

## **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).

**A further 5,200,000 European Style Cash Settled Long Certificates  
relating to the ordinary shares of Venture Corporation Limited  
with a Daily Leverage of 5x**

**issued by**

**SG Issuer**

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

**unconditionally and irrevocably guaranteed by**

**Société Générale**

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**Issue Price: S\$0.90 per Certificate**

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This document is published for the purpose of obtaining a listing of all the above certificates (the “**Certificates**”) to be issued by SG Issuer (the “**Issuer**”) unconditionally and irrevocably guaranteed by Société Générale (the “**Guarantor**”), and is supplemental to and should be read in conjunction with a base listing document dated 21 June 2019 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.

The Certificates shall be consolidated and form a single series with an existing issue of 2,300,000 European Style Cash Settled Long Certificates relating to the ordinary shares of Venture Corporation Limited (DLC SOCGEN5XLONG VENTURE (DLAW)) issued by the Issuer and listed on the SGX-ST, in which dealings commenced on 7 November 2018, the existing issue of 1,150,000 European Style Cash Settled Long Certificates relating to the ordinary shares of Venture Corporation Limited (DLC SOCGEN5XLONG VENTURE (DLAW)) issued by the issuer and listed on the SGX-ST in which dealings commenced on 15 May 2019 and the existing issue of 1,750,000 European Style Cash Settled Long Certificates relating to the ordinary shares of Venture Corporation Limited (DLC SOCGEN5XLONG VENTURE (DLAW)) issued by the Issuer and listed on the SGX-ST, in which

dealings commenced on 10 July 2019, details of which are contained in the Supplemental Listing Documents dated 5 November 2018, 14 May 2019 and 9 July 2019.

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 a leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock (as defined below) and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock.

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

The Certificates constitute general unsecured obligations of the Issuer and of no other person, and the guarantee dated 21 June 2019 (the “**Guarantee**”) and entered into by the Guarantor constitutes general unsecured obligations of the Guarantor and of no other person, and if you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person.

Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. It is expected that dealings in the Certificates will commence on or about 22 August 2019.

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.

21 August 2019

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

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

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

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

case may be, of any other hedging transactions. Investors should note that the amount repaid by the Issuer may be less than the amount initially invested. Investors may refer to the Condition 13 on pages 33 to 35 of this document for more information;

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

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

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

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

determine the appropriate treatment of the Certificates under any applicable risk-based capital or similar rules;

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

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

Issuer could be required to close an account of an investor who does not comply with the FATCA certification procedures.

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

(aa) U.S. withholding tax

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

(bb) risk factors relating to the BRRD

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

Directive 2014/59/EU of the European Parliament and of the Council of the European Union dated 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the “**BRRD**”) entered into force on 2 July 2014. As a directive, the BRRD is not directly applicable in France and had to be transposed into national legislation. The French ordonnance no. 2015-1024 of 20 August 2015 transposed the BRRD into French law and amended the French Code monétaire et financier for this purpose. The French ordonnance has been ratified by law no. 2016-1691 dated 9 December 2016 (Loi n°2016-1691 du 9 décembre 2016 relative à la transparence, à la lutte contre la corruption et à la modernisation de la vie économique) which also incorporates provisions which clarify the implementation of the BRRD. In Luxembourg, the BRRD was implemented by the Luxembourg act dated 18 December 2015 (the “**BRR Act 2015**”). Under the BRR Act 2015, the competent authority is the CSSF and the resolution authority is the CSSF acting as Resolution Council (*le Conseil de résolution*).

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

Under the SRM Regulation, a centralized power of resolution is established and entrusted to the Single Resolution Board (the “**SRB**”) and to the national resolution authorities.

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

The conditions for resolution under the French Code monétaire et financier implementing the BRRD are deemed to be met when: (i) the Resolution Authority or the relevant supervisory authority determines that the 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 the form defined in Article L. 613-48 III, 3° of the French Code monétaire et financier).

The Bail-in Power could result in the full (i.e., to zero) or partial write-down or conversion into ordinary shares or other instruments of ownership of the Certificates, 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, if the Issuer’s or the Guarantor’s financial condition deteriorates, the existence of the Bail-in Power could cause the market price or value of the Certificates to decline more rapidly than would be the case in the absence of such power.

In addition to the Bail-in 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.

Since January 1, 2016, French credit institutions (such as the Issuer and the Guarantor) have to meet, at all times, a minimum requirement for own funds and eligible liabilities (“**MREL**”) pursuant to Article L. 613-44 of the French Code monétaire et financier. The MREL, which is expressed as a percentage of the total liabilities and own funds of the institution, aims at preventing institutions from structuring their liabilities in a manner that impedes the effectiveness of the Bail-in Power in order to facilitate resolution.

In addition, on November 9, 2015, the Financial Stability Board (the “**FSB**”) published a standard on total loss absorbing capacity (“**TLAC**”) which is set forth in a term sheet (the “**FSB TLAC Term Sheet**”). That standard –which has been adopted after the BRRD –shares similar objectives to MREL but covers a different scope. Moreover, the Council of the European Union published on February 14, 2019 a final compromise text for the modification of CRR and BRRD intending to give effect to the FSB TLAC Term Sheet and to modify the requirements for MREL eligibility.

The TLAC requirements are expected to be complied with since January 1, 2019 in accordance with the FSB principles. The TLAC requirements impose a level of “Minimum TLAC” that will be determined individually for each global systemically important bank (“**G-SIB**”), such as the Issuer and the Guarantor, in an amount at least equal to (i) 16%, plus applicable buffers, of risk weight assets through January 1, 2022 and 18%, plus applicable buffers, thereafter and (ii) 6% of the Basel III leverage ratio denominator through January 1, 2022 and 6.75% thereafter (each of which could be extended by additional firm-specific requirements). However, according to the final compromise text for the modification of CRR published by the Council of the European Union in February 2019, European Union G-SIBs will have to comply with TLAC requirements, on top of the MREL requirements, as from the entry into force of the amending regulation. As such, G-SIBs will have to comply at the same time with TLAC and MREL described above.

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

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

Moreover, if the Issuer’s or the Guarantor’s financial condition deteriorates, the existence of the Bail-in Power, the exercise of write-down/conversion powers or any other resolution tools by the Resolution Authority independently of a resolution measure or in combination with a resolution measure when it determines that the institution or its group will no longer be viable could cause the market price or value of the Certificates to decline more rapidly than would be the case in the absence of such powers.

Following the publication on 7 June 2019 in the Official Journal of the EU 14 May 2019 by the Council of the 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 and Directive 98/26/EC and of the Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the Single Resolution Mechanism Regulation (Regulation 806/2014) as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms, a comprehensive legislative package reducing risks in the banking sector and further reinforcing banks' ability to withstand potential shocks will strengthen the banking union and reduce risks in the financial system from 28 December 2020.

## 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:** A further 5,200,000 European Style Cash Settled Long Certificates relating to the ordinary shares of Venture Corporation Limited (the **“Underlying Stock”**)

The Certificates shall be consolidated and form a single series with an existing issue of 2,300,000 European Style Cash Settled Long Certificates relating to the ordinary shares of Venture Corporation Limited issued by the Issuer and listed on the SGX-ST, in which dealings commenced on 7 November 2018, the existing issue of 1,150,000 European Style Cash Settled Long Certificates relating to the ordinary shares of Venture Corporation Limited issued by the Issuer and listed on the SGX-ST, in which dealings commenced on 15 May 2019 and the existing issue of 1,750,000 European Style Cash Settled Long Certificates relating to the ordinary shares of Venture Corporation Limited issued by the Issuer and listed on the SGX-ST, in which dealings commenced on 10 July 2019.

**Company:** Venture Corporation Limited (RIC: VENM.SI)

**Underlying Price<sup>3</sup> and Source:** S\$14.75 (Reuters)

**Calculation Agent:** Société Générale

**Strike Level:** Zero

**Daily Leverage:** 5x (within the Leverage Strategy as described below)

**Notional Amount per Certificate:** SGD 0.90

**Management Fee (p.a.)<sup>4</sup>:** 0.40%

**Gap Premium (p.a.)<sup>5</sup>:** 6.90%, is a hedging cost against extreme market movements overnight.

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

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

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

Funding Cost <sup>6</sup> :	The annualised costs of funding, referencing a publically published interbank offered rate plus spread.
Rebalancing Cost <sup>6</sup> :	The transaction costs (if applicable), computed as a function of leverage and daily performance of the Underlying Stock.
Launch Date:	19 August 2019
Closing Date:	21 August 2019
Expected Listing Date:	22 August 2019
Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 28 October 2021
Expiry Date:	5 November 2021 (if the Expiry Date is not a Business Day, then the Expiry Date shall fall on the preceding Business Day and subject to adjustment of the Valuation Date upon the occurrence of Market Disruption Events as set out in the Conditions of the Certificates)
Board Lot:	100 Certificates
Valuation Date:	3 November 2021 or if such day is not an Exchange Business Day, the immediately preceding Exchange Business Day.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Cash Settlement Amount:	In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:  Closing Level multiplied by the Notional Amount per Certificate

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<sup>6</sup> These costs are embedded within the Leverage Strategy.

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

**Hedging Fee Factor:** In respect of each Certificate, shall be an amount calculated as: Product (for t from 1 to Valuation Date) of  $(1 - \text{Management Fee} \times (\text{ACT}(t-1;t) \div 360)) \times (1 - \text{Gap Premium}(t-1) \times (\text{ACT}(t-1;t) \div 360))$ , where:

“t” refers to “**Observation Date**” which means each Exchange Business Day from (and including) the Exchange Business Day immediately preceding 7 November 2018 to the Valuation Date; and ACT (t-1;t) means the number of calendar days between the Exchange Business Day immediately preceding the Observation Date (which is “t-1”) (included) and the Observation Date (which is “t”) (excluded).

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

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

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

**Initial Reference Level:** 1,000

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

The calculation of the closing level of the Leverage Strategy is set out in the “Specific Definitions relating to the Leverage Strategy” section on pages 18 to 22 below.

**Initial Exchange Rate:** 1

**Final Exchange Rate:** 1

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

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

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

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

Underlying Stock Currency:	Singapore Dollar (“ <b>SGD</b> ”)
Settlement Currency:	SGD
Exercise Expenses:	Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates.
Relevant Stock Exchange for the Certificates:	The Singapore Exchange Securities Trading Limited (“ <b>SGX-ST</b> ”)
Relevant Stock Exchange for the Underlying Stock:	The SGX-ST
Business Day and Exchange Business Day:	A “ <b>Business Day</b> ” or an “ <b>Exchange Business Day</b> ” is a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.
Warrant Agent:	The Central Depository (Pte) Limited (“ <b>CDP</b> ”)
Clearing System:	CDP
Fees and Charges:	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 Strategy including the Funding Cost and Rebalancing Cost. The Management Fee may be increased up to a maximum of 3% p.a. on giving one month’s notice to investors in accordance with the terms and conditions of the Certificates. Any increase in the Management Fee will be announced on the SGXNET.

Further Information:

Please refer to the website at [dlc.socgen.com](http://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 Strategy**

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

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

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

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

#### **Leverage Strategy Formula**

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

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

On Observation Date(1):

$$LSL_1 = 1000$$

On each subsequent Observation Date(t):

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

**LR<sub>t-1,t</sub>** means the Leveraged Return of the Underlying Stock between Observation Date(t-1) and Observation Date(t) closing prices, calculated as follows:

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

**FC<sub>t-1,t</sub>** means, the Funding Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows :

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

<b>RC<sub>t-1,t</sub></b>	<p>means the Rebalancing Cost of the Leverage Strategy on Observation Date (t), calculated as follows :</p> $RC_{t-1,t} = \text{Leverage} \times (\text{Leverage} - 1) \times \left( \left  \frac{S_t}{S_{t-1} \times Rfactor_t} - 1 \right  \right) \times TC$
<b>TC</b>	<p>means the Transaction Costs applicable (including Stamp Duty) that are equal to :</p> <p>0.04%</p>
<b>Leverage</b>	5
<b>S<sub>t</sub></b>	<p>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.</p>
<b>Rate<sub>t</sub></b>	<p>means, in respect of each Observation Date(t), a rate calculated as of such day in accordance with the following formula:</p> $Rate_t = \text{CashRate}_t + \%SpreadLevel_t$
<b>Rfactor<sub>t</sub></b>	<p>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 :</p> $Rfactor_t = 1 - \frac{Div_t}{S_{t-1}}$ <p>where</p> <p><i>Div<sub>t</sub></i> is the dividend to be paid out in respect of the Underlying Stock and the relevant ex-dividend date which shall be considered net of any applicable withholding taxes.</p>
<b>CashRate<sub>t</sub></b>	<p>means, in respect of each Observation Date(t), the SGD Swap Offer Rate (SOR) Reference Rate, as published on Reuters RIC SGDTRDONF=ABSG or any successor page.</p>
<b>%SpreadLevel<sub>t</sub></b>	<p>means, in respect of each Observation Date(t), a rate which shall be determined with respect to such Valuation Date(t) by the Calculation Agent as the difference between (1) the ICE LIBOR USD 12 Month, as published on Reuters RIC USD1YFSR= and (2) USD SWAP OIS 1Y, as published on Reuters RIC USD1YOIS= or any successor page.</p> <p>Provided that if such difference is negative, <b>%SpreadLevel<sub>t</sub></b> should be 0%.</p>
<b>ACT(t-1,t)</b>	<p>ACT (t-1;t) means the number of calendar days between the Exchange Business Day immediately preceding the Observation Date (which is "t-1") (included) and the Observation Date (which is "t") (excluded).</p>
<b>DayCountBasisRate</b>	365

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

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

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

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

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

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

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

(1) for  $k = 1$  :

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

(2) for  $k > 1$  :

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

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

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

**$IRC_{IR(k-1),IR(k)}$**  means the Intraday Rebalancing Cost of the Leverage Strategy in respect of IR(k) on a given Intraday Restrike Date, calculated as follows :

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

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

(1) for  $k=0$

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

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

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

(3) with respect to IR(C)

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

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

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

For k=1 to n, means the k<sup>th</sup> 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 decrease at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price  $IS_{IR(0)}$  as of such Calculation Time.

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

**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 Strategy Level.

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

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

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

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

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

The Conditions set out in the section headed “Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities” in the 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 21 June 2019, made by SG Issuer (the “**Issuer**”) and Société Générale (the “**Guarantor**”); and
  - (ii) a warrant agent agreement (the “**Master Warrant Agent Agreement**” or “**Warrant Agent Agreement**”) dated any time before or on the Closing Date, made between the Issuer and the Warrant Agent for the Certificates.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## 2. Certificate Rights and Exercise Expenses

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

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

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

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

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

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

notwithstanding the Market Disruption Event; and

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

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

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

### **3. Expiry Date**

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

### **4. Exercise of Certificates**

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

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

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

## 5. Warrant Agent

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

## 6. Adjustments

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

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

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

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

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

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

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

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

## **7. Purchases**

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

## **8. Meetings of Certificate Holders; Modification**

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

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

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

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

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

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

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

## **9. Notices**

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

## **10. Liquidation**

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

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

#### 11. Further Issues

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

#### 12. Delisting

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

#### 13. Early Termination

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

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

For the purposes of this Condition:

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

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

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

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

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

**14. Governing Law**

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

**15. Prescription**

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

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

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

## SUMMARY OF THE ISSUE

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

Issuer:	SG Issuer
Company:	Venture Corporation Limited
The Certificates:	European Style Cash Settled Long Certificates relating to the Underlying Stock
Number:	A further 5,200,000 Certificates

The Certificates shall be consolidated and form a single series with an existing issue of 2,300,000 European Style Cash Settled Long Certificates relating to the ordinary shares of Venture Corporation Limited issued by the Issuer and listed on the SGX-ST, in which dealings commenced on 7 November 2018, the existing issue of 1,150,000 European Style Cash Settled Long Certificates relating to the ordinary shares of Venture Corporation Limited issued by the Issuer and listed on the SGX-ST, in which dealings commenced on 15 May 2019 and the existing issue of 1,750,000 European Style Cash Settled Long Certificates relating to the ordinary shares of Venture Corporation Limited issued by the Issuer and listed on the SGX-ST, in which dealings commenced on 10 July 2019.

Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 21 June 2019 (the " <b>Master Instrument</b> ") and executed by the Issuer and the Guarantor and a master warrant agent agreement dated 29 May 2017 (the " <b>Master Warrant Agent Agreement</b> ") and made between the Issuer, the Guarantor and the Warrant Agent.
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Cash Settlement Amount:	In respect of each Certificate, is the amount (if positive) equal to:
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Notional Amount per Certificate x Closing Level

Denominations:	Certificates are represented by a global warrant in respect of all the Certificates.
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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
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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 22 August 2019.
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 a 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 LONG CERTIFICATES ON SINGLE EQUITIES

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

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

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

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

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

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

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

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

(3) is the Strike Level; and

(4) is the Hedging Fee Factor.

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

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

#### **B) Trading the Certificates before Expiry**

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

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

### Illustration of the Calculation of Hedging Fee Factor

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

Daily Fees	=	<b>Daily Management Fee Adjustment</b>
		$1 - \text{Management Fee} \times \text{ACT}(t-1;t) / 360$
		x
		<b>Daily Gap Premium Adjustment</b>
		$1 - \text{Gap Premium}(t-1) \times \text{ACT}(t-1;t) / 360$

### Illustration of the Calculation of Cash Settlement Amount

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

Value of Certificates	=	$t=0$	x	$t=1$	x	$t=2$	x ...	$t=i$
		Notional Amount		Leverage Strategy daily performance <sup>8</sup> x Daily Fees		Leverage Strategy daily performance x Daily Fees		Leverage Strategy Daily performance x Daily Fees

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

Final Value of Certificates	=	$t=0$	x	$\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}}$	x	Hedging Fee Factor
		Notional Amount				

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

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

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

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

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

## Example of Calculation of Hedging Fee Factor and Cash Settlement Amount

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

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

Underlying Stock:	Ordinary shares of Venture Corporation Limited
Expected Listing Date:	<b>03/07/2018</b>
Expiry Date:	<b>18/07/2018</b>
Initial Reference Level:	<b>1,000</b>
Initial Exchange Rate:	<b>1</b>
Final Reference Level:	<b>1,200</b>
Final Exchange Rate:	<b>1</b>
Issue Price:	<b>0.9 SGD</b>
Notional Amount per Certificate:	<b>0.9 SGD</b>
Management Fee (p.a.):	<b>0.40%</b>
Gap Premium (p.a.):	<b>6.90%</b>
Strike Level:	Zero

### Hedging Fee Factor

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

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

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

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

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

$$\text{HFF}(1) = 100\% \times 99.9989\% \times 99.9808\% \approx 99.9797\%$$

Assuming 2<sup>nd</sup> Exchange Business Day falls 3 Calendar Days after 1<sup>st</sup> Exchange Business Day:

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

$$\text{HFF (2)} = 99.9861\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 6.90\% \times \frac{3}{360}\right)$$

$$\text{HFF (2)} = 99.9861\% \times 99.9967\% \times 99.9425\% \approx 99.9414\%$$

The same principle applies to the following Exchange Business Days:

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

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 99.6963% 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	99.6963%

### Cash Settlement Amount

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

$$\begin{aligned} \text{Closing Level} &= [(\text{Final Reference Level} \times \text{Final Exchange Rate}) / (\text{Initial Reference Level} \times \text{Initial Exchange Rate}) - \text{Strike Level}] \times \text{Hedging Fee Factor} \\ &= [(1200 \times 1) / (1000 \times 1) - 0] \times 99.6963\% \\ &= 119.64\% \end{aligned}$$

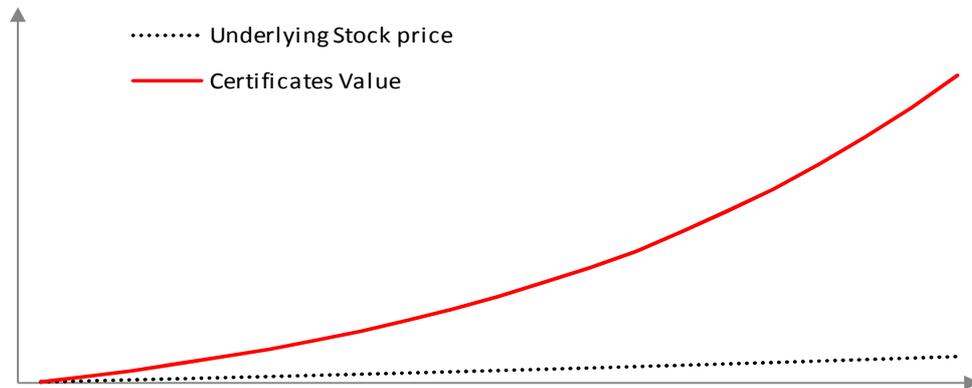
$$\begin{aligned} \text{Cash Settlement Amount} &= \text{Closing Level} \times \text{Notional Amount per Certificate} \\ &= 119.64\% \times 0.90 \text{ SGD} \\ &= \mathbf{1.077 \text{ SGD}} \end{aligned}$$

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

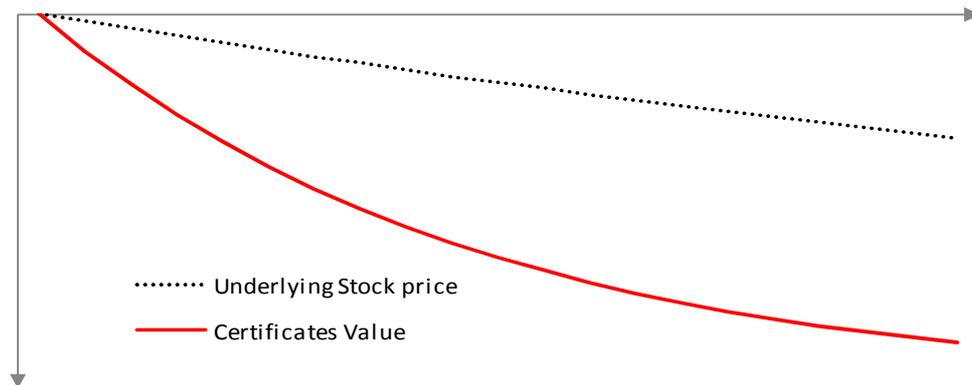
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends,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

### 1. Illustrative examples

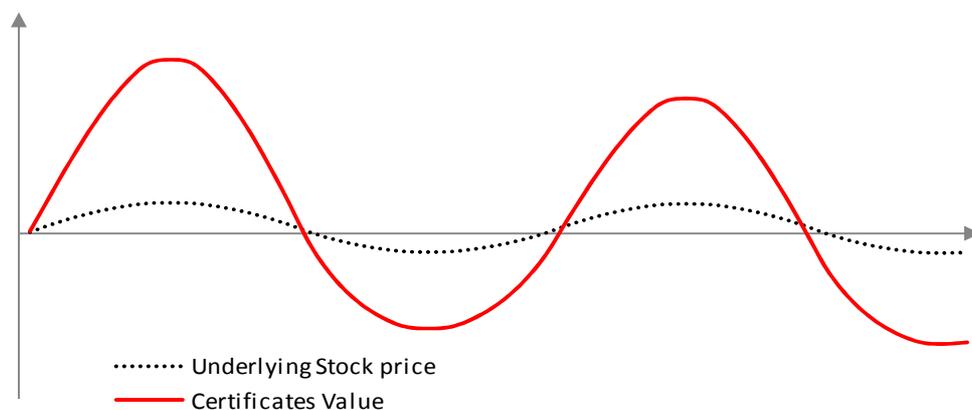
#### Scenario 1 – Upward Trend



#### Scenario 2 – Downward Trend



#### Scenario 3 – Volatile Market



## 2. Numerical Examples

### Scenario 1 – Upward Trend

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

<b>Value of the Certificates</b>						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		10.0%	10.0%	10.0%	10.0%	10.0%
Price at end of day	0.9	0.99	1.09	1.20	1.32	1.45
Accumulated Return		10.00%	21.00%	33.10%	46.41%	61.05%

### Scenario 2 – Downward Trend

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

<b>Value of the Certificates</b>						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-10.0%	-10.0%	-10.0%	-10.0%	-10.0%
Price at end of day	0.9	0.81	0.73	0.66	0.59	0.53
Accumulated Return		-10.00%	-19.00%	-27.10%	-34.39%	-40.95%

### Scenario 3 – Volatile Market

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

<b>Value of the Certificates</b>						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		10.0%	-10.0%	10.0%	-10.0%	10.0%
Price at end of day	0.9	0.99	0.89	0.98	0.88	0.97
Accumulated Return		10.00%	-1.00%	8.90%	-1.99%	7.81%

## Description of Air Bag Mechanism

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

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

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

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

### Air Bag Mechanism timeline

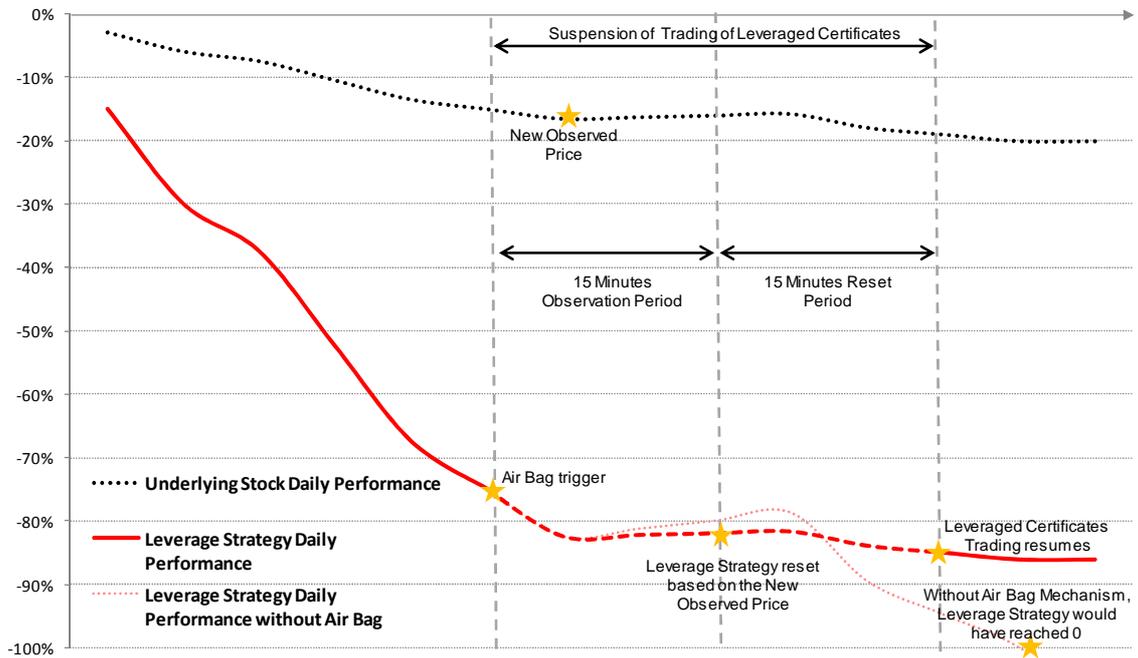
Air Bag Trigger	Observation Period	Resumption of Trading
More than 45 minutes before Market Close	First 15 minutes after Air Bag Trigger	Trading resumes the same day between 30 and 45 minutes after Air Bag Trigger
45 minutes before Market Close		Next trading day at Market Open
30 to 45 minutes before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

With **Market Close** defined as:

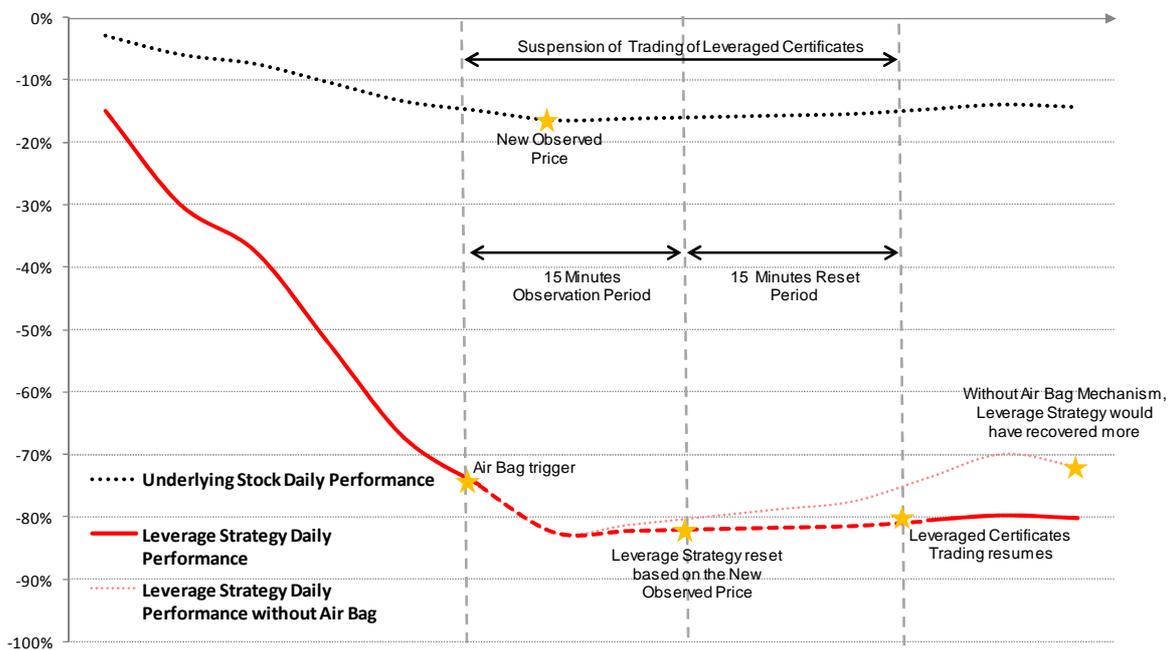
- Underlying Stock closing time with respect to the Observation Period
- The sooner between Underlying Stock closing time and SGX closing time with respect to the Resumption of Trading

Illustrative examples of the Air Bag Mechanism

Scenario 1 – Downward Trend after Air Bag trigger



Scenario 2 – Upward Trend after Air Bag trigger

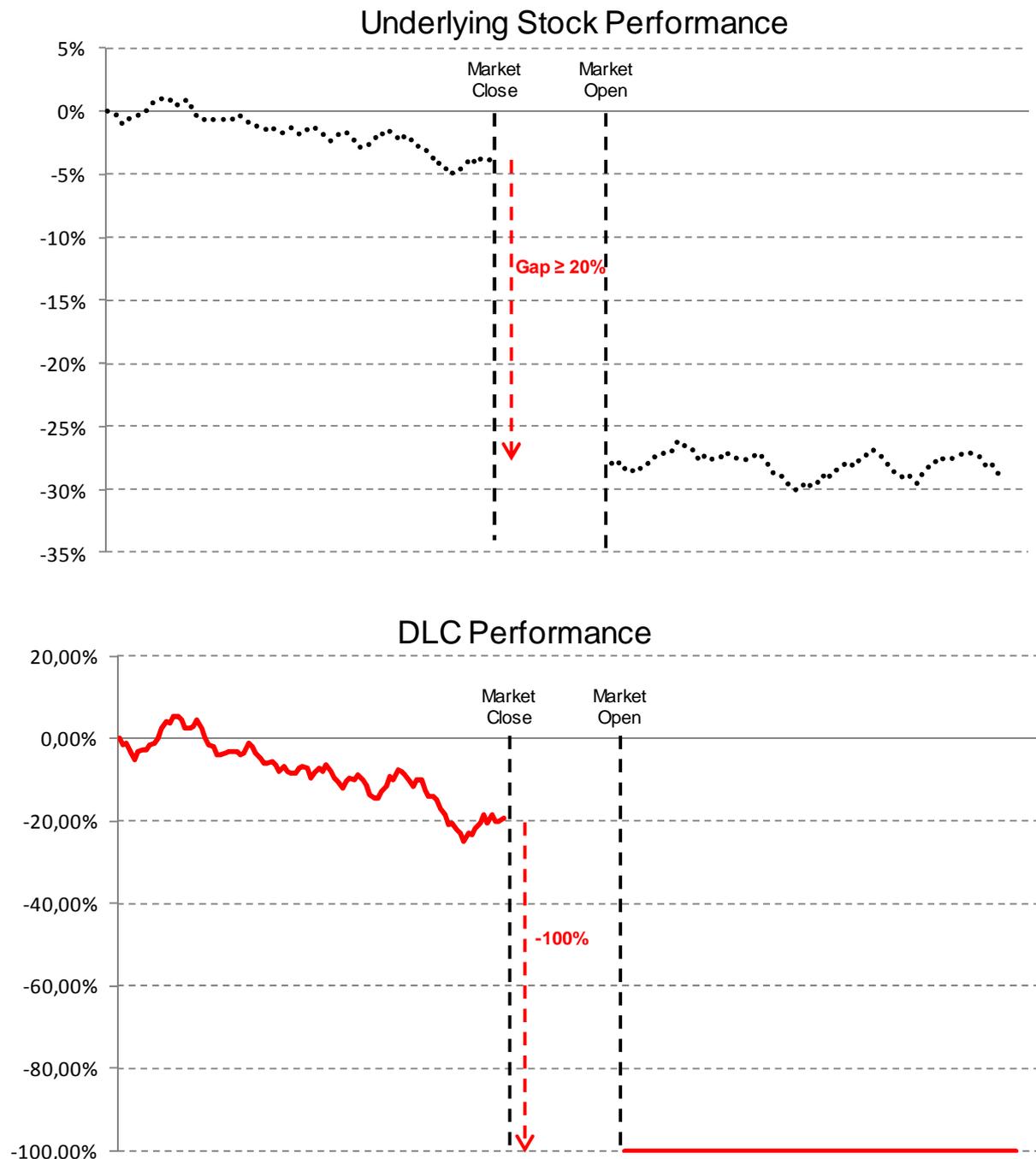


### Scenarios where the investor may lose the entire value of the investment

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

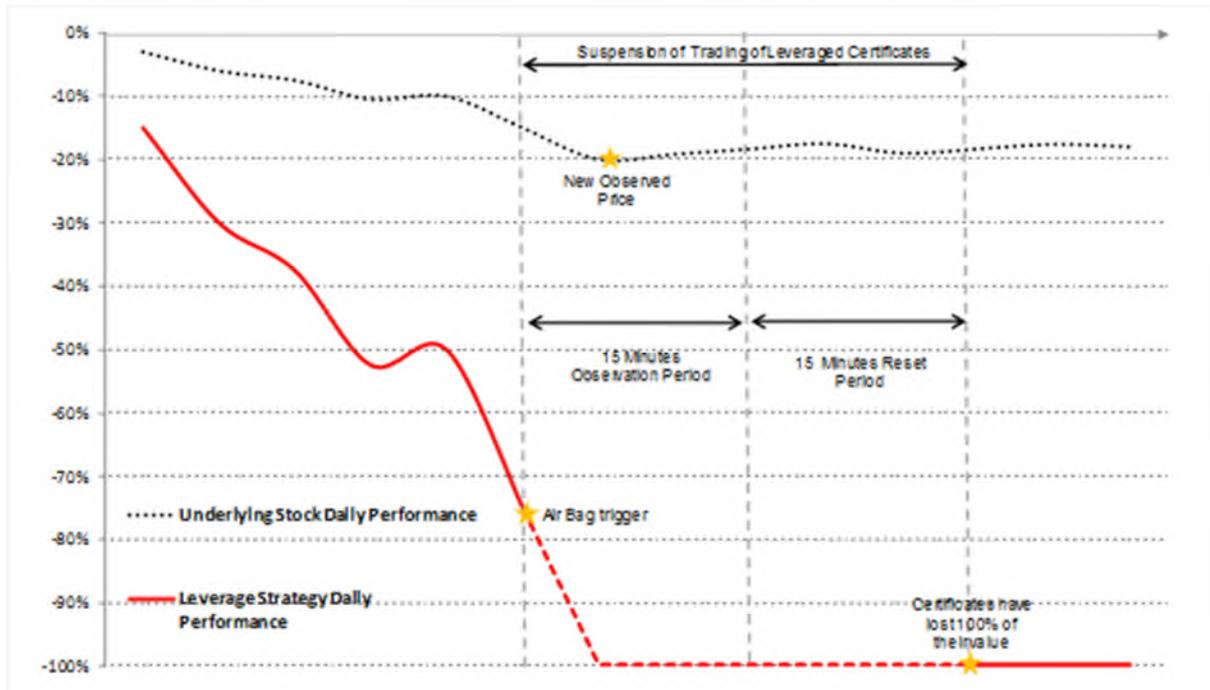
#### Scenario 1 – Overnight fall of the Underlying Stock

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



Scenario 2 – Sharp intraday fall of the Underlying Stock

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



## Examples and illustrations of adjustments due to certain corporate actions

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

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

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

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

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

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

Where:

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

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

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

### 1. Stock split

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

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

$$S_t = \$51$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

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

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

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

As a consequence:

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

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

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.9	0.99	10%

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

## 2. Share Consolidation

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

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

$$S_t = \$202$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

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

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

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

As a consequence:

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

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

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.9	0.945	5%

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

### 3. Rights Issues

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

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

$$S_t = \$84$$

$$Div_t = \$0$$

$$DivExc_t = \$0$$

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

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

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

As a consequence:

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

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

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.9	1.125	25%

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

#### 4. Bonus Issues

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

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

$$S_t = \$85$$

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

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

$$R = \$0$$

$M = 0.2$  (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)
0.9	0.99	10%

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

#### 5. Extraordinary Dividend

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

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

$$S_t = \$84$$

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

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

$$R = \$0$$

$$M = 0$$

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

As a consequence:

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

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

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.9	1.125	25%

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

## INFORMATION RELATING TO THE COMPANY

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

Venture Manufacturing (S) Ltd (“**Venture**” or the “**Company**”) was incorporated in 1984 to provide contract manufacturing services to companies in the electronics and computer-related industries. In 1989, the Company formed the Venture Group with the merger and acquisition of Multitech Systems Pte Ltd and Technocom Systems Sdn Bhd. The Venture group comprises about 30 companies with global clusters of excellence in South-East Asia, North-East Asia, the Americas and Europe.

Venture offers high value-added and highly efficient manufacturing services to MNCs using state-of-the-art manufacturing process technology and test development capability. In addition, Venture provides an excellent range of pre-manufacturing services including design, prototyping and engineering services, as well as post-manufacturing services including after-sales repairs, customisation and fulfillment logistics.

Venture Manufacturing (Singapore) Ltd changed its name to Venture Corporation Limited wef 17 May 2002.

The information set out in Appendix I of this document relates to the unaudited consolidated financial statements of the Company and its subsidiaries for the second quarter ended 30 June 2019 and has been extracted and reproduced from an announcement by the Company dated 8 August 2019 in relation to the same. Further information relating to the Company may be located on the web-site of the SGX-ST at <http://www.sgx.com>.

## INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

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

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

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

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

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

## **SUPPLEMENTAL INFORMATION RELATING TO THE GUARANTOR**

The information set out in Appendix II of this document is a reproduction of the press release dated 1 August 2019 containing the Guarantor's consolidated financial results for the second quarter ended 30 June 2019.

## SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on page 99 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 third Business Day following the transaction. Dealing in the Certificates will take place in Board Lots in Singapore dollars. For further details on the transfer of Certificates and their exercise, please refer to the section headed “Summary of the Issue” above.
3. It is not the current intention of the Issuer to apply for a listing of the Certificates on any stock exchange other than the SGX-ST.
4. Save as disclosed in the Base Listing Document and herein, there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2018 or the Guarantor since 30 June 2019, 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 be deemed to be a Certificate Holder for the purposes of the Certificates and shall be bound by the terms and conditions of the Certificates.

### Singapore

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

### Hong Kong

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

### European Economic Area

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

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

- (ii) a customer within the meaning of Directive 2016/97/EU (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 Directive 2003/71/EC (as amended, including by Directive 2010/73/EU, the Prospectus Directive); and
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates.

### **United Kingdom**

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

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

### **United States**

The Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the “**CFTC**”) under the United States Commodity Exchange Act of 1936, as amended (the “**Commodity Exchange Act**”) 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 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 (ii) it is not purchasing any Certificates 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, 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 UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019 OF VENTURE CORPORATION LIMITED AND ITS SUBSIDIARIES**

The information set out below is a reproduction of the unaudited consolidated financial statements of the Company and its subsidiaries for the second quarter ended 30 June 2019 and has been extracted and reproduced from an announcement by the Company dated 8 August 2019 in relation to the same.

Second Quarter Financial Statements And Dividend Announcement

The Board of Directors of Venture Corporation Limited wishes to make the following announcement:

Quarterly financial statements on consolidated results for the quarter ended June 30, 2019. These figures have not been audited or reviewed.

1.(a)(i) A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group			Group		
	3 months ended 30.06.2019 S\$'000	3 months ended 30.06.2018 S\$'000	% increase/ (decrease)	6 months ended 30.06.2019 S\$'000	6 months ended 30.06.2018 S\$'000	% increase/ (decrease)
<b>Revenue</b>	903,481	952,283	(5.1)	1,832,232	1,808,290	1.3
Other income	145	352	(58.8)	409	785	(47.9)
Changes in finished goods, work in progress and raw materials used	(678,197)	(684,668)	(0.9)	(1,379,842)	(1,313,110)	5.1
Employee benefits expense	(83,944)	(86,727)	(3.2)	(165,574)	(167,201)	(1.0)
Depreciation and amortisation expense (Note 1)	(8,787)	(7,606)	15.5	(17,741)	(15,290)	16.0
Research and development expense (Note 2)	(8,955)	(34,428)	(74.0)	(16,185)	(49,568)	(67.3)
Foreign currency exchange gain	1,348	2,467	(45.4)	1,222	2,562	(52.3)
Other operating expenses (Note 3)	(22,330)	(28,291)	(21.1)	(47,908)	(56,139)	(14.7)
Investment revenue	2,662	2,024	31.5	5,146	3,973	29.5
Finance costs (interest expenses on bank loans and lease liabilities)	(96)	(225)	(57.3)	(201)	(506)	(60.3)
Share of profit of associates	36	-	n.m.	36	-	n.m.
<b>Profit before tax</b>	<b>105,363</b>	<b>115,181</b>	<b>(8.5)</b>	<b>211,594</b>	<b>213,796</b>	<b>(1.0)</b>
Income tax expense	(14,478)	(17,262)	(16.1)	(29,846)	(32,160)	(7.2)
<b>Profit for the period</b>	<b>90,885</b>	<b>97,919</b>	<b>(7.2)</b>	<b>181,748</b>	<b>181,636</b>	<b>0.1</b>
<b>Other comprehensive income:</b>						
- Items that will not be reclassified subsequently to profit or loss						
Fair value gain on other financial assets, through other comprehensive income (FVTOCI)	505	-	n.m.	1,166	-	n.m.
<b>Other comprehensive (loss) income:</b>						
- Items may be reclassified subsequently to profit or loss						
Exchange differences on translation of foreign operations	(1,065)	31,536	n.m.	(11,880)	11,929	n.m.
Fair value loss on available-for-sale investments	-	(705)	n.m.	-	(567)	n.m.
Fair value gain on cash flow hedge	-	17	n.m.	-	40	n.m.
<b>Total comprehensive income for the period</b>	<b>90,325</b>	<b>128,767</b>	<b>(29.9)</b>	<b>171,034</b>	<b>193,038</b>	<b>(11.4)</b>
<b>Profit attributable to:</b>						
Owners of the Company	90,810	97,911	(7.3)	181,676	181,582	0.1
Non-controlling interests	75	8	n.m.	72	54	33.3
	<b>90,885</b>	<b>97,919</b>	<b>(7.2)</b>	<b>181,748</b>	<b>181,636</b>	<b>0.1</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	90,325	128,776	(29.9)	170,981	192,913	(11.4)
Non-controlling interests	-	(9)	n.m.	53	125	(57.6)
	<b>90,325</b>	<b>128,767</b>	<b>(29.9)</b>	<b>171,034</b>	<b>193,038</b>	<b>(11.4)</b>

**Note 1**

Depreciation and amortisation expense was higher in 2Q19 and 1H2019 mainly due to additional depreciation charge on Right-of-Use (ROU) assets totalling S\$2.8 million from the adoption of SFRS(I) 16 Leases (see item 5 page 9). Effective from January 1, 2019 qualifying lease payments were no longer taken to other operating expenses but capitalised to the balance sheet as ROU assets and depreciated over the term of the lease.

**Note 2**

Research and development (R&D) expense decreased for the reported period due to lower customers' requirements for prototyping, tooling, non-recurring engineering (NRE), materials and its related services. R&D manpower costs are separately recorded under Employee benefits expense.

**Note 3**

Other operating expenses decreased in 2Q19 and 1H2019 due to lease expenses totalling S\$3.1 million reclassified into depreciation expense and finance costs in accordance with SFRS(I) 16 (Note 1), doubtful debts recovery and net re-measurement of expected credit loss allowance mainly recorded in 2Q19 as disclosed in 1.(a)(ii), as well as continuous improvement in operational excellence.

1.(a)(ii) The profit after income tax includes the following (charges)/credits:

	Group			Group		
	3 months ended 30.06.2019 S\$'000	3 months ended 30.06.2018 S\$'000	% increase/ (decrease)	6 months ended 30.06.2019 S\$'000	6 months ended 30.06.2018 S\$'000	% increase/ (decrease)
Overprovision (Underprovision) of tax in respect of prior years	1,193	(23)	n.m.	1,306	351	n.m.
Net re-measurement of expected credit loss allowance	1	(8)	n.m.	205	(8)	n.m.
Doubtful debts recovery	1,077	-	n.m.	1,077	-	n.m.
(Loss) Gain on disposal of property, plant and equipment, net	(32)	126	n.m.	(79)	125	n.m.
Reversal (Allowance) for Inventories	-	(118)	n.m.	13	(142)	n.m.

Note:

n.m. - not meaningful

1.(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	30.06.2019	31.12.2018	30.06.2019	31.12.2018
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and bank balances	761,780	712,826	197,399	271,723
Trade receivables	691,864	735,943	10,498	10,387
Other receivables and prepayments	47,601	29,997	1,553	1,520
Contract assets	21,507	19,202	-	-
Inventories	749,705	808,166	64,836	61,154
Trade receivables due from subsidiaries	-	-	50,110	44,114
Other receivables due from subsidiaries	-	-	18,042	17,940
Income tax recoverable	22	22	-	-
<b>Total current assets</b>	<b>2,272,479</b>	<b>2,306,156</b>	<b>342,438</b>	<b>406,838</b>
<b>Non-current assets:</b>				
Investments in subsidiaries	-	-	1,227,849	1,227,849
Investments in associates	761	725	-	-
Other financial assets	23,990	22,939	7,561	6,977
Other receivables	451	455	-	-
Property, plant and equipment	229,515	230,686	39,247	40,283
Right-of-use assets (Note 4)	14,471	-	-	-
Intangible assets	244	181	-	-
Goodwill	639,708	639,708	-	-
Deferred tax assets	3,718	3,747	-	-
<b>Total non-current assets</b>	<b>912,858</b>	<b>898,441</b>	<b>1,274,657</b>	<b>1,275,109</b>
<b>Total assets</b>	<b>3,185,337</b>	<b>3,204,597</b>	<b>1,617,095</b>	<b>1,681,947</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Bank loans	1,568	1,798	-	-
Trade payables	475,351	529,015	39,350	42,510
Other payables and accrued expenses	172,542	205,224	17,894	34,246
Contract liabilities	97,044	74,029	270	-
Lease liabilities (Note 4)	5,418	-	-	-
Trade payables due to subsidiaries	-	-	4,436	5,213
Other payables due to subsidiaries	-	-	20,641	20,751
Income tax payable	39,741	40,374	4,086	3,679
<b>Total current liabilities</b>	<b>791,664</b>	<b>850,440</b>	<b>86,677</b>	<b>106,399</b>
<b>Non-current liabilities:</b>				
Lease liabilities (Note 4)	9,141	-	-	-
Deferred tax liabilities	2,054	2,058	-	-
<b>Total non-current liabilities</b>	<b>11,195</b>	<b>2,058</b>	<b>-</b>	<b>-</b>
<b>Capital and reserves:</b>				
Share capital	807,652	803,220	807,652	803,220
Treasury shares	(19,396)	(19,081)	(19,396)	(19,081)
Share-based awards reserve	3,737	3,774	3,737	3,774
Investments revaluation and hedging reserve	1,831	665	1,779	1,194
Translation reserve	(66,905)	(55,044)	-	-
Other reserves	2,577	3,079	(1,697)	(815)
Accumulated profits	1,650,696	1,613,253	738,343	787,256
<b>Equity attributable to owners of the Company</b>	<b>2,380,192</b>	<b>2,349,866</b>	<b>1,530,418</b>	<b>1,575,548</b>
Non-controlling interests	2,286	2,233	-	-
<b>Total equity</b>	<b>2,382,478</b>	<b>2,352,099</b>	<b>1,530,418</b>	<b>1,575,548</b>
<b>Total liabilities and equity</b>	<b>3,185,337</b>	<b>3,204,597</b>	<b>1,617,095</b>	<b>1,681,947</b>

**Note 4**

The Group adopted SFRS(I)16 Leases with effect from January 1, 2019. The effects of changes in accounting standard are disclosed in item 5 page 9.

1.(b)(ii) Aggregate amount of group's borrowings and debt securities

(a) Amount repayable in one year or less, or on demand

	Group				Company			
	As at 30.06.2019		As at 31.12.2018		As at 30.06.2019		As at 31.12.2018	
	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Bank loans	-	1,568	-	1,798	-	-	-	-
Lease liabilities	5,418	-	-	-	-	-	-	-
<b>Total</b>	<b>5,418</b>	<b>1,568</b>	<b>-</b>	<b>1,798</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(b) Amount repayable after one year

	Group				Company			
	As at 30.06.2019		As at 31.12.2018		As at 30.06.2019		As at 31.12.2018	
	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Lease liabilities	9,141	-	-	-	-	-	-	-

(c) Details of any collateral  
Not applicable.

1.(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	3 months ended 30.06.2019	3 months ended 30.06.2018	6 months ended 30.06.2019	6 months ended 30.06.2018
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities:</b>				
Profit before taxation	105,363	115,181	211,594	213,796
Adjustments for:				
Share of profit of associates	(36)	-	(36)	-
Allowance (Reversal) for inventories	-	118	(13)	142
Depreciation expense	8,735	7,585	17,619	15,244
Net re-measurement of expected credit loss allowance	(1,078)	8	(1,282)	8
Amortisation of intangible assets	52	21	122	46
Interest income	(2,662)	(2,024)	(5,146)	(3,973)
Dividend income	(355)	(396)	(483)	(541)
Interest expense	96	225	201	506
Share-based payments expense	293	457	602	944
Loss (Gain) on disposal of plant and equipment, net	32	(126)	79	(125)
<b>Operating profit before working capital changes</b>	<b>110,440</b>	<b>121,049</b>	<b>223,257</b>	<b>226,047</b>
Trade receivables	45,476	(31,958)	37,774	57,869
Other receivables, prepayments and contract assets	(16,033)	(4,944)	(20,496)	1,823
Inventories	68,612	15,247	52,293	(20,719)
Trade payables	(81,803)	23,530	(49,661)	(66,452)
Other payables, accrued expenses and contract liabilities	(42)	(4,442)	(7,531)	(41,891)
<b>Cash generated from operations</b>	<b>126,651</b>	<b>118,482</b>	<b>235,637</b>	<b>156,677</b>
Interest paid	(96)	(225)	(201)	(506)
Income tax paid	(21,999)	(21,007)	(30,370)	(30,679)
<b>Net cash from operating activities</b>	<b>104,556</b>	<b>97,250</b>	<b>205,066</b>	<b>125,492</b>
<b>Investing activities:</b>				
Interest received	3,068	2,191	5,171	3,358
Dividend received from associates	-	-	-	30
Dividend received from other equity investments	355	396	483	541
Purchase of property, plant and equipment	(7,118)	(3,079)	(15,409)	(48,101)
Proceeds on disposal of plant and equipment	-	153	24	206
Addition of intangible assets	(120)	(91)	(120)	(249)
<b>Net cash used in investing activities</b>	<b>(3,815)</b>	<b>(430)</b>	<b>(9,851)</b>	<b>(44,215)</b>
<b>Financing activities:</b>				
Dividend paid	(144,021)	(172,413)	(144,021)	(172,413)
Repayment of bank loans (Note 5)	(1,075)	-	(1,535)	(21,340)
Proceeds from new bank loans (Note 5)	1,103	746	1,338	32,195
Proceeds from issue of shares	1,400	7,969	4,345	30,960
Purchase of treasury shares	-	(12,583)	(1,581)	(12,583)
Lease payment (Notes 4 & 5)	(1,445)	-	(2,875)	-
Bank balances pledged as securities for bank facilities	-	(52)	-	(27,092)
<b>Net cash used in financing activities</b>	<b>(144,038)</b>	<b>(176,333)</b>	<b>(144,329)</b>	<b>(170,273)</b>
Net (decrease) increase in cash and cash equivalents	(43,297)	(79,513)	50,886	(88,996)
Cash and cash equivalents at beginning of period	806,753	738,232	712,826	752,447
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(1,676)	2,806	(1,932)	(1,926)
<b>Cash and cash equivalents at end of period</b>	<b>761,780</b>	<b>661,525</b>	<b>761,780</b>	<b>661,525</b>
<b>Cash and cash equivalents comprise:</b>				
Cash	542,786	421,614	542,786	421,614
Fixed deposits	218,994	267,003	218,994	267,003
	761,780	688,617	761,780	688,617
Less: Pledged bank deposits	-	(27,092)	-	(27,092)
<b>Cash and cash equivalents on the consolidated cash flow statement</b>	<b>761,780</b>	<b>661,525</b>	<b>761,780</b>	<b>661,525</b>

Note 5: Reconciliation of liabilities arising from financing activities between cash and non-cash changes

	30.06.2019	Financing Cash Flows	Non-cash changes		31.12.2018
			Foreign exchange movement	Adoption of SFRS(I) 16	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Bank loans	1,568	(197)	(33)	-	1,798
Lease Liabilities	14,559	(2,875)	(24)	17,458	-

1.(d)(i) Statement of changes in equity for the period ended June 30, 2018

	Share capital S\$'000	Treasury shares S\$'000	Share-based awards reserve S\$'000	Investments revaluation & Hedging reserve S\$'000	Translation reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
<b>The Group</b>										
<b>Balance at January 1, 2018</b>	761,706	(1,879)	3,524	1,836	(76,191)	3,292	1,473,462	2,165,750	2,314	2,168,064
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	83,671	83,671	46	83,717
Other comprehensive income (loss) for the period	-	-	-	161	(19,695)	-	-	(19,534)	88	(19,446)
Total	-	-	-	161	(19,695)	-	83,671	64,137	134	64,271
Transactions with owners, recognised directly in equity										
Issue of shares	23,572	-	(581)	-	-	-	-	22,991	-	22,991
Appropriation to reserve fund	-	-	-	-	-	355	(355)	-	-	-
Share options lapsed	-	-	(55)	-	-	-	55	-	-	-
Recognition of share-based payments	-	-	487	-	-	-	-	487	-	487
Total	23,572	-	(149)	-	-	355	(300)	23,478	-	23,478
<b>Balance at March 31, 2018</b>	<b>785,278</b>	<b>(1,879)</b>	<b>3,375</b>	<b>1,997</b>	<b>(95,886)</b>	<b>3,647</b>	<b>1,556,833</b>	<b>2,253,365</b>	<b>2,448</b>	<b>2,255,813</b>
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	97,911	97,911	8	97,919
Other comprehensive (loss) income for the period	-	-	-	(688)	31,553	-	-	30,865	(17)	30,848
Total	-	-	-	(688)	31,553	-	97,911	128,776	(9)	128,767
Transactions with owners, recognised directly in equity										
Issue of shares	8,147	-	(178)	-	-	-	-	7,969	-	7,969
Purchase of treasury shares	-	(12,583)	-	-	-	-	-	(12,583)	-	(12,583)
Treasury shares reissued pursuant to equity compensation plans	-	858	(290)	-	-	(568)	-	-	-	-
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	-	(172,413)	(172,413)	-	(172,413)
Share options lapsed	-	-	(1)	-	-	-	1	-	-	-
Recognition of share-based payments	-	-	457	-	-	-	-	457	-	457
Total	8,147	(11,725)	(12)	-	-	(568)	(172,412)	(176,570)	-	(176,570)
<b>Balance at June 30, 2018</b>	<b>793,425</b>	<b>(13,604)</b>	<b>3,363</b>	<b>1,309</b>	<b>(64,333)</b>	<b>3,079</b>	<b>1,482,332</b>	<b>2,205,571</b>	<b>2,439</b>	<b>2,208,010</b>

1.(d)(i) Statement of changes in equity for the period ended June 30, 2019

	Share capital S\$'000	Treasury shares S\$'000	Share-based awards reserve S\$'000	Investments revaluation & Hedging reserve S\$'000	Translation reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	Equity attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
<b>The Group</b>										
<b>Balance at January 1, 2019</b>	803,220	(19,081)	3,774	665	(55,044)	3,079	1,613,253	2,349,866	2,233	2,352,099
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	90,866	90,866	(3)	90,863
Other comprehensive income (loss) for the period	-	-	-	661	(10,871)	-	-	(10,210)	56	(10,154)
Total	-	-	-	661	(10,871)	-	90,866	80,656	53	80,709
Transactions with owners, recognised directly in equity										
Issue of shares	3,005	-	(60)	-	-	-	-	2,945	-	2,945
Purchase of treasury shares	-	(1,581)	-	-	-	-	-	(1,581)	-	(1,581)
Appropriation to reserve fund	-	-	-	-	-	380	(380)	-	-	-
Share options lapsed	-	-	(1)	-	-	-	1	-	-	-
Recognition of share-based payments	-	-	309	-	-	-	-	309	-	309
Total	3,005	(1,581)	248	-	-	380	(379)	1,673	-	1,673
<b>Balance at March 31, 2019</b>	<b>806,225</b>	<b>(20,662)</b>	<b>4,022</b>	<b>1,326</b>	<b>(65,915)</b>	<b>3,459</b>	<b>1,703,740</b>	<b>2,432,195</b>	<b>2,286</b>	<b>2,434,481</b>
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	90,810	90,810	75	90,885
Other comprehensive income (loss) for the period	-	-	-	505	(990)	-	-	(485)	(75)	(560)
Total	-	-	-	505	(990)	-	90,810	90,325	-	90,325
Transactions with owners, recognised directly in equity										
Issue of shares	1,427	-	(27)	-	-	-	-	1,400	-	1,400
Treasury shares reissued pursuant to equity compensation plans	-	1,266	(384)	-	-	(882)	-	-	-	-
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	-	(144,021)	(144,021)	-	(144,021)
RSP/Share options lapsed	-	-	(167)	-	-	-	167	-	-	-
Recognition of share-based payments	-	-	293	-	-	-	-	293	-	293
Total	1,427	1,266	(285)	-	-	(882)	(143,854)	(142,328)	-	(142,328)
<b>Balance at June 30, 2019</b>	<b>807,652</b>	<b>(19,396)</b>	<b>3,737</b>	<b>1,831</b>	<b>(66,905)</b>	<b>2,577</b>	<b>1,650,696</b>	<b>2,380,192</b>	<b>2,286</b>	<b>2,382,478</b>

## 1.(d)(i) Statement of changes in equity for the period ended June 30, 2018

	Share capital S\$'000	Treasury shares S\$'000	Share- based awards reserve S\$'000	Investments revaluation & Hedging reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	Total equity S\$'000
<b>The Company</b>							
<b>Balance at January 1, 2018</b>	761,706	(1,879)	3,524	1,876	(247)	710,255	1,475,235
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	68,568	68,568
Other comprehensive income for the period	-	-	-	328	-	-	328
Total	-	-	-	328	-	68,568	68,896
Transactions with owners, recognised directly in equity							
Issue of shares	23,572	-	(581)	-	-	-	22,991
Share options lapsed	-	-	(55)	-	-	55	-
Recognition of share-based payments	-	-	487	-	-	-	487
Total	23,572	-	(149)	-	-	55	23,478
<b>Balance at March 31, 2018</b>	<b>785,278</b>	<b>(1,879)</b>	<b>3,375</b>	<b>2,204</b>	<b>(247)</b>	<b>778,878</b>	<b>1,567,609</b>
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	162,943	162,943
Other comprehensive income for the period	-	-	-	(487)	-	-	(487)
Total	-	-	-	(487)	-	162,943	162,456
Transactions with owners, recognised directly in equity							
Issue of shares	8,147	-	(178)	-	-	-	7,969
Purchase of treasury shares	-	(12,583)	-	-	-	-	(12,583)
Treasury shares reissued pursuant to equity compensation plans	-	858	(290)	-	(568)	-	-
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	(172,413)	(172,413)
Share options lapsed	-	-	(1)	-	-	1	-
Recognition of share-based payments	-	-	457	-	-	-	457
Total	8,147	(11,725)	(12)	-	(568)	(172,412)	(176,570)
<b>Balance at June 30, 2018</b>	<b>793,425</b>	<b>(13,604)</b>	<b>3,363</b>	<b>1,717</b>	<b>(815)</b>	<b>769,409</b>	<b>1,553,495</b>

1.(d)(i) Statement of changes in equity for the period ended June 30, 2019

	Share capital S\$'000	Treasury shares S\$'000	Share- based awards reserve S\$'000	Investments revaluation & Hedging reserve S\$'000	Other reserves S\$'000	Accumulated profits S\$'000	Total equity S\$'000
<b>The Company</b>							
<b>Balance at January 1, 2019</b>	803,220	(19,081)	3,774	1,194	(815)	787,256	1,575,548
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	9,427	9,427
Other comprehensive income for the period	-	-	-	310	-	-	310
Total	-	-	-	310	-	9,427	9,737
Transactions with owners, recognised directly in equity							
Issue of shares	3,005	-	(60)	-	-	-	2,945
Purchase of treasury shares	-	(1,581)	-	-	-	-	(1,581)
Share options lapsed	-	-	(1)	-	-	1	-
Recognition of share-based payments	-	-	309	-	-	-	309
Total	3,005	(1,581)	248	-	-	1	1,673
<b>Balance at March 31, 2019</b>	806,225	(20,662)	4,022	1,504	(815)	796,684	1,586,958
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	85,513	85,513
Other comprehensive income for the period	-	-	-	275	-	-	275
Total	-	-	-	275	-	85,513	85,788
Transactions with owners, recognised directly in equity							
Issue of shares	1,427	-	(27)	-	-	-	1,400
Treasury shares reissued pursuant to equity compensation plans	-	1,266	(384)	-	(882)	-	-
Final tax exempt dividend paid in respect of the previous financial year	-	-	-	-	-	(144,021)	(144,021)
RSP/Share options lapsed	-	-	(167)	-	-	167	-
Recognition of share-based payments	-	-	293	-	-	-	293
Total	1,427	1,266	(285)	-	(882)	(143,854)	(142,328)
<b>Balance at June 30, 2019</b>	<b>807,652</b>	<b>(19,396)</b>	<b>3,737</b>	<b>1,779</b>	<b>(1,697)</b>	<b>738,343</b>	<b>1,530,418</b>

1.(d)(ii) **Share capital and treasury shares**

As at June 30, 2019, the total number of ordinary shares in issue was 289,401,577 (June 30, 2018: 288,186,577), of which 1,225,000 were treasury shares (June 30, 2018: 819,000).

The Company purchased Nil ordinary shares during Q2 2019 (Q2 2018: 634,000). Ordinary shares purchased by the Company are held as treasury shares which can, in accordance with the Companies Act, be sold for cash, transferred for the purposes of or pursuant to an employee's share-based scheme; transferred as consideration for the acquisition of shares in or assets of another company or assets of a person; or cancelled. Except as disclosed below, there were no other sales, transfers, cancellation and/or use of treasury shares during the period.

	No. of ordinary shares in issue	S\$'000
As at January 1, 2019	289,025,577	803,220
Add: No. of share options exercised in Q1 2019	267,000	3,005
As at March 31, 2019	289,292,577	806,225
Add: No. of share options exercised in Q2 2019	109,000	1,427
As at June 30, 2019	<u>289,401,577</u>	<u>807,652</u>

	No. of treasury shares	S\$'000
As at January 1, 2019	1,199,000	19,081
Add: Treasury shares repurchased in Q1 2019	106,000	1,581
As at March 31, 2019	1,305,000	20,662
Less: Treasury shares utilised in Q2 2019	(80,000)	(1,266)
As at June 30, 2019	<u>1,225,000</u>	<u>19,396</u>

	As at 31.06.2019	As at 31.06.2018
% of treasury shares against the total ordinary shares in issue	0.4%	0.3%

	No. of shares	S\$'000
Issued shares excluding treasury shares as at January 1, 2019	287,826,577	784,139
Issued shares excluding treasury shares as at March 31, 2019	287,987,577	785,563
Issued shares excluding treasury shares as at June 30, 2019	<u>288,176,577</u>	<u>788,256</u>

1.(d)(iii) **Share-based awards**

Venture Corporation Executives' Share Option Scheme ("The 2004 Scheme")

Since the end of the previous financial quarter, no options (Q2 2018: 102,000) were exercised and no options (Q2 2018: 2,000) have lapsed.

As at June 30, 2019, there were no unissued shares of the Company under options in the 2004 Scheme (June 30, 2018: 112,000).

Venture Corporation Executives' Share Option Scheme ("The 2015 Scheme")

1,082,000 new options were granted on June 19, 2019 and 1,078,000 of them were accepted under "The Scheme". Options are exercisable at the following subscription prices payable during different exercise periods. The vesting period is one year. If the options remain unexercised after the period of 5 years from the date of grant, the options would expire.

<u>Exercise period</u>	<u>Exercise price</u>
June 19, 2020 to June 18, 2021	\$20.64
June 19, 2021 to June 18, 2022	\$18.99
June 19, 2022 to June 18, 2024	\$16.51

Since the end of the previous financial quarter, 109,000 options (Q2 2018: 677,000) were exercised and no options (Q2 2018: 5,000) have lapsed.

As at June 30, 2019, there were 3,548,000 unissued shares of the Company under options in the 2015 Scheme. (June 30, 2018: 3,594,000).

Venture Corporation Restricted Share Plan ("RSP")

The RSP has a 5-year vesting period and is subject to the rules of the RSP.

As at June 30, 2019 the number of RSP shares stood at 950,000 (June 30, 2018: 900,000).

	No. of RSP shares awarded	Lapsed shares	No. of RSP shares net of lapsed shares
May 2015 Award	270,000	(40,000)	230,000
June 2016 Award	280,000	(20,000)	260,000
June 2017 Award	290,000	-	290,000
June 2019 Award	170,000	-	170,000
	<u>1,010,000</u>	<u>(60,000)</u>	<u>950,000</u>

1.(d)(iv) **Subsidiary holdings**

There were no holdings in Venture Corporation Limited by any subsidiary as at the end of the current financial period reported on.

2. **Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice**

These figures have not been audited or reviewed.

3. **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)**

Not applicable.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Other than as mentioned in Paragraph 5 regarding the adoption of SFRS(I)16 Leases effective January 1, 2019, there were no significant changes in accounting policies and methods of computation adopted in the financial statements of the current reporting period as compared to the most recently audited annual financial statements as at December 31, 2018.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group adopted SFRS(I) 16 Leases, effective for annual periods beginning on or after January 1, 2019.

The Group adopted the simplified transition approach and the comparative amount for the year prior to first adoption was not restated. All Right-of-use ("ROU") assets will be measured at the amount of the lease liability (adjusted for any prepaid or accrued lease expenses).

- Under SFRS(I) 16, qualifying lease payments were no longer taken to other operating expenses but capitalised to the balance sheet as ROU assets and depreciated over the term of the lease.

- Lessees must present cash paid for the interest portion of lease liability as either operating activities or financing activities, as permitted by SFRS(I) 1-7. The Group has opted to include the interest paid as part of operating activities and cash payments for the principal portion for lease liability as part of financing activities.

- The adoption of SFRS(I)16 did not have an impact on net cash flows.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	3 months ended 30.06.2019	3 months ended 30.06.2018	6 months ended 30.06.2019	6 months ended 30.06.2018
(a) Based on the weighted average number of ordinary shares on issue (cents)	31.5	34.1	63.1	63.3
(b) On a fully diluted basis (cents) (detailing any adjustments made to the earnings)	31.4	33.6	62.9	62.4

7. **Net asset value per ordinary share**

	Group		Company	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares at the end of the financial period reported on (cents)	825.9	767.5	531.1	540.6

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
  - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

#### **PERFORMANCE REVIEW**

For the quarter ended 30 June 2019, the Group generated revenue of S\$903.5 million (-5.1% YoY). For the six months ended 30 June 2019, the Group recorded revenue of S\$1,832.2 million (+1.3% YoY). Revenue for 1H 2019 held steady as the Group's diversified portfolio of customers provided resilience against headwinds from geopolitical and macroeconomic factors.

The Group recorded profit before tax (PBT) of S\$105.4 million for the quarter ended 30 June 2019 (-8.5% YoY). For 1H 2019, the Group recorded PBT of S\$211.6 million (-1.0% YoY). In line with the PBT, the Group reported income tax expense of S\$14.5 million for 2Q 2019 and S\$29.8 million for 1H 2019. Net profit (profit attributable to owners of the Company) was S\$90.8 million for 2Q 2019 (-7.3% YoY) and for 1H 2019, net profit sustained at S\$181.7 million (+0.1% YoY). This translated to a net margin of 10.1% for 2Q 2019 (2Q 2018: 10.3%) and 9.9% for 1H 2019 (1H 2018: 10.0%). The Group's performance was underpinned by impactful value creation for its partners and relentless focus on operational excellence to drive productivity gains.

Diluted Earnings Per Share for the reported quarter was 31.4 cents (2Q 2018: 33.6 cents) and 62.9 cents for the first half of 2019 (1H 2018: 62.4 cents).

#### **FINANCIAL POSITION AND CASHFLOW**

The Group generated operating cash flow of S\$110.4 million before working capital changes for the quarter ended 30 June 2019 (2Q 2018: S\$121.0 million). For the six months ended 30 June 2019, operating profit before working capital changes amounted to S\$223.3 million (1H 2018: S\$226.0 million). For the quarter ended 30 June 2019, the Group registered an improvement in working capital position mainly due to lower inventories balances. For the six months ended 30 June 2019, the Group generated cash from operations of S\$235.6 million (1H 2018: S\$156.7 million).

As of 30 June 2019, the Group had S\$761.8 million of cash and bank balances (S\$712.8 million as at 31 Dec 2018). During the quarter, the Group paid a final tax-exempt dividend of 50 cents per ordinary share amounting to S\$144.0 million (2Q 2018: S\$172.4 million). Notwithstanding the dividend payment, net cash as at 30 June 2019 grew 6.9% to S\$760.2 million (S\$711.0 million as at 31 Dec 2018).

As at 30 June 2019, equity attributable to owners of the Company was S\$2,380.2 million (S\$2,349.9 million as at 31 Dec 2018) and Net Asset Value per share was S\$8.26 (S\$8.16 as at 31 Dec 2018).

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The outlook continues to be shrouded by escalating geopolitical tensions and the prolonged trade war, which has adversely impacted the global economy and world trade. Venture anticipates the volatile environment to persist, but the Group has in place several initiatives to help it navigate this dynamic environment.

Venture will continue to diversify its value creation/value capture pathways in the multiple ecosystems it participates in. Focus will be on selected domains that have growth and value creation opportunities. Strong emphasis will be placed on building new differentiating capabilities to enhance the Group's competitiveness. And with its strong financial resources, Venture is well placed to capture growth opportunities as and when they arise. Amidst the headwinds, Venture will remain vigilant, agile to adapt and relentless in its pursuit of excellence.

11. **Dividend**

**(a) Current Financial Period Reported On**

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	20 cents per ordinary share
Tax Rate	Exempt

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	20 cents per ordinary share
Tax Rate	Exempt

**(c) Date payable**

19 September 2019

**(d) Books closure date**

5pm on 6 September 2019

12. **If no dividend has been declared (recommended), a statement to that effect.**

Not applicable

13. **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not sought a general mandate from shareholders for Interested Person Transactions.

14. **Please disclose a confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1).**

The Group has procured undertakings from all its directors and executive officers.

**VENTURE CORPORATION LIMITED**  
Company Registration Number 198402886H

**CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the second quarter ended June 30, 2019 to be false or misleading in any material aspect.

On behalf of the Directors

(signed)  
Wong Ngit Liang  
Director

(signed)  
Goon Kok Loon  
Director

August 8, 2019

## **APPENDIX II**

### **REPRODUCTION OF THE PRESS RELEASE DATED 1 AUGUST 2019 CONTAINING THE GUARANTOR'S CONSOLIDATED FINANCIAL RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019**

The information set out below is a reproduction of the press release dated 1 August 2019 containing the Guarantor's consolidated financial results for the second quarter ended 30 June 2019.

## RESULTS FOR Q2 AND H1 2019

### Press release

Paris, August 1<sup>st</sup> 2019

## Q2 19: FURTHER SUBSTANTIAL IMPROVEMENT IN THE LEVEL OF CAPITAL (CET1 RATIO AT 12.0%)

## RESILIENT PROFITABILITY WITH A ROTE<sup>(1)</sup> AT 9.7%

### HIGHLIGHTS AND KEY FINANCIAL DATA FOR Q2 AND H1 2019

- **Increase in CET1 of +52 basis points to 12.0%** (+106bp in H1 19, >200bp above the MDA)
- Underlying Group net income of **EUR 1,247 million<sup>(1,2)</sup> in Q2 19 and EUR 2,332 million<sup>(1,2)</sup> in H1 19**
- **Group underlying ROTE at 9.7% in Q2 19 and 9.1% in H1 19**
- **Resilient business revenues** (-0.9%\* vs. Q2 18 and -0.5%\* vs. H1 18): good trend in French Retail Banking (+2.1% excluding PEL/CEL vs. Q2 18) and International Retail Banking & Financial Services (+5.7%\* vs. Q2 18)
- **Operating expenses contained** at EUR 4,270 million in Q2 19 (-3.0% vs. Q2 18) and EUR 9,059 million in H1 19 (-0.8% vs. H1 18)
- **Low cost of risk** at 25 basis points in Q2 19 and 23 basis points in H1 19
- **Continued refocusing of the Group:** finalisation of the disposal of Eurobank with an impact of +8 basis points on the CET1 ratio in Q2 19. Cumulative impact of around +47 basis points on the CET1 ratio of disposals announced to date
- **Adaptation of the operational set-up** in Global Banking & Investor Solutions **in the execution phase.**

### Frédéric Oudéa, the Group's Chief Executive Officer, commented:

*"Societe Generale has provided further evidence of the successful execution of its strategic plan with two priority financial objectives: increasing its level of capital and improving profitability. In particular, we achieved our Core Equity Tier 1 target of 12% in H1 19.*

*There was further confirmation of the positive trends observed in the previous quarter in French Retail Banking and International Retail Banking & Financial Services: French Retail Banking consolidated the improving trend in its revenues while International Retail Banking & Financial Services continued to enjoy robust growth and profitability. Only a few months after it was announced, Global Banking & Investor Solutions' adaptation plan has entered the execution phase. A committed and responsible player, the Group has reaffirmed its coal withdrawal strategy, with the strengthening of its sector policy and its commitments regarding the decarbonisation of maritime transport. It has thereby confirmed its contribution to the positive transformation of our economies".*

*The footnote \* in this document corresponds to data adjusted for changes in Group structure and at constant exchange rates.*

(1) Underlying data. See methodology note 5 for the transition from accounting data to underlying data.

(2) After restatement in accordance with the amendment to IAS 12

## 1. GROUP CONSOLIDATED RESULTS

<i>In EUR m</i>	Q2 19	Q2 18	Change		H1 19	H1 18	Change	
<b>Net banking income</b>	<b>6,284</b>	<b>6,454</b>	<b>-2.6%</b>	<b>-2.1%*</b>	<b>12,475</b>	<b>12,748</b>	<b>-2.1%</b>	<b>-2.0%*</b>
<i>Underlying net banking income(1)</i>	6,284	6,454	-2.6%	-2.1%*	12,475	12,748	-2.1%	-2.0%*
<b>Operating expenses</b>	<b>(4,270)</b>	<b>(4,403)</b>	<b>-3.0%</b>	<b>-2.5%*</b>	<b>(9,059)</b>	<b>(9,132)</b>	<b>-0.8%</b>	<b>-0.5%*</b>
<i>Underlying operating expenses(1)</i>	(4,152)	(4,370)	-5.0%	-4.5%*	(8,500)	(8,594)	-1.1%	-0.8%*
<b>Gross operating income</b>	<b>2,014</b>	<b>2,051</b>	<b>-1.8%</b>	<b>-1.2%*</b>	<b>3,416</b>	<b>3,616</b>	<b>-5.5%</b>	<b>-5.9%*</b>
<i>Underlying gross operating income(1)</i>	2,132	2,084	+2.3%	+3.0%*	3,975	4,154	-4.3%	-4.6%*
<b>Net cost of risk</b>	<b>(314)</b>	<b>(170)</b>	<b>+84.7%</b>	<b>+96.1%*</b>	<b>(578)</b>	<b>(378)</b>	<b>+52.9%</b>	<b>+59.1%*</b>
<i>Underlying net cost of risk (1)</i>	(296)	(170)	+74.1%	+84.8%*	(560)	(378)	+48.1%	+54.0%
<b>Operating income</b>	<b>1,700</b>	<b>1,881</b>	<b>-9.6%</b>	<b>-9.4%*</b>	<b>2,838</b>	<b>3,238</b>	<b>-12.4%</b>	<b>-13.0%*</b>
<i>Underlying operating income(1)</i>	1,836	1,914	-4.1%	-3.8%*	3,415	3,776	-9.6%	-10.1%*
<b>Net profits or losses from other assets</b>	<b>(80)</b>	<b>(42)</b>	<b>-90.5%</b>	<b>-90.7%*</b>	<b>(131)</b>	<b>(41)</b>	<i>n/s</i>	<i>n/s</i>
Income tax(2)	(390)	(448)	-12.9%	-12.4%*	(645)	(765)	-15.7%	-16.3%*
<b>Reported Group net income</b>	<b>1,054</b>	<b>1,224</b>	<b>-13.9%</b>	<b>-13.4%*</b>	<b>1,740</b>	<b>2,127</b>	<b>-18.2%</b>	<b>-18.6%*</b>
<i>Underlying Group net income(1)</i>	1,247	1,333	-6.4%	-5.8%*	2,332	2,590	-10.0%	-10.3%
ROE	6.9%	8.6%			5.5%	7.5%		
ROTE	8.3%	10.4%			6.9%	8.9%		
<b>Underlying ROTE (1)</b>	<b>9.7%</b>	<b>11.2%</b>			<b>9.1%</b>	<b>11.0%</b>		

(1) Adjusted for exceptional items and linearisation of IFRIC 21

(2) As from January 1<sup>st</sup>, 2019, in accordance with the amendment to IAS 12 "Income Tax", the tax saving related to the payment of coupons on undated subordinated and deeply subordinated notes, previously recorded in consolidated reserves, is now recognised in income on the "income tax" line; 2018 comparative data have been restated. See Appendix 1.

Societe Generale's Board of Directors, which met on July 31<sup>st</sup>, 2019 under the chairmanship of Lorenzo Bini Smaghi, examined the Societe Generale Group's results for Q2 and H1 2019.

The various restatements enabling the transition from underlying data to published data are presented in the methodology notes (section 10.5).

### Net banking income: EUR 6,284m (-2.6% vs. Q2 18), EUR 12,475m (-2.1% vs. H1 18)

- French Retail Banking's net banking income (excluding PEL/CEL provision) rose +2.1% vs. Q2 18 and was stable in H1 19 (-0.6% vs. H1 18) in a continuing low interest rate environment. In Q2 19, revenues included a positive impact of EUR 61 million on adjustment on commission-related taxes.
- International Retail Banking & Financial Services' net banking income rose +2.4% (+5.7%\*) in Q2 19, driven by the strong commercial momentum across all businesses and geographical regions. Accordingly, International Retail Banking revenues increased by +1.9% (+7.0%\*), Insurance revenues +4.1% and Financial Services to Corporates' revenues +2.8%. The trend was identical in H1, with revenues up +3.3% (+6.1%\*).
- Global Banking & Investor Solutions' net banking income decreased by -6.1% (-7.3%\*) in Q2 19 vs. Q2 18 and by -2.6% (-4.6%\*) in H1 19 vs. H1 18. In particular, the revenues of Global Markets and Investor Services were down -9.2% (-11.0%\*) in Q2 19, due to still challenging market conditions. Financing & Advisory revenues were 2.6% (0.9%\*) higher, driven by the good performance of Financing activities. Investment banking activities remained relatively sluggish in Europe over the period.

**Operating expenses: EUR 4,270m (-3% vs. Q2 18), EUR 9,059m (-0.8% vs. H1 18)**

Underlying operating expenses were down -5.0% vs. Q2 18 at EUR 4,152 million. They totalled EUR 8,500 million in H1 19, down -1.1% vs. H1 18.

Operating expenses were lower in French Retail Banking in Q2 19 (-1.0% vs. Q2 18) and stable in H1 19 (-0.2% vs. H1 18).

Efforts to support growth in International Retail Banking & Financial Services resulted in operating expenses increasing by +3.9% (+7.3%\*) vs. Q2 18 and +3.0% (+6.5%\*) vs. H1 18. When restated for the restructuring provision, operating expenses experienced a contained increase of +1.3% (+4.6%\*) in Q2 19 and were 1.7% (5.1%\*) higher in H1 19. The increase in costs continued to be less than the growth in revenues, both in Q2 and H1 2019, thereby confirming the positive jaws effect observed during previous quarters.

Global Banking & Investor Solutions' costs were up +10.8% (+10.0%\*) in Q2 19 vs. Q2 18, including a EUR 227 million restructuring provision and EUR 21 million of EMC integration costs, and up +5.0% (+3.7%\*) in H1 19. When restated for these items, operating expenses were down -3.5% in Q2 19 and -1.6% in H1 19.

**Gross operating income: EUR 2,014m (-1.8% vs. Q2 18), EUR 3,416m (-5.5% vs. H1 18)**

Underlying gross operating income totalled EUR 2,132 million in Q2 19 (+2.3% vs. Q2 18) and EUR 3,975 million in H1 19 (-4.3% vs. H1 18).

**Cost of risk: EUR 314m in Q2 19 and EUR 578m in H1 19**

The net cost of risk amounted to EUR 314 million in Q2 19, 84.7% higher than the exceptionally low level in Q2 18 (EUR 170 million) and EUR 578 million in H1 19, 52.9% higher than in H1 18.

The Group's commercial cost of risk (expressed as a fraction of outstanding loans) remained low and amounted to 25 basis points in Q2 19 (14 basis points in Q2 18 and 21 basis points in Q1 19).

- In French Retail Banking, the commercial cost of risk was higher at 27 basis points (20 basis points in Q2 18 and Q1 19)
- International Retail Banking & Financial Services' cost of risk stood at 38 basis points (23 basis points in Q2 18 and 39 basis points in Q1 19). This still low level reflects the gradual normalisation of the cost of risk.
- Global Banking & Investor Solutions' cost of risk stood at the still low level of 8 basis points. It was higher than the level in Q2 18 (2 basis points) and slightly lower than in Q1 19 (10 basis points).

The cost of risk stood at 23 basis points in H1 19. It was 16 basis points in H1 18.

The Group expects a cost of risk of between 25 and 30 basis points in 2019.

The gross doubtful outstandings ratio was lower at 3.4% at end-June 2019 (vs. 3.5% at end-March 2019). The Group's gross coverage ratio for doubtful outstandings stood at 55%<sup>(1)</sup> at end-June 2019 (it was 55% at March 31<sup>st</sup>, 2019).

**Operating income: EUR 1,700m (-9.6% vs. Q2 18), EUR 2,838m (-12.4% vs. H1 18)**

Underlying operating income came to EUR 1,836 million, down -4.1% vs. Q2 18 including an adjustment of operating taxes of EUR +241 million.

It amounted to EUR 3,415 million in H1 19, down -9.6% vs. H1 18.

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(1) Ratio between the amount of provisions on doubtful outstandings and the amount of these same outstandings.

## Net profits or losses from other assets: EUR -80m in Q2 19 and EUR -131m in H1 19

Net profits or losses from other assets totalled EUR -80 million in Q2 19, including EUR -84 million corresponding to the effect of the application of IFRS 5 as part of the implementation of the Group's refocusing plan. The Group recognised a capital loss of EUR -43 million in respect of the announced disposal of PEMA as well as additional capital losses in respect of disposals currently under way or finalised, notably in the Balkans.

## Net income

In EURm	Q2 19	Q2 18	H1 19	H1 18
Reported Group net income	1,054	1,224	1,740	2,127
Underlying Group net income <sup>(2)</sup>	1,247	1,333	2,332	2,590

In %	Q2 19	Q2 18	H1 19	H1 18
ROTE (reported)	8.3%	10.4%	6.9%	8.9%
Underlying ROTe <sup>(2)</sup>	9.7%	11.2%	9.1%	11.0%

Earnings per share amounts to EUR 1.69 in H1 19 (EUR 2.22 in H1 18). The dividend provision amounts to EUR 0.85 per share in H1 19.

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(2) Adjusted for exceptional items and effect of the linearisation of IFRIC 21.

## 2. THE GROUP'S FINANCIAL STRUCTURE

Group **shareholders' equity** totalled EUR 62.5 billion at June 30<sup>th</sup>, 2019 (EUR 61.0 billion at December 31<sup>st</sup>, 2018). Net asset value per share was EUR 62.49 and tangible net asset value per share was EUR 54.46, an increase of 2.5% year-on-year.

The **consolidated balance sheet** totalled EUR 1,389 billion at June 30<sup>th</sup>, 2019 (EUR 1,309 billion at December 31<sup>st</sup>, 2018). The net amount of customer loan outstandings at June 30<sup>th</sup>, 2019, including lease financing, was EUR 421 billion (EUR 421 billion at December 31<sup>st</sup>, 2018) – excluding assets and securities sold under repurchase agreements. At the same time, customer deposits amounted to EUR 405 billion, vs. EUR 399 billion at December 31<sup>st</sup>, 2018 (excluding assets and securities sold under repurchase agreements).

At end-June 2019, the parent company had issued EUR 21.2 billion of medium/long-term debt, having an average maturity of 4.3 years and an average spread of 54.7 basis points (vs. the 6-month mid-swap, excluding subordinated debt). The subsidiaries had issued EUR 0.9 billion. At June 30<sup>th</sup>, 2019, the Group had issued a total of EUR 22.1 billion of medium/long-term debt. The LCR (Liquidity Coverage Ratio) was well above regulatory requirements at 145% at end-June 2019 vs. 129% at end-December 2018. At the same time, the NSFR (Net Stable Funding Ratio) was over 100% at end-June 2019. At end-June 2019, the Group had achieved 69% of its long-term financing programme scheduled for 2019.

The Group's **risk-weighted assets** (RWA) amounted to EUR 361.1 billion at June 30<sup>th</sup>, 2019 (vs. EUR 376.0 billion at end-December 2018) according to CRR/CRD4 rules. Risk-weighted assets in respect of credit risk represent 81.5% of the total, at EUR 294.2 billion, down -2.8% vs. December 31<sup>st</sup>, 2018.

At June 30<sup>th</sup>, 2019, the Group's **Common Equity Tier 1** ratio stood at 12.0% and 12.2% pro forma for the announced disposals (for around 19 basis points), the residual impact of the integration of EMC (for around -5 basis points) and the estimated result of the Global Employee Share Ownership Plan (for 3 basis points). The Tier 1 ratio stood at 14.8% at end-June 2019 (13.7%<sup>(1)</sup> at end-December 2018) and the total capital ratio amounted to 17.9% (16.7%<sup>(1)</sup> at end-December 2018).

With a level of 25.8%<sup>(2)</sup> of RWA and 7.5% of leveraged exposure at end-June 2019, the Group's TLAC ratio is already above the FSB's requirements for 2019. At June 30<sup>th</sup>, 2019, the Group was also above its MREL requirements of 8% of the TLOF<sup>(3)</sup> (which, in December 2016, represented a level of 24.36% of RWA), which were used as a reference for the SRB calibration.

The **leverage ratio** stood at 4.3% at June 30<sup>th</sup>, 2019, stable vs. end-December 2018.

The Group is rated by five rating agencies: (i) DBRS - long-term rating (senior preferred debt) "A (high)", positive trends, short-term rating "R-1 (middle)"; (ii) FitchRatings - long-term rating "A", stable outlook, senior preferred debt rating "A+", short-term rating "F1"; (iii) Moody's - long-term rating (senior preferred debt) "A1", stable outlook, short-term rating "P-1"; (iv) R&I - long-term rating (senior preferred debt) "A", stable outlook; and (v) S&P Global Ratings - long-term rating (senior preferred debt) "A", positive outlook, short-term rating "A-1".

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(1) Taking into account the option of a dividend payment in shares, with the assumption of a 50% subscription rate (impact of +24bp on the CET1 ratio)

(2) Including 2.5% of senior preferred debt

(3) TLOF: Total Liabilities and Own Funds

### 3. FRENCH RETAIL BANKING

<b>In EUR m</b>	<b>Q2 19</b>	<b>Q2 18</b>	<b>Change</b>	<b>H1 19</b>	<b>H1 18</b>	<b>Change</b>
Net banking income	1,994	1,991	+0.2%	3,910	3,999	-2.2%
<i>Net banking income excl. PEL/CEL</i>	2,021	1,980	+2.1%	3,949	3,971	-0.6%
Operating expenses	(1,348)	(1,361)	-1.0%	(2,834)	(2,841)	-0.2%
<b>Gross operating income</b>	<b>646</b>	<b>630</b>	<b>+2.5%</b>	<b>1,076</b>	<b>1,158</b>	<b>-7.1%</b>
<i>Gross operating income excl. PEL/CEL</i>	673	619	+8.8%	1,115	1,130	-1.4%
Net cost of risk	(129)	(93)	+38.7%	(223)	(227)	-1.8%
<b>Operating income</b>	<b>517</b>	<b>537</b>	<b>-3.7%</b>	<b>853</b>	<b>931</b>	<b>-8.4%</b>
<b>Reported Group net income</b>	<b>356</b>	<b>365</b>	<b>-2.5%</b>	<b>590</b>	<b>635</b>	<b>-7.1%</b>
RONE	<b>12.6%</b>	<b>13.2%</b>		<b>10.5%</b>	<b>11.3%</b>	
<b>Underlying RONE (1)</b>	<b>12.6%</b>	<b>12.1%</b>		<b>11.5%</b>	<b>11.5%</b>	

(1) Adjusted for the linearisation of IFRIC 21, PEL/CEL provision

French Retail Banking delivered a solid performance in Q2 19 against the backdrop of a low interest rate environment and the transformation of the French networks. Underlying RONE stood at 12.6% in Q2 19.

#### Activity and net banking income

French Retail Banking's three brands, Societe Generale, Crédit du Nord and Boursorama, enjoyed a healthy commercial momentum during the quarter.

Boursorama gained around 137,000 new clients in Q2 19 and consolidated its position as the leading online bank in France, with nearly 1.9 million clients at end-June, an increase of +29% year-on-year.

Moreover, the Societe Generale and Crédit du Nord networks strengthened their franchises on the Group's target customers (companies, professionals, mass affluent and high-potential clients, wealthy clients).

In the individual customer segment, French Retail Banking expanded its business among mass affluent and wealthy clients, with the number of customers increasing by 2% vs. Q2 18. Net inflow for wealthy clients remained robust at EUR 1.1 billion, taking assets under management to EUR 66.7 billion (including Crédit du Nord) at end-June 2019, up 5.1% vs. Q2 18.

Bancassurance continued to enjoy buoyant activity: life insurance experienced net inflow of EUR 684 million. Outstandings were up +1.5% at EUR 94.8 billion, with the unit-linked share accounting for 24.5% of outstandings.

Societe Generale was ranked companies' favourite bank in a survey published by Challenges magazine. On the back of this success, Societe Generale continued to roll out its specific facilities for the corporate sector and professionals. At end-June 2019, Societe Generale had 13 regional business centres, 110 "Pro Corners" (espaces pro) in branches and 10 dedicated "Pro Corners".

Overall, the commercial momentum remained robust: average loan outstandings rose +4.7% vs. Q2 18 (to EUR 194.1 billion) and average outstanding balance sheet deposits +3.6% (to EUR 205.5 billion), still driven by sight deposits (+7.7%). As a result, the average loan/deposit ratio stood at 94.4% in Q2 19 (an increase of one point vs. Q2 18).

Housing loan production totalled EUR 6.3 billion in Q2 19 and consumer loan production came to EUR 1.2 billion in Q2 19. Outstanding loans to individuals totalled EUR 113.9 billion in Q2 19, up +3.3% vs. Q2 18.

Corporate investment loan production (including leasing) came to EUR 4.3 billion in Q2 19. Average investment loan outstandings amounted to EUR 69.6 billion in Q2 19, up +7.7% vs. Q2 18.

French Retail Banking posted revenues (excluding PEL/CEL) of EUR 2,021 million in Q2 19, up +2.1% vs. Q2 18 and +4.9% vs. Q1 19.

Although still adversely affected by the low interest rate environment, there was an improvement in net interest income (excluding PEL/CEL), with an increase of 1.7% vs. Q2 18 (+2.8% vs. Q1 19).

Commissions (which included a EUR +61 million adjustment on commission-related taxes) were 1.2% lower in Q2 19 compared to the high level in Q2 18 (+2.9% vs. Q1 19), due to the decline in financial commissions in a challenging stock market environment and the impact of the banking industry's commitments in relation to vulnerable populations (effect of the "gilets jaunes" (yellow vest) movement).

Revenues (excluding PEL/CEL) were down -0.6% in H1 19 vs. H1 18, with a decrease of -0.8% in net interest income (excluding PEL/CEL) and commissions down -1.9%.

The Group has confirmed that it expects a decline in revenues of between 0% and -1% in 2019 vs. 2018, after neutralising the impact of PEL/CEL provisions.

### **Operating expenses**

French Retail Banking's operating expenses totalled EUR 1,348 million in Q2 19, down -1.0% vs. Q2 18. The cost to income ratio stood at 67.9% in Q2 19 (excluding PEL/CEL and after linearisation of the IFRIC 21 charge). Operating expenses were stable in H1 19 (-0.2% vs. H1 18).

The digital transformation process continued with the enhanced use of digital services by the Group's customers. Accordingly, nearly 70% of the increases in card ceilings were carried out online over the last 12 months in the Societe Generale network. The Group also closed 32 Societe Generale branches in Q2 19. There are now 1,844 branches nationwide, in line with the 2020 target of around 1,700 branches.

The Group expects an increase in operating expenses of between 1% and 2% in 2019 vs. 2018.

### **Operating income**

The cost of risk increased to 27bp in Q2 19 (vs. 20bp in Q2 18). Operating income came to EUR 517 million in Q2 19 (EUR 537 million in Q2 18).

The cost of risk amounted to 23bp in H1 19 (vs. 24bp in H1 18). Operating income totalled EUR 853 million in H1 19 (EUR 931 million in H1 18).

### **Contribution to Group net income**

French Retail Banking's contribution to Group net income amounted to EUR 356 million in Q2 19 (EUR 365 million in Q2 18) and RONE (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at the robust level of 12.6% (vs. 12.1% in Q2 18).

The contribution to Group net income came to EUR 590 million in H1 19 (EUR 635 million in H1 18) and RONE (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 11.5%.

## 4. INTERNATIONAL RETAIL BANKING & FINANCIAL SERVICES

<b>In EUR m</b>	<b>Q2 19</b>	<b>Q2 18</b>	<b>Change</b>		<b>H1 19</b>	<b>H1 18</b>	<b>Change</b>	
Net banking income	2,124	2,075	+2.4%	+5.7%*	4,200	4,064	+3.3%	+6.1%*
Operating expenses	(1,145)	(1,102)	+3.9%	+7.3%*	(2,349)	(2,281)	+3.0%	+6.5%*
<b>Gross operating income</b>	<b>979</b>	<b>973</b>	<b>+0.6%</b>	<b>+3.9%*</b>	<b>1,851</b>	<b>1,783</b>	<b>+3.8%</b>	<b>+5.8%*</b>
Net cost of risk	(133)	(75)	+77.3%	x 2.1	(261)	(166)	+57.2%	+73.1%*
<b>Operating income</b>	<b>846</b>	<b>898</b>	<b>-5.8%</b>	<b>-3.4%*</b>	<b>1,590</b>	<b>1,617</b>	<b>-1.7%</b>	<b>-0.3%*</b>
Net profits or losses from other assets	0	0	n/s	-100.0%	1	4	-75.0%	-74.8%*
<b>Reported Group net income</b>	<b>515</b>	<b>541</b>	<b>-4.8%</b>	<b>-2.2%*</b>	<b>979</b>	<b>970</b>	<b>+0.9%</b>	<b>+2.7%*</b>
RONE	18.6%	18.9%			17.3%	17.0%		
<b>Underlying RONE (1)</b>	<b>18.9%</b>	<b>18.3%</b>			<b>18.2%</b>	<b>17.7%</b>		

(1) Adjusted for the linearisation of IFRIC 21 and the restructuring provision of EUR 29 million

Net banking income totalled EUR 2,124 million in Q2 2019, up +2.4% vs. Q2 18 and +5.7%\* excluding the structure and exchange rate effect, driven by an excellent commercial momentum in all regions and businesses. Operating expenses were 3.9% (7.3%\*) higher over the period including the restructuring provision (EUR 29 million) related to the simplification of the head office structure. When restated for this item, operating expenses experienced a contained increase of +1.3% (+4.6%\*), generating a positive jaws effect. The cost to income ratio stood at 53.9% in Q2 19. Gross operating income was EUR 979 million in Q2 19 (+0.6% vs. Q2 18). The net cost of risk came to EUR 133 million in Q2 19, vs. EUR 75 million in Q2 18 and EUR 128 million in Q1 19. The contribution to Group net income totalled EUR 515 million in Q2 19, down -4.8% vs. Q2 18. Underlying RONE stood at 18.9% in Q2 19.

Revenues amounted to EUR 4,200 million in H1 2019, up +3.3% and +6.1%\* when adjusted for changes in Group structure and at constant exchange rates. Operating expenses increased by +3.0% (+6.5%\*) to EUR 2,349 million. When restated for the restructuring provision, they were 1.7% (5.1%\*) higher. Gross operating income totalled EUR 1,851 million (+3.8% vs. H1 18). The net cost of risk was 57.2% higher than in H1 2018 which included the receipt of an insurance payout in Romania. The contribution to Group net income came to EUR 979 million (+0.9% vs. H1 18).

### International Retail Banking

International Retail Banking's outstanding loans totalled EUR 91.6 billion at end-June 2019. They rose +0.6% (+6.3%\* when adjusted for changes in Group structure and at constant exchange rates) vs. Q2 18. Outstanding deposits were up +2.6% (+7.9%\* when adjusted for changes in Group structure and at constant exchange rates) vs. Q2 18, at EUR 83.6 billion, with a healthy momentum in all regions, especially in Russia in a buoyant banking market.

International Retail Banking revenues were up +1.9% (+7.0%\* when adjusted for changes in Group structure and at constant exchange rates) vs. Q2 18, at EUR 1,412 million, while operating expenses were down -0.6% (+4.0%\* when adjusted for changes in Group structure and at constant exchange rates) vs. Q2 18, resulting in a positive jaws effect in Q2 19. Gross operating income came to EUR 630 million, up +5.4% (+11.0%\*) vs. Q2 18. International Retail Banking's contribution to Group net income amounted to EUR 297 million in Q2 19 (-5.1% vs. Q2 18 and -0.8%\* when restated for the exchange rate and structure effect). RONE, adjusted for the linearisation of IFRIC 21, came to 17.1% in Q2 19.

International Retail Banking's net banking income totalled EUR 2,799 million in H1 19, up +3.2% (+7.5%\*) vs. H1 18. The contribution to Group net income amounted to EUR 543 million vs. EUR 542 million in H1 18 (+0.2% and +3.2%\*).

## Europe

For the Europe scope, outstanding loans were up +5.2%\* vs. Q2 18, at EUR 59 billion, and outstanding deposits were up +3.9%\*. The healthy commercial momentum is also reflected in non-interest income, which was 6%\* higher than in Q2 18. The increase in revenues (+6.2%\*) in a buoyant macro-economic environment and the decrease in operating expenses (-0.1%\*) over the period resulted in a positive jaws effect. Accordingly, the contribution to Group net income was 8.3% higher than in Q2 18 at EUR 223 million.

In Western Europe, outstanding loans were up +10.9% vs. Q2 18, at EUR 21.3 billion, with car financing remaining buoyant. Q2 revenues totalled EUR 223 million and gross operating income EUR 125 million, up +8.7% vs. Q2 18. The net cost of risk amounted to EUR 36 million, up +16.1%. The contribution to Group net income came to EUR 67 million, an increase of +4.7% vs. Q2 18.

In the Czech Republic, outstanding loans rose +3.0% (+0.7%\*) vs. Q2 18 to EUR 25.5 billion. Outstanding deposits climbed +6.3% (+3.9%\*) year-on-year to EUR 33.2 billion. Revenues grew by +6.3% (+6.6%\*) vs. Q2 18 to EUR 289 million. At EUR 140 million in Q2 19, operating expenses were 6.0% (5.7%\*) lower than in Q2 18, which included a EUR 11.5 million restructuring provision. The contribution to Group net income came to EUR 78 million, up +18.2% vs. Q2 18, with a write-back in the net cost of risk of EUR 9 million in Q2 19.

In Romania, outstanding loans totalled EUR 6.5 billion at end-June 2019, down -2.8% in absolute terms but up +2.8%\* when adjusted for changes in Group structure and at constant exchange rates vs. end-June 2018. Outstanding deposits rose +0.9% (+2.5%\* when adjusted for changes in Group structure and at constant exchange rates) to EUR 9.6 billion. Net banking income climbed +8.3% vs. Q2 18 (+10.5%\*) to EUR 157 million in Q2 19. Operating expenses were 3.7% higher at current exchange rates (+5.6%\*) at EUR 84 million in Q2 19. There was a write-back in the net cost of risk of EUR 25 million in Q2 19 compared with a zero net cost of risk in Q2 18. The contribution to Group net income came to EUR 50 million, up +61.3% vs. Q2 18.

In other European countries, outstanding loans and deposits were down by respectively -46.8% and -44.9% given the disposals finalised in H1 19 (SG Albania, Express Bank in Bulgaria and Eurobank in Poland). When adjusted for changes in Group structure and at constant exchange rates, there was a healthy commercial momentum with growth in outstanding loans of +8.5%\* and deposits of +8.0%\* vs. end-June 2018. Revenues declined -41.8% (-4.1%\*) vs. Q2 18, while operating expenses were 41.7% (2.4%\*) lower than in Q2 18. The net cost of risk amounted to EUR 3 million. The contribution to Group net income came to EUR 28 million, down -37.8% vs Q2 18.

## Russia

In Russia, commercial activity was robust in a buoyant banking market. At end-June 2019, outstanding loans were up +12.7%\* at constant exchange rates (+15.2% at current exchange rates) while outstanding deposits climbed +36.1%\* (+39.2% at current exchange rates). Net banking income for SG Russia<sup>(1)</sup> was 13%\* higher than in Q2 18 (+15.2% at current exchange rates) at EUR 227 million. The strong growth in non-interest income (+22%\* vs. Q2 18) illustrates the healthy commercial momentum. Operating expenses were up +9.2%\* (+11.2% at current exchange rates) at EUR 149 million. The net cost of risk amounted to EUR 20 million vs. EUR 4 million in Q2 18. SG Russia made a contribution to Group net income of EUR 45 million, slightly lower (-1.8%) than in Q2 18. RONE stood at 15.4% in Q2 19.

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(1) SG Russia encompasses the entities Rosbank, Delta Credit Bank, Rusfinance Bank, Societe Generale Insurance, ALD Automotive and their consolidated subsidiaries

## Africa

In Africa and the other regions where the Group operates, commercial activity was generally healthy especially in Sub-Saharan Africa. Outstanding loans rose +7.2% (+6.5%\*) vs. Q2 18 to EUR 21.9 billion. Outstanding deposits were up +6.4% (+5.6%\*) at EUR 21.7 billion, with a good momentum in Sub-Saharan Africa. Net banking income totalled EUR 438 million, up +6.3% (+5.2%\*) with, in particular, a good performance by non-interest income (+7%\* vs. Q2 18). Operating expenses rose +8.7% (+6.9%\*), in conjunction with the commercial expansion and organisational changes. The net cost of risk came to EUR -86 million. The contribution to Group net income amounted to EUR 37 million in Q2 19, down -46.4% vs. Q2 18.

## Insurance

The life insurance savings business saw outstandings increase +3.9% in Q2 19 vs. Q2 18. The share of unit-linked products in outstandings was 28% at end-June 2019, up +0.8 points vs. Q2 18.

Personal Protection and Property/Casualty insurance enjoyed robust growth, with premiums increasing by respectively +9.9%\* and +14.6%\* vs. Q2 18.

International activity continued to experience strong growth in H1 19 vs. H1 18 (+34%\* for life insurance savings, +27%\* for Personal Protection insurance and +32%\* for Property/Casualty insurance) and accounted for 18% of insurance business. Activity was buoyant in France in H1 19 (+2% for life insurance savings, +4% for Protection insurance).

The Insurance business posted a good financial performance in Q2 19, with net banking income increasing +4.1% to EUR 229 million in Q2 19 (+3.6%\*). Operating expenses rose +3.8% (+4.3%\*) vs. Q2 18 to EUR 81 million, in conjunction with the Insurance business' commercial expansion ambitions. The contribution to Group net income was 7.4% higher at EUR 102 million. RONE, adjusted for the linearisation of IFRIC 21, came to 25.8% in Q2 19.

Net banking income was up +3.1% (+3.2%\*) in H1 19 at EUR 460 million. The contribution to Group net income was 5.6% higher at EUR 189 million.

## Financial Services to Corporates

Financial Services to Corporates enjoyed a good commercial momentum in Q2 19.

Operational Vehicle Leasing and Fleet Management saw an increase in its vehicle fleet (+7.2% vs. end of Q2 18) to 1.70 million vehicles at end-June 2019, primarily through organic growth.

Equipment Finance's outstanding loans were up +2.6%\* in Q2 19 vs. Q2 18 at EUR 18.2 billion (excluding factoring), driven by a good level of new business.

Financial Services to Corporates' net banking income rose +2.8% (+2.6%\*) in Q2 19 vs. Q2 18 to EUR 483 million. Operating expenses increased by +6.8% (+6.4%\*) vs. Q2 18 to EUR 253 million. The net cost of risk amounted to EUR 22 million, an increase of EUR 4 million vs. Q2 18. The contribution to Group net income was EUR 135 million, up +1.5% vs. Q2 18. RONE, adjusted for the linearisation of IFRIC 21, came to 18.9% in Q2 19.

Financial Services to Corporates' net banking income totalled EUR 941 million in H1 2019, up +4.0% (+3.9%\*) vs. H1 2018. The contribution to Group net income amounted to EUR 266 million (+6.8%).

## 5. GLOBAL BANKING & INVESTOR SOLUTIONS

<i>In EUR m</i>	<b>Q2 19</b>	<b>Q2 18</b>	<b>Change</b>		<b>H1 19</b>	<b>H1 18</b>	<b>Change</b>	
Net banking income	2,266	2,412	-6.1%	-7.3%*	4,505	4,627	-2.6%	-4.6%*
Operating expenses	(1,915)	(1,728)	+10.8%	+10.0%*	(3,941)	(3,752)	+5.0%	+3.7%*
<b>Gross operating income</b>	<b>351</b>	<b>684</b>	<b>-48.7%</b>	<b>-50.1%*</b>	<b>564</b>	<b>875</b>	<b>-35.5%</b>	<b>-39.0%*</b>
Net cost of risk	(33)	(7)	x 4.7	x 4.4	(75)	20	n/s	n/s
<b>Operating income</b>	<b>318</b>	<b>677</b>	<b>-53.0%</b>	<b>-54.4%*</b>	<b>489</b>	<b>895</b>	<b>-45.4%</b>	<b>-48.2%*</b>
<b>Reported Group net income</b>	<b>274</b>	<b>507</b>	<b>-46.0%</b>	<b>-47.5%*</b>	<b>414</b>	<b>673</b>	<b>-38.5%</b>	<b>-41.8%*</b>
RONE	7.1%	13.6%			5.2%	9.1%		
<b>Underlying RONE (1)</b>	<b>10.0%</b>	<b>11.7%</b>			<b>8.9%</b>	<b>11.0%</b>		

(1) Adjusted for the linearisation of IFRIC 21 and the restructuring provision of EUR 227 million

Q2 19 was characterised by a mixed performance in Global Markets (resilience of Equities and Prime Services and decline in Fixed Income, Currencies & Commodities); a good performance in Financing and Global Transaction Banking activities and weak investment banking activity in Europe. This trend reflects the Group's strategic priorities, notably the refocusing on Equities and Prime Services as well as the development of Financing & Advisory activities.

Global Banking & Investor Solutions posted net banking income of EUR 2,266 million, down -6.1% vs. Q2 18 (-7.3%\*), and up +1.2% vs. Q1 19. Net banking income declined by -2.6% (-4.6%\*) in H1 19 to EUR 4,505 million.

The adjustment of the operational set-up announced in May has entered the execution phase. The new organisational structures in the businesses and their support functions have been in place since July 1<sup>st</sup>. In Global Markets, the proprietary trading subsidiary (Descartes Trading) is in run-off and the OTC commodities business is in the process of being closed. The voluntary departure plan was also launched in France on July 1<sup>st</sup> and reductions in the workforce were initiated during the second quarter outside France. A restructuring provision was recognised for EUR 227 million in operating expenses (the Group had announced restructuring costs of EUR 250-300 million in 2019).

As part of the adaptation of its operational set-up in Global Markets, the Group has reduced its risk-weighted assets (RWA) by EUR 2.6 billion, taking the decline to EUR 4.9 billion out of a total target of EUR 8 billion.

Concerning the acquisition of Equity Markets & Commodities (EMC), Commerzbank's market activities, an initial transfer of structured products and ETFs was implemented in Q2 19. Integration costs amounting to EUR 21 million were recorded in Q2 19.

### Global Markets & Investor Services

Global Markets & Investor Services' revenues were down -9.2% in Q2 19 vs. Q2 18, at EUR 1,353 million, impacted by still challenging market conditions. Revenues were 6.3% higher than in Q1 19.

Revenues totalled EUR 2,626 million in H1 19, down -8.2% vs. H1 18 and up +12.0% vs. H2 18.

At EUR 524 million, the revenues of Fixed Income, Currencies & Commodities were down -9.7% in Q2 19 vs. Q2 18, and up +16.4% vs. Q1 19. The low interest rate environment in Europe and low volatility observed in currency activities adversely affected Rate and Currency activities in Q2 19. These declines in revenue were mitigated by the good performance of Credit and emerging market activities.

Equities and Prime Services' revenues were down -6.6% vs. Q2 18 at EUR 650 million, against a backdrop of low volumes on flow activities. Revenues were up +4.2% vs. Q1 19, benefiting from better market conditions at the beginning of Q2.

Securities Services' assets under custody amounted to EUR 4,158 billion at end-June 2019, up +1.8% vs. end-March 2019. Over the same period, assets under administration were stable at EUR 631 billion. Revenues were down -16.4% in Q2 19 vs. Q2 18 at EUR 179 million. However, they were stable when restating the Q2 18 results for the impact of the revaluation of Euroclear securities amounting to EUR 33 million.

### **Financing & Advisory**

Financing & Advisory's revenues totalled EUR 682 million in Q2 2019, up +2.6% (+0.9%\*) vs. Q2 2018. Revenues amounted to EUR 1,393 million in H1 2019 and were 10.1% (8.0%\*) higher than in H1 2018.

Q2 2019 was marked by the good momentum of Financing Activities and a sluggish market in investment banking in Europe. All Asset Financing businesses enjoyed buoyant commercial activity, with a good level of origination (particularly in aircraft and property financing). The natural resources division provided further evidence of its robust momentum in energy project financing, and in the mining and metal industry sector. The Asset Backed Product franchise continued to grow.

Global Transaction Banking's earnings were substantially higher in Q2 19 (+18.7%), with a strong commercial momentum in Cash Management and Correspondent Banking.

### **Asset and Wealth Management**

The net banking income of the Asset and Wealth Management business line totalled EUR 231 million in Q2 19, down -10.1% vs. Q2 18 and -5% when restated for the sale of the Private Banking activities in Belgium in Q2 18. Net banking income amounted to EUR 486 million in H1 2019, down -2.8% vs. H1 2018. It remained stable if H1 2018 is restated for the sale of the Private Banking activities in Belgium.

Private Banking's assets under management totalled EUR 114 billion at end-June 2019, slightly higher (+0.9%) than in March 2019. Net banking income was down -14.6% in Q2 19 vs. Q2 18 at EUR 175 million. Inflow remained buoyant in France, Switzerland and Luxembourg and the business benefited from an improvement in transactional activity compared to Q1 19.

Lyxor's assets under management came to EUR 135 billion at end-June 2019, 12% higher than in March 2019, due primarily to the inclusion of EUR 12 billion related to the integration of an EMC fund (Commerz Fund Solutions). Revenues totalled EUR 51 million in Q2 19, up +8.5% (+6% excluding EMC's revenues) vs. Q2 18.

### **Operating expenses**

Global Banking & Investor Solutions' operating expenses were up +10.8% vs. Q2 18, at EUR 1,915 million, and up +5.0% vs. H1 18. They included a EUR 227 million restructuring provision (broken down into EUR 160 million for Global Markets & Investor Services, EUR 45 million for Financing & Advisory and EUR 22 million for Asset and Wealth Management) and EUR 21 million of integration costs in respect of EMC activities.

When restated for these items, operating expenses were down -3.5% vs. Q2 18 and -1.6% vs. H1 18.

The cost to income ratio came to 77.9% (75.7% in Q2 18) when linearising IFRIC 21 and restating the restructuring provision.

### **Gross operating income**

Gross operating income totalled EUR 351 million in Q2 19, down -48.7% vs. Q2 18, and EUR 564 million in H1 19, down -35.5% vs. H1 18.

The net cost of risk amounted to EUR -33 million (compared to a net cost of risk of EUR -7 million in Q2 18).

### **Operating income**

Global Banking & Investor Solutions' operating income totalled EUR 318 million in Q2 19, down -53.0% vs. Q2 18, and EUR 489 million in H1 2019, down -45.4% vs. H1 2018.

### **Net income**

The pillar's contribution to Group net income amounted to EUR 274 million in Q2 19, down -46.0% vs. Q2 18, and EUR 414 million in H1 19, down -38.5% vs. H1 18.

When restated for IFRIC 21 and the restructuring provision, the pillar's RONE stood at 10.0%, an increase of 2 points compared to Q1 19.

## 6. CORPORATE CENTRE

<i>In EUR m</i>	<b>Q2 19</b>	<b>Q2 18</b>	<b>H1 19</b>	<b>H1 18</b>
Net banking income	(100)	(24)	(140)	58
Operating expenses	138	(212)	65	(258)
<b>Gross operating income</b>	<b>38</b>	<b>(236)</b>	<b>(75)</b>	<b>(200)</b>
Net cost of risk	(19)	5	(19)	(5)
Net profits or losses from other assets	(81)	(28)	(134)	(32)
<b>Reported Group net income</b>	<b>(91)</b>	<b>(189)</b>	<b>(243)</b>	<b>(151)</b>

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 and certain costs incurred by the Group and not re-invoiced to the businesses.

The Corporate Centre's net banking income totalled EUR -100 million in Q2 19 vs. EUR -24 million in Q2 18 and EUR -140 million in H1 19 vs. EUR +58 million in H1 18.

Operating expenses totalled EUR 138 million in Q2 19 vs. EUR -212 million in Q2 18 and EUR +65 million in H1 19 vs. EUR -258 million in H1 18. In Q2 19, operating expenses included an adjustment of operating taxes of EUR +241 million. In Q2 18, operating expenses included an allocation to the provision for disputes of EUR 200 million.

Gross operating income amounted to EUR 38 million in Q2 19 vs. EUR -236 million in Q2 18 and EUR -75 million in H1 19 vs. EUR -200 million in H1 18.

Net profits or losses from other assets totalled EUR -81 million and included in particular, in respect of the application of IFRS 5, an expense related to the disposal of PEMA amounting to EUR -43 million and an expense of EUR -27 million representing the residual impact of the disposal of the Group's activities in the Balkans.

The income tax expense was adjusted for Q2 18 and H1 18 in respect of the application of the amendment to IAS 12. Accordingly, the contribution to Group net income was adjusted for the tax effect of interest paid to holders of deeply subordinated notes and undated subordinated notes (EUR +68 million in Q2 18 and EUR +121 million in H1 18) which was recognised in income over the period. This effect amounts to EUR +63 million in Q2 19 and EUR +118 million in H1 19.

The Corporate Centre's contribution to Group net income was EUR -91 million in Q2 19 vs. EUR -189 million in Q2 18 and EUR -243 million in H1 19 vs. EUR -151 million in H1 18.

## 7. CONCLUSION

During Q2 and H1 2019, the Group demonstrated its ability to achieve its CET1 target of 12% by 2020 as quickly as possible and to improve its profitability. There was a further increase in the CET1 ratio (+52 basis points) compared with the last quarter to 12.0% at end-June 2019. Underlying Group net income amounted to EUR 1,247 million in Q2 19 (EUR 2,332 million in H1 19) and underlying ROTE stood at 9.7% (9.1% in H1 19).

International Retail Banking & Financial Services delivered durable and profitable growth and saw a further improvement in its operating leverage in H1, excluding the restructuring provision. In a low interest rate environment, French Retail Banking posted a rise in revenues with rigorous cost control, resulting in resilient profitability. Global Banking & Investor Solutions is fully engaged in the adaptation of its operational set-up (reduction of risk-weighted assets, reduction of costs) while at the same time improving its profitability in Q2 19 vs. Q1 19. Costs, excluding the restructuring provision and EMC integration costs, were down -3.5% in Q2 19 vs. Q2 18.

The Group's cost saving programme (EUR 1.6 billion by 2020) is also well under way with, to date, an achievement rate of nearly 35%.

The refocusing programme continued, with the finalisation of the disposal of Eurobank in Poland in Q2 19 and the announcement of the disposal of PEMA in Germany in July. Overall, the expected impact of the disposals announced to date is around 47 basis points (including 28 basis points already finalised) based on a target of 80-90 basis points.

Engaged in the positive transformation of economies and society, the Group has achieved a major milestone in its coal withdrawal strategy by working for the decarbonisation of maritime transport and strengthening its sector policy. It has also confirmed its pioneering role in positive impact financing, is investing in the development of Africa and supporting the transition towards sustainable cities.

## 8. 2019/2020 FINANCIAL CALENDAR

### *2019/2020 Financial communication calendar*

November 6 <sup>th</sup> , 2019	Third quarter and nine-month 2019 results
February 6 <sup>th</sup> , 2020	Fourth quarter and FY 2019 results
May 6 <sup>th</sup> , 2020	First quarter 2020 results
August 3 <sup>rd</sup> , 2020	Second quarter and first half 2020 results
November 5 <sup>th</sup> , 2020	Third quarter and nine-month 2020 results

**The Alternative Performance Measures, notably the notions of net banking income for the pillars, operating expenses, IFRIC 21 adjustment, (commercial) 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 Registration Document filed with the French Autorité des Marchés Financiers.

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.

## 9. APPENDIX 1: FINANCIAL DATA

### GROUP NET INCOME AFTER TAX BY CORE BUSINESS

In EUR m	Q2 19	Q2 18	Change	H1 19	H1 18	Change
<b>French Retail Banking</b>	356	365	-2.5%	590	635	-7.1%
<b>International Retail Banking &amp; Financial Services</b>	515	541	-4.8%	979	970	+0.9%
<b>Global Banking &amp; Investor Solutions</b>	274	507	-46.0%	414	673	-38.5%
<b>Core Businesses</b>	1,145	1,413	-19.0%	1,983	2,278	-12.9%
<b>Corporate Centre</b>	(91)	(189)	+51.8%	(243)	(151)	-61.0%
<b>Group</b>	1,054	1,224	-13.9%	1,740	2,127	-18.2%

### TABLE FOR THE TRANSITION FROM PUBLISHED DATA TO DATA RESTATED FOR THE APPLICATION OF THE AMENDMENT TO IAS 12

	Income Tax			Group Net Income		
	Reported	IAS 12 impact	Adjusted	Reported	IAS 12 impact	Adjusted
<b>2017</b>	(1,708)	<b>198</b>	(1,510)	2,806	<b>198</b>	3,004
<b>Q1 18</b>	(370)	<b>53</b>	(317)	850	<b>53</b>	903
<b>Q2 18</b>	(516)	<b>68</b>	(448)	1,156	<b>68</b>	1,224
<b>H1 18</b>	(886)	<b>121</b>	(765)	2,006	<b>121</b>	2,127
<b>Q3 18</b>	(539)	<b>75</b>	(464)	1,234	<b>75</b>	1,309
<b>Q4 18</b>	(136)	<b>61</b>	(75)	624	<b>61</b>	685
<b>2018</b>	(1,561)	<b>257</b>	(1,304)	3,864	<b>257</b>	4,121
<b>Q1 19</b>	(310)	<b>55</b>	(255)	631	<b>55</b>	686

## CONSOLIDATED BALANCE SHEET

<b>(ASSETS - In millions of euros)</b>	<b>30.06.2019</b>	<b>31.12.2018</b>
Central banks	99,479	96,585
Financial assets at fair value through profit or loss	420,968	365,550
Hedging derivatives	17,765	11,899
Financial assets measured at fair value through other comprehensive income	53,124	50,026
Securities at amortised cost	12,151	12,026
Due from banks at amortised cost	70,173	60,588
Customer loans at amortised cost	438,251	447,229
Revaluation differences on portfolios hedged against interest rate risk	69	338
Investment of insurance activities	157,907	146,768
Tax assets	5,475	5,819
Other assets	70,361	67,446
Non-current assets held for sale	9,008	13,502
Investments accounted for using the equity method	243	249
Tangible and intangible assets <sup>(1)</sup>	28,986	26,751
Goodwill	4,649	4,652
<b>Total</b>	<b>1,388,609</b>	<b>1,309,428</b>

(1) As a result of the application of IFRS 16 "Leases" as from 1 January 2019, the Group has recorded a right-of-use asset under "Tangible and intangible fixed assets" that represents its rights to use the underlying leased assets.

<b>(LIABILITIES - In millions of euros)</b>	<b>30.06.2019</b>	<b>31.12.2018</b>
Central banks	7,740	5,721
Financial liabilities at fair value through profit or loss	406,254	363,083
Hedging derivatives	9,703	5,993
Debt securities issued	127,276	116,339
Due to banks	101,269	94,706
Customer deposits	412,941	416,818
Revaluation differences on portfolios hedged against interest rate risk	7,563	5,257
Tax liabilities <sup>(1)</sup>	1,237	1,157
Other liabilities <sup>(2)</sup>	82,620	76,629
Non-current liabilities held for sale	7,070	10,454
Liabilities related to insurance activities contracts	138,577	129,543
Provisions	4,575	4,605
Subordinated debts	14,565	13,314
<b>Total liabilities</b>	<b>1,321,390</b>	<b>1,243,619</b>
<b>SHAREHOLDERS' EQUITY</b>		
<b>Shareholders' equity, Group share</b>		
Issued common stocks, equity instruments and capital reserves	31,353	29,856
Retained earnings*	30,042	28,085
Net income*	1,740	4,121
<b>Sub-total</b>	<b>63,135</b>	<b>62,062</b>
Unrealised or deferred capital gains and losses	(643)	(1,036)
<b>Sub-total equity, Group share</b>	<b>62,492</b>	<b>61,026</b>
Non-controlling interests	4,727	4,783
<b>Total equity</b>	<b>67,219</b>	<b>65,809</b>
<b>Total</b>	<b>1,388,609</b>	<b>1,309,428</b>

\* The amounts have been restated following the first-time application of an amendment to IAS 12 "Income taxes".

(1) Since 1 January 2019, provisions for income tax adjustments are presented under "Tax liabilities" as a consequence of the application of IFRIC 23 "Uncertainty over income tax treatments".

(2) As a result of the application of IFRS 16 "Leases" as from 1 January 2019, the Group has recorded a lease liability under "Other Liabilities" that represents the obligation to make lease payments.

## **10. APPENDIX 2: METHODOLOGY**

**1 - The financial information presented in respect of Q2 and H1 2019 was examined by the Board of Directors on July 31<sup>st</sup>, 2019 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at that date. The limited review procedures carried out by the Statutory Auditors are in progress on the condensed interim consolidated financial statements as at June 30<sup>th</sup>, 2019.**

### **2 – Net banking income**

The pillars' net banking income is defined on page 40 of Societe Generale's 2019 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 31<sup>st</sup>, 2018 (pages 416 et seq. of Societe Generale's 2019 Registration Document). The term "costs" is also used to refer to Operating Expenses.

The Cost/Income Ratio is defined on page 40 of Societe Generale's 2019 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.

### **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:

Q2 19 (in EURm)	Operating Expenses	Net cost of risk	Net profit or losses from other assets	Group net income	Business
<b>Reported</b>	<b>(4,270)</b>	<b>(314)</b>	<b>(80)</b>	<b>1,054</b>	
(+) IFRIC 21 linearisation	(138)			(101)	
(-) Restructuring provision*	(256)			(192)	GBIS (EUR -227m) / IBFS (EUR -29m)
(-)Group refocusing plan		(18)	(84)	(102)	Corporate Centre
<b>Underlying</b>	<b>(4,152)</b>	<b>(296)</b>	<b>4</b>	<b>1,247</b>	

Q2 18 (in EURm)	Operating Expenses	Net cost of risk	Net profit or losses from other assets	Group net income	Business
<b>Reported</b>	<b>(4,403)</b>	<b>(170)</b>	<b>(42)</b>	<b>1,224</b>	
(+) IFRIC 21 linearisation	(167)			(118)	
(-) Provision for disputes	(200)			(200)	Corporate Centre
(-)Group refocusing plan			(27)	(27)	Corporate Centre
<b>Underlying</b>	<b>(4,370)</b>	<b>(170)</b>	<b>(15)</b>	<b>1,333</b>	

H1 19 (in EURm)	Operating Expenses	Net cost of risk	Net profit or losses from other assets	Group net income	Business
<b>Reported</b>	<b>(9,059)</b>	<b>(578)</b>	<b>(131)</b>	<b>1,740</b>	
(+) IFRIC 21 linearisation	303			222	
(-) Restructuring provision*	(256)			(192)	GBIS (EUR -227m) / IBFS (EUR -29m)
(-)Group refocusing plan		(18)	(137)	(177)	Corporate Centre
<b>Underlying</b>	<b>(8,500)</b>	<b>(560)</b>	<b>6</b>	<b>2,332</b>	

H1 18 (in EURm)	Operating Expenses	Net cost of risk	Net profit or losses from other assets	Group net income	Business
<b>Reported</b>	<b>(9,132)</b>	<b>(378)</b>	<b>(41)</b>	<b>2,127</b>	
(+) IFRIC 21 linearisation	338			236	
(-) Provision for disputes	(200)			(200)	Corporate Centre
(-)Group refocusing plan			(27)	(27)	Corporate Centre
<b>Underlying</b>	<b>(8,594)</b>	<b>(378)</b>	<b>(14)</b>	<b>2,590</b>	

\* Breakdown of the restructuring provision for GBIS: Global Markets & Investor Services (EUR -160m), Financing & Advisory (EUR -45m), Asset and Wealth Management (EUR -22m)

## 6 – Cost of risk in basis points, coverage ratio for doubtful outstandings

The cost of risk or commercial cost of risk is defined on pages 42 and 562 of Societe Generale’s 2019 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 EUR m)	Q2 19	Q2 18	H1 19	H1 18
<b>French Retail Banking</b>	Net Cost Of Risk	129	93	223	227
	Gross loan Outstandings	192,896	186,245	192,159	185,727
	<b>Cost of Risk in bp</b>	<b>27</b>	<b>20</b>	<b>23</b>	<b>24</b>
<b>International Retail Banking and Financial Services</b>	Net Cost Of Risk	133	75	261	166
	Gross loan Outstandings	139,634	132,749	134,747	132,190
	<b>Cost of Risk in bp</b>	<b>38</b>	<b>23</b>	<b>39</b>	<b>25</b>
<b>Global Banking and Investor Solutions</b>	Net Cost Of Risk	33	7	75	(20)
	Gross loan Outstandings	164,162	149,283	164,512	148,499
	<b>Cost of Risk in bp</b>	<b>8</b>	<b>2</b>	<b>9</b>	<b>(3)</b>
<b>Corporate Centre</b>	Net Cost Of Risk	19	(4)	19	5
	Gross loan Outstandings	8,705	6,614	8,977	6,849
	<b>Cost of Risk in bp</b>	<b>86</b>	<b>(24)</b>	<b>42</b>	<b>15</b>
<b>Societe Generale Group</b>	Net Cost Of Risk	314	170	578	378
	Gross loan Outstandings	505,397	474,891	500,395	473,264
	<b>Cost of Risk in bp</b>	<b>25</b>	<b>14</b>	<b>23</b>	<b>16</b>

**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 42 and 43 of Societe Generale’s 2019 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 43 of Societe Generale’s 2019 Registration Document.

Group net income used for the ratio numerator is book Group net income adjusted for “interest 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” (see methodology note No. 9). 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

<b>End of period</b>	<b>Q2 19</b>	<b>Q2 18</b>	<b>H1 19</b>	<b>H1 18</b>
<b>Shareholders' equity Group share</b>	<b>62,492</b>	<b>58,959</b>	<b>62,492</b>	<b>58,959</b>
Deeply subordinated notes	(9,861)	(9,197)	(9,861)	(9,197)
Undated subordinated notes	(280)	(274)	(280)	(274)
Interest net of tax payable to holders of deeply subordinated notes & undated subordinated notes, interest paid to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations	(39)	(213)	(39)	(213)
OCI excluding conversion reserves	(636)	130	(636)	130
Dividend provision	(717)	(892)	(717)	(892)
<b>ROE equity end-of-period</b>	<b>50,959</b>	<b>48,513</b>	<b>50,959</b>	<b>48,513</b>
<b>Average ROE equity</b>	<b>50,250</b>	<b>47,967</b>	<b>49,842</b>	<b>47,745</b>
Average Goodwill	(4,541)	(5,152)	(4,619)	(5,155)
Average Intangible Assets	(2,194)	(2,010)	(2,194)	(1,988)
<b>Average ROTE equity</b>	<b>43,515</b>	<b>40,805</b>	<b>43,029</b>	<b>40,602</b>
<b>Group net Income (a)</b>	<b>1,054</b>	<b>1,224</b>	<b>1,740</b>	<b>2,127</b>
<b>Underlying Group net income (b)</b>	<b>1,247</b>	<b>1,333</b>	<b>2,332</b>	<b>2,590</b>
Interest on deeply subordinated notes and undated subordinated notes (c)	(192)	(189)	(357)	(344)
Cancellation of goodwill impairment (d)	41	22	108	22
<b>Adjusted Group net Income (e) = (a)+ (c)+(d)</b>	<b>903</b>	<b>1,057</b>	<b>1,491</b>	<b>1,805</b>
<b>Adjusted Underlying Group net Income (f)=(b)+(c)</b>	<b>1,056</b>	<b>1,144</b>	<b>1,975</b>	<b>2,246</b>
<b>Average ROTE equity (g)</b>	<b>43,515</b>	<b>40,805</b>	<b>43,029</b>	<b>40,602</b>
ROTE [quarter: (4*e/g), 6M: (2*e/g)]	8.3%	10.4%	6.9%	8.9%
<b>Average ROTE equity (underlying) (h)</b>	<b>43,612</b>	<b>40,859</b>	<b>43,325</b>	<b>40,833</b>
Underlying ROTE [quarter: (4*f/h), 6M: (2*f/h)]	9.7%	11.2%	9.1%	11.0%

## RONE calculation: Average capital allocated to Core Businesses (in EURm)

In EUR m	Q2 19	Q2 18	Change	H1 19	H1 18	Change
<b>French Retail Banking</b>	<b>11,306</b>	11,066	+2.2%	<b>11,281</b>	11,226	+0.5%
<b>International Retail Banking &amp; Financial Services</b>	<b>11,051</b>	11,452	-3.5%	<b>11,334</b>	11,440	-0.9%
<b>Global Banking &amp; Investor Solutions</b>	<b>15,543</b>	14,965	+3.9%	<b>16,062</b>	14,856	+8.1%
<b>Core Businesses</b>	<b>37,900</b>	37,483	+1.1%	<b>38,677</b>	37,522	+3.1%
<b>Corporate Centre</b>	<b>12,350</b>	10,484	+17.8%	<b>11,165</b>	10,223	+9.2%
<b>Group</b>	<b>50,250</b>	47,967	+4.8%	<b>49,842</b>	47,745	+4.4%

## 8 – Net assets and tangible net assets

Net assets and tangible net assets are defined in the methodology, page 45 of the Group's 2019 Registration Document. The items used to calculate them are presented below.

End of period	H1 19	Q1 19	2018	H1 18
<b>Shareholders' equity Group share</b>	<b>62,492</b>	<b>61,830</b>	<b>61,026</b>	<b>58,959</b>
Deeply subordinated notes	(9,861)	(9,473)	(9,330)	(9,197)
Undated subordinated notes	(280)	(283)	(278)	(274)
Interest net of tax payable to holders of deeply subordinated notes & undated subordinated notes, interest paid to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations	(39)	(37)	(14)	(213)
Bookvalue of own shares in trading portfolio	431	550	423	500
<b>Net Asset Value</b>	<b>52,743</b>	<b>52,587</b>	<b>51,827</b>	<b>49,775</b>
Goodwill	(4,548)	(4,544)	(4,860)	(5,140)
Intangible Assets	(2,226)	(2,162)	(2,224)	(2,027)
<b>Net Tangible Asset Value</b>	<b>45,969</b>	<b>45,881</b>	<b>44,743</b>	<b>42,608</b>
<b>Number of shares used to calculate NAPS**</b>	<b>844,026</b>	<b>804,211</b>	<b>801,942</b>	<b>801,924</b>
<b>Net Asset Value per Share</b>	<b>62.5</b>	<b>65.4</b>	<b>64.6</b>	<b>62.1</b>
<b>Net Tangible Asset Value per Share</b>	<b>54.5</b>	<b>57.1</b>	<b>55.8</b>	<b>53.1</b>

\*\* The number of shares considered is the number of ordinary shares outstanding as at June 30<sup>th</sup>, 2019, 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 44 of Societe Generale’s 2019 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. As specified on page 44 of Societe Generale’s 2019 Registration Document, the Group also publishes EPS adjusted for the impact of non-economic and exceptional items presented in methodology note No. 5 (underlying EPS).

The calculation of Earnings Per Share is described in the following table:

<b>Average number of shares (thousands)</b>	<b>H1 19</b>	<b>Q1 19</b>	<b>2018</b>	<b>H1 18</b>
<b>Existing shares</b>	<b>821,189</b>	<b>807,918</b>	<b>807,918</b>	<b>807,918</b>
<b>Deductions</b>				
Shares allocated to cover stock option plans and free shares awarded to staff	4,214	4,467	5,335	5,059
Other own shares and treasury shares	249	374	842	1,252
<b>Number of shares used to calculate EPS**</b>	<b>816,726</b>	<b>803,077</b>	<b>801,741</b>	<b>801,607</b>
<b>Group net income</b>	<b>1,740</b>	<b>686</b>	<b>4,121</b>	<b>2,127</b>
Interest on deeply subordinated notes and undated subordinated notes	(357)	(165)	(719)	(344)
Capital gain net of tax on partial buybacks				
<b>Adjusted Group net income</b>	<b>1,383</b>	<b>521</b>	<b>3,402</b>	<b>1,783</b>
<b>EPS (in EUR)</b>	<b>1.69</b>	<b>0.65</b>	<b>4.24</b>	<b>2.22</b>
<b>Underlying EPS* (in EUR)</b>	<b>2.42</b>	<b>1.12</b>	<b>5.00</b>	<b>2.80</b>

\* Excluding exceptional items and including linearisation of the IFRIC 21 effect.

\*\* The number of shares considered is the average number of shares over the period, excluding treasury shares and buybacks, but including the trading shares held by the Group.

Q1 19, 2018 and H1 18 data restated for the application of IAS 12 on Group net income and “interest on deeply subordinated notes and undated subordinated notes”

**10 – The Societe Generale Group’s Common Equity Tier 1 capital** is calculated in accordance with applicable CRR/CRD4 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 calculated according to applicable CRR/CRD4 rules including the provisions of the delegated act of October 2014.

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](http://www.societegenerale.com) in the "Investor" section.

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## 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, aiming to be the trusted partner for its clients, committed to the positive transformations of society and the economy.

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 149,000 members of staff in 67 countries and supports on a daily basis 31 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, Crédit 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 to Corporates**, with networks in Africa, Russia, 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 (World and Europe), FTSE4Good (Global and Europe), Euronext Vigeo (World, Europe and Eurozone), four of the STOXX ESG Leaders indices, and the MSCI Low Carbon Leaders Index.

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