Frequently Asked Questions on Structured Deposits

General Information

1. What is a Structured Deposit?

   A Structured Deposit combines a deposit with an investment product. The return on a Structured Deposit depends on the performance of an underlying financial asset, product or benchmark. These may include market indices, shares, interest rates, bonds or other fixed-income securities, foreign exchange rates, or a combination of these.

   Unlike traditional deposits, Structured Deposits have an investment element and returns may vary. The initial investment amount of a Structured Deposit will be returned to you only if you hold it until maturity date.

2. What are the different types of Structured Deposits?

Equity Linked	• May be linked to return of a single share, basket of shares, equity index (e.g., the S&P 500) or a basket of indices
Interest Rate Linked	• May be linked to a specific floating interest rate • Returns may be directly linked to the specified interest rate, i.e., if the specified interest rate rises, your returns will rise and if the interest rate falls, your returns fall. But some returns are inversely related, i.e., when the specified interest rate falls, you get better returns and if the interest rate rises, your return falls • Payments may also rise or "step up" on fixed dates if deposit is not redeemed by issuer
Foreign Exchange (FX) Linked	• May be linked to the performance of foreign exchange (FX) rates (e.g., USD/SGD, EUR/SGD)

3. What are the benefits of Structured Deposits?

   Potential for Higher Returns: You may earn returns that exceed traditional fixed deposits if the underlying assets perform well.

   Principal Protected: Get back your principal investment if you hold the Structured Deposit to maturity and the bank stays solvent.

   Diversification: Structured Deposits allow you to gain exposure to different asset classes without directly investing in them.

4. Who should consider Structured Deposits?

   Individuals looking for a combination of principal protection and potential for higher returns may wish to consider Structured Deposits. They may appeal to those who have a medium to long term investment horizon of up to 6 years and are comfortable with some level of market risk. However, as you may potentially lose your principal sum invested if you do not hold your Structured Deposit to maturity, Structured Deposits are not suitable for those who need to withdraw their funds prior to the maturity of the structured deposit to meet specific needs every now and then.

5. Comparison between Structured Deposits vs. Fixed Deposits

A structured deposit is different from a fixed deposit. In the case of fixed deposits, the returns and maturity periods are fixed. Structured Deposits, on the other hand, have variable returns, and in some cases, variable maturities as well.

	Structured Deposits	**Fixed Deposits**
Minimum Placement	SGD $1,000 (In multiples of SGD $100)	SGD $5,000 (For SGD currency placements)
Maturity Period	Varies from 1 month to 6 years.	Varies from 1 month to 20 months
Principal	Principal (or capital) will be repaid in full at maturity or if bank redeems (or "calls") deposit before maturity.	Principal (or capital) will be repaid in full at maturity.
Returns	Potentially higher returns compared with fixed deposits. But you are exposed to more risks. Returns depend on performance of underlying asset or index Returns you receive may further depend on: i) "cap" rate on underlying asset or index; and/or ii) participation rate	Returns are usually lower. Funds are normally placed in money markets for a short period of time (for example, overnight)
Risks Involved	Riskier than traditional deposits because returns depend on performance of other assets or indices. You may receive no returns although you would be repaid the principal invested at maturity Where a Structured Deposit is callable, you may be exposed to reinvestment risk, i.e. risk of having to reinvest your money at less attractive rates Investor is also exposed to credit risk of issuer, i.e. risk that issuer defaults on payments due to you	Considered low-risk as banks are obligated to repay the principal in full at maturity However, depositors are exposed to credit risk of deposit-taking bank, i.e. risk that bank defaults on payments due to you

	Structured Deposits	Fixed Deposits
	For the full list of risks involved, you should refer to the term sheet for more information.	
Early Withdrawal by Depositor	You may lose part of returns and/or principal if deposit is withdrawn before maturity. Amount repaid depends on market value of underlying asset or index linked to Structured Deposit Structured Deposits may not be valued daily. If so, you may not be able to withdraw your deposit immediately	Early withdrawal may attract certain bank charges
Early Redemption by Issuer	Structured Deposits may allow the bank to redeem (or "call") the deposit early.	No early redemption by bank
Covered by the Deposit Insurance Scheme?	No	Yes
Guaranteed payments	Some structured deposits provide higher guaranteed early payments compared to traditional fixed deposits. Such payments are usually only for the first few months or years; payments in later years may be variable	Interest is guaranteed and fixed throughout term of fixed deposit (provided there is no early withdrawal)

<u>Structured Deposit Application</u>

6. How can I subscribe to a Structured Deposit?

   You can subscribe to a Structured Deposit by visiting an OCBC Branch for a sales representative to assist you with your application, or through the OCBC app/Internet Banking.

7. How can I subscribe to Structured Deposits on OCBC app?

   Use the OCBC app and start investing in Structured Deposits. Tap on More > Investments > Structured Deposits to view more information about on the active tranches of Structured Deposits that are available for subscription . If you do not have a Time Deposit account to house your Structured Deposit placement, the OCBC app will automatically prompt you to open one.

8. When I access the Structured Deposits menu on OCBC app, I do not see any available Structured Deposit tranches.

There could be a few reasons why you are unable to see any available Structured Deposit tranches:

- No active tranches – Structured Deposits are offered in tranches, and there may not be any currently available for further subscription.
- Subscription period has ended – If a tranche was recently available, it may have closed as subscriptions are limited to a specific period or until the tranche is fully subscribed.
- Eligibility criteria – Certain Structured Deposit tranches may have eligibility requirements and available only to specific customer segments such as Premier Banking or Premier Private Client customers. If you do not meet these criteria, the tranche may not be displayed.
- Platform restrictions – Certain Structured Deposit tranches may only be accessible through specific channels such as OCBC Branches through sales representatives.

9. What happens to my funds when my Structured Deposit matures?

   Initial placement amount will be returned to the settlement account that you have indicated at point of application for crediting and debiting of the placement amount This is different from the Time Deposit account, which is used to house the Structured Deposit placement during the investment period.

   If the settlement account is closed or unable to be credited, we will mail the maturity proceeds via a Cashier's Order to the mailing address for your Time Deposit account used to house the Structured Deposit. Please ensure that the mailing address for your Time Deposit account has been updated with us at least 1 business day before the maturity date.

10. Why do I need to create a Time Deposit account for Structured Deposit applications?

    The Time Deposit account allows us to manage your Structured Deposit placement during the investment period for tracking and settlement efficiently. Within the Time Deposit account, you will be able to view your Structured Deposit placement, and existing fixed deposits that you currently hold will not be affected by your Structured Deposit placement.

11. What does it mean by subscription period?

    Subscription period refers to the period where customers can submit, cancel or amend their instructions with no penalty.

    After the end of the subscription period, any amendments or cancellations will be considered as pre-mature withdrawal, and this will incur a penalty fee on your initial placement. The amount repaid may be zero or substantially less than the initial placement amount.

12. What does “funds will be set aside” mean?

    These funds will be allocated foryour Structured Deposit placement but will continue to remain in the settlement account and earn the respective interest rate until Structured Deposit tranche start date.

    You will not be able to transfer out or use those funds that have been set aside for your Structured Deposit placement.

13. When will my funds be deducted from my account?

    Funds will only be deducted from the settlement account that you have indicated during your application, on the start date for the specific Structured Deposit placement you have invested into.

Fees and Charges

14. Are there any fees for Structured Deposits?

    There are no fees or charges for Structured Deposit placements if it is held to maturity and OCBC remains solvent.

Transfers and Cancellations

15. Can I transfer my Structured Deposit to another account in my own name or to another account holder?

    No, you cannot transfer your Structured Deposit to another account even if you are one of the account holders after the tranche has started.

16. How do I cancel my Structured Deposit if I changed my mind after submitting my application?

    Before the end of the subscription period:

    - You can cancel your Structured Deposit via the OCBC app or by going down to branch for a sales representative to assist you. The funds will be made available to you in the settlement account that you have selected once the cancellation has been submitted.

    After the end of the subscription period:

    You may submit a withdrawal for your Structured Deposit by going down to branch for a sales representative to assist you, with a pre-mature withdrawal penalty fee incurred. The penalty fee can only be provided to you by the sales representative at the branch, at the point of your inquiry. The amount repaid may be zero or substantially less than the initial placement amount.

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- We will process the instructions on your withdrawal, and funds will be made available to you based on the following weekly timelines

Date of submission of instructions	**Funds availability in settlement account**	**Whether Friday is a Business day**
By Wednesday 5pm	By Friday	Yes
By Tuesday 5pm	By Thursday	No

<u>Notifications</u>

17. How will I be notified after I have submitted my Structured Deposit application?

<table>
<tr><th></th><th>After application submitted successfully</th><th>If application is rejected</th><th>On tranche start date</th></tr>
<tr><td>OCBC app/INB</td><td>Receipt of application email will be sent to your registered email address with OCBC. You will also receive a Push Notification and SMS from us.</td><td>Rejection email will be sent to your registered email address with OCBC. You will also receive a Push Notification and SMS from us.</td><td rowspan="2">For Personal Banking customers, you will receive a Structured Deposit placement confirmation sent to your mailing address.
For Premier Banking and Premier Private Client customers, you will receive a Structured Deposit placement confirmation sent via your wealth report delivery mode</td></tr>
<tr><td>Offline (through the Personal Financial Consultant (PFC) at the branches or through Relationship Manager/Client Advisor (RM/CA)</td><td>Your sales representative will be providing you the Structured Deposits application documentations.</td><td>Your sales representative will be updating you on the Structured Deposit application status personally.</td></tr>
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<u>Rejected Structured Deposits applications</u>

18. Why is my Structured Deposits application being rejected after I have submitted my application successfully?

While your Structured Deposit application may have been successfully submitted, there are several reasons why it could have been rejected upon further review:

Tranche availability	Each successful launch will be contingent on the prevailing market conditions prior to the tranche start date
Funding availability	If funds are unable to be debited from the settlement account that you have selected during application, we will not be able to proceed with your Structured Deposits placement.
Account eligibility	Please note that the following accounts are excluded for Structured Deposits settlement: • Debt Consolidation (D0) • Special Financial Relief Programme (Unsecured) (D1) • EasiCredit (D3, D4, D5, D6, D7, D8, D9, DA, DB, DY, DZ) • Personal Credit Line (DC) • Personal Line (RO) • Young Savers Account (S3) • Child Development Account (YC, YX) • Might Savers Account (M8) • Passbook Trust Account (S4) • Young Savers (SF) • Private Bank Accounts o Private Bank Global Savings (A7) o Private Bank Global Savings - Corporate (A8) o Private Bank Easisave (EH) o Private Bank Easisave - Corporate (EI) o Private Bank Statement Savings (SB) o Private Bank Statement Savings – Corporate (SC)

For all rejected Structured Deposits applications, we will be notifying you on the application outcome at least 2 working days before the tranche start date. You will be able to access the funds immediately which were previously set aside in your settlement account, once you have received the rejection notification.

<u>Other enquiries</u>

19. Is there a limit on how much I can apply for Structured Deposits?

    For Structured Deposits applications online, there is a maximum transaction size of SGD1,000,000 per order.

    For Structured Deposits applied through our sales representatives, there is no maximum transaction size.