

THE OFFERING

Issuer	DBS Bank, a company incorporated with limited liability in the Republic of Singapore.
The Offering	<p>(1) up to S\$500,000,000 6% Preference Shares by way of placement in Singapore and (2) up to S\$100,000,000 6% Preference Shares by way of public offer in Singapore.</p> <p>We will offer up to S\$500,000,000 Preference Shares pursuant to the placement, subject to a minimum offering amount of S\$200,000,000 Preference Shares. If we receive applications for less than S\$200,000,000 Preference Shares, we will cancel the offering of, and will not issue any, Preference Shares pursuant to the placement. If we receive applications for more than S\$500,000,000 Preference Shares, we reserve the right to increase the offering amount under the placement to, and issue, up to S\$1,100,000,000 Preference Shares less the amount of any Preference Shares taken up under the public offer.</p> <p>We will offer up to S\$100,000,000 Preference Shares pursuant to the public offer, subject to a minimum offering amount of S\$20,000,000 Preference Shares. If we receive applications for less than S\$20,000,000 Preference Shares, we will cancel the offering of, and will not issue any, Preference Shares pursuant to the public offer. If we receive applications for more than S\$100,000,000 Preference Shares, we reserve the right to increase the offering amount under the public offer to, and issue, up to S\$300,000,000 Preference Shares.</p> <p>The offering of the Preference Shares by way of public offer will be made on a first-come-first-served basis. The public offer will be made through the automated teller machines (“ATMs”) of DBS Bank (including its POSBank Services division) only. DBS Bank reserves the right to reallocate the amount of Preference Shares offered under the placement and the public offer in accordance with investors’ demand subject to the minimum and maximum offering amounts described above. Accordingly, the actual amount of Preference Shares allocated under the placement and the public offer may differ from the amount set out herein. The Offering will not be underwritten.</p>
Issue Price	S\$100 for each Preference Share, payable in full on application.
Liquidation Preference	S\$100 for each Preference Share (the “Liquidation Preference”).
Dividends	<p>Subject to applicable law, non-cumulative preferential cash dividends (the “Dividends”) will accrue on the Preference Shares calculated by reference to the Liquidation Preference (i) for each Dividend Period (as defined under “Dividend Dates”) ending on or prior to May 15, 2011 (the “First Optional Redemption Date”) at 6% gross of the Liquidation Preference per annum and (ii) for each such Dividend Period thereafter, at a floating rate per annum equal to the three-month Singapore Swap Offer Rate (as defined herein) for such Dividend Period plus 2.28%.</p> <p>See “Description of the Preference Shares — Dividends”.</p>

Dividend Dates

Subject to applicable law, Dividends on the Preference Shares will be payable when, as and if declared by the Board of Directors of DBS Bank (the "Board") in arrears on May 15 and November 15 in each year up to and including the First Optional Redemption Date and thereafter on February 15, May 15, August 15 and November 15 in each year. The date on which a Dividend will, if payable, be paid is referred to as a "Dividend Date". The period from (and including) the date of issuance of the Preference Shares (the "Issue Date") to (but excluding) the first Dividend Date and each period from (and including) a Dividend Date to (but excluding) the next succeeding Dividend Date is referred to as a "Dividend Period".

The first Dividend Date shall be November 15, 2001.

The "First Optional Redemption Date" shall be May 15, 2011.

Dividend Limitation Notice

If, but only if, DBS Bank does not propose or intend to pay and will not pay its next normal dividend (whether interim or final) on its ordinary shares, DBS Bank may give, on or before the fifth business day before a Dividend Date, a notice (a "Dividend Limitation Notice") to the holders of Preference Shares that it will pay no Dividends or less than full Dividends on that Dividend Date.

Limitations on Payment

Subject to applicable law and the following paragraph, DBS Bank will pay Dividends with respect to all Preference Shares out of, and to the extent of, its legally available resources, when, as and if declared by the Board. Notwithstanding the foregoing, DBS Bank will not be obligated to pay any Dividend on the relevant Dividend Date if (i) DBS Bank is prevented by applicable Singapore banking regulations or other requirements of the Monetary Authority of Singapore ("MAS") or other requirements from making payment in full of dividends or other distributions when due on its Parity Obligations; or (ii) DBS Bank is unable to make such payment of dividends or other distributions on Parity Obligations without causing a breach of the MAS's published consolidated or unconsolidated capital adequacy requirements from time to time applicable to DBS Bank (the current minimum ratio requirement applicable to DBS Bank being 12% for total consolidated and unconsolidated capital and 8% for total consolidated and unconsolidated Tier 1 capital); or (iii) the aggregate of the amount of such Dividend (if paid in full), together with the sum of any other dividends and other distributions originally scheduled to be paid (whether or not paid in whole or part) during DBS Bank's then-current fiscal year on Parity Obligations, would exceed the Distributable Reserves (as defined below) as of the relevant Dividend Determination Date (as defined below).

If on a Dividend Date a Dividend cannot be paid in full on the Preference Shares due to one of the limitations described above but DBS Bank has Distributable Reserves and a Dividend Limitation Notice is not in effect with respect to such Dividend and DBS Bank makes payments on any Parity Obligations, then each holder will be entitled to receive a *pro rata* payment of its Dividend with payments on such Parity Obligations. The *pro rata* payments will be based on the Relevant Proportion (as defined below). However, no payment will be made by, or may be claimed from, DBS Bank in respect of a Dividend or portion thereof to the extent that it is not paid by reason of the limitations described in the terms of the Preference Shares.

“Distributable Reserves” means, at any time, the amounts for the time being of DBS Bank which are available to DBS Bank for distribution as a dividend in compliance with Section 403 of the Companies Act (“Available Amounts”) as of the date of DBS Bank’s latest audited balance sheet.

As of December 31, 2000, Distributable Reserves were S\$1,013.8 million.

“Dividend Determination Date” means, with respect to any Dividend Date, the day falling five Business Days prior to that Dividend Date.

The term “Parity Obligations” means any preference shares or other similar obligations of DBS Bank that constitute Tier 1 capital of DBS Bank on an unconsolidated basis or other preference shares (not constituting debt obligations) having in all material respects the same ranking as preference shares, issued by any Subsidiary (as defined below), that constitute Tier 1 capital of DBS Bank on an unconsolidated basis .

DBS Bank has authorized but unissued 600,000,000 non-redeemable convertible preference shares of S\$2 each (the “Non-Redeemable Preference Shares”), 300,000,000 non-voting convertible preference shares of S\$1 each (the “Non-Voting Preference Shares”), U.S.\$725,000,000 7.657% Non-Cumulative Substitute Preference Shares, Series A and S\$100,000,000 5.35% Non-Cumulative Substitute Preference Shares, Series B (together, the “Substitute Preference Shares”). Based on the current Articles of Association of DBS Bank (the “Articles”), the Non-Redeemable Preference Shares and the Substitute Preference Shares, if and when issued, would be Parity Obligations with respect to the Preference Shares and the Non-Voting Preference Shares, if and when issued, would not be Parity Obligations with respect to the Preference Shares as they would rank junior to the Preference Shares.

“Relevant Proportion” means (i) in relation to any partial payment of a Dividend, the amount of Distributable Reserves as of the Dividend Determination Date divided by the sum of (a) the full amount originally scheduled to be paid by way of Dividend (whether or not paid in whole or part) during DBS Bank’s then-current fiscal year and (b) the sum of the full amount of any dividends or other distribution or payments in respect of Parity Obligations originally scheduled to be paid (whether or not paid in whole or part) during DBS Bank’s then-current fiscal year, converted where necessary into the same currency in which Distributable Reserves are calculated by DBS Bank; and (ii) in relation to any partial payment of any Liquidation Distribution, the total amount available under applicable law for any such payment and for making any liquidation distribution on any Parity Obligations divided by the sum of (x) the full Liquidation Distribution (before any reduction or abatement under the Articles) and (y) the amount (before any reduction or abatement under the Articles) of the full liquidation distribution on any Parity Obligations, converted where necessary into the same currency in which liquidation payments are made to creditors of DBS Bank.

“Subsidiary” means any entity which is for the time being a subsidiary of DBS Bank (within the meaning given to this term in the Companies Act).

See “Description of the Preference Shares — Dividends”.

Redemption

The Preference Shares are perpetual securities and have no fixed final Redemption Date. The Preference Shares may be redeemed at the option of DBS Bank (but not the holders) in the circumstances described under “Optional Redemption”, “Tax Event Call” and “Special Event Call” below. In each case, not less than 30 nor more than 60 days notice must be given.

Optional Redemption

Preference Shares are redeemable, in whole but not in part and subject to the limitations on redemption described below, at the option of DBS Bank, on the First Optional Redemption Date and on each Dividend Date thereafter at the Optional Redemption Price.

The “Optional Redemption Price” means an amount equal to the Liquidation Preference, together with (subject to the terms of the Preference Shares) any accrued but unpaid Dividends (whether or not declared) in respect of the Dividend Period in which the relevant redemption falls.

See “Description of the Preference Shares — Redemption”.

Tax Event Call

Preference Shares are redeemable, in whole but not in part and subject to the limitations on redemption described below, at the option of DBS Bank if at any time a Tax Event has occurred and is continuing, at an amount equal to their Liquidation Preference, together with (subject to the terms of the Preference Shares) any accrued but unpaid Dividends (whether or not declared) in respect of the Dividend Period in which the relevant redemption falls (the “Tax Event Redemption Price”); *provided that* DBS Bank issues and attaches to any notice of redemption pursuant to “Redemption” above a certificate signed by two Directors of DBS Bank stating that DBS Bank is entitled to effect such redemption and an opinion of counsel to DBS Bank experienced in such matters to the effect that a Tax Event has occurred. See “Description of the Preference Shares—Redemption”.

“Tax Event” means that as a result of any change in, or amendment to, any law or regulation of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of any law or regulation by any relevant body in Singapore, payments to holders of Preference Shares would be subject to deduction or withholding for or on account of tax or would give rise to any obligation of DBS Bank to account for any tax in Singapore, and in each case such obligation cannot be avoided by DBS Bank taking reasonable measures available to it.

Special Event Call

Preference Shares are redeemable, in whole but not in part and subject to the limitations on redemption described below, at the option of DBS Bank if at any time a Special Event has occurred and is continuing, at the Special Event Redemption Price; *provided that* DBS Bank issues and attaches to any notice of redemption pursuant to “Redemption” above a certificate signed by two Directors of DBS Bank stating that DBS Bank is entitled to effect such redemption and an opinion of counsel to DBS Bank experienced in such matters to the effect that a Special Event has occurred. See “Description of the Preference Shares —Redemption”.

“Special Event” means for any reason, there is more than an insubstantial risk that for the purposes of the MAS’s published consolidated or unconsolidated capital adequacy requirements from time to time applicable to DBS Bank (the current minimum ratio requirement applicable to DBS Bank being 8% for consolidated and unconsolidated Tier 1 capital) the Preference Shares may not be included in the Tier 1 capital of DBS Bank on a consolidated or unconsolidated basis.

“Special Event Redemption Price” means an amount equal to the Liquidation Preference together with (subject to the terms of the Preference Shares) any accrued but unpaid Dividends (whether or not declared) in respect of the Dividend Period in which the relevant redemption falls.

“Business Day” means a day other than a Saturday or Sunday on which commercial banks are open for business in Singapore.

Limitations on Redemption

Preference Shares may be redeemed only if (i) the prior written consent of the MAS to the redemption has been obtained and any conditions that the MAS may impose at the time of any consent have been satisfied and (ii) DBS Bank’s Distributable Reserves as at the date for redemption equal at least the Liquidation Preference and the full amount of any accrued but unpaid Dividend (whether or not declared) in respect of the Dividend Period in which the redemption falls.

Rights upon Liquidation

In the event of the dissolution or winding-up of DBS Bank, each investor will, subject to certain limitations and applicable law, be entitled to receive out of the assets of DBS Bank available for distribution the Liquidation Distribution. The Liquidation Distribution will be made (i) *pari passu* with the equivalent claims under all outstanding Parity Obligations of DBS Bank but (ii) after the claims of all other creditors of DBS Bank and holders of obligations of DBS Bank which are not Parity Obligations nor subordinated to the Preference Shares. See “Description of the Preference Shares — Liquidation Distributions”.

“Liquidation Distribution” means, upon a dissolution or winding-up of DBS Bank, the Liquidation Preference together with (subject to the terms of the Preference Shares) any accrued but unpaid Dividend (whether or not declared) from and including the commencement of the Dividend Period in which the date of the dissolution or winding up falls to, and including, the date of actual payment.

Ranking

With respect to the payment of dividends and amounts upon liquidation, dissolution or winding-up of DBS Bank, the Preference Shares will rank *pari passu* with any other Parity Obligations of DBS Bank, and senior to DBS Bank’s ordinary shares. No senior ranking securities may be issued without obtaining the approval of holders (see “Voting Rights” below).

Voting Rights

Except as provided below, holders of Preference Shares will not be entitled to attend and vote at general meetings of DBS Bank. Holders of the Preference Shares will be entitled to attend a class meeting of holders of the Preference Shares. Every holder of Preference Shares who is present in person at such class meeting will have one vote on a show of hands and on a poll every holder of Preference Shares who is present in person or by proxy will have one vote for every Preference Share of which he is the holder.

If dividends with respect to the Preference Shares in respect of two consecutive Dividend Periods on or before the Dividend Re-Set Date or thereafter in respect of four consecutive Dividend Periods have not been paid in full when due, then the holders of the Preference Shares shall have the right to receive notice of, attend, speak and vote at such general meeting on all matters, including the winding-up of DBS Bank, and such right shall continue until after the next following Dividend Date on which a dividend in respect of the Preference Shares is paid in full (or an amount equivalent to the dividend to be paid in respect of the next Dividend Period has been paid or set aside for payment to the holders of Preference Shares).

Amendments

Other than as described below and with respect to certain formal, minor or technical changes or to correct an error or cure an ambiguity, any variation or abrogation of the rights, preferences or privileges of the Preference Shares (including, without limitation, the authorization or creation of any securities or ownership interests of DBS Bank ranking, as to participation in the profits or assets of DBS Bank, senior to the Preference Shares) will take effect only if approved in writing by at least a majority in Liquidation Preference of the outstanding Preference Shares or if approved by resolution passed by holders of at least a majority in Liquidation Preference of the outstanding Preference Shares present in person or by proxy at a special general meeting of holders.

The rights of the holders of Preference Shares relating to Dividends, Liquidation Distributions or Additional Amounts, the amount received upon redemption of Preference Shares or the date of the First Optional Redemption Date may not be varied or abrogated without the written consent of all such holders.

No provision of Preference Shares may be amended without the prior written consent of the MAS if such amendment would or may result in the Preference Shares not being treated as Tier 1 capital of DBS Bank on a consolidated or unconsolidated basis.

Book Entry; Delivery and Form of the Securities

The Preference Shares will be issued in registered form. The Preference Shares will be represented by one global certificate. The Preference Shares will be held in book-entry form (by delivery of the global certificate representing the Preference Shares to CDP) pursuant to the rules of the SGX-ST and CDP.

Governing Law

The Preference Shares will be issued pursuant to the laws of the Republic of Singapore.

Listing	Prior to the Offering, there has been no public market for the Preference Shares. We have received in-principle approval of the SGX-ST for the listing of, and quotation for, the Preference Shares to the Official List of SGX-ST.
Rating	The Preference Shares are rated aa3 by Moody's Investor Services.
Use of Proceeds	The net proceeds of the issue of the Preference Shares will be used by DBS Bank primarily for general corporate purposes. DBS Bank expects to fund the acquisition of Dao Heng Group from excess liquidity in the form of short-term interbank placements and government securities. DBS Bank is not issuing the Preference Shares for the purpose of funding the acquisition of Dao Heng Group, but to maintain required minimum total capital adequacy ratios following the acquisition. See "Management's Discussion and Analysis of Financial Condition and Results of Operations of DBS Group – Proposed Acquisition of Dao Heng Group".

See "Description of the Preference Shares" for more detailed information concerning the terms of the Preference Shares.