expiry Date:	**18/07/2018**
Initial Reference Level:	**1,000**
Initial Exchange Rate:	**1**
Final Reference Level:	**1,200**
Final Exchange Rate:	**1**
Issue Price:	**0.60 SGD**
Notional Amount per Certificate:	**0.60 SGD**
Management Fee (p.a.):	**0.40%**
Gap Premium (p.a.):	**6.90%**
Strike Level:	Zero

Hedging Fee Factor

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

HFF(0) = 100%

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

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

$$\mathrm{HFF}\ (1) = 100\%\ \times \left(1 - 0.40\%\ \times \frac{1}{360}\right) \times \left(1 - 6.90\%\ \times \frac{1}{360}\right)$$

$$\mathrm{HFF}\ (1)\ =\ 100\%\ \mathrm{x}\ 99.9989\%\ \mathrm{x}\ 99.9808\%\ \approx\ 99.9797\%$$

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

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

$$\mathrm{HFF}\ (2) = 99.9797\% \times \left(1 - 0.40\%\ \times \frac{3}{360}\right) \times \left(1 - 6.90\%\ \times \frac{3}{360}\right)$$

$$\text{HFF (2)} \;=\; 99.9797\% \text{ x } 99.9967\% \text{ x } \; 99.9425\% \;\approx\; 99.9189\%$$

The same principle applies to the following Exchange Business Days:

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

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 99.6962% as illustrated below:

Date	HFF
3/7/2018	100.0000%
4/7/2018	99.9797%
5/7/2018	99.9594%
6/7/2018	99.9392%
9/7/2018	99.8784%
10/7/2018	99.8581%
11/7/2018	99.8379%
12/7/2018	99.8176%
13/7/2018	99.7974%
16/7/2018	99.7367%
17/7/2018	99.7165%
18/7/2018	99.6962%

Cash Settlement Amount

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

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

= [(1200 x 1) / (1000 x 1) – 0] x 99.6962%

= 119.64%

Cash Settlement Amount = Closing Level x Notional Amount per Certificate

= 119.64% x 0.60 SGD

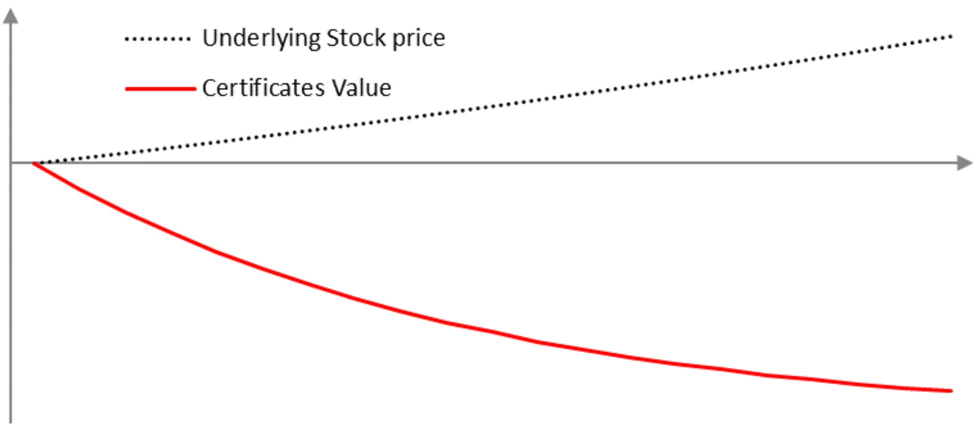
= 0.718 SGD

Illustration on how returns and losses can occur under different scenarios

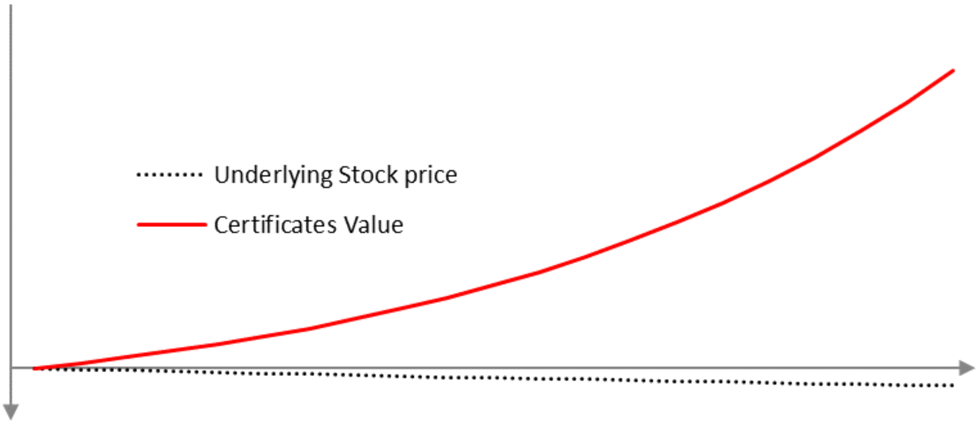
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends,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

1. Illustrative examples

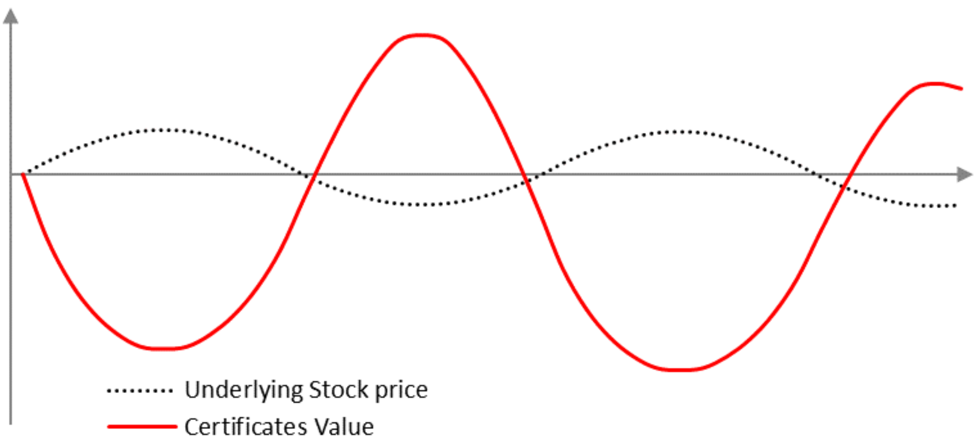
Scenario 1 – Upward Trend



Scenario 2 – Downward Trend



Scenario 3 – Volatile Market



2. Numerical Examples

Scenario 1 – Upward Trend

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	0.6	0.54	0.49	0.44	0.39	0.35
Accumulated Return		-10.00%	-19.00%	-27.10%	-34.39%	-40.95%

Scenario 2 – Downward Trend

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	0.6	0.66	0.73	0.80	0.88	0.97
Accumulated Return		10.00%	21.00%	33.10%	46.41%	61.05%

Scenario 3 – Volatile Market

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	0.6	0.54	0.59	0.53	0.59	0.53
Accumulated Return		-10.00%	-1.00%	-10.90%	-1.99%	-11.79%

Description of Air Bag Mechanism

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

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

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

Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered and does not take into account the mid-day break. Investors cannot sell or purchase any Certificates during this period.

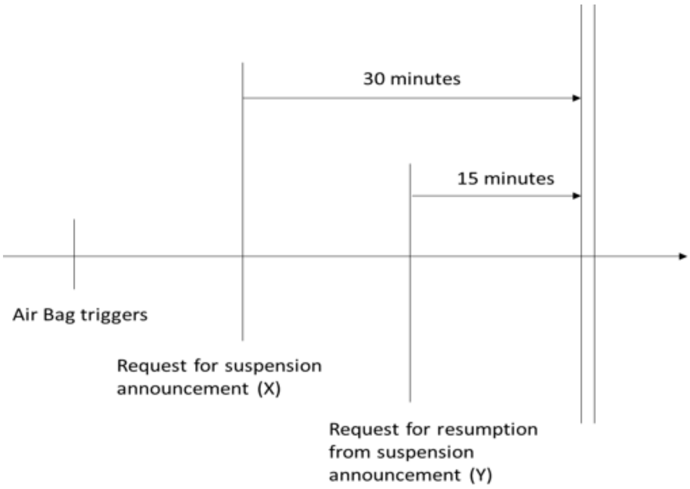
The performance of the Leverage Inverse Strategy will be the inverse of the Underlying Stock.

Air Bag Mechanism timeline

<table>
<tr><th>Air Bag Trigger</th><th>Observation Period</th><th>Resumption of Trading</th></tr>
<tr><td>More than 45 minutes before Market Close</td><td rowspan="2">First 15 minutes after Air Bag Trigger</td><td>Trading resumes the same day between 30 and 45 minutes after Air Bag Trigger</td></tr>
<tr><td>Less than 45 minutes before Market Close and more than 15 minutes before Market Close</td><td rowspan="2">Next trading day at Market Open</td></tr>
<tr><td>15 minutes or less than 15 minutes before Market Close</td><td>From Air Bag Trigger to Market Close</td></tr>
</table>

With **Market Close** defined as:

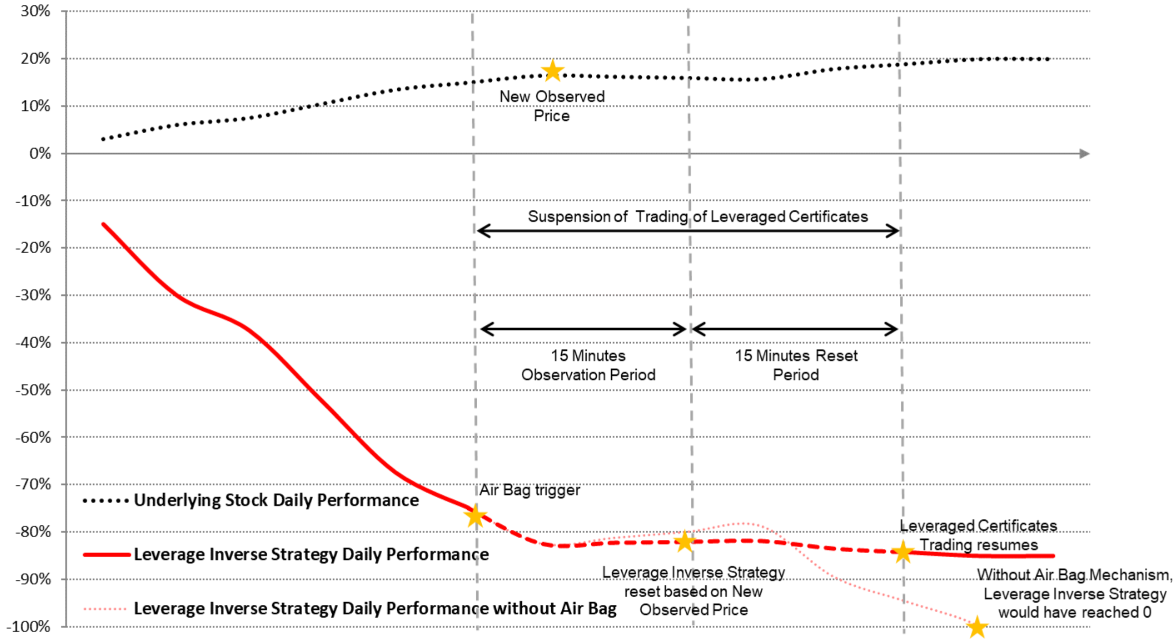
- Underlying Stock closing time with respect to the Observation Period
- The sooner between Underlying Stock closing time and SGX closing time with respect to the Resumption of Trading



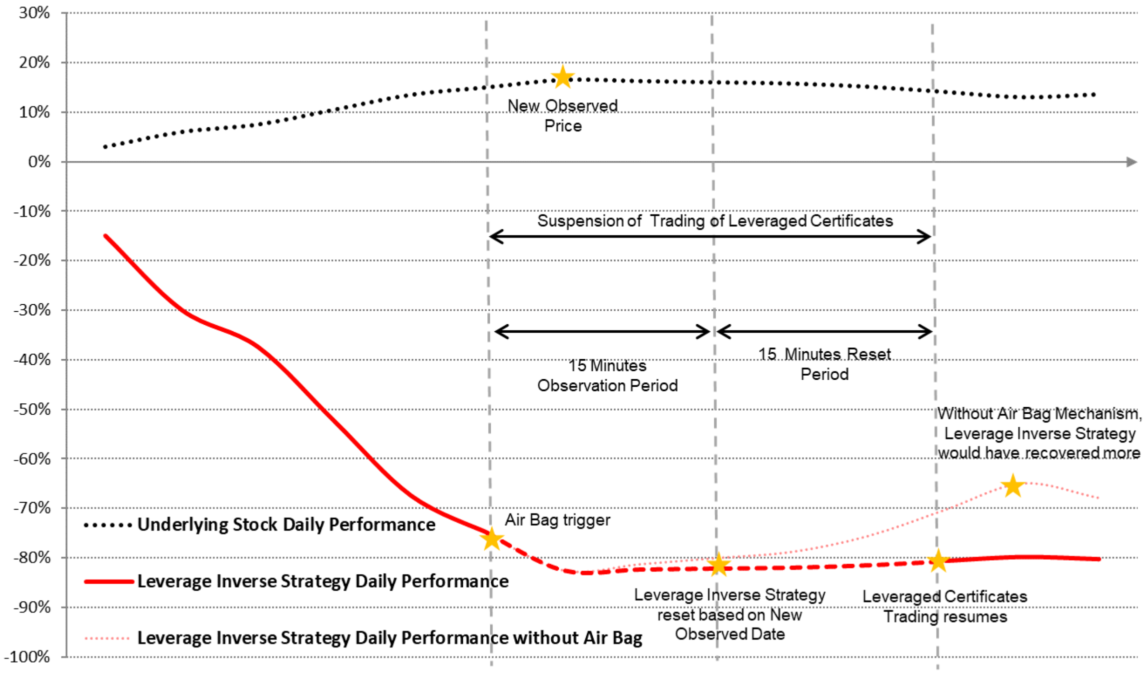
- The later between X+30 minutes or Y+15 minutes will be the earliest time the Certificates can be resumed, the next quarter-of-an-hour of which will be the scheduled resumption time of the Certificates
- If the scheduled resumption time of the Certificates is at or later than the scheduled closing time of the underlying asset, the Certificates will resume at 9 a.m. on the next SGX-ST trading day

Illustrative examples of the Air Bag Mechanism[9]

Scenario 1 – Upward Trend after Air Bag trigger



Scenario 2 – Downward Trend after Air Bag trigger



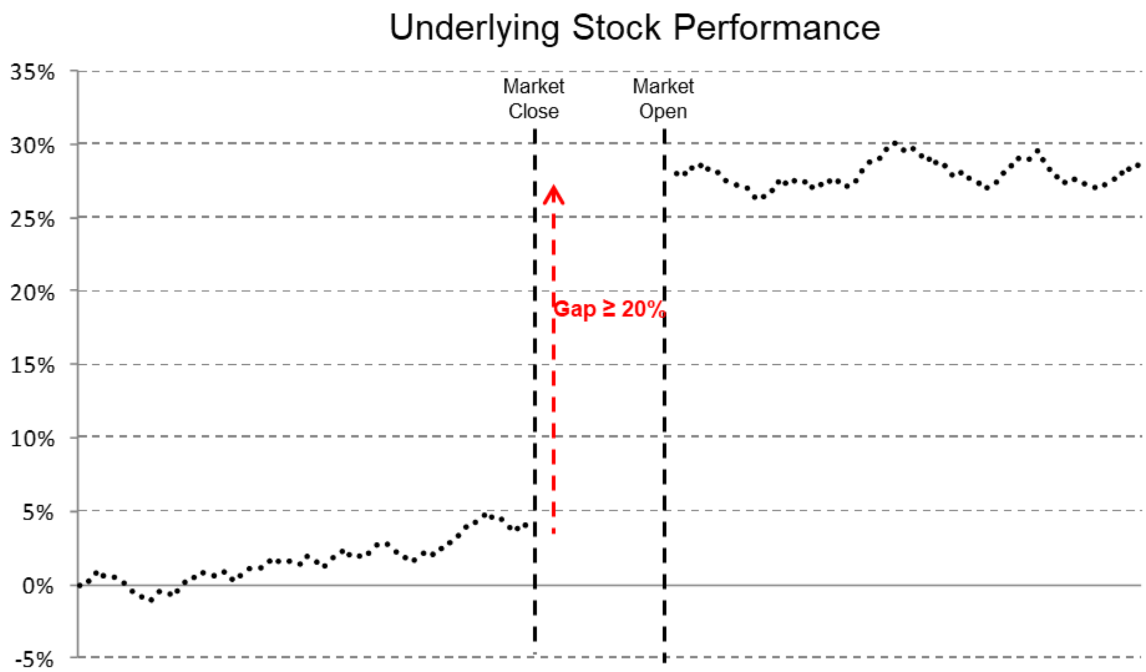
[9] The illustrative examples are not exhaustive.

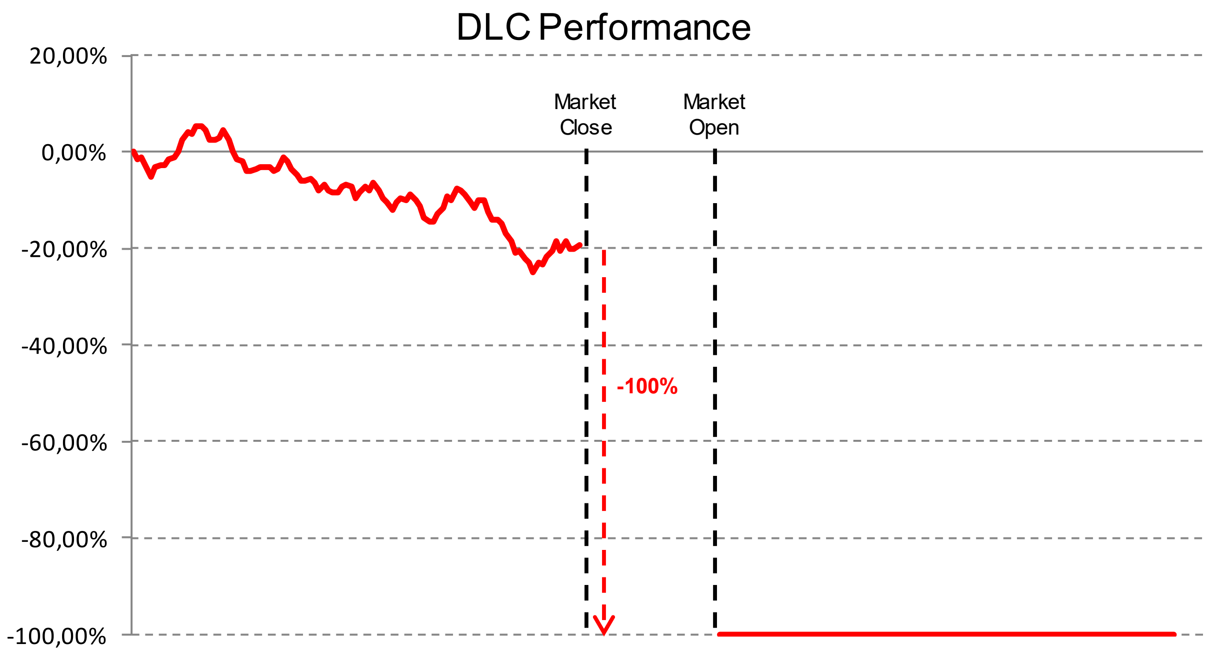
Scenarios where the investor may lose the entire value of the investment

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.

<u>*Scenario 1 – Overnight rise of the Underlying Stock*</u>

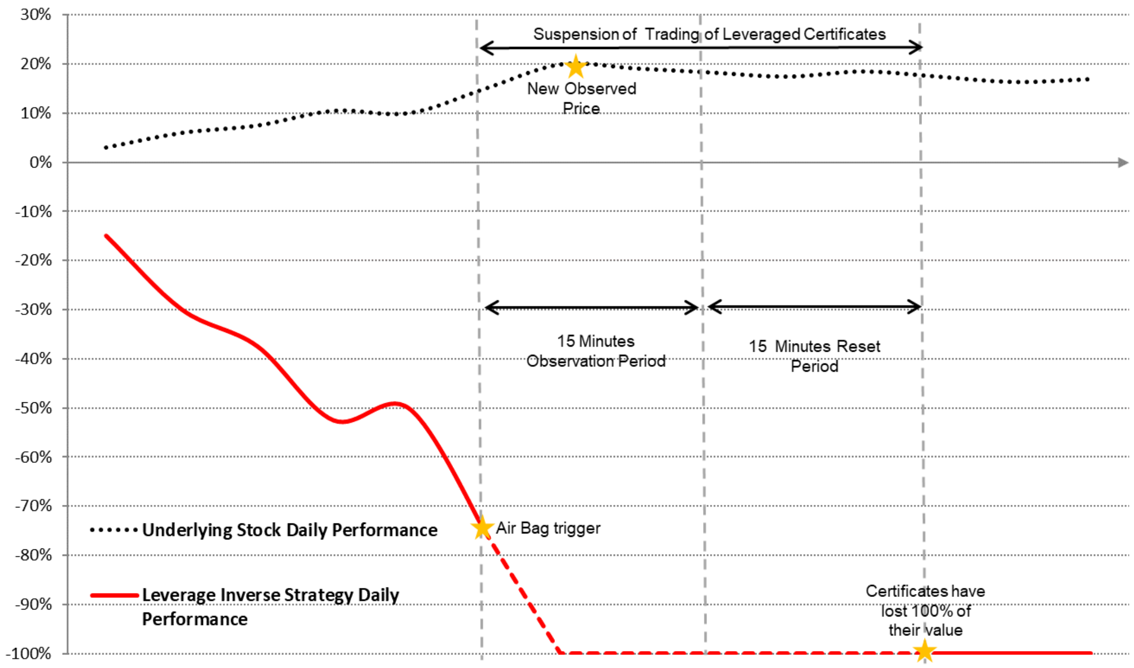
On any business day, the opening price of the Underlying Stock may be higher or lower than the closing price on the previous day. The difference between the previous closing price and the opening price of the Underlying Stock is termed a "gap". If the opening price of the Underlying Stock is 20% or more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





Scenario 2 – Sharp intraday rise of the Underlying Stock

Although the Air Bag Mechanism is designed to reduce the exposure to the Underlying Stock during extreme market conditions, the Certificate can lose 100% of its value in the event the price of the Underlying Stock rises by 20% or more within the 15 minutes Observation Period compared to the reference price, being: (i) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (ii) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. 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 :

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

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

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

Where:

$\mathrm{DivExc_t}$ 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):

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

$\mathrm{S_t}$ = \$51

$\mathrm{Div_t} = \$0$

$\mathrm{DivExc_t} = \$0$

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:

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

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

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.60	0.54	-10%

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

2. <u>Share Consolidation</u>

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

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

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

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:

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

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

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.60	0.57	-5%

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

3. <u>Rights Issues</u>

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

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

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

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

M = 0.5 (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:

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

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

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.60	0.45	-25%

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

4. Bonus Issues

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

S_{t-1} = \$100

S_t = \$85

$Div_t = \$0$

$DivExc_t = \$0$

R = \$0

M = 0.2 (i.e. 1 new share for 5 existing shares)

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

As a consequence:

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

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

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.60	0.54	-10%

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

5. Extraordinary Dividend

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

S_{t-1} = \$100

S_t = \$84

$Div_t = \$0$

$DivExc_t = \$20$

R = \$0

M = 0

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

As a consequence:

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

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

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.60	0.45	-25%

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

INFORMATION RELATING TO THE COMPANY

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

Singapore Exchange Limited ("**SGX**" or the "**Company**") was formed in 1999 in order to effectuate the demutualization and merger of the two exchanges: Stock Exchange of Singapore and Singapore Intl Monetary Exchange. Prior to the merger, each exchange was owned by the member firms that engaged in trading and clearing and settlement functions. Pursuant to legislation adopted to effect the merger, SGX was created to own the exchanges and their related clearing houses, and the former owners and seatholders were given shares in SGX in exchange for their shares and seats in the two exchanges.

SGX owns and operates the only integrated securities exchange and derivatives exchange in Singapore and their related clearing houses. The securities exchange was the first fully electronic and floorless exchange in Asia. The derivatives exchange is one of the largest in Asia and was named "Derivatives Exchange of the Year" in 1989, 1992, 1993 and 1998 by the International Financing Review and "Asia's Best Derivatives Exchange in 1999" by The Asset magazine. Together, the two exchanges serve a wide array of international and domestic investors and end users, including many of the world's largest financial institutions, and have been among the most innovative exchanges in the world in technological and new product development.

SGX has been developing alliances and new products in order to meet the changing needs of the international and domestic financial communities. SGX was a founding member of the GLOBEX Alliance together with some other leading derivatives exchanges. It also has alliances or significant relationships with the Chicago Mercantile Exchange, the American Stock Exchange, the Australian Stock Exchange and the National Stock Exchange of India. SGX has introduced a variety of securities and derivatives products to respond to investors' desires for 24-hour trading, diversification and trading across markets.

The information set out in Appendix I of this document relates to the audited consolidated financial results of the Company and its subsidiaries for the financial year ended 30 June 2022 and has been extracted and reproduced from an announcement by the Company released on 12 September 2022 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	:	(i) when the best bid price of the Certificate is S$10 and below: 10 ticks or S$0.20 whichever is greater; and (ii) when the best bid price of the Certificate is above S$10: 5% of the best bid price of the Certificate.
(b)	Minimum quantity subject to bid and offer spread	:	10,000 Certificates
(c)	Last Trading Day for Market Making	:	The date falling 5 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);

(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 Business Day immediately preceding the Expiry Date.

SUPPLEMENTAL INFORMATION RELATING TO THE ISSUER

The information set out in Appendix II of this document is a reproduction of the Issuer's condensed interim financial statements as at and for the six-month period ended 30 June 2022.

SUPPLEMENTAL INFORMATION RELATING TO THE GUARANTOR

The information set out in Appendix III of this document is a reproduction of the press release dated 4 November 2022 containing the Guarantor's consolidated financial results for the third quarter ended 30 September 2022.

SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on page 106 of the Base Listing Document.

1. Save as disclosed in this document and the Base Listing Document, 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 second 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 and herein, there has been no material adverse change in the financial position or prospects of the Issuer since 30 June 2022 or the Guarantor since 30 September 2022, 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) this document; and

   (g) 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 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 2001 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:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates (except for Certificates which are a "structured product" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong ("**SFO**")) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus", as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong ("**CWUMPO**") or which do not constitute an offer to the public within the meaning of the CWUMPO; and

(b) 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 SFO and any rules made under the SFO.

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 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 (EU) 2016/97 (as amended, the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended and superseded, the Prospectus Regulation); 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 for the Certificates.

United Kingdom

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 this document to any retail investor in the United Kingdom. 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 (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or

  (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

  (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and

(b) the expression an "**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 for the Certificates.

Each dealer further represents and agrees, and each further dealer appointed in respect of the Certificates will be required to further 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 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**") and the Issuer will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, 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, own, hold or maintain a position in the Certificates or any interests therein. 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 and commodity pools. 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 is not a U.S. Person, (ii) 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, and (iii) it is not purchasing any Certificates, directly or indirectly, in the United States or for the account or benefit of any U.S. person.

Exercise or otherwise redemption of Certificates will be conditional upon certification that each person exercising or otherwise redeeming a Certificate is not a U.S. person or in the United States and that the Certificate is not being exercised or otherwise redeemed 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) a U.S. person as defined under Regulation S under the Securities Act, (ii) a U.S. person as defined in paragraph 7701(a)(30) of the Internal Revenue Code of 1986, or (iii) a person who comes within any definition of U.S. person for the purposes of the United States Commodity Exchange Act of 1936, as amended (the "**CEA**") or any rules thereunder of the CFTC (the "**CFTC Rules**"), guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a "Non-United States person" defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not "Non-United States persons", shall be considered a U.S. person).

APPENDIX I

REPRODUCTION OF THE AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 OF SINGAPORE EXCHANGE LIMITED AND ITS SUBSIDIARIES

The information set out below is a reproduction of the audited consolidated financial results of the Company and its subsidiaries for the financial year ended 30 June 2022 and has been extracted and reproduced from an announcement by the Company released on 12 September 2022 in relation to the same.

Independent Auditors' Report

Members of the Company Singapore Exchange Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Singapore Exchange Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of comprehensive income and statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 156 to 260.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the financial performance and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report

Members of the Company Singapore Exchange Limited

Impairment of Goodwill
(Refer to Note 24 to the financial statements)

The key audit matter	*How the matter was addressed in our audit*
Included in the Group's financial statements at 30 June 2022 is goodwill arising from business combinations of $708 million. The Group performs an impairment assessment of the carrying amount of goodwill annually or more frequently if there are indications of impairment. Goodwill is impaired if the carrying amount of the cash generating units ("CGUs"), including goodwill, is not supported by the respective recoverable amount. The recoverable amounts are determined based on the value-in-use method, estimated using discounted cash flows. Significant management judgement and estimation is required in: ▪ forecasting the future cash flows; ▪ estimating the long-term growth rates; and ▪ determining the applicable discount rates.	We assessed the appropriateness of the CGUs identified by management, considering our understanding of the Group's business and structure. Together with our valuation specialists, we evaluated management's estimate of the recoverable amounts of the respective CGUs. Our procedures included: ▪ assessing and challenging the reasonableness of management's cash flow forecasts, by comparing the forecasts against historical results, Board approved forecasts, business plans and industry trends; ▪ evaluating the methodology and external data sources used by management in determining its expectations of long-term growth rates, and comparing the growth rates against long-term inflation rates; and ▪ independently deriving the discount rates based on external observable market data for risk-free rate, beta, market risk premium and any size premium. We performed a sensitivity analysis of the key assumptions used – cash flow forecasts, long-term growth rates and discount rates – to assess the impact of reasonably possible changes to the assumptions on the outcome of the impairment assessment. We found management's assessment that there is no impairment of the Group's goodwill to be reasonable and supported by the recoverable amounts.

Accounting for acquisition of MaxxTrader
(Refer to Note 25 to the financial statements)

The key audit matter	*How the matter was addressed in our audit*
In January 2022, the Group completed the acquisition of the FX business of FlexTrade Systems Inc ("MaxxTrader") for a cash consideration of $169 million and a contingent consideration of $35 million. The transaction was accounted for as a business combination. The Group engaged an external valuation specialist to perform a purchase price allocation exercise ("PPA") for the acquisition. The purchase consideration was allocated to the fair value of the identifiable assets acquired, including intangible assets, and liabilities assumed, with the residual amount recognised as goodwill. The fair value of the contingent consideration was also determined as part of the PPA. Significant management judgement is applied in identifying the identifiable assets acquired and liabilities assumed, including the intangible assets, and in determining the respective fair values.	We reviewed the sale and purchase and related agreements and evaluated the appropriateness of the Group's accounting of the acquisition. We involved our valuation specialists in evaluating the results of the PPA. We focused on: ▪ assessing the methodology applied in the valuation of the intangible assets acquired and challenging the appropriateness of the key assumptions used in determining the valuation of the intangible assets by comparing against external market data and historical results; and ▪ evaluating the reasonableness of the fair value of the contingent consideration recognised by the Group. The valuation methodologies applied by the Group are in line with generally accepted industry practice and the assumptions adopted are within a reasonable range. We found management's basis of estimating the fair value of the contingent consideration to be reasonable. The resultant goodwill amount is also appropriately accounted for.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained the Directors' Statement prior to the date of this auditors' report. The other sections of the annual report ("the Reports") are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Independent Auditors' Report

Members of the Company Singapore Exchange Limited

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditors' responsibilities for the audit of the financial statements (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Leong Kok Keong.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
17 August 2022

Statement of Comprehensive Income

For the financial year ended 30 June 2022

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Operating revenue					
Fixed Income, Currencies and Commodities	4	**252,745**	211,754	**–**	–
Equities	4	**698,867**	701,089	**–**	–
Data, Connectivity and Indices	4	**147,429**	143,110	**30,136**	28,438
Management fees from subsidiaries		**–**	–	**238,391**	240,019
Dividends from subsidiaries		**–**	–	**388,080**	468,000
		1,099,041	1,055,953	**656,607**	736,457
Operating expenses					
Staff	5	**250,954**	236,194	**136,552**	139,084
Technology	6	**81,343**	74,397	**48,889**	46,218
Processing and royalties		**69,216**	62,937	**782**	903
Premises	7	**9,997**	9,656	**5,650**	5,510
Professional fees		**15,788**	16,971	**6,301**	9,715
Others	8	**37,637**	30,561	**23,023**	20,227
		464,935	430,716	**221,197**	221,657
Earnings before interest, tax, depreciation and amortisation		**634,106**	625,237	**435,410**	514,800
Depreciation and amortisation	9	**96,658**	94,523	**35,681**	35,427
Operating profit	10	**537,448**	530,714	**399,729**	479,373
Non-operating gains					
Other income including interest income	11	**16,456**	17,716	**14,149**	15,082
Finance charges	11	**(7,384)**	(4,782)	**(5,681)**	(4,090)
Net foreign exchange gains/(losses)	11	**8,602**	(830)	**16**	2,316
Impairment loss on investment in associated companies	11	**–**	(2,056)	**–**	–
		17,674	10,048	**8,484**	13,308
Profit before tax and share of results of associated companies and joint ventures		**555,122**	540,762	**408,213**	492,681
Share of results of associated companies and joint ventures, net of tax	27, 28	**(10,534)**	(4,286)	**–**	–
Profit before tax		**544,588**	536,476	**408,213**	492,681
Tax	33	**(92,687)**	(90,699)	**(3,503)**	(3,345)
Net profit after tax		**451,901**	445,777	**404,710**	489,336
Attributable to:					
Equity holders of the Company		**451,398**	445,406	**404,710**	489,336
Non-controlling interests		**503**	371	**–**	–
Earnings per share based on net profit after tax attributable to the equity holders of the Company (in cents)					
Basic	12	**42.2**	41.6		
Diluted	12	**41.0**	41.1		

The accompanying notes form an integral part of these financial statements.

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Net profit after tax	**451,901**	445,777	**404,710**	489,336
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Foreign exchange translation				
– Exchange differences arising during the year	**(13)**	9,503	**–**	–
Cash flow hedges				
– Fair value (losses)/gains arising during the year	**(2,260)**	2,227	**–**	104
– Transferred to profit or loss	**1,112**	(3,173)	**–**	(52)
Financial assets, at FVOCI				
– Fair value losses arising during the year	**(936)**	(140)	**–**	–
– Transferred to profit or loss	**–**	(411)	**–**	(411)
Items that will not be reclassified subsequently to profit or loss:				
Financial assets, at FVOCI				
– Fair value gains arising during the year	**65,487**	23,073	**–**	1,993
Foreign exchange translation				
– Exchange differences arising during the year	**(305)**	53	**–**	–
Other comprehensive income for the financial year, net of tax	**63,085**	31,132	**–**	1,634
Total comprehensive income for the financial year	**514,986**	476,909	**404,710**	490,970
Total comprehensive income attributable to:				
Equity holders of the Company	**514,788**	476,485	**404,710**	490,970
Non-controlling interests	**198**	424	**–**	–

The accompanying notes form an integral part of these financial statements.

Statement of Financial Position

As at 30 June 2022

		Group		Company	
	Note	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000
Assets					
Current assets					
Cash and cash equivalents	13	**997,747**	1,060,029	**85,520**	229,012
Trade and other receivables	14	**1,060,820**	748,749	**154,027**	143,773
Derivative financial instruments	16	**17**	314	**–**	–
Financial assets, at FVOCI	17	**94,155**	40,936	**–**	–
		2,152,739	1,850,028	**239,547**	372,785
Non-current assets					
Financial assets, at FVOCI	17	**239,064**	146,467	**–**	–
Financial asset, at FVPL	18	**293,545**	–	**–**	–
Investment property	19	**18,059**	26,161	**–**	–
Property, plant and equipment	19	**34,229**	50,400	**19,479**	20,069
Software	20	**166,304**	165,843	**42,915**	41,124
Right-of-use assets	21	**50,938**	69,158	**47,359**	67,169
Intangible assets	23	**117,796**	122,393	**–**	–
Goodwill	24	**708,290**	541,233	**–**	–
Investments in subsidiaries	26	**–**	–	**1,569,384**	1,070,122
Investments in associated companies	27	**47,549**	40,964	**4,389**	4,389
Investments in joint ventures	28	**10,542**	9,570	**–**	–
Loan receivable	29	**9,036**	–	**9,036**	–
Other assets		**109**	333	**109**	333
		1,695,461	1,172,522	**1,692,671**	1,203,206
Total assets		**3,848,200**	3,022,550	**1,932,218**	1,575,991

The accompanying notes form an integral part of these financial statements.

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Liabilities					
Current liabilities					
Trade and other payables	30	**1,262,354**	867,770	**149,363**	113,664
Derivative financial instruments	16	**2,090**	1,150	**–**	–
Loans and borrowings	31	**41,858**	–	**41,858**	–
Lease liabilities	32	**22,140**	20,366	**20,201**	19,624
Taxation	33	**99,939**	99,634	**5,678**	4,946
Provisions	34	**13,801**	17,199	**8,711**	10,606
		1,442,182	1,006,119	**225,811**	148,840
Non-current liabilities					
Other payables	30	**–**	–	**63,474**	69,972
Loans and borrowings	31	**693,935**	467,761	**350,912**	93,467
Lease liabilities	32	**30,938**	51,056	**29,537**	49,908
Deferred tax liabilities	33	**79,468**	66,456	**1,760**	2,501
Other liabilities	35	**52,212**	41,390	**–**	–
		856,553	626,663	**445,683**	215,848
Total liabilities		**2,298,735**	1,632,782	**671,494**	364,688
Net assets		**1,549,465**	1,389,768	**1,260,724**	1,211,303
Equity					
Capital and reserves attributable to the Company's equity holders					
Share capital	36	**427,365**	430,413	**427,365**	430,413
Capital reserve	37	**3,989**	3,989	**–**	–
Treasury shares	36	**(34,640)**	(25,189)	**(34,640)**	(25,189)
Cash flow hedge reserve		**(1,749)**	(601)	**–**	–
Currency translation reserve		**5,663**	5,676	**–**	–
Fair value reserve		**140,464**	75,913	**–**	–
Securities clearing fund reserve	41	**25,000**	25,000	**–**	–
Derivatives clearing fund reserve	42	**34,021**	34,021	**–**	–
Share-based payment reserve		**29,595**	30,152	**29,595**	30,152
Other reserve	38	**(40,506)**	(40,506)	**–**	–
Retained profits		**869,767**	760,530	**752,965**	690,416
Proposed dividends	39	**85,439**	85,511	**85,439**	85,511
		1,544,408	1,384,909	**1,260,724**	1,211,303
Non-controlling interests		**5,057**	4,859	**–**	–
Total equity		**1,549,465**	1,389,768	**1,260,724**	1,211,303

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2022

		Attributable to equity holders of the Company														
Group	**Note**	**Share capital $'000**	**Capital reserve $'000**	**Treasury shares $'000**	**Cash flow hedge reserve* $'000**	**Currency translation reserve* $'000**	**Fair value reserve* $'000**	**Securities clearing fund reserve* $'000**	**Derivatives clearing fund reserve* $'000**	**Share-based payment reserve* $'000**	**Other reserve* $'000**	**Retained profits $'000**	**Proposed dividends $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total equity $'000**
Balance at 1 July 2021		**430,413**	**3,989**	**(25,189)**	**(601)**	**5,676**	**75,913**	**25,000**	**34,021**	**30,152**	**(40,506)**	**760,530**	**85,511**	**1,384,909**	**4,859**	**1,389,768**
Transactions with equity holders, recognised directly in equity																
Contributions by and distributions to equity holders																
Dividends paid																
– Financial year 2021 – Final dividends		–	–	–	–	–	–	–	–	–	–	–	(85,511)	(85,511)	–	(85,511)
– Financial year 2021 – Under provision of final dividends		–	–	–	–	–	–	–	–	–	–	(142)	–	(142)	–	(142)
– Financial year 2022 – Interim dividends	39	–	–	–	–	–	–	–	–	–	–	(256,580)	–	(256,580)	–	(256,580)
Proposed dividends																
– Financial year 2022 – Final dividends	39	–	–	–	–	–	–	–	–	–	–	–	(85,439)	85,439	–	–
Employees' share plans – Value of employees' services	5	–	–	–	–	–	–	–	–	14,579	–	–	–	14,579	–	14,579
Restricted share plan – Value of directors' services		–	–	–	–	–	–	–	–	326	–	–	–	326	–	326
Vesting of shares under share-based remuneration plans	36(a)	(3,021)	–	18,157	–	–	–	–	–	(15,136)	–	–	–	–	–	–
Vesting of shares under restricted share plan	36(a)	(27)	–	353	–	–	–	–	–	(326)	–	–	–	–	–	–
Purchase of treasury shares	36(a)	–	–	(27,719)	–	–	–	–	–	–	–	–	–	(27,719)	–	(27,719)
Tax effect on treasury shares**	36(a)	–	–	(242)	–	–	–	–	–	–	–	–	–	(242)	–	(242)
Total contributions by and distributions to equity holders		**(3,048)**	**–**	**(9,451)**	**–**	**–**	**–**	**–**	**–**	**(557)**	**–**	**(342,161)**	**(72)**	**(355,289)**	**–**	**(355,289)**
Total comprehensive income for the financial year		**–**	**–**	**–**	**(1,148)**	**(13)**	**64,551**	**–**	**–**	**–**	**–**	**451,398**	**–**	**514,788**	**198**	**514,986**
Balance at 30 June 2022		**427,365**	**3,989**	**(34,640)**	**(1,749)**	**5,663**	**140,464**	**25,000**	**34,021**	**29,595**	**(40,506)**	**869,767**	**85,439**	**1,544,408**	**5,057**	**1,549,465**

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

(continued)

For the financial year ended 30 June 2021

		Attributable to equity holders of the Company														
Group	Note	Share capital $'000	Capital reserve $'000	Treasury shares $'000	Cash flow hedge reserve* $'000	Currency translation reserve* $'000	Fair value reserve* $'000	Securities clearing fund reserve* $'000	Derivatives clearing fund reserve* $'000	Share-based payment reserve* $'000	Other reserve* $'000	Retained profits $'000	Proposed dividends $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2020		**429,738**	**–**	**(20,996)**	**345**	**(3,827)**	**54,909**	**25,000**	**34,021**	**24,554**	**(40,506)**	**656,092**	**85,518**	**1,244,848**	**4,435**	**1,249,283**
Transactions with equity holders, recognised directly in equity																
Contributions by and distributions to equity holders																
Convertible bonds – Equity component		–	3,989	–	–	–	–	–	–	–	–	–	–	3,989	–	3,989
Dividends paid																
– Financial year 2020 – Final dividends		–	–	–	–	–	–	–	–	–	–	–	(85,518)	(85,518)	–	(85,518)
– Financial year 2020 – Under provision of final dividends		–	–	–	–	–	–	–	–	–	–	(114)	–	(114)	–	(114)
– Financial year 2021 – Interim dividends	39	–	–	–	–	–	–	–	–	–	–	(256,861)	–	(256,861)	–	(256,861)
Proposed dividends																
– Financial year 2021 – Final dividends	39	–	–	–	–	–	–	–	–	–	–	(85,511)	85,511	–	–	–
Employees' share plans – Value of employees' services	5	–	–	–	–	–	–	–	–	17,538	–	–	–	17,538	–	17,538
Restricted share plan – Value of directors' services		–	–	–	–	–	–	–	–	345	–	–	–	345	–	345
Vesting of shares under share-based remuneration plans	36(a)	644	–	11,296	–	–	–	–	–	(11,940)	–	–	–	–	–	–
Vesting of shares under restricted share plan	36(a)	31	–	314	–	–	–	–	–	(345)	–	–	–	–	–	–
Purchase of treasury shares	36(a)	–	–	(15,930)	–	–	–	–	–	–	–	–	–	(15,930)	–	(15,930)
Tax effect on treasury shares**	36(a)	–	–	127	–	–	–	–	–	–	–	–	–	127	–	127
Transfer upon disposal of equity investments		–	–	–	–	–	(1,518)	–	–	–	–	1,518	–	–	–	–
Total contributions by and distributions to equity holders		**675**	**3,989**	**(4,193)**	**–**	**–**	**(1,518)**	**–**	**–**	**5,598**	**–**	**(340,968)**	**(7)**	**(336,424)**	**–**	**(336,424)**
Total comprehensive income for the financial year		**–**	**–**	**–**	**(946)**	**9,503**	**22,522**	**–**	**–**	**–**	**–**	**445,406**	**–**	**476,485**	**424**	**476,909**
Balance at 30 June 2021		**430,413**	**3,989**	**(25,189)**	**(601)**	**5,676**	**75,913**	**25,000**	**34,021**	**30,152**	**(40,506)**	**760,530**	**85,511**	**1,384,909**	**4,859**	**1,389,768**

Statement of Changes in Equity

For the financial year ended 30 June 2022

	Note	Share capital $'000	Treasury shares $'000	Cash flow hedge reserve* $'000	Fair value reserve* $'000	Share-based payment reserve* $'000	Retained profits $'000	Proposed dividends $'000	Total equity $'000
		Attributable to equity holders of the Company							
Company									
Balance at 1 July 2021		**430,413**	**(25,189)**	**–**	**–**	**30,152**	**690,416**	**85,511**	**1,211,303**
Dividends paid									
– Financial year 2021 – Final dividends		–	–	–	–	–	–	(85,511)	(85,511)
– Financial year 2021 – Under provision of final dividends		–	–	–	–	–	(142)	–	(142)
– Financial year 2022 – Interim dividends	39	–	–	–	–	–	(256,580)	–	(256,580)
Proposed dividends – Financial year 2022 – Final dividends	39	–	–	–	–	–	(85,439)	85,439	–
Employees' share plans – Value of employees' services	5	–	–	–	–	14,579	–	–	14,579
Restricted share plan – Value of directors' services		–	–	–	–	326	–	–	326
Vesting of shares under share-based remuneration plans	36(a)	(3,021)	18,157	–	–	(15,136)	–	–	–
Vesting of shares under restricted share plan	36(a)	(27)	353	–	–	(326)	–	–	–
Purchase of treasury shares	36(a)	–	(27,719)	–	–	–	–	–	(27,719)
Tax effect on treasury shares**	36(a)	–	(242)	–	–	–	–	–	(242)
		(3,048)	(9,451)	–	–	(557)	(342,161)	(72)	(355,289)
Total comprehensive income for the financial year		**–**	**–**	**–**	**–**	**–**	**404,710**	**–**	**404,710**
Balance at 30 June 2022		**427,365**	**(34,640)**	**–**	**–**	**29,595**	**752,965**	**85,439**	**1,260,724**

	Note	Share capital $'000	Treasury shares $'000	Cash flow hedge reserve* $'000	Fair value reserve* $'000	Share-based payment reserve* $'000	Retained profits $'000	Proposed dividends $'000	Total equity $'000
		Attributable to equity holders of the Company							
Company									
Balance at 1 July 2020		**429,738**	**(20,996)**	**(52)**	**(64)**	**24,554**	**542,048**	**85,518**	**1,060,746**
Dividends paid									
– Financial year 2020 – Final dividends		–	–	–	–	–	–	(85,518)	(85,518)
– Financial year 2020 – Under provision of final dividends		–	–	–	–	–	(114)	–	(114)
– Financial year 2021 – Interim dividends	39	–	–	–	–	–	(256,861)	–	(256,861)
Proposed dividends – Financial year 2021 – Final dividends	39	–	–	–	–	–	(85,511)	85,511	–
Employees' share plans – Value of employees' services	5	–	–	–	–	17,538	–	–	17,538
Restricted share plan – Value of directors' services		–	–	–	–	345	–	–	345
Vesting of shares under share-based remuneration plans	36(a)	644	11,296	–	–	(11,940)	–	–	–
Vesting of shares under restricted share plan	36(a)	31	314	–	–	(345)	–	–	–
Purchase of treasury shares	36(a)	–	(15,930)	–	–	–	–	–	(15,930)
Tax effect on treasury shares**	36(a)	–	127	–	–	–	–	–	127
Transfer upon disposal of equity investments		–	–	–	(1,518)	–	1,518	–	–
		675	(4,193)	–	(1,518)	5,598	(340,968)	(7)	(340,413)
Total comprehensive income for the financial year		**–**	**–**	**52**	**1,582**	**–**	**489,336**	**–**	**490,970**
Balance at 30 June 2021		**430,413**	**(25,189)**	**–**	**–**	**30,152**	**690,416**	**85,511**	**1,211,303**

* These reserves are not available for distribution as dividends to the equity holders of the Company.

** The tax effect relates to the deferred tax benefit/(liability) on the difference between consideration paid for treasury shares and share-based payment expense relating to employees' and directors' services.

Consolidated Statement of Cash Flows

For the financial year ended 30 June 2022

	Note	Group 2022 $'000	Group 2021 $'000
Cash flows from operating activities			
Profit before tax and share of results of associated companies and joint ventures		**555,122**	540,762
Adjustments for:			
– Depreciation and amortisation	9	**96,658**	94,523
– Share-based payment expense		**14,980**	17,883
– Finance charges	11	**7,384**	4,782
– Impairment loss on investment in associated companies	11	**–**	2,056
– Write-off and net loss on disposal of property, plant and equipment and software	8	**1,832**	25
– Net gains on previously held interest in an associated company	11	**–**	(16,663)
– Interest income		**(3,310)**	(5,109)
– Gains on changes in interests in associated companies		**(5,289)**	(2,164)
– Dividend income from financial assets, at FVOCI	11	**(897)**	(826)
Operating cash flow before working capital change		**666,480**	635,269
Changes in:			
– Cash committed for National Electricity Market of Singapore		**(43,930)**	(7,751)
– Cash committed for Singapore Exchange Derivatives Clearing Limited – Derivatives Clearing Fund		**25,000**	–
– Trade and other receivables		**(311,326)**	12,635
– Trade and other payables		**346,397**	22,175
Cash generated from operations		**682,621**	662,328
Income tax paid	33	**(99,094)**	(109,390)
Net cash generated from operating activities		**583,527**	552,938
Cash flows from investing activities			
Acquisition of business/subsidiary, net of cash acquired	25	**(166,509)**	(155,703)
Purchase of financial asset, at FVPL		**(288,579)**	–
Purchase of financial assets, at FVOCI		**(119,479)**	(42,997)
Purchase of property, plant and equipment and software		**(44,150)**	(45,283)
Loan to external party		**(9,036)**	–
Investments in joint ventures		**(7,364)**	(7,022)
Investments in associated companies		**(6,763)**	(5,311)
Additional payment on completion adjustment for previously acquired subsidiary		**–**	(5,178)
Proceeds from financial assets, at FVOCI upon maturity		**55,000**	52,289
Proceeds from sale of long lease of building		**31,056**	–
Interest received		**3,378**	6,972
Dividend received from associated company		**1,830**	3,428
Dividend received from financial assets, at FVOCI		**897**	842
Net cash used in investing activities		**(549,719)**	(197,963)
Cash flows from financing activities			
Dividends paid		**(342,233)**	(342,493)
Net proceeds from issue of medium term notes	31	**334,649**	–
Net proceeds from issue of convertible bonds	31	**–**	386,440
Proceeds from borrowings	31	**82,014**	495,197
Purchase of treasury shares	36	**(27,719)**	(15,930)
Repayment of lease liabilities	32	**(23,142)**	(22,509)
Repayment of borrowings	31	**(129,928)**	(708,492)
Interest paid	31	**(2,340)**	(2,134)
Net cash used in financing activities		**(108,699)**	(209,921)
Net (decrease)/increase in cash and cash equivalents		**(74,891)**	145,054
Cash and cash equivalents at beginning of financial year	13	**833,365**	686,430
Effects of currency translation on cash and cash equivalents		**(6,321)**	1,881
Cash and cash equivalents at end of financial year	13	**752,153**	833,365

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the financial year ended 30 June 2022

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 17 August 2022.

1 Domicile and activities

The Company is incorporated and domiciled in Singapore. On 23 November 2000, the Company was admitted to the Official List of Singapore Exchange Securities Trading Limited ("SGX-ST"). The address of the registered office is:

2 Shenton Way
#02-02 SGX Centre 1
Singapore 068804

The principal activities of the Group are to operate an integrated securities exchange and derivatives exchange, related clearing houses, operation of an electricity market in Singapore, provision and distribution of bulk freight market indices and information, index administration and related services, and operation of electronic foreign exchange trading platforms.

The principal activities of the Company are those of investment holding, treasury management, provision of management and administrative services to related corporations, provision of market data and technology connectivity services. The principal activities of the subsidiaries are set out in Note 26 to the financial statements. There has been no significant change in the principal activities of the Company and its subsidiaries during the financial year.

2 Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") under the historical cost convention except as disclosed in the accounting policies below. The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumptions, based on management's best knowledge, that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year.

New standards and amendments

The Group has applied the following amendments to SFRS(I) for the first time for the annual period beginning on 1 July 2021:

- Amendments to SFRS(I) 9 *Financial Instruments* SFRS(I) 1-39 *Financial Instruments: Recognition and Measurement*, SFRS(I) 7 *Financial Instruments: Disclosures*, SFRS(I) 4 *Insurance Contracts*, SFRS(I) 16 *Leases* – Interest Rate Benchmark Reform – Phase 2
- Amendment to SFRS(I) 16: *Leases* Covid-19-Related Rent Concessions beyond 30 June 2021

The adoption of the amendments to SFRS(I)s did not have significant impact on the financial statements.

2.2 Group accounting

(1) Subsidiaries

(i) Consolidation

Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date when control is transferred to the Group and cease to be consolidated on the date when that control ceases.

In preparing the consolidated financial statements, intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Unrealised losses are considered an impairment indicator of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 Significant accounting policies (continued)

2.2 Group accounting (continued)

(1) Subsidiaries (continued)

(i) Consolidation (continued)

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(ii) Acquisitions

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific SFRS(I).

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

(iv) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(2) Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Where the voting rights are less than 20%, the presumption that the entity is not an associated company is overcome if the Group has significant influence including representation on the board of directors or participation in policy-making process of the investee.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and the rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) Acquisitions

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated company or joint venture over the Group's share of fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

(ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies' or joint ventures' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distribution received from associated companies or joint ventures are adjusted against the carrying amounts of the investments. Dividends received or recoverable from the associated companies or joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals or exceeds its interest in the associated company or joint ventures, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company or joint venture.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the assets transferred. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

(iii) Disposals

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. Any retained interest in the entity, if classified as a financial asset, is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 Significant accounting policies (continued)

2.2 Group accounting (continued)

(3) Put and call options with non-controlling interests

When the Group enters into a put and call option agreement with the non-controlling shareholder in an existing subsidiary on their equity interests in that subsidiary and provides for settlement in cash or in another financial asset by the Group, the Group recognises a financial liability for the present value of the exercise price of the option and a corresponding entry under equity – other reserve. Subsequent to initial recognition of the financial liability, changes in the carrying amount of the financial liability is recognised in profit or loss. Amount initially recognised under equity is not subsequently re-measured.

When the non-controlling shareholder continues to have present access to the returns associated with the underlying ownership interest, the Group has elected the present-access method to account for the underlying non-controlling interests. Under this method, non-controlling interests continue to be recognised because the non-controlling shareholders still have present access to the returns associated with the underlying ownership interests.

On exercise of the put or call option, the financial liability will be derecognised on settlement in cash or in another financial asset by the Group. Changes in the Group's ownership interest in a subsidiary is accounted for according to transaction with non-controlling interests. Refer to Note 2.2(1)(iv).

If the put and call options expire unexercised, the financial liability is reversed against equity – other reserve.

2.3 Currency translation

(1) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollars ("SGD"), which is the functional currency of the Company.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss.

Foreign currency monetary assets and liabilities are translated into the functional currency at the rates of exchange at the balance sheet date. Currency translation differences are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When the foreign operation is a non-wholly-owned subsidiary, the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the currency translation reserve in equity.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(3) Translation of Group entities' financial statements

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) Revenue and expenses are translated at average exchange rates; and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.4 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue as service is performed and as it satisfied its obligations to provide a product or service to a customer. Revenue is presented net of goods and services tax and after eliminating revenue within the Group on the following basis:

(1) Fixed Income, Currencies and Commodities

Fixed Income

<u>Listing, corporate actions and other revenue of fixed income</u>
Revenue is recognised on a per transaction basis when service is provided.

Currencies and Commodities

<u>Trading and clearing</u>
Trading and clearing revenue, net of rebates, generated from contracts traded, cleared and settled is recognised when service is provided and on a per transaction basis.

<u>Treasury and other revenue</u>
Treasury revenue is recognised on a time proportion basis. Other revenue is recognised when service is rendered.

(2) Equities

Equities – Cash

<u>Listing</u>
Initial and additional listing fees represent one performance obligation. Revenue is recognised over a period of time that the Group provides listing services.

Annual listing fee is recognised on a straight-line basis over the period which the fee relates. It represents the extent of the Group's completion of the performance obligation under the contract.

<u>Corporate actions and other revenue</u>
Revenue is recognised on a per transaction basis when service is provided.

<u>Trading and clearing</u>
Trading revenue generated from contracts is recognised when service is rendered and on a per transaction basis. Clearing revenue, net of rebates, generated from contracts cleared and settled is recognised when service is provided and on a per transaction basis.

<u>Securities settlement and depository management</u>
Revenue is recognised on a per transaction basis when service is provided.

<u>Treasury and other revenue</u>
Treasury revenue is recognised on a time proportion basis. Membership revenue is recognised on a straight-line basis over the period which the fee relates. It represents the extent of the Group's completion of the performance obligation under the contract. Other revenue is recognised when service is rendered.

Equities – Derivatives

<u>Trading and clearing</u>
Trading and clearing revenue, net of rebates, generated from contracts traded, cleared and settled is recognised when service is provided and on a per transaction basis.

<u>Treasury and other revenue</u>
Treasury revenue is recognised on a time proportion basis. Other revenue is recognised when service is rendered.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 Significant accounting policies (continued)

2.4 Revenue recognition (continued)

(3) Data, Connectivity and Indices

Data subscription, connectivity and indices revenue is recognised to the extent of the Group's completion of the performance obligation under the contract. Other market data services are recognised when service is rendered.

(4) Rental income

Revenue from rental is recognised on a straight-line basis over the period which the rental income relates.

(5) Interest income

Revenue is recognised on a time proportion basis using the effective interest method.

(6) Dividend income

Revenue is recognised when the right to receive payment is established.

2.5 Income taxes

Current income tax liabilities (and assets) for current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets and liabilities are measured at:

(i) the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) the tax consequence that would follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax jurisdiction.

2.6 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise of fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term.

2.7 Employee benefits

Employee benefits are recognised as staff costs when they are due, unless they can be capitalised as an asset.

(1) Defined contribution plans

The Group makes legally required contributions to defined contribution plans. The Group's obligation is limited to the amount it contributes to the defined contribution plan. The Group's contributions are recognised as staff costs when they are due.

(2) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 Significant accounting policies (continued)

2.7 Employee benefits (continued)

(3) Share-based compensation

The fair value of employee services received in exchange for equity-settled share-based remuneration plans granted to employees is recognised as variable share-based payment to employees in profit or loss with a corresponding increase in the share-based payment reserve over the vesting period. The amount is determined by reference to the fair value of the shares on grant date and the expected number of shares to be vested on vesting date.

At the end of each financial reporting period, the Company revises its estimates of the expected number of shares that the participants are expected to receive. Any changes to the expected number of shares to be vested will entail a corresponding adjustment to the share-based payment to employees and share-based payment reserve.

Upon vesting of a share-based compensation plan, the portion of share-based payment previously recognised in the share-based payment reserve is reversed against treasury shares. Differences between share-based payment and cost of treasury shares are taken to the share capital of the Company.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with banks which are subject to an insignificant risk of change in value.

2.9 Financial assets

(1) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

<u>At initial recognition</u>

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

<u>At subsequent measurement</u>

(i) Debt instruments

Debt instruments mainly comprise cash and cash equivalents, trade and other receivables, listed and unlisted debt securities.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in other comprehensive income and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented in "non-operating gains/(losses)". Interest income from these financial assets is included in interest income using the effective interest rate method.

- FVPL: Debt instruments that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values, including any interest income, are recognised in profit and loss in the period in which it arises and presented in "non-operating gains/(losses)".

(ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments or for liquidity funds and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/(losses)" in other comprehensive income. Dividends from equity investments are recognised in profit or loss as "dividend income".

(2) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(3) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and the sale proceeds is recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.10 Property, plant and equipment

(1) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently stated at cost less accumulated depreciation and accumulated impairment losses.

(2) Components of costs

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition and bringing the asset to the condition necessary for it to be capable of operating in the manner intended by management. Cost also includes any fair value gains or losses on qualifying cash flow hedges of property, plant and equipment that are transferred from the hedging reserve. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is required to be incurred for the purpose of acquiring and using the asset.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 Significant accounting policies (continued)

2.10 Property, plant and equipment (continued)

(3) Depreciation of property, plant and equipment

No depreciation is provided on freehold land and work-in-progress.

Depreciation is calculated on a straight-line basis to allocate the cost of property, plant and equipment over their expected useful lives as follows:

	Useful lives
Leasehold improvements	1 to 7 years or lease term, whichever is shorter
Building and plant	25 to 50 years
Furniture, fittings and office equipment	3 to 10 years
Computer hardware	1 to 7 years
Motor vehicles	5 years

Fully depreciated assets still in use are retained in the financial statements.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each financial year end. The effects of any revision are recognised in profit or loss when the changes arise.

(4) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group and the cost can be reliably measured. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(5) Disposal

On disposal or retirement of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

2.11 Software

Costs recognised are directly associated with identifiable software controlled by the Group that generate economic benefits exceeding costs beyond one year. Cost also includes any fair value gains or losses on qualifying cash flow hedges of software that are transferred from the hedging reserve. Costs associated with maintaining computer software are expensed off when incurred.

Acquired software licences are capitalised on the basis of the cost incurred to acquire and other directly attributable costs of preparing the software for its intended use. Direct expenditures, including employee costs, which enhance or extend the performance of software programmes beyond their original specifications, and which can be reliably measured, are recognised as a capital improvement and added to the original cost of the software.

Software costs and acquired software licences are stated at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised using the straight-line method over their estimated useful lives, a period not exceeding seven years. Where an indication of impairment exists, the carrying amount is assessed and written down immediately to its recoverable amount.

The period and method of amortisation of the software are reviewed at least at each financial year end. The effects of any revision of the amortisation period or method are included in profit or loss for the period in which the changes arise.

2.12 Intangible assets

Intangible assets arising from business combinations are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over the estimated useful life of the underlying asset as follows:

	Useful lives
Right to operate Singapore electricity spot market	30 years
Trade name	30 years
Technical know-how	7 to 10 years
Customer relationships	5 to 7 years

The period and method of amortisation of intangible assets are reviewed at least at each financial year end. The effects of any revision of the amortisation period or method are included in profit or loss for the period in which the changes arise.

2.13 Investment property

Investment property is held to earn rental and for capital appreciation.

Investment property is initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Freehold land of the investment property is not depreciated. Building is depreciated on a straight-line basis to allocate the cost over the estimated useful life of 50 years. The residual value and useful life are reviewed, and adjusted as appropriate, at each financial year end. The effects of any revision are recognised in profit or loss when the changes arise.

Investment property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. All other repair and maintenance expenses are recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

2.14 Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisitions of associated companies and joint ventures represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

2.15 Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures are stated at cost less accumulated impairment losses in the statement of financial position of the Company. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. Impairment losses are recognised in the profit or loss in the year in which it is determined.

On disposal of an investment, the difference between the net proceeds and its carrying amount is recognised in profit or loss.

2.16 Impairment of non-financial assets

(1) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Goodwill included in the carrying amount of an investment in associated company or joint venture is tested for impairment as part of the investment, rather than separately.

For the purpose of impairment testing of goodwill, goodwill is allocated to the Group's cash-generating-units ("CGU") or group of CGUs expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 Significant accounting policies (continued)

2.16 Impairment of non-financial assets (continued)

(2) Property, plant and equipment
Software
Intangible assets
Investment property
Investments in subsidiaries, associated companies and joint ventures

Property, plant and equipment, software, intangible assets, investment property and investments in subsidiaries, associated companies and joint ventures are reviewed for impairment whenever there is any objective evidence or indication that the carrying amount may not be fully recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of an asset's net selling value and its value-in-use. The impairment loss is recognised in profit or loss.

The recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.17 Trade and other payables

Trade and other payables represents liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities, if payment is due within one year or less. Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

2.18 Loans and borrowings

Loans and borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Loans and borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the loans and borrowings using the effective interest method.

2.19 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.20 Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Changes in the estimated amount are recognised in profit or loss when the changes arise.

2.21 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, on whether the hedging relationship meets the hedge effectiveness requirements under SFRS(I) 9.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

(1) Currency forwards – cash flow hedge

The Group has entered into currency forwards that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the currency forwards designated as cash flow hedges are recognised in other comprehensive income and transferred to either the cost of a hedged non-monetary asset upon acquisition or profit or loss when the hedged forecast transactions are recognised.

The fair value changes on the ineffective portion of currency forwards are recognised immediately in profit or loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in other comprehensive income are transferred to profit or loss immediately.

(2) Net investment hedge

The Group has foreign currency borrowings that qualify as net investment hedges of foreign operations. The currency translation differences on the borrowings relating to the effective portion of the hedge are recognised in other comprehensive income in the consolidated financial statements, accumulated in the currency translation reserve and reclassified to profit or loss as part of the gain or loss on disposal of the foreign operation. The currency translation differences relating to the ineffective portion of the hedge are recognised immediately in profit or loss.

2.22 Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in Euro dollars that can be converted to ordinary shares at the option of the holder, where the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

2.23 Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15.

Expected credit losses are a probability-weighted estimate of credit losses. Expected credit losses are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

Liabilities arising from financial guarantees are included within "loans and borrowings".

Notes to the Financial Statements

For the financial year ended 30 June 2022

2 Significant accounting policies (continued)

2.24 Share capital and treasury shares

Ordinary shares are classified as equity.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid, including any directly attributable incremental costs, net of income taxes, is deducted from equity attributable to the Company's equity holders and presented as treasury shares within equity, until they are cancelled, sold or reissued.

When treasury shares are subsequently sold or reissued pursuant to the share-based remuneration plan, the cost of the treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is taken to the share capital account of the Company.

2.25 Dividends

Interim dividends are deducted from retained profits during the financial year in which they are declared payable.

Final dividends are transferred from retained profits to a proposed dividend reserve when they are proposed by the directors. The amount will be transferred from the proposed dividend reserve to dividend payable when the dividends are approved by the shareholders.

2.26 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee who are responsible for allocating resources and assessing performance of the operating segments.

2.27 Government grants

Grants from the government are recognised as a receivable when there is reasonable assurance that the grant will be received and compliance with all the attached conditions.

Government grants relating to expenses are offset against the related expenses. Government grants relating to assets are deducted against the carrying amount of the assets.

3 Critical accounting estimates and judgements

Estimates and judgements are regularly evaluated based on historical experience, current circumstances and expectations of future events. The following provides a description of the areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements:

(i) Intangible assets

Intangible assets are valued on acquisition using appropriate methodology and amortised over the estimated useful lives. The valuation methodology employed includes: (a) discounted cash flow model and management's best estimate of future cash flows, long term growth rate and discount rate; (b) relief-from-royalty method for technical know-how; and (c) multi-period excess earnings method for customer relationships. Useful lives are based on management's best estimates of periods over which value from the intangible assets will be realised (Note 2.12 and Note 23). Management reassesses the estimated useful lives at each financial year end, taking into account the period over which the intangible assets are expected to generate future economic benefit. Intangible assets are tested for impairment in accordance with Note 2.16(2).

(ii) Goodwill

Goodwill is tested for impairment in accordance with Note 2.16(1). The recoverable amount of goodwill is based on value-in-use calculation using discounted cash flow model and management's best estimate of future cash flows, long term growth rate and discount rate (Note 24).

4 Operating revenue

Operating revenue comprised the following:

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Fixed Income, Currencies and Commodities				
Fixed Income				
Listing	**8,722**	11,510	**–**	–
Corporate actions and other	**3,453**	3,371	**–**	–
	12,175	14,881	**–**	–
Currencies and Commodities				
Trading and clearing	**183,905**	152,577	**–**	–
Treasury and other	**56,665**	44,296	**–**	–
	240,570	196,873	**–**	–
	252,745	211,754	**–**	–
Equities				
Equities – Cash				
Listing	**34,752**	34,463	**–**	–
Corporate actions and other	**28,050**	32,547	**–**	–
Trading and clearing	**209,731**	230,242	**–**	–
Securities settlement and depository management	**108,321**	106,645	**–**	–
Treasury and other	**7,594**	8,820	**–**	–
	388,448	412,717	**–**	–
Equities – Derivatives				
Trading and clearing	**281,860**	230,886	**–**	–
Treasury and other	**28,559**	57,486	**–**	–
	310,419	288,372	**–**	–
	698,867	701,089	**–**	–
Data, Connectivity and Indices				
Market data and indices	**82,908**	80,641	**–**	–
Connectivity	**64,521**	62,469	**30,136**	28,438
	147,429	143,110	**30,136**	28,438

Notes to the Financial Statements

For the financial year ended 30 June 2022

5 Staff

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Salaries	**154,747**	145,064	**78,555**	75,581
Employer's contribution to defined contribution plans on salaries	**8,700**	8,718	**6,131**	6,330
	163,447	153,782	**84,686**	81,911
Variable bonus	**70,019**	62,451	**37,722**	39,633
Employer's contribution to defined contribution plans on variable bonus	**2,834**	2,423	**1,964**	1,796
	72,853	64,874	**39,686**	41,429
Variable share-based payment	**14,654**	17,538	**14,167**	17,538
Variable share-based payment recharged to subsidiary	**–**	–	**(1,987)**	(1,794)
	250,954	236,194	**136,552**	139,084

During the financial year ended 30 June 2021, the Group and the Company recognised credit of $6,860,000 against salaries relating to the Jobs Support Scheme provided by the Government of Singapore.

6 Technology

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
System maintenance and rental	**77,940**	71,283	**46,352**	44,101
Communication charges	**3,403**	3,114	**2,537**	2,117
	81,343	74,397	**48,889**	46,218

7 Premises

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Premise maintenance and rental	**9,997**	9,656	**5,650**	5,510

Performance Overview
Group Overview
Value Creation & Sustainability
Governance
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Others

8 Other operating expenses

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Marketing	**7,660**	7,602	**2,760**	2,477
Travelling	**3,207**	338	**1,115**	85
Allowance for impairment of trade receivables, net	**3,291**	1,226	**58**	(18)
Write-off and net loss on disposal of property, plant and equipment and software	**1,832**	25	**1,150**	44
Directors' fees	**3,095**	3,020	**2,292**	2,226
Regulatory fees	**6,636**	6,269	**400**	400
Miscellaneous	**11,916**	12,081	**15,248**	15,013
	37,637	30,561	**23,023**	20,227

9 Depreciation and amortisation

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Technology-related depreciation and amortisation	**64,874**	64,269	**21,968**	21,828
Premises-related depreciation	**14,799**	14,410	**13,633**	13,519
Amortisation of intangible assets	**16,905**	15,764	**–**	–
Depreciation of motor vehicle	**80**	80	**80**	80
	96,658	94,523	**35,681**	35,427

10 Operating profit

The following items have been included in arriving the operating profit:

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Charging/(crediting):				
Audit services by auditor of the Company[(a)]	**1,501**	1,189	**574**	372
Other services by auditor of the Company	**199**	382	**62**	143
(Utilisation)/provision for unutilised leave (Note 34(b))	**(3,747)**	3,060	**(1,895)**	1,157
And crediting:				
Treasury income on collateral balances held in trust (net)	**49,428**	72,110	**–**	–

(a) Amount for the financial year ended 30 June 2022 does not include $50,000 for audit services relating to issuance of USD 250 million medium term notes that had been capitalised.

Amount for the financial year ended 30 June 2021 does not include $88,000 for audit services relating to issuance of EUR 240 million zero-coupon convertible bond that had been capitalised.

Notes to the Financial Statements

For the financial year ended 30 June 2022

11 Non-operating gains

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Other income (net)				
– Interest income from fixed deposits and current accounts with banks	**3,161**	3,511	**633**	648
– Interest income from financial assets, at FVOCI	**149**	1,621	**–**	1,567
– Dividend income from associated company	**–**	–	**1,830**	3,428
– Dividend income from financial assets, at FVOCI	**897**	826	**–**	170
– Net gains on remeasurement of previously held interest in an associated company	**–**	16,663	**–**	–
– Changes in fair value of contingent consideration	**4,943**	(9,564)	**–**	–
– Gains on changes in interests in associated companies	**5,289**	2,164	**–**	–
– Others	**2,017**	2,495	**11,686**	9,269
	16,456	17,716	**14,149**	15,082
Finance charges				
Interest expense				
– Bank borrowings	**(412)**	(1,943)	**(412)**	(1,943)
– Lease liabilities	**(1,688)**	(2,280)	**(1,634)**	(2,147)
– Convertible bonds	**(1,649)**	(559)	**–**	–
– Medium term notes	**(3,635)**	–	**(3,635)**	–
	(7,384)	(4,782)	**(5,681)**	(4,090)
Net foreign exchange gains/(losses)	**8,602**	(830)	**16**	2,316
Impairment loss on investment in associated companies (Note (a))	**–**	(2,056)	**–**	–
	17,674	10,048	**8,484**	13,308

(a) During the financial year ended 30 June 2021, an impairment loss of $2,056,000 was recognised on the Group's investment in associated companies due to poor financial health of these companies. The carrying value of the investments had been fully written down.

12 Earnings per share

	Group 2022	Group 2021
Net profit after tax attributable to the equity holders of the Company for basic earnings per share ($'000)	**451,398**	445,406
Interest expense on convertible bonds ($'000)	**1,649**	559
Net profit after tax attributable to the equity holders of the Company for diluted earnings per share ($'000)	**453,047**	445,965
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	**1,068,983**	1,069,926
Adjustments for:		
– Effect of conversion of convertible bonds ('000)	**30,505**	9,799
– Shares granted under SGX performance share plans and deferred long-term incentives schemes ('000)	**5,236**	5,410
Weighted average number of ordinary shares for diluted earnings per share ('000)	**1,104,724**	1,085,135
Earnings per share (in cents)		
– Basic	**42.2**	41.6
– Diluted	**41.0**	41.1

13 Cash and cash equivalents

	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Cash at bank and on hand	**352,194**	331,400	**39,920**	70,912
Fixed deposits with banks	**623,102**	718,620	**45,600**	158,100
Escrow (Note 30(b))	**22,451**	10,009	**–**	–
	997,747	1,060,029	**85,520**	229,012

Escrow funds are held by the Group on behalf of certain clients. These funds are controlled by the Group and economic benefits are derived from them. Accordingly, these funds are recognised as an asset on the Group's balance sheet.

For the purpose of presenting the consolidated statement of cash flows of the Group, the consolidated cash and cash equivalents comprise the following:

	Group 2022 $'000	Group 2021 $'000
Cash and cash equivalents per consolidated statement of cash flows	**752,153**	833,365
Add:		
Cash committed for		
– Singapore Exchange Derivatives Clearing Limited ("SGX-DC") Clearing Fund (Note 42)	**125,021**	150,021
– Securities Clearing Fund (Note 41)	**60,000**	60,000
– National Electricity Market of Singapore ("NEMS") (Note (a))	**60,573**	16,643
Cash and cash equivalents (as above)	**997,747**	1,060,029

Notes to the Financial Statements

For the financial year ended 30 June 2022

13 Cash and cash equivalents (continued)

(a) Cash committed for NEMS

Cash committed for NEMS represents Energy Market Company Pte Ltd ("EMC") commitment to the operation of the electricity market of Singapore. The manner in which the cash can be used are defined by the Singapore Electricity Market Rules issued by the Energy Market Authority of Singapore. The committed cash is not available to EMC for its operations.

14 Trade and other receivables

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Current				
Trade receivables (net) (Note (a))	**994,814**	689,912	**7,659**	4,055
Other receivables (Note (b))	**66,006**	58,837	**146,368**	139,718
	1,060,820	748,749	**154,027**	143,773

(a) Trade receivables (net) comprise:

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Receivables from clearing members and settlement banks – Daily settlement of accounts for due contracts and rights (Note 30(a))	**573,867**	446,912	**–**	–
Receivables under NEMS (Note 15)	**240,161**	127,290	**–**	–
Other trade receivables	**185,961**	117,640	**7,714**	4,090
	999,989	691,842	**7,714**	4,090
Less: Allowance for impairment of trade receivables (Note 49)	**(5,175)**	(1,930)	**(55)**	(35)
	994,814	689,912	**7,659**	4,055

The receivables from clearing members and settlement banks represent the net settlement obligations to The Central Depository (Pte) Limited ("CDP"). The corresponding net settlement obligations from CDP to the clearing members and settlement banks are disclosed in Note 30(a).

14 Trade and other receivables (continued)

(b) Other receivables comprise:

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Prepayments	**28,953**	29,298	**17,487**	16,511
Interest receivable	**30,365**	24,405	**34**	81
Deposits	**1,017**	686	**226**	237
Staff advances	**7**	6	**–**	1
Amounts due from subsidiaries (non-trade) (Note (c))	**–**	–	**124,237**	117,510
Others (non-trade)	**5,664**	4,442	**4,384**	5,378
	66,006	58,837	**146,368**	139,718

(c) Amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demand.

15 Cash, receivables and payables under NEMS

EMC has cash, receivables and payables in respect of sale of electricity to market participants and purchase of electricity and ancillary services from market participants in the NEMS as follows:

	Group	
	2022 $'000	2021 $'000
Cash committed for NEMS (Note 13)	**60,573**	16,643
Receivables under NEMS (Note 14(a))	**240,161**	127,290
Total settlement cash and receivables	**300,734**	143,933
Payables under NEMS (Note 30(a))	**300,734**	143,933
Total settlement payables	**300,734**	143,933

Notes to the Financial Statements

For the financial year ended 30 June 2022

16 Derivative financial instruments

		Group	
		Fair value	
	Currency forwards notional amount $'000	Asset $'000	Liability $'000
30 June 2022			
Cash-flow hedges			
– Currency forwards	**76,179**	**17**	**(2,090)**
		17	**(2,090)**
30 June 2021			
Cash-flow hedges			
– Currency forwards	103,016	314	(1,150)
		314	(1,150)

17 Financial assets, at FVOCI

	Group	
	2022 $'000	2021 $'000
Current		
Equity securities – Quoted	**31,442**	31,094
Bonds – Quoted	**62,713**	9,842
	94,155	40,936
Non-current		
Equity securities – Unquoted	**239,064**	146,467

18 Financial asset, at FVPL

	Group	
	2022 $'000	2021 $'000
Non-Current		
Debt securities – Unquoted	**293,545**	–

During the financial year, the Group made an investment in a private equity fund that focuses on investments in transformative technologies.

19 Investment property, and Property, plant and equipment

		Owner occupied property							
	Investment property $'000	Freehold land $'000	Building and plant $'000	Leasehold improve-ments $'000	Furniture, fittings and office equipment $'000	Computer hardware $'000	Motor vehicle $'000	Work-in-progress $'000	Total $'000
Group									
2022									
Cost									
At 1 July 2021	**27,305**	**6,111**	**6,080**	**44,296**	**10,082**	**74,631**	**401**	**5,505**	**147,106**
Reclassification	**5,544**[(a)]	**(5,544)**[(a)]	**–**	**–**	**–**	**2,658**	**–**	**(2,658)**	**(5,544)**
Additions	**–**	**–**	**–**	**929**	**511**	**2,482**	**–**	**5,248**	**9,170**
Write-off/ Disposals	**(12,259)**[(a)]	**–**	**(5,516)**[(a)]	**(26)**	**(504)**	**(7,001)**	**–**	**–**	**(13,047)**
Currency translation	**(2,531)**	**(567)**	**(564)**	**–**	**(66)**	**(76)**	**–**	**(54)**	**(1,327)**
At 30 June 2022	**18,059**	**–**	**–**	**45,199**	**10,023**	**72,694**	**401**	**8,041**	**136,358**
Accumulated depreciation									
At 1 July 2021	**1,144**	**–**	**1,811**	**39,664**	**8,529**	**46,449**	**253**	**–**	**96,706**
Depreciation charge	**89**	**–**	**50**	**1,653**	**510**	**11,274**	**80**	**–**	**13,567**
Write-off/ Disposals	**(1,119)**	**–**	**(1,689)**	**(12)**	**(248)**	**(5,953)**	**–**	**–**	**(7,902)**
Currency translation	**(114)**	**–**	**(172)**	**–**	**(44)**	**(26)**	**–**	**–**	**(242)**
At 30 June 2022	**–**	**–**	**–**	**41,305**	**8,747**	**51,744**	**333**	**–**	**102,129**
Net book value									
At 30 June 2022	**18,059**	**–**	**–**	**3,894**	**1,276**	**20,950**	**68**	**8,041**	**34,229**
Market value									
At 30 June 2022	**18,144**								

(a) During the financial year, the Group completed the sale of a long lease of a building for cash consideration of GBP 17,000,000. Upon the sale, the building and plant were derecognised, while the freehold land continues to be on the balance sheet as the Group retains ownership of the land. The capital receipt attributed to the freehold land is recognised as deferred revenue and amortised over the lease period (Note 35). The owner occupied freehold land was transferred to investment property.

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For the financial year ended 30 June 2022

19 Investment property, and Property, plant and equipment (continued)

	Investment property $'000	Owner occupied property: Freehold land $'000	Owner occupied property: Building and plant $'000	Leasehold improve-ments $'000	Furniture, fittings and office equipment $'000	Computer hardware $'000	Motor vehicle $'000	Work-in-progress $'000	Total $'000
Group									
2021									
Cost									
At 1 July 2020	25,175	5,626	5,613	44,484	9,462	69,174	401	5,666	140,426
Acquisition of subsidiary (Note 25)	–	–	–	–	64	408	–	–	472
Reclassification	–	–	–	218	420	5,555	–	(6,193)	–
Additions	–	–	–	222	109	5,550	–	6,032	11,913
Write-off/ Disposals	(38)	–	(17)	(630)	(50)	(6,113)	–	–	(6,810)
Currency translation	2,168	485	484	2	77	57	–	–	1,105
At 30 June 2021	27,305	6,111	6,080	44,296	10,082	74,631	401	5,505	147,106
Accumulated depreciation									
At 1 July 2020	827	–	1,537	38,742	8,016	41,181	173	–	89,649
Depreciation charge	241	–	138	1,551	530	11,344	80	–	13,643
Write-off/ Disposals	(4)	–	(2)	(630)	(50)	(6,106)	–	–	(6,788)
Currency translation	80	–	138	1	33	30	–	–	202
At 30 June 2021	1,144	–	1,811	39,664	8,529	46,449	253	–	96,706
Net book value									
At 30 June 2021	26,161	6,111	4,269	4,632	1,553	28,182	148	5,505	50,400
Market value									
At 30 June 2021	26,903								

19 Investment property, and Property, plant and equipment (continued)

The following amounts are recognised in the statement of comprehensive income of the Group:

	Group	
	2022 $'000	2021 $'000
Rental income	**578**	2,421
Direct operating expenses arising from the investment property	**(354)**	(1,129)
	224	1,292

Details of the Group's investment property as at 30 June 2022 are as follows:

Location	**Description**	**Tenure**
38 St Mary Axe, London EC3, United Kingdom	Land	Freehold

The fair value of the investment property was independently appraised by an external valuer and is determined using the income method. The property is classified under Level 3 of the fair value hierarchy and the significant unobservable input used for valuation is market rental. The estimated fair value would increase (decrease) if the market rental was higher (lower).

	Leasehold improvements $'000	**Furniture, fittings and office equipment $'000**	**Computer hardware $'000**	**Motor vehicle $'000**	**Work-in-progress $'000**	**Total $'000**
Company						
2022						
Cost						
At 1 July 2021	**43,786**	**8,931**	**35,950**	**401**	**1,893**	**90,961**
Reclassification	**–**	**–**	**1,654**	**–**	**(1,654)**	**–**
Additions	**714**	**308**	**–**	**–**	**5,597**	**6,619**
Write-off/Disposals	**(11)**	**(64)**	**(4,561)**	**–**	**–**	**(4,636)**
At 30 June 2022	**44,489**	**9,175**	**33,043**	**401**	**5,836**	**92,944**
Accumulated depreciation						
At 1 July 2021	**39,354**	**7,782**	**23,503**	**253**	**–**	**70,892**
Depreciation charge	**1,598**	**421**	**4,195**	**80**	**–**	**6,294**
Write-off/Disposals	**(8)**	**(64)**	**(3,649)**	**–**	**–**	**(3,721)**
At 30 June 2022	**40,944**	**8,139**	**24,049**	**333**	**–**	**73,465**
Net book value						
At 30 June 2022	**3,545**	**1,036**	**8,994**	**68**	**5,836**	**19,479**

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For the financial year ended 30 June 2022

19 Investment property, and Property, plant and equipment (continued)

	Leasehold improve-ments $'000	Furniture, fittings and office equipment $'000	Computer hardware $'000	Motor vehicle $'000	Work-in-progress $'000	Total $'000
Company						
2021						
Cost						
At 1 July 2020	43,994	8,471	35,984	401	3,382	92,232
Reclassification	218	417	2,872	–	(3,507)	–
Additions	204	88	19	–	2,018	2,329
Write-off/Disposals	(630)	(45)	(2,925)	–	–	(3,600)
At 30 June 2021	43,786	8,931	35,950	401	1,893	90,961
Accumulated depreciation						
At 1 July 2020	38,489	7,434	21,527	173	–	67,623
Depreciation charge	1,495	393	4,898	80	–	6,866
Write-off/Disposals	(630)	(45)	(2,922)	–	–	(3,597)
At 30 June 2021	39,354	7,782	23,503	253	–	70,892
Net book value						
At 30 June 2021	4,432	1,149	12,447	148	1,893	20,069

20 Software

	Software $'000	Work-in-progress $'000	Total $'000
Group			
2022			
Cost			
At 1 July 2021	**333,870**	**38,445**	**372,315**
Reclassification	**40,907**	**(40,907)**	**–**
Additions	**8,450**	**36,945**	**45,395**
Write-off/Disposals	**(8,014)**	**–**	**(8,014)**
Currency translation	**360**	**(79)**	**281**
At 30 June 2022	**375,573**	**34,404**	**409,977**
Accumulated amortisation			
At 1 July 2021	**206,472**	**–**	**206,472**
Amortisation charge	**44,767**	**–**	**44,767**
Write-off/Disposals	**(7,780)**	**–**	**(7,780)**
Currency translation	**214**	**–**	**214**
At 30 June 2022	**243,673**	**–**	**243,673**
Net book value			
At 30 June 2022	**131,900**	**34,404**	**166,304**
2021			
Cost			
At 1 July 2020	364,271	21,995	386,266
Acquisition of subsidiary (Note 25)	6,230	–	6,230
Reclassification	15,936	(15,936)	–
Additions	6,830	32,386	39,216
Write-off/Disposals	(59,201)	–	(59,201)
Currency translation	(196)	–	(196)
At 30 June 2021	333,870	38,445	372,315
Accumulated amortisation			
At 1 July 2020	218,068	–	218,068
Amortisation charge	44,297	–	44,297
Write-off/Disposals	(55,922)	–	(55,922)
Currency translation	29	–	29
At 30 June 2021	206,472	–	206,472
Net book value			
At 30 June 2021	127,398	38,445	165,843

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For the financial year ended 30 June 2022

20 Software (continued)

	Software $'000	Work-in-progress $'000	Total $'000
Company			
2022			
Cost			
At 1 July 2021	**67,747**	**10,113**	**77,860**
Reclassification	**11,527**	**(11,527)**	**–**
Additions	**–**	**11,570**	**11,570**
Write-off/Disposals	**(2,428)**	**–**	**(2,428)**
At 30 June 2022	**76,846**	**10,156**	**87,002**
Accumulated amortisation			
At 1 July 2021	**36,736**	**–**	**36,736**
Amortisation charge	**9,544**	**–**	**9,544**
Write-off/Disposals	**(2,193)**	**–**	**(2,193)**
At 30 June 2022	**44,087**	**–**	**44,087**
Net book value			
At 30 June 2022	**32,759**	**10,156**	**42,915**
2021			
Cost			
At 1 July 2020	63,875	10,087	73,962
Reclassification	9,334	(9,334)	–
Additions	–	9,360	9,360
Write-off/Disposals	(5,462)	–	(5,462)
At 30 June 2021	67,747	10,113	77,860
Accumulated amortisation			
At 1 July 2020	32,977	–	32,977
Amortisation charge	8,706	–	8,706
Write-off/Disposals	(4,947)	–	(4,947)
At 30 June 2021	36,736	–	36,736
Net book value			
At 30 June 2021	31,011	10,113	41,124

21 Right-of-use assets

Leases – The Group and the Company as a lessee

The Group and the Company lease office premises, data centres and equipment with varying terms and renewal rights.

The Group and the Company lease IT equipment with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for these leases.

	Premises $'000	Other equipment $'000	Total $'000
Group			
2022			
At 1 July 2021	**65,607**	**3,551**	**69,158**
Depreciation charge	**(20,070)**	**(1,260)**	**(21,330)**
Additions	**3,129**	**–**	**3,129**
Reassessment and modifications[(a)]	**33**	**–**	**33**
Currency translation	**(53)**	**1**	**(52)**
At 30 June 2022	**48,646**	**2,292**	**50,938**
2021			
At 1 July 2020	82,541	4,583	87,124
Depreciation charge	(19,319)	(1,259)	(20,578)
Additions	1,613	242	1,855
Derecognition	–	(15)	(15)
Reassessment and modifications[(a)]	753	–	753
Currency translation	19	–	19
At 30 June 2021	65,607	3,551	69,158
Company			
2022			
At 1 July 2021	**63,622**	**3,547**	**67,169**
Depreciation charge	**(18,585)**	**(1,258)**	**(19,843)**
Reassessment and modifications[(a)]	**33**	**–**	**33**
At 30 June 2022	**45,070**	**2,289**	**47,359**
2021			
At 1 July 2020	82,100	4,583	86,683
Depreciation charge	(18,597)	(1,258)	(19,855)
Additions	–	237	237
Derecognition	–	(15)	(15)
Reassessment and modifications[(a)]	119	–	119
At 30 June 2021	63,622	3,547	67,169

[(a)] Reassessment and modifications for the Group and the Company relate to changes in lease term and lease payments of existing leases.

Notes to the Financial Statements

For the financial year ended 30 June 2022

21 Right-of-use assets (continued)

Leases – The Group and the Company as a lessee (continued)

(1) Other amounts recognised in profit or loss

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Leases under SFRS(I) 16				
Interest on lease liabilities (Note 11)	**1,688**	2,280	**1,634**	2,147
Expenses relating to short-term leases and low-value assets	**3,228**	2,279	**1,050**	1,239
	4,916	4,559	**2,684**	3,386

(2) Amounts recognised in statement of cash flows

	Group	
	2022 $'000	2021 $'000
Total cash outflow for leases	**23,142**	22,509

(3) Extension options

Some property leases contain extension options exercisable by the Group and the Company before the end of the non-cancellable contract period. Where practicable, the Group and the Company seek to include extension options in new leases to provide operational flexibility. The Group and the Company assess at lease commencement date whether it is reasonably certain to exercise the extension options. The Group and the Company reassess whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

22 Leases – The Group as a lessor

During the financial year ended 30 June 2021, the Group leased out its investment property consisting of an office building (Note 19) and had classified the leases as operating leases from a lessor perspective. This is because the Group does not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income from the investment property is disclosed in Note 19.

The following table sets out a maturity analysis of lease payments as at 30 June 2021, showing the undiscounted lease payments to be received after the reporting date.

	2021 $'000
Operating leases under SFRS(I) 16	
Less than one year	905
One to two years	396
Two to three years	352
Three to four years	286
Four to five years	26
More than five years	–
Total	1,965

During the financial year, the Group completed the sale of a long lease of the building, including land for cash consideration of GBP 17,000,000 (Note 19).

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For the financial year ended 30 June 2022

23 Intangible assets

	Right to operate Singapore electricity spot market $'000	Trade name $'000	Technical know-how $'000	Customer relationships $'000	Total $'000
Group					
2022					
Cost					
At 1 July 2021	**27,140**	**41,334**	**45,428**	**37,969**	**151,871**
Acquisition of business (Note 25)	**–**	**–**	**7,759**	**10,532**	**18,291**
Currency translation	**–**	**(3,833)**	**(2,371)**	**(1,666)**	**(7,870)**
At 30 June 2022	**27,140**	**37,501**	**50,816**	**46,835**	**162,292**
Accumulated amortisation					
At 1 July 2021	**6,107**	**6,431**	**7,954**	**8,986**	**29,478**
Amortisation charge (Note 9)	**905**	**1,335**	**7,062**	**7,603**	**16,905**
Currency translation	**–**	**(682)**	**(415)**	**(790)**	**(1,887)**
At 30 June 2022	**7,012**	**7,084**	**14,601**	**15,799**	**44,496**
Net book value					
At 30 June 2022	**20,128**	**30,417**	**36,215**	**31,036**	**117,796**
2021					
Cost					
At 1 July 2020	27,140	38,057	31,502	24,850	121,549
Acquisition of subsidiary (Note 25)	–	–	13,746	13,053	26,799
Currency translation	–	3,277	180	66	3,523
At 30 June 2021	27,140	41,334	45,428	37,969	151,871
Accumulated amortisation					
At 1 July 2020	5,202	4,652	1,313	2,070	13,237
Amortisation charge (Note 9)	905	1,346	6,616	6,897	15,764
Currency translation	–	433	25	19	477
At 30 June 2021	6,107	6,431	7,954	8,986	29,478
Net book value					
At 30 June 2021	21,033	34,903	37,474	28,983	122,393

The intangible assets are the right to operate the Singapore electricity spot market, arising from the acquisition of EMC, the Baltic Exchange Limited ("BEL") trade name arising from the acquisition of BEL and technical know-how and customer relationships, arising from the acquisitions of Scientific Beta Pte. Ltd. ("SB"), BidFX Systems Ltd ("BidFX") and MaxxTrader trading platform business ("MT").

No impairment loss has been recognised as there is no objective evidence or indication that the carrying amounts may not be fully recoverable as at 30 June 2022 (2021: Nil).

24 Goodwill

	Group	
	2022 $'000	2021 $'000
Beginning of financial year	**541,233**	329,176
Acquisition of business/subsidiary (Note 25)	**186,677**	202,363
Additional payment on completion adjustment for previously acquired subsidiary	**–**	5,178
Currency translation	**(19,620)**	4,516
Balance at end of financial year	**708,290**	541,233

The goodwill relates to the acquisition of:

a) EMC, a subsidiary operating the Singapore electricity spot market;
b) BEL, a subsidiary providing freight market indices and information as well as membership services;
c) SB, an index-provider subsidiary specialising in smart beta strategies;
d) BidFX, a subsidiary providing electronic foreign exchange trading solutions and platform to the global financial marketplace; and
e) MT, a provider of foreign exchange pricing and risk solutions for sell-side institutions including banks and broker-dealers, and a multi-dealer platform for hedge funds.

For the purpose of impairment testing, goodwill allocated to each of the Group's CGU or group of CGUs is expected to benefit from synergies of the business combination. Goodwill arising from the acquisition of EMC is allocated to EMC CGU, goodwill arising from the acquisitions of BEL, BidFX and MT are allocated to Currencies and commodities CGU, and goodwill arising from the acquisition of SB is allocated to Data and indices CGU.

The carrying amounts of goodwill allocated to the following CGUs as at 30 June were as follows:

	Group	
	2022 $'000	2021 $'000
EMC	**9,614**	9,614
Currencies and commodities	**467,834**	277,394
Data and indices	**230,842**	254,225
	708,290	541,233

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For the financial year ended 30 June 2022

24 Goodwill (continued)

The recoverable amount of the goodwill was determined based on value-in-use calculation using the discounted cash flow model. Key inputs of the computation are as follows:

CGU – EMC	Key Inputs	Basis
Free cash flows	Management's forecasts of earnings and capital expenditure over a 10-year period.	Past performance and market developments
Long term growth rate	2% - 3% (2021: 2% - 3%)	Long term inflation and growth rate of Singapore
Discount rate	11.5% (2021: 10.5%)	Cost of capital to operate the Singapore electricity spot market

CGU – Currencies and commodities	Key Inputs	Basis
Free cash flows	Management's forecasts of earnings and capital expenditure over a 10-year period.	Past performance, expectations of growth in currencies and commodities contract volumes and market developments
Long term growth rate	3% (2021: 3%)	Long term growth rate of developed economies
Discount rate	11% (2021: 10%)	Cost of capital to operate the currencies and commodities market

CGU – Data and indices	Key Inputs	Basis
Free cash flows	Management's forecasts of earnings and capital expenditure over a 10-year period.	Past performance, expectations of growth in data and indices volumes and market developments
Long term growth rate	3% (2021: 3%)	Long term growth rate of developed economies
Discount rate	11% (2021: 10%)	Cost of capital to operate the data and indices market

Based on the value-in-use calculations, there is no impairment on goodwill (2021: Nil). While the estimated recoverable amount of the goodwill is sensitive to any change in key inputs to the value-in-use calculations, the change in the estimated recoverable amount from any reasonably possible change on the key input does not materially cause the recoverable amount to be lower than its carrying amount.

25 Acquisition of business/subsidiary

(a) MaxxTrader trading platform business

On 8 January 2022, SGX acquired the MaxxTrader ("MT") trading platform business.

Included in the identifiable assets and liabilities acquired at the date of acquisition of MT are inputs (proprietary software that supports a foreign-exchange pricing engine and multi-dealer platform, customer-related contracts and relationships), an organised workforce and processes. The Group has assessed and concluded that the acquired set is a business.

The principal activity of MT is the provision of foreign exchange ("FX") pricing and risk solutions for sell-side institutions including banks and broker-dealers, as well as a multi-dealer platform for hedge funds. Together with wholly-owned subsidiary BidFX, this acquisition accelerates SGX's plan to build an integrated FX ecosystem and marketplace that facilitates global access to OTC and FX derivatives, and paves the way for SGX to become Asia's largest one-stop venue for international FX OTC and futures participants.

(1) Consideration

	$'000
Cash paid	169,458
Contingent consideration	35,467
Total consideration	204,925

(2) Effect on cash flows of the Group

	$'000
Cash paid	169,458
Less: Cash and cash equivalents in business acquired	(2,949)
Cash outflow on acquisition	166,509

(3) Identifiable assets acquired and liabilities assumed (determined on a provisional basis)

	$'000
Cash and cash equivalents	2,949
Trade and other receivables	1,328
Property, plant and equipment	70
Intangible assets	18,291
Total assets	22,638
Trade and other payables	1,281
Deferred tax liabilities	3,109
Total liabilities	4,390
Total identifiable net assets	18,248

Notes to the Financial Statements

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25 Acquisition of business/subsidiary (continued)

(a) MaxxTrader trading platform business (continued)

(4) Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	$'000
Total consideration	204,925
Fair value of identifiable net assets	(18,248)
Goodwill	186,677

The balances for identifiable assets and liabilities were provisionally determined at the date of acquisition. In accordance to SFRS(I) 3 *Business Combinations*, if new information is obtained within one year from the date of acquisition about facts and circumstances that existed at the date of acquisition, adjustments will be identified to the above amounts and revised accordingly.

The goodwill of $186,677,000 relates to synergies expected to arise from growth in the foreign exchange business as well as wider range of product offerings and clients for MT and SGX.

(5) Acquisition-related costs

Total acquisition-related costs amounted to $3,320,000 of which $404,000 are included in FY2022. These costs have been included in "Professional fees" and "Others".

(6) Acquired receivables

The fair value and gross contractual amount of Trade and other receivables is $1,328,000.

(7) Intangible assets

The intangible assets comprised proprietary software technology as well as customer contracts and relationships and were estimated to amount to $18,291,000 based on relief-from-royalty method for proprietary software technology and multi-period excess earnings method for customer contracts and relationships. The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the proprietary software technology being owned. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer-related intangibles, by excluding any cash flows related to contributory assets.

(8) Contingent consideration

The Group agreed to pay the selling shareholders additional consideration if MT reaches certain revenue targets in 2021 and 2022. The Group has included US$26,100,000 (S$35,467,000) as contingent consideration related to the additional consideration based on projections of MT's revenue in 2021 and 2022 at acquisition date. As at 30 June 2022, the carrying amount of the contingent consideration was revalued to S$36,284,000 (Note 30).

(9) Revenue and profit contribution

MT contributed revenue of $11,577,000 and net loss after tax of $750,000 to the Group for the period from 8 January 2022 to 30 June 2022. Net loss after tax of $750,000 included amortisation of intangible assets amounting to $1,489,000. Had MT been consolidated from 1 July 2021, consolidated revenue and estimated net loss after tax for the year ended 30 June 2022 would have been $22,697,000 and $842,000 respectively.

25 Acquisition of business/subsidiary (continued)

(b) BidFX Systems Ltd.

On 27 March 2019, SGX acquired 20% equity interest in BidFX Systems Ltd. (“BidFX”) and recorded it as an investment in associated company. On 7 July 2020, SGX acquired the remaining 80% equity interest in BidFX. Consequently, BidFX became a wholly-owned subsidiary of SGX.

Included in the identifiable assets and liabilities acquired at the date of acquisition of BidFX are inputs (software technology, intellectual property, customer contracts and relationships), an organised workforce and processes. The Group has assessed and concluded that the acquired set is a business.

The principal activity of BidFX is to provide electronic foreign exchange trading solutions and platform to the global financial marketplace. This acquisition provides SGX opportunities to expand into the global over-the-counter ("OTC") foreign exchange market and offer end-to-end solutions covering OTC markets.

(1) Consideration

	$’000
Cash paid	191,493
Contingent consideration	10,144
Others	2,786
Total consideration	204,423

(2) Effect on cash flows of the Group

	$’000
Cash paid	191,493
Less: Cash and cash equivalents in subsidiary acquired	(35,790)
Cash outflow on acquisition	155,703

(3) Identifiable assets acquired and liabilities assumed

	$’000
Cash and cash equivalents	35,790
Trade and other receivables	5,070
Property, plant and equipment	472
Software	6,230
Intangible assets	26,799
Total assets	74,361
Trade and other payables	20,540
Deferred tax liabilities	3,914
Total liabilities	24,454
Total identifiable net assets	49,907

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25 Acquisition of business/subsidiary (continued)

(b) BidFX Systems Ltd. (continued)

(4) Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	$'000
Total consideration	204,423
Fair value of pre-existing interest in the acquiree	47,847
Fair value of identifiable net assets	(49,907)
Goodwill	202,363

The goodwill of $202,363,000 relates to synergies expected to arise from growth in the foreign exchange business as well as wider range of product offerings and clients for BidFX and SGX.

(5) Acquisition-related costs

Total acquisition-related costs amounted to $2,666,000 of which $1,320,000 are included in FY2021. These costs have been included in "Professional fees" and "Others".

(6) Acquired receivables

The fair value and gross contractual amount of Trade and other receivables is $5,070,000.

(7) Intangible assets

The intangible assets comprised capitalised software development costs and intellectual property as well as customer contracts and relationships estimated at $26,799,000. The capitalised software development costs and intellectual property were based on revised net book value following review of the useful life. In measuring the fair value of the customer-related intangibles, the multi-period excess earnings method is used and considers the present value of net cash flows expected to be generated by the customer-related intangibles, by excluding any cash flows related to contributory assets.

(8) Contingent consideration

The Group had agreed to pay the selling shareholders additional consideration in 2022 if BidFX reached certain revenue targets in 2021. As at 30 June 2021, the carrying amount of the contingent consideration was $19,358,000. During the financial year ended 30 June 2022, the carrying amount of the contingent consideration was revised to $14,812,000 to reflect the 2021 actual revenue of BidFX and settlement was based on the revised amount.

(9) Revenue and profit contribution

BidFX contributed revenue of $39,700,000 and net profit after tax of $4,579,000 to the Group for the period from 1 July 2020 to 30 June 2021. The results were consolidated from 1 July 2020 as the revenue and net profit after tax generated by BidFX for the first seven days of July 2020 is immaterial. Consequently, if the acquisition had occurred on 1 July 2020, consolidated revenue and net profit after tax would be the same.

(10) Step acquisition

The fair value of the initial equity interest in BidFX held by the Group is $47,847,000 as at the date of acquisition. As a result of this re-measurement to fair value, the Group recognised a net gain of $16,663,000 in the consolidated income statement under Non-operating gains.

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26 Investments in subsidiaries

	Company	
	2022 $'000	2021 $'000
Equity investments at cost		
Balance at beginning of financial year	**851,721**	831,741
Capital injection	**212,276**	19,980
	1,063,997	851,721
Long-term receivables		
Amount due from a subsidiary	**505,387**	218,401
Balance at end of financial year	**1,569,384**	1,070,122

The amount due from a subsidiary is interest-free and has no fixed terms of repayment.

Details of the subsidiaries are as follows:

			Equity held by			
			Company		Subsidiaries	
Name of subsidiaries	**Principal activities**	**Country of business and incorporation**	**2022 %**	2021 %	**2022 %**	2021 %
Singapore Exchange Securities Trading Limited	Operating a securities exchange	Singapore	**100**	100	**–**	–
Singapore Exchange Derivatives Trading Limited	Operating a derivatives exchange	Singapore	**100**	100	**–**	–
The Central Depository (Pte) Limited	Providing clearing, counterparty guarantee, depository and related services for securities transactions	Singapore	**100**	100	**–**	–
Singapore Exchange Derivatives Clearing Limited	Providing clearing, counterparty guarantee and related services for derivatives transactions	Singapore	**100**	100	**–**	–
SGX Bond Trading Pte. Ltd.	Providing bond trading services	Singapore	**100**	100	**–**	–
Singapore Exchange Regulation Pte. Ltd.	Providing front-line regulatory functions	Singapore	**100**	100	**–**	–
Singapore Exchange IT Solutions Pte Limited	Providing computer services and software maintenance	Singapore	**100**	100	**–**	–
Asian Gateway Investments Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–

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26 Investments in subsidiaries (continued)

			Equity held by			
			Company		Subsidiaries	
Name of subsidiaries	Principal activities	Country of business and incorporation	2022 %	2021 %	2022 %	2021 %
Singapore Commodity Exchange Limited	Dormant	Singapore	**100**	100	**–**	–
SGX International Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
Securities Clearing and Computer Services (Pte) Limited	Investment holding	Singapore	**100**	100	**–**	–
Asian Gateway Investments (China) Pte. Ltd.	Investment holding	Singapore	**–**	–	**100**	100
SGX Baltic Investments Pte. Ltd.	Investment holding	Singapore	**–**	–	**100**	100
The Baltic Exchange Limited	Investment holding, membership services and provision of management services to related corporations	United Kingdom	**–**	–	**100**	100
Baltic Exchange Derivatives Trading Limited	Dormant	United Kingdom	**–**	–	**100**	100
Baltic Exchange Information Services Limited	Providing and distributing bulk freight market indices and information	United Kingdom	**–**	–	**100**	100
The Baltic Exchange (Asia) Pte. Limited	Distributing bulk freight market indices and information in Asia and membership services	Singapore	**–**	–	**100**	100
Energy Market Company Pte Ltd	Operating an electricity market	Singapore	**–**	–	**100**	100
Scientific Beta Pte. Ltd.	Providing management consultancy services of index activities	Singapore	**–**	–	**93**	93
Scientific Beta North America, Inc.	Providing services and administration of index activities	United States of America	**–**	–	**100**	100
Scientific Beta (France) SAS	Providing services and administration for index calculation, risk analyses and financial research	France	**–**	–	**100**	100

26 Investments in subsidiaries (continued)

Name of subsidiaries	Principal activities	Country of business and incorporation	Equity held by Company 2022 %	Equity held by Company 2021 %	Equity held by Subsidiaries 2022 %	Equity held by Subsidiaries 2021 %
Scientific Beta (Europe) Limited	Providing services and administration for index calculation and risk analyses	United Kingdom	**–**	–	**100**	100
BidFX Systems Ltd.	Providing electronic foreign exchange trading solutions and platform	United Kingdom	**–**	–	**100**	100
BidFX Systems Pte. Ltd.	Provision of management services to related corporations, sales and client support services	Singapore	**–**	–	**100**	100
BidFX Systems US LLC	Providing sales and client support services	United States of America	**–**	–	**100**	100
BidFX Systems Australia Pty. Ltd.	Providing sales and client support services	Australia	**–**	–	**100**	100
Asia Converge Pte Ltd	Investment holding	Singapore	**–**	–	**100**	100
Asiaclear Pte Ltd	Dormant	Singapore	**–**	–	**100**	100
CDP Nominees Pte Ltd	Dormant	Singapore	**–**	–	**100**	100
Global Clear Pte Ltd	Dormant	Singapore	**–**	–	**100**	100
Joint Asian Derivatives Pte. Ltd.	Dormant	Singapore	**–**	–	**100**	100
SGX America Limited	Providing consultancy services	United States of America	**–**	–	**100**	100
Shanghai Yaxu Consultancy Company Limited	Providing consultancy services	People's Republic of China	**–**	–	**100**	100
SGX General Counterparty Pte. Ltd.	Providing general counterparty services	Singapore	**100**	100	**–**	–
SGX FX Pte. Ltd.	Investment holding	Singapore	**100**	100	**–**	–
SGX FX Markets Pte. Ltd.	Operating an electronic communication network	Singapore	**–**	–	**100**	100

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26 Investments in subsidiaries (continued)

Name of subsidiaries	Principal activities	Country of business and incorporation	Equity held by Company 2022 %	Equity held by Company 2021 %	Equity held by Subsidiaries 2022 %	Equity held by Subsidiaries 2021 %
SGX Treasury I Pte. Ltd.	Investment holding	Singapore	**–**	–	**100**	100
SGX India Connect IFSC Private Limited	Providing financial services for dealing, trading and clearing of financial instruments	India	**–**	–	**100**	100
MaxxTrader Systems Pte. Ltd.	FX platform and providing FX pricing and risk solutions	Singapore	**–**	–	**100**	–
MaxxTrader Systems UK Limited	Providing sales support services relating to FX platform business	United Kingdom	**–**	–	**100**	–
LLFX Technologies Private Limited	Providing research and development support services relating to FX platform business	India	**–**	–	**100**	–
MaxxTrader Kabushiki Kaisha	Providing sales support services relating to FX platform business	Japan	**–**	–	**100**	–
MaxxTrader Systems US LLC	Providing sales support services relating to FX platform business	United States	**–**	–	**100**	–

KPMG LLP is the auditor of all significant subsidiaries. For this purpose, a subsidiary is considered significant as defined under the Singapore Exchange Limited Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

	Group 2022 $'000	Group 2021 $'000
Carrying value of non-controlling interests		
Subsidiary with immaterial non-controlling interests		
– Scientific Beta Pte. Ltd.	**5,057**	4,859

27 Investments in associated companies

	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Investments in associated companies	**47,549**	40,964	**4,389**	4,389

27 Investments in associated companies (continued)

Details of the associated companies held by the Group and the Company are as follows:

Name of company	Principal activities	Country of business and incorporation	Equity held 2022 %	Equity held 2021 %
Held by the Group through a subsidiary				
Capbridge Pte. Ltd.	Shares, stocks and bonds broking	Singapore	**7.2[a]**	8.2[a]
1x Exchange Pte. Ltd.	Operating private market platform	Singapore	**10.9[a]**	11.8[a]
Commodities Intelligence Centre Pte. Ltd.	Operating e-commerce platform	Singapore	**10.0[a]**	10.0[a]
ICHX Tech Pte. Ltd.	Operating capital markets platform	Singapore	**9.7[a]**	9.8[a]
Freightos Limited	Operating online freight marketplace	Cayman Islands	**13.3[a]**	14.1[a]
Heveaconnect Pte. Ltd.	Commodities trading platform	Singapore	**9.1[a]**	9.1[a]
Held by the Company				
Philippines Dealing System Holdings Corp	Investment holding	Philippines	**20.0**	20.0

[a] Where the voting rights are less than 20%, the presumption that the entity is not an associated company is overcome if the Group has significant influence including representation on the board of directors or participation in policy-making process of the investee.

There was no associated company that was individually material to the Group (2021: Nil).

The following table summarises, in aggregate, the Group's share of loss and other comprehensive income of the Group's individually immaterial associated companies accounted for using the equity method:

	Group 2022 $'000	Group 2021 $'000
Carrying amount of interests		
Loss from continuing operations	**(4,144)**	(2,157)
Total comprehensive income	**(4,144)**	(2,157)

There is no contingent liability relating to the Group's interest in the associated companies (2021: Nil).

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28 Investments in joint ventures

	Group	
	2022 $'000	2021 $'000
Investments in joint ventures	**10,542**	9,570

Details of the joint ventures held by the Group through a subsidiary are as follows:

Name of company	Principal activities	Country of business and incorporation	Equity held 2022 %	Equity held 2021 %
SGX MySteel Index Company Private Limited	Indexation and benchmarking of commodities	Singapore	**50**	50
MarketNode Pte. Ltd.	Operating a digital asset issuance platform and development of digital assets	Singapore	**65[(a)]**	65[(a)]
XinTru Pte. Ltd.	Operation of electronic bond trading platform	Singapore	**33**	33
Verified Impact Exchange Holdings Pte. Ltd.	Establishment and operation of an international marketplace and exchange for the listing and trading of voluntary carbon credits	Singapore	**24[(a)]**	–

(a) Unanimous consent is required for key relevant activities of the entity. Accordingly, the entity is accounted for as an investment in joint venture due to presence of joint control.

There was no joint venture that was individually material to the Group (2021: Nil).

The following table summarises, in aggregate, the Group's share of loss and other comprehensive income of the joint ventures accounted for using the equity method:

	Group	
	2022 $'000	2021 $'000
Carrying amount of interests		
Loss from continuing operations	**(6,390)**	(2,129)
Total comprehensive income	**(6,390)**	(2,129)

There are no contingent liabilities relating to the Group's interest in the joint ventures (2021: Nil).

29 Loan receivable

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Non-current				
Loan receivable from external party	**9,036**	–	**9,036**	–

The loan receivable from an external party is secured, interest bearing at SOFR plus 3% per annum and will be repayable in full on 28 December 2024.

30 Trade and other payables

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Current				
Trade payables (Note (a))	**999,178**	655,389	**5,014**	3,822
Other payables (Note (b))	**226,892**	193,023	**77,873**	62,742
Amount due to subsidiaries (non-trade) (Note (c))	**–**	–	**66,476**	47,100
Contingent consideration (Note 25)	**36,284**	19,358	**–**	–
	1,262,354	867,770	**149,363**	113,664
Non-current				
Other payables				
– Amount due to a subsidiary (non-trade) (Note (d))	**–**	–	**63,474**	69,972
	–	–	**63,474**	69,972

(a) Trade payables comprise:

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Payables to clearing members and settlement banks				
– Daily settlement of accounts for due contracts and rights (Note 14(a))	**573,867**	446,912	**–**	–
Payables under NEMS (Note 15)	**300,734**	143,933	**–**	–
Other trade payables	**124,577**	64,544	**5,014**	3,822
	999,178	655,389	**5,014**	3,822

The payables to clearing members and settlement banks represent the net settlement obligations by CDP. The corresponding net settlement obligations by clearing members and settlement banks to CDP are disclosed in Note 14(a).

(b) Other payables comprise:

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Accrual for operating expenses	**91,991**	70,644	**29,510**	17,843
Accrual for bonus	**77,218**	69,870	**43,553**	40,854
Defined contribution plans payable	**2,199**	1,706	**1,381**	1,102
Advance receipts	**20,225**	18,891	**–**	–
Sundry creditors	**5,735**	6,099	**972**	289
Escrow payable	**22,443**	9,991	**–**	–
Others (non-trade)	**7,081**	15,822	**2,457**	2,654
	226,892	193,023	**77,873**	62,742

(c) The amounts due to subsidiaries are unsecured, non-interest bearing and repayable on demand.

(d) The amount due to a subsidiary is unsecured, non-interest bearing with no fixed terms of repayment.

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31 Loans and borrowings

	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Current				
Unsecured bank borrowings	**41,858**	–	**41,858**	–
	41,858	–	**41,858**	–
Non-current				
Unsecured bank borrowings	**–**	88,758	**–**	88,758
Convertible bonds (Note (a))	**345,721**	379,003	**–**	–
Medium term notes (Note (b))	**348,214**	–	**348,214**	–
Intra-group financial guarantee (Note (c))	**–**	–	**2,698**	4,709
	693,935	467,761	**350,912**	93,467

The exposure of the Group and the Company to interest rate, currency and liquidity risk is disclosed in Note 49.

Terms and debt repayment schedule

The terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Weighted average interest rate	Year of maturity	2022 Face value $'000	2022 Carrying amount $'000	2021 Face value $'000	2021 Carrying amount $'000
Group							
Convertible bonds	EUR	0.44% (2021: 0.44%)	2024	**351,773**	**345,721**	387,406	379,003
Medium term notes	USD	1.29% (2021: Not applicable)	2026	**347,550**	**348,214**	–	–
Unsecured bank borrowings	USD	0.60% - 0.71% (2021: 1.20%)	2022	**41,858**	**41,858**	88,758	88,758
				741,181	**735,793**	476,164	467,761
Company							
Medium term notes	USD	1.29% (2021: Not applicable)	2026	**347,550**	**348,214**	–	–
Unsecured bank borrowings	USD	0.60% - 0.71% (2021: 1.20%)	2022	**41,858**	**41,858**	88,758	88,758
				389,408	**390,072**	88,758	88,758

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31 Loans and borrowings (continued)

(a) Convertible bonds

EUR 240,000,000 of zero-coupon convertible bonds were issued on 1 March 2021 with maturity date on 1 March 2024. The bonds are convertible into ordinary shares at any time on or after 11 April 2021 up to 21 February 2024 at the option of the bond holder at the conversion price of $12.6879 per share. The conversion price is subjected to adjustment upon occurrence of certain trigger events set out in the terms and conditions of the bonds offering. Any unconverted bonds will be redeemed by the issuer at its principal amount on 1 March 2024.

	Group $'000
Proceeds from issue of convertible bonds (2,400 bonds at EUR 100,000 par value)	390,653
Transaction costs	(4,213)
Net proceeds	386,440
Amount classified as equity	(4,817)
Accreted interest	559
Effects of changes in foreign exchange rates	(3,179)
Carrying amount as at 30 June 2021	379,003
Accreted interest	1,649
Effect of changes in foreign exchange rates	(34,931)
Carrying amount as at 30 June 2022	345,721

The amount of the convertible bonds classified as equity of $4,817,000 is net of attributable transaction costs of $53,000. In addition, tax recognised directly in equity in respect of the convertible bonds on inception amounted to $828,000.

Information on beneficial holdings unavailable

The global certificate representing the Convertible Bonds is registered in the name of The Bank of New York Depository (Nominees) Limited. Information on the beneficial holdings of the Convertible Bonds is unavailable.

Use of proceeds

The Company had announced on 2 February 2021 that the estimated proceeds from the issuance of the Convertible Bonds (before fees and expenses related to such issuance) of approximately EUR 242,400,000 were to be allocated as to approximately 80% for refinancing of existing debt and as to approximately 20% for general corporate purposes. Pursuant to Rule 704(30) of the Listing Manual, the Company subsequently announced on 2 March 2021 that there had been a change in the use of the proceeds from the issuance of the Convertible Bonds in that the portion of the proceeds from the issuance which the Company had originally allocated for general corporate purposes had been used to repay part of an existing loan and that accordingly, 100% of the net proceeds of the issuance of the Convertible Bonds had been used for the refinancing of existing debt. The Company stated that it was of the view that this reallocation was in the best interests of the Company and its shareholders as there was no immediate or near-term need to utilise such proceeds for general corporate purposes. The Company also announced at the same time that all of the net proceeds from the issuance of the Convertible Bonds had been fully utilised.

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31 Loans and borrowings (continued)

(b) Medium term notes

USD 250,000,000 of medium term notes were issued on 3 September 2021 with maturity date on 3 September 2026. The unsecured notes issued under SGX's SGD 1.5 billion multicurrency debt issuance programme, bear interest at a fixed rate of 1.234 per cent per annum payable semi-annually in arrears on 3 March and 3 September each year.

	Group 2021 $'000
Proceeds from issue of medium term notes	335,525
Transaction costs	(876)
Net proceeds	334,649
Accrued interest	3,635
Interest paid	(2,075)
Effects of changes in foreign exchange rates	12,005
Carrying amount as at 30 June 2022	348,214

(c) Intra-group financial guarantee

Intra-group financial guarantee comprises a guarantee given by the Company in respect of due payment of all sums in relation to the convertible bonds amounting to EUR 240,000,000 issued by a wholly-owned subsidiary maturing on 1 March 2024. At the reporting date, the Company has not recognised a provision for expected credit losses as the amount of expected credit losses was lower than the amortised liability for the intra-group financial guarantee contract. The Company does not consider it probable that a claim will be made against the Company under the guarantee. The carrying amount represented the initial fair value less the cumulative amount of income recognised.

31 Loans and borrowings (continued)

(d) Reconciliation of liabilities arising from financing activities

	Convertible bonds $'000	Medium term notes $'000	Unsecured bank borrowings $'000	Total $'000
As at 1 July 2021	**379,003**	**–**	**88,758**	**467,761**
Financing cash flows				
Net proceeds from issuance of medium term notes	**–**	**334,649**	**–**	**334,649**
Proceeds from borrowings	**–**	**–**	**82,014**	**82,014**
Repayment of borrowings	**–**	**–**	**(129,928)**	**(129,928)**
Interest paid	**–**	**(2,075)**	**(265)**	**(2,340)**
	–	**332,574**	**(48,179)**	**284,395**
Non-cash changes				
Effect of changes in foreign exchange rates	**(34,931)**	**12,005**	**867**	**(22,059)**
Interest expense	**1,649**	**3,635**	**412**	**5,696**
	(33,282)	**15,640**	**1,279**	**(16,363)**
As at 30 June 2022	**345,721**	**348,214**	**41,858**	**735,793**
As at 1 July 2020	–	–	302,036	302,036
Financing cash flows				
Net proceeds from issuance of convertible bonds	386,440	–	–	386,440
Proceeds from borrowings	–	–	495,197	495,197
Repayment of borrowings	–	–	(708,492)	(708,492)
Interest paid	–	–	(2,134)	(2,134)
	386,440	–	(215,429)	171,011
Non-cash changes				
Effect of changes in foreign exchange rates	(3,179)	–	208	(2,971)
Interest expense	559	–	1,943	2,502
Amount classified as equity	(4,817)	–	–	(4,817)
	(7,437)	–	2,151	(5,286)
As at 30 June 2021	379,003	–	88,758	467,761

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32 Lease liabilities

	Group		Company	
	2022 **$'000**	2021 $'000	**2022** **$'000**	2021 $'000
Current lease liabilities	**22,140**	20,366	**20,201**	19,624
Non-current lease liabilities	**30,938**	51,056	**29,537**	49,908
	53,078	71,422	**49,738**	69,532

The exposure of the Group and the Company to interest rate, currency and liquidity risk is disclosed in Note 49.

(a) Repayment schedule of lease liabilities

	Payment **$'000**	**Interest** **$'000**	**Principal** **$'000**
Group			
2022			
Within 1 year	**23,283**	**1,143**	**22,140**
After 1 year but within 5 years	**31,847**	**909**	**30,938**
After 5 years	**–**	**–**	**–**
	55,130	**2,052**	**53,078**
2021			
Within 1 year	22,020	1,654	20,366
After 1 year but within 5 years	52,629	2,013	50,616
After 5 years	441	1	440
	75,090	3,668	71,422
Company			
2022			
Within 1 year	**21,300**	**1,099**	**20,201**
After 1 year but within 5 years	**30,432**	**895**	**29,537**
After 5 years	**–**	**–**	**–**
	51,732	**1,994**	**49,738**
2021			
Within 1 year	21,256	1,632	19,624
After 1 year but within 5 years	51,461	1,993	49,468
After 5 years	441	1	440
	73,158	3,626	69,532

32 Lease liabilities (continued)

(b) Reconciliation of liabilities arising from financing activities

	Lease liabilities Group	
	2022 $'000	2021 $'000
Balance at beginning of financial year	**71,422**	89,030
Financing cash flows		
Repayment of lease liabilities	**(23,142)**	(22,509)
	(23,142)	(22,509)
Non-cash changes		
New leases	**3,129**	1,856
Derecognition	**–**	(15)
Reassessment and modifications	**33**	762
Interest expense (Note 11)	**1,688**	2,280
Effect of changes in foreign exchange rates	**(52)**	18
	4,798	4,901
Balance at end of financial year	**53,078**	71,422

33 Income taxes

(a) Income tax expense

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Tax expense attributable to profit is made up of:				
– current income tax	**99,631**	99,861	**4,486**	4,631
– deferred income tax	**(6,229)**	(8,675)	**(983)**	(1,295)
	93,402	91,186	**3,503**	3,336
(Over)/under provision in prior financial years:				
– current income tax	**(1,110)**[a]	(391)	**–**	9
– deferred income tax	**395**	(96)	**–**	–
	92,687	90,699	**3,503**	3,345

[a] Includes $1,377,000 of tax receivables under Trade and other receivables.

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33 Income taxes (continued)

(b) Tax reconciliation

The tax expense on profit differs from the amount that would arise using the Singapore rate of income tax due to the following:

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Profit before tax and share of results of associated companies and joint ventures	**555,122**	540,762	**408,213**	492,681
Tax calculated at a tax rate of 17% (2021: 17%)	**94,371**	91,930	**69,396**	83,756
Tax effect of:				
Singapore statutory income exemption	**(167)**	(180)	**(17)**	(17)
Income not subject to tax	**(3,193)**	(2,422)	**(66,285)**	(81,645)
Tax incentives and rebates	**(1,406)**	(1,393)	**(643)**	(680)
Expenses not deductible for tax purposes	**2,040**	1,934	**782**	1,183
Different tax rates in other countries	**1,132**	291	**–**	–
Others	**625**	1,026	**270**	739
(Over)/under provision in prior financial years	**(715)**	(487)	**–**	9
	92,687	90,699	**3,503**	3,345

(c) Movements in provision for tax

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Balance at beginning of financial year	**99,634**	109,558	**4,946**	6,356
Income tax paid	**(99,094)**	(109,390)	**(3,754)**	(6,050)
Tax expense on profit for the financial year	**99,631**	99,861	**4,486**	4,631
Under/(over) provision in prior financial years	**267**	(391)	**–**	9
(Utilisation)/overutilisation of losses and capital allowances[a]	**(578)**	10	**–**	–
Currency translation	**79**	(14)	**–**	–
Balance at end of financial year	**99,939**	99,634	**5,678**	4,946

[a] This arises from transfer of prior year's tax losses and unutilised capital allowances between entities within the Group.

33 Income taxes (continued)

(d) Deferred income tax

The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Deferred tax assets:				
– to be recovered within 12 months	**5,082**	5,361	**3,541**	3,956
– to be recovered after 12 months	**2,203**	1,586	**2,183**	1,428
	7,285	6,947	**5,724**	5,384
– Effect of offsetting	**(7,285)**	(6,947)	**(5,724)**	(5,384)
	–	–	**–**	–
Deferred tax liabilities:				
– to be settled within 12 months	**10,628**	11,356	**2,524**	2,527
– to be settled after 12 months	**76,125**	62,047	**4,960**	5,358
	86,753	73,403	**7,484**	7,885
– Effect of offsetting	**(7,285)**	(6,947)	**(5,724)**	(5,384)
	79,468	66,456	**1,760**	2,501

The movements in the deferred tax assets and liabilities during the financial year are as follows:

The Group – deferred tax assets

	Unutilised tax losses		Employee share plans		Unutilised leave		Others		Total	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000
Balance at beginning of financial year	**857**	620	**3,821**	3,100	**1,569**	1,195	**700**	431	**6,947**	5,346
Credited/(charged) to profit or loss	**850**	237	**904**	594	**(441)**	374	**(155)**	269	**1,158**	1,474
Utilisation of losses and capital allowances[(a)]	**(578)**	–	**–**	–	**–**	–	**–**	–	**(578)**	–
(Charged)/credited to equity	**–**	–	**(242)**	127	**–**	–	**–**	–	**(242)**	127
Balance at end of financial year	**1,129**	857	**4,483**	3,821	**1,128**	1,569	**545**	700	**7,285**	6,947

(a) This arises from transfer of prior year's tax losses and unutilised capital allowances between entities within the Group.

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33 Income taxes (continued)

(d) Deferred income tax (continued)

The Group – deferred tax liabilities

	Cash flow hedge reserve		Accelerated tax depreciation		Intangible assets arising from business combinations		Financial assets, at FVOCI		Others		Total	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000
Balance at beginning of financial year	**(143)**	65	**26,515**	30,142	**24,819**	23,284	**21,391**	14,170	**821**	–	**73,403**	67,661
Acquisition from subsidiary	**–**	–	**–**	1,187	**3,109**	2,727	**–**	–	**–**	–	**3,109**	3,914
Credited to profit or loss	**–**	–	**(1,144)**	(4,785)	**(3,125)**	(2,512)	**–**	–	**(407)**	–	**(4,676)**	(7,297)
(Credited)/charged to equity	**(93)**	(208)	**–**	–	**–**	–	**16,767**	7,221	**–**	821	**16,674**	7,834
Currency translation	**–**	–	**(6)**	(29)	**(1,751)**	1,320	**–**	–	**–**	–	**(1,757)**	1,291
Balance at end of financial year	**(236)**	(143)	**25,365**	26,515	**23,052**	24,819	**38,158**	21,391	**414**	821	**86,753**	73,403

The Company – deferred tax assets

	Employee share plans		Unutilised leave		Others		Total	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000
Balance at beginning of financial year	**3,821**	3,100	**1,159**	963	**404**	329	**5,384**	4,392
Credited/(charged) to profit or loss	**904**	594	**(322)**	196	**–**	75	**582**	865
(Charged)/credited to equity	**(242)**	127	**–**	–	**–**	–	**(242)**	127
Balance at end of financial year	**4,483**	3,821	**837**	1,159	**404**	404	**5,724**	5,384

The Company – deferred tax liabilities

	Cash flow hedge reserve		Financial assets, at FVOCI		Accelerated tax depreciation		Total	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000	**2022 $'000**	2021 $'000
Balance at beginning of financial year	**–**	(10)	**–**	(13)	**7,885**	8,315	**7,885**	8,292
Credited to profit or loss	**–**	–	**–**	–	**(401)**	(430)	**(401)**	(430)
Charged to equity	**–**	10	**–**	13	**–**	–	**–**	23
Balance at end of financial year	**–**	–	**–**	–	**7,484**	7,885	**7,484**	7,885

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33 Income taxes (continued)

(d) Deferred income tax (continued)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2022 $'000	2021 $'000
Tax losses	**22,585**	22,563

These items principally relate to four (2021: four) entities within the Group which are dormant.

Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profits will be available against which the Group can utilise the benefits. The tax losses are subject to the relevant provisions of the Singapore Income Tax Act and confirmation by the tax authorities.

(e) Tax effects on other comprehensive income

	Group			Company		
	Before tax $'000	**Tax benefit/ (liability) $'000**	**Net of tax $'000**	**Before tax $'000**	**Tax benefit/ (liability) $'000**	**Net of tax $'000**
2022						
Other comprehensive income						
Foreign exchange translation	**(318)**	**–**	**(318)**	**–**	**–**	**–**
Fair value (losses)/gains and transferred to profit or loss on cash flow hedges	**(1,241)**	**93**	**(1,148)**	**–**	**–**	**–**
Fair value gains on financial assets, at FVOCI	**81,318**	**(16,767)**	**64,551**	**–**	**–**	**–**
	79,759	**(16,674)**	**63,085**	**–**	**–**	**–**
2021						
Other comprehensive income						
Foreign exchange translation	9,556	–	9,556	–	–	–
Fair value (losses)/gains and transferred to profit or loss on cash flow hedges	(1,154)	208	(946)	62	(10)	52
Fair value gains on financial assets, at FVOCI	29,743	(7,221)	22,522	1,595	(13)	1,582
	38,145	(7,013)	31,132	1,657	(23)	1,634

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34 Provisions

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Provision for SGX-MAS Market Development Scheme (Note (a))	**1,802**	1,802	**–**	–
Provision for unutilised leave (Note (b))	**8,035**	11,592	**4,925**	6,820
Provision for dismantlement, removal or restoration of property, plant and equipment (Note (c))	**3,964**	3,805	**3,786**	3,786
	13,801	17,199	**8,711**	10,606

(a) Provision for SGX-MAS Market Development Scheme

Provision for SGX-MAS Market Development Scheme is used to fund projects that raise awareness of the securities and derivatives market among investors.

(b) Provision for unutilised leave

Provision for unutilised leave is the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Balance at beginning of financial year	**11,592**	8,532	**6,820**	5,663
Acquisition of business	**190**	–	**–**	–
(Utilisation)/provision made during the financial year, net	**(3,747)**	3,060	**(1,895)**	1,157
Balance at end of financial year	**8,035**	11,592	**4,925**	6,820

(c) Provision for dismantlement, removal or restoration of property, plant and equipment

Provision for dismantlement, removal or restoration of leased premises is expected to be utilised upon return of leased premises.

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Balance at beginning of financial year	**3,805**	3,601	**3,786**	3,582
Acquisition of business	**159**	–	**–**	–
Provision made during the financial year, net	**–**	204	**–**	204
Balance at end of financial year	**3,964**	3,805	**3,786**	3,786

35 Other liabilities

	Group	
	2022 $'000	2021 $'000
Forward liability to acquire non-controlling interests (Note (a))	**37,583**	41,390
Deferred revenue (Note 19)	**14,629**	–
	52,212	41,390

(a) Arising from the acquisition of Scientific Beta Pte. Ltd. ("SB"), the forward liability relates to a put and call option agreement with the non-controlling shareholder of SB to acquire its 7% equity interests in SB. Refer to Note 2.2(3) on the accounting policy relating to the forward liability.

36 Share capital

(a) Share capital and treasury shares

Group and Company

	Number of shares		Amount	
	Issued shares '000	Treasury shares '000	Share Capital $'000	Treasury shares $'000
2022				
Balance at beginning of financial year	**1,071,642**	**2,752**	**430,413**	**(25,189)**
Purchase of treasury shares	**–**	**2,947**	**–**	**(27,719)**
Vesting of shares under share-based remuneration plans	**–**	**(2,008)**	**(3,021)**	**18,157**
Vesting of shares under restricted share plan	**–**	**(34)**	**(27)**	**353**
Tax effect on treasury shares	**–**	**–**	**–**	**(242)**
Balance at end of financial year	**1,071,642**	**3,657**	**427,365**	**(34,640)**
2021				
Balance at beginning of financial year	1,071,642	2,663	429,738	(20,996)
Purchase of treasury shares	–	1,547	–	(15,930)
Vesting of shares under share-based remuneration plans	–	(1,420)	644	11,296
Vesting of shares under restricted share plan	–	(38)	31	314
Tax effect on treasury shares	–	–	–	127
Balance at end of financial year	1,071,642	2,752	430,413	(25,189)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company, except for shares held as treasury shares.

The Company purchased 2,947,000 of its shares (2021: 1,547,000) in the open market during the financial year. The total amount paid to purchase the shares was $27,719,000 (2021: $15,930,000). The Company holds the shares bought back as treasury shares.

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36 Share capital (continued)

(b) Performance share plans

(i) Outstanding performance shares

Details of performance shares awarded to participants at the balance sheet date are as follows:

	Group and Company						
Number of shares	FY2017 grant	FY2018 grant*	FY2019 grant**	FY2020 grant**	FY2021 grant**	FY2022 grant**	Total
2022							
Balance at beginning of financial year	**–**	**602,200**	**673,600**	**687,600**	**707,400**	**–**	**2,670,800**
Granted	**–**	**–**	**–**	**–**	**–**	**564,900**	**564,900**
Additional award at vesting	**–**	**52,700**	**1,300**	**900**	**900**	**–**	**55,800**
Vested	**–**	**(654,900)**	**(4,900)**	**(3,500)**	**(3,500)**	**–**	**(666,800)**
Lapsed	**–**	**–**	**(15,800)**	**(16,200)**	**(28,800)**	**(29,600)**	**(90,400)**
Balance at end of financial year	**–**	**–**	**654,200**	**668,800**	**676,000**	**535,300**	**2,534,300**
2021							
Balance at beginning of financial year	604,600	621,600	696,500	711,000	–	–	2,633,700
Granted	–	–	–	–	732,200	–	732,200
Vested	(160,900)	–	–	–	–	–	(160,900)
Lapsed	(443,700)	(19,400)	(22,900)	(23,400)	(24,800)	–	(534,200)
Balance at end of financial year	–	602,200	673,600	687,600	707,400	–	2,670,800

* The number of shares vested represents the level of achievement against the performance conditions. Performance targets exceeded for FY2018 grant. Accordingly, additional shares were awarded for vesting.

** Represents the number of shares required if participants are to be awarded at 100% of the grant. However, the shares to be awarded at the vesting date may range from 0% to 150% of the grant, depending on the level of achievement against the performance conditions.

The terms of the performance share plans are set out in the Directors' Statement under the caption "SGX Performance Share Plan".

36 Share capital (continued)

(b) Performance share plans (continued)

(ii) Fair value of performance shares

The fair value of the performance shares at grant date and the key assumptions of the fair value model for the grants were as follows:

	FY2022 grant	FY2021 grant	FY2020 grant	FY2019 grant	FY2018 grant
Date of grant	**16.08.2021**	17.08.2020	15.08.2019	15.08.2018	15.09.2017
Vesting date	**01.09.2025**	01.09.2024	01.09.2023	01.09.2022	01.09.2021
Number of performance shares at grant date	**564,900**	732,200	711,000	696,500	658,200
Fair value per performance share at grant date	**$9.55**	$7.37	$7.08	$7.46	$7.25
Assumptions under Monte-Carlo Model					
Expected volatility					
Shares of Singapore Exchange Limited	**22.30%**	22.00%	14.20%	15.82%	17.30%
Shares of selected peer exchanges	**22.40% to 78.60%**	21.30% to 41.90%	14.80% to 31.40%	15.62% to 31.96%	15.64% to 42.66%
Shares of Straits Times Index peer companies	**19.80% to 45.20%**	19.40% to 40.70%	13.10% to 39.30%	15.75% to 34.91%	15.68% to 35.45%
Historical volatility period	**36 months**	36 months	36 months	36 months	36 months
Risk-free interest rate	**0.64%**	0.39%	1.62%	2.04%	1.42%
Date on which yield of Singapore government bond was based	**16.08.2021**	17.08.2020	15.08.2019	15.08.2018	15.09.2017
Term (years)	**3**	3	3	3	3
Expected dividend yield based on management's forecast	**2.96%**	3.70%	3.64%	4.04%	3.77%
Share price reference	**$10.82**	$8.64	$8.25	$7.43	$7.42

Notes to the Financial Statements

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36 Share capital (continued)

(c) Deferred long-term incentives scheme

(i) Outstanding deferred long-term incentives shares

Details of deferred long-term incentives shares awarded to recipients at the balance sheet date are as follows:

	Group and Company				
Number of shares	**FY2019 award**	**FY2020 award**	**FY2021 award**	**FY2022 award**	**Total**
2022					
Balance at beginning of financial year	**416,632**	**898,985**	**1,419,400**	**–**	**2,735,017**
Awarded	**–**	**–**	**–**	**1,168,900**	**1,168,900**
Vested	**(416,632)**	**(450,283)**	**(474,132)**	**–**	**(1,341,047)**
Lapsed	**–**	**(28,038)**	**(69,738)**	**(76,400)**	**(174,176)**
Balance at end of financial year	**–**	**420,664**	**875,530**	**1,092,500**	**2,388,694**

	Group and Company				
Number of shares	**FY2018 award**	**FY2019 award**	**FY2020 award**	**FY2021 award**	**Total**
2021					
Balance at beginning of financial year	357,880	867,901	1,423,200	–	2,648,981
Awarded	–	–	–	1,476,800	1,476,800
Vested	(357,880)	(433,899)	(467,444)	–	(1,259,223)
Lapsed	–	(17,370)	(56,771)	(57,400)	(131,541)
Balance at end of financial year	–	416,632	898,985	1,419,400	2,735,017

The terms of the deferred long-term incentives scheme are set out in the Directors' Statement under the caption "SGX Deferred Long-Term Incentives Scheme".

36 Share capital (continued)

(c) Deferred long-term incentives scheme (continued)

(ii) Fair value of deferred long-term incentives shares

The fair value of deferred long-term incentives shares was estimated by the present value of the share price adjusted for future expected dividends. The fair value of shares at award date and the key assumptions of the fair value model for the awards were as follows:

FY2022 Award

Date of award	←	16.08.2021	→
Vesting date	01.09.2022	01.09.2023	01.09.2024
Number of shares at award date	389,546	389,546	389,808
Fair value per deferred long-term incentives share at award date	$11.11	$10.79	$10.47
Assumptions used in fair value model			
Risk-free interest rate	0.30%	0.51%	0.67%
Date on which yield of Singapore government bond was based	16.08.2021	16.08.2021	16.08.2021
Expected dividend yield based on management's forecast	2.96%	2.96%	2.96%
Share price reference	$10.82	$10.82	$10.82

FY2021 Award

Date of award	←	17.08.2020	→
Vesting date	01.09.2021	01.09.2022	01.09.2023
Number of shares at award date	492,193	492,193	492,414
Fair value per deferred long-term incentives share at award date	$8.16	$7.84	$7.52
Assumptions used in fair value model			
Risk-free interest rate	0.25%	0.29%	0.39%
Date on which yield of Singapore government bond was based	17.08.2020	17.08.2020	17.08.2020
Expected dividend yield based on management's forecast	3.70%	3.70%	3.70%
Share price reference	$8.64	$8.64	$8.64

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36 Share capital (continued)

(c) Deferred long-term incentives scheme (continued)

(ii) *Fair value of deferred long-term incentives shares* (continued)

FY2020 Award

Date of award	←	15.08.2019	→
Vesting date	01.09.2020	01.09.2021	01.09.2022
Number of shares at award date	482,009	482,009	482,182
Fair value per deferred long-term incentives share at award date	$7.71	$7.41	$7.13
Assumptions used in fair value model			
Risk-free interest rate	1.67%	1.63%	1.62%
Date on which yield of Singapore government bond was based	15.08.2019	15.08.2019	15.08.2019
Expected dividend yield based on management's forecast	3.64%	3.64%	3.64%
Share price reference	$8.25	$8.25	$8.25

FY2019 Award

Date of award	←	15.08.2018	→
Vesting date	01.09.2019	01.09.2020	01.09.2021
Number of shares at award date	459,896	459,896	460,008
Fair value per deferred long-term incentives share at award date	$7.14	$6.84	$6.56
Assumptions used in fair value model			
Risk-free interest rate	1.74%	1.95%	2.07%
Date on which yield of Singapore government bond was based	15.08.2018	15.08.2018	15.08.2018
Expected dividend yield based on management's forecast	4.04%	4.04%	4.04%
Share price reference	$7.43	$7.43	$7.43

36 Share capital (continued)

(c) Deferred long-term incentives scheme (continued)

(ii) Fair value of deferred long-term incentives shares (continued)

FY2018 Award			
Date of award		15.08.2017	
Vesting date	01.09.2018	01.09.2019	01.09.2020
Number of shares at award date	391,286	391,286	391,428
Fair value per deferred long-term incentives share at award date	$7.25	$6.98	$6.71
Assumptions used in fair value model			
Risk-free interest rate	1.18%	1.31%	1.46%
Date on which yield of Singapore government bond was based	15.08.2017	15.08.2017	15.08.2017
Expected dividend yield based on management's forecast	3.77%	3.77%	3.77%
Share price reference	$7.57	$7.57	$7.57

(d) Restricted Share Plan

Details of restricted share plan ("RSP") awarded to recipients at the balance sheet date are as follows:

	Group and Company	
	2022	2021
Number of shares		
Balance at beginning of financial year	**–**	–
Awarded	**33,975**	37,730
Vested	**(33,975)**	(37,730)
Balance at end of financial year	**–**	–

The terms of the RSP are set out in the Directors' Statement under the caption "SGX Restricted Share Plan".

The RSP award relates to approximately one-quarter of the Group's Chairman fees and approximately one-quarter of selected non-executive directors basic fees (collectively known as "Fees") which were paid in shares in lieu of cash.

The number of shares to be awarded was estimated by Fees divided by volume weighted average share price of SGX share listed on the Singapore Exchange Securities Trading Limited over 14 trading days immediately following the date of the Annual General Meeting on 7 October 2021 (FY2021 award: 24 September 2020).

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37 Capital reserve

	Group	
	2022 $'000	2021 $'000
Equity component of convertible bonds, net of tax	**3,989**	3,989

38 Other reserve

	Group	
	2022 $'000	2021 $'000
Forward liability to acquire non-controlling interests	**40,506**	40,506

Refer to Note 2.2(3) on the accounting policy relating to the forward liability.

39 Dividends

	Group and Company	
	2022 $'000	2021 $'000
Interim tax-exempt dividends of 24.0 cents (2021: 24.0 cents) per share	**256,580**	256,861
Proposed final tax-exempt dividends of 8.0 (2021: 8.0 cents) per share	**85,439**	85,511
	342,019	342,372

The directors have proposed a final tax-exempt dividend for the financial year ended 30 June 2022 of 8.0 cents (2021: 8.0 cents) per share amounting to a total of $85,439,000 (2021: $85,511,000). The proposed dividend has been transferred from retained profits to proposed dividends reserve.

40 Segment information

Management determines the operating segments based on the reports reviewed and used by the Executive Management Committee for performance assessment and resources allocation.

The Group operates primarily in Singapore and is organised into four segments as follows:

(i) Fixed Income, Currencies and Commodities – Provision of fixed income issuer services, trading and clearing services and collateral management.

(ii) Equities – Provision of issuer services, securities trading and clearing, securities settlement and depository management, derivatives trading and clearing and collateral management.

(iii) Data, Connectivity and Indices – Provision of market data, connectivity and indices services.

(iv) Corporate – Non-operating segment comprising corporate activities which are not allocated to the three operating segments described above.

Segment performance is evaluated based on operating profits of the segment. Management monitors the operating results of the segments for the purpose of making decisions on performance assessment and resource allocation.

40 Segment information (continued)

	Fixed Income, Currencies and Commodities $'000	Equities $'000	Data, Connectivity and Indices $'000	Corporate $'000	Group $'000
2022					
Operating Revenue	**252,745**	**698,867**	**147,429**	**–**	**1,099,041**
Earnings before interest, tax, depreciation and amortisation	**90,815**	**448,109**	**95,182**	**–**	**634,106**
Depreciation and amortisation	**37,731**	**42,915**	**16,012**	**–**	**96,658**
Operating profit	**53,084**	**405,194**	**79,170**	**–**	**537,448**
Non-operating gains	**–**	**–**	**–**	**17,674**	**17,674**
Share of results of associated companies and joint ventures, net of tax	**–**	**–**	**–**	**(10,534)**	**(10,534)**
Tax	**–**	**–**	**–**	**(92,687)**	**(92,687)**
Net profit after tax					**451,901**
2021					
Operating Revenue	211,754	701,089	143,110	–	1,055,953
Earnings before interest, tax, depreciation and amortisation	72,990	461,723	90,524	–	625,237
Depreciation and amortisation	32,092	45,725	16,706	–	94,523
Operating profit	40,898	415,998	73,818	–	530,714
Non-operating gains	–	–	–	10,048	10,048
Share of results of associated companies and joint ventures, net of tax	–	–	–	(4,286)	(4,286)
Tax	–	–	–	(90,699)	(90,699)
Net profit after tax					445,777

41 Securities Clearing Fund

The Securities Clearing Fund was established under the clearing rules of the securities clearing subsidiary, CDP. The clearing fund is to provide resources to enable CDP to discharge its obligations and the liabilities of defaulting clearing members arising from transactions in approved securities.

The Securities Clearing Fund uses a scalable structure that aligns members' contributions to their clearing risk exposure with CDP. Contributions by clearing members is at minimum of $500,000, and will vary with their value of securities cleared with CDP.

Notes to the Financial Statements

For the financial year ended 30 June 2022

41 Securities Clearing Fund (continued)

The Securities Clearing Fund comprised contributions from both CDP and its clearing members as follows:

(a) Contribution by CDP

	Group	
	2022 $'000	2021 $'000
Cash at bank – contributed by CDP	**60,000**	60,000

Cash contributions by CDP are denominated in SGD and placed in interest bearing accounts with 4 banks (2021: 4 banks). The initial $25,000,000 contribution by CDP into the Securities Clearing Fund is recorded in the securities clearing fund reserve.

(b) Contribution by Clearing Members

The cash contributions from CDP clearing members are not recorded in the statement of financial position of the Group as these contributions are held in trust by the Group.

	Group	
	2022 $'000	2021 $'000
Contributions by CDP clearing members		
– cash at bank, held in trust	**51,452**	49,861

The Securities Clearing Fund is a trust asset held subject to the trust purposes set out in CDP Clearing Rule 7.1.2.

Payments out of the Securities Clearing Fund shall be made in the following order:

(1) Contributions by defaulting clearing member(s);

(2) Contributions by CDP of an amount not less than 15% of the Securities Clearing Fund size or $30,000,000, whichever is higher;

(3) Collateralised contributions by all other non-defaulting clearing members on a pro-rata basis in the proportion of each clearing member's required collateralised contribution to the total required collateralised contributions of all other non-defaulting clearing members at the time of default;

(4) Contingent contributions by all other non-defaulting clearing members on a pro-rata basis in the proportion of each clearing member's required contingent contributions to the total required contingent contributions of all other non-defaulting clearing members;

(5) Insurance (if any); and

(6) Any other contributions (the last layer of the Securities Clearing Fund contributed by CDP amounted to $30,000,000 (2021: $30,000,000)).

42 Singapore Exchange Derivatives Clearing Limited ("SGX-DC") Clearing Fund

The SGX-DC Clearing Fund structure specifies the apportionment and sequence of use of resources in the event of single and multiple defaults. It provides a scalable structure that aligns members' contributions to their clearing risk exposure with SGX-DC.

The Group has committed cash, amounting to $125,021,000 (2021: $150,021,000) (Note 13) to support the SGX-DC Clearing Fund. The SGX-DC Clearing Fund is made up of the following:

	2022 $'000	2021 $'000
SGX-DC share capital earmarked for SGX-DC Clearing Fund	**91,000**	116,000
Derivatives clearing fund reserve (Note (a))	**34,021**	34,021
	125,021	150,021

Except for the $125,021,000 (2021: $150,021,000) mentioned above, other resources available for the SGX-DC Clearing Fund are not included in the statement of financial position of the Group. These are third party obligations towards the SGX-DC Clearing Fund and where they are held by SGX-DC, these resources are held in trust (Note 43(b)).

(a) Derivatives clearing fund reserve

Upon the dissolution of the SGX-DT Compensation Fund on 24 November 2006, the cash proceeds of $34,021,000 were set aside as the Group's derivatives clearing fund reserve to support the SGX-DC Clearing Fund. This reserve is not available for distribution as dividend.

(b) Utilisation of SGX-DC Clearing Fund

The SGX-DC clearing rules enable resources to be mobilised should any derivatives clearing member be unable to meet its obligations. Under the SGX-DC Clearing Fund structure, the resources available would be utilised in the following priority:

(1) the defaulting derivatives clearing member's collateral deposited with or provided to SGX-DC;

(2) SGX-DC's contributions of an amount equivalent to 15% of its clearing fund size;

(3) clearing fund deposits of non-defaulting derivatives clearing members participating in the same contract class as the defaulted derivatives clearing member;

(4) SGX-DC's contributions of an amount equivalent to 10% of its clearing fund size;

(5) clearing fund deposits of other non-defaulting derivatives clearing members not participating in the same contract class as the defaulted derivatives clearing member;

(6) further assessments on other non-defaulting derivatives clearing members; and

(7) any other contributions to the SGX-DC Clearing Fund.

The rules of SGX-DC provide for SGX-DC to continually draw down resources in the above sequence in the event of multiple defaults occurring within a period of 90 days. Upon utilisation of the SGX-DC Clearing Fund, SGX-DC will be obliged to contribute at least 25% of the SGX-DC Clearing Fund size in relation to the paragraph above.

Notes to the Financial Statements

For the financial year ended 30 June 2022

43 Clearing fund, margin and other deposits

The Group, in its normal course of business, through subsidiaries operating as clearing houses, holds assets in trust or contingent assets such as irrevocable letters of credit, government securities or on-demand guarantees. None of these assets or contingent assets, together with the corresponding liabilities, are included in the statement of financial position of the Group.

(a) The Central Depository (Pte) Limited ("CDP")

(i) Margin and other deposits

As the clearing house for securities traded on Singapore Exchange Securities Trading Limited ("SGX-ST"), CDP becomes the novated counterparty for these trades.

The rules of CDP require its clearing members to provide collateral in the form acceptable to CDP as margin deposits to guarantee the performance of the obligations associated with securities traded on SGX-ST and cleared by CDP. The total collateral required by CDP as at 30 June 2022 were approximately $53,925,000 (2021: $48,612,000).

In addition, the CDP Clearing Rules provide that CDP may request its clearing members to place additional collateral with CDP in respect of its securities clearing activities from time to time.

Forms of collateral acceptable by CDP as margins include cash, government securities, selected common stocks and other instruments as approved by CDP from time to time.

As at the reporting date, clearing members had lodged the following collateral with CDP:

	2022 $'000	2021 $'000
Margin deposits		
Cash	**198,180**	187,109
Other collateral		
Irrevocable letters of credit	**30,000**	30,000

All cash deposits in the financial year are placed with banks. Interest earned on the cash deposits is credited to the securities clearing members, with a portion paid to CDP as administrative fee.

43 Clearing fund, margin and other deposits (continued)

(b) Singapore Exchange Derivatives Clearing Limited ("SGX-DC")

(i) Margin deposits

As the clearing house for futures and options traded on Singapore Exchange Derivatives Trading Limited ("SGX-DT") and Over-The-Counter ("OTC") commodities contracts, SGX-DC becomes the novated counterparty for these derivative instruments.

The rules of SGX-DC require its derivatives clearing members to provide margin deposits to guarantee the performance of the obligations associated with derivative instruments positions. Forms of collateral acceptable by SGX-DC as margins include cash, government securities, and other instruments as approved by SGX-DC from time to time.

In addition, the SGX-DC Clearing Rules provide that SGX-DC may request its clearing members to place additional collateral with SGX-DC in respect of its derivatives clearing activities from time to time.

The total margins required by SGX-DC as at 30 June 2022 were approximately $12,561,221,000 (2021: $11,114,204,000).

As at the reporting date, clearing members had lodged the following collateral with SGX-DC:

	2022 $'000	2021 $'000
Margin deposits		
Cash	**13,860,539**	12,894,563
Quoted government securities, at fair value	**1,395,925**	128,251

All cash deposits are placed with banks and/or in reverse repurchase agreements. Interest earned on the cash deposits is credited to the derivatives clearing members, with a portion paid to SGX-DC as administrative fee.

(ii) Performance deposits and deposits received for contract value

For commodities contracts which are physically-settled, the rules of SGX-DC and its contract specifications require its clearing members to provide collateral in the form acceptable to SGX-DC as performance deposits to secure the performance of a delivery contract. In its capacity as escrow agent to the physical delivery of the contract, SGX-DC also collects the contract value of the commodities to be delivered through the exchange.

As at the reporting date, the following were lodged with SGX-DC for performance deposits purposes:

	2022 $'000	2021 $'000
Performance deposits and deposits received for contract value		
Cash	**5**	96

Notes to the Financial Statements

For the financial year ended 30 June 2022

43 Clearing fund, margin and other deposits (continued)

(b) Singapore Exchange Derivatives Clearing Limited ("SGX-DC") (continued)

(iii) Clearing fund and other deposits

The rules of SGX-DC require its clearing members to deposit clearing fund contributions for their derivatives clearing obligations to SGX-DC.

Clearing members are required to post clearing fund deposit amount that is higher of $1,000,000 or the clearing member's proportionate share of the total clearing fund requirement, based on the exposure that the member brings to SGX-DC, taking into account its 3-month average risk margin. Such deposits can be in cash, government securities or any forms of collateral acceptable to SGX-DC.

As at the reporting date, the following clearing fund and other deposits were lodged with SGX-DC for clearing fund purpose:

	2022 $'000	2021 $'000
Clearing fund and other deposits		
Cash	**488,654**	460,595
Quoted government securities, at fair value	**12,844**	18,040

(iv) Collateral for Mutual Offset Settlement Agreement

As at 30 June 2022, irrevocable letters of credit amounting to approximately $458,767,000 (2021: $416,891,000) were lodged by The Chicago Mercantile Exchange with SGX-DC. This is to fulfill collateral requirements under the Mutual Offset Settlement Agreement.

44 Collaterals for Securities Borrowing and Lending

CDP operates a Securities Borrowing and Lending ("SBL") programme for banks, its depositors and depository agents. SBL involves a temporary transfer of securities from a lender to a borrower, via CDP, for a fee. The SBL programme requires the borrowers of securities to provide collateral in the form of cash and/or certain designated securities.

As at the reporting date, borrowers had lodged the following collateral with CDP for SBL purpose:

	2022 $'000	2021 $'000
Cash	**91,964**	29,042
Securities, at fair value	**39,117**	61,005

None of these assets or contingent assets nor the corresponding liabilities are included in the statement of financial position of the Group.

Performance Overview
Group Overview
Value Creation & Sustainability
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Others

45 Securities and Derivatives Fidelity Funds

The fidelity funds are administered by Singapore Exchange Securities Trading Limited ("SGX-ST") and Singapore Exchange Derivatives Trading Limited ("SGX-DT"), as required by Section 176 of the Securities and Futures Act. The assets of the fidelity funds are kept separate from all other assets, and are held in trust for the purposes set out in the Securities and Futures Act. The balances of the fidelity funds are as follows:

	2022 $'000	2021 $'000
Securities Exchange Fidelity Fund	**37,745**	37,664
Derivatives Exchange Fidelity Fund	**25,629**	25,580
	63,374	63,244

The purposes of the fidelity funds pursuant to Section 186 of the Securities and Futures Act are as follows:

(a) to compensate any person (other than an accredited investor) who has suffered a pecuniary loss from any defalcation committed:

  (i) in the course of, or in connection with, dealing in securities, or the trading of a futures contract;

  (ii) by a member of a securities exchange or a futures exchange or by any agent of such member; and

  (iii) in relation to any money or other property entrusted to or received:

    – by that member or any of its agents; or

    – by that member or any of its agents as trustee or on behalf of the trustees of that money or property.

(b) to pay the Official Assignee or a trustee in bankruptcy within the meaning of the Bankruptcy Act (Cap. 20) if the available assets of a bankrupt, who is a member of SGX-ST or SGX-DT, are insufficient to satisfy any debts arising from dealings in securities or trading in futures contracts which have been proved in the bankruptcy by creditors of the bankrupt member.

(c) to pay a liquidator of a member of SGX-ST or SGX-DT which is being wound up if the available assets of a member are insufficient to satisfy any debts arising from dealings in securities or trading in futures contracts which have been proved in the liquidation of the member.

Any reference to dealing in securities or trading of a futures contract refers to such dealing or trading through the exchange which establishes, keeps and administers the fidelity fund or through a trading linkage of the exchange with an overseas securities exchange or an overseas futures exchange.

Notes to the Financial Statements

For the financial year ended 30 June 2022

45 Securities and Derivatives Fidelity Funds (continued)

No further provision has been made in the financial year ended 30 June 2022 for contribution to be paid to the securities and derivatives fidelity funds as the minimum sum of $20,000,000 (2021: $20,000,000) for each fidelity fund as currently required under the Securities and Futures Act has been met.

The assets and liabilities of the fidelity funds are as follows:

	2022 $'000	2021 $'000
Assets		
Fixed deposits with banks	**63,260**	63,100
Bank balance	**144**	387
Interest receivable	**17**	4
	63,421	63,491
Liabilities		
Other payables and accruals	**3**	3
Taxation	**41**	243
Deferred tax liabilities	**3**	1
	47	247
Net assets	**63,374**	63,244

The assets and liabilities of the fidelity funds are not included in the statement of financial position of the Group as they are held in trust.

46 Contingent liabilities

At the balance sheet date, the Group and the Company's contingent liabilities are as follows:

	Group		**Company**	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Unsecured guarantees by SGX-DC to banks for standby letters of credit issued by the banks to Chicago Mercantile Exchange ("CME") for members' open positions on CME. These guarantees are supported by members' collateral balances.	**389,257**	360,409	**–**	–

47 Capital commitments

Capital commitments contracted for at year-end but not recognised in the financial statements are as follows:

	Group		**Company**	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Property, plant and equipment	**179**	450	**–**	–
Software	**5,660**	5,015	**1,052**	603
	5,839	5,465	**1,052**	603

48 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

Directors' fees and key management's remuneration

Key management's remuneration included fees, salary, bonus, commission and other emoluments (including benefits-in-kind) computed based on the cost incurred by the Group and the Company, and where the Group or the Company did not incur any costs, the value of the benefit is included. The directors' fees and key management's remuneration are as follows:

	2022 $'000	2021 $'000
Salaries and other short-term employee benefits	**17,734**	16,166
Employer's contribution to Central Provident Fund	**135**	143
Share-based payment to key management	**5,076**	6,026
	22,945	22,335

During the financial year, 321,800 shares (FY2021: 426,600 shares) under SGX performance share plan and 321,800 shares (FY2021: 426,600 shares) under SGX deferred long-term incentives scheme were granted to key management of the Group. The shares were granted under the same terms and conditions as those offered to other employees of the Company.

49 Financial risk management

Financial risk management objectives and policies

The Group is exposed to market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk arising from its business activities. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors has overall responsibility for the oversight of financial risk management for the Group. The Risk Management Committee ("RMC") assists the Board in discharging its oversight responsibility. The RMC's primary function is to review, recommend to the Board for approval, and where authority is delegated by the Board, approve:

(1) The type and level of risks that the Group undertakes on an integrated basis to achieve its business strategy; and

(2) Frameworks and policies for managing risks that are consistent with its risk appetite.

Management is responsible for identifying, monitoring and managing the Group's financial risk exposures.

Notes to the Financial Statements

For the financial year ended 30 June 2022

49 Financial risk management (continued)

The main financial risks that the Group is exposed to and how they are managed are set out below.

Market risk – Currency risk

The Group manages its main currency exposure as follows:

(a) Revenue receivables from clearing of derivative products
Interest receivables from placements of margin deposits

The Group's revenue from the clearing of derivative products is mainly in USD. Interest receivables from placements of margin deposits with banks are mainly denominated in USD. For these receivables denominated in USD, the Group manages the currency exposure through currency forward contracts which are designated as cash flow hedges. Upon settlement of the currency forward contracts and payment obligations denominated in foreign currency, any excess foreign currencies are converted back to the functional currency of the respective entity in a timely manner to minimise currency exposure. As at the reporting date, there is no significant currency risk exposure arising from these receivables.

(b) Net assets in foreign operations

The Group is exposed to currency risk on the net assets in foreign operations mainly in GBP, EUR and USD.

For the Group's net assets in foreign operations denominated in GBP, the management monitors the Group's currency exposure by tracking the GBP currency movement on a regular basis. The Group does not hedge the currency risk of the net assets in foreign operations.

The Group's net investment in foreign operations denominated in EUR is held under a wholly-owned subsidiary that has a EUR functional currency. Currency exposure arising from the investment is hedged by EUR-denominated convertible bonds issued by the subsidiary. This provides an economic hedge without derivatives being entered.

Part of the currency exposure to the Group's net assets in foreign operations denominated in USD is hedged through borrowings denominated in USD using net investment hedge. To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the debt that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate.

A 5% strengthening (weakening) of the USD and GBP against the SGD at the reporting date would affect other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant.

	2022	2021
	Impact to other comprehensive income $'000	Impact to other comprehensive income $'000
Group		
– USD (5% strengthening)	**19,343**	7,835
– GBP (5% strengthening)	**6,038**	7,523
– USD (5% weakening)	**(19,343)**	(7,835)
– GBP (5% weakening)	**(6,038)**	(7,523)

49 Financial risk management (continued)

Market risk – Currency risk (continued)

(b) Net assets in foreign operations (continued)

Net investment hedge

The amounts relating to items designated as hedging instruments were as follows:

	Carrying amount – liabilities $'000	Line item in the statement of financial position where the hedging instrument is included $'000	Change in value used for calculating hedge ineffectiveness $'000	Recognised in foreign currency translation reserve $'000
2022				
Foreign exchange-denominated loan (USD)	**41,858**	**Loans and borrowings**	**(782)**	**(782)**
Medium term notes (USD)	**54,005**	**Loans and borrowings**	**(5,521)**	**(5,521)**
	95,863		**(6,303)**	**(6,303)**
2021				
Foreign exchange-denominated loan (USD)	88,758	Loans and borrowings	6,913	6,913

The amounts relating to items designated as hedged items were as follows:

	Change in value used for calculating hedge ineffectiveness $'000	Recognised in foreign currency translation reserve $'000
2022		
USD net investment	**8,315**	**8,315**
2021		
USD net investment	(9,477)	(9,477)

Notes to the Financial Statements

For the financial year ended 30 June 2022

49 Financial risk management (continued)

Market risk – Currency risk (continued)

(c) Investments in financial assets, at FVOCI

Investment in financial assets, at FVOCI classified as current assets relate to the Group's and the Company's investments during the year in equity securities and bonds denominated in SGD and USD.

Investment in financial assets, at FVOCI classified as non-current assets relate to Group's investments on a long term basis. The Group does not hedge the currency exposure of these investments. The Group has investments in unquoted equity securities denominated in USD. Management monitors the currency exposure by tracking the currency movement on a regular basis.

A 5% strengthening (weakening) of the USD against the SGD at the reporting date would affect other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant.

	2022	2021
	Impact to other comprehensive income $'000	Impact to other comprehensive income $'000
Group		
– 5% strengthening	**11,102**	7,383
– 5% weakening	**(11,102)**	(7,383)

(d) Cash and cash equivalents

As at the reporting date, the cash balances of the Group and the Company are mainly denominated in SGD, USD, EUR and GBP. USD, EUR and GBP cash balances placed in banks to meet the short-term payment obligations were not hedged.

49 Financial risk management (continued)

Market risk – Currency risk (continued)

(d) Cash and cash equivalents (continued)

The Group and the Company's currency exposures are as follows:

	Group						
	SGD[a] $'000	USD $'000	GBP $'000	EUR $'000	JPY $'000	Others $'000	Total $'000
2022							
Financial assets							
Cash and cash equivalents	812,039	110,086	37,757	32,451	490	4,924	997,747
Trade and other receivables							
– Daily settlement of accounts for due contracts and rights	532,040	39,810	924	1,090	–	3	573,867
– Receivables under NEMS	240,161	–	–	–	–	–	240,161
– Others	133,132	65,590	4,734	9,935	278	4,170	217,839
Financial assets, at FVOCI	62,713	270,506	–	–	–	–	333,219
Financial asset, at FVPL	–	293,545	–	–	–	–	293,545
Loan receivable	–	9,036	–	–	–	–	9,036
Financial liabilities							
Trade and other payables							
– Daily settlement of accounts for due contracts and rights	(532,040)	(39,810)	(924)	(1,090)	–	(3)	(573,867)
– Payables under NEMS	(300,734)	–	–	–	–	–	(300,734)
– Others	(239,812)	(120,840)	(13,945)	(11,543)	(596)	(1,017)	(387,753)
Loans and borrowings	–	(390,072)	–	(345,721)	–	–	(735,793)
Lease liabilities	(52,288)	–	–	–	–	(790)	(53,078)
Net financial assets/ (liabilities)	655,211	237,851	28,546	(314,878)	172	7,287	614,189
Net non-financial assets of foreign subsidiaries	–	15,998	3,830	11,138	–	–	30,966
Currency exposure	655,211	253,849	32,376	(303,740)	172	7,287	645,155
Currency forward contracts	–	(75,693)	–	–	(108)	(378)	(76,179)

[a] The SGD balances have been included for completeness.

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For the financial year ended 30 June 2022

49 Financial risk management (continued)

Market risk – Currency risk (continued)

(d) Cash and cash equivalents (continued)

	Group						
	SGD[a] $'000	USD $'000	GBP $'000	EUR $'000	JPY $'000	Others $'000	Total $'000
2021							
Financial assets							
Cash and cash equivalents	956,048	53,806	17,117	26,982	778	5,298	1,060,029
Trade and other receivables							
– Daily settlement of accounts for due contracts and rights	405,656	36,417	1,225	3,587	–	27	446,912
– Receivables under NEMS	127,290	–	–	–	–	–	127,290
– Others	85,020	51,851	1,598	5,779	209	792	145,249
Financial assets, at FVOCI	9,842	177,561	–	–	–	–	187,403
Financial liabilities							
Trade and other payables							
– Daily settlement of accounts for due contracts and rights	(405,656)	(36,417)	(1,225)	(3,587)	–	(27)	(446,912)
– Payables under NEMS	(143,933)	–	–	–	–	–	(143,933)
– Others	(167,596)	(80,963)	(14,801)	(8,832)	(719)	(4,014)	(276,925)
Loans and borrowings	–	(88,758)	–	(379,003)	–	–	(467,761)
Lease liabilities	(69,484)	(259)	(590)	–	(283)	(806)	(71,422)
Net financial assets/ (liabilities)	797,187	113,238	3,324	(355,074)	(15)	1,270	559,930
Net non-financial assets of foreign subsidiaries	8	19,185	15,578	12,328	–	–	47,099
Currency exposure	797,195	132,423	18,902	(342,746)	(15)	1,270	607,029
Currency forward contracts	–	(99,768)	–	–	(3,104)	(144)	(103,016)

[a] The SGD balances have been included for completeness.

49 Financial risk management (continued)

Market risk – Currency risk (continued)

(d) Cash and cash equivalents (continued)

	Company						
	SGD[a] $'000	USD $'000	GBP $'000	EUR $'000	JPY $'000	Others $'000	Total $'000
2022							
Financial assets							
Cash and cash equivalents	**72,645**	**11,439**	**1**	**3**	**4**	**1,428**	**85,520**
Trade and other receivables	**135,643**	**834**	**–**	**–**	**–**	**63**	**136,540**
Loan receivable	**–**	**9,036**	**–**	**–**	**–**	**–**	**9,036**
Financial liabilities							
Trade and other payables	**(208,768)**	**(3,524)**	**(119)**	**(91)**	**(11)**	**(324)**	**(212,837)**
Loans and borrowings	**–**	**(390,072)**	**–**	**(2,698)**	**–**	**–**	**(392,770)**
Lease liabilities	**(49,655)**	**–**	**(36)**	**–**	**–**	**(47)**	**(49,738)**
Net financial assets/ (liabilities)	**(50,135)**	**(372,287)**	**(154)**	**(2,786)**	**(7)**	**1,120**	**(424,249)**
Currency exposure	**(50,135)**	**(372,287)**	**(154)**	**(2,786)**	**(7)**	**1,120**	**(424,249)**

[a] The SGD balances have been included for completeness.

	Company						
	SGD[a] $'000	USD $'000	GBP $'000	EUR $'000	JPY $'000	Others $'000	Total $'000
2021							
Financial assets							
Cash and cash equivalents	227,723	438	2	3	20	826	229,012
Trade and other receivables	127,197	13	–	–	5	47	127,262
Financial liabilities							
Trade and other payables	(180,323)	(3,017)	(1)	(1)	(1)	(293)	(183,636)
Loans and borrowings	–	(88,758)	–	(4,709)	–	–	(93,467)
Lease liabilities	(69,209)	–	(107)	–	–	(216)	(69,532)
Net financial assets/ (liabilities)	105,388	(91,324)	(106)	(4,707)	24	364	9,639
Currency exposure	105,388	(91,324)	(106)	(4,707)	24	364	9,639

[a] The SGD balances have been included for completeness.

A currency risk sensitivity analysis is not provided as the Group and the Company do not have significant foreign currency exposures.

Notes to the Financial Statements

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49 Financial risk management (continued)

Market risk – Price risk

The Group and the Company are exposed to price risk arising from its investments in financial assets, at FVOCI and FVPL. To manage the price risk arising from these investments, the Group and the Company diversify their multi-asset portfolio comprising of equities and bonds across developed markets and sectors, in accordance with limits set in the investment mandate. During the financial year ended 30 June 2022, the Group made further investments in equities and bonds as part of its review during the financial year. For financial assets, at FVOCI and FVPL classified as non-current assets, these investments are held as strategic investments. Performance of these investments are regularly monitored by management.

A change of 5% (2021: 5%) in prices for investments at the reporting date would affect net profit after tax and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant.

	2022		2021	
	Impact to profit after tax $'000	**Impact to other comprehensive income $'000**	Impact to profit after tax $'000	Impact to other comprehensive income $'000
Group				
– Price increase	**14,677**	**14,238**	–	7,527
– Price decrease	**(14,677)**	**(14,238)**	–	(7,527)

Market risk – Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group and the Company's fixed deposit placements are mainly short-term in nature and placed with banks that offer the most competitive interest rates. The Group and the Company manages its interest rate risks arising from investments in bonds by placing such balances on varying maturities and interest rate terms. The Group and the Company's borrowings are fixed rate instruments held at amortised cost. The borrowings are not subjected to interest rate risk due to the variability of market interest rates.

The tables set out in the following pages illustrate the Group and the Company's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

49 Financial risk management (continued)

Market risk – Interest rate risk (continued)

	Variable rates	Fixed rates				
	Less than 6 months $'000	Less than 6 months $'000	6 to 12 months $'000	Over 1 year $'000	Non-interest bearing $'000	Total $'000
Group						
2022						
Financial assets						
Cash and cash equivalents	**266,335**	**590,600**	**32,502**	**–**	**108,310**	**997,747**
Trade and other receivables	**–**	**–**	**–**	**–**	**1,031,867**	**1,031,867**
Financial assets, at FVOCI	**–**	**–**	**–**	**19,788**	**313,431**	**333,219**
Financial asset, at FVPL	**–**	**–**	**–**	**–**	**293,545**	**293,545**
Loan receivable	**–**	**–**	**–**	**9,036**	**–**	**9,036**
Financial liabilities						
Trade and other payables	**–**	**–**	**–**	**–**	**(1,262,354)**	**(1,262,354)**
Loans and borrowings	**–**	**(41,858)**	**–**	**(693,935)**	**–**	**(735,793)**
Lease liabilities	**–**	**(10,785)**	**(11,355)**	**(30,938)**	**–**	**(53,078)**
Net financial assets/ (liabilities)	**266,335**	**537,957**	**21,147**	**(696,049)**	**484,799**	**614,189**
2021						
Financial assets						
Cash and cash equivalents	273,515	503,620	215,000	–	67,894	1,060,029
Trade and other receivables	–	1	–	–	719,450	719,451
Financial assets, at FVOCI	–	–	–	9,842	177,561	187,403
Financial liabilities						
Trade and other payables	–	–	–	–	(867,770)	(867,770)
Loans and borrowings	–	–	–	(467,761)	–	(467,761)
Lease liabilities	–	(8,300)	(12,066)	(51,056)	–	(71,422)
Net financial assets/ (liabilities)	273,515	495,321	202,934	(508,975)	97,135	559,930

Notes to the Financial Statements

For the financial year ended 30 June 2022

49 Financial risk management (continued)

Market risk – Interest rate risk (continued)

	Variable rates	Fixed rates				
	Less than 6 months $'000	Less than 6 months $'000	6 to 12 months $'000	Over 1 year $'000	Non-interest bearing $'000	Total $'000
Company						
2022						
Financial assets						
Cash and cash equivalents	**39,524**	**45,600**	**–**	**–**	**396**	**85,520**
Trade and other receivables	**–**	**–**	**–**	**–**	**136,540**	**136,540**
Loan receivable	**–**	**–**	**–**	**9,036**	**–**	**9,036**
Financial liabilities						
Trade and other payables	**–**	**–**	**–**	**–**	**(212,837)**	**(212,837)**
Loans and borrowings	**–**	**(41,858)**	**–**	**(350,912)**	**–**	**(392,770)**
Lease liabilities	**–**	**(10,153)**	**(10,048)**	**(29,537)**	**–**	**(49,738)**
Net financial assets/ (liabilities)	**39,524**	**(6,411)**	**(10,048)**	**(371,413)**	**(75,901)**	**(424,249)**
2021						
Financial assets						
Cash and cash equivalents	70,348	103,100	55,000	–	564	229,012
Trade and other receivables	–	1	–	–	127,261	127,262
Financial liabilities						
Trade and other payables	–	–	–	–	(183,636)	(183,636)
Loans and borrowings	–	–	–	(93,467)	–	(93,467)
Lease liabilities	–	(7,949)	(11,675)	(49,908)	–	(69,532)
Net financial assets/ (liabilities)	70,348	95,152	43,325	(143,375)	(55,811)	9,639

49 Financial risk management (continued)

Market risk – Interest rate risk (continued)

A change by 0.5% (2021: 0.5%) in interest rate for the Group's investment in bonds at the reporting date would affect other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant.

	2022 **Impact to other comprehensive income** **$'000**	2021 Impact to other comprehensive income $'000
Group		
– Interest rate increase	**(312)**	(175)
– Interest rate decrease	**315**	175

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The major classes of financial assets of the Group with credit exposures are: receivables from clearing and settlement, receivables under NEMS, trade and interest receivables, cash deposits and investments in debt instruments.

The Group manages its credit exposures as follows:

(a) Clearing and settlement

In the normal course of business as clearing houses, SGX-DC and CDP act as central counterparties ("CCP") for every transaction received by or matched through the Group's facilities. As CCP, each clearing house substitutes itself as the buyer to the selling clearing member, and seller to the buying clearing member, and assumes all rights and obligations to the counterparty. As a result, each clearing house faces considerable credit risk exposure should any of its clearing members be unable to meet its settlement obligations to the clearing house, resulting in a default. The Group has in place a sound and transparent risk management and regulatory framework governing the operations of securities and derivatives markets. On an on-going basis, the Group mitigates its counterparty risk through active monitoring and management of its exposures to clearing members by having in place a system of financial safeguards.

Credit risk management practices

The Group mitigates its exposures to risk by admitting clearing members which meet prescribed capital and financial requirements and have risk management systems to monitor their exposures. On an on-going basis, a clearing member must continue to comply with the financial requirements, and also set aside capital commensurate with its risk exposures. In addition, the clearing member must ensure that it has the necessary systems and procedures to preserve sound liquidity and financial position at all times.

Notes to the Financial Statements

For the financial year ended 30 June 2022

49 Financial risk management (continued)

Credit risk (continued)

(a) Clearing and settlement (continued)

Credit risk management practices (continued)

Both SGX-DC and CDP have well-established risk management systems to monitor and measure the risk exposures of its members. In addition, SGX-DC and CDP require all cleared positions and contracts to be sufficiently collateralised at all times to protect SGX-DC and CDP against potential losses. SGX-DC also revalues and settles the daily mark-to-market variations with clearing members to prevent losses from accumulating. For CDP, it also requires clearing members to monitor compliance with risk management measures such as monitoring for large exposures.

Refer to Note 43 on margin and other deposits held in trust by SGX-DC and CDP.

Financial safeguards

A clearing fund has been established for each of the securities and derivatives markets to be used in support of the clearing houses' roles as CCP. The Group and the relevant clearing members are required to contribute to the respective clearing funds.

Refer to Note 41 and 42 on Securities Clearing Fund and Singapore Exchange Derivatives Clearing Limited Clearing Fund.

Trade receivables arising from settlement of securities trades

Settlement for all securities transactions of securities clearing members are effected through the Group's subsidiary, CDP, and effected through designated settlement banks.

The "Receivables from clearing members and settlement banks" included in trade receivables represent the aggregate of net settlement obligations of each of the clearing members and settlement banks to CDP for the last two trading days of the financial year ended 30 June 2022 and 30 June 2021. As at 30 June 2022, there were 26 (2021: 25) securities clearing members and 8 (2021: 9) designated settlement banks. The Group may have concentration risk exposure to these securities clearing members with regards to their net settlement obligations to CDP. The settlement exposure of CDP to each securities clearing member fluctuates daily according to the net trading position (net buy or net sell) of each securities clearing member and the extent to which these settlement obligations are effected through the settlement banks.

(b) Receivables under NEMS

In relation to NEMS receivables in Note 15, EMC is required to ensure that market participants maintain certain levels of prudential security in discharging its obligations under the NEMS Market Rules ("Market Rules"). EMC is entitled to recover any default receivables from all market participants under the Market Rules and credit risk exposure to NEMS receivables is minimised.

49 Financial risk management (continued)

Credit risk (continued)

(b) Receivables under NEMS (continued)

Under the Market Rules, each market participant has to provide credit support which is not less than 30 times of individual estimated average daily exposure. The Market Rules specify the type of credit support to be provided and assigned to EMC. These include bankers' guarantees or irrevocable commercial letter of credit from reputable financial institutions, cash deposits and Singapore Government Treasury bills. The credit support received as at 30 June 2022 were in the form of bankers' guarantees and cash deposits and have an aggregate value of $766,064,000 (2021: $312,224,000). There is no significant concentration of credit risk for receivables under NEMS.

(c) Trade receivables (excluding balances arising from clearing and settlement of securities trades and NEMS)

Trade receivables (excluding balances arising from clearing and settlement of securities trades and NEMS) of the Group and the Company comprise receivables from trading and clearing members, listed companies and other entities.

(d) Cash deposits and interest receivables

Cash balances of the Group and the Company are mainly placed in fixed deposits with financial institutions of high credit quality. The Board has approved policies that limit the maximum credit exposure to each financial institution. Exposure and compliance with counterparty limits set by the RMC are monitored by the relevant business units and reported by the Risk Management unit to the RMC.

(e) Financial assets, at FVOCI

The bond instruments invested by the Group and the Company are restricted to fixed income securities with minimum credit rating of BBB+ or Baa1 by international credit rating agencies or by internal equivalent rating of investment manager where applicable. These are considered "low credit risk" as they are of investment grade credit rating with at least one major rating agency.

(f) Credit loss allowance

For receivables from clearing and settlement, the expected credit loss is minimal as these receivables were due from clearing members and settlement banks. The admission of these clearing members and settlement banks are subject to the Group's admission criteria, compliance monitoring and risk management measures. These receivables had no recent history of default and there were no unfavourable current conditions at the reporting date.

For receivables under NEMS, there is no expected credit loss. Under the NEMS Market Rules, EMC is entitled to recover any default receivables from all market participants.

Notes to the Financial Statements

For the financial year ended 30 June 2022

49 Financial risk management (continued)

Credit risk (continued)

(f) Credit loss allowance (continued)

For trade receivables excluding balances arising from clearing and settlement of securities trades and NEMS, the Group applied the simplified approach permitted by SFRS(I) 9 which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Expected loss rates are based on the payment profiles of customers and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomics factors affecting the ability of the customers to settle the receivables.

On this basis, the loss allowance for trade receivables as at 30 June 2022 and 30 June 2021 was determined as not material. The gross carrying amount of trade receivables subject to expected credit loss allowance that are more than 360 days past due as at 30 June 2022 and 30 June 2021 is $5,175,000 and $1,930,000 respectively.

Trade receivables excluding balances arising from clearing and settlement of securities trades and NEMS are considered in default if the counterparty fails to make contractual payments within 360 days when they fall due, and are written off when there is no reasonable expectation of recovery. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Financial assets, at FVOCI comprised bond instruments invested by the Group and the Company restricted to fixed income securities at investment grade with minimum credit rating of BBB+ or Baa1 by international credit rating agencies or by internal equivalent rating of investment manager where applicable. Loss allowance is recognised on these assets measured at the 12-month expected credit losses. These financial assets had no recent history of default and none had been below the minimum credit rating of BBB+ or Baa1.

Cash deposits, staff advances and other receivables are subject to immaterial credit loss.

49 Financial risk management (continued)

Credit risk (continued)

(f) Credit loss allowance (continued)

The movements in credit loss allowance are as follows:

	Trade receivables Group	
	2022 $'000	2021 $'000
Balance at beginning of financial year	**1,930**	1,834
Allowance made	**3,578**	1,928
Allowance utilised	**(73)**	(1,146)
Allowance written back	**(260)**	(686)
Balance at end of financial year	**5,175**	1,930

Exposures from receivables from clearing and settlement and receivables under NEMS are managed by risk management systems and collateralised as described above.

The maximum exposure to credit risk to trade receivables, cash deposits and investment in debt instruments is the carrying amount presented on the statement of financial position of the Group and the Company. The Group and the Company do not hold any collateral against these financial instruments. In addition, clearing houses, SGX-DC and CDP, also have general lien on all monies and other properties deposited by clearing members. The clearing house may combine any account of the clearing member with its liabilities to the clearing house. Such funds may be applied towards satisfaction of liabilities of the clearing member to the clearing house.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

(a) Liabilities related risk

The Group and the Company has minimal liquidity risk as it maintains sufficient cash for daily operations through prudent liquidity risk management.

Notes to the Financial Statements

For the financial year ended 30 June 2022

49 Financial risk management (continued)

Liquidity risk (continued)

(a) Liabilities related risk (continued)

The financial liabilities of the Group and the Company are analysed into the relevant maturity buckets based on the remaining period from the balance sheet date to the contractual maturity dates. The amounts disclosed in the table below are contractual undiscounted cash flows.

	Up to 3 months $'000	> 3 months to 1 year $'000	Above 1 year $'000	Total $'000
Group				
2022				
Financial liabilities				
Trade and other payables[a]	**1,243,708**	**18,646**	**–**	**1,262,354**
Lease liabilities	**5,919**	**17,364**	**31,847**	**55,130**
Loans and borrowings	**22,716**	**23,430**	**712,190**	**758,336**
2021				
Financial liabilities				
Trade and other payables[b]	864,133	3,637	–	867,770
Lease liabilities	5,557	16,463	53,070	75,090
Loans and borrowings	–	–	467,761	467,761

[a] Included the following:
$573,867,000 payables to clearing members and settlement banks for daily settlement of accounts for due contracts and rights with a corresponding amount in trade receivables; and
$300,734,000 payables under NEMS with corresponding amounts in cash and cash equivalents and trade receivables.

[b] Included the following:
$446,912,000 payables to clearing members and settlement banks for daily settlement of accounts for due contracts and rights with a corresponding amount in trade receivables; and
$143,933,000 payables under NEMS with corresponding amounts in cash and cash equivalents and trade receivables.

	Up to 3 months $'000	> 3 months to 1 year $'000	Above 1 year $'000	Total $'000
Company				
2022				
Financial liabilities				
Trade and other payables	**149,363**	**–**	**63,474**	**212,837**
Lease liabilities	**5,482**	**15,818**	**30,432**	**51,732**
Loans and borrowings	**22,716**	**23,430**	**363,115**	**409,261**
2021				
Financial liabilities				
Trade and other payables	113,664	–	69,972	183,636
Lease liabilities	5,347	15,909	51,902	73,158
Loans and borrowings	–	–	93,467	93,467

49 Financial risk management (continued)

Liquidity risk (continued)

(a) Liabilities related risk (continued)

As at 30 June 2022, the gross notional value of outstanding currency forward contracts held by the Group was $76,179,000 (2021: $103,016,000). The Group's outstanding currency forward contracts that would be settled on a gross basis are analysed into relevant maturity buckets based on the remaining contractual maturity dates as follows:

	Up to 3 months $'000	> 3 months to 1 year $'000	Total $'000
Group			
2022			
Currency forward contracts			
– gross outflows	**35,264**	**40,790**	**76,054**
– gross inflows	**33,940**	**40,041**	**73,981**
2021			
Currency forward contracts			
– gross outflows	55,375	47,722	103,097
– gross inflows	55,124	47,137	102,261

(b) Contingent liabilities related risk

At the balance sheet date, the following guarantees may impact the liquidity positions in the earliest period in which the guarantees are called upon:

	Group		Company	
	2022 $'000	2021 $'000	**2022 $'000**	2021 $'000
Unsecured guarantees by SGX-DC to banks for standby letters of credit issued by the banks to Chicago Mercantile Exchange (Note 46)	**389,257**	360,409	**–**	–

The settlement obligation of the above contingent liabilities is not determinable as the obligation arises from the occurrence of future events that are not within the control of the Group and the Company.

Notes to the Financial Statements

For the financial year ended 30 June 2022

49 Financial risk management (continued)

Liquidity risk (continued)

(c) Clearing and settlement-related risk

The clearing houses of the Group, CDP and SGX-DC, act as the novated counterparty for transactions of approved securities and derivatives. The Group is exposed to liquidity risk should any clearing member or settlement bank default. The Group has put in place sufficient committed bank credit facilities of $784,375,000 (2021: $896,681,000), comprising committed unsecured credit lines for prudent risk management and to maintain adequate liquid resources.

Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
2022				
Assets				
Derivative financial instruments	**–**	**17**	**–**	**17**
Financial assets, at FVOCI	**94,155**	**8,282**	**230,782**	**333,219**
Financial asset, at FVPL	**–**	**–**	**293,545**	**293,545**
Liabilities				
Derivative financial instruments	**–**	**2,090**	**–**	**2,090**
Financial liability	**–**	**–**	**37,583**	**37,583**
Contingent consideration	**–**	**–**	**36,284**	**36,284**
2021				
Assets				
Derivative financial instruments	–	314	–	314
Financial assets, at FVOCI	40,936	146,467	–	187,403
Liabilities				
Derivative financial instruments	–	1,150	–	1,150
Financial liability	–	–	41,390	41,390
Contingent consideration	–	–	19,358	19,358

49 Financial risk management (continued)

Fair value measurements (continued)

As at 30 June 2022, the Group's financial asset at FVOCI with carrying amount of $230,782,000 was transferred from Level 2 to Level 3 due to unavailability of observable market pricing. To determine the fair value of this financial asset at FVOCI, management used a market comparison valuation technique. No other transfers were made during the financial year.

No transfers were made between Level 1, 2 and 3 for the Group and the Company during the financial year ended 30 June 2021.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group and the Company is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group and the Company use a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for debt instruments. The fair value of currency forward contracts is determined using quoted forward currency rates at the balance sheet date. Unquoted equity securities classified as financial assets, at FVOCI, are valued using latest transacted price. These instruments are classified as Level 2 and comprise debt instruments, derivatives financial instruments and unquoted equity securities.

Where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3. The following table presents the valuation techniques and key inputs that were used to determine the fair value of financial instruments categorised under Level 3.

Description	Fair value $'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs
Forward liability to acquire non-controlling interests	37,583 (2021: 41,390)	Multiples of forecast on Earnings before interest, tax and amortisation ("EBITA")	Forecast of EBITA	Not applicable
Contingent consideration	36,284 (2021: 19,358)	Probability of forecast revenue	Forecast of revenue	Not applicable
Financial asset, at FVPL	293,545 (2021: Nil)	Net Asset Value	Net Asset Value	Not applicable
Financial assets, at FVOCI (unquoted equity securities)	230,782 (2021: 142,432)	Implied market multiple of public comparables on revenue forecast	Forecast of revenue	Not applicable

Management considers that any reasonably possible changes to the unobservable inputs will not result in a significant financial impact.

Notes to the Financial Statements

For the financial year ended 30 June 2022

49 Financial risk management (continued)

Fair value measurements (continued)

The following table presents the reconciliation of financial instruments measured at fair value based on significant unobservable inputs (Level 3).

	Derivative financial instruments $'000	Financial liability $'000	Contingent consideration $'000	Financial asset, at FVPL $'000	Financial assets, at FVOCI $'000
Group					
At 1 July 2020	3,047	40,548	–	–	111,656
Additions	–	–	10,144	–	–
Disposals	(3,047)	–	–	–	–
Fair value losses recognised in profit or loss	–	–	9,564	–	–
Fair value losses recognised in other comprehensive income	–	–	–	–	34,323
Effects of changes in foreign exchange rates	–	842	(350)	–	(3,547)
As at 30 June 2021	–	41,390	19,358	–	142,432
At 1 July 2021	**–**	**41,390**	**19,358**	**–**	**142,432**
Additions	**–**	**–**	**35,467**	**288,579**	**–**
Disposals	**–**	**–**	**(14,811)**	**–**	**–**
Fair value losses recognised in profit or loss	**–**	**–**	**(4,943)**	**–**	**–**
Fair value gains recognised in other comprehensive income	**–**	**–**	**–**	**–**	**79,340**
Effects of changes in foreign exchange rates	**–**	**(3,807)**	**1,213**	**4,966**	**9,010**
As at 30 June 2022	**–**	**37,583**	**36,284**	**293,545**	**230,782**

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

Offsetting financial assets and financial liabilities

The Group reports financial assets and financial liabilities on a net basis on the statement of financial position where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liabilities simultaneously.

The following table shows the effect of netting arrangements on financial assets and liabilities that are reported net on the statement of financial position.

49 Financial risk management (continued)

Offsetting financial assets and financial liabilities (continued)

(a) Financial assets subject to offsetting arrangements

	Gross amounts of recognised financial assets $'000	Less: Gross amounts of recognised financial liabilities set off in the statement of financial position $'000	Net amounts of financial assets presented in the statement of financial position[1] $'000
2022			
Receivables from clearing members and settlement banks – Daily settlement of accounts for due contracts and rights	**2,391,134**	**(1,817,267)**	**573,867**
2021			
Receivables from clearing members and settlement banks – Daily settlement of accounts for due contracts and rights	2,890,674	(2,443,762)	446,912

(b) Financial liabilities subject to offsetting arrangements

	Gross amounts of recognised financial liabilities $'000	Less: Gross amounts of recognised financial assets set off in the statement of financial position $'000	Net amounts of financial liabilities presented in the statement of financial position[1] $'000
2022			
Payables to clearing members and settlement banks – Daily settlement of accounts for due contracts and rights	**2,391,134**	**(1,817,267)**	**573,867**
2021			
Payables to clearing members and settlement banks – Daily settlement of accounts for due contracts and rights	2,890,674	(2,443,762)	446,912

[1] The collateral deposited by clearing members and settlement banks cannot be attributed directly to the individual transactions. For information on the collaterals, please refer to Note 43(a).

Notes to the Financial Statements

For the financial year ended 30 June 2022

50 Capital requirement and management

The Group's capital management objectives are to optimise returns to shareholders whilst supporting the growth requirements of the business and fulfilling its obligations to the relevant regulatory authorities and other stakeholders.

Given the dynamic nature of the Group's business and the framework, the Group regularly reviews and monitors its capital and cash positions to ensure that the business activities and growth are prudently funded. In addition, the Group will seek opportunities to optimise shareholders' returns by creating a more efficient capital structure to reduce the overall cost of capital. SGX aims to pay a sustainable and growing dividend over time, consistent with the Company's long-term growth prospects.

The five regulated subsidiaries within the Group, namely Singapore Exchange Securities Trading Limited, The Central Depository (Pte) Limited, Singapore Exchange Derivatives Trading Limited, Singapore Exchange Derivatives Clearing Limited, and SGX Bond Trading Pte Ltd, are also required to comply with Regulatory Capital Framework ("Framework") issued by the Monetary Authority of Singapore to meet prudential requirements that commensurate with the operational risk, investment risk and the counterparty default risk arising from its central counterparty clearing and settlement activities. The regulated subsidiaries are in compliance with the Framework.

51 New accounting standards and SFRS(I) interpretations

A number of new standards and amendments to standards are effective for annual periods beginning after 1 July 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

The following amendments to SFRS(I)s are not expected to have a significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- *SFRS(I) 17 Insurance Contracts and amendments to SFRS(I) 17 Insurance Contracts*
- *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to SFRS(I) 16)*
- *Reference to the Conceptual Framework (Amendments to SFRS(I) 3)*
- *Property, plant and equipment – Proceeds before Intended Use (Amendments to SFRS(I) 1-16)*
- *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to SFRS(I) 37)*
- *Classification of Liabilities as Current or Non-current (Amendments to SFRS(I) 1-1)*
- *Annual Improvements to SFRS(I)s 2018-2020*
- *Disclosure of Accounting Policies (Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2)*
- *Definition of Accounting Estimates (Amendments to SFRS(I) 1-8)*
- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to SFRS(I) 1-12)*

APPENDIX II

REPRODUCTION OF THE ISSUER'S CONDENSED INTERIM FINANCIAL STATEMENTS AS AT AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

The information set out below is a reproduction of the Issuer's condensed interim financial statements as at and for the six-month period ended 30 June 2022.

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SG Issuer

Société Anonyme

Condensed interim financial statements,
Report of the Executive Board and Corporate Governance Statement and
Report of the Réviseur d'entreprises agréé on review of the condensed interim financial statements

As at and for the six-month period ended 30 June 2022

16, boulevard Royal
L-2449 Luxembourg
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As at 30 June 2022

EXECUTIVE BOARD MEMBERS

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Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Members:

Mr Thierry BODSON
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Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Mr Alexandre GALLICHE
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Mr Pascal JACOB
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Mr Christian ROUSSON (until 28 April 2022)
Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Mr Laurent SIMONET (since 28 April 2022)
Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Mrs Estelle STEPHAN JASPARD
Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Mr Laurent WEIL (until 28 April 2022)
Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

SUPERVISORY BOARD MEMBERS

Chairman:

Mr Pierre LESCOURRET (until 28 April 2022)
Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris - La Défense 7, France

Mr Laurent WEIL (member since 28 April 2022 – Chairman since 10 May 2022)
Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris-La Défense 7, France

Members:

Mr Olivier BLANC
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Mr Angelo BONETTI
Employee of Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris - La Défense 7, France

Mr Gregory CLAUDY
Independent Director
225A, rue du Burgknapp, B-6717 Heinstert, Belgium

Mr Olivier FREITAS
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Audit Committee Members
As at 30 June 2022

AUDIT COMMITTEE MEMBERS

Chairman:

Mr Gregory CLAUDY
Independent Director
225A, rue du Burgknapp, B-6717 Heinstert, Belgium

Members:

Mr Olivier BLANC
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

Mr Olivier FREITAS
Employee of Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg

MANAGEMENT AND ADMINISTRATION

Issuer
SG Issuer
16, boulevard Royal, L-2449 Luxembourg

Guarantor (if applicable, as specified in the Final Terms)
Société Générale
29, boulevard Haussmann, F-75009 Paris, France

Arranger and Dealer
Société Générale
Tour Société Générale, 17, cours Valmy, F-92987 Paris - La Défense 7, France

Security Trustee and Security Agent Trustee
The Bank of New York Mellon Corporate Trustee Services Limited
One Canada Square, London E14 5AL, United Kingdom

Collateral Custodian
The Bank of New York Mellon S.A., Luxembourg Branch
Vertigo Building, Polaris, 2-4, rue Eugène Ruppert, L-2453 Luxembourg, Luxembourg

Collateral Monitoring Agent
The Bank of New York Mellon London Branch
One Canada Square, London E14 5AL, United Kingdom

Custodian Agent, Issuing and Paying Agent, Registrar, Exchange Agent and Transfer Agent
Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg, Luxembourg

Paying Agents
Société Générale
29, boulevard Haussmann, F-75009 Paris, France
&
Société Générale, New York Branch
1221, avenue of the Americas, New York NY 10020, United States of America

Warrant Agent
Société Générale Luxembourg
11, avenue Emile Reuter, L-2420 Luxembourg, Luxembourg

LEGAL ADVISERS AND RÉVISEUR D'ENTREPRISES AGRÉÉ

Legal advisers
To the Arranger as to English, French and U.S. laws
Allen & Overy LLP
52, avenue Hoche, CS 90005, 75379 Paris Cedex 08, France

To the Trustee as to English Law
Allen & Overy LLP
1 Bishops Square, London E1 6AD, United Kingdom

To the Arranger as to Luxembourg Law
Allen & Overy Luxembourg
5, avenue John F. Kennedy, L-1855 Luxembourg, Luxembourg

Independent Auditor (Réviseur d'entreprises agréé)
Ernst & Young S.A.
35E, avenue John F. Kennedy, L-1855 Luxembourg, Luxembourg

REPORT OF THE EXECUTIVE BOARD AND CORPORATE GOVERNANCE STATEMENT

The Directors of SG Issuer (the "Company" or “SGIS”) (each a « Director », collectively the « Executive Board ») present the condensed interim financial statements and the Report of the Executive Board and Corporate Governance Statement of the Company for the period from 1 January 2022 to 30 June 2022.

1. ACTIVITIES AND REVIEW OF THE DEVELOPMENT OF THE BUSINESS

The purpose of SG Issuer is to issue Notes and Warrants with all types of underlyings including, without restriction, Shares, Index, Interest Rate, Dividend, Credit Risk, Foreign Exchange, Commodities, Funds, Warrants, allowing investors to access to the full pricing capabilities of Société Générale, which proposes an extensive range of investment strategies linked to these various asset classes.

Notes and Warrants issued by the Company can be sold in either Private Placements or Public Offerings.
Notes are mainly Debt Securities, Bonds, and Certificates. Issuing proceeds raised by the sale of the Notes will be transferred to Société Générale S.A. (“Société Générale”) through a Fully Funded Swap (“FFS”), which perfectly hedges SGIS for the full issue size.

Warrants are financial products like Turbos, inline Warrants, daily Leverage Certificates, which aim to replicate the same financial exposure as buying (Call) or selling (Put) an asset such as a share or an index, at a predetermined price (strike price) on a predetermined date (expiry) and to offer different pay-off or exposures to investors.

Payments in respect of the Notes and Warrants issued by the Company are unconditionally and irrevocably guaranteed by Société Générale.

On request of investors, the Company can issue Collateralised Notes or Warrants (respectively “secured Notes” or “secured Warrants”) in order to propose an additional layer of protection to investors in case of default of Société Générale.

Notes and Warrants issuances are governed by the programs prepared by Société Générale.

The main programs for Notes are (i) the Debt Instruments Issuance Program, the Base Prospectus of which has been updated and approved by the CSSF on 1 June 2022 and (ii) the “Programme d'Emission de Titres de Créance”, the Base Prospectus of which has been updated and approved by the CSSF on 13 June 2022. Similarly, the main program for Warrants is the Warrants Issuance Program, for which the last updates have been approved by the CSSF on 27 June 2022.

In addition, (i) the German law Dual Language Debt Instruments Issuance Program has been updated and approved by the CSSF on 15 June 2022 and (ii) the Dual Language Leveraged and Tracking Products Issuance Program has been updated and approved by the CSSF on 6 July 2022.
The UK Securities Issuance Program and Swiss Securities Issuance Program were respectively approved by the CSSF on 1 June 2022 and 4 July 2022.

The newly created German Debt Instruments Issuance Program was approved by the CSSF on 8 April 2022.

The state of business of the Company at the closing of the six-month period ended 30 June 2022 is adequately presented in the interim financial statements published hereby.

During the six-month period ended 30 June 2022, 7 223 new Notes were issued (among which 53 new secured Notes) and 1 214 new Warrants were issued[1]. The net profit for the period from 1 January 2022 to 30 June 2022 amounts to KEUR 290.

The Company did not exercise any research and development activity, does not have any branch, and did not acquire any own shares.

2. RISKS AND UNCERTAINTIES

The risks associated with the investment in the Notes or Warrants depend on several factors. Such factors will vary depending on the characteristics of the Notes or Warrants issued, in particular depending on the underlying type, the maturity, the secured / unsecured status of the Notes or Warrants, the interest rates incurred, the volatility of the underlying.

For each Note, the Company systematically hedges its position by contracting a FFS with Société Générale, with strictly identical characteristics. Also, for each Warrant, the Company systematically hedges its position by contracting an option with Société Générale, with strictly identical characteristics.

The legal documentation and the derivative instruments have been put in place in order to make sure that the assets match the liabilities at any time. Therefore, no market risk is supported by the Company. The risk management in relation to the Notes and Warrants is also described in Note 10 hereafter.

3. CRISIS: COVID-19 AND WAR IN UKRAINE

The lifting of the Covid-19-related restrictions in several major economies supports economic activity without, however, excluding the risk of new lockdowns as it has occurred in some geographic areas during the first half-year 2022 (in Hong-Kong for example).

On the other hand, the first semester of 2022 has been strongly impacted, since 24 February, by the war in Ukraine. The conflict, with its human casualties and suffering, has significant economic costs along with considerable uncertainties.

In the euro area, the supply difficulties, the decline in purchasing power with the high inflation expected all through 2022 and the tightening of economic policies are the main bottlenecks constraining growth. If pandemic-related risks have decreased significantly in the short-term, the strong uncertainties related to the war in Ukraine jeopardise these prospects and the scenario of a more pronounced slowdown in 2022 cannot be excluded.

The Executive Board had performed an analysis toward the Company’s exposure to the above. The Company, including its going concern, is not directly significantly impacted by the above and the situation will continue to be monitored, including the possible impact of changing micro and macroeconomic conditions.

4. FUTURE DEVELOPMENTS AND PERSPECTIVES

Following the acquisition by the Société Générale Group (SG Group) of the listed warrants activities from Commerzbank, Société Générale decided to centralize the new warrants issuances into another vehicle of the SG Group. The Company will however pursue its warrants issuances activity on the Asian markets to another issuer. As expected by the Executive Board, the 2022 commission income of the Company related to Warrants issuance decreased by more than half compared to previous year.

[1] The number of issued Notes and Warrants does not take into account the issuances which have been issued and cancelled during the same financial period.

5. INFORMATION ON LITIGATIONS

During the year ended 31 December 2020, SG Issuer, as the Issuer of Notes linked to the credit risk of a French corporate, and Société Générale, as the Guarantor, were brought before the Courts of Paris (alongside other French financial institutions) by end investors to obtain compensation for the financial loss they suffered on their investment in these securities. The French corporate was the subject of a “safeguard procedure”, which constitutes a credit event under the terms of the Notes which had a strong impact on the value of the Notes. These investors rely on unfounded allegations according to which SG Issuer and Société Générale were aware of the difficulties of the French corporate when setting up and marketing these Notes and that in doing so, they failed to meet their regulatory obligations (to act in an honest, fair and professional manner, to provide information on the product risks and to determine the suitability of the Notes for retail investors).

For this litigation, along with any other litigation relating to securities issued by SG Issuer, SG Issuer is entitled to an indemnification by Société Générale in respect of any sum due by SG Issuer regarding potential damages or attorneys' fees.

6. SUBSEQUENT EVENTS

As at 30 June 2022, there was no subsequent event.

7. CORPORATE GOVERNANCE STATEMENT

The Executive Board of the Company is committed to maintaining the standards of corporate governance enforced at the level of the European Union and at level of the Société Générale Group. This statement describes the Company’s governance principles and practices.

In compliance with its status, the Company is governed by an Executive Board and supervised by a dedicated Supervisory Board.

7.1. Executive board

The Executive Board supervises and controls the management and operations of the Company and is responsible for the Company system of risk management and internal control.

The Executive Board meetings are held on demand several times during the year.

The Board has quorum when more than half of its members are present. An opinion supported by more than half of the members present becomes a decision.

Key tasks of the Executive Board:

- Ensures that the supervision of accounting is organised and monitored appropriately;
- Reviews and approves the Company’s financial statements and condensed interim financial statements;
- Supervises and controls operative management.

7.2. Supervisory board

The Supervisory Board ensures permanently and by all necessary means the control of the management of the Company carried out by the Executive Board. However, this supervision has to be translated in no way by an intervention in the management of the Company. The Supervisory Board can mandate advisory committees comprised of members of the Supervisory Board and/or of other non-members to lead different missions. The Supervisory Board can confer power or mandates permanently or temporary to these advisory committees. These advisory committees cannot have the effect of restricting the powers of the Executive Board.

7.3. Audit committee

The mission of the Audit Committee is to monitor the issues related to the preparation and control of accounting and financial information, to monitor the independence of the statutory auditors, as well as to monitor the efficiency of the internal control, measurement, supervision and risk control systems related to the accounting and financial processes. If needed, it gives recommendations and its opinion to the Supervisory Board.

An Audit Committee took place on 25 April 2022, during which the financial statements for the financial period ended 31 December 2021 and the external audit results were presented. At least one member of the committee must be independent, which is the case of the Chairman of the Company’s Audit Committee.

7.4. Internal audit

The Internal Audit of both Société Générale Luxembourg S.A. (“SG Luxembourg”) and Société Générale Group support the Company’s Executive Board in overseeing the Company’s activities and securing its operations by carrying out internal audits and providing consultative assistance. The objective of Internal Audit is to add value by making recommendations designed to improve the Company’s functioning. Internal Audit is an independent function and its activities are based on international professional internal audit standards and rules of ethics.

The central task of Internal Audit is to audit the functioning of SG Issuer on a regular basis and evaluate its internal controls, risk management, and administrative function. The areas to be audited are determined by the projected financial and operational risks concerned. Internal Audit can also carry out special assignments at the request of management.

Internal Audit does not have any direct authority over the activities it reviews.

7.5. Controls framework

First level of controls is related to the execution of the procedures, guidelines and instructions established to ensure the proper and efficient functioning of the Company. They are executed by the involved teams in charge of the production.

A second level of control is ensured by SG Luxembourg: Outsourced Essential Services (“OES”) supervision (ensured by the Corporate department), Market Risk and Operational Risk (ensured by the Risk department), “Level 2 permanent control” activity (monitoring and assessment of the level 1 permanent control system).”

The Chief Financial Officer of the Company ensures the completeness of the procedural framework.

7.6. New products committee

All the new activities and businesses of the Company are analysed and authorised by a dedicated New Products Committee (NPC). All involved departments within SG Luxembourg are represented (operations, finance, risk, accounting standards, etc…) to assess the impact for the Company.

7.7. Service level agreements

The Company and several of its service providers are subsidiaries of the Société Générale Group and therefore benefit from the Group's internal control systems.

Service Level Agreements ("SLAs") were signed by the Company with SG Luxembourg and with Société Générale. The SLAs govern the relations between the entities as well as their respective obligations. The services supplied by SG Luxembourg and Société Générale are listed in the appendices of the agreements (mainly General services, legal services, business continuity management services and financial services from SG Luxembourg and operational services – Middle Office and Back Office – from Société Générale). In particular, the calculation of the remuneration related to the issuance of the Notes is delegated to Société Générale Paris Middle office within the framework of the SLA.

Luxembourg, 30 September 2022
For the Executive Board

Yves CACCLIN
Chairman of the Executive Board

Thierry BODSON
Member of the Executive Board

Global Statement for the condensed interim financial statements

As at 30 June 2022

To the best of our knowledge, the condensed interim financial statements are prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union and give a true and fair view of the financial position and performance of SG Issuer as at and for the six-month period ended 30 June 2022. The condensed interim financial statements comprise the interim statement of financial position as at 30 June 2022, the interim statement of profit and loss and other comprehensive income, the interim statement of changes in equity and the interim statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes.

To the best of our knowledge, the report of the Executive Board and Corporate Governance Statement includes a fair review of the development and performance of the Company, and a description of the principal risks and uncertainties that the Company faces.

Luxembourg, 30 September 2022

Yves CACCLIN
Chairman of the Executive Board

Thierry BODSON
Member of the Executive Board

Building a better
working world

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Société anonyme

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Report of the Réviseur d'entreprises agréé on review of the condensed interim financial statements

To the Shareholders of
SG Issuer S.A.
16, boulevard Royal
L-2449 Luxembourg

Introduction

We have reviewed the accompanying condensed interim financial statements of SG Issuer as at and for the six-month period ended 30 June 2022, which comprise the interim statement of financial position as at 30 June 2022 and the related interim statement of profit and loss and other comprehensive income, the interim statement of changes in equity, the interim statement of cash flows for the six-month period then ended and a summary of significant accounting policies and explanatory notes. The Executive Board is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* as adopted by the European Union ("IAS 34"). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Dorian Rigaud

Luxembourg, 30 September 2022

Condensed interim financial statements

As at 30 June 2022

Interim statement of financial position

	Note	('000 EUR) 30.06.2022	('000 EUR) 31.12.2021
Cash and cash equivalents	3	23 537	36 384
Financial assets at fair value through profit or loss			
- *Mandatorily measured at fair value through profit or loss*	4.1	38 846 422	40 322 401
- *Trading derivatives*	4.1	781 375	714 838
Loans and receivables	5	50 001	50 021
Other assets		479 902	497 267
Total assets		**40 181 237**	**41 620 911**
Financial liabilities at amortised cost	4.3	58 820	76 412
Financial liabilities at fair value through profit or loss			
- *Designated at fair value through profit or loss*	4.2	38 846 530	40 323 850
- *Trading derivatives*	4.2, 10	781 301	714 854
Other liabilities		492 212	503 809
Tax liabilities	6	98	-
Total liabilities		**40 178 961**	**41 618 925**
Share capital	7.1	2 000	2 000
Share premium	7.1	-	-
Legal reserve	7.2.1	200	200
Other reserves	7.2.2	(214)	1
Profit for the financial period/year		290	(215)
Total equity		**2 276**	**1 986**
Total equity and liabilities		**40 181 237**	**41 620 911**

TB

Condensed interim financial statements (continued)
As at 30 June 2022

Interim statement of profit and loss and other comprehensive income

	Note	('000 EUR) 1st half of 2022	('000 EUR) 1st half of 2021
Interest income		66	381
Commission income	8	18 456	23 539
Net gains from financial instruments at fair value through profit or loss		127	55
Total revenues		**18 649**	**23 975**
Interest expenses		(10 470)	(14 254)
Personnel expenses		(136)	(143)
Other operating expenses		(7 656)	(9 524)
Total expenses		**(18 262)**	**(23 921)**
Cost of risk	5	1	3
Profit before tax		**388**	**57**
Income tax	6	(98)	(16)
Profit for the financial period		**290**	**41**
Total comprehensive income for the period		**290**	**41**

TB

Condensed interim financial statements (continued)

As at 30 June 2022

Interim statement of changes in equity

	('000 EUR) Share capital	('000 EUR) Share premium	('000 EUR) *Legal reserve*	('000 EUR) *Other reserves*	('000 EUR) Total reserves	('000 EUR) Profit for the financial year/period	('000 EUR) Total equity
As at 31 December 2020	**2 000**	-	*200*	*0*	**200**	199	**2 399**
Allocation of the result of the previous year before dividend distribution	-	-	-	*199*	199	(199)	-
Capital increase / Allocation to the share premium account (Note 7.1)	-	16 926	-	-	-	-	16 926
Dividend paid (Note 7.1)	-	-	-	*(199)*	(199)	-	(199)
Reimbursement of the share premium (Note 7.1)	-	(16 926)	-	-	-	-	(16 926)
Profit and other comprehensive income for the period from 1 January 2021 to 30 June 2021	-	-	-	-	-	41	41
As at 30 June 2021	**2 000**	-	*200*	*1**	**201**	**41**	**2 242**
Profit and other comprehensive income for the period from 1 July 2021 to 31 December 2021	-	-	-	-	-	(256)	(256)
As at 31 December 2021	**2 000**	-	*200*	*1**	**201**	**(215)**	**1 986**
Allocation of the result of the previous year before dividend distribution	-	-	-	-	-	215	215
Allocation to loss brought forward	-	-	-	*(215)*	(215)	-	(215)
Capital increase / Allocation to the share premium account (Note 7.1)	-	28 244	-	-	-	-	28 244
Dividend paid (Note 7.1)	-	-	-	-	-	-	-
Reimbursement of the share premium (Note 7.1)	-	(28 244)	-	-	-	-	(28 244)
Profit and other comprehensive income for the period from 1 January 2022 to 30 June 2022	-	-	-	-	-	290	290
As at 30 June 2022	**2 000**	-	*200*	*(214)*	**(14)**	**290**	**2 276**

* Other reserves as at 31.12.2021 amount to KEUR 1 and relate to the retained earnings which the Company was not able to distribute as a dividend as they were indivisible by the number of shares. Due to rounding in KEUR, this KEUR 1 difference between the 2020 profit and the dividend distribution does not appear in the above table.

The accompanying notes are an integral part of these condensed interim financial statements.

Interim statement of cash flows

	Notes	('000 EUR) 1st half of 2022	('000 EUR) 1st half of 2021
OPERATING ACTIVITIES			
Profit for the financial period		290	41
Net (increase)/decrease in financial assets	4.1	(10 618 051)	(9 598 256)
Net increase/(decrease) in financial liabilities	4.2	10 592 495	9 412 474
(Increase)/decrease in other assets		17 365	524 939
Increase/(decrease) in tax liabilities and other liabilities		(11 499)	(531 015)
Taxes paid	7	-	-
Non cash adjustments :			
Net change in fair value and foreign exchange difference	4.1, 4.2	34 798	193 409
Change in cost of risk	5	(1)	(3)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**15 397**	**1 589**
FINANCING ACTIVITIES			
Payment of capital surplus*	7.1	(28 244)	(16 926)
Dividend paid		-	(199)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		**(28 244)**	**(17 125)**
Cash and cash equivalents as at the beginning of the period	3	36 384	44 293
Net increase/(decrease) in cash and cash equivalents		(12 847)	(15 536)
Cash and cash equivalents as at the end of the period		**23 537**	**28 757**
Additional information on operational cash flows from interest and dividends			
Interest paid		28 309	17 291
Interest received		66	384
Dividend received		-	-

** KEUR 28 244 for the period ended 30 June 2022 (and KEUR 16 926 for the year ended 30 June 2021) represent the share premium reimbursed by the Company to the shareholder (refer to Note 7.1).*

Notes to the condensed interim financial statements
As at 30 June 2022

NOTE 1 – CORPORATE INFORMATION

SG Issuer (hereafter the "Company" or “SGIS”) is a Luxembourg company incorporated on 16 November 2006 as a public limited liability company (Société Anonyme) for an unlimited period.

Since April 2013, the Company’s corporate objects are to issue debt securities, bonds, certificates, warrants and any other debt securities or acknowledgements of debts or financial securities, whether or not accompanied by guarantees, with any type of underlying security, including, without limitation, company stock, any other capital security or security other than capital, index, currency, exchange rate, interest rate, dividend, credit risk, fund unit, investment company stock, term deposit, life assurance contract, loan, merchandise, term contract, option, warrant or option coupons, allocated or unallocated precious metals, unit of account, basket or any other factor or any other type of underlying securities and any combination of the latter.

To that effect, the Company may purchase, hold, dispose of, lend, loan or resell, by any means, including in particular the use of trusts, in trust or repurchase, any type of assets whatever their names and forms and whether or not accompanied by guarantees, in particular financial instruments (financial securities - stocks, fund units, bonds, certificates, warrants - or financial contracts - swaps, options or other) or any other debt securities, acknowledgements of debts or capital securities, receive or issue monetary loans (including loans convertible into shares of the Company) - within the group of companies to which the Company belongs - and to supply guarantees in any form (actual guarantees such as pledges, securities, mortgages or other - personal guarantees or any other form of guarantee) for their own account, for the account of the group of companies to which the Company belongs or on behalf of third parties.

The Company’s financial year begins on 1 January and ends on 31 December each year.

The Company’s capital is divided into 50 009 shares, of which 49 909 are held by SG Luxembourg and 100 are held by Société Générale.

The accounts of the Company are included in the consolidated accounts of Société Générale S.A. (hereafter “Société Générale” or the “parent Company”), which is the largest body of undertakings of which the Company forms a part as a subsidiary undertaking, and whose head-office is located at 29, boulevard Haussmann, 75009 Paris, France.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

2.1.1. <u>Statement of compliance</u>

The financial statements of the Company as at and for the year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and interpretations adopted by the International Accounting Standards Board ("IASB").

The financial statements as at and for the year ended 31 December 2021 were authorised for issue by the Supervisory Board on 27 April 2022.

The condensed interim financial statements as at and for the six-month period ended 30 June 2022 have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as adopted by the European Union and interpretations adopted by the International Accounting Standards Board ("IASB"). The condensed interim financial statements as at and for the six-month period ended 30 June 2022 were approved and authorised for issue by the Supervisory Board on 30 September 2022.

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements as at 31 December 2021.

2.1.2. Basis of measurement of financial assets and financial liabilities

Financial assets and financial liabilities linked to the activity of the Company are measured at fair value through profit or loss. Other financial assets and financial liabilities are measured at amortised cost.

2.1.3. Functional and presentation currency

These condensed interim financial statements are prepared in Euro ("EUR"), which is the Company’s functional currency and the currency of its share capital. Unless stated otherwise, the amounts in the condensed interim financial statements are expressed in thousands of EUR (KEUR). The value "0" indicates the presence of a number, which is rounded to zero, while "-" represents the value nil.

2.1.4. Use of estimates and judgements

The preparation of the Company’s condensed interim financial statements requires the Executive Board to make judgments, estimates and assumptions that affect the reported amount of figures recorded in the statement of profit and loss, on the unrealised or deferred gains and losses, on the valuation of assets and liabilities in the statement of financial position, and on information disclosed in the notes to the condensed interim financial statements.

In order to make these assumptions and estimates, the Executive Board uses information available at the date of preparation of the condensed interim financial statements and can exercise its judgment. By nature, valuations based on estimates include risks and uncertainties relating to their occurrence in the future. Consequently, actual future results may differ from these estimates and may then have a significant impact on the condensed interim financial statements.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the Company's accounting policies, the Executive Board has made the following judgments and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond Company's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the condensed interim financial statements with substantial Executive Board judgment and/or estimates are listed below with respect to judgments/estimates involved.

The use of significant estimates and judgment mainly concerns the following topics:

- Fair value in the interim statement of financial position of financial instruments not quoted in an active market which are classified as financial assets and liabilities at fair value through profit or loss (see Notes 4.1 and 4.2);

- The amount of impairment and provisions for credit risk related to financial assets measured at amortised cost (see Note 5);

- The analysis of the contractual cash flow characteristics of financial assets (see Note 2.3.3.1).

2.1.5. Segment reporting

No dedicated management reporting information is presented for SGIS to a chief decision maker; only the annual financial statements and the condensed interim financial statements are presented to the Executive Board of SGIS in analysing the performance of the Company. The Company has only one geographical area related to its revenue, which is France.

The business of the Company is not seasonal. Therefore, the additional disclosure of financial information for the twelve months up to the end of the interim period and comparative information for the prior twelve-month period, encouraged in IAS 34.21, are not necessary and not provided.

2.2. New accounting standards

2.2.1. New accounting standards applicable as at 1 January 2022

2.2.1.1. Amendments to IAS 37 "provisions, contingent liabilities and contingent assets "onerous contracts - contract execution costs "

Issued by the IASB in May 2020 and adopted by European Union on 2 July 2021

These amendments specify the costs to be used in determining the costs of fulfilling a contract when analyzing onerous contracts.

No material impact has been identified as at 30 June 2022.

2.2.1.2. Amendments to IAS 16 "tangible fixed assets - proceeds before intended use”

Issued by the IASB in May 2020 and adopted by European Union on 2 July 2021

These amendments prohibit an entity deducting from the cost of a tangible fixed assets any proceeds from selling items produced while bringing that asset to its location or condition necessary for its operating state. Instead, an entity would recognise the proceeds from selling such items, and the cost of producing those items, in profit or loss.

No material impact has been identified as at 30 June 2022.

2.2.1.3. Annual IFRS improvements (2018 - 2020 cycle)

Issued by the IASB on 14 May 2020 and adopted by European Union on 2 July 2021

As part of the annual procedure for improving IFRS, the IASB published minor changes to IFRS 9 “Financial instruments”” and IFRS 16 “Leases”. The IASB also published minor changes to IFRS 1 “First time adoption of International Financial Reporting Standards” and IAS 41 “Agriculture”, which is not applicable to the Group. The amendment on IFRS 9 “Financial instruments” clarifies which fees an entity includes when performing the “10 per cent” test to assess whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.

The amendment to IFRS 16 clarifies the treatment of lease incentives related to reimbursement of leasehold improvements by the lessor. The amendment only relates to an illustrative example.

No material impact has been identified as at 30 June 2022.

2.2.1.4. IFRS interpretations committee (ifric) decision on ias 38

Issued by IFRIC on 27 April 2021

During its 27 April 2021 meeting, the IFRIC reiterated the accounting rules for a customer's costs of configuring or customizing the supplier's application in a ‘Software as a Service’ (SaaS) arrangement.
The Company has not identified any material impact as at 30 June 2022.

2.2.2. <u>Accounting standards, amendments or interpretations to be applied by the Company in the future</u>

IASB publishes accounting standards, amendments and interpretations, some of which have not been adopted by the European Union as at 30 June 2022. They are required to be applied from annual periods beginning on 1 January 2023 at the earliest or on the date of their adoption by the European Union. They have not been applied by the Company as at 30 June 2022.

These standards are expected to be applied according to the following schedule:

2023

- Amendments to IAS 1 " Classification of liabilities"
- Amendments to IAS 1 "Disclosure of Accounting Policies "
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Income taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- IFRS 17 “Insurance contracts” and IFRS 9 “Financial Instruments” to the legal entities operating in the insurance sector

2.2.2.1. Amendments to IAS 1 "Classification of liabilities"

Issued by the IASB on 23 January 2020

On 23 January 2020, the International Accounting Standards Board (IASB) issued amendments to IAS 1 “Presentation of Financial Statements” to clarify the requirements for classifying liabilities as current or non-current. More specifically:

- The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists.

- Management expectations about events after the balance sheet date, for example on whether a covenant will be breached, or whether early settlement will take place, are not relevant.

- The amendments clarify the situations that are considered settlement of a liability.

The new guidance will be effective for annual periods starting on or after 1 January 2022.

On 15 July 2020, the IASB issued Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Amendment to IAS 1) deferring the effective date of the January 2020 amendments to IAS 1 for annual reporting periods beginning on or after 1 January 2023. The Accounting Standards Board approved this amendment to IAS 1 on October 2020.

At this stage, the Company does not expect any significant impact from these amendments.

2.2.2.2. Amendments to IAS 1 “Disclosure of Accounting policies”

Adopted by the European Union on 2 March 2022

These amendments aim to help companies to improve the relevance of the information on accounting methods provided in the Notes and its usefulness for investors and users of financial statements.

At this stage, the Company does not expect any significant impact from these amendments.

2.2.2.3. Amendments to IAS 8 “Definition of an Accounting estimate”

Adopted by the European Union on 2 March 2022

These amendments aim to facilitate the distinction between changes in accounting policies and changes in accounting estimates.

At this stage, the Company does not expect any significant impact from these amendments

2.2.2.4. Amendments to IAS 12 “Income tax – Deferred tax for assets and liabilities related to the same transaction”

Issued by the IASB on 7 May 2021

These amendments clarify and narrow the scope of the exemption of not recognize deferred tax during the initial recognition of an asset and a liability, offered by IAS 12. Therefore, lease contracts and decommissioning obligations for which companies record both assets and liabilities are excluded and they will have now to book deferred taxes.

The objective of these amendments is to reduce the heterogeneity in the recognition of deferred tax relating to leases and decommissioning obligations.

Since the implementation of IFRS 16, the Group has considered rights of use and lease debts as a single transaction. Thus, on the date of first recognition, no deferred tax is recognized, as the value of the deferred tax assets generated offsets the value of the deferred tax liability. The differences due to subsequent variations in the right of use and lease liability lead to the recognition of deferred tax. As such, this amendment has no effect on the Company accounts.

2.2.2.5. Preparation for the first-time application of IFRS 17 “insurance contracts” and of IFRS 9 “Financial instruments” to the legal entities operating in the insurance sector

Issued by the IASB on 18 May 2017, amended on 25 June 2020 and 9 December 2021

The IFRS 17 standard, will replace the IFRS 4 “Insurance contracts” standard which allows for the recognition of insurance contracts using the methods specified by the local accounting regulation.

At this stage, the Company does not expect any significant impact from this new standard as it does not have insurance activity.

2.3. Summary of significant accounting policies

2.3.1. Foreign currency transactions

The Company maintains its books in EUR, which is the currency of the capital.

Assets and liabilities denominated in foreign currencies are translated into EUR at the exchange rates ruling at the reporting date. Foreign exchange differences arising on translation and realised exchange gains and losses are recognised in the interim statement of profit and loss and other comprehensive income in the caption Net gains on financial instruments at fair value through profit or loss and Interest Expenses.

Revenues and expenses in foreign currencies are translated into EUR at the exchange rates prevailing at the date of the transactions.

The most important foreign currency positions for the Company are USD, JPY, GBP, HKD and CHF. The following foreign exchange rates were used:

	USD	**JPY**	**GBP**	**HKD**	**CHF**
30.06.2022	1.0387	141.54	0.8582	8.1493	0.9960
31.12.2021	1.1326	130.38	0.8403	8.8333	1.0331
30.06.2021	1.1884	131.43	0.8580	9.2293	1.0980

2.3.2. Cash and Cash equivalents

Cash and cash equivalents comprise only cash repayable on demand.

Cash and cash equivalents in the Company are subject to impairment under IFRS 9 and are presented net of impairment (cf. Note 2.3.3.3).

2.3.3. Financial instruments

2.3.3.1. Classification of financial instruments

Classification of financial assets

Financial assets are classified under IFRS 9 based on the characteristics of their contractual cash flows and on how they are managed (business models).

For the debt instruments held, SGIS has defined its business model as "held to collect" for the FFS, for Cash and cash equivalents and for Loans and receivables. These assets are acquired in order to collect the contractual cash-flows attached to the assets. No sale has been made in the past years and no sale is anticipated in the future.

The FFS are economically assimilated to loans with embedded derivatives (the swap embedded in the FFS). These types of financial assets comply with the IFRS definition of debt instruments (fixed maturity, coupon calculated as a rate, no right nor interest/control in an entity). As these financial assets of SGIS contain embedded derivatives that modify the cash flows of the entire contract, the contract does not pass the Solely Payments of Principles and Interest (or "SPPI") test and consequently these financial assets are mandatorily measured at Fair Value through Profit and Loss ("FVTPL").

Cash and cash equivalents and Loans and receivables are SPPI compliant and are thus measured at amortised cost. Cash and cash equivalents and Loans and receivables are subject to impairment under IFRS 9 and are presented net of impairment.

The Options held, covering the Warrants issued, are Trading derivatives and thus measured at FVTPL.

Purchases and sales of financial assets recorded under Financial assets at fair value through profit or loss and Financial assets at fair value through other comprehensive income are recognised in the statement of financial position at the delivery-settlement date. Changes in fair value between the trade and settlement dates are recorded in the income statement or booked to shareholders' equity depending on the accounting category of the relevant financial assets. Loans and receivables are recorded in statement of financial position on the date they are paid or at the maturity date for invoiced services. The trade date is the date on which the contractual commitment becomes binding and irrevocable for the Company.

Classification of financial liabilities

Financial liabilities are classified into one of the following two categories:

- Financial liabilities at fair value through profit or loss:

These are financial liabilities held for trading purposes, which by default include derivative financial liabilities not qualifying as hedging instruments and non-derivative financial liabilities designated by the Company upon initial recognition to be carried at fair value through profit or loss in accordance with the fair value option.

The Company has designated at fair value through profit or loss the notes issued because mirror transactions (FFS) that are used to hedge those notes are measured mandatorily at fair value through profit and loss and thus reduce the accounting mismatch.

- Financial liabilities at amortised cost:

These include the other non-derivative financial liabilities and are measured at amortised cost.

2.3.3.2. Valuation of financial instruments

Definition of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In the absence of observable prices for identical assets or liabilities, the fair value of financial instruments is determined using another measurement technique that maximises the use of observable market input based on assumptions that market operators would use to set the price of the instrument in question.

Fair value hierarchy

The fair values of financial instruments include accrued interest as applicable.

For information purposes, in the notes to the condensed interim financial statements, the fair value of financial instruments is classified using a fair value hierarchy that reflects the significance of the inputs used according to the following levels:

Level 1 (L1): instruments valued on the basis of quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 1 instruments carried at fair value on the statement of financial position include in particular shares listed in an active market, government or corporate bonds priced directly by external brokers/dealers, derivatives traded on organised markets (futures, options), and units of funds (including UCITS) whose net asset value is available on the statement of financial position date.

A financial instrument is considered as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and if they reflect actual and regular market transactions on an arm's length basis.

Determining whether a market is inactive requires the use of indicators such as a sharp decline in trading volume and the level of activity in the market, a sharp disparity in prices over time and among the various above-mentioned market participants, or the fact that the latest transactions conducted on an arm's length basis did not take place recently enough.

Where a financial instrument is traded in several markets to which the Company has immediate access, its fair value is represented by the market price at which volumes and activity levels are highest for the instrument in question.

Transactions resulting from involuntary liquidations or distressed sales are usually not taken into account to determine the market price.

Level 2 (L2): instruments valued using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

These are instruments measured using a financial model based on observable market inputs. Prices published by an external source derived from the valuation of similar instruments are considered as data derived from prices.

Level 2 instruments include in particular non derivative financial instruments carried at fair value on the statement of financial position that are not directly quoted or do not have a quoted price on a sufficiently active market (e.g. corporate bonds, repos transactions, mortgage-backed securities, units of funds), and firm derivatives and options traded over-the-counter: interest rate swaps, caps, floors, swaptions, equity options, index options, foreign exchange options, commodity options and credit derivatives. The maturities of these instruments are linked to ranges of terms commonly traded in the market, and the instruments themselves can be simple or offer a more complex remuneration profile (e.g. barrier options, products with multiple underlying instruments), with said complexity remaining limited however. The valuation techniques used in this category are based on common methods shared by the main market participants.

Level 3 (L3): instruments valued using inputs that are not based on observable market data (referred to as unobservable inputs)

Level 3 instruments carried at fair value on the statement of financial position are predominantly instruments for which the sales margin is not immediately recognised in profit or loss.

Accordingly, Level 3 financial instruments include derivatives with longer maturities than those usually traded and/or with specifically tailored return profiles. Similarly, debt measured at fair value is classified as Level 3 where the valuation of the associated embedded derivatives is also based on unobservable inputs.

The main L3 complex derivatives are:

- Equity derivatives: options with long maturities and/or incorporating bespoke remuneration mechanisms. These instruments are sensitive to market inputs (volatility, dividend rates, correlations, etc.). In the absence of market depth and an objective approach made possible by regularly observed prices, their valuation is based on proprietary methods (e.g. extrapolation from observable data, historical analysis). Hybrid equity instruments (i.e. having at least one non-equity underlying instrument) are also classified as L3 insofar as correlations between the different underlyings are generally unobservable;
- Interest rate derivatives: long-term and/or exotic options, products sensitive to correlation between different interest rates, different exchange rates, or between interest rates and exchange rates, for example for quanto products (in which the instrument is settled in a currency different from the currency of the underlying); they are liable to be classified as L3 because the valuation inputs are unobservable due to the liquidity of the correlated pair and the residual maturity of the transactions (e.g. exchange rate correlations are deemed unobservable for the USD/JPY);
- Credit derivatives: L3 credit derivatives mainly include baskets of instruments exposed to time to default correlation (“N to default” products in which the buyer of the hedge is compensated as of the N^{th} default, which are exposed to the credit quality of the issuers comprising the basket and to their correlation, or CDO Bespoke products, which are Collateralised Debt Obligations created specifically for a group of investors and structured according to their needs), as well as products subject to credit spread volatility;
- Commodity derivatives: this category includes products involving unobservable volatility or correlation inputs (i.e. options on commodity swaps or instruments based on baskets of underlyings).

At the level of the SG Group, valuation models are determined in order to fully embed the impact of IFRS 13 as described above and use appropriate parameters and methodologies in order to determine L3 instruments valuation. Counterparty credit risk estimates relies on Credit Value Adjustments (CVA) and Debit Value Adjustments (DVA) calculations.

Different calculation methods can exist regarding the CVA-DVA / OCA (Own Credit Adjustment) impact calculation: derived from the yield discounting methodology, other from the Monte-Carlo EPE/ENE (Expected Positive / Negative Exposure). The methodology for calculation of CVA-DVA (OCA not applicable to the Company) applied to SGIS (the same as the Société Générale Group) is the yield discounting methodology.

The valuation methods used by the Company to establish the fair value of financial instruments are detailed below.

The fair values of financial instruments include accrued interest as applicable.

- For Unsecured Notes and Fully Funded Swaps

The fair value for both the unsecured Notes (liabilities) and the Fully Funded Swap (FFS) (assets) is calculated by discounting the expected future cash flows with the risk-free curve. To take the credit adjustment into account, the risk-free curve is adjusted with Société Générale Group’s credit spread curve. A dedicated process has been implemented using Société Générale Group and SGIS operational teams’ input. This process is fully functional, constantly monitored as of today.

- For Secured and Repack Notes

Secured Notes are Notes which are collateralised with assets deposited on segregated or pooled accounts with external custodian (The Bank of New York Mellon S.A., Luxembourg Branch, hereafter “BNY Mellon Luxembourg”) and pledged in favor of the Note holders.

Repack Notes are Notes which allow investors to calibrate the funding yield of their structure by selecting a bond (the “Reference Bond”) issued by a third-party issuer (the “Reference Bond Issuer”).

The collateral assets are composed of eligible securities.

Should Société Générale default, the pledge on the assets is to be enforced; the Notes holders are exposed to credit risk of the collateral (external securities). Therefore, as Société Générale and SGIS are mere risk pass-through, the credit risk premium (external bonds issuers) shall not be adjusted with Société Générale credit spread. Thus, no additional credit adjustment is needed for the secured Notes.

The fair value of the Secured Notes, of the Repack Notes and of the associated FFS is computed, for each accounting period, by discounting the expected future cash flows by a composite Repo rate curve.

- For Warrants and Options

For financial instruments recognised at fair value in the interim statement of financial position, fair value is determined primarily on the basis of the prices quoted in an active market. These prices can be adjusted if none are available on the interim statement of financial position date or if the clearing value does not reflect transaction prices.

However, especially due to the varied characteristics of financial instruments traded over-the-counter on the financial markets, a large number of financial products traded by the Company does not have quoted prices in the markets.

The base models may not fully capture all factors relevant to the valuation of SGIS on these financial instruments such as credit risk (CVA), own credit (DVA) and/or funding costs (Funding Valuation Adjustment or “FVA”). Therefore, SGIS applies various techniques (from the Group) to estimate the credit risk associated with its financial instruments measured at fair value.

The reevaluation differences attributable to the Company’s credit risk are thus determined using valuation models which take into account the most recent financing terms and conditions on the markets along with the residual maturity of the related liabilities.

- For secured notes issued by the Company, as investors are not exposed to the Company’s risk, no own credit risk should impact the fair value of the instruments and as such, no adjustment has to be calculated.

- For unsecured notes, investors are not contractually exposed to the Company’s credit risk but to Société Générale Group's own credit risk.

SGIS valuation models therefore reflect the absence of credit risk, and structured bonds are not impacted by Own Credit Adjustments within the entity.

Deferred margin related to main unobservable inputs

The Company does not apply deferred margin related to its main unobservable inputs as margin on Notes and Warrants issued are offset by a similar margin on Fully Funded Swaps and Options purchased.

2.3.3.3. Impairments and provisions

Some financial assets involve credit risk which exposes the Company to a potential loss if the counterparties were to be unable to respect their financial commitments. The Company is remunerated for bearing this risk by a portion of the contractual interest that it receives on those assets; this is known as the credit margin.

This potential loss, or expected credit loss, is recognised in profit or loss without waiting for the occurrence of a default event on a specific counterparty.

For loans and receivables measured at amortised cost or, if any, fair value through other comprehensive income, the expected credit loss, as assessed by the Company, is recognised in profit or loss. In the interim statement of financial position, this potential loss is recognised as an impairment that reduces the carrying amount of assets measured at amortised cost. Impairments are written-back in case of a subsequent decrease of credit risk. No significant impairment is recognized on cash and cash equivalents. The Company does not have loan commitments or financial guarantees contracts.

Impairment and provisions for credit risk

To determine the amount of impairment or loss allowances to be recorded at each reporting date, these exposures are classified into one of three categories based on the increase in credit risk observed since initial recognition. An impairment or loss allowance shall be recognised for the exposures in each category as follows:

- Exposures classified in Stage 1: At the initial recognition date, the exposures are systematically classified in Stage 1, unless they are underperforming/credit-impaired on acquisition. Stage 1 exposures are impaired for the amount of credit losses that the Company expects to incur within 12 months (12- month expected credit losses), based on past data and the current situation;
- Exposures classified in Stage 2: To identify Stage 2 exposures, the significant increase in credit risk is assessed by the Company, taking into account the counterparty's credit risk rating, the magnitude of the change in the counterparty's credit rating and the existence of payments of more than 30 days;
- Exposures classified in Stage 3 (doubtful outstandings): The Company determines whether or not there is objective evidence of impairment (default event).

Stage 2 and 3 exposures are impaired for the amount of credit losses that the Company expects to incur over the life of the exposures (lifetime expected credit losses), taking into consideration past data, the present situation and reasonable forecast changes in economic conditions, and relevant macroeconomic factors through to maturity.

Impairments / Reversal of impairments

Impairments / Reversal of impairments include net reversals of impairment and loss allowances for credit risk, losses on irrecoverable loans and amounts recovered on amortised receivables.

2.3.3.4. Offsetting financial assets and financial liabilities

A financial asset and a financial liability are offset and the net amount presented on the interim statement of financial position when the Company has a legally enforceable right to set off the recognised amounts and intends either to settle the asset and liability on a net basis, or to realise the asset and settle the liability simultaneously. The legal right to set off the recognised amounts must be enforceable in all circumstances, in both the normal course of business and in the event of default of one of the counterparties.

The financial instruments issued by the Company are subscribed by the investors through Société Générale as a lead manager during the issuance period and as a market maker for a secondary market. The instruments which are unsold are held by Société Générale.

The treatment is applied based on IAS 32 paragraph 42: "A financial asset and a financial liability shall be offset and the net amount presented in the interim statement of financial position when, and only when, an entity:

a. Currently has a legally enforceable right to set off the recognised amounts; and

b. Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously."

In December 2014, a cash netting clause was added in the legal framework with Société Générale Personne Morale and the Company consequently acquired a legally enforceable right to offset the recognised amount with the same counterparty (Société Générale). The assets (the Fully Funded Swaps) and the liabilities (the Notes) are settled (and intended to be settled) simultaneously.

In June 2017, the Company added a new cash netting clause in the legal framework with Société Générale Personne Morale and the Company consequently acquired a legally enforceable right to offset the recognised amount with the same counterparty (Société Générale). The assets (OTC Options) and the liabilities (the Warrants) are settled (and intended to be settled) simultaneously.

In application of IAS 32 - Offsetting a financial asset and a financial liability, the Company proceeds to the accounting netting of the non-sold amounts. The impact of the off-setting for the non-sold Notes and the corresponding Fully Funded Swaps and impact of the off-setting for the non-sold Warrants and the corresponding options are described in Note 4.1 and Note 4.2.

2.3.4. Other assets and other liabilities

Settlement accounts for trades are included in other assets or other liabilities and are presented separately in distinctive captions on assets or liabilities side.

2.3.5. Shareholders' equity

Equity are the resources contributed to the Company by external shareholders as capital, as well as the cumulative and undistributed results (retained earnings).
The statement "Changes in Shareholders' Equity" presents the various changes that affect the components of equity over the reporting period.

2.3.6. Interest income and expense

Interest is recognized as expense or income over the life of the financing service granted or received, proportionally to the principal amount outstanding.

Interest income and expense are recorded in the statement of profit and loss under Interest and similar income and Interest and similar expense for all financial instruments measured using the effective interest method (instruments at amortised cost and debt instruments at fair value through other comprehensive income).

The effective interest rate is taken to be the rate used to net discount future cash inflows and outflows over the expected life of the instrument in order to establish the net book value of the financial asset or liability. The calculation of this rate considers the future cash flows estimated on the basis of the contractual provisions of the financial instrument without taking account of possible future credit losses and also includes commissions paid or received between the parties where these may be assimilated to interest, directly linked transaction costs, and all types of premiums and discounts.

Where a financial asset is classified in Stage 3 for impairment, subsequent interest income is measured at the effective interest rate applied to the net carrying amount of the financial asset with an offsetting entry equal to the outstanding financial asset before impairment.

2.3.7. Fee income and expense

Fee income and Fee expense combine fees on services rendered and received, as well as fees on pledge security granted that cannot be assimilated to interest. Fees that can be assimilated to interest are integrated into the effective interest rate on the associated financial instrument and are recorded under Interest income and Interest expenses.

The Company recognizes fee income or expense for an amount equivalent to the remuneration for the service provided and depending on the progress transferring control of these services:

- Fees for ongoing services, such as custody fees and administration costs are recognized as income over the life of the service;
- Fees for one-off services, such as issuance and listing fees are recognized as income when the service is provided.

The possible mismatch between the payment date of the service provided and the date of execution of the service gives assets and liabilities depending on the type of contract and mismatch which are recognized under Other Assets and Other Liabilities. For example: supplier contracts generate trade payables, accrued expenses or prepaid expenses.

Income related to the issuance of Notes and Warrants falls under the scope of IFRS 15 and as such, is considered separately as income generated by two services when the Company performs its activities:

- The issuing fee, which is recognized upfront for the initiation and the structuration of the issuance;
- Account and security servicing fee during the lifecycle of the security.

2.3.8. Other operating expenses

The Company records operating expenses according to the type of services to which they refer.

Other operating expenses mainly include lease payments, building maintenance and other costs, travel and business expenses, outsourcing and advisory fees and marketing and advertising expenses.

2.3.9. Income tax

Income tax includes current taxes and deferred taxes:

- Current taxes correspond to the amount of taxes due (or refundable) as calculated according to the taxable profit base for the reporting period;
- Deferred taxes correspond to the amount of taxes resulting from past transactions and that will be payable (or refundable) in a future reporting period.

2.3.9.1. Current tax

Current tax is based on the taxable profit and determined in accordance with the rules established by the local taxation authorities, upon which income taxes are payable. This tax expense also includes net allowances for tax adjustments pertaining to income tax.

Tax credits arising in respect of interest from loans and income from securities are recorded in the relevant interest account as they are applied in settlement of income taxes for the year. The related tax charge is included under Income tax in the statement of profit and loss

2.3.9.2. Deferred tax

Deferred taxes are recognized whenever the Company identifies a temporary difference between the accounting base and tax base for assets and liabilities that will affect future tax payments or from tax loss carried forward.

The amount is based on the tax rate enacted or substantively enacted which is expected to apply when the asset is realized or the liability settled. These deferred taxes are adjusted in the event of changes to tax rates. This amount is not discounted to present value. The Company off-sets its deferred tax assets against liabilities as there is both legal right to offset its current tax assets and liabilities and it is the Company's intention to settle on a net basis.

2.3.9.3. Other commitments linked to secured Notes

In relation to each Serie of Secured Notes, in order to secure its obligations in respect of such Notes, the Company enters into a pledge agreement which is governed by the Luxembourg act dated 5 August 2005 on financial collateral arrangements, as amended. Under each pledge agreement, the Company grants first ranking security over the Collateral Assets contained in one or more accounts held by the Company with BNY Mellon Luxembourg (or such other custodian or account bank as is specified in the applicable Final Terms, pursuant to the terms of a custodian agreement between, inter alia, the Company and the collateral custodian).

The security granted under each pledge agreement is granted either in favour of:

- (i) in the case of English Law Notes, The Bank of New York Mellon Corporate Trustee Services Limited or such other security trustee as is specified in the applicable Final Terms as security trustee on behalf of itself and the relevant Noteholders and the other relevant Secured Parties (as defined in the Additional Terms and Conditions for Secured Notes) or,
- (ii) in the case of French Law Notes, directly in favour of the relevant Noteholders and the other relevant Secured Parties as represented by The Bank of New York Mellon Corporate Trustee Services Limited or such other security agent as is specified in the applicable Final Terms as security agent.

Following the occurrence of a Secured Note Acceleration Event (as defined in the Additional Terms and Conditions for Secured Notes), all Noteholders whose Notes have become immediately due and payable is first entitled to claim for any outstanding amounts due to them under the terms of the Guarantee. If neither the Issuer nor the Guarantor (pursuant to the terms of the Guarantee) has paid all amounts due to Noteholders within a period of 3 Collateral Business Days following the occurrence of a Secured Note Acceleration Event, Noteholders may send a notice in writing to the Security Trustee (in the case of English Law Notes) or the Security Agent (in the case of French Law Notes) requesting that the relevant Pledge Agreement be enforced in accordance with the terms of the Base Prospectus.

The Company borrows the securities to be pledged from Société Générale Group. In accordance with IFRS 9, the borrowing of the securities to be pledged by the Company is not assimilated to the transfer of assets and thus does not result in recognition in the interim statement of financial position. The risks and rewards associated to the securities remain in Société Générale Group and as such are not presented in the Company's interim statement of financial position.

The pledged securities are accounted as an off balance-sheet commitment "Securities pledged". The committed amount is re-measured at each closing to reflect the value of the securities pledged.

2.4. CRISIS: COVID-19 AND WAR IN UKRAINE

The lifting of the Covid-19-related restrictions in several major economies supports economic activity without, however, excluding the risk of new lockdowns as it has occurred in some geographic areas during the first half-year 2022 (in Hong-Kong for example).

On the other hand, the first semester of 2022 has been strongly impacted, since 24 February, by the war in Ukraine. The conflict, with its human casualties and suffering, has significant economic costs along with considerable uncertainties.

In the euro area, the supply difficulties, the decline in purchasing power with the high inflation expected all through 2022 and the tightening of economic policies are the main bottlenecks constraining growth. If pandemic-related risks have decreased significantly in the short-term, the strong uncertainties related to the war in Ukraine jeopardise these prospects and the scenario of a more pronounced slowdown in 2022 cannot be excluded.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents amount to KEUR 23 537 as at 30 June 2022 (31 December 2021: KEUR 36 384) and are mainly composed of cash held with SG Luxembourg and Société Générale.

As at 30 June 2022 and 31 December 2021, this caption only contains cash that is repayable on demand.

NOTE 4 – FINANCIAL INSTRUMENTS

4.1. Financial assets at fair value through profit or loss

	30.06.2022 ('000 EUR)	31.12.2021 ('000 EUR)
Financial assets at fair value through profit or loss		
- Mandatorily at fair value through profit or loss (Fully Funded Swaps)	38 846 422	40 322 401
- Trading derivatives (Options)	781 375	714 838
Total	**39 627 797**	**41 037 239**

As at 30 June 2022, financial assets mandatorily at fair value through profit or loss (Fully Funded Swaps) amount to KEUR 38 846 422 (31 December 2021: KEUR 40 322 401) and replicate all the Notes issued by the Company (see Note 4.2). Differences between Fully Funded Swaps and Notes arise due to late settlements.

As at 30 June 2022, Trading derivatives (Options) amount to KEUR 781 375 (31 December 2021: KEUR 714 838) and replicate all the Warrants issued by the Company (see Note 4.2). Differences between Options and Warrants arise due to late settlements.

As at 30 June 2022, the impact of the offsetting of financial assets and financial liabilities (decrease in the balance sheet) is KEUR 39 639 830 for the non-sold Notes and the corresponding Fully Funded Swaps (31 December 2021: KEUR 34 911 227) and KEUR 3 930 937 for the non-sold Warrants and the corresponding Options (31 December 2021: KEUR 4 573 937) (see Note 4.2).

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The movements in financial assets at fair value through profit or loss were as follows:

	('000 EUR) Mandatorily at fair value through profit or loss	('000 EUR) Trading derivatives	('000 EUR) Total
As at 1 January 2022	**40 322 401**	**714 838**	**41 037 239**
Acquisition	41 825 691	16 941 666	58 767 357
Maturity/Disposal/Liquidation/Cancellation	(29 441 261)	(18 708 024)	(48 149 285)
Change in fair value and foreign exchange difference	(9 131 806)	1 189 895	(7 941 911)
Offsetting of Assets and Liabilities (Change)	(4 728 603)	643 000	(4 085 603)
As at 30 June 2022	**38 846 422**	**781 375**	**39 627 797**

	('000 EUR) Mandatorily at fair value through profit or loss	('000 EUR) Trading derivatives	('000 EUR) Total
As at 1 January 2021	**43 135 651**	**674 352**	**43 810 003**
Acquisition	58 001 584	37 797 100	97 798 684
Maturity/Disposal/Liquidation/Cancellation	(61 564 451)	(43 346 069)	(104 910 520)
Change in fair value and foreign exchange difference	(7 379 336)	(1 161 153)	(8 540 489)
Offsetting of Assets and Liabilities (Change)	8 128 953	4 750 608	12 879 561
As at 31 December 2021	**40 322 401**	**714 838**	**41 037 239**

4.2. Financial liabilities at fair value through profit or loss

	30.06.2022 ('000 EUR)	31.12.2021 ('000 EUR)
Financial liabilities at fair value through profit or loss		
- Designated at fair value through profit or loss (Notes)	38 846 530	40 323 850
- Trading derivatives (Warrants)	781 301	714 854
Total	**39 627 831**	**41 038 704**

As at 30 June 2022, the Company has issued secured and unsecured Notes for a total amount of KEUR 38 846 530 (31 December 2021: KEUR 40 323 850):

- 21 742 unsecured Notes were issued (stock) for a total amount of KEUR 31 034 524 (31 December 2021: 21 230 unsecured Notes were issued (stock) for a total amount of KEUR 33 959 581);
- 577 secured Notes were issued (stock) for a total amount of KEUR 7 812 006 (31 December 2021: 592 secured Notes were issued (stock) for a total amount of KEUR 6 364 269).

In addition to the guarantee on first demand granted by Société Générale on unsecured and secured Notes, subscribers of the secured Notes issued by the Company benefit from additional collateral assets securing the payment due under the Notes terms, structured in form of a pledge governed by Luxembourg Law. This pledge may only be enforced following a default of the Company or Société Générale in its role of Guarantor.

Pledged collateral assets are deposited on an account held in the name of the Company with an authorised custodian not belonging to the Société Générale Group and are pledged in favour of the Notes holders.

As at 30 June 2022, securities deposited at BNY Mellon Luxembourg as collateral for secured issuances amount to KEUR 5 349 370 (31 December 2021: KEUR 4 836 039).

As at 30 June 2022, the Company also issued Warrants for a total amount of KEUR 781 301 (31 December 2021: KEUR 714 854). Refer to Note 9 for further details on Off-balance sheet items related to the Warrants activity.

As at 30 June 2022, the impact of the offsetting (decrease in the balance sheet) is KEUR 39 639 830 for the non-sold Notes and the corresponding Fully Funded Swaps (31 December 2021: KEUR 34 911 227) and KEUR 3 930 937 for the non-sold Warrants and the corresponding Options (31 December 2021: KEUR 4 573 937) (see Note 4.1).

The movements in financial liabilities at fair value through profit or loss were as follows:

	(‘000 EUR) Designated at fair value through profit or loss	**(‘000 EUR) Trading derivatives**	**(‘000 EUR) Total**
As at 1 January 2022	**40 323 850**	**714 854**	**41 038 704**
Acquisition	41 842 971	16 997 129	58 840 100
Cancelled/Liquidation/Maturity Disposal	(29 504 186)	(18 754 071)	(48 258 257)
Change in fair value and foreign exchange difference	(9 087 502)	1 180 389	(7 907 113)
Offsetting of Assets and Liabilities (Change)	(4 728 603)	643 000	(4 085 603)
As at 30 June 2022	**38 846 530**	**781 301**	**39 627 831**

	(‘000 EUR) Designated at fair value through profit or loss	**(‘000 EUR) Trading derivatives**	**(‘000 EUR) Total**
As at 1 January 2021	**43 146 652**	**676 965**	**43 823 617**
Acquisition	58 009 740	38 802 115	97 811 855
Cancelled/Liquidation/Maturity Disposal	(61 547 326)	(43 355 236)	(104 902 562)
Change in fair value and foreign exchange difference	(7 414 169)	(1 159 598)	(8 573 767)
Offsetting of Assets and Liabilities (Change)	8 128 953	4 750 608	12 879 561
As at 31 December 2021	**40 323 850**	**714 854**	**41 038 704**

4.3. Financial liabilities at amortised cost

As at 30 June 2022 and 31 December 2021, financial liabilities at amortised cost are mainly composed of a convertible bond of KEUR 48 000 issued by the Company and fully subscribed by SG Luxembourg, with maturity in 2023. Conversion may occur each year.

On this convertible bond, the Company pays to SG Luxembourg both variable interests calculated on Euribor 3M plus a margin of 0.065% (total rate of (0.41)% as at 30 June 2022) and activity related interests. Activity related interests mean an amount equal to 100% of the activity related profit generated by the Company.

The convertible bond maturity shall be automatically extended by successive periods of one year, unless either the Issuer or the Holder has exercised its right to terminate the bond on the scheduled maturity date. The conversion option belongs to the Holder.

NOTE 5 – LOANS AND RECEIVABLES

As at 30 June 2022 and 31 December 2021, loans and receivables only consist in term deposits with SG Luxembourg, which represent the reinvestment of the Company's share capital, reserves and other available funds.

As at 31 December 2021, expected credit losses calculated on loans and receivables in accordance with IFRS 9 amounted to KEUR (1). As at 30 June 2022, the diminution of the expected credit losses resulted in a reversal of the IFRS9 impairment amounting to KEUR 1, as presented in the Caption reversal of Cost of Risk in the Statements of Profit and Loss.

NOTE 6 – TAXATION

The Company is liable for all taxes applicable to Luxembourg commercial companies.

Since 2007, the Company has been part of a tax integration group led by SG Luxembourg with regard to Net Worth Tax and Income Tax, as authorised by the article 164 bis LIR and has concluded a Tax Sharing Agreement (the "Agreement") with SG Luxembourg. Under the Agreement, the Company pays to SG Luxembourg, with respect to each financial year, an amount equal to the tax which would be levied on the profits of the Company in the absence of any tax consolidation with the Parent.

The rate of current tax applied as of 30 June 2022 is 24.94% (30 June 2021: 24.94%). The current tax rate includes the corporate tax and the municipal tax.

For the period ended 30 June 2022, tax expenses amount to KEUR 98 (30 June 2021: KEUR 16).

NOTE 7 – SHAREHOLDERS' EQUITY

7.1. Share capital and Share premium

On 30 November 2020, 100 shares were sold by SG Luxembourg to Société Générale for a total amount of EUR 4 000. SG Luxembourg still held 49 907 shares amounting to EUR 1 996 280 for which it waived its entire voting rights. As at 31 December 2021, the subscribed and fully paid share capital amounted to EUR 2 000 320, divided into 50 008 shares with nominal value of EUR 40 each.

By resolution adopted on 14 January 2022, the Executive Board decided to increase the capital of the Company from EUR 2 000 320 to EUR 2 000 360 by the issue of a new share with a nominal value of EUR 40, subscribed by SG Luxembourg. In the context of the capital increase, the 2021 activity related interests amounting to KEUR 28 244 have been allocated to the Share premium. It was then paid to the shareholders in June 2022.

As at 30 June 2022, the subscribed and fully paid share capital is EUR 2 000 360, divided into 50 009 shares with nominal value of EUR 40 each.

The Company manages its capital to ensure it will be able to continue as a going concern. The capital amount may be increased, subject to the approval of the Shareholders, if the Company's activity evolves, incurring specific additional risks.

7.2. Reserves

7.2.1. Legal reserve

In accordance with the Luxembourg law, the Company is required to allocate a minimum of 5% of its annual net profit to a Legal reserve until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

As at 30 June 2022, the legal reserve amounts to KEUR 200 (31 December 2021: KEUR 200).

7.2.2. Other reserves

Since 2013, the Company is fiscally integrated in its parent company SG Luxembourg. SG Luxembourg constitutes the Net Wealth Tax reserve for the Company. As a consequence, no Net Wealth Tax reserve has been constituted by the Company since 2013.

As at 30 June 2022, the amount of other reserves amounts to KEUR (214) (31 December 2021: KEUR 1) and is mainly composed of the loss brought forward of KEUR (215) generated during the year ending as at 31 December 2021.

NOTE 8 – COMMISSION INCOME

Commission income can be broken down as follows:

	30.06.2022 ('000 EUR)	**30.06.2021 ('000 EUR)**
Issuing upfront fees on Notes	14 367	17 601
Servicing fees on Notes	3 484	4 468
Commission on Warrants	605	1 470
Total	**18 456**	**23 539**

As at 30 June 2022, KEUR 3 956 are retained as deferred income under the caption “other liabilities” (30 June 2021 : KEUR 5 836).

NOTE 9 – OFF-BALANCE SHEET

As at 30 June 2022, financial instruments to be issued (commitment taken before 30 June 2022 with value date after 30 June 2022) amount to KEUR 4 810 392 (31 December 2021: KEUR 3 302 045).

Warrants issuance summary

The Warrants issued as at 30 June 2022 and 31 December 2021 break down as follows:

				30 June 2022			31 December 2021		
Warrant Type	**Category of Underlying**	**Type of Underlying**	**Option Type**	**Quantity**	**Notional (‘000 EUR)**	**Fair Value (‘000 EUR)**	**Quantity**	**Notional (‘000 EUR)**	**Fair Value (‘000 EUR)**
Basket Warrant	Basket	Index	Call	-	-	-	1	12 361	14 230
Commodity Future Warrant	Future	Mutual Fund	Put	-	-	-	-	-	-
		Commodity Future	Call	-	-	-	4	10 118	15
			Put	1	1 860	7 520	12	19 243	6 755
Commodity Warrant	Commodity	Bruts	Call	6	515 683	0	6	472 930	0
		Commodity Future	Call	-	-	-	-	-	-
		Index	Call	-	-	-	-	-	-
		Mutual Fund	Call	3	7 112	0	11	19 085	2
			Put	12	25 642	0	15	27 211	0
		Precious metals	Call	-	-	-	-	-	-
			Put	10	27 061	0	10	24 817	0
		Future Contract	Call	-	-	-	-	-	-
Currency Warrant	Currency	Currency	Call	-	-	-	42	0	0
			Put	-	-	-	48	117 867	0
Equity Warrant	Equity	American Depositary Receipt	Call	3	30 134	1	3	27 636	51
			Put	-	-	-	-	-	-
		Mutual fund	Call	3	95 787	63	4	119 231	25
		Ordinary Share	Call	1 055	13 215 186	43 775	1 247	20 296 419	147 944
			Put	350	3 438 645	5 568	411	4 902 718	27 245
		Own Share	Call	4	22 850	35	4	22 850	322
			Put	1	750	0	1	750	0
		Preference	Call	-	-	-	-	-	-
			Put	1	1 500	0	1	1 500	0

Notes to the condensed interim financial statements (continued)
As at 30 June 2022

				30 June 2022			31 December 2021		
Warrant Type	**Category of Underlying**	**Type of Underlying**	**Option Type**	**Quantity**	**Notional** ('000 EUR)	**Fair Value** ('000 EUR)	**Quantity**	**Notional** ('000 EUR)	**Fair Value** ('000 EUR)
Real Estate Investment Trust	Real Estate Investment Trust	Real Estate Investment Trust	Call	4	89 083	30	5	124 066	48
			Put	2	1 381	11	2	1 309	9
Index Warrant	Index	Index	Call	392	13 618 599	705 234	301	11 226 503	458 857
			Put	199	8 549 746	13 440	200	11 032 836	44 857
Fund Warrant	Fund	Mutual Fund	Call	71	408 287	3 153	121	492 810	11 653
			Put	-	-	-	-	-	-
		Fund	Call	1	10 000	2 471	1	10 000	2 841
Total Call			**Call**	**1 542**	**28 012 721**	**754 762**	**1 750**	**32 834 009**	**635 988**
Total Put			**Put**	**576**	**12 046 585**	**26 539**	**700**	**16 128 251**	**78 866**
Total Warrants				**2 118**	**40 059 306**	**781 301**	**2 450**	**48 962 260**	**714 854**

NOTE 10 – RISK MANAGEMENT

The Company and several of its service providers are subsidiaries of the Société Générale Group and therefore benefit from Société Générale's internal control systems.

For any further information on the risks relating to the Group, investors and/or Noteholders should refer to the "Risk and Capital Adequacy" section of the Registration Document (https://www.societegenerale.com).

10.1. Market risk

Market risk is the risk that changes in market prices, such as interest rates, securities prices, and foreign exchange rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

The Company issues Notes and Warrants. The Notes are systematically hedged with Fully Funded Swaps concluded with Société Générale, with strictly identical characteristics. In the same way, the Warrants issued are hedged with Options concluded with Société Générale, with strictly identical characteristics.

The risks associated with the investment in the Notes and Warrants depend on several factors. Such factors vary depending on the characteristics of the Notes and Warrants issued, in particular depending on the underlying, the maturity of the Notes, the secured / unsecured status of the Notes, the interest rates incurred, the volatility of the underlying, etc. The main risks in relation to investments in Notes and Warrants issued by the Company are described in the Base Prospectus under the section "Risk Factor".

Because of its structure (perfect match between the assets and the liabilities), the impact of an immediate change of a market parameter would have no consequence on the net profit of the Company.

The Company is also exposed to structural interest rate risk, namely through the following transactions: reinvestment of available equity by participating interests or loans to the Company's treasury (SG Luxembourg) with hedged interest rate risk (fixed rate contracted with SG Luxembourg**)**. The structural interest rate risk is monitored via the sensitivity of the economic value of the positions measured through modified duration.

Modified duration is calculated based on the change in the net present value of positions subsequent to a 1% change in the rate curve. Exposure monitoring is based on the determination of modified duration over the short (up to one year), medium (one to five years) and long (more than five years) term.

10.2. Credit risk

Credit risk is the risk that a third party will not be able to meet its contractual obligation.

The Company only contracts financial instruments with its parent companies, SG Luxembourg and Société Générale. Therefore, the credit risk of the Company is limited to the credit risk on SG Luxembourg and Société Générale. Should this situation evolve, specific limits would be proposed to limit the credit risk incurred.

As at 30 June 2022 and 31 December 2021, no financial assets were past due. An Expected Credit Loss is calculated on deposits, amounting to KEUR 2 as of 30 June 2022 following a reversal of impairment of KEUR 1 on the period (see note 5).

All the Notes and Warrants issued by the Company benefit from a guarantee provided by Société Générale, meaning that payments in respect of the instruments issued by the Company are unconditionally and irrevocably guaranteed by Société Générale (the Guarantor).

As at 30 June 2022, the rating of Société Générale is A from Standard & Poor's and A1 from Moody's.

10.3. Interest rate risk

Interest rate risk is the risk that changes in market interest rates may adversely affect the value of the assets and liabilities of the Company. Due to the financial instruments contracted by the Company with Société Générale to hedge the financial instruments issued, the Company is not significantly exposed to interest rate risk.

10.4. Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet the payment obligations associated with its financial liabilities when they fall due.

The Company does not face any liquidity risk thanks to the perfect replication between the contractual obligations of:

i) The financial instruments issued by the Company; and

ii) The financial assets held for hedging by the Company.

As at 30 June 2022, analysis per remaining maturities is as follows:

30.06.2022 - EUR' 000	**< 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**> 5 years**	**Total**
Cash and cash equivalents	23 537	-	-	-	**23 537**
Financial assets at fair value through profit or loss					
- Mandatorily at fair value through profit or loss	2 792 188	6 187 806	14 216 849	15 649 579	**38 846 422**
- Trading derivatives	666 289	48 327	66 759	0	**781 375**
Loans and receivables	-	48 201	800	1 000	**50 001**
Other assets	479 902	-	-	-	**479 902**
Total assets	**3 961 916**	**6 284 334**	**14 284 408**	**15 650 579**	**40 181 237**
Financial liabilities at amortised cost	582	58 238	-	-	**58 820**
Financial liabilities at fair value through profit or loss					
- Designated at fair value through profit or loss	2 791 132	6 188 549	14 217 423	15 649 426	**38 846 530**
- Trading derivatives	666 305	48 270	66 726	0	**781 301**
Other liabilities	492 212	-	-	-	**492 212**
Tax liabilities	-	98	-	-	**98**
Total liabilities	**3 950 231**	**6 295 155**	**14 284 149**	**15 649 426**	**40 178 961**

Notes to the condensed interim financial statements (continued)
As at 30 June 2022

As at 31 December 2021, analysis per remaining maturities is as follows:

31.12.2021 - EUR' 000	**< 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**> 5 years**	**Total**
Cash and cash equivalents	36 384	-	-	-	36 384
Financial assets at fair value through profit or loss					
- *Mandatorily at fair value through profit or loss*	4 962 258	5 330 466	14 553 618	15 476 059	40 322 401
- *Trading derivatives*	446 656	137 616	129 885	681	714 838
Loans and receivables	48 021	200	800	1 000	50 021
Other assets	497 267	-	-	-	497 267
Total assets	**5 990 586**	**5 468 282**	**14 684 303**	**15 477 740**	**41 620 911**
Financial liabilities at amortised cost	48 152	28 260	-	-	76 412
Financial liabilities at fair value through profit or loss					
- *Designated at fair value through profit or loss*	4 960 778	5 330 013	14 557 368	15 475 691	40 323 850
- *Trading derivatives*	446 143	137 603	130 427	681	714 854
Other liabilities	503 809	-	-	-	503 809
Tax liabilities	-	-	-	-	-
Total liabilities	**5 958 882**	**5 495 876**	**14 687 795**	**15 476 372**	**41 618 925**

10.5. Fair Value measurement

According to the fair value hierarchy established by IFRS 13, Level 3 (L3) comprises products valued using inputs that are not based on observable market data (referred to as unobservable inputs).

For these products, fair value is determined using models based on valuation techniques commonly used by market participants to measure financial instruments, such as discounted future cash flows for Notes or the Black & Scholes formula for certain options and using valuation parameters that reflect current market conditions as at the interim statement of financial position date. These valuation models are validated independently by the experts from the Market Risk Department of the Group's Risk Division.

Furthermore, the parameters used in the valuation models, whether derived from observable market data or not, are checked by the Finance Division of Société Générale, in accordance with the methodologies defined by the Market Risk Department.

The Notes and the related Fully Funded Swaps are classified as Level 3 when the valuation of the associated embedded derivatives (underlyings of the Notes) is also based on unobservable market data.

On each element of an identified list of unobservable parameters, it comes to determining the uncertainty of marking, and cross sensitivities with this uncertainty for a confidence interval of the value of the positions.

In parallel, marking the levels of each of these parameters is collected and reported in the Note.

The methods for determining the level of uncertainty, as well as calculating the confidence interval from sensibilities depend on each parameter.

Transfers from Level 2 to Level 3 are determined at the end of each month and occur in case of a modification within a parameter (e.g. no longer linked to the deal, modification of the observability rule of the parameter).

Notes to the condensed interim financial statements (continued)
As at 30 June 2022

10.5.1. Estimates of Level 3 instruments and other most significant unobservable inputs as at 30 June 2022 (by type of underlyings)

Type of underlyings	**Assets** In KEUR	**Liabilities** In KEUR	**Main products**	**Valuation techniques used**	**Significant unobservable inputs**	**Range of inputs Min & Max**
Equity / Funds	19 022	19 021	Derivatives on funds, equities or baskets of stocks derivatives on funds, equities or baskets of stocks	Various option models on funds, equities or baskets on stocks	Equity volatilities	[3.2% ; 196.2%]
					Equity dividends	[0.0% ; 20.1%]
					Unobservable correlations	[-80% ; 99.6%]
					Hedge funds volatilities	[7.6% ; 20.0%]
					Mutual fund volatilities	[1.7% ; 34.6%]
Rates, Forex and others	3 666	3 666	Hybrid forex / interest rate or credit / interest rate derivatives	Hybrid forex interest rate or credit interest rate option pricing models	Correlations	[-33.55% ; 90%]
			Forex derivatives	Forex option pricing models	Forex volatilities	[0.0% ; 51.0%]
			Interest rate derivatives whose notional is indexed on the prepayment behaviour on European collateral pools	Prepayement modeling	Constant prepayment rates	[0.0% ; 20.0%]
			Inflation instruments and derivatives	Inflation pricing models	Inflation correlations	[55.0% ; 88.90%]
Credit	3 116	3 116	Collateralised Debt Obligations and index tranches	Recovery and base correlation projection models	Time to default correlations	[0% ; 100%]
					Recovery rate variance for single name underlyings	[0% ; 100%]
			Other credit derivatives	Credit default models	Time to default correlations	[0% ; 100%]
					Quanto correlations	[-50% ; 40%]
					Unobservable credit spreads	[0 bps ; 1 000 bps]
Commodity	-	-	Derivatives on commodities baskets	Option models on commodities	Commodities correlations	NA NA
Total	**25 804**	**25 803**				

Unobservable inputs add a degree of uncertainty in the valuation of Level 3 instruments. However, by its very nature, and considering mirror transactions are concluded with Société Générale to hedge the financial liabilities issued by the Company, the Company has no market risk exposure. The impact of an immediate change in an unobservable parameter would have no consequence on the net profit or net equity of the Company.

Moreover, changes in an unobservable parameter would have by underlying a mirror effect on both assets and liabilities.

Notes to the condensed interim financial statements (continued)
As at 30 June 2022

10.5.2. Carrying amounts and fair values of assets and liabilities not measured at fair value in the interim statement of financial position

30.06.2022 - EUR' 000	**Carrying amount**	**Fair value**
Cash and cash equivalents	23 537	23 537
Financial assets at fair value through profit or loss		
- *Mandatorily at fair value through profit or loss*	38 846 422	38 846 422
- *Trading derivatives*	781 375	781 375
Loans and receivables *	50 001	49 852
Other assets	479 902	479 902
Total	**40 181 237**	**40 181 088**
Financial liabilities at amortised cost *	58 820	58 837
Financial liabilities at fair value through profit or loss		
- *Designated at fair value through profit or loss*	38 846 530	38 846 530
- *Trading derivatives*	781 301	781 301
Other liabilities	492 212	492 212
Tax liabilities	98	98
Total	**40 178 961**	**40 178 978**

31.12.2021 - EUR' 000	**Carrying amount**	**Fair value**
Cash and cash equivalents	36 384	36 384
Financial assets at fair value through profit or loss		
- *Mandatorily at fair value through profit or loss*	40 322 401	40 322 401
- *Trading derivatives*	714 838	714 838
Loans and receivables *	50 021	50 141
Other assets	497 267	497 267
Total assets	**41 620 911**	**41 621 031**
Financial liabilities at amortised cost *	76 412	76 456
Financial liabilities at fair value through profit or loss		
- *Designated at fair value through profit or loss*	40 323 850	40 323 850
- *Trading derivatives*	714 854	714 854
Other liabilities	503 809	503 809
Tax liabilities	-	-
Total	**41 618 925**	**41 618 969**

* For Loans and receivables and Financial liabilities at amortised cost, the fair values are calculated by discounting the expected future cash flows under a EUR risk free curve adjusted with Société Générale Group credit spread curve (EUR swap curve from Bloomberg and Société Générale credit spread curve provided by Risk department Paris).

Determining fair value is dependent on many factors and can be an estimate of what value may be obtained in the open market at any point in time.

Notes to the condensed interim financial statements (continued)
As at 30 June 2022

10.5.3. The fair value hierarchy of IFRS 13

As at 30 June 2022, the Company determined the fair values of its financial instruments on the basis of the following hierarchy:

30.06.2022 - EUR' 000	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss				
- Mandatorily at fair value through profit or loss	**-**	**13 710 494**	**25 135 928**	**38 846 422**
Commodities instruments	-	39 689	-	39 689
Credit derivatives/securities	-	675 722	2 868 765	3 544 487
Equity and index securities	-	10 407 738	18 368 228	28 775 966
Foreign exchange instruments/securities	-	568 094	267 158	835 252
Interest rate instruments/securities	-	1 811 160	3 399 126	5 210 286
Other financial instruments	-	208 091	232 651	440 742
- Trading derivatives	**-**	**112 666**	**668 709**	**781 375**
Equity and Index instruments	-	112 398	654 211	766 609
Foreign exchange instruments / securities	-	-	-	-
Other financial instruments	-	268	14 498	14 766
Financial liabilities at fair value through profit or loss				
- Designated at fair value through profit or loss	**-**	**13 712 116**	**25 134 414**	**38 846 530**
Commodities instruments	-	39 689	-	39 689
Credit derivatives/securities	-	675 178	2 868 743	3 543 921
Equity and index securities	-	10 409 760	18 366 684	28 776 444
Foreign exchange instruments / securities	-	568 392	267 211	835 603
Interest rate instruments/securities	-	1 811 219	3 399 126	5 210 345
Other financial instruments	-	207 878	232 650	440 528
- Trading derivatives	**-**	**112 592**	**668 709**	**781 301**
Equity and Index instruments	-	112 325	654 211	766 536
Foreign exchange instruments / securities	-	-	-	-
Other financial instruments	-	267	14 498	14 765

Notes to the condensed interim financial statements (continued)
As at 30 June 2022

As at 31 December 2021, the Company determined the fair values of its financial instruments on the basis of the following hierarchy:

31.12.2021 - EUR' 000	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss				
- Mandatorily at fair value through profit or loss	**-**	**16 020 681**	**24 301 720**	**40 322 401**
Commodities instruments	-	26 454	217	26 671
Credit derivatives/securities	-	697 098	3 251 872	3 948 970
Equity and index securities	-	12 016 561	16 759 072	28 775 633
Foreign exchange instruments/securities	-	1 834 388	278 068	2 112 456
Interest rate instruments/securities	-	1 240 393	3 739 272	4 975 665
Other financial instruments	-	205 787	273 219	479 006
- Trading derivatives	**-**	**288 790**	**426 048**	**714 838**
Equity and Index instruments	-	273 342	404 530	677 872
Foreign exchange instruments / securities	-	-	-	-
Other financial instruments	-	15 448	21 518	36 966
Financial liabilities at fair value through profit or loss				
- Designated at fair value through profit or loss	**-**	**16 021 886**	**24 301 964**	**40 323 850**
Commodities instruments	-	26 454	217	26 671
Credit derivatives/securities	-	697 094	3 251 908	3 949 002
Equity and index securities	-	12 016 515	16 759 108	28 775 623
Foreign exchange instruments/securities	-	1 834 393	278 240	2 112 633
Interest rate instruments/securities	-	1 241 541	3 739 272	4 980 813
Other financial instrument	-	205 889	273 219	479 108
- Trading derivatives	**-**	**290 305**	**424 549**	**714 854**
Equity and Index instruments	-	274 869	403 031	677 900
Foreign exchange instruments / securities	-	-	-	-
Other financial instruments	-	15 436	21 518	36 954

Notes to the condensed interim financial statements (continued)
As at 30 June 2022

The following table describes the variation in Level 3 by financial instruments (in KEUR):

Financial liabilities at fair value through profit or loss	**Balance at 01.01.2022**	Acquisitions	Change in fair value	Reimbursements	Transfers from L2 to L3	Transfers from L3 to L2	Offsetting of the assets and liabilities	**Balance at 30.06.2022**
Designated at fair value through profit or loss	**24 301 964**	**18 366 145**	**(7 271 016)**	**(6 481 751)**	**1 784 710**	**(3 973 570)**	**(1 610 262)**	**25 134 414**
Equity and index instruments	16 759 108	16 350 339	(5 956 395)	(5 113 947)	1 635 520	(3 211 882)	(2 096 059)	**18 366 684**
Commodities securities	217	-	-	(700)	-	-	483	**-**
Credit derivatives	3 251 908	578 129	(578 088)	(547 870)	143 657	(339 509)	360 516	**2 868 743**
Foreign exchange instruments	278 240	36 890	(11 881)	(23 937)	3 935	(21 538)	5 502	**267 211**
Interest rate instruments	3 739 272	1 287 372	(664 074)	(648 617)	944	(399 961)	84 190	**3 399 126**
Other financial instruments	273 219	113 415	(60 578)	(128 486)	654	(680)	35 106	**232 650**
Trading derivatives	**424 549**	**-**	**235 563**	**(22 947)**	**-**	**-**	**31 544**	**668 709**
Equity and index instruments	403 031	-	240 508	(15 713)	-	-	26 385	**654 211**
Other financial instruments	21 518	-	(4 945)	(7 234)	-	-	5 159	**14 498**

The variations in Level 3 financial assets are similar.

Transfers from Level 3 to Level 2

The consensus data provided by external counterparties are considered observable if the underlying market is liquid and if the prices provided are confirmed by actual transactions. For high maturities, these consensus data are not observable. This is the case for the implied volatility used for the valuation of options with maturities of more than five years. However, when the residual maturity of the instrument falls below five years, its fair value becomes sensitive to observable parameters.

Transfers from Level 2 to Level 3

Transfers from Level 2 to Level 3 can occur in case of a modification within a parameter (no longer linked to the deal, modification of the observability rule of the parameter, etc…).

10.5.4. The fair value hierarchy of notes issued in RUB

As at 30 June 2022, the Company has issued 206 Notes in ruble (RUB) for a total amount of KEUR 63 715 (as at 31 December 2021, 230 notes for a total amount of KEUR 89 734),

The following table describes the variation of the notes issued in RUB by financial instruments (in KEUR):

Financial liabilities at fair value through profit or loss	**Balance at 01.01.2022**	Acquisitions	Change in fair value	Reimbursements	Offsetting of the assets and liabilities	**Balance at 30.06.2022**
Designated at fair value through profit or loss	**89 734**	**8 607**	**(14 352)**	**(29 820)**	**9 546**	**63 715**
Equity and index instruments	74 625	8 607	(14 574)	(14 572)	7 081	**61 167**
Credit derivatives	12 707	-	-	(15 248)	2 541	**-**
Foreign exchange instruments	324	-	206	-	(50)	**480**
Interest rate instruments	864	-	18	-	-	**882**
Other financial instruments	1 214	-	(2)	-	(26)	**1 186**

10.6. Operational risk

Operational risk is the risk of loss or fraud caused by defects or failures in internal procedures or systems, human error or external events, including IT risk and management risk. Particular attention is paid to compliance risk, which receives enhanced monitoring.

The Company participates in the effort to strengthen the management and monitoring of operational risk led by the Société Générale Group. This effort is guided by the Operational Risk Department, which reports to the Société Générale Group Risk Department, and is relayed by different Group operational risk monitoring units responsible for implementing the policies and directives issued by the Société Générale Group and monitoring and controlling operational risks.

The monitoring arrangement mainly relies on four processes supervised by the operational risk departments: periodic risk and control self-assessment (RCSA), collecting internal data on losses due to operational errors with exhaustive real-time reporting of incidents, pattern analyses, and permanent control system.

These procedures are supplemented by a crisis management unit and a business continuity plan.

NOTE 11 – INFORMATION ON LITIGATIONS

During the year ended 31 December 2020, SG Issuer, as the Issuer of Notes linked to the credit risk of a French corporate, and Société Générale, as the Guarantor, were brought before the Courts of Paris (alongside other French financial institutions) by end investors to obtain compensation for the financial loss they suffered on their investment in these securities. The French corporate was the subject of a “safeguard procedure”, which constitutes a credit event under the terms of the Notes which had a strong impact on the value of the Notes. These investors rely on unfounded allegations according to which SG Issuer and Société Générale were aware of the difficulties of the French corporate when setting up and marketing these Notes and that in doing so, they failed to meet their regulatory obligations (to act in an honest, fair and professional manner, to provide information on the product risks and to determine the suitability of the Notes for retail investors).

For this litigation, along with any other litigation relating to securities issued by SG Issuer, SG Issuer is entitled to an indemnification by Société Générale in respect of any sum due by SG Issuer regarding potential damages or attorneys' fees.

NOTE 12 – SUBSEQUENT EVENTS

There was no subsequent event which could have a significant impact on the condensed interim financial information as at 30 June 2022.

APPENDIX III

REPRODUCTION OF THE PRESS RELEASE DATED 4 NOVEMBER 2022 CONTAINING THE GUARANTOR'S CONSOLIDATED FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

The information set out below is a reproduction of the press release dated 4 November 2022 containing the Guarantor's consolidated financial results for the third quarter ended 30 September 2022.

RESULTS AT SEPTEMBER 30TH, 2022

Press release
Paris, November 4th, 2022

STRONG RESULTS IN Q3 22

Good business performance with revenues up +2.3% vs. Q3 21 driven by the resilience of French Retail Banking, strong growth in International Retail Banking and in Financial Services, and a robust performance from Global Markets and Financing & Advisory

Good cost control, limited increase in operating expenses (+1.5% vs. Q3 21 published, +2.0% underlying)

Improvement in the underlying cost to income ratio, excluding contribution to the Single Resolution Fund, **at 60.7%(1)** (vs. 61.8%(1) in Q3 21)

Cost of risk contained at 31 basis points, with around two-thirds consisting of prudent provisioning on performing loans, the level of defaults remaining low at ~10 basis points

Underlying Group net income of EUR 1.4 billion(1) (EUR 1.5 billion on a reported basis)

Underlying profitability (ROTE) of 10.5%(1) (11.2% on a reported basis)

EXCELLENT UNDERLYING PERFORMANCE IN 9M 22

Underlying Group net income of EUR 4.5 billion(1) (EUR 858 million on a reported basis), up +11.2% vs. 9M 21

Underlying cost to income ratio, excluding contribution to the Single Resolution Fund, **of 59.6%(1) at end-September, now expected below 64% for 2022**

Underlying profitability (ROTE) of 10.4%(1) (1.3% on a reported basis)

STRENGTHENED CAPITAL POSITION AND ROBUST BALANCE SHEET

CET 1 ratio of 13.1%(2) at end-September 2022, up 13 basis points vs. end-June 2022(3) and around 380 basis points above the regulatory requirement

CONTINUED ORDERLY EXECUTION OF STRATEGIC INITIATIVES

Merger of retail banking networks in France: all regulatory approvals obtained and legal merger date confirmed at January 1st, 2023

Successful finalisation of the partnership between Boursorama and ING in France: onboarding of around two-thirds of eligible customers to the partnership, i.e. 315,000 customers, and transfer of nearly EUR 8.5 billion of outstandings

Acquisition of Leaseplan by ALD: approval process on track, rights issue expected before the end of the year and closing of the acquisition expected during the first quarter of 2023

ESG ambition: acceleration of the decarbonisation of our loan portfolios

Fréderic Oudéa, the Group's Chief Executive Officer, commented:

"In an increasingly complex geopolitical and economic environment, Societe Generale posts, once again, excellent results, with both a very solid commercial performance and profitability. The third quarter is marked by increasing revenues, continued control of operating expenses and a contained cost of risk, while maintaining a prudent provisioning policy. We continue to make good progress on the execution of our strategic initiatives, with several major milestones achieved, notably on the merger of the retail banking networks in France and the finalisation of the partnership between Boursorama and ING. Furthermore, on September 30th, the Board of Directors decided that at the next General Meeting it would propose Slawomir Krupa as Board member to be my successor as Chief Executive Officer of the Group in May 2023. The coming months will enable us to continue to implement the strategic initiatives underway, which would ensure sustainable growth and profitability, while together ensuring an effective and orderly transition."

(1) Underlying data (see methodology note No. 5 for the transition from accounting data to underlying data)
(2) Phased-in ratio (fully-loaded ratio of 12.9%) (3) Excluding IFRS 9 phasing effect
*The footnote * corresponds to data adjusted for changes in Group Structure and at constant exchange rates*

1. GROUP CONSOLIDATED RESULTS

In EURm	Q3 22	Q3 21	Change		9M 22	9M 21	Change	
Net banking income	6,828	6,672	+2.3%	+3.7%*	21,174	19,178	+10.4%	+10.9%*
Operating expenses	(4,233)	(4,170)	+1.5%	+4.3%*	(14,020)	(13,025)	+7.6%	+8.9%*
Underlying operating expenses(1)	*(4,358)*	*(4,272)*	*+2.0%*	*+4.8%**	*(13,273)*	*(12,594)*	*+5.4%*	*+6.7%**
Gross operating income	2,595	2,502	+3.7%	+2.8%*	7,154	6,153	+16.3%	+14.9%*
Underlying gross operating income(1)	*2,470*	*2,400*	*+2.9%*	*+1.9%**	*7,901*	*6,584*	*+20.0%*	*+18.7%**
Net cost of risk	(456)	(196)	x 2.3	x 2.3*	(1,234)	(614)	x 2.0	+52.2%*
Operating income	2,139	2,306	-7.2%	-8.1%*	5,920	5,539	+6.9%	+9.3%*
Underlying operating income(1)	*2,014*	*2,204*	*-8.6%*	*-9.5%**	*6,667*	*5,970*	*+11.7%*	*+14.1%**
Net profits or losses from other assets	4	175	-97.7%	-97.7%*	(3,286)	186	n/s	n/s
Income tax	(396)	(699)	-43.4%	-43.4%*	(1,076)	(1,386)	-22.4%	-19.6%*
Net income	1,751	1,781	-1.7%	-2.8%*	1,566	4,343	-63.9%	-63.9%*
O.w. non-controlling interests	253	180	+40.6%	+37.3%*	708	489	+44.8%	+42.9%*
Reported Group net income	1,498	1,601	-6.4%	-7.3%*	858	3,854	-77.7%	-77.7%*
Underlying Group net income(1)	*1,410*	*1,391*	*+1.4%*	*+0.3%**	*4,489*	*4,038*	*+11.2%*	*+12.2%**
ROE	9.9%	11.1%			1.1%	8.7%		
ROTE	11.2%	12.7%			1.3%	10.0%		
Underlying ROTE(1)	*10.5%*	*10.9%*			*10.4%*	*10.4%*		

(1) Adjusted for exceptional items and linearisation of IFRIC 21

Societe Generale's Board of Directors, which met on November 3rd, 2022 under the chairmanship of Lorenzo Bini Smaghi, examined the Societe Generale Group's results for Q3 and 9M 2022.

The various restatements enabling the transition from underlying data to published data are presented in the methodology notes (section 10.5).

Net banking income

Net banking income continued to enjoy good momentum despite a more uncertain economic environment, with growth of +2.3% (+3.7%*) in Q3 22 vs. Q3 21.

French Retail Banking was resilient (+0.5% vs. Q3 21). Net banking income showed a healthy momentum on service fees and in private banking.

International Retail Banking & Financial Services' revenues rose +5.6% (+13.5%*) vs. Q3 21, driven by a very good quarter for ALD and International Retail Banking. The latter saw its activities grow +13.0%* vs. Q3 21. Financial Services' net banking income was substantially higher (+19.0%* vs. Q3 21) while Insurance net banking income increased by +2.1%* vs. Q3 21.

Global Banking & Investor Solutions continued to enjoy dynamic growth, with revenues up +6.4% (+3.9%*) vs. Q3 21. Global Markets & Investor Services was higher (+11.2%, 5.2%*) than in Q3 21 while Financing & Advisory activities increased by +7.0% (+1.5%*) vs. Q3 21.

In 9M 22, the Group posted robust revenue growth of +10.4% (+10.9%*) vs. 9M 21, with growth in all the businesses.

Operating expenses

In Q3 22, operating expenses totalled EUR 4,233 million on a reported basis and EUR 4,358 million on an underlying basis (restated for transformation costs and the linearisation of IFRIC 21), an increase of +2.0% vs. Q3 21.

In 9M 22, underlying operating expenses were up +5.4% vs. 9M 21 at EUR 13,273 million (EUR 14,020 million on a reported basis). This rise can be explained primarily by the higher contribution to the Single Resolution Fund (EUR +208 million), the increase in the variable elements of employee remuneration including the Global Employee Share Ownership Plan (EUR +142 million) and currency effects (EUR +165 million). Excluding these variable elements, the increase in other expenses was limited at EUR 164 million vs. 9M 21 (+1.3%).

Overall, underlying gross operating income increased by 2.9% in Q3 22 to EUR 2,470 million and the underlying cost to income ratio, excluding the Single Resolution Fund, decreased to 60.7%.

In 9M 22, underlying gross operating income was substantially higher (+20.0% vs. 9M 21) at EUR 7,901 million.

Cost of risk

The cost of risk remained contained at 31 basis points in Q3 22, or EUR 456 million. It breaks down into a provision on non-performing loans which remains limited at EUR 154 million (~10 basis points), and an additional provision on performing loans of EUR 302 million (21 basis points).

In 9M 2022, the cost of risk amounted to 29 basis points.

Offshore exposure to Russia was reduced to EUR 2.3 billion of EAD (Exposure At Default) at September 30th, 2022. Exposure at risk on this portfolio is estimated at less than EUR 1 billion. The total associated provisions were EUR 452 million at end-September 2022.

Moreover, at end-September 2022, the Group's residual exposure in relation to Rosbank amounted to around EUR 0.1 billion, corresponding mainly to guarantees and letters of credit that were recognised under intra-group exposure before the disposal of Rosbank.

The Group's provisions on performing loans amounted to EUR 3,754 million at end-September, an increase of EUR 399 million in 2022.

The non-performing loans ratio amounted to 2.7%[(1)] at September 30th, 2022, down ~10 basis points vs. June 30th, 2022. The Group's gross coverage ratio for doubtful outstandings was stable at 50%[(2)] at September 30th, 2022.

The cost of risk is still expected to be between 30 and 35 basis points in 2022.

([1]) NPL ratio calculated according to the EBA methodology published on July 16th, 2019
([2])Ratio between S3 provisions and the gross book value of non-performing loans before offsetting of guarantees and collateral

Group net income

In EURm	Q3 22	Q3 21	9M 22	9M 21
Reported Group net income	1,498	1,601	858	3,854
Underlying Group net income(1)	1,410	1,391	4,489	4,038

In EURm	Q3 22	Q3 21	9M 22	9M 21
ROTE	11.2%	12.7%	1.3%	10.0%
Underlying ROTE(1)	10.5%	10.9%	10.4%	10.4%

(1) Adjusted for exceptional items and linearisation of IFRIC 21

Earnings per share amounts to EUR 0.55 in 9M 22 (EUR 4.02 in 9M 21). Underlying earnings per share amounts to EUR 4.68 over the same period (EUR 4.06 in 9M 21).

2. THE GROUP'S FINANCIAL STRUCTURE

Group **shareholders' equity** totalled EUR 66.3 billion at September 30th, 2022 (EUR 65.1 billion at December 31st, 2021). Net asset value per share was EUR 69.4 and tangible net asset value per share was EUR 61.5.

The consolidated balance sheet totalled EUR 1,594 billion at September 30th, 2022 (EUR 1,464 billion at December 31st, 2021). The net amount of customer loan outstandings at September 30th, 2022, including lease financing, was EUR 503 billion (EUR 488 billion at December 31st, 2021) – excluding assets and securities purchased under resale agreements. At the same time, customer deposits amounted to EUR 527 billion, vs. EUR 502 billion at December 31st, 2021 (excluding assets and securities sold under repurchase agreements).

At October 18th, 2022, the parent company had issued EUR 41.1 billion of medium/long-term debt, having an average maturity of 5.1 years and an average spread of 56 basis points (vs. the 6-month midswap, excluding subordinated debt). The subsidiaries had issued EUR 2.7 billion. In total, the Group had issued EUR 43.8 billion of medium/long-term debt.

The LCR (Liquidity Coverage Ratio) was well above regulatory requirements at 143% at end-September 2022 (143% on average in Q3), vs. 129% at end-December 2021. At the same time, the NSFR (Net Stable Funding Ratio) was at a level of 112% at end-September 2022.

The Group's **risk-weighted assets** (RWA) amounted to EUR 371.6 billion at September 30th, 2022 (vs. EUR 363.4 billion at end-December 2021) according to CRR2/CRD5 rules. Risk-weighted assets in respect of credit risk represent 83.6% of the total, at EUR 310.7 billion, up 1.9% vs. December 31st, 2021.

At September 30th, 2022, the Group's **Common Equity Tier 1** ratio stood at 13.1%, or around 380 basis points above the regulatory requirement. The CET1 ratio at September 30th, 2022 includes an effect of +15 basis points for phasing of the IFRS 9 impact. Excluding this effect, the fully-loaded ratio amounts to 12.9%. The Tier 1 ratio stood at 15.6% at end-September 2022 (15.9% at end-December 2021) and the total capital ratio amounted to 19.0% (18.8% at end-December 2021).

The **leverage ratio** stood at 4.2% at September 30th, 2022.

With a level of 32.4% of RWA and 8.6% of leverage exposure at end-September 2022, the Group's TLAC ratio is above the Financial Stability Board's requirements for 2022. At September 30th, 2022, the Group was also above its 2022 MREL requirements of 25.2% of RWA and 5.91% of leverage exposure.

The Group is rated by four rating agencies: (i) Fitch Ratings - long-term rating "A-", stable rating, senior preferred debt rating "A", short-term rating "F1" (ii) Moody's - long-term rating (senior preferred debt) "A1", stable outlook, short-term rating "P-1" (iii) R&I - long-term rating (senior preferred debt) "A", stable outlook; and (iv) S&P Global Ratings - long-term rating (senior preferred debt) "A", stable outlook, short-term rating "A-1".

3. FRENCH RETAIL BANKING

In EURm	Q3 22	Q3 21	Change	9M 22	9M 21	Change
Net banking income	2,176	2,165	+0.5%	6,620	6,268	+5.6%
Net banking income excl. PEL/CEL	*2,123*	*2,152*	*-1.3%*	*6,473*	*6,250*	*+3.6%*
Operating expenses	(1,523)	(1,502)	+1.4%	(4,756)	(4,560)	+4.3%
Underlying operating expenses(1)	*(1,579)*	*(1,545)*	*+2.2%*	*(4,700)*	*(4,517)*	*+4.0%*
Gross operating income	653	663	-1.5%	1,864	1,708	+9.1%
Underlying gross operating income(1)	*597*	*620*	*-3.7%*	*1,920*	*1,751*	*+9.7%*
Net cost of risk	(196)	(8)	x 24.5	(264)	(145)	+82.1%
Operating income	457	655	-30.2%	1,600	1,563	+2.4%
Net profits or losses from other assets	3	(2)	n/s	6	2	x 3.0
Reported Group net income	343	470	-27.0%	1,195	1,136	+5.2%
Underlying Group net income(1)	*301*	*439*	*-31.3%*	*1,237*	*1,167*	*+5.9%*
RONE	10.7%	15.8%		12.9%	12.6%	
Underlying RONE(1)	*9.4%*	*14.8%*		*13.4%*	*12.9%*	

(1) Including PEL/CEL provision and adjusted for the linearisation of IFRIC 21
NB: including Private Banking activities as per Q1 22 restatement (France and international), includes other businesses transferred following the disposal of Lyxor

Societe Generale and Crédit du Nord networks

Average loan outstandings were 3.7% higher than in Q3 21 at EUR 215 billion.

Home loan outstandings rose +3.5% vs. Q3 21. Outstanding loans to corporate and professional customers were 4% higher than in Q3 21.

Average outstanding balance sheet deposits including BMTN (negotiable medium-term notes) continued to rise (+1.5% vs. Q3 21) to EUR 243 billion.

As a result, the average loan/deposit ratio stood at 88% in Q3 22 vs. 87% in Q3 21.

Life insurance assets under management totalled EUR 109 billion at end-September 2022, unchanged year-on-year (with the unit-linked share accounting for 32%). Gross life insurance inflow amounted to EUR 1.8 billion in Q3 22.

Personal protection insurance premiums were up +8% vs. Q3 21 and property/casualty insurance premiums were up +4% vs. Q3 21.

Boursorama

The bank consolidated its position as the leading online bank in France, with more than 4.3 million clients at end-September 2022 (+40% vs. Q3 21), thanks to the onboarding of 365,000 new clients in Q3 22 (x2.2 vs. Q3 21).

Average outstanding loans rose +21% vs. Q3 21 to EUR 15 billion. Home loan outstandings were up +20% vs. Q3 21, while consumer loan outstandings climbed +28% vs. Q3 21.

Average outstanding savings including deposits and financial savings were 32% higher than in Q3 21 at EUR 46 billion, with deposits increasing by +37% vs. Q3 21. Brokerage recorded more than 1.5 million transactions in Q3 22.

The exclusive offering reserved for ING customers ended successfully on September 30th. The customer acquisition rate was 63% or around 315,000 ING customers out of the 500,000 eligible customers. They consist mainly of affluent customers. The outstandings collected total around EUR 8.5 billion and consist mainly of life insurance outstandings.

Private Banking

Private Banking activities, which were transferred to French Retail Banking at the beginning of 2022, cover the activities in France and internationally. Assets under management totalled EUR 146 billion at end-September. Net inflow totalled EUR 1.3 billion in Q3 22. Net banking income amounted to EUR 325 million in Q3 22 (+11.5% vs. Q3 21).

Net banking income

Q3 22: revenues totalled EUR 2,176 million, up +0.5% vs. Q3 21 including PEL/CEL, due to good commercial activity. Net interest income and other revenues, including PEL/CEL, was down -4.5% vs. Q3 21, impacted primarily by the higher rate on regulated savings accounts and a time lag effect in the rise in rates on new home loans due to the usury rate. Fees increased by +6.5% vs. Q3 21, driven by the sharp rise in service fees and the performance of financial fees.

9M 22: revenues totalled EUR 6,620 million, up +5.6% vs. 9M 21, including PEL/CEL. Net interest income and other revenues, including PEL/CEL, was up +4.6% vs. 9M 21. Fees were 6.8% higher than in 9M 21, benefiting from the strong growth in service fees.

Operating expenses

Q3 22: operating expenses totalled EUR 1,523 million (+1.4% vs. Q3 21) and EUR 1,579 million on an underlying basis (+2.2% vs. Q3 21). The cost to income ratio stood at 70%, an increase of 0.6 points vs. Q3 21.

9M 22: operating expenses totalled EUR 4,756 million (+4.3% vs. 9M 21). The cost to income ratio stood at 72%, down 1 point vs. 9M 21.

Cost of risk

Q3 22: the commercial cost of risk amounted to EUR 196 million or 32 basis points, including in particular EUR 123 million on performing loans (20 basis points). It was higher than in Q3 21 (1 basis point).

9M 22: the commercial cost of risk amounted to EUR 264 million or 14 basis points, higher than in 9M 21 (8 basis points).

Contribution to Group net income

Q3 22: the contribution to Group net income was EUR 343 million in Q3 22, down 27.0% vs. Q3 21 (EUR 470 million in Q3 21). RONE (after linearisation of the IFRIC 21 charge) stood at 9.4% in Q3 22 (10.9% excluding Boursorama).

9M 22: the contribution to Group net income was EUR 1,195 million, up +5.2% vs. 9M 21. RONE (after linearisation of the IFRIC 21 charge) stood at 13.4% in 9M 22.

4. INTERNATIONAL RETAIL BANKING & FINANCIAL SERVICES

In EURm	Q3 22	Q3 21	Change		9M 22	9M 21	Change	
Net banking income	2,226	2,107	*+5.6%*	*+13.5%**	6,753	5,958	*+13.3%*	*+17.9%**
Operating expenses	(1,006)	(1,015)	*-0.9%*	*+10.6%**	(3,234)	(3,115)	*+3.8%*	*+9.5%**
Underlying operating expenses(1)	*(1,037)*	*(1,039)*	*-0.2%*	*+11.1%**	*(3,203)*	*(3,091)*	*+3.6%*	*+9.3%**
Gross operating income	1,220	1,092	*+11.7%*	*+16.1%**	3,519	2,843	*+23.8%*	*+26.8%**
Underlying gross operating income(1)	*1,189*	*1,068*	*+11.3%*	*+15.8%**	*3,550*	*2,867*	*+23.8%*	*+26.8%**
Net cost of risk	(150)	(145)	*+3.4%*	*+7.3%**	(572)	(408)	*+40.2%*	*-4.6%**
Operating income	1,070	947	*+13.0%*	*+17.4%**	2,947	2,435	*+21.0%*	*+35.5%**
Net profits or losses from other assets	2	4	*-50.0%*	*-50.0%**	12	10	*+20.0%*	*+19.3%**
Reported Group net income	624	584	*+6.8%*	*+13.2%**	1,718	1,498	*+14.7%*	*+29.4%**
Underlying Group net income(1)	*606*	*570*	*+6.3%*	*+12.8%**	*1,736*	*1,512*	*+14.8%*	*+29.4%**
RONE	23.8%	22.6%			21.4%	19.7%		
Underlying RONE(1)	*23.1%*	*22.1%*			*21.7%*	*19.9%*		

(1) Adjusted for the linearisation of IFRIC 21

International Retail Banking's outstanding loans totalled EUR 86.7 billion, up +6.2%* vs. Q3 21. Outstanding deposits were slightly higher (+0.8%*) than in Q3 21, at EUR 80.9 billion.

For the Europe scope, outstanding loans were up +5.9%* vs. end-September 2021 at EUR 62.7 billion, driven by a positive momentum in the Czech Republic (+9.1%*) and in Romania (+8.6%*). Outstanding deposits declined -1.7%* to EUR 54.3 billion. The good momentum in Romania and Western Europe was offset by a slowdown in the Czech Republic notably due to a shift towards financial savings.

In Africa, Mediterranean Basin and French Overseas Territories, outstanding loans confirmed their rebound, with an increase of +7.0%*. Outstanding deposits continued to enjoy a good momentum, up +6.2%*.

In the Insurance business, life insurance outstandings totalled EUR 130 billion at end-September 2022. The share of unit-linked products in outstandings was still high at 35%, stable vs. September 2021. Gross life insurance savings inflow amounted to EUR 2,573 million in Q3 22 in a highly volatile market. The share of unit-linked products remained high at 39% in Q3 22. Protection insurance saw an increase of +2.8%* vs. Q3 21, with a good momentum for property/casualty insurance premiums.

Financial Services also enjoyed a very good momentum. Operational Vehicle Leasing and Fleet Management posted growth of +5.2% vs. end-September 2021 and the number of contracts totalled 1.8 million. Equipment Finance outstanding loans were slightly higher (+0.5%) than at end-September 2021, at EUR 14.5 billion (excluding factoring).

Net banking income

Net banking income amounted to EUR 2,226 million in Q3 22, up +13.5%* vs. Q3 21. Revenues amounted to EUR 6,753 million in 9M 22, up +17.9%* vs. 9M 21.

International Retail Banking's net banking income totalled EUR 1,260 million in Q3 22, up +13.0%*. International Retail Banking's net banking income totalled EUR 3,873 million in 9M 22, up +12.6%* vs. 9M 21.

Revenues in Europe climbed +14.5%* vs. Q3 21, due primarily to substantial growth in net interest income (+16.2%* vs. Q3 21), driven by the Czech Republic (+41.1%* vs. Q3 21) and Romania (+20.1%* vs. Q3 21).

The Africa, Mediterranean Basin and French Overseas Territories scope posted revenues up +10.5%* vs. Q3 21 at EUR 485 million, driven by all the entities.

The Insurance business posted net banking income up +2.1%* vs. Q3 21, at EUR 247 million. The Insurance business' net banking income was 5.1%* higher in 9M 22 than in 9M 21 at EUR 749 million.

Financial Services' net banking income was substantially higher (+19.0%*) than in Q3 21, at EUR 719 million. This performance is due primarily at ALD level to a good commercial momentum, a strong used car sale result (EUR 3,149 per vehicle in 9M 22), a depreciation adjustment and, to a lesser extent, the transfer to hyperinflation accounting for activities in Turkey. Financial Services' net banking income totalled EUR 2,131 million in 9M 22, up +35.0%* vs. 9M 21.

Operating expenses

Operating expenses increased by +11.1%*(1) vs. Q3 21 to EUR 1,037 million(1), resulting in a positive jaws effect. The cost to income ratio (after linearisation of the IFRIC 21 charge) stood at 46.6%(1) in Q3 22, lower than in Q3 21 (49.3%(1)). Operating expenses totalled EUR 3,203 million(1) in 9M 22, up +9.3%*(1) vs. 9M 21.

In International Retail Banking, operating expenses were up +6.2%*(1) vs. Q3 21.

In the **Insurance** business, operating expenses rose +5.7%*(1) vs. Q3 21, with a cost to income ratio (after linearisation of the IFRIC 21 charge) of 38.7%(1).

In **Financial Services**, operating expenses increased by +26.9%*(1) vs. Q3 21. This rise is due in particular to the recognition in Q3 22 of charges related to the preparation of the acquisition of Leaseplan.

Cost of risk

In Q3 22, the cost of risk was higher at 47 basis points (EUR 150 million), vs. 43 basis points in Q3 21.

On 9M 22, the cost of risk amounted to 56 basis points (EUR 572 million). It was 41 basis points in 9M 21.

Contribution to Group net income

The contribution to Group net income totalled EUR 606 million(1) in Q3 22, up +12.8%*(1) vs. Q3 21. The contribution to Group net income totalled EUR 1,736 million(1) in 9M 22 (+29.4%*(1) vs. 9M 21).

Underlying RONE stood at 23.1% in Q3 22 and 21.7% in 9M 22. Underlying RONE was 18.4% in International Retail Banking and 28.0% in Financial Services and Insurance in Q3 22.

5. GLOBAL BANKING & INVESTOR SOLUTIONS

In EURm	Q3 22	Q3 21	Variation		9M 22	9M 21	Variation	
Net banking income	2,312	2,172	+6.4%	+3.9%*	7,630	6,671	+14.4%	+12.4%*
Operating expenses	(1,428)	(1,457)	-2.0%	-2.7%*	(5,165)	(4,848)	+6.5%	+6.4%*
Underlying operating expenses(1)	*(1,613)*	*(1,578)*	*+2.2%*	*+1.6%**	*(4,980)*	*(4,727)*	*+5.3%*	*+5.2%**
Gross operating income	884	715	+23.6%	+16.6%*	2,465	1,823	+35.2%	+27.4%*
Underlying gross operating income(1)	*699*	*594*	*+17.6%*	*+9.6%**	*2,650*	*1,944*	*+36.3%*	*+28.9%**
Net cost of risk	(80)	(44)	+81.8%	+58.6%*	(343)	(62)	x 5.5	x 5.1*
Operating income	804	671	+19.8%	+13.6%*	2,122	1,761	+20.5%	+13.7%*
Reported Group net income	629	544	+15.6%	+10.1%*	1,673	1,397	+19.8%	+13.2%*
Underlying Group net income(1)	*486*	*451*	*+7.8%*	*+1.6%**	*1,816*	*1,490*	*+21.9%*	*+15.6%**
RONE	16.7%	15.0%			15.3%	13.5%		
Underlying RONE(1)	*12.9%*	*12.5%*			*16.6%*	*14.4%*		

(1) Adjusted for the linearisation of IFRIC 21
NB: excluding Private Banking activities as per Q1 22 restatement (France and International). Excludes businesses transferred following the disposal of Lyxor

Net banking income

Global Banking & Investor Solutions delivered a very solid performance in Q3, with revenues of EUR 2,312 million, up +6.4% vs. Q3 21.

Revenues increased substantially in 9M 22, +14.4% vs. 9M 21 (EUR 7,630 million vs. EUR 6,671 million).

In Global Markets & Investor Services, net banking income totalled EUR 1,505 million in Q3 22 (+11.2% vs. Q3 21). It amounted to EUR 5,212 million in 9M 22, +18.6% vs. 9M 21.

Global Markets turned in a strong performance in Q3 22 (EUR 1,344 million), up +12.1% vs. Q3 21, benefiting from dynamic commercial activity in a still volatile environment. Revenues were higher in 9M 22 (+18.8%) than in 9M 21 at EUR 4,637 million.

The Equity activity delivered a solid performance in Q3 (EUR 806 million, +1.0% vs. Q3 21), driven by a sustained high client demand in both flow activities and investment solutions. Revenues were up +9.6% in 9M 22 vs. 9M 21 at EUR 2,649 million.

Fixed Income & Currency activities posted substantially higher revenues (+34.2% vs. Q3 21) at EUR 538 million in a volatile rate environment. Revenues increased to EUR 1,988 million in 9M 22 (+33.8% vs. 9M 21).

Securities Services saw its revenues increase +3.9% vs. Q3 21, to EUR 161 million. Revenues were up +17.3% in 9M 22 vs. 9M 21 at EUR 575 million. Securities Services' assets under custody and assets under administration amounted to EUR 4,275 billion and EUR 598 billion respectively.

Financing & Advisory posted revenues of EUR 807 million, up +7.0% vs. Q3 21. They amounted to EUR 2,418 million in 9M 22, significantly higher (+14.7%) than in 9M 21.

The Global Banking & Advisory business, slightly lower (-1.4% vs. Q3 21), continued to capitalise on the good market momentum in Asset Finance and activities related to Natural Resources. These performances were also driven by the strategy focused on Environmental, Social and Governance criteria. The Asset-Backed Products platform also showed good resilience in Q3. In contrast, Investment Banking was negatively impacted by current market conditions and the decline in volumes.

Global Transaction and Payment Services continued to experience very high growth, up +50.0% vs. Q3 21. It was a record quarter as a result of a very good performance in all activities, particularly Cash Management and Correspondent Banking.

Operating expenses

Operating expenses totalled EUR 1,428 million in Q3 22, -2.0% lower than in Q3 21 on a reported basis, and slightly higher (+2.2%) on an underlying basis. The increase on an underlying basis can be explained primarily by the rise of EUR 64 million in linearised IFRIC 21 charges in Q3.

With a positive jaws effect, the underlying cost to income ratio excluding the contribution to the Single Resolution Fund improved to 63.0%.

Operating expenses were up +6.5% on a reported basis and +5.3% on an underlying basis in 9M 22.

Cost of risk

The cost of risk amounted to 17 basis points (or EUR 80 million) in Q3 22, with cost of risk amounting to EUR 43 million on the Russian offshore portfolio.
It stood at 26 basis points (or EUR 343 million) in 9M 22 given the provisioning on the Russian offshore portfolio (EUR 303 million).

Contribution to Group net income

The contribution to Group net income was EUR 629 million on a reported basis (+15.6% vs. Q3 21) and EUR 486 million on an underlying basis in Q3 22. It was EUR 1,673 million on a reported basis and EUR 1,816 million on an underlying basis in 9M 22.

Global Banking & Investor Solutions posted an underlying RONE of 12.9% in Q3 22 and 16.1% excluding the contribution to the Single Resolution Fund (vs. 14.6% in Q3 21). The underlying RONE was 16.6% in 9M 22 vs. 14.4% in 9M 21.

6. CORPORATE CENTRE

In EURm	Q3 22	Q3 21	9M 22	9M 21
Net banking income	114	228	171	281
Operating expenses	(276)	(196)	(865)	(502)
Underlying operating expenses(1)	*(129)*	*(110)*	*(390)*	*(259)*
Gross operating income	(162)	32	(694)	(221)
Underlying gross operating income(1)	*(15)*	*118*	*(219)*	*22*
Net cost of risk	(30)	1	(55)	1
Net profits or losses from other assets	(1)	173	(3,304)	174
Income tax	152	(166)	485	(6)
Reported Group net income	(98)	3	(3,728)	(177)
Underlying Group net income(1)	*16*	*(69)*	*(299)*	*(132)*

(1) Adjusted for the linearisation of IFRIC 21

The Corporate Centre includes:

- the property management of the Group's head office,
- the Group's equity portfolio,
- the Treasury function for the Group,
- certain costs related to cross-functional projects as well as certain costs incurred by the Group not re-invoiced to the businesses.

The Corporate Centre's net banking income totalled EUR 114 million in Q3 22 vs. EUR +228 million in Q3 21, and EUR +171 million in 9M 22 vs. EUR +281 million in 9M 21.

Operating expenses totalled EUR 276 million in Q3 22 vs. EUR 196 million in Q3 21. They include the Group's transformation costs for a total amount of EUR 160 million relating to the activities of French Retail Banking (EUR 100 million), Global Banking & Investor Solutions (EUR 24 million) and the Corporate Centre (EUR 36 million). Underlying costs came to EUR 129 million in Q3 22 compared to EUR 110 million in Q3 21.

In 9M 22, operating expenses totalled EUR 865 million vs. EUR 502 million in 9M 21. Transformation costs totalled EUR 462 million (EUR 301 million for the activities of French Retail Banking, EUR 63 million for Global Banking & Investor Solutions and EUR 98 million for the Corporate Centre). Underlying costs came to EUR 390 million in 9M 22 compared to EUR 259 million in 9M 21.

Gross operating income totalled EUR -162 million in Q3 22 vs. EUR 32 million in Q3 21. Underlying gross operating income came to EUR -15 million in Q3 22 vs. EUR 118 million in Q3 21. In 9M 22, gross operating income was EUR -694 million on a reported basis (vs. EUR -221 million in 9M 21) and EUR -219 million on an underlying basis (vs. EUR 22 million in 9M 21).

The Corporate Centre's contribution to Group net income was EUR -98 million in Q3 22 vs. EUR 3 million in Q3 21. The Corporate Centre's contribution to Group net income on an underlying basis was EUR 16 million. In 9M 22, the contribution to Group net income was EUR -3,728 million on a reported basis and EUR -299 million on an underlying basis.

7. 2022 AND 2023 FINANCIAL CALENDAR

2022 and 2023 Financial communication calendar	
February 8th, 2023	Fourth quarter and FY 2022 results
May 12th, 2023	First quarter 2023 results
May 23rd, 2023	2023 General Meeting
August 3rd, 2023	Second quarter 2023 results

The Alternative Performance Measures, notably the notions of net banking income for the pillars, operating expenses, IFRIC 21 adjustment, cost of risk in basis points, ROE, ROTE, RONE, net assets, tangible net assets, and the amounts serving as a basis for the different restatements carried out (in particular the transition from published data to underlying data) are presented in the methodology notes, as are the principles for the presentation of prudential ratios.

This document contains forward-looking statements relating to the targets and strategies of the Societe Generale Group.
These forward-looking statements are based on a series of assumptions, both general and specific, in particular the application of accounting principles and methods in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union, as well as the application of existing prudential regulations.

These forward-looking statements have also been developed from scenarios based on a number of economic assumptions in the context of a given competitive and regulatory environment. The Group may be unable to:
- anticipate all the risks, uncertainties or other factors likely to affect its business and to appraise their potential consequences;
- evaluate the extent to which the occurrence of a risk or a combination of risks could cause actual results to differ materially from those provided in this document and the related presentation.

Therefore, although Societe Generale believes that these statements are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, including matters not yet known to it or its management or not currently considered material, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among others, overall trends in general economic activity and in Societe Generale's markets in particular, regulatory and prudential changes, and the success of Societe Generale's strategic, operating and financial initiatives.

More detailed information on the potential risks that could affect Societe Generale's financial results can be found in the section "Risk Factors" in our Universal Registration Document filed with the French Autorité des Marchés Financiers (which is available on https://investors.societegenerale.com/en).

Investors are advised to take into account factors of uncertainty and risk likely to impact the operations of the Group when considering the information contained in such forward-looking statements. Other than as required by applicable law, Societe Generale does not undertake any obligation to update or revise any forward-looking information or statements. Unless otherwise specified, the sources for the business rankings and market positions are internal.

8. APPENDIX 1: FINANCIAL DATA

GROUP NET INCOME BY CORE BUSINESS

In EURm	Q3 22	Q3 21	Variation	9M 22	9M 21	Variation
French Retail Banking	343	470	-27.0%	1,195	1,136	+5.2%
International Retail Banking and Financial Services	624	584	+6.8%	1,718	1,498	+14.7%
Global Banking and Investor Solutions	629	544	+15.6%	1,673	1,397	+19.8%
Core Businesses	1,596	1,598	-0.1%	4,586	4,031	+13.8%
Corporate Centre	(98)	3	n/s	(3,728)	(177)	n/s
Group	1,498	1,601	-6.4%	858	3,854	-77.7%

CONSOLIDATED BALANCE SHEET

In EUR m	30.09.2022	31.12.2021
Cash, due from central banks	200,834	179,969
Financial assets at fair value through profit or loss	396,846	342,714
Hedging derivatives	30,998	13,239
Financial assets at fair value through other comprehensive income	41,337	43,450
Securities at amortised cost	20,281	19,371
Due from banks at amortised cost	77,736	55,972
Customer loans at amortised cost	513,138	497,164
Revaluation differences on portfolios hedged against interest rate risk	(1,514)	131
Investments of insurance companies	158,923	178,898
Tax assets	4,500	4,812
Other assets	112,517	92,898
Non-current assets held for sale	6	27
Deferred profit-sharing	982	-
Investments accounted for using the equity method	115	95
Tangible and intangible fixed assets	33,048	31,968
Goodwill	3,794	3,741
Total	**1,593,541**	**1,464,449**

In EUR m	30.09.2022	31.12.2021
Due to central banks	9,392	5,152
Financial liabilities at fair value through profit or loss	367,483	307,563
Hedging derivatives	44,641	10,425
Debt securities issued	125,189	135,324
Due to banks	149,785	139,177
Customer deposits	534,732	509,133
Revaluation differences on portfolios hedged against interest rate risk	(8,984)	2,832
Tax liabilities	1,735	1,577
Other liabilities	134,535	106,305
Non-current liabilities held for sale	-	1
Insurance contracts related liabilities	140,452	155,288
Provisions	4,907	4,850
Subordinated debts	17,601	15,959
Total liabilities	**1,521,468**	**1,393,586**
Shareholder's equity	**-**	**-**
Shareholders' equity, Group share	**-**	**-**
Issued common stocks and capital reserves	21,497	21,913
Other equity instruments	7,676	7,534
Retained earnings	34,622	30,631
Net income	858	5,641
Sub-total	**64,653**	**65,719**
Unrealised or deferred capital gains and losses	1,658	(652)
Sub-total equity, Group share	**66,311**	**65,067**
Non-controlling interests	5,762	5,796
Total equity	**72,073**	**70,863**
Total	**1,593,541**	**1,464,449**

9. APPENDIX 2: METHODOLOGY

1 –The financial information presented for the third quarter and the first nine months of 2022 was examined by the Board of Directors on November 3rd, 2022 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at that date. This information has not been audited.

2 - Net banking income

The pillars' net banking income is defined on page 41 of Societe Generale's 2022 Universal Registration Document. The terms "Revenues" or "Net Banking Income" are used interchangeably. They provide a normalised measure of each pillar's net banking income taking into account the normative capital mobilised for its activity.

3 - Operating expenses

Operating expenses correspond to the "Operating Expenses" as presented in note 8.1 to the Group's consolidated financial statements as at December 31st, 2021 (pages 482 et seq. of Societe Generale's 2022 Universal Registration Document). The term "costs" is also used to refer to Operating Expenses. The Cost/Income Ratio is defined on page 41 of Societe Generale's 2022 Universal Registration Document.

4 - IFRIC 21 adjustment

The IFRIC 21 adjustment corrects the result of the charges recognised in the accounts in their entirety when they are due (generating event) so as to recognise only the portion relating to the current quarter, i.e. a quarter of the total. It consists in smoothing the charge recognised accordingly over the financial year in order to provide a more economic idea of the costs actually attributable to the activity over the period analysed.

The contributions to **Single Resolution Fund (« SRF »)** are part of IFRIC21 adjusted charges, they include contributions to national resolution funds within the EU.

5 – Exceptional items – Transition from accounting data to underlying data

It may be necessary for the Group to present underlying indicators in order to facilitate the understanding of its actual performance. The transition from published data to underlying data is obtained by restating published data for exceptional items and the IFRIC 21 adjustment.

Moreover, the Group restates the revenues and earnings of the French Retail Banking pillar for PEL/CEL provision allocations or write-backs. This adjustment makes it easier to identify the revenues and earnings relating to the pillar's activity, by excluding the volatile component related to commitments specific to regulated savings.

The reconciliation enabling the transition from published accounting data to underlying data is set out in the table below:

in EUR m	Q3 22	Q3 21	9M 22	9M 21
Exceptional operating expenses (-)	**(125)**	**(102)**	**747**	**431**
IFRIC linearisation	(285)	(199)	285	199
Transformation costs[1]	160	97	462	232
Of which related to French Retail Banking	*100*	*46*	*301*	*106*
Of which related to Global Banking & Investor Solutions	*24*	*23*	*63*	*66*
Of which related to Corporate Centre	*36*	*28*	*98*	*60*
Exceptional Net profit or losses from other assets (+/-)	**0**	**(185)**	**3,303**	**(185)**
Net losses from the disposal of Russian activities[1]	0		3,300	
Lyxor disposal[1]	0		3	
Total exceptional items (pre-tax)	**(125)**	**(287)**	**4,050**	**246**
Reported Net income - Group Share	1,498	1,601	858	3,854
Total exceptional items - Group share (post-tax)	**(88)**	**(211)**	**3,631**	**184**
Underlying Net income - Group Share	1,410	1,391	4,489	4,038

(1) Allocated to Corporate Centre

6 - Cost of risk in basis points, coverage ratio for doubtful outstandings

The cost of risk is defined on pages 43 and 663 of Societe Generale's 2022 Universal Registration Document. This indicator makes it possible to assess the level of risk of each of the pillars as a percentage of balance sheet loan commitments, including operating leases.

In EURm		Q3 22	Q3 21	9M 22	9M 21
French Retail Banking	Net Cost Of Risk	196	8	264	145
	Gross loan Outstandings	246,467	234,980	244,941	234,525
	Cost of Risk in bp	32	1	14	8
International Retail Banking and Financial Services	Net Cost Of Risk	150	145	572	408
	Gross loan Outstandings	127,594	134,725	136,405	132,088
	Cost of Risk in bp	47	43	56	41
Global Banking and Investor Solutions	Net Cost Of Risk	80	44	343	62
	Gross loan Outstandings	190,678	149,761	179,454	144,456
	Cost of Risk in bp	17	12	26	7
Corporate Centre	Net Cost Of Risk	30	(1)	55	(1)
	Gross loan Outstandings	15,924	14,244	15,093	13,589
	Cost of Risk in bp	75	(1)	49	(1)
Societe Generale Group	Net Cost Of Risk	456	196	1,234	614
	Gross loan Outstandings	580,663	533,711	575,893	524,659
	Cost of Risk in bp	31	15	29	16

The **gross coverage ratio for doubtful outstandings** is calculated as the ratio of provisions recognised in respect of the credit risk to gross outstandings identified as in default within the meaning of the regulations, without taking account of any guarantees provided. This coverage ratio measures the maximum residual risk associated with outstandings in default ("doubtful").

7 - ROE, ROTE, RONE

The notions of ROE (Return on Equity) and ROTE (Return on Tangible Equity), as well as their calculation methodology, are specified on page 43 and 44 of Societe Generale's 2022 Universal Registration Document. This measure makes it possible to assess Societe Generale's return on equity and return on tangible equity.

RONE (Return on Normative Equity) determines the return on average normative equity allocated to the Group's businesses, according to the principles presented on page 44 of Societe Generale's 2022 Universal Registration Document.

Group net income used for the ratio numerator is book Group net income adjusted for "interest net of tax payable on deeply subordinated notes and undated subordinated notes, interest paid to holders of deeply subordinated notes and undated subordinated notes, issue premium amortisations" and "unrealised gains/losses booked under shareholders' equity, excluding conversion reserves". For ROTE, income is also restated for goodwill impairment.

Details of the corrections made to book equity in order to calculate ROE and ROTE for the period are given in the table below:

ROTE calculation: calculation methodology

End of period (in EURm)	Q3 22	Q3 21	9M 22	9M 21
Shareholders' equity Group share	66,311	63,638	66,311	63,638
Deeply subordinated notes	(9,350)	(7,820)	(9,350)	(7,820)
Undated subordinated notes	-	-	-	-
Interest of deeeply & undated subodinated notes, issue premium amortisations[1]	(80)	(34)	(80)	(34)
OCI excluding conversion reserves	1,259	(613)	1,259	(613)
Distribution provision[2]	(1,916)	(1,726)	(1,916)	(1,726)
Distribution N-1 to be paid	(334)	-	(334)	-
ROE equity end-of-period	55,891	53,445	55,891	53,445
Average ROE equity[3]	55,264	52,947	54,922	52,219
Average Goodwill	(3,667)	(3,927)	(3,646)	(3,927)
Average Intangible Assets	(2,730)	(2,599)	(2,735)	(2,549)
Average ROTE equity[3]	48,867	46,421	48,541	45,743
Group net Income	1,498	1,601	858	3,854
Interest on deeply subordinated notes and undated subordinated notes	(126)	(130)	(404)	(439)
Cancellation of goodwill impairment	1	-	3	-
Ajusted Group net Income	1,373	1,471	457	3,415
Average ROTE equity[3]	48,867	46,421	48,541	45,743
ROTE	11.2%	12.7%	1.3%	10.0%
Underlying Group net income	1,410	1,391	4,489	4,038
Interest on deeply subordinated notes and undated subordinated notes	(126)	(130)	(404)	(439)
Cancellation of goodwill impairment	1	-	3	-
Ajusted Underlying Group net Income	1,285	1,261	4,088	3,599
Average ROTE equity (underlying)[3]	48,779	46,210	52,172	45,927
Underlying ROTE	10.5%	10.9%	10.4%	10.4%

(1) Interest payable to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations
(2) The distribution to be paid is calculated based on a pay-out ratio of 50% of the underlying Group net income, after deduction of deeply subordinated notes and on undated subordinated notes
(3) Amounts restated compared with the financial statements published in 2021 (See Note 1.7 of the financial statements)

RONE calculation: Average capital allocated to Core Businesses (in EURm)

In EURm	Q3 22	Q3 21	Change	9M 22	9M 21	Change
French Retail Banking	12,876	11,867	+8.5%	12,331	12,065	+2.2%
International Retail Banking and Financial Services	10,505	10,340	+1.6%	10,681	10,154	+5.2%
Global Banking and Investor Solutions	15,072	14,486	+4.0%	14,619	13,824	+5.8%
Core Businesses	38,453	36,693	+4.8%	37,631	36,042	+4.4%
Corporate Center	16,811	16,254	+3.4%	17,291	16,177	+6.9%
Group	55,264	52,947	+4.4%	54,922	52,219	+5.2%

NB: Amounts restated in Q1 22 to take into account the transfer of Private Banking activities (French and international) to the French Retail Banking. Includes activities transferred after the disposal of Lyxor

8 - Net assets and tangible net assets

Net assets and tangible net assets are defined in the methodology, page 46 of the Group's 2022 Universal Registration Document. The items used to calculate them are presented below:

End of period (in EURm)	9M 22	H1 22	2021
Shareholders' equity Group share	66,311	64,583	65,067
Deeply subordinated notes	(9,350)	(8,683)	(8,003)
Undated subordinated notes			
Interest of deeeply & undated subodinated notes, issue premium amortisations[1]	(80)	(8)	20
Bookvalue of own shares in trading portfolio	(125)	(222)	37
Net Asset Value	56,756	55,669	57,121
Goodwill	(3,667)	(3,667)	(3,624)
Intangible Assets	(2,788)	(2,672)	(2,733)
Net Tangible Asset Value	50,301	49,330	50,764
Number of shares used to calculate NAPS[2]	817,789	831,045	831,162
Net Asset Value per Share	69.4	67.0	68.7
Net Tangible Asset Value per Share	61.5	59.4	61.1

(1) Interest payable to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations
(2) The number of shares considered is the number of ordinary shares outstanding as at end of period, excluding treasury shares and buybacks, but including the trading shares held by the Group.
In accordance with IAS 33, historical data per share prior to the date of detachment of a preferential subscription right are restated by the adjustment coefficient for the transaction.

9 - Calculation of Earnings Per Share (EPS)

The EPS published by Societe Generale is calculated according to the rules defined by the IAS 33 standard (see page 45 of Societe Generale's 2022 Universal Registration Document). The corrections made to Group net income in order to calculate EPS correspond to the restatements carried out for the calculation of ROE and ROTE. As specified on page 45 of Societe Generale's 2022 Universal Registration Document, the Group also publishes EPS adjusted for the impact of non-economic and exceptional items presented in methodology note No. 5.
The calculation of Earnings Per Share is described in the following table:

Average number of shares (thousands)	9M 22	H1 22	2021
Existing shares	844,376	842,540	853,371
Deductions			
Shares allocated to cover stock option plans and free shares awarded to staff	6,050	6,041	3,861
Other own shares and treasury shares	10,566	5,416	3,249
Number of shares used to calculate EPS(1)	827,760	831,084	846,261
Group net Income	858	(640)	5,641
Interest on deeply subordinated notes and undated subordinated notes	(404)	(278)	(590)
Adjusted Group net income (in EURm)	454	(918)	5,051
EPS (in EUR)	0.55	(1.10)	5.97
Underlying EPS(2) (in EUR)	4.68	2.87	5.52

(1) The number of shares considered is the average number of ordinary shares outstanding during the period, excluding treasury shares and buybacks, but including the trading shares held by the Group.
(2) Calculated on the basis of underlying Group net income (excluding linearisation of IFRIC 21).

10 - The Societe Generale Group's Common Equity Tier 1 capital is calculated in accordance with applicable CRR2/CRD5 rules. The fully loaded solvency ratios are presented pro forma for current earnings, net of dividends, for the current financial year, unless specified otherwise. When there is reference to phased-in ratios, these do not include the earnings for the current financial year, unless specified otherwise. The leverage ratio is also calculated according to applicable CRR2/CRD5 rules including the phased-in following the same rationale as solvency ratios.

NB (1) The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding rules.

(2) All the information on the results for the period (notably: press release, downloadable data, presentation slides and supplement) is available on Societe Generale's website www.societegenerale.com in the "Investor" section.

Societe Generale

Societe Generale is one of the leading European financial services groups. Based on a diversified and integrated banking model, the Group combines financial strength and proven expertise in innovation with a strategy of sustainable growth. Committed to the positive transformations of the world's societies and economies, Societe Generale and its teams seek to build, day after day, together with its clients, a better and sustainable future through responsible and innovative financial solutions.

Active in the real economy for over 150 years, with a solid position in Europe and connected to the rest of the world, Societe Generale has over 117,000 members of staff in 66 countries and supports on a daily basis 25 million individual clients, businesses and institutional investors around the world by offering a wide range of advisory services and tailored financial solutions. The Group is built on three complementary core businesses:

- **French Retail Banking** which encompasses the Societe Generale, Credit du Nord and Boursorama brands. Each offers a full range of financial services with omnichannel products at the cutting edge of digital innovation;
- **International Retail Banking, Insurance and Financial Services,** with networks in Africa, Central and Eastern Europe and specialised businesses that are leaders in their markets;
- **Global Banking and Investor Solutions,** which offers recognised expertise, key international locations and integrated solutions.

Societe Generale is included in the principal socially responsible investment indices: DJSI (Europe), FTSE4Good (Global and Europe), Bloomberg Gender-Equality Index, Refinitiv Diversity and Inclusion Index, Euronext Vigeo (Europe and Eurozone), STOXX Global ESG Leaders indexes, and the MSCI Low Carbon Leaders Index (World and Europe).
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Key figures as of 30 June 2022.

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