

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QIBs (AS DEFINED BELOW) UNDER RULE 144A OR (2) NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (AS DEFINED BELOW) ("REGULATION S")) PURCHASING THE SECURITIES OUTSIDE THE U.S. IN AN OFFSHORE TRANSACTION IN RELIANCE ON REGULATION S.

IMPORTANT: You must read the following before continuing. If you are not the intended recipient of this message, please do not distribute or copy the information contained in this e-mail, but instead, delete and destroy all copies of this e-mail including all attachments. The following applies to the offering circular as supplemented by the pricing supplement and the supplemental offering circular (the "Offering Circular") following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. ANY INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THE FINAL TERMS AND CONDITIONS OF THE SECURITIES AND THE INFORMATION CONTAINED IN THE OFFERING CIRCULAR THAT WILL BE DISTRIBUTED TO YOU. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED IN THE OFFERING CIRCULAR.

Confirmation of your Representation: In order to be eligible to view the following Offering Circular or make an investment decision with respect to the securities, investors must be either (I) Qualified Institutional Buyers ("QIBs") (within the meaning of Rule 144A under the Securities Act) or (II) non-U.S. persons eligible to purchase the securities outside the United States in an offshore transaction in reliance on Regulation S under the Securities Act. By accepting the e-mail and accessing the following Offering Circular, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) QIBs or (b) non-U.S. persons eligible to purchase the securities outside the United States in an offshore transaction in reliance on Regulation S under the Securities Act and that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States and (2) that you consent to the delivery of such Offering Circular by electronic transmission.

You are reminded that the following Offering Circular has been delivered to you on the basis that you are a person into whose possession the following Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver or disclose the contents of the following Offering Circular to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Dealer (as described in the Offering Circular) or any affiliate of a Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Dealer or such affiliate on behalf of the issuer in such jurisdiction.

The following Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently none of the Issuer, the Joint Bookrunners and Lead Managers (as described in the Offering Circular) nor any Dealer nor any person who controls any of them nor any director, officer, employee nor agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard-copy version available to you on request from a Joint Bookrunner and Lead Manager.

You should not reply by e-mail to this notice, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. You are responsible for protecting this e-mail against viruses and other destructive items. Your use of this e-mail is at your own risk, and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



DBS Bank Ltd.

*(incorporated with limited liability under the laws of the Republic of Singapore)
(registered in Singapore under registration number 196800306E)*

**Issue of U.S.\$750,000,000 3.625% Subordinated Notes due 2022 under the
U.S.\$15,000,000,000
Global Medium Term Note Programme**

This Pricing Supplement is supplemental to, and should be read in conjunction with, the Supplemental Offering Circular (the "Supplemental Offering Circular") dated March 14, 2012 and the Offering Circular (the "Offering Circular") dated October 11, 2011 relating to the U.S.\$15,000,000,000 Global Medium Term Note Programme. Terms defined in the Offering Circular have the same meaning when used in this Supplemental Offering Circular.

For a general description of terms that may apply to the Subordinated Notes to which this Pricing Supplement relates (the "Subordinated Notes"), see "Terms and Conditions of the Notes" on page 25 of the Offering Circular. As described therein, the specific and final terms of each of the Subordinated Notes, including terms that may not be contemplated therein, will be specified in the relevant pricing supplement (as defined in "Summary of the Programme" in the Offering Circular) as contained herein.

To the extent that there is any inconsistency between (a) any statement in this Pricing Supplement or any statement incorporated by reference into the Offering Circular by this Pricing Supplement and the Supplemental Offering Circular and (b) any other statement in, or incorporated by reference into, the Offering Circular, the statements in (a) above will prevail.

Application has been made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in, and for quotation of, the Subordinated Notes. There is no guarantee that an application to the SGX-ST will be approved. Admission of the Subordinated Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Programme or such Subordinated Notes. The SGX-ST assumes no responsibility for the correctness of any statement made or opinions expressed herein.

The Subordinated Notes to be issued have been rated "Aa2" by Moody's Investor Service, Inc. ("Moody's"); a "A+" by Standard & Poor's Rating Services, a division of the McGraw-Hill companies ("S&P") and have been assigned an expected "A+" by Fitch Ratings Ltd. ("Fitch"). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction, revision or withdrawal at any time by the assigning rating agency.

The Subordinated Notes have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or with any securities regulatory authority of any state or other jurisdiction of the United States and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Subordinated Notes will be offered and sold only (i) outside the United States to non-U.S. Persons in reliance on Regulation S and (ii) within the United States in reliance on Rule 144A under the Securities Act ("Rule 144A") to Qualified Institutional Buyers (as defined under Rule 144A).

In connection with this issue, Merrill Lynch (Singapore) Pte. Ltd. (or any of its affiliates) (the "Stabilising Manager") (or any person acting on behalf of any Stabilising Manager) may over-allot or effect transactions with a view to supporting the market price of the Subordinated Notes at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there may be no obligation on the Stabilising Manager (or any person acting on behalf of any Stabilising Manager) to undertake stabilisation action. Such stabilising, if commenced, may be discontinued at any time, and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

Joint Bookrunners and Lead Managers

DBS Bank Ltd.

BofA Merrill Lynch

**Goldman Sachs (Singapore)
Pte.**

The date of this Pricing Supplement is March 14, 2012

DBS BANK LTD.

Issue of U.S.\$750,000,000 3.625% Subordinated Notes due 2022

under the U.S.\$15,000,000,000 Global Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Subordinated Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated October 11, 2011 and the supplemental Offering Circular dated March 14, 2012. This Pricing Supplement contains the final terms of the Subordinated Notes and must be read in conjunction with such Offering Circular as so supplemented.

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Subordinated Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the "ITA"), shall not apply if such person acquires such Subordinated Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Subordinated Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

1	Issuer:	DBS Bank Ltd.
2	(i) Series Number:	4
	(ii) Tranche Number:	1
3	Specified Currency or Currencies:	United States dollars ("U.S.\$")
4	Aggregate Nominal Amount:	
	(i) Series:	U.S.\$750,000,000
	(ii) Tranche:	U.S.\$750,000,000
5	(i) Issue Price:	99.571% of the Aggregate Nominal Amount
	(ii) Net proceeds:	U.S.\$745,605,000
6	(i) Specified Denominations:	U.S.\$200,000 and, in excess thereof, integral multiples of U.S.\$1,000
	(ii) Calculation Amount:	U.S.\$1,000
7	(i) Issue Date:	March 21, 2012
	(ii) Interest Commencement Date:	Issue date
8	Maturity Date:	September 21, 2022
9	Interest Basis:	3.625% Fixed Rate per annum from, and including, the Interest Commencement Date to, but excluding, the First Call Date (as defined below) From, and including, the First Call Date to, but excluding, the Maturity Date, Fixed Rate per annum (expressed as a percentage) equal to the aggregate of (a) the then-prevailing U.S. Dollar Swap Rate (as defined below) and (b) the Initial Spread (as defined below) (further particulars specified in paragraph 16

		below)
10	Redemption/Payment Basis:	Redemption at par
11	Change of Interest or Redemption:	See paragraph 9 above
12	Put/Call Options:	Issuer Call (further particulars specified in paragraph 19 below)
13	Status of the Notes:	Subordinated
14	Listing:	Singapore Exchange Securities Trading Limited
15	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16	Fixed Rate Note Provisions:	Applicable
	(i) Rate(s) of Interest	<p>3.625% per annum payable semi-annually in arrear from and including the Interest Commencement Date to but excluding the First Call Date</p> <p>From and including the First Call Date to but excluding the Maturity Date, fixed rate per annum (expressed as a percentage) equal to the aggregate of (a) the then-prevailing U.S. Dollar Swap Rate and (b) the Initial Spread</p> <p>For the purposes of this Pricing Supplement:</p> <p>“Initial Spread” means (a) 3.712 per cent. per annum (being the yield on the Notes at the date of this Pricing Supplement) minus (b) 1.483 per cent. For information purposes only, (b) is the five and a half year mid-swap rate in per cent. per annum equal to the linear interpolation of the U.S. Dollar mid-swap rates with a maturity of five years and six years as was displayed on Bloomberg Screen IRSB 18 Page as of 1.35 p.m. (New York City time) on March 14, 2012</p> <p>“Bloomberg Screen IRSB 18 Page” means the display on the Bloomberg (or any successor service) page designated as “IRSB 18” or any other page that may replace the applicable page on that service for the purpose of displaying rates comparable to U.S. Dollar mid-swap rates</p> <p>“U.S. Dollar Swap Rate” means USD-ISDAFIX3-Swap Rate, as defined in 2006 Definitions as published by the International Swap and Derivatives Association, Inc. where:</p> <p>(a) “Designated Maturity” means 5 years</p> <p>(b) “Reset Date” means the First Call Date</p>
	(ii) Interest Payment Date(s):	March 21 and September 21 of each year commencing on and including September 21, 2012 and ending on and including September 21,

		2022
	(iii) Fixed Coupon Amount(s):	Not Applicable
	(iv) Broken Amount(s):	Not Applicable
	(v) (a) Day Count Fraction:	30/360, Unadjusted
	(b) Business Day Convention:	Following Business Day Convention
	(vi) Determination Dates:	Not Applicable
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
17	Floating Rate Note Provisions:	Not Applicable
18	Zero Coupon Note Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

19	Call Option:	Applicable
	(i) Optional Redemption Date(s):	September 21, 2017 (the “First Call Date”) and each Interest Payment Date after the First Call Date
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	U.S.\$1,000 per Calculation Amount
	(iii) Notice period:	Not less than 10 days’ notice
20	Put Option	Not Applicable
21	Final Redemption Amount of each Note	U.S.\$1,000 per Calculation Amount
22	Early Redemption Amount	U.S.\$1,000 per Calculation Amount
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on redemption for change of qualification event and/ or the method of calculating the same (if required or if different from that set out in the Conditions):	

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23	Form of Notes:	Registered Notes: Regulation S Global Note registered in the name of a nominee for DTC Rule 144A Global Note registered in the name of a nominee for DTC
24	Financial Centre(s) or other special provisions relating to Payment Dates:	New York City

25	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
26	Details relating to Partly-Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
27	Details relating to Instalment Notes: amount of each instalment (“Instalment Amount”), date on which each payment is to be made (“Instalment Date”):	Not Applicable
28	Other terms or special conditions:	<p>Calculation Agent: The Bank of New York Mellon, London Branch</p> <p>Condition 3(c) shall be deleted and replaced as follows:</p> <p>“Subordination: Upon the occurrence of any winding-up proceeding, the rights of the Noteholders to payment of principal of and interest on the Subordinated Notes are expressly subordinated and subject in right of payment to the prior payment in full of all claims of Senior Creditors and will rank senior to all share capital of the Issuer, Tier I Capital Securities and Upper Tier II Capital Securities. The Subordinated Notes will rank <i>pari passu</i> with all subordinated debt issued by the Issuer that qualifies as Lower Tier II Capital Securities. In the event that (i) the Noteholders do not receive payment in full of all principal due and payable in respect of the Subordinated Notes plus interest thereon accrued to the date of repayment in any winding-up of the Issuer and (ii) the winding-up order or resolution passed for the winding-up of the Issuer or the dissolution of the Issuer is subsequently stayed, discharged, rescinded, avoided, annulled or otherwise rendered inoperative, then to the extent that such Noteholders did not receive payment in full of such principal of and interest on the Subordinated Notes, such unpaid amounts shall remain payable in full; provided that payment of such unpaid amounts shall be subject to the provisions under this Condition 3 and Condition 9(b) and Clause 5 and 7 of the Trust Deed, as supplemented by the Series 4 Supplemental Trust Deed for the Subordinated Notes dated on or</p>

about March 21, 2012 (together, the “**Notes Trust Deed**”).

The Issuer has agreed, pursuant to the terms of the Notes Trust Deed to indemnify the Noteholders against any loss incurred as a result of any judgment or order being given or made for any amount due under the Subordinated Notes and such judgment or order being expressed and paid in a currency other than the Specified Currency. Any amounts due under such indemnification will be similarly subordinated in right of payment with other amounts due on the Subordinated Notes and payment thereof shall be subject to the provisions under this Condition 3 and Condition 9(b)(ii) and Clause 7.2 of the Notes Trust Deed.

In these Conditions:

“**Lower Tier II Capital Securities**” means any security or other similar obligation issued by the Issuer that constitutes Lower Tier II capital instruments of the Issuer pursuant to the relevant requirements set out in MAS 637 – “Notice on Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore” issued by MAS, as amended, replaced or supplemented from time to time (“**MAS 637**”).

“**MAS**” means the Monetary Authority of Singapore or such other governmental authority having primary bank supervisory authority with respect to the Issuer.

“**Senior Creditors**” means creditors of the Issuer (including the Issuer’s depositors) other than those whose claims are expressed to rank *pari passu* or junior to the claims of the holders of the Subordinated Notes.

“**Tier I Capital Securities**” means (i) any security issued by the Issuer or (ii) any other similar obligation issued by any subsidiary of the Issuer, that, in each case, constitutes Tier I capital instruments of the Issuer on an unconsolidated basis pursuant to the relevant requirements set out in MAS 637.

“**Upper Tier II Capital Securities**” means any security or other similar obligation issued by the Issuer that constitutes Upper Tier II capital instruments of the Issuer pursuant to the relevant requirements set out in MAS 637.”

Condition 5(f) shall be deemed deleted and replaced as follows:

“**Redemption for Change of Qualification Event in respect of Subordinated Notes:**

Subject to Condition 5(j), if immediately prior to the giving of the notice referred to below, as a result of a change to the relevant requirements issued by MAS in relation to the qualification of the Subordinated Notes as Tier II Capital Securities of the Issuer or to the recognition of the Subordinated Notes as eligible capital for calculating the total capital adequacy ratio of the Issuer (either on a consolidated or unconsolidated basis) (“**Eligible Capital**”), which change or amendment (i) (subject to (ii)) becomes, or would become, effective on or after the Issue Date, or (ii) in the case of a change to the relevant requirements issued by MAS, if such change is issued by MAS on or after the Issue Date, the Subordinated Notes, in whole but not in part, would not qualify as Tier II Capital Securities of the Issuer or as Eligible Capital of the Issuer (excluding, for the avoidance of doubt, non-qualification solely by virtue of the Issuer already having, or coming to have, an issue of securities with an aggregate principal amount up to or in excess of the relevant limits for Tier II Capital Securities or Eligible Capital specified under the relevant legislation and statutory guidelines in force as at the Issue Date) (a “**Change of Qualification Event**”), then the Issuer may, having given not less than 30 but not more than 60 days’ prior written notice to the Noteholders in accordance with Condition 15 (which notice shall be irrevocable), redeem in accordance with these Conditions on any Interest Payment Date all, but not some only, of the Subordinated Notes, at their Early Redemption Amount together with interest accrued but unpaid (if any) to (but excluding) the date of redemption in accordance with these Conditions.

Prior to the publication of any notice of redemption pursuant to this Condition 5(f), the Issuer shall deliver to the Trustee a certificate signed by one authorised person of the Issuer stating that a Change of Qualification Event has occurred and the Trustee shall accept such certificate without any further inquiry as conclusive evidence of the satisfaction of the conditions set out above without liability to any person in which event it shall be conclusive and binding on the Noteholders. Upon expiry of such notice, the Issuer shall redeem the Subordinated Notes in accordance with this Condition 5(f).

“**Tier II Capital Securities**” means any security or other similar obligation issued by the Issuer

that constitutes Tier II capital instruments of the Issuer pursuant to the relevant requirements set out in MAS 637.”

Condition 9(b)(ii) shall be deemed deleted and replaced as follows:

“*Enforcement:* If a Default occurs in relation to the Subordinated Notes and is continuing, the Trustee may institute proceedings in Singapore (but not elsewhere) for the winding-up of the Issuer. The Trustee shall have no right to enforce payment under or accelerate payment of any Subordinated Note in the case of such Default in payment on such Subordinated Note or a default in the performance of any other covenant of the Issuer in such Subordinated Note or in the Trust Deed except as provided for in this Condition 9 and Clause 7 of the Trust Deed.

Subject to the subordination provisions as set out in Condition 3 and in Clause 5 and Clause 7 of the Trust Deed, if a court order is made or an effective resolution is passed for the winding-up of the Issuer, there shall be payable on the Subordinated Notes, after the payment in full of all claims of all Senior Creditors, but in priority to holders of share capital of the Issuer, Tier I Capital Securities and Upper Tier II Capital Securities, such amount remaining after the payment in full of all claims of all Senior Creditors up to, but not exceeding, the nominal amount of the Subordinated Notes together with interest accrued to the date of repayment.”

DISTRIBUTION

29	(i) If syndicated, names of Managers:	DBS Bank Ltd., Merrill Lynch (Singapore) Pte. Ltd. and Goldman Sachs (Singapore) Pte.
	(ii) Stabilising Manager (if any):	Merrill Lynch (Singapore) Pte. Ltd. (or any of its affiliates)
30	If non-syndicated, name of Dealer:	Not Applicable
31	Whether TEFRA D or TEFRA C was applicable or TEFRA rules not applicable:	TEFRA not applicable
32	Additional selling restrictions:	Not Applicable

OPERATIONAL INFORMATION

33	ISIN Code:	Restricted Global Certificate: US24023CAC01 Unrestricted Global Certificate: US24023DAC83
34	Common Code:	Restricted Global Certificate: 074916279 Unrestricted Global Certificate: 074916252
35	CUSIP:	Restricted Global Certificate: 24023CAC0

- 36 Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and/or DTC and the relevant identification number(s): Not Applicable
- 37 Delivery: Free of payment
- 38 Additional Paying Agent(s) (if any): Not Applicable

GENERAL

- 39 Applicable Governing Document: Trust Deed dated October 11, 2011, as supplemented by the Series 4 Supplemental Trust Deed for the Subordinated Notes dated on or about March 21, 2012
- 40 Governing Law: English law, save that the provisions relating to the Subordinated Notes in relation to subordination, set-off and payment void and default and enforcement shall be governed by, and construed in accordance with, the laws of Singapore


PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on the Singapore Exchange Securities Trading Limited of the Subordinated Notes described herein pursuant to the U.S.\$15,000,000,000 Global Medium Term Note Programme of DBS Bank Ltd.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of DBS Bank Ltd.:

By:  _____
Duly authorised

SUPPLEMENTAL OFFERING CIRCULAR DATED MARCH 14, 2012



DBS Bank Ltd.

(incorporated with limited liability under the laws of the Republic of Singapore)

(registered in Singapore under registration number 196800306E)

U.S.\$15,000,000,000 Global Medium Term Note Programme

This Supplemental Offering Circular (this "Supplement") is supplemental to, and should be read in conjunction with, the offering circular (the "Offering Circular") dated October 11, 2011 relating to the U.S.\$15,000,000,000 Global Medium Term Note Programme. Terms defined in the Offering Circular have the same meaning when used in this Supplement.

On February 10, 2012 DBS Group Holdings Ltd. published its unaudited consolidated condensed financial results for the fourth quarter ended December 31, 2011 and its audited consolidated financial results for the year 2011 in a document titled "Performance Summary" (the "2011 Performance Summary"). A copy of that document is attached hereto and, by virtue of this Supplement, is incorporated in, and forms part of, the Offering Circular. Also incorporated by reference hereby are the audited consolidated financial statements of the DBS Group Holdings Ltd. as at and for the year ended December 31, 2011 (the "2011 Audited Financial Statements"), which are available at <http://www.dbs.com/investor>. No other information on the Issuer's website is deemed to be incorporated in, or form part of, this Supplement or the Pricing Supplement. Except as stated herein or in the Offering Circular under the heading "Documents Incorporated by Reference", no other information shall be deemed to be incorporated in, or form part of, the Offering Circular or the Pricing Supplement.

Any documents themselves incorporated by reference in the 2011 Performance Summary or the 2011 Audited Financial Statements shall not form any part of the Offering Circular or this Supplement. The documents incorporated by reference herein are current only as at the date of such document and the incorporation by reference of such documents shall not create any implication that there has been no change in the affairs of the Issuer since the date thereof or that the information contained therein is current as at any time subsequent to its date.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Offering Circular by this Supplement and (b) any other statement in, or incorporated by reference into, the Offering Circular, the statements in (a) above will prevail.

Application has been made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in, and for quotation of, any Notes to be issued which are agreed at the time of issue to be listed on the SGX-ST. There is no guarantee that an application to the SGX-ST will be approved. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Programme or such Notes. The SGX-ST assumes no responsibility for the correctness of any statement made or opinions expressed herein.

ADDITIONAL INFORMATION

The following paragraphs in the Offering Circular are hereby amended as follows.

The following paragraph in “Terms and Conditions of the Notes” on page 48 of the Offering Circular:

“(d) **Payments subject to fiscal laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.”

is hereby amended and replaced by the following paragraph:

“(d) **Payments subject to fiscal laws:** All payments are subject in all cases to any applicable fiscal or other laws, agreements with government authorities, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.”

After the following sentence in “Taxation – United States Taxation” on page 148 of the Offering Circular:

“The “adjusted issue price” of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.”

the following paragraphs are hereby inserted:

“Original Issue Discount on Certain Notes with an Issuer Call Option. The rules governing the calculation of OID in the case of Notes where (i) interest is payable at more than one rate of interest during the life of Notes; and (ii) the Issuer has an option to call the Notes, are not entirely clear. The Issuer believes that the following paragraph properly describes the application of the OID rules to such a Series of Notes. However, there is no assurance that the IRS will agree with this treatment. Each U.S. Holder should consult its own tax adviser about the proper application of the OID rules to any such Series of Notes.

In the case of Notes that provide for a fixed rate of interest up to the First Call Date, for the purpose of application of the OID rules, these Notes must be converted into an “equivalent” fixed rate debt instrument (as described under “Taxation – United States Taxation – Section I – U.S. Holders – Variable Interest Rate Notes” on page 154 of the Offering Circular). If, using the rates applicable on the issue date, the interest rate on the “equivalent” fixed rate debt instrument is less than the interest rate from the first call date through to the maturity date of the Notes, the Issuer will be presumed to call the Notes at the first call date and the general rules pertaining to OID would apply. If, using the rates applicable on the issue date, the interest rate on the “equivalent” fixed rate debt instrument is greater than the interest rate from the first call date through to the maturity date of the Notes, the Issuer will be presumed to extend the Notes at the first call date and the Notes should be treated as “variable rate debt instruments” that do not provide for stated interest at either a single qualified floating rate or a single objective rate (as described under “Taxation – United States Taxation – Section I – U.S. Holders – Variable Interest Rate Notes” on page 154 of the Offering Circular).”

The following sentence in “Taxation – United States Taxation” on page 154 of the Offering Circular:

“Withholding should not be required with respect to payments on the Notes before January 1, 2015 and then only on Notes issued after March 18, 2012.”

is hereby amended and replaced by the following sentence:

“Withholding should not be required with respect to payments on the Notes before January 1, 2017 and then only on Notes issued after December 31, 2012.”

The following sentence in “Taxation – United States Taxation” on page 154 of the Offering Circular:

“If the Issuer or other relevant intermediary does enter into the IRS Agreement, and Notes are issued after March 18, 2012, then to the extent payments are not otherwise excluded from the FATCA regime, an investor that is not a financial institution may be required to provide the information described below or be subject to U.S. withholding tax on a portion of interest and principal on the Notes and the proceeds from their sale.”

is hereby amended and replaced by the following sentence:

“If the Issuer or other relevant intermediary does enter into the IRS Agreement, and Notes are issued after December 31, 2012, then to the extent payments are not otherwise excluded from the FATCA regime, an investor that is not a financial institution may be required to provide the information described below or be subject to U.S. withholding tax on a portion of interest and principal on the Notes and the proceeds from their sale.”

The following sentence in “Taxation – Singapore Taxation” on page 155 of the Offering Circular:

“The statements made herein do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive tax incentive(s)) may be subject to special rules or tax rates.”

is hereby amended and replaced by the following paragraph:

“The statements made herein do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates.”

The following paragraph in “Taxation – Singapore Taxation” on page 157 of the Offering Circular:

“(b) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the Comptroller may direct, of a return on debt securities in respect of the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require to the Comptroller and MAS), Qualifying Income derived by any company or a body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10%; and”

is hereby amended and replaced by the following paragraph:

“(b) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the Comptroller may direct, of a return on debt securities in respect of the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require to the Comptroller and MAS), Qualifying Income from the Relevant Notes derived by any company or a body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and”

The following sentence in “Taxation – Singapore Taxation” on page 159 of the Offering Circular:

“The Inland Revenue Authority of Singapore has issued a circular entitled “Income Tax Implications arising from the adoption of FRS 39 — Financial Instruments: Recognition and Measurement” (“FRS 39 Circular”).”

is hereby amended and replaced by the following paragraph:

“The Inland Revenue Authority of Singapore has issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 — Financial Instruments: Recognition and Measurement” (“FRS 39 Circular”).”

Recent Developments

On February 21, 2012, the Issuer issued SGD 1.0 billion 3.30% fixed rate subordinated notes due February 21, 2022 (the “SGD Notes”), under the Issuer's U.S.\$ 15 billion Global Medium Term Note Programme. The SGD Notes will initially bear a fixed coupon of 3.30% per annum with interest payable semi-annually. If the SGD Notes are not redeemed on February 21, 2017, the interest rate from that date will be reset at a fixed rate per annum of the then-prevailing five-year SGD Swap Offer Rate and 2.147%.

On February 28, 2012, the Issuer issued U.S.\$ 1.0 billion fixed rate senior notes due February 28, 2017 (the “2017 Senior Notes”) under the Issuer’s U.S.\$ 15 billion Global Medium Term Note Programme. The 2017 Senior Notes will bear a fixed coupon of 2.35% per annum payable semi-annually.



Performance Summary

Financial Results for the Fourth Quarter ended
31 December 2011 (Unaudited) and
For the Year 2011 (Audited)

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

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DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

OVERVIEW

DBS Group Holdings Ltd ("DBSH") prepares its consolidated DBSH Group ("Group") financial statements in accordance with Singapore Financial Reporting Standard ("FRS"), as modified by the requirements of Notice to Banks No. 612 "Credit Files, Grading and Provisioning" issued by the Monetary Authority of Singapore. The accounting policies and methods of computation applied for the current financial periods are consistent with those applied for the financial year ended 31 December 2010, with the exception of the adoption of new or revised FRS and Interpretations to FRS ("INT FRS").

On 1 January 2011, the Group adopted the following new or revised FRS and INT FRS that are issued by the Accounting Standards Council, and are relevant for the Group:

- Revised FRS 24 Related Party Disclosures
- Improvements to FRSs (2010)

Refer to page 28 for more information.

	4th Qtr 2011	4th Qtr 2010	% chg	3rd Qtr 2011	% chg	Year 2011	Year 2010	% chg
Selected income statement items (\$m)								
Net interest income	1,290	1,106	17	1,214	6	4,825	4,318	12
Net fee and commission income	342	358	(4)	397	(14)	1,542	1,397	10
Other non-interest income	284	265	7	357	(20)	1,264	1,351	(6)
Total income	1,916	1,729	11	1,968	(3)	7,631	7,066	8
Expenses	885	780	13	847	4	3,303	2,925	13
Profit before allowances	1,031	949	9	1,121	(8)	4,328	4,141	5
Allowances for credit and other losses	229	157	46	231	(1)	722	911	(21)
Profit before tax	837	816	3	927	(10)	3,733	3,332	12
Net profit	731	678	8	762	(4)	3,035	2,650	15
Goodwill charges	-	-	-	-	-	-	(1,018)	NM
Net profit including goodwill charges	731	678	8	762	(4)	3,035	1,632	86
Selected balance sheet items (\$m)								
Customer loans ^{1/}	194,720	152,094	28	185,630	5	194,720	152,094	28
Interbank assets ^{2/}	27,183	23,298	17	31,009	(12)	27,183	23,298	17
Total assets	340,847	283,710	20	338,641	1	340,847	283,710	20
Customer deposits ^{3/}	225,346	193,692	16	219,714	3	225,346	193,692	16
Total liabilities	307,778	250,608	23	306,035	1	307,778	250,608	23
Shareholders' funds	28,794	26,599	8	28,281	2	28,794	26,599	8
Key financial ratios (%) (excluding goodwill charges) ^{4/}								
Net interest margin	1.73	1.79		1.73		1.77	1.84	
Non-interest/total income	32.7	36.0		38.3		36.8	38.9	
Cost/income ratio	46.2	45.1		43.0		43.3	41.4	
Return on assets	0.85	0.96		0.93		0.97	0.98	
Return on equity ^{5/}	10.2	10.2		10.8		11.0	10.2	
Loan/deposit ratio	86.4	78.5		84.5		86.4	78.5	
NPL ratio	1.3	1.9		1.3		1.3	1.9	
Specific allowances (loans)/average loans (bp)	19	25		9		11	43	
Tier 1 capital adequacy ratio	12.9	15.1		12.6		12.9	15.1	
Total capital adequacy ratio	15.8	18.4		15.5		15.8	18.4	
Core Tier 1 ratio ^{6/}								
- with phase in deduction of 0% to end 2013	12.9	14.5		12.6		12.9	14.5	
- with full deduction	11.0	11.8		10.7		11.0	11.8	

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

	4th Qtr 2011	4th Qtr 2010	3rd Qtr 2011	Year 2011	Year 2010
Per share data (\$)					
Per basic share					
– earnings excluding goodwill charges	1.23	1.16	1.28	1.30	1.15
– earnings	1.23	1.16	1.28	1.30	0.70
– net book value ^{5/}	11.99	11.25	11.77	11.99	11.25
Per diluted share					
– earnings excluding goodwill charges	1.19	1.13	1.24	1.26	1.11
– earnings	1.19	1.13	1.24	1.26	0.68
– net book value ^{5/}	11.75	11.04	11.54	11.75	11.04

Notes:

- 1/ Includes customer loans classified as financial assets at fair value through profit or loss on the balance sheet
2/ Includes interbank assets classified as financial assets at fair value through profit or loss on the balance sheet
3/ Includes customer deposits classified as financial liabilities at fair value through profit or loss on the balance sheet
4/ Return on assets, return on equity, specific allowances (loan)/average loan and per share data for the quarters are computed on an annualised basis
5/ Non-controlling interests are not included as equity in the computation of net book value and return on equity
6/ In June 2011, the MAS announced the Basel III requirements for Singapore-incorporated banks, which included a progressive phase-in for deductions against common equity starting from an initial 0% in 2013 and reaching 100% by 2018. If the 2013 deduction requirements were to be applied to the Group's December 2011 position, and without taking into account any other changes required by Basel III, the equivalent Core Tier 1 would be 12.9.
NM Not Meaningful

Fourth-quarter net profit rose 8% from a year ago to \$731 million, driven by higher net interest income partially offset by higher general allowances. Compared to the previous quarter, net profit fell 4% from lower non-interest income. This was mainly due to a \$47 million gain in the previous quarter from the transaction to combine DBS Asset Management (DBS AM) with Nikko Asset Management. Excluding the gain, fourth quarter earnings would be 2% higher than the previous quarter. Business momentum continued to be healthy.

Net interest income rose 6% from the previous quarter to a record \$1.29 billion. Loans rose 5% from corporate borrowing. Net interest margins were stable at 1.73%.

Non-interest income fell 17% from the previous quarter to \$626 million. Fee income from loan activities, stockbroking and investment banking fell, while income from customer flows for treasury products was also lower. Excluding the \$47 million gain relating to DBS AM, other non-interest income was 8% lower as net trading income and gains from financial investments fell.

Expenses rose 4% from the previous quarter to \$885 million as non-staff costs increased, partly due to seasonal factors.

The non-performing loan rate was unchanged from the previous quarter at 1.3%. Total allowances were little changed at \$229 million as an increase in specific allowances was offset by lower general allowances. Allowance coverage rose to 126% and to 165% if collateral was considered.

For the full year, net profit rose 15% to a record \$3.04 billion from higher net interest income and customer-driven non-interest income, as well as from lower allowances as asset quality improved.

DBS remained well capitalised with a total capital adequacy ratio of 15.8% and Tier 1 ratio of 12.9%, which incorporate Basel 2.5 rules with effect from 31 December 2011. Based on the progressive phase-in of deductions (mainly goodwill) against common equity, the core Tier 1 ratio would be 12.9%. Assuming full deductions that will be effective 1 January 2018, the core Tier 1 ratio would be 11.0%.

Return on equity for the fourth quarter was 10.2% compared to 10.8% in the previous quarter. For the full year, it improved from 10.2% a year ago to 11.0%.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

QUARTERLY BREAKDOWN

(\$m)	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year
Net interest income					
2010	1,066	1,067	1,079	1,106	4,318
2011	1,122	1,199	1,214	1,290	4,825
% chg	5	12	13	17	12
Non-interest income					
2010	647	748	730	623	2,748
2011	787	639	754	626	2,806
% chg	22	(15)	3	-	2
Total income					
2010	1,713	1,815	1,809	1,729	7,066
2011	1,909	1,838	1,968	1,916	7,631
% chg	11	1	9	11	8
Expenses					
2010	702	717	726	780	2,925
2011	773	798	847	885	3,303
% chg	10	11	17	13	13
Allowances for credit and other losses					
2010	355	204	195	157	911
2011	125	137	231	229	722
% chg	(65)	(33)	18	46	(21)
Profit before tax					
2010	678	919	919	816	3,332
2011	1,035	934	927	837	3,733
% chg	53	2	1	3	12
Net profit					
2010	532	718	722	678	2,650
2011	807	735	762	731	3,035
% chg	52	2	6	8	15
Add: Goodwill charges					
2010	-	(1,018)	-	-	(1,018)
2011	-	-	-	-	-
% chg	-	NM	-	-	NM
Net profit including goodwill charges					
2010	532	(300)	722	678	1,632
2011	807	735	762	731	3,035
% chg	52	NM	6	8	86

Note:
NM Not Meaningful

Revenues for all quarters were higher than the year-ago period, driven by gains in net interest income. Non-interest income was mixed as trading income was lower for most quarters.

Expenses rose at a faster pace than total income for most quarters due to higher headcount and investment costs.

Specific allowances were lower than the year-ago period for all quarters of the year, but total allowances were higher in the third and fourth quarters because of significantly higher general allowances.

Net profit (before goodwill charges) was higher for all four quarters. The first quarter's net profit was a quarterly record.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NET INTEREST INCOME

Average balance sheet	4th Qtr 2011			4th Qtr 2010			3rd Qtr 2011		
	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)
Interest-bearing assets									
Customer loans	189,292	1,298	2.72	149,104	1,011	2.69	173,409	1,175	2.69
Interbank assets	51,118	140	1.09	46,548	105	0.90	51,543	142	1.09
Securities	54,738	376	2.72	48,851	345	2.79	53,431	359	2.67
Total	295,148	1,814	2.44	244,503	1,461	2.37	278,383	1,676	2.39
Interest-bearing liabilities									
Customer deposits	222,999	381	0.68	189,502	245	0.51	213,303	342	0.64
Other borrowings	49,617	143	1.14	34,624	110	1.26	43,743	120	1.08
Total	272,616	524	0.76	224,126	355	0.63	257,046	462	0.71
Net interest income/margin ^{1/}		1,290	1.73		1,106	1.79		1,214	1.73

Average balance sheet	Year 2011			Year 2010		
	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)
Interest-bearing assets						
Customer loans	169,397	4,571	2.70	141,245	3,937	2.79
Interbank assets	51,575	532	1.03	43,190	358	0.83
Securities	51,962	1,452	2.79	50,272	1,404	2.79
Total	272,934	6,555	2.40	234,707	5,699	2.43
Interest-bearing liabilities						
Customer deposits	209,196	1,267	0.61	184,792	970	0.53
Other borrowings	42,215	463	1.10	30,834	411	1.33
Total	251,411	1,730	0.69	215,626	1,381	0.64
Net interest income/margin ^{1/}		4,825	1.77		4,318	1.84

Note:

^{1/} Net interest margin is net interest income expressed as a percentage of average interest-earning assets

Net interest income rose 6% from the previous quarter to \$1.29 billion from higher loan volumes.

Net interest margin was unchanged from the previous quarter at 1.73%, with yields for most interest-bearing assets and liabilities little changed.

For the full year, net interest income rose 12% to a record \$4.83 billion, driven by higher loan volumes. This more than offset the impact of a seven basis point decline in net interest margin to 1.77% due to a soft interest rate environment in Singapore and higher deposit costs in Hong Kong.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Volume and rate analysis (\$m) Increase/(decrease) due to change in	4th Qtr 2011 versus 4th Qtr 2010			4th Qtr 2011 versus 3rd Qtr 2011		
	Volume	Rate	Net change	Volume	Rate	Net change
Interest income						
Customer loans	272	15	287	107	16	123
Interbank assets	11	24	35	(2)	-	(2)
Securities	41	(10)	31	9	8	17
Total	324	29	353	114	24	138
Interest expense						
Customer deposits	43	93	136	15	24	39
Other borrowings	46	(13)	33	18	5	23
Total	89	80	169	33	29	62
Net impact on interest income	235	(51)	184	81	(5)	76
Due to change in number of days			-			-
Net Interest Income			184			76

Volume and rate analysis (\$m) Increase/(decrease) due to change in	Year 2011 versus Year 2010		
	Volume	Rate	Net change
Interest income			
Customer loans	786	(152)	634
Interbank assets	70	104	174
Securities	46	2	48
Total	902	(46)	856
Interest expense			
Customer deposits	129	168	297
Other borrowings	120	(68)	52
Total	249	100	349
Net impact on interest income	653	(146)	507
Due to change in number of days			-
Net Interest Income			507

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NET FEE AND COMMISSION INCOME

(\$m)	4th Qtr 2011	4th Qtr 2010	% chg	3rd Qtr 2011	% chg	Year 2011	Year 2010	% chg
Stockbroking	27	50	(46)	38	(29)	142	179	(21)
Investment banking	32	60	(47)	38	(16)	187	154	21
Trade and remittances	74	56	32	81	(9)	284	227	25
Loan-related	68	52	31	103	(34)	359	333	8
Guarantees	17	16	6	18	(6)	71	59	20
Deposit-related	17	23	(26)	23	(26)	82	85	(4)
Cards	48	40	20	35	37	154	149	3
Fund management	-	6	NM	5	NM	16	22	(27)
Wealth management	47	44	7	42	12	192	136	41
Others	12	11	9	14	(14)	55	53	4
Total	342	358	(4)	397	(14)	1,542	1,397	10

Net fee and commission income fell 14% from the previous quarter to \$342 million, led by lower contributions from loan activities, stockbroking and investment banking. Income from cards and wealth management activities was higher.

Net fee and commission income for the year rose 10% from higher contributions in a wide range of activities, led by wealth management, trade and remittances and investment banking.

OTHER NON-INTEREST INCOME

(\$m)	4th Qtr 2011	4th Qtr 2010	% chg	3rd Qtr 2011	% chg	Year 2011	Year 2010	% chg
Net trading income	145	154	(6)	138	5	698	915	(24)
Net (loss)/income from financial instruments designated at fair value	(12)	10	NM	5	NM	(18)	(20)	10
Net income on financial investments	136	39	>100	152	(11)	454	310	46
Net gain on fixed assets	3	52	(94)	1	>100	19	103	(82)
Others (include rental income)	12	10	20	61	(80)	111	43	>100
Total	284	265	7	357	(20)	1,264	1,351	(6)

Note:
NM Not Meaningful

Net trading income (including net income from financial instruments designated at fair value) fell 7% from the previous quarter to \$133 million as income from customer flows declined. For the full year, net trading income fell 24% to \$680 million as an increase in income from customer flows was more than offset by lower trading gains.

Net income on financial investments fell 11% from the previous quarter to \$136 million. For the full year, it was 46% higher at \$454 million.

Total other non-interest income fell 20% from the previous quarter to \$284 million, which had included a \$47 million gain from a transaction involving DBS AM recorded under "Others". For the full year, total other non-interest income fell 6% to \$1.26 billion.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

EXPENSES

(\$m)	4th Qtr 2011	4th Qtr 2010	% chg	3rd Qtr 2011	% chg	Year 2011	Year 2010	% chg
Staff	440	362	22	444	(1)	1,712	1,422	20
Occupancy	74	67	10	75	(1)	291	269	8
Computerisation	178	164	9	163	9	640	569	12
Revenue-related	42	37	14	51	(18)	170	136	25
Others	151	150	1	114	32	490	529	(7)
Total	885	780	13	847	4	3,303	2,925	13
Staff headcount at period-end	17,652	15,847	11	17,550	1	17,652	15,847	11

Included in the above table were:

Depreciation of properties and other fixed assets	50	56	(11)	45	11	185	193	(4)
Directors' fees	1	1	-	1	-	3	3	-
Audit fees payable	1	-	NM	2	(50)	6	6	-

Expenses rose 4% from the previous quarter to \$885 million as non-staff costs increased, partly due to seasonal factors.

For the full year, costs rose 13% to \$3.30 billion from higher headcount and investments to support higher business volumes and build capacity for future growth. The cost-income ratio rose from 41% a year ago to 43%.

ALLOWANCES FOR CREDIT AND OTHER LOSSES

(\$m)	4th Qtr 2011	4th Qtr 2010	% chg	3rd Qtr 2011	% chg	Year 2011	Year 2010	% chg
General allowances (GP)	131	44	>100	187	(30)	478	232	>100
Specific allowances (SP) for loans^{1/}	92	97	(5)	41	>100	194	614	(68)
Singapore	61	8	>100	(13)	NM	40	18	>100
Hong Kong	10	3	>100	13	(23)	34	14	>100
Rest of Greater China	1	(2)	NM	1	-	(12)	25	NM
South and South-east Asia	19	20	(5)	12	58	37	47	(21)
Rest of the World	1	68	(99)	28	(96)	95	510	(81)
Specific allowances (SP) for securities, properties and other assets	6	16	(63)	3	100	50	65	(23)
Total	229	157	46	231	(1)	722	911	(21)

Notes:

1/ Specific allowances for loans are classified according to where the borrower is incorporated.
NM Not Meaningful

Total allowances were little changed from the previous quarter at \$229 million. General allowances of \$131 million were 30% below previous quarter in line with lower loan growth.

Specific allowances for loans more than doubled to \$92 million, which was due largely to one legacy exposure in the shipping industry. Asset quality remained healthy with specific allowances for loans amounting to 19 basis points of loans.

For the full year, total allowances fell 21% to \$722 million as specific allowances for loans fell 68% to \$194 million in line with improvements in asset quality. General allowances more than doubled to \$478 million.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

PERFORMANCE BY BUSINESS SEGMENTS

(\$m)	Consumer/ Private Banking	Institutional Banking	Treasury	Others	Total
Selected income items					
4th Qtr 2011					
Net interest income	379	657	240	14	1,290
Non-interest income	204	321	69	32	626
Total income	583	978	309	46	1,916
Expenses	429	376	117	(37)	885
Allowances for credit and other losses	15	185	-	29	229
Share of profits of associates	-	1	-	34	35
Profit before tax	139	418	192	88	837
3rd Qtr 2011					
Net interest income	350	589	240	35	1,214
Non-interest income	196	469	66	23	754
Total income	546	1,058	306	58	1,968
Expenses	391	331	106	19	847
Allowances for credit and other losses	14	140	(1)	78	231
Share of profits of associates	-	6	-	31	37
Profit before tax	141	593	201	(8)	927
4th Qtr 2010					
Net interest income	348	513	233	12	1,106
Non-interest income	178	372	(66)	139	623
Total income	526	885	167	151	1,729
Expenses	401	331	101	(53)	780
Allowances for credit and other losses	5	160	(4)	(4)	157
Share of profits of associates	-	5	-	19	24
Profit before tax	120	399	70	227	816
Year 2011					
Net interest income	1,446	2,317	951	111	4,825
Non-interest income	758	1,693	201	154	2,806
Total income	2,204	4,010	1,152	265	7,631
Expenses	1,561	1,319	420	3	3,303
Allowances for credit and other losses	71	453	2	196	722
Share of profits of associates	-	21	-	106	127
Profit before tax	572	2,259	730	172	3,733

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	Consumer/ Private Banking	Institutional Banking	Treasury	Others	Total
Year 2010 ^{1/}					
Net interest income	1,398	1,995	840	85	4,318
Non-interest income	667	1,518	393	170	2,748
Total income	2,065	3,513	1,233	255	7,066
Expenses	1,471	1,119	368	(33)	2,925
Allowances for credit and other losses	55	812	(2)	46	911
Share of profits of associates	-	25	-	77	102
Profit before tax	539	1,607	867	319	3,332
Selected balance sheet and other items ^{2/}					
31 Dec 2011					
Total assets before goodwill	56,167	165,930	103,900	10,048	336,045
Goodwill on consolidation					4,802
Total assets					340,847
Total liabilities	127,475	103,977	71,166	5,160	307,778
Capital expenditure for 4th Qtr 2011	10	9	8	41	68
Depreciation for 4th Qtr 2011	7	9	6	28	50
30 Sept 2011					
Total assets before goodwill	54,940	157,624	109,985	11,290	333,839
Goodwill on consolidation					4,802
Total assets					338,641
Total liabilities	126,530	98,972	75,961	4,572	306,035
Capital expenditure for 3rd Qtr 2011	6	4	5	24	39
Depreciation for 3rd Qtr 2011	14	6	3	22	45
31 Dec 2010					
Total assets before goodwill	51,328	118,572	98,735	10,273	278,908
Goodwill on consolidation					4,802
Total assets					283,710
Total liabilities	117,529	80,559	42,584	9,936	250,608
Capital expenditure for 4th Qtr 2010	22	16	8	44	90
Depreciation for 4th Qtr 2010	11	6	2	37	56

Notes:

1/ Allowances for credit and other losses and profits exclude goodwill charges

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

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

The various business segments are described below:

Consumer/ Private Banking

Consumer/ Private Banking provides individual customers with a diverse range of banking and related financial services. The products and services available to customers include current and savings accounts, fixed deposits, loans and home finance, cards, payments, investment and insurance products.

Compared to the previous quarter, profit before tax was little changed at \$139 million. Net interest income increased 8% to \$379 million from higher deposit volumes and lower interest expenses. Non-interest income rose 4% to \$204 million from higher credit card income. Expenses were 10% higher at \$429 million as non-staff costs rose. Total allowances were little changed at \$15 million.

For the full year, profit before tax rose 6% from a year ago to \$572 million as total income rose 7% to \$2.20 billion. Net interest income grew 3% to \$1.45 billion as higher loan and deposit volumes were partially offset by lower margins. Non-interest income increased 14% to \$758 million from higher wealth management contributions. These improvements were partially offset by higher staff and non-staff expenses and by higher allowances.

Institutional Banking

Institutional Banking provides financial services and products to institutional clients including bank and non-bank financial institutions, government linked companies, large corporates and small and medium-sized businesses. The business focuses on broadening and deepening its customer relationships. The products and services available to customers include a full range of credit facilities ranging from short term working capital financing to specialized lending. It also provides global transactional services such as cash management, trade finance and securities and fiduciary services; treasury and markets products; corporate finance and

advisory banking as well as capital markets solutions. Institutional Banking also provides brokerage services for equities and derivatives products through DBS Vickers Securities (DBSV). DBSV itself offers a wide range of services to retail and corporate customers including research, sales and trading, share placement, nominees and securities custodian services and the distribution of primary and secondary share issues.

Compared to the previous quarter, profit before tax fell 30% to \$418 million. Net interest income rose 12% to \$657 million from higher loan volumes. Non-interest income declined 32% to \$321 million as fee income and income from sale of treasury products were lower. Expenses rose 14% to \$376 million as non-staff costs increased. Total allowances rose 32% to \$185 million as lower general allowances were more than offset by an increase in specific allowances, which was due mainly to one exposure in the shipping industry.

For the full year, profit before tax rose 41% from a year ago to \$2.26 billion. Total income rose 14% to \$4.01 billion as net interest and non-interest income increased from expanded cash management, trade, treasury cross-selling and capital market activities. Expenses were 18% higher at \$1.32 billion while allowances halved to \$453 million as specific allowances declined.

Treasury

Treasury provides treasury services to corporations, institutional and private investors, financial institutions and other market participants. It is primarily involved in sales, structuring, market making and trading across a broad range of financial products including foreign exchange, interest rate, debt, credit, equity and other structured derivatives. Income from these financial products and services offered to the customer of other business segments, such as Consumer/Private Banking and Institutional Banking, is reflected in the respective segments. Treasury is also responsible for facilitating the execution of Group's asset and liability interest rate positions and management of the investment of the Group's excess liquidity and shareholders' funds.

Compared to the previous quarter, Treasury's profit before tax declined 4% to \$192 million as expenses rose 10% to \$117 million. Total income was little changed.

For the full year, profit before tax fell 16% to \$730 million due to a decline in trading income.

Others

Others encompasses a range of activities from corporate decisions and income and expenses not attributed to other business segments.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

PERFORMANCE BY GEOGRAPHY ^{1/}

(\$m)	S'pore	Hong Kong	Rest of Greater China	South and South-east Asia	Rest of the World	Total
Selected income items						
4th Qtr 2011						
Net interest income	766	211	164	98	51	1,290
Non-interest income	404	151	(3)	43	31	626
Total income	1,170	362	161	141	82	1,916
Expenses	490	184	118	75	18	885
Allowances for credit and other losses	179	24	10	8	8	229
Share of profits of associates	5	-	9	21	-	35
Profit before tax	506	154	42	79	56	837
Income tax expense	(15)	24	6	18	21	54
Net profit	470	130	36	60	35	731
3rd Qtr 2011						
Net interest income	712	189	158	98	57	1,214
Non-interest income	549	136	3	63	3	754
Total income	1,261	325	161	161	60	1,968
Expenses	517	153	101	60	16	847
Allowances for credit and other losses	139	43	7	19	23	231
Share of profits of associates	7	-	3	27	-	37
Profit before tax	612	129	56	109	21	927
Income tax expense	54	21	10	21	7	113
Net profit	506	108	46	88	14	762
4th Qtr 2010						
Net interest income	704	192	88	68	54	1,106
Non-interest income	417	157	4	33	12	623
Total income	1,121	349	92	101	66	1,729
Expenses	445	177	98	45	15	780
Allowances for credit and other losses	111	16	7	13	10	157
Share of profits of associates	3	-	5	16	-	24
Profit before tax	568	156	(8)	59	41	816
Income tax expense	30	12	7	7	15	71
Net profit	471	144	(15)	52	26	678
Year 2011						
Net interest income	2,906	789	550	361	219	4,825
Non-interest income	1,813	664	62	196	71	2,806
Total income	4,719	1,453	612	557	290	7,631
Expenses	1,948	646	397	247	65	3,303
Allowances for credit and other losses	492	130	19	39	42	722
Share of profits of associates	20	-	22	85	-	127
Profit before tax	2,299	677	218	356	183	3,733
Income tax expense	168	106	40	70	59	443
Net profit	1,877	571	178	285	124	3,035

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	S'pore	Hong Kong	Rest of Greater China	South and South-east Asia	Rest of the World	Total
Year 2010 ^{2/}						
Net interest income	2,683	783	327	283	242	4,318
Non-interest income	1,743	682	99	174	50	2,748
Total income	4,426	1,465	426	457	292	7,066
Expenses	1,611	720	325	207	62	2,925
Allowances for credit and other losses	652	73	52	79	55	911
Share of profits of associates	10	-	20	72	-	102
Profit before tax	2,173	672	69	243	175	3,332
Income tax expense	257	93	22	40	42	454
Net profit	1,688	579	47	203	133	2,650
Selected balance sheet items						
31 Dec 2011						
Total assets before goodwill	207,370	68,501	31,281	16,224	12,669	336,045
Goodwill on consolidation	4,802	-	-	-	-	4,802
Total assets	212,172	68,501	31,281	16,224	12,669	340,847
Non-current assets ^{3/}	1,759	376	133	27	2	2,297
Gross customer loans	117,160	46,848	16,341	10,570	6,908	197,827
30 Sept 2011						
Total assets before goodwill	201,919	71,780	31,061	16,411	12,668	333,839
Goodwill on consolidation	4,802	-	-	-	-	4,802
Total assets	206,721	71,780	31,061	16,411	12,668	338,641
Non-current assets ^{3/}	1,724	380	133	32	2	2,271
Gross customer loans	110,352	45,376	15,743	10,462	6,603	188,536
31 Dec 2010						
Total assets before goodwill	179,813	52,489	21,033	13,710	11,863	278,908
Goodwill on consolidation	4,802	-	-	-	-	4,802
Total assets	184,615	52,489	21,033	13,710	11,863	283,710
Non-current assets ^{3/}	1,623	406	129	36	2	2,196
Gross customer loans	91,128	36,224	12,208	9,121	6,041	154,722

Notes:

1/ The geographical segment analysis is based on the location where transactions and assets are booked

2/ Allowances for credit and other losses and profits exclude goodwill charges

3/ Includes investment in associates, properties and other fixed assets, and investment properties

The performance by geography is classified based on the location in which income and assets are recorded.

Singapore

Net profit fell 7% from the previous quarter to \$470 million. Lower non-interest income and higher allowances were partially offset by higher net interest income and a net tax write-back.

Net interest income rose 8% to \$766 million from higher loan volume and deposit volumes, as well as lower interest expenses. Non-interest income fell 26% to \$404 million. The previous quarter had included a \$47 million gain from the transaction involving DBS AM. Income from treasury product sales was also lower.

Expenses fell 5% to \$490 million. Allowances rose 29% to \$179 million from higher specific allowances.

For the full year, net profit rose 11% to \$1.88 billion. Net interest income rose 8% to \$2.91 billion from loan and deposit volume growth. Non-interest income grew 4% to \$1.81 billion as higher investment gains and treasury product cross-selling was partially offset by lower trading income. Expenses rose 21% to \$1.95 billion as staff and non-staff costs increased. Allowances fell 25% to \$492 million as lower specific allowances were partially offset by an increase in general allowances.

Hong Kong

The fourth quarter's results incorporate a depreciation of the Singapore dollar against the Hong Kong dollar of 4% from the previous quarter and an appreciation of 2% from a year ago.

Net profit rose 20% from the previous quarter to \$130 million as total allowances fell. An 11% increase in total income was offset by higher expenses, leaving profit before allowances little changed.

Net interest income grew 12% from the previous quarter to \$211 million. Net interest margin rose 10 basis points to 1.35% as loan yields increased faster than deposit costs.

Loans rose 3% in local currency terms during the quarter, due mainly to trade finance.

Non-interest income rose 11% from the previous quarter to \$151 million from higher trading gains.

Expenses rose 20% from the previous quarter to \$184 million from higher staff and non-staff costs. Total allowances fell 44% to \$24 million as both specific and general allowances were lower.

For the full year, there was an 8% appreciation of the Singapore dollar against the Hong Kong dollar. Net profit

was little changed at \$571 million. Total income was stable at \$1.45 billion but was higher in local currency terms as net interest income rose in line with loan growth and non-interest income increased with better contributions from a range of activities. A decline in expenses, due primarily to provisions for investors in Constellation notes taken in 2010, was offset by an increase in general allowances.

Other regions

Net profit for *Rest of Greater China* fell 22% from the previous quarter to \$36 million. Total income was unchanged at \$161 million as an increase in net interest income from higher loan volumes was offset by a decline in non-interest income. Expenses rose 17% to \$118 million from higher staff costs. Allowances rose slightly from \$7 million to \$10 million due to higher general allowances.

For the full year, net profit tripled to \$178 million as higher loan and deposit volumes resulted in a 68% increase in net interest income to \$550 million. Expenses rose 22% to \$397 million from business expansion. Allowances of \$19 million were one-third the level of the previous year as there was a net write-back of specific allowances.

Net profit for *South and South-east Asia* fell 32% from the previous quarter to \$60 million. Net interest income was unchanged at \$98 million. Non-interest income fell 32% to \$43 million as fee income from trade and remittances and loan activities fell. Expenses rose 25% to \$75 million from higher staff costs. Total allowances fell from \$19 million to \$8 million as both specific and general allowances declined.

For the full year, net profit rose 40% to \$285 million. Net interest income rose 28% to \$361 million from higher loan volumes, while non-interest income was 13% higher at \$196 million as fee and trading income rose. Expenses rose 19% to \$247 million from higher headcount. Lower general and specific allowances resulted in a halving of total allowances to \$39 million.

Net profit for *Rest of the World* more than doubled from the previous quarter to \$35 million. Net interest income was 11% lower at \$51 million. Non-interest income rose nine-fold to \$31 million from higher trading income. Expenses were little changed at \$18 million. Total allowances fell from \$23 million to \$8 million as specific allowances declined.

For the full year, net profit fell 7% to \$124 million. Total income was little changed at \$290 million as a decline in net interest income due to lower margins was offset by higher trading income. Expenses were little changed at \$65 million, while total allowances fell 24% to \$42 million as specific allowances declined. The increase in profit before tax was more than offset by higher taxes.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CUSTOMER LOANS ^{1/}

(\$m)	31 Dec 2011	30 Sept 2011	31 Dec 2010
Gross	197,827	188,536	154,722
Less:			
Specific allowances	1,188	1,099	1,152
General allowances	1,919	1,807	1,476
Net total	194,720	185,630	152,094
By business unit			
Consumer/ Private Banking	54,575	53,487	50,256
Institutional Banking	141,084	132,932	103,219
Others	2,168	2,117	1,247
Total (Gross)	197,827	188,536	154,722
By geography ^{2/}			
Singapore	89,427	87,538	74,595
Hong Kong	40,369	40,689	36,688
Rest of Greater China	30,147	23,620	13,495
South and South-east Asia	19,290	18,131	13,976
Rest of the World	18,594	18,558	15,968
Total (Gross)	197,827	188,536	154,722
By industry			
Manufacturing	24,872	23,719	19,217
Building and construction	28,527	26,798	21,385
Housing loans	41,322	40,749	38,676
General commerce	34,159	31,217	16,732
Transportation, storage & communications	16,929	16,961	14,378
Financial institutions, investment & holding companies	19,743	19,222	18,517
Professionals & private individuals (except housing loans)	12,800	11,926	11,142
Others	19,475	17,944	14,675
Total (Gross)	197,827	188,536	154,722
By currency			
Singapore dollar	78,756	74,831	67,439
Hong Kong dollar	31,511	31,392	30,478
US dollar	61,007	58,027	38,094
Others	26,553	24,286	18,711
Total (Gross)	197,827	188,536	154,722

Notes:

1/ Includes customer loans classified as financial assets at fair value through profit or loss on the balance sheet

2/ Loans by geography are classified according to where the borrower is incorporated.

Gross customer loans rose 5% from the previous quarter to \$197.8 billion. The growth was led by corporate borrowing across industries and regions.

Gross loans were 28% higher than a year ago, with the expansion spread across regions and industries. Half of the increase from a year ago was for trade finance.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NON-PERFORMING ASSETS AND LOSS ALLOWANCE COVERAGE

By business unit	NPA (\$m)	SP (\$m)	GP (\$m)	NPL (% of loans)	(GP+SP)/NPA (%)	(GP+SP)/ unsecured NPA (%)
31 Dec 2011						
Consumer/ Private Banking	303	86	545	0.6	208	369
Institutional Banking	2,336	1,141	1,374	1.7	108	132
Total non-performing loans (NPL)	2,639	1,227	1,919	1.3	119	152
Debt securities	10	3	119	-	1,220	2,440
Contingent liabilities & others	255	91	301	-	154	288
Total non-performing assets (NPA)	2,904	1,321	2,339	-	126	165
30 Sept 2011						
Consumer/ Private Banking	293	84	534	0.5	211	372
Institutional Banking	2,218	1,059	1,273	1.7	105	124
Total non-performing loans (NPL)	2,511	1,143	1,807	1.3	117	145
Debt securities	10	3	113	-	1,160	2,320
Contingent liabilities & others	259	103	288	-	151	281
Total non-performing assets (NPA)	2,780	1,249	2,208	-	124	158
31 Dec 2010						
Consumer/ Private Banking	317	107	502	0.6	192	323
Institutional Banking	2,561	1,105	974	2.5	81	102
Total non-performing loans (NPL)	2,878	1,212	1,476	1.9	93	121
Debt securities	28	6	124	-	464	1,300
Contingent liabilities & others	307	127	252	-	123	134
Total non-performing assets (NPA)	3,213	1,345	1,852	-	100	127

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

By geography	NPA (\$m)	SP (\$m)	GP (\$m)	NPL (% of loans)	(GP+SP)/NPA (%)	(GP+SP)/ unsecured NPA (%)
31 Dec 2011						
Singapore	528	184	749	0.6	177	344
Hong Kong	334	176	406	0.8	174	270
Rest of Greater China	237	132	323	0.8	192	299
South and South-east Asia	180	111	255	0.9	203	261
Rest of the World	1,360	624	186	7.3	60	63
Total non-performing loans	2,639	1,227	1,919	1.3	119	152
Debt securities	10	3	119	-	1,220	2,440
Contingent liabilities & others	255	91	301	-	154	288
Total non-performing assets	2,904	1,321	2,339	-	126	165
30 Sept 2011						
Singapore	405	141	722	0.5	213	378
Hong Kong	324	173	409	0.8	180	271
Rest of Greater China	234	129	253	1.0	163	245
South and South-east Asia	173	107	238	1.0	199	261
Rest of the World	1,375	593	185	7.4	57	59
Total non-performing loans	2,511	1,143	1,807	1.3	117	145
Debt securities	10	3	113	-	1,160	2,320
Contingent liabilities & others	259	103	288	-	151	281
Total non-performing assets	2,780	1,249	2,208	-	124	158
31 Dec 2010						
Singapore	594	196	613	0.8	136	300
Hong Kong	359	212	369	1.0	162	230
Rest of Greater China	250	166	145	1.9	124	176
South and South-east Asia	164	107	189	1.2	180	185
Rest of the World	1,511	531	160	9.5	46	50
Total non-performing loans	2,878	1,212	1,476	1.9	93	121
Debt securities	28	6	124	-	464	1,300
Contingent liabilities & others	307	127	252	-	123	134
Total non-performing assets	3,213	1,345	1,852	-	100	127

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

By industry (\$m)	31 Dec 2011		30 Sept 2011		31 Dec 2010	
	NPA	SP	NPA	SP	NPA	SP
Manufacturing	383	241	409	257	502	325
Building and construction	92	38	83	33	90	25
Housing loans	108	13	103	13	118	17
General commerce	269	131	280	123	248	107
Transportation, storage & communications	563	285	434	205	646	183
Financial institutions, investment & holding companies	930	400	927	387	960	399
Professionals & private individuals (except housing loans)	175	63	169	59	173	74
Others	119	56	106	66	141	82
Total non-performing loans	2,639	1,227	2,511	1,143	2,878	1,212
Debt securities	10	3	10	3	28	6
Contingent liabilities & others	255	91	259	103	307	127
Total non-performing assets	2,904	1,321	2,780	1,249	3,213	1,345

By loan classification (\$m)	31 Dec 2011		30 Sept 2011		31 Dec 2010	
	NPA	SP	NPA	SP	NPA	SP
Non-performing assets						
Substandard	1,526	241	1,516	281	2,086	374
Doubtful	985	687	890	594	737	580
Loss	393	393	374	374	390	391
Total	2,904	1,321	2,780	1,249	3,213	1,345
Restructured assets						
Substandard	835	199	862	199	443	47
Doubtful	120	97	103	85	145	128
Loss	35	35	22	22	28	28
Total	990	331	987	306	616	203

By collateral type (\$m)	31 Dec 2011	30 Sept 2011	31 Dec 2010
	NPA	NPA	NPA
Unsecured non-performing assets	2,217	2,184	2,523
Secured non-performing assets by collateral type			
Properties	355	335	250
Shares and debentures	78	83	85
Fixed deposits	41	43	38
Others	213	135	317
Total	2,904	2,780	3,213

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

By period overdue

(\$m)	31 Dec 2011 NPA	30 Sept 2011 NPA	31 Dec 2010 NPA
Not overdue	1,161	1,019	1,294
<90 days overdue	169	675	225
91-180 days overdue	607	129	124
>180 days overdue	967	957	1,570
Total	2,904	2,780	3,213

Non-performing assets rose 4% from the previous quarter to \$2.90 billion, while the NPL rate was stable at 1.3%. The increase in non-performing loans was due mainly to one legacy exposure in the shipping industry.

Forty percent of classified non-performing assets were still current in interest and principal. Allowance coverage amounted to 126% of non-performing assets and to 165% if collateral was considered.

FUNDING SOURCES

(\$m)	31 Dec 2011	30 Sept 2011	31 Dec 2010
Customer deposits ^{1/}	225,346	219,714	193,692
Interbank liabilities ^{2/}	28,087	28,342	18,854
Other borrowings and liabilities ^{2/}	58,620	62,304	44,565
Shareholders' funds	28,794	28,281	26,599
Total	340,847	338,641	283,710

Notes:

1/ Includes customer deposits classified as financial liabilities at fair value through profit or loss on the balance sheet

2/ Includes liabilities classified as financial liabilities at fair value through profit or loss on the balance sheet

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CUSTOMER DEPOSITS ^{1/}

(\$m)	31 Dec 2011	30 Sept 2011	31 Dec 2010
By currency and product			
Singapore dollar	122,992	120,913	112,228
Fixed deposits	17,701	19,793	20,081
Savings accounts	86,065	82,657	76,417
Current accounts	18,004	17,737	14,916
Others	1,222	726	814
Hong Kong dollar	21,733	23,786	23,220
Fixed deposits	12,559	13,979	12,946
Savings accounts	5,693	6,202	7,082
Current accounts	3,143	3,153	3,081
Others	338	452	111
US dollar	40,336	34,019	30,022
Fixed deposits	20,590	17,149	16,064
Savings accounts	3,206	2,849	3,255
Current accounts	13,494	12,813	9,777
Others	3,046	1,208	926
Others	40,285	40,996	28,222
Fixed deposits	32,072	31,625	22,289
Savings accounts	2,350	2,391	2,035
Current accounts	3,504	4,340	2,341
Others	2,359	2,640	1,557
Total	225,346	219,714	193,692
Fixed deposits	82,922	82,546	71,380
Savings accounts	97,314	94,099	88,789
Current accounts	38,145	38,043	30,115
Others	6,965	5,026	3,408

Note:

^{1/} Includes customer deposits classified as financial liabilities at fair value through profit or loss on the balance sheet

Customer deposits rose 3% from the previous quarter to \$225.3 billion, led by US dollar fixed deposits and Singapore dollar savings deposits.

Customer deposits grew 16% from a year ago, with US dollar, Singapore dollar and Chinese yuan deposits accounting for most of the growth.

OTHER BORROWINGS & LIABILITIES

(\$m)	31 Dec 2011	30 Sept 2011	31 Dec 2010
Subordinated term debts ^{1/}	5,304	5,309	6,398
Other debt securities in issue ^{1/}			
Due within 1 year	7,945	6,205	505
Due after 1 year	2,409	2,190	1,655
Others	42,962	48,600	36,007
Total	58,620	62,304	44,565

Note:

^{1/} Unsecured

VALUE AT RISK AND TRADING INCOME

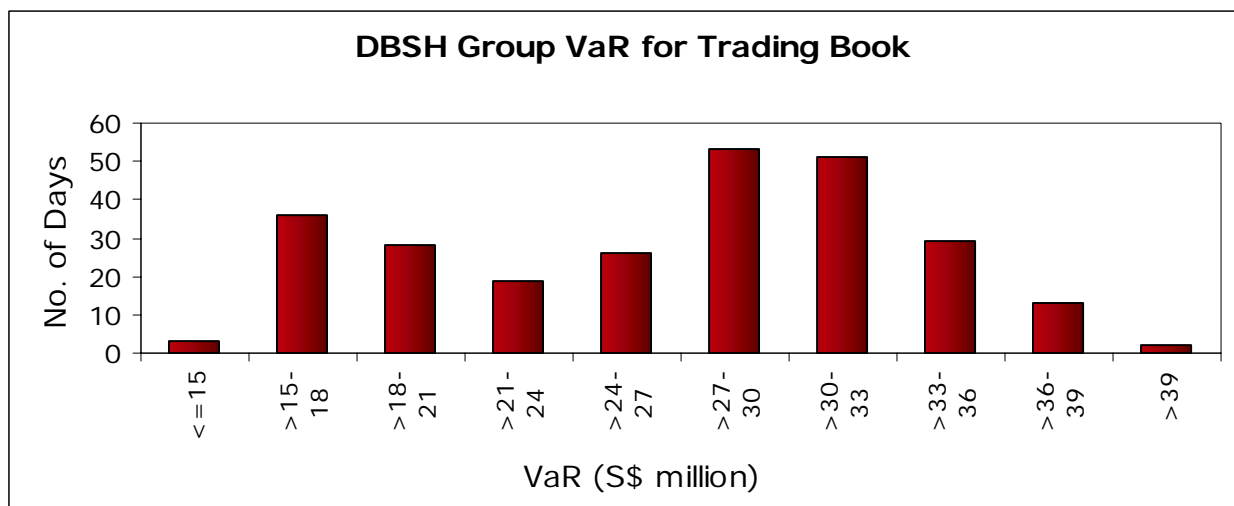
The Group uses a Value at Risk (VaR) measure as one mechanism for monitoring and controlling trading risk. The VaR is calculated using a one-day time horizon and a 99% confidence interval.

Back-testing is a procedure used to verify the predictive power of the value-at-risk calculations involving comparison of actual daily profits and losses adjusted to remove non-modelled items such as fee and commission income with the estimates from the value-at-risk model. In our back-testing for the period from 3 January 2011 to 31 December 2011, there were 5 outliers compared to 2 for 2010. The increase of backtesting exceptions in 2011 of 5 was mainly clustered in August 2011 and triggered by the extremely volatile SGD interest rates movements when the SOR rate went negative in the Group's core market.

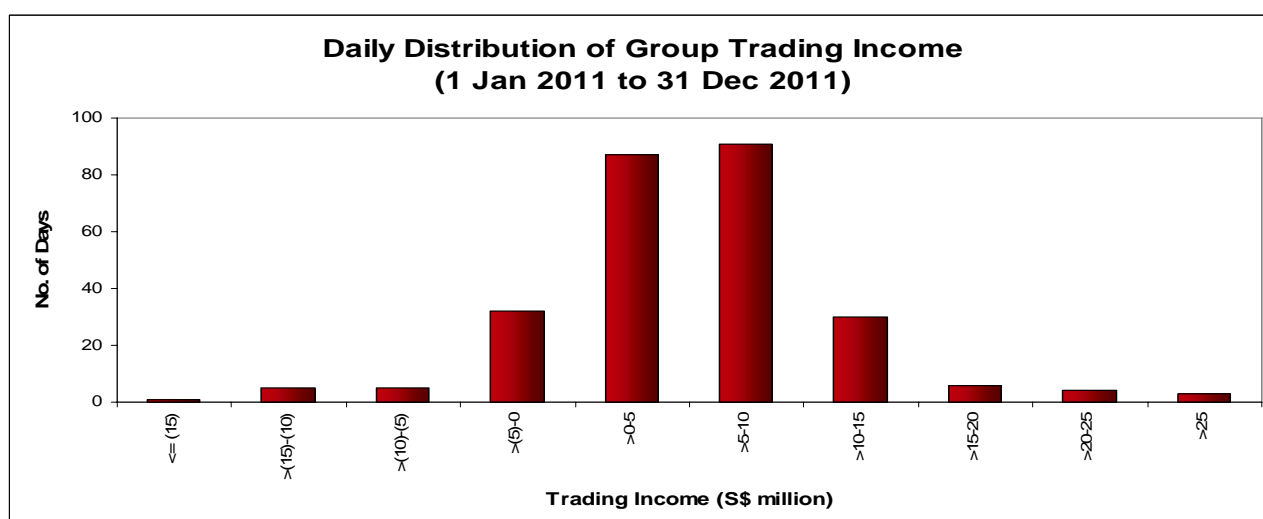
The following table shows the period-end, average, high and low VaR for the trading risk exposure of the Group for the period from 1 January 2011 to 31 December 2011. The Group's trading book VaR methodology is based on Historical Simulation VaR.

(\$m)	As at 31 December 2011	1 January 2011 to 31 December 2011		
		Average	High	Low
Total	37	27	42	14

The chart below shows histogram of VaR for the Group's trading book for the period from 1 January 2011 to 31 December 2011.



The chart below shows the frequency distribution of daily trading income of Treasury & Markets Group for the period from 1 January 2011 to 31 December 2011.



DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CAPITAL ADEQUACY

(\$m)	31 Dec 2011	30 Sept 2011	31 Dec 2010
Tier 1			
Share capital	9,350	9,347	8,780
Disclosed reserves and others	23,308	22,670	23,927
Less: Tier 1 Deductions	(5,123)	(5,029)	(5,064)
Eligible Tier 1	27,535	26,988	27,643
Tier 2			
Loan allowances admitted as Tier 2	1,151	1,001	696
Subordinated debts	5,305	5,309	5,281
Revaluation surplus from equity securities	29	28	149
Less: Tier 2 Deductions	(192)	(111)	(142)
Total eligible capital	33,828	33,215	33,627
Risk-weighted assets	213,722	213,919	182,694
Capital adequacy ratio (%)			
Tier 1 ratio	12.9	12.6	15.1
Total (Tier 1 & 2) ratio	15.8	15.5	18.4
Core Tier 1 ratio^{1/}			
- with phase in deduction of 0% to end 2013	12.9	12.6	14.5
- with full deduction	11.0	10.7	11.8

Note:

1/ In June 2011, the MAS announced the Basel III requirements for Singapore-incorporated banks, which included a progressive phase-in for deductions against common equity starting from an initial 0% in 2013 and reaching 100% by 2018. If the 2013 deduction requirements were to be applied to the Group's December 2011 position, and without taking into account any other changes required by Basel III, the equivalent Core Tier 1 would be 12.9%.

The Group's capital adequacy ratio increased from 15.5% in the previous quarter to 15.8%. Over the quarter, the increase in credit risk-weighted assets (RWA) was offset by a reduction in operational RWA, with the operational risk multiplier being lifted in October 2011. Despite the implementation of the new Basel 2.5 rules, there was a net decrease in the capital set aside for market risk.

UNREALISED VALUATION SURPLUS/(LOSSES)

(\$m)	31 Dec 2011	30 Sept 2011	31 Dec 2010
Properties ^{1/}	580	532	507
Financial investments classified as loans and receivables ^{2/}	107	186	26
Total	687	718	533

Notes:

1/ stated at cost less accumulated depreciation and impairment losses in the balance sheet

2/ stated at cost less impairment losses in the balance sheet

The amount of unrealised valuation surplus decreased \$31 million to \$687 million in fourth quarter 2011 due to lower valuations of financial investments classified as loans and receivables.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Audited Consolidated Income Statement

In \$ millions	4th Qtr 2011 ^{1/}	4th Qtr 2010 ^{1/}	+/(-) %	3rd Qtr 2011 ^{1/}	+/(-) %	Year 2011	Year 2010	+/(-) %
Income								
Interest income	1,814	1,461	24	1,676	8	6,555	5,699	15
Interest expense	524	355	48	462	13	1,730	1,381	25
Net interest income	1,290	1,106	17	1,214	6	4,825	4,318	12
Net fee and commission income	342	358	(4)	397	(14)	1,542	1,397	10
Net trading income	145	154	(6)	138	5	698	915	(24)
Net (loss)/income from financial instruments designated at fair value	(12)	10	NM	5	NM	(18)	(20)	10
Net income from financial investments	136	39	>100	152	(11)	454	310	46
Other income	15	62	(76)	62	(76)	130	146	(11)
Total income	1,916	1,729	11	1,968	(3)	7,631	7,066	8
Expenses								
Employee benefits	440	362	22	444	(1)	1,712	1,422	20
Other expenses	445	418	6	403	10	1,591	1,503	6
Goodwill charges	-	-	-	-	-	-	1,018	NM
Allowances for credit and other losses	229	157	46	231	(1)	722	911	(21)
Total expenses	1,114	937	19	1,078	3	4,025	4,854	(17)
Profit	802	792	1	890	(10)	3,606	2,212	63
Share of profits of associates	35	24	46	37	(5)	127	102	25
Profit before tax	837	816	3	927	(10)	3,733	2,314	61
Income tax expense	54	71	(24)	113	(52)	443	454	(2)
Net profit	783	745	5	814	(4)	3,290	1,860	77
Attributable to:								
Shareholders	731	678	8	762	(4)	3,035	1,632	86
Non-controlling interests	52	67	(22)	52	-	255	228	12
	783	745	5	814	(4)	3,290	1,860	77

Notes:
1/ Unaudited
NM Not Meaningful

Audited Consolidated Statement of Comprehensive Income

In \$ millions	4th Qtr 2011 ^{1/}	4th Qtr 2010 ^{1/}	+/(-) %	3rd Qtr 2011 ^{1/}	+/(-) %	Year 2011	Year 2010	+/(-) %
Net profit	783	745	5	814	(4)	3,290	1,860	77
Other comprehensive income:								
Foreign currency translation differences for foreign operations	(13)	(97)	87	14	NM	(38)	(187)	80
Share of other comprehensive income of associates	4	3	33	6	(33)	(1)	12	NM
Available-for-sale financial assets and others								
<i>Net valuation taken to equity</i>	(76)	(439)	83	284	NM	398	598	(33)
<i>Transferred to income statement on sale</i>	(123)	(42)	(>100)	(158)	22	(425)	(315)	(35)
<i>Tax on items taken directly to or transferred from equity</i>	5	26	(81)	21	(76)	31	(28)	NM
Other comprehensive income, net of tax	(203)	(549)	63	167	NM	(35)	80	NM
Total comprehensive income	580	196	>100	981	(41)	3,255	1,940	68
Attributable to:								
Shareholders	527	159	>100	926	(43)	3,019	1,829	65
Non-controlling interests	53	37	43	55	(4)	236	111	>100
	580	196	>100	981	(41)	3,255	1,940	68

Notes:
1/ Unaudited
NM Not Meaningful

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Audited Balance Sheets

In \$ millions	GROUP			COMPANY		
	31 Dec 2011	30 Sept 2011 ^{1/}	31 Dec 2010	31 Dec 2011	30 Sept 2011 ^{1/}	31 Dec 2010
ASSETS						
Cash and balances with central banks	25,304	27,090	31,203			
Singapore Government securities and treasury bills	12,503	12,239	11,546			
Due from banks	25,571	29,586	20,306			
Financial assets at fair value through profit or loss ^{2/}	11,927	10,895	10,179			
Positive fair values for financial derivatives	21,164	24,838	16,767			
Loans and advances to customers	194,275	185,211	151,698			
Financial investments	30,491	28,073	26,550			
Securities pledged	2,634	3,511	1,982			
Subsidiaries				10,957	9,622	10,438
Investments in associates	949	928	813			
Goodwill on consolidation	4,802	4,802	4,802			
Properties and other fixed assets	976	972	1,025			
Investment properties	372	371	358			
Deferred tax assets	149	137	102			
Other assets	9,730	9,988	6,379	18	22	63
TOTAL ASSETS	340,847	338,641	283,710	10,975	9,644	10,501
LIABILITIES						
Due to banks	27,601	28,138	18,811			
Due to non-bank customers	218,992	212,533	187,695			
Financial liabilities at fair value through profit or loss ^{3/}	11,912	13,551	10,228			
Negative fair values for financial derivatives	22,207	26,353	17,222			
Bills payable	254	267	601			
Current tax liabilities	837	965	879			
Deferred tax liabilities	30	36	40			
Other liabilities	10,287	10,488	6,574	6	5	5
Other debt securities in issue	10,354	8,395	2,160			
Subordinated term debts	5,304	5,309	6,398			
TOTAL LIABILITIES	307,778	306,035	250,608	6	5	5
NET ASSETS	33,069	32,606	33,102	10,969	9,639	10,496
EQUITY						
Share capital	9,350	9,347	8,780	9,350	9,347	8,780
Treasury shares	(154)	(136)	(84)	(115)	(96)	-
Other reserves	7,075	7,280	7,084	86	87	79
Revenue reserves	12,523	11,790	10,819	1,648	301	1,637
SHAREHOLDERS' FUNDS	28,794	28,281	26,599	10,969	9,639	10,496
Non-controlling interests	4,275	4,325	6,503			
TOTAL EQUITY	33,069	32,606	33,102	10,969	9,639	10,496
OFF BALANCE SHEET ITEMS						
Contingent liabilities	20,789	20,178	16,031			
Commitments	117,325	109,299	95,918			
Financial derivatives	1,612,038	1,710,196	1,347,522			
OTHER INFORMATION						
Net book value per ordinary share (\$)						
(i) Basic	11.99	11.77	11.25	4.56	4.00	4.44
(ii) Diluted	11.75	11.54	11.04	4.49	3.95	4.38

Notes:

1/ Unaudited

2/ Includes customer loans, interbank assets, other government securities and treasury bills, corporate debt securities and equity securities

3/ Includes customer deposits, interbank liabilities, other debt securities in issue and other financial liabilities

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Audited Consolidated Statement of Changes in Equity

GROUP								
In \$ millions	Ordinary shares	Convertible preference shares	Treasury shares	Other reserves	Revenue reserves	Total	Non- controlling interests	Total equity
Balance at 1 January 2011	8,533	247	(84)	7,084	10,819	26,599	6,503	33,102
Issue of shares upon exercise of share options	19					19		19
Reclassification of reserves upon exercise of share options	2			(2)		-		-
Issue of shares pursuant to Scrip Dividend Scheme	547	2				549		549
Cost of share-based payments				54		54		54
Draw-down of reserves upon vesting of performance shares			45	(45)		-		-
Purchase of Treasury shares			(115)			(115)		(115)
Final dividends paid for previous year					(645)	(645)		(645)
Interim dividends paid for current year					(686)	(686)		(686)
Dividends paid to non-controlling interests						-	(275)	(275)
Redemption of preference shares issued by a subsidiary						-	(2,112)	(2,112)
Change in non-controlling interests						-	(77)	(77)
Total comprehensive income				(16)	3,035	3,019	236	3,255
Balance at 31 December 2011	9,101	249	(154)	7,075	12,523	28,794	4,275	33,069
Balance at 1 January 2010	8,188	247	(114)	6,879	10,173	25,373	4,126	29,499
Issue of shares upon exercise of share options	16					16		16
Reclassification of reserves upon exercise of share options	2			(2)		-		-
Issue of shares pursuant to Scrip Dividend Scheme	327					327		327
Cost of share-based payments				40		40		40
Draw-down of reserves upon vesting of performance shares			30	(30)		-		-
Final dividends paid for previous year					(320)	(320)		(320)
Interim dividends paid for current year					(666)	(666)		(666)
Dividends paid to non-controlling interests							(233)	(233)
Preference shares issued by a subsidiary							2,499	2,499
Total comprehensive income				197	1,632	1,829	111	1,940
Balance at 31 December 2010	8,533	247	(84)	7,084	10,819	26,599	6,503	33,102

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Audited Statement of Changes in Equity

COMPANY						
In \$ millions	Ordinary shares	Convertible preference shares	Treasury shares	Other reserves	Revenue reserves	Total equity
Balance at 1 January 2011	8,533	247	-	79	1,637	10,496
Issue of shares upon exercise of share options	19					19
Reclassification of reserves upon exercise of share options	2			(2)		-
Issue of shares pursuant to Scrip Dividend Scheme	547	2				549
Cost of share-based payments				54		54
Draw-down of reserves upon vesting of performance shares				(45)		(45)
Purchase of Treasury shares			(115)			(115)
Final dividends paid for previous year					(647)	(647)
Interim dividends paid for current year					(686)	(686)
Total comprehensive income					1,344	1,344
Balance at 31 December 2011	9,101	249	(115)	86	1,648	10,969
Balance at 1 January 2010	8,188	247	-	71	1,280	9,786
Issue of shares upon exercise of share options	16					16
Reclassification of reserves upon exercise of share options	2			(2)		-
Issue of shares pursuant to Scrip Dividend Scheme	327					327
Cost of share-based payments				40		40
Draw-down of reserves upon vesting of performance shares				(30)		(30)
Final dividends paid for previous year					(320)	(320)
Interim dividends paid for current year					(669)	(669)
Total comprehensive income					1,346	1,346
Balance at 31 December 2010	8,533	247	-	79	1,637	10,496

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Audited Consolidated Cash Flow Statement

In \$ millions	Year 2011	Year 2010
Cash flows from operating activities		
Net profit for the year	3,290	1,860
<i>Adjustments for non-cash items:</i>		
Allowances for credit and other losses	722	911
Depreciation of properties and other fixed assets	185	193
Goodwill charges	-	1,018
Share of profits of associates	(127)	(102)
Net gain on disposal (net of write-off) of properties and other fixed assets	(6)	(103)
Net gain on disposal of financial investments	(454)	(310)
Net gain on disposal of subsidiary	(47)	-
Income tax expense	443	454
Profit before changes in operating assets & liabilities	4,006	3,921
<i>Increase/(Decrease) in:</i>		
Due to banks	8,790	9,703
Due to non-bank customers	31,297	9,247
Financial liabilities at fair value through profit or loss	1,684	1,011
Other liabilities including bills payable	8,522	708
Debt securities and borrowings	7,949	1,405
<i>(Increase)/Decrease in:</i>		
Change in restricted balances with central banks	(322)	(2,857)
Singapore Government securities and treasury bills	(957)	4,414
Due from banks	(5,297)	1,895
Financial assets at fair value through profit or loss	(1,748)	1,078
Loans and advances to customers	(43,215)	(22,521)
Financial investments	(3,509)	(529)
Other assets	(8,366)	(2,246)
Tax paid	(511)	(382)
Net cash (used in)/generated from operating activities (1)	(1,677)	4,847
Cash flows from investing activities		
Proceeds from disposal of associates/ joint ventures	-	136
Acquisition of interest in associates	(55)	(75)
Dividends from associates	46	57
Purchase of properties and other fixed assets	(177)	(176)
Proceeds from disposal of properties and other fixed assets	47	192
Net cash (used in)/generated from investing activities (2)	(139)	134
Cash flows from financing activities		
Increase in share capital	570	345
Payment upon maturity of subordinated term debts	(1,046)	(705)
Purchase of treasury shares	(115)	-
Dividends paid to shareholders of the Company	(1,331)	(986)
Dividends paid to non-controlling interests	(275)	(233)
Payment upon redemption of preference shares	(2,112)	-
Change in non-controlling interests	(77)	-
Proceeds from issue of preference shares by a subsidiary	-	2,499
Net cash (used in)/generated from financing activities (3)	(4,386)	920
Exchange translation adjustments (4)	(19)	(70)
Net change in cash and cash equivalents (1)+(2)+(3)+(4)	(6,221)	5,831
Cash and cash equivalents at 1 January	25,112	19,281
Cash and cash equivalents at 31 December	18,891	25,112

Additional Information

ISSUANCE OF ORDINARY SHARES

- (a) The movement in the number of issued and fully paid-up ordinary shares for the fourth quarter ended 31 December 2011 is as follows:

At 1 January 2011	2,308,790,261
Issuance of new shares pursuant to Scrip Dividend Scheme	39,859,969
Exercise of share options pursuant to the DBSH Share Option Plan	1,667,402
At 31 December 2011	<u>2,350,317,632</u>

Weighted average number of shares for the year ended 31 December 2011	
- ordinary shares	2,327,825,549
- fully diluted	2,428,734,777

The fully diluted shares took into account the effect of a full conversion of non-voting convertible preference shares ("CPS") and non-voting redeemable CPS and the exercise of all outstanding share options granted to employees when such shares would be issued at a price lower than the average share price during the period.

- (b) New ordinary shares that would have been issued on conversion of preference shares and exercise of share options are as follows:

(Number)	<u>31 Dec 2011</u>	<u>30 Sept 2011</u>	<u>31 Dec 2010</u>
Conversion of non-voting CPS	180,915	180,915	180,654
Conversion of non-voting redeemable CPS	99,857,155	99,857,155	99,713,061
Exercise of share options	5,728,520	6,720,715	11,417,819

- (c) The movement in the number of treasury shares for the year ended 31 December 2011 is as follows:

At 1 January 2011	5,762,894
Vesting of performance shares	(3,086,213)
Purchase of Treasury shares	8,644,000
At 31 December 2011	<u>11,320,681</u>

INTERESTED PERSON TRANSACTIONS

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

REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CEO OR SUBSTANTIAL SHAREHOLDER

Pursuant to Rule 704(13) of the SGX Listing Manual, DBSH wishes to advise that there are no persons occupying a managerial position in DBSH, DBS Bank Ltd or any of the principal subsidiaries of DBSH who are relatives of a director or chief executive officer or substantial shareholder of DBSH.

ADOPTION OF NEW OR REVISED FRS AND INT FRS

Revised FRS 24 Related Party Disclosures

The revised standard clarifies the definition of a related party to simplify the identification of such relationships, and eliminates inconsistencies in its application.

Amongst other changes, the revised standard expands the definition of a related party, and would treat two entities under the same parent as related to each other if the parent has control/joint control over one entity and control/joint control/significant influence over the other entity.

Improvements to FRSs (2010)

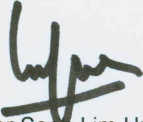
As part of IASB's annual improvements project, there are amendments made to 7 standards this year. These revisions are of a technical or clarifying nature, and the main revision this year pertains to FRS 107 Financial Instruments: Disclosures, where the financial effects of collateral and other credit enhancements are required to be disclosed.

There is no material impact expected on the Group's financial statements from the adoption of the above revisions.


CONFIRMATION BY THE BOARD

We, Peter Seah Lim Huat and Piyush Gupta, being two directors of DBS Group Holdings Ltd (the Company), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the Fourth Quarter ended 31 December 2011 Unaudited Financial Results of the Company and of the Group and of the Year 2011 Audited Financial Results of the Company and of the Group to be false or misleading in any material aspect.

On behalf of the board of directors



Peter Seah Lim Huat
Chairman



Piyush Gupta
Chief Executive Officer

9 February 2012
Singapore

The extract of the audit report dated 9 February 2012, on the financial statements of DBS Group Holdings Ltd and its subsidiaries for the year ended 31 December 2011 which have been prepared in accordance with Singapore Financial Reporting Standards, is as follows:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DBS GROUP HOLDINGS LTD (INCORPORATED IN SINGAPORE)

Report on the Financial Statements

We have audited the accompanying financial statements of DBS Group Holdings Ltd (the "Company") and its subsidiaries (the "Group") set out on pages 1 to 69, which comprise the consolidated balance sheet of the group and balance sheet of the Company as at 31 December 2011, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards, including the modification of the requirements of FRS 39 Financial Instruments: Recognition and Measurement in respect of loan loss provisioning by Notice to Banks No. 612 "Credit Files, Grading and Provisioning" issued by Monetary Authority of Singapore, so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2011, and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on other Legal and Regulatory Requirements

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

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants

Singapore, 9 February 2012

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You are reminded that the following Offering Circular has been delivered to you on the basis that you are a person into whose possession the following Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver or disclose the contents of the following Offering Circular to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Dealer (as described in the Offering Circular) or any affiliate of a Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Dealer or such affiliate on behalf of the issuer in such jurisdiction.

The following offering circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently none of the Issuer, the Joint Arrangers (as described in the Offering Circular) nor any Dealer nor any person who controls any of them nor any director, officer, employee nor agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard-copy version available to you on request from a Joint Arranger.

You should not reply by e-mail to this notice, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. You are responsible for protecting this e-mail against viruses and other destructive items. Your use of this e-mail is at your own risk, and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



DBS Bank Ltd.

*(incorporated with limited liability under the laws of the Republic of Singapore)
(registered in Singapore under registration number 196800306E)*

U.S.\$15,000,000,000 Global Medium Term Note Programme

On June 24, 2010, DBS Bank Ltd. issued an Offering Circular describing its Debt Issuance Programme which was established on June 24, 2010. Such Debt Issuance Programme is amended as of the date of this Offering Circular, (as amended, the "Programme") and this Offering Circular supersedes all previous offering circulars and any supplement thereto. Any Notes (as defined below) issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. The provisions described herein do not affect any notes issued under the Debt Issuance Programme prior to the date of this Offering Circular.

Under the Programme described in this Offering Circular, DBS Bank Ltd. (a limited liability company incorporated in Singapore), which may issue through its registered office in Singapore or out of its Hong Kong branch or London branch ("DBS Bank" or the "Issuer"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue debt securities (the "Notes"). The Notes may include Subordinated Notes (as defined herein) issued by the Issuer through its registered office in Singapore which may qualify as regulatory capital of the Issuer. The aggregate nominal amount of Notes outstanding will not at any time exceed U.S.\$15,000,000,000 (or the equivalent in other currencies and subject to increase as provided herein).

Application has been made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in, and for quotation of, any Notes to be issued which are agreed at the time of issue to be listed on the SGX-ST. The relevant pricing supplement in respect of any issue of Notes (a "Pricing Supplement") will specify whether or not such Notes will be listed on the SGX-ST or any other stock exchange. There is no guarantee that an application to the SGX-ST will be approved. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Programme or such Notes. The SGX-ST assumes no responsibility for the correctness of any statement made or opinions expressed herein. The Programme provides that the Notes may be listed on such other or further stock exchange(s) as may be agreed in relation to each series. The Issuer may also issue unlisted Notes.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE NOTES MAY INCLUDE BEARER NOTES THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE OFFERED OR SOLD OR, IN THE CASE OF BEARER NOTES, DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S).

Each Series of Registered Notes will be represented by registered certificates (each a "Certificate"), without interest coupons, and Registered Notes which are sold in an "offshore transaction" within the meaning of Regulation S ("Unrestricted Notes"), will initially be represented by a permanent registered global certificate (each an "Unrestricted Global Certificate") without interest coupons, which may be either (i) deposited on the relevant issue date with a common depository on behalf of Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream, Luxembourg") (the "Common Depository") or with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("DTC"); or (ii) delivered outside a clearing system, as agreed between the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer (all as defined herein), if any, or purchaser. Registered Notes which are sold in the United States to "qualified institutional buyers" (each, a "QIB") within the meaning of Rule 144A ("Rule 144A") under the Securities Act ("Restricted Notes") will initially be represented by a permanent registered global certificate (each a "Restricted Global Certificate" and, together with the "Unrestricted Global Certificate", the "Global Certificates"), without interest coupons, which may be deposited on the relevant issue date with a custodian (the "Custodian") for, and registered in the name of Cede & Co. as nominee for, DTC. Beneficial interests in Global Notes or Certificates held in book-entry form through Euroclear or Clearstream, Luxembourg will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg, as the case may be. Beneficial interests in Registered Notes represented by Global Certificates held through DTC will be shown on, and transfers thereof will be effected only through, records maintained by DTC. The provisions governing the exchange of interests in Global Notes for other Global Notes and Definitive Notes are described in "Summary of Provisions Relating to the Notes while in Global Form". Certain provisions governing restrictions on transfer of Registered Notes are described in "Transfer Restrictions".

In relation to any Tranche (as defined in "Summary of the Programme"), the aggregate nominal amount of the Notes of such Tranche, the interest (if any) payable in respect of the Notes of such Tranche, the issue price and any other terms and conditions not contained herein which are applicable to such Tranche will be set out in a Pricing Supplement which, with respect to Notes to be listed, will be delivered to the SGX-ST on or before the date of issue of the Notes of such Tranche.

Notes issued under the Programme may be rated or unrated. When an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision, downgrade or withdrawal at any time by the assigning rating agency.

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Offering Circular.

Joint Arrangers and Programme Dealers

DBS Bank Ltd.

BofA Merrill Lynch

Goldman Sachs (Singapore) Pte.

The date of this Offering Circular is October 11, 2011

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IMPORTANT

If you are in any doubt about this Offering Circular, you should consult your broker, dealer, bank manager, solicitor, certified public accountant or other professional adviser.

This document is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference” below).

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Issuer, which has taken all reasonable care to ensure that such is the case, the information contained in this Offering Circular is in accordance with the facts as at the date of this Offering Circular and does not omit any material information likely to affect the import of such information.

No person has been authorized to give any information or to make any representation other than as contained in this Offering Circular in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer, the Joint Arrangers, any Dealers, the Trustee or the Agents (as defined in “Summary of the Programme”). Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time after the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Joint Arrangers and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of the Notes and distribution of this Offering Circular, see “Subscription and Sale” and “Transfer Restrictions” and the applicable Pricing Supplement.

THE NOTES MAY BE OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATIONS AND/OR WITHIN THE UNITED STATES TO QIBS IN RELIANCE ON RULE 144A. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF REGISTERED NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. ANY SERIES OF NOTES MAY BE SUBJECT TO ADDITIONAL SELLING RESTRICTIONS. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF NOTES AND THE DISTRIBUTION OF THIS DOCUMENT, SEE “SUBSCRIPTION AND SALE” AND “TRANSFER RESTRICTIONS” AND THE APPLICABLE PRICING SUPPLEMENT.

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF NOTES OR THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

Neither this Offering Circular nor any information supplied in connection with the Programme constitutes an offer of, or an invitation by or on behalf of the Issuer, the Joint Arrangers or any Dealer to subscribe for or purchase, any Notes.

Subject as provided in the applicable Pricing Supplement, the only persons authorized to use this Offering Circular in connection with an offer of Notes are the persons named in the applicable Pricing Supplement as the relevant Dealer or any other persons named in the section “Non-exempt Offer” of the Pricing Supplement (if any), as the case may be.

To the fullest extent permitted by law, none of the Joint Arrangers, any Dealer, the Trustee or any Agent accepts any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by the Joint Arrangers or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. Each Joint Arranger, each Dealer, the Trustee and each Agent accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement. Neither this Offering Circular nor any other financial statements is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Joint Arrangers or any Dealers that any recipient of this Offering Circular or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Joint Arrangers, any Dealer, the Trustee or any Agent undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to their attention.

By receiving this Offering Circular, investors acknowledge that (i) they have been afforded an opportunity to request and to review, and have received, all information that investors consider necessary to verify the accuracy of, or to supplement, the information contained in this Offering Circular, (ii) they have not relied on any Joint Arranger, any Dealer (as defined herein), the Trustee nor any Agent nor any person affiliated with any Joint Arranger, any Dealer, the Trustee or any Agent in connection with their investigation of the accuracy of any information in this Offering Circular or their investment decision and (iii) no person has been authorized to give any information or to make any representation concerning the issue or sale of the Notes or the Issuer other than as contained in this Offering Circular and, if given or made, any such other information or representation should not be relied upon as having been authorized by the Issuer, the Joint Arrangers, the Dealers, the Trustee or the Agents.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT NOR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (“RSA 421-B”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

ADDITIONAL U.S. INFORMATION

This Offering Circular is being submitted on a confidential basis in the United States to a limited number of QIBs for informational use solely in connection with the consideration of the purchase of the Notes being offered hereby. Its use for any other purpose in the United States is not authorized. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

CERTAIN DEFINED TERMS AND CONDITIONS

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to “Singapore dollars” and “S\$” are to the lawful currency of Singapore, all references to “U.S. dollars” and “U.S.\$” are to the lawful currency of the United States of America, all references to “Hong Kong dollars” and “HK\$” are to the lawful currency of Hong Kong, all references to “RMB” and “Renminbi” are to the lawful currency of China, all references to “Indonesian Rupiah” and “IDR” are to the lawful currency of the Republic of Indonesia, all references to “RM” and “Malaysian Ringgit” are to the lawful currency of Malaysia and all references to “Taiwanese dollars” and “TWD” are to the lawful currency of Taiwan. References to “Greater China” are to the People’s Republic of China, Taiwan and Hong Kong. References to “Rest of Greater China” are to the People’s Republic of China, Macau and Taiwan. References to “China” are to the People’s Republic of China.

As used in this Offering Circular, “DBSHK” refers to DBS Bank (Hong Kong) Limited, “DBSH” refers to DBS Group Holdings Ltd., “DBS Group” refers to DBSH and its consolidated subsidiaries, “DBS Bank” refers to DBS Bank Ltd., which is a wholly-owned subsidiary of DBSH and “DBS Bank Group” refers to DBS Bank and its consolidated subsidiaries. The DBS Bank Group does not publish consolidated financial information otherwise than on an annual basis. Substantially all the assets, liabilities and results of operations of the DBS Group are derived from the DBS Bank Group. References in this Offering Circular to “2008”, “2009” and “2010” refer to the DBS Group’s fiscal years ended December 31, 2008, 2009 and 2010 respectively. Unless specified otherwise or the context otherwise requires, all references to “loans” refer to loans net of cumulative allowances.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

In connection with the issue of any Tranche (as defined in “Summary of the Programme”), the Dealer or Dealers (if any) named as the stabilizing manager(s) (the “Stabilizing Manager(s)”) (or persons acting on behalf of any Stabilizing Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager(s)) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the Pricing Supplement of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilization action or over-allotment must be conducted by the relevant Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager(s)) in accordance with all applicable laws and rules.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with the audited consolidated financial statements of the DBS Group as at and for the years ended December 31, 2010, 2009 and 2008, which have been previously published and filed with the Accounting and Corporate Regulatory Authority of Singapore (“ACRA”).

This Offering Circular should also be read and construed in conjunction with any audited consolidated financial statements of the DBS Group which are published and filed with ACRA subsequent to the date of this Offering Circular and any unaudited consolidated condensed interim financial information of the DBS Group published subsequently to such audited consolidated financial statements, each of which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents.

Copies of documents deemed to be incorporated by reference in this Offering Circular may be obtained without charge from the registered office or the website (www.dbs.com) of the Issuer.

SUPPLEMENTAL OFFERING CIRCULAR

If at any time the Issuer shall be required to prepare a supplemental Offering Circular, the Issuer will prepare and make available an appropriate amendment or supplement to this Offering Circular or a further Offering Circular.

AVAILABLE INFORMATION

For so long as any of the Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, during any period in which it is neither subject to Section 13 or 15(d) under the U.S. Securities Exchange Act of 1934 (the “Exchange Act”), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any QIB who is a holder or beneficial owner of such restricted securities, or to any prospective purchaser of restricted securities who is a QIB, designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information specified in Rule 144A(d)(4) under the Securities Act.

ENFORCEABILITY OF JUDGMENTS

DBS Bank is a company incorporated with limited liability under the laws of the Republic of Singapore registered in Singapore under registration number 196800306E. Substantially all of the directors of the Issuer are not residents of the United States, and all or a substantial portion of the assets of the Issuer are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons or to enforce against any of them in the United States courts judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any State or territory within the United States.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements. When used in this Offering Circular, the words “estimate”, “project”, “intend”, “anticipate”, “believe”, “expect”, “should” and similar expressions, as they relate to the Issuer, its subsidiaries and management, are intended to identify such forward-looking statements. These statements concern, or may affect, future matters. These may include the Issuer’s and its subsidiaries’ future strategies, business plans and results and are based on the current expectations of the directors of the Issuer. They are subject to a number of risks and uncertainties that might cause actual results and outcomes to differ materially from expectations outlined in these forward-looking statements. These risks and uncertainties include, but are not limited to:

- the actual growth in demand for banking and other financial products and services in the countries that the Issuer operates or where a material number of its customers reside;
- its ability to successfully implement its strategy;
- future levels of impaired loans;
- its growth and expansion in domestic and overseas markets;
- the adequacy of its allowance for credit and investment losses;
- technological changes;
- investment and other non-interest income;
- the future impact of new accounting standards;
- the impact of changes in banking regulations and other regulatory changes in Singapore and other jurisdictions on the Issuer;

- the bond and loan market conditions and availability of liquidity amongst the investor community in these markets;
- the nature of credit spreads and interest spreads from time to time, including the possibility of increasing credit spreads or interest rates;
- the Issuer's ability to roll over its short-term funding sources and its exposure to credit; and
- market and liquidity risks.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Issuer does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

BASIS OF PRESENTATION

The presentation of certain financial statement line items in this document has been aligned to the presentation used by key management personnel to analyze and assess the business performance of the DBS Group from period to period. Such presentation differs in certain respects from the audited consolidated financial statements and the unaudited consolidated condensed interim financial information of the DBS Group included or incorporated by reference in this Offering Circular and also differs in certain respects from Singapore Financial Reporting Standards. The key differences are as follows:

Expenses

The total expenses presented in the DBS Group's audited consolidated financial statements and unaudited consolidated condensed interim financial information include goodwill charges and allowances for credit and other losses. Further, depreciation expenses are presented separately. The expenses presented in this Offering Circular exclude goodwill charges and allowances for credit and other losses, which are reflected in separate line items. Depreciation expense is also included directly in the categories of "computerization", "occupancy" and "other expenses", as applicable. See the tables under "Results of Operations for the Six Months Ended June 30, 2011 and 2010 — Expenses" and "Results of Operations for the Years ended December 31, 2010, 2009 and 2008 — Expenses" for a reconciliation of management's view of expenses with the presentation in the DBS Group's audited consolidated financial statements and unaudited consolidated condensed interim financial information.

Customer loans

The DBS Group reports "loans and advances to customers" and "financial assets at fair value through profit or loss" separately on its balance sheet and loans and advances classified as fair value through profit or loss are presented under "financial assets at fair value through profit or loss". The "customer loans" presented in this Offering Circular include loans and advances to customers which are classified as fair value through profit or loss, in line with the information provided internally to management.

See the table under "Financial Condition — Total Assets — Customer Loans" for a reconciliation of management's view of customer loans with the presentation of "loans and advances to customers" in the DBS Group's audited consolidated financial statements and unaudited consolidated condensed interim financial information.

Customer deposits

The DBS Group reports "due to non-bank customers" and "financial liabilities at fair value through profit or loss" separately on its balance sheet and amounts due to non-bank customers classified as fair value through profit or loss are presented under "financial assets at fair value through profit or loss." The "customer deposits" presented in this Offering Circular include customer deposits which are classified as fair value through profit or loss, in line with the information provided internally to management.

See the table under "Financial Condition — Total Liabilities — Customer Deposits" for a reconciliation of management's view of customer deposits with the presentation of "due to non-bank customers" in the DBS Group's audited consolidated financial statements and unaudited consolidated condensed interim financial information.

Net profit

Under Singapore FRS, the DBS Group reports net profit attributable to shareholders including one-time items and goodwill charges. Management considers net profit excluding these non-recurring items to be more reflective of the DBS Group's underlying business performance from period to period.

In 2010, the DBS Group's net profit, excluding one-time items and goodwill charges, increased by 28% to S\$2.7 billion from S\$2.1 billion in 2009, which represented a nominal increase from 2008. By contrast, the DBS Group's net profit including one-time items and goodwill charges amounted to S\$1.6 billion in 2010, a 20% decrease from S\$2.0 billion in 2009, which represented an increase of 6% from S\$1.9 billion in 2008.

In 2010, a one-time goodwill impairment charge of S\$1.0 billion, which was deducted from regulatory capital on consolidation, was taken for DBSHK to reflect heightened deposit competition. In 2009, a one-time charge of S\$23 million was recorded on the impairment of the DBS Group's investment in TMB Bank Public Company Limited ("TMB Bank") in Thailand. In 2008, a one-time net charge of S\$127 million was recorded, comprising a S\$45 million charge related to an organization restructuring exercise and S\$104 million of impairment charges on the DBS Group's investment in TMB Bank, offset by S\$22 million in gains from the sale of properties.

See the table under "Results of Operations for the Six Months Ended June 30, 2011 and 2010 — Net Profit" and "Results of Operations for the Years ended December 31, 2010, 2009 and 2008 — Net Profit" for a reconciliation of management's view of net profit with the presentation of "net profit attributable to shareholders" or "net profit for the year attributable to shareholders", respectively, in the DBS Group's unaudited consolidated condensed interim financial information and audited consolidated financial statements.

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SUMMARY

The DBS Group is the largest banking group incorporated in Southeast Asia by total assets and is engaged in a range of commercial banking and financial services principally in Asia. As at June 30, 2011, the DBS Group had S\$309 billion in total assets, S\$169 billion in customer loans and advances, S\$211 billion in customer deposits and S\$28 billion in total shareholders' funds. As at December 31, 2010, the DBS Group had S\$284 billion in total assets, S\$152 billion in customer loans and advances, S\$194 billion in customer deposits and S\$27 billion in total shareholders' funds.

The DBS Group's primary operations are in Singapore and Hong Kong. In Singapore, the DBS Group has leading positions in consumer banking, corporate banking, small and medium enterprises ("SME") banking, investment banking, treasury and securities brokerage. In Hong Kong, it has an established corporate banking, SME banking and consumer banking business, among others. As at, and for the year ended, December 31, 2010, Singapore accounted for 65% and 63% of the DBS Group's assets and total income respectively, while Hong Kong accounted for 19% and 21% of the DBS Group's assets and total income respectively.

The DBS Group's operations in China, Taiwan, India, Indonesia and other countries also provide services to corporates, SMEs and retail customers. The DBS Group's diversification in the Asia Pacific region has resulted in a more balanced geographical distribution of its assets and total operating income.

A significant portion of the DBS Group's assets and operations is held and conducted through DBS Bank. As at June 30, 2011 and December 31, 2010, DBS Bank accounted for approximately 83% and 84%, respectively, of the DBS Group's consolidated total assets. DBS Bank is one of the highest rated commercial banks in Asia with a long-term issuer rating of "AA-" from Fitch Ratings Ltd. ("Fitch"), a long-term issuer rating of "Aa1" from Moody's Investors Services Limited ("Moody's") and a long-term counterparty credit rating of "AA-" from Standard & Poor's Ratings Services ("Standard & Poor's").

DBS Bank was incorporated in July 1968 by the Singapore Government as a financing institution to support Singapore's industrialization. In June 1969, DBS Bank began commercial banking operations. In September 1999, DBS Bank was restructured to become a wholly-owned subsidiary of DBSH, which is listed on the SGX-ST. On July 21, 2003, DBS Bank changed its legal name from The Development Bank of Singapore Limited to DBS Bank Ltd.

As at August 31, 2011, DBSH had a market capitalization of approximately S\$31 billion based on the closing price per ordinary share on the Main Board of the SGX-ST, making DBSH one of the largest listed companies in Singapore in terms of market capitalization. As at August 31, 2011, Temasek Holdings (Private) Limited, directly or indirectly, held approximately 27.81% of DBSH's outstanding ordinary shares, and non-voting preference shares that, if converted, would bring such ownership to 30.78%.

Strengths

Strong credit profile and resilient capital base

The DBS Group has consistently maintained robust capital ratios and as at June 30, 2011, had a core Tier 1 capital adequacy ratio of 11.5%, a Tier 1 capital adequacy ratio of 13.5% and a total capital adequacy ratio of 16.5%. Recent capital management activities include a S\$4 billion rights issue completed in 2009, and preference share issues amounting to S\$2.5 billion in 2010. The DBS Group is well-positioned to comply with the new Monetary Authority of Singapore ("MAS") Basel III capital requirements, which will be fully implemented by 2019. The DBS Group has adopted a prudent dividend policy to ensure that strong capital ratios are maintained while it executes its growth strategy.

The DBS Group was awarded "Safest Bank in Asia" in 2009, 2010 and 2011 by Global Finance. Singapore, the DBS Group's core market, is the only sovereign in Asia with a "Aaa" credit rating from Moody's, and "AAA" ratings from Standard & Poor's and Fitch.

Diversified loan and earnings mix supported by stable deposits and diversified funding sources

The DBS Group has a diversified loan portfolio and earnings mix that is not overly concentrated in any particular industry, country or business segment. As at June 30, 2011, no single industry contributed more than 25% of the DBS Group's gross loans and, outside of Singapore, no single country contributed more than 25%. The DBS Group also has a balanced mix between fee and interest income, with fee income derived from diversified sources such as loan fees, trade services and wealth management.

In terms of funding, the DBS Group's strong domestic deposit base and leading market position in low cost Singapore dollar deposits have enabled it to maintain a favorable loan-to-deposit ratio of 80.1% as of June 30, 2011. The DBS Group is actively seeking to diversify its funding sources through its wholesale funding business and through the capital markets.

Strong core banking business with proven earnings generation capability and exposure to key growth geographies in Asia

The DBS Group is the largest banking group incorporated in Southeast Asia by total assets and is engaged in a range of commercial banking and financial services principally in Asia. The DBS Group has cultivated banking relationships with both retail and institutional customers, which have enabled it to deliver consistent profitability throughout economic cycles. During the global financial crisis in 2008 and 2009, the DBS Group's return on average equity was 10.1% and 8.4%, respectively, despite unfavorable macroeconomic conditions. Given its exposure to key growth countries in Asia, the DBS Group is well positioned to benefit from the favorable macroeconomic conditions and growth momentum in Asia.

Prudent and comprehensive risk management framework focused on asset quality

The DBS Group has a robust risk management framework in place to address key risk areas and its risk management approach is based on (i) strong risk governance, (ii) robust and comprehensive processes to identify, measure, monitor, control and report risks, (iii) sound assessments of capital adequacy relative to risks, and (iv) a rigorous system of internal control reviews involving internal and external auditors. The DBS Group's prudent approach to risk management has enabled it to maintain low non-performing loan ("NPL") ratios and high coverage ratios, even during economic downturns. As of December 31, 2009, the DBS Group's NPL ratio was 2.9% and its coverage ratio (defined as total allowances as a percentage of non-performing assets) was 83%. Since then, the DBS Group's NPL ratio has improved to 1.9% as of December 31, 2010 and 1.5% as of June 30, 2011 and the DBS Group's coverage ratio has improved to 100% as of December 31, 2010 and 113% as of June 30, 2011.

Strategy

The DBS Group is focused on building an Asian commercial bank to capture growth opportunities in the region. The DBS Group's strategic intent is to be "The Asian Bank of Choice for the New Asia". To this end, it has embarked on the following strategy to strengthen its growing presence in key Asian markets as follows:

Entrench leadership in Singapore

The DBS Group will continue to leverage its position of strength in Singapore. It will focus on growing customer assets, particularly in the retail and SME banking businesses. It will also intensify cross-selling efforts across all customer segments and leverage the bank's mass-market consumer franchise.

Re-energize Hong Kong

In Hong Kong, the DBS Group will continue to strengthen its franchise through a defined customer segmentation strategy by offering targeted financial products and services to corporates, SMEs and affluent individuals. The DBS Group also seeks to capture China-related trade and capital flows, including RMB-denominated products, through its Hong Kong franchise.

Re-balance the geographic mix of business

The DBS Group is seeking to diversify its geographic mix and expects the growth markets of China, Taiwan, India and Indonesia to account for an increasing proportion of its revenues and earnings over time. It will pursue growth in these markets by expanding its network to focus on corporates, SMEs and affluent individuals.

Build a leading SME banking business

The DBS Group is focused on building a regional SME platform by offering SMEs, whose role in intra-Asia trade flows is increasing, a seamless banking experience across its markets and a product suite complementary to their needs, by leveraging the DBS Group's network and local insights.

Strengthen wealth proposition

The DBS Group is strengthening its wealth management product offerings to meet the needs of Asia's growing affluent population. Leveraging its network and strong capital position, the DBS Group offers customers wealth management products that will enable them to benefit from Asia's rising prosperity.

Build out Global Transaction Services and Treasury & Markets capabilities across the region

As intra-Asia trade grows, the DBS Group believes that the need for transaction services will also increase. The DBS Group is investing in its Global Transaction Services ("GTS") offerings to enable it to capture a portion of transaction revenues in Asia such as cash management services, trade finance, commodity finance and securities and fiduciary services offerings. The DBS Group is also strengthening its Treasury and Markets ("T&M") offerings to widen the offerings available to its corporate and affluent clients across Asia.

Improve internal processes to underpin the DBS Group's geographic and regional business strategies

The DBS Group seeks to build a customer-centric organization by placing customers at the heart of the DBS banking experience. It is standardizing and creating a consistent set of management processes across its network. It is also focused on people development by grooming talent and creating opportunities for employees to develop and grow within the organization. At the same time, it is strengthening its technology and infrastructure platform to underpin its business ambitions.

General Information

The Issuer is a limited liability company incorporated in the Republic of Singapore. The registered and principal office of the Issuer is 6 Shenton Way, DBS Tower Building One, Singapore 068809 (telephone number +65 6878 8186). The Issuer's website is located at www.dbs.com.

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in “Terms and Conditions of the Notes” below shall have the same meanings in this summary.

Issuers of Senior Notes DBS Bank Ltd., DBS Bank Ltd., Hong Kong branch and DBS Bank Ltd., London branch.

In relation to each Tranche of Notes, the applicable Pricing Supplement will indicate whether the Issuer is acting through its Hong Kong or London branch, if applicable.

Issuer of Subordinated Notes DBS Bank Ltd.

Description Global Medium Term Note Programme.

Programme Limit Up to U.S.\$15,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. The Issuer may increase this amount in accordance with the terms of the Dealer Agreement.

Joint Arrangers DBS Bank Ltd., Goldman Sachs (Singapore) Pte. and Merrill Lynch (Singapore) Pte. Ltd. and any other Joint Arrangers appointed in respect of the Programme.

Dealers DBS Bank Ltd., Goldman Sachs (Singapore) Pte. and Merrill Lynch (Singapore) Pte. Ltd.

The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to “Programme Dealers” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “Dealers” are to all Programme Dealers and all persons appointed as a dealer in respect of one or more Tranches. The Notes are being offered from time to time by the Issuer through the Dealers. The Issuer may sell Notes to the Dealers acting as principals for resale to investors or other purchasers and the Issuer may also sell Notes directly to investors. Notes may be distributed on a syndicated or non-syndicated basis. See “Subscription and Sale”.

Trustee The Bank of New York Mellon, London Branch.

Paying Agent and Calculation Agent The Bank of New York Mellon, London Branch.

Issuing and Paying Agent, Exchange Agent and Transfer Agent The Bank of New York Mellon.

Registrar

The Bank of New York Mellon (Luxembourg) S.A.

The Issuing and Paying Agent, Calculation Agent, Exchange Agent, Transfer Agent, other Paying Agents and Registrar are together referred to as the “Agents”.

Currencies

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in U.S. dollars, Hong Kong dollars, Singapore dollars, Swiss francs, Sterling, Japanese yen, Euro or in such other currencies as may be agreed.

Denomination

Notes will be issued in such denominations as may be agreed save that the minimum denomination shall be U.S.\$200,000 (or its equivalent in other currencies) and integral multiples of U.S.\$1,000 (or its equivalent in other currencies) in excess thereof and the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 will have a minimum denomination of £100,000 (or its equivalent in other currencies).

The minimum specified denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in an EEA State in circumstances which require the publication of a prospectus under Directive 2003/71/EC (the “Prospectus Directive”) will be €100,000 (or, if the Notes are denominated in a currency other than Euro, the equivalent amount in such currency at the date of issue of the Notes) and the minimum denomination of each Note to be sold in the United States in reliance on Rule 144A shall be U.S.\$200,000 (or its equivalent in other currencies) and integral multiples of U.S.\$1,000 (or its equivalent in other currencies) in excess thereof.

Form of Notes

The Notes may be issued in bearer form (“Bearer Notes”) or in registered form (“Registered Notes”) only. Registered Notes will not be exchangeable for Bearer Notes and vice versa.

Each Tranche of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a “Temporary Global Note”) or a permanent global note in bearer form (each a “Permanent Global Note” and, together with the Temporary Global Notes, the “Global Notes”), as specified in the applicable Pricing Supplement. Interests in Temporary Global Notes generally will be exchangeable for interests in Permanent Global Notes, or if so stated in the relevant Pricing Supplement, definitive Notes (“Definitive Notes”), after the date falling 40 days after the later of the commencement of the offering and the relevant issue date of such Tranche upon certification as to non-U.S. beneficial ownership. Interests in Permanent Global Notes will be exchangeable for Definitive

Notes in whole but not in part as described under “Summary of Provisions Relating to the Notes while in Global Form”.

Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as “Global Certificates”. Registered Notes sold in an “offshore transaction” within the meaning of Regulation S will initially be represented by an Unrestricted Global Certificate. Registered Notes sold in the United States in reliance on Rule 144A within the meaning of Rule 144A will initially be represented by a Restricted Global Certificate.

Clearing Systems

Clearstream, Luxembourg and Euroclear for Bearer Notes and Clearstream, Luxembourg, Euroclear and/or DTC for Registered Notes and, in relation to any Tranche, such other clearing system as agreed.

Maturities

Subject to compliance with all relevant laws, regulations and directives, Senior Notes may have any maturity that is one month or greater.

Method of Issue

Notes may be distributed by way of private placement on a syndicated or non-syndicated basis.

The Notes will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “Tranche”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a pricing supplement to this Offering Circular (a “Pricing Supplement”).

Issue Price

Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

Fixed Rate Notes

Interest on Fixed Rate Notes will be payable in arrears on such day(s) as may be agreed (as specified in the relevant Pricing Supplement).

Floating Rate Notes

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.; or

- (ii) by reference to SOR, SIBOR, LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin.

Interest periods will be specified in the relevant Pricing Supplement.

Zero Coupon Notes

Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

Other Notes

Terms applicable to any other type of Notes which the Issuer, as the case may be, may agree to issue under the Programme will be set out in the relevant Pricing Supplement.

Change of Interest Basis

Notes may be converted from one interest basis to another in the manner set out in the relevant Pricing Supplement.

Redemption

The applicable Pricing Supplement will indicate either that the Senior Notes cannot be redeemed prior to their stated maturity (other than in specified installments, if applicable, or for taxation reasons or following an Event of Default) or that such Senior Notes will be redeemable at the option of the Issuer and/or the Senior Noteholders upon giving notice to the Senior Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Pricing Supplement.

The applicable Pricing Supplement may provide that Senior Notes may be redeemable in two or more installments in such amounts and on such dates as indicated therein.

The applicable Pricing Supplement issued in respect of each issue of Subordinated Notes will indicate that the Subordinated Notes cannot be redeemed prior to their stated maturity other than, in whole, with the prior approval of MAS at the option of the Issuer (i) for taxation reasons or (ii) following a Change of Qualification Event or (iii) on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Pricing Supplement or (iv) on such other terms as may be indicated in the applicable Pricing Supplement.

The relevant Pricing Supplement will specify the basis for calculating the redemption amounts payable.

Withholding Tax

All payments of principal and interest in respect of the Notes, the Receipts and the Coupons will be made free and clear of withholding taxes of Singapore and certain other jurisdictions unless required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders, Receiptholders or Couponholders (after the withholding or deduction) of such amount as would have been received by them in the absence of the withholding or deduction, subject to customary exceptions.

Status of the Senior Notes	The Senior Notes will constitute direct, unsubordinated and unsecured obligations of the Issuer.
Status of the Subordinated Notes	The Subordinated Notes will constitute direct, subordinated and unsecured obligations of the Issuer.
Subordination of the Subordinated Notes	Upon the occurrence of any winding-up proceeding, the rights of the Noteholders, Receiptholders and Couponholders to payment of principal of and interest on the Subordinated Notes and the Receipts and Coupons relating to them and any other obligations in respect of the Subordinated Notes and the Receipts and Coupons relating to them are expressly subordinated and subject in right of payment to the prior payment in full of all claims of Senior Creditors and will rank senior to all share capital of the Issuer and Tier I Capital Securities and/or as otherwise specified in the applicable pricing supplement or in a supplement to this Offering Circular. The Subordinated Notes and the Receipts and Coupons relating to them will rank <i>pari passu</i> with all subordinated debt issued by the Issuer as specified in the applicable pricing supplement or in a supplement to this Offering Circular.
Negative Pledge	None.
Cross Default	None.
Events of Default	Events of Default for the Notes are set out in Condition 9.
Rating	Each Tranche of Notes issued under the Programme may be rated or unrated. When a Tranche of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision, downgrade or withdrawal at any time by the assigning rating agency.
Listing	<p>Application has been made for Notes issued under the Programme which are agreed at the time of issue to be so listed, to be listed on the SGX-ST. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies) or such other amount as may be allowed or required from time to time. The Notes may also be listed on such other or further stock exchange(s) as may be agreed in relation to each Series.</p> <p>Unlisted Notes may also be issued.</p>
Governing Law	English law, save that the provisions relating to Subordinated Notes in relation to subordination, set-off and payment void, and default and enforcement shall be governed by, and construed in accordance with, the laws of Singapore, or Singapore law (as specified in the applicable Pricing Supplement).

Selling Restrictions

United States, EEA, United Kingdom (“UK”), Japan, Singapore, Hong Kong, Indonesia, Taiwan and other restrictions as may be required in connection with a particular issue of Notes. See “Subscription and Sale”.

The Notes will be issued in compliance with U.S. Treas. Reg. §.163-5(c)(2)(i)(D) (the “D Rules”) unless (i) the relevant Pricing Supplement states that Notes are issued in compliance with U.S. Treas. Reg. §.163-5(c)(2)(i)(C) (the “C Rules”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.

Transfer Restrictions

There are restrictions on the transfer of Notes sold pursuant to Regulation S under the Securities Act prior to the expiration of the relevant distribution compliance period and on the transfer of Registered Notes sold pursuant to Rule 144A under the Securities Act. See “Transfer Restrictions”.

ERISA Considerations

Unless otherwise provided in the relevant Pricing Supplement, the Notes may be purchased and held by an employee benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or by an individual retirement account or other plan subject to Section 4975 of the Code. A fiduciary of an employee benefit plan subject to ERISA must determine that the purchase and holding of a note is consistent with its fiduciary duties under ERISA. The fiduciary of an ERISA plan, as well as any other prospective investor subject to Section 4975 of the Code or any similar law, must also determine that its purchase and holding of the Notes does not result in a non-exempt prohibited transaction as defined in Section 406 of ERISA or Section 4975 of the Code or similar law. Each purchaser and transferee of a Note who is subject to ERISA and/or Section 4975 of the Code or a similar law will be deemed to have represented by its acquisition and holding of the Note that its acquisition and holding of the Notes does not constitute or give rise to a non-exempt prohibited transaction under ERISA, Section 4975 of the Code or any similar law.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The following table presents selected consolidated financial information for the DBS Group which has been extracted or derived from the audited consolidated financial statements of the DBS Group for the years ended December 31, 2010, 2009 and 2008 and from the unaudited consolidated condensed interim financial information of the DBS Group as at June 30, 2011 and for the six months ended June 30, 2011 and 2010. Such presentation differs in certain respects from the DBS Group's audited consolidated financial statements and unaudited consolidated condensed interim financial information and from Singapore Financial Reporting Standards. The following information should be read in conjunction with the DBS Group's audited consolidated financial statements and the related notes thereto which are incorporated by reference in this Offering Circular and the unaudited consolidated condensed interim financial information included in this Offering Circular and the sections entitled "Basis of Presentation", "Management's Discussion and Analysis of Financial Condition and Results of Operations of the DBS Group" and "Description of the Assets and Liabilities of the DBS Group" included herein. The audited consolidated financial statements of the DBS Group are prepared in accordance with Singapore Financial Reporting Standards ("FRS"), including the modifications of the requirements of FRS 39 Financial Instruments: Recognition and Measurement in respect of loan loss provisioning by Notice to Banks No. 612 "Credit Files, Grading and Provisioning" issued by MAS. These financial statements differs in certain material respects from U.S. GAAP. See "Summary of Significant Differences Between Singapore FRS and U.S. GAAP".

	For the years ended December 31,			For the six months ended June 30,	
	2008	2009	2010	2010	2011
	<i>(S\$ in millions)</i>				
Selected income statement items					
Net interest income	4,301	4,455	4,318	2,133	2,321
Net fee and commission income	1,274	1,394	1,397	699	803
Other non-interest income	456	754	1,351	696	623
Total income	6,031	6,603	7,066	3,528	3,747
Expenses	2,610	2,604	2,925	1,419	1,571
Profit before allowances	3,421	3,999	4,141	2,109	2,176
Allowances for credit and other losses	784	1,529	911	559	262
Profit before tax	2,712	2,536	3,332	1,597	1,969
Net profit	2,056	2,064	2,650	1,250	1,542
One-time items	(127)	(23)	—	—	—
Goodwill charges	—	—	(1,018)	(1,018)	—
Net profit including goodwill charges and one-time items	1,929	2,041	1,632	232	1,542

	As at December 31,			As at June 30,
	2008	2009	2010	2011
	<i>(S\$ in millions)</i>			
Selected balance sheet items				
Customer loans ⁽¹⁾	126,481	130,583	152,094	168,706
Interbank assets ⁽²⁾	22,159	24,189	23,298	24,577
Total assets	256,718	258,644	283,710	309,492
Customer deposits ⁽³⁾	169,858	183,432	193,692	210,536
Total liabilities	232,715	229,145	250,608	277,208
Shareholders' funds	19,819	25,373	26,599	28,014

	As at and for the years ended December 31,			As at and for the six months ended June 30,
	2008	2009	2010	2011
	Key Financial ratios (excluding goodwill charges and one-time items)⁽⁴⁾			
Return on average assets ⁽⁵⁾	0.84%	0.80%	0.98%	1.05%
Return on average equity ⁽⁶⁾	10.12%	8.44%	10.20%	11.38%
Cost-to-income ratio ⁽⁷⁾	43.3%	39.4%	41.4%	41.9%
Net interest margin ⁽⁸⁾	2.04%	2.02%	1.84%	1.80%
As % of total income:				
Net interest income	71.3%	67.5%	61.1%	61.9%
Non-interest income	28.7%	32.5%	38.9%	38.1%
Customer NPL ⁽⁹⁾ as % of gross customer loans and advances	1.5%	2.9%	1.9%	1.5%
Total NPAs ⁽¹⁰⁾ as % of total assets	0.9%	1.6%	1.1%	0.9%
Total cumulative loss allowances as % of:				
Total assets	1.1%	1.3%	1.1%	1.1%
Total NPAs	114.2%	82.5%	99.5%	113.3%
Capital Adequacy Ratios				
Core Tier 1 ratio	8.0%	11.0%	11.8%	11.5%
Tier 1 ratio	10.1%	13.1%	15.1%	13.5%
Total capital ratio	14.0%	16.7%	18.4%	16.5%

Notes:

- (1) Includes customer loans classified as financial assets at fair value through profit or loss on the balance sheet.
- (2) Includes interbank assets classified as financial assets at fair value through profit or loss on the balance sheet.
- (3) Includes customer deposits classified as financial liabilities at fair value through profit or loss on the balance sheet.
- (4) These key financial ratios are not standard measures under Singapore FRS or U.S. GAAP. Return on assets, return on equity and net interest margin for the six months ended June 30, are computed on an annualized basis.
- (5) Net profit attributable to shareholders (excluding goodwill charges and one-time items) divided by average total assets. Average assets are computed based on the average of opening and closing balances for the relevant year/period.
- (6) Net profit attributable to shareholders (excluding goodwill charges and one-time items) divided by average shareholders' funds. Average shareholders' funds are computed based on the sum of (i) the average of the daily closing balance for share capital for the relevant year/period; and (ii) the average of the opening and closing reserves for the relevant year/period.
- (7) Expenses, before one-time items, goodwill charges and allowances for credit and other losses, expressed as a percentage of total income.
- (8) Net interest income expressed as a percentage of average interest bearing assets. Average interest bearing assets are computed based on monthly closing balances for the relevant year/period.
- (9) Customer loans and advances that have been classified in accordance with MAS guidelines.
- (10) Customer loans and advances, loans to banks, debt securities and contingent liabilities that have been classified in accordance with MAS guidelines.

RISK FACTORS

The Issuer believes that the following factors may affect its business and/or its ability to fulfill its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Prospective investors should carefully consider, among other things, the risks described below, as well as the other information contained in this Offering Circular and reach their own views prior to making an investment decision. Any of the following risks could materially adversely affect the DBS Group's business, financial condition or results of operations and, as a result, investors could lose all or part of their investment. The risks below are not the only risks the DBS Group faces. Additional risks and uncertainties not currently known to the DBS Group, or that it currently deems to be immaterial may also materially and adversely affect the DBS Group's business, financial condition or results of operations.

Risks Relating to the DBS Group

A global or regional financial crisis or financial instability in the countries where the DBS Group does business, could adversely affect its operations, asset quality and growth.

The DBS Group has been, and in the future will continue to be, materially affected by economic and market conditions, including factors such as the liquidity of the global financial markets, the level and volatility of debt and equity prices, interest rates, currency and commodities prices, investor sentiment, inflation, and the availability and cost of capital and credit. Beginning in August 2007, the global financial system experienced difficult credit and liquidity conditions and disruptions leading to less liquidity, greater volatility, general widening of spreads and, in some cases, lack of price transparency on inter-bank lending rates. These adverse trends accelerated sharply following the bankruptcy filing by Lehman Brothers in September 2008, leading to a global financial and economic crisis. Although the proximate cause of this particular financial crisis was the U.S. residential mortgage market, investors should be aware that there is a recent history of financial crises and boom-bust cycles in multiple markets in both emerging and developed economies which leads to risks for all financial institutions, including the DBS Group. The recent global financial crisis affected the DBS Group through an increase in NPLs and mark-downs in other assets. While the DBS Group did not experience the same degree of write-downs as banks that were exposed to, or invested in, the U.S. residential mortgage market, the widening of credit spreads resulted in mark-to-market and realized losses on its investment and derivative portfolios and adversely affected its profitability. In addition, the DBS Group remains subject to the risks posed by the indirect economic effect of the global credit crisis, some of which cannot be anticipated and the vast majority of which are not under its control. The DBS Group also remains subject to counterparty risk to financial institutions that fail or are otherwise unable to meet their obligations under their contractual commitment to the DBS Group.

With 82% of its total assets (excluding goodwill) in Singapore and Hong Kong as at June 30, 2011 and 61% and 20% of its total income in Singapore and Hong Kong for the six months ended June 30, 2011 and 63% and 21% for the year ended December 31, 2010, respectively, on a geographical basis, the DBS Group's performance and the quality and growth of its assets are substantially dependent on the health of the Singapore and Hong Kong economies. The economic environment in Singapore and Hong Kong, economies which are dependent on trade and investment, may be significantly affected by a variety of external factors including economic developments throughout Asia and in the United States, Europe and other markets.

If there is another global or regional financial crisis or a downturn in the economic condition of the DBS Group's primary markets, this would likely have a material adverse effect on the DBS Group's business, financial condition or results of operations. Further, in light of the interconnectivity between Singapore's economy and other economies, Singapore's economy is increasingly exposed to economic and market conditions in other countries. As a result, an economic downturn or recession in the United States, Europe and other countries in the developed world or a slowdown in economic growth in major emerging markets like China or India could have an adverse effect on economic growth in Singapore. A slowdown in the rate of growth in Singapore's economy could result in lower demand for credit and other financial products and services and higher defaults among corporate and retail customers, which could adversely affect the DBS Group's business, financial performance, shareholders' equity, ability to implement its strategy and the price of the Notes.

A further downgrade in the U.S. government's sovereign credit rating could result in risks to the DBS Group and general economic conditions that we are not able to predict. In addition, uncertainty about the financial stability of several countries in the European Union ("EU") could have a significant adverse effect on the DBS Group's business, financial condition and results of operations.

On August 5, 2011, Standard & Poor's downgraded its sovereign credit rating of the U.S. government from AAA to AA+. On July 13, 2011, Moody's placed the U.S. government under review for a possible credit ratings downgrade, and on August 2, 2011, Moody's confirmed the U.S. government's existing sovereign rating, but stated that the rating outlook is negative. On August 2, 2011, Fitch affirmed its existing sovereign rating of the U.S. government, but stated that the rating is under review. Should a further downgrade of the sovereign credit ratings of the U.S. government occur, it is foreseeable that the ratings and perceived creditworthiness of instruments issued, insured or guaranteed by institutions, agencies or instrumentalities directly linked to the U.S. government could also be correspondingly affected by any such downgrade. Instruments of this nature are widely used as collateral by financial institutions to meet their day-to-day cash flows in the short-term debt market. A downgrade of the sovereign credit ratings of the U.S. government and perceived creditworthiness of U.S. government-related obligations could impact the DBS Group's ability to obtain funding that is collateralized by affected instruments, as well as affecting the pricing of that funding when it is available. A further downgrade may also adversely affect the market value of such instruments. The DBS Group cannot predict if, when or how any changes to the credit ratings or perceived creditworthiness of these organizations will affect economic conditions. Such ratings actions could result in a significant adverse impact to the DBS Group.

In 2010, a financial crisis emerged in Europe, triggered by high budget deficits and rising direct and contingent sovereign debt in Greece, Ireland, Italy, Portugal and Spain, which created concerns about the ability of these EU nations to continue to service their sovereign debt obligations. These conditions impacted financial markets and resulted in high and volatile bond yields on the sovereign debt of many EU nations. Certain European nations continue to experience varying degrees of financial stress and uncertainty over the outcome of the EU governments' financial support programs and worries about sovereign finances persist. Market and economic disruptions have affected, and may continue to affect, consumer confidence levels and spending, personal bankruptcy rates, levels of incurrence and default on consumer debt and home prices, among other factors. There can be no assurance that the market disruptions in Europe, including the increased cost of funding for certain governments and financial institutions, will not spread, nor can there be any assurance that future assistance packages will be available or, even if provided, will be sufficient to stabilize the affected countries and markets in Europe or elsewhere. To the extent uncertainty regarding the economic recovery continues to negatively impact consumer confidence and consumer credit factors globally, the DBS Group's business and results of operations could be significantly and adversely affected.

Any substantial increase in non-performing assets ("NPAs") may impair the DBS Group's business, financial condition and results of operations.

The NPAs of the DBS Group were S\$2.88 billion, S\$3.21 billion and S\$4.22 billion as at June 30, 2011, December 31, 2010 and December 31, 2009, respectively. As a percentage of gross customer loans, the DBS Group's NPLs were 1.5%, 1.9% and 2.9% as at June 30, 2011, December 31, 2010 and December 31, 2009, respectively. Various factors such as a rise in unemployment, a sustained rise in interest rates, developments in the economies in which the DBS Group lends money, movements in global commodities markets and exchange rates and global competition could have a material adverse affect on the quality of the DBS Group's loan portfolio. Following the recent financial crisis, the DBS Group saw an increase in the volume of restructured corporate loans. Economic developments in Europe and the United States could present further economic challenges globally which could result in some borrowers not being able to meet their restructured debt obligations, resulting in loans to such borrowers being classified as non-performing.

Adverse changes in the credit quality of the DBS Group's borrowers and counterparties or adverse changes arising from a deterioration in global and regional economic conditions or asset values may lead to an increase in NPAs in the future and require an increase in the DBS Group's level of allowances for credit and other losses or increase the level of asset write-downs or write-offs experienced by the DBS Group. Although the DBS Group devotes considerable resources to managing these risks, many of the factors affecting borrower and counterparty credit risks are beyond the control

of the DBS Group. A substantial increase in NPAs may have a material adverse effect on the DBS Group's business, financial condition and results of operations.

A decline in collateral values or inability to realize collateral value may increase the DBS Group's allowances for credit and other losses.

Adverse changes in the credit quality of the DBS Group's borrowers and counterparties or adverse changes arising from a deterioration in global and regional economic conditions or asset values could reduce the recoverability and/or the value of the DBS Group's assets. In particular, a significant portion of the DBS Group's loan portfolio is secured by real estate. In the event of a decline in the real estate markets, a portion of the DBS Group's loans may exceed the value of the underlying collateral. Any decline in the value of the collateral securing the DBS Group's loans, inability to obtain additional collateral or inability to realize the value of collateral may require the DBS Group to increase its allowances for credit and other losses, which may adversely affect the DBS Group's business, financial condition and results of operations.

Liquidity shortfalls and credit rating downgrades may increase the DBS Group's cost of funds.

Most of the DBS Group's funding requirements are met through a combination of funding sources, primarily in the form of deposit-taking activities. As a portion of the DBS Group's assets have long-term maturities, funding mismatches may occur. As at June 30, 2011, a significant portion of the DBS Group's non-bank customer deposits had current maturities of one year or less or were payable on demand. Such deposits are mainly from savings, fixed and current accounts and demand deposits. The DBS Group's deposits base is diversified and does not rely on any significant depositor funding. However, no assurance can be given that large-scale deposit withdrawals will not occur. In circumstances where a substantial number of depositors, within or outside Singapore and Hong Kong, withdraw such funds from the DBS Group, the DBS Group's liquidity position could be materially and adversely affected. In such a situation, the DBS Group could be required to seek short-term and long-term funds to finance its operations. Any such funding may be only obtainable on terms that are more expensive than the DBS Group's current funding sources which may adversely affect the DBS Group's business, financial condition and results of operations.

The DBS Group's credit ratings also play an important role in determining the extent of its access to the capital and funding markets. DBS Bank has received long-term ratings of "AA-" from Standard & Poor's, "Aa1" from Moody's and "AA-" from Fitch. There can be no assurance that the ratings will remain in effect for any given period or that the ratings will not be revised by the rating agencies in the future, if in their judgment, circumstances so warrant. A credit ratings downgrade could adversely affect the volume and pricing of the DBS Group's funding.

The DBS Group's income and expenses relating to its international operations and its foreign assets and liabilities are exposed to foreign currency fluctuations.

The DBS Group's overseas operations are subject to fluctuations in foreign currency exchange rates against the Singapore dollar. In addition, a portion of the DBS Group's income, expenses, assets and liabilities in Singapore are denominated in foreign currencies. To the extent that the DBS Group's foreign currency denominated income, expenses, assets and liabilities are not matched in the same currency or appropriately hedged, fluctuations in foreign currency exchange rates against the Singapore dollar may adversely affect the DBS Group's business, financial condition and results of operations.

In addition, fluctuations in foreign exchange rates will create foreign currency translation gains or losses. The DBS Group's largest presence outside of Singapore is in Hong Kong. Fluctuations in the exchange rate of the Hong Kong dollar may ultimately affect the Singapore dollar value of revenues from Hong Kong operations as such revenues may be denominated in Hong Kong dollars. While the Hong Kong Government has continued to pursue currency board exchange rate policy, with the Hong Kong dollar exchange rate to the U.S.\$ limited to a narrow band between HK\$7.75 to HK\$7.85, the DBS Group cannot assure investors that such policy will be maintained. Exchange rate fluctuations will also affect the amount of Singapore dollars received upon the payment of any cash dividends or other distributions paid in Singapore dollars. Therefore, such fluctuations could also adversely affect the DBS Group's business operating results.

The value of certain financial instruments recorded at fair value may change over time.

The fair values of financial instruments traded in active markets are based on quoted market prices at the balance sheet date. If the market for a financial asset is not active, the DBS Group establishes fair value by using valuation techniques or third party valuations. These include the use of recent arm's length transactions, reference to other instruments that are substantially similar, discounted cash flow analysis and option pricing models. Valuation reserves may be applied to the valuation of the financial instruments, where appropriate.

The valuation of the majority of the DBS Group's financial instruments reported at fair value is based on quoted and observable market prices or on internally developed models that are based on independently sourced market parameters, including interest rates, option volatilities and currency rates. Other factors such as model assumptions, market dislocations and unexpected correlation shifts can materially affect these estimates and the resulting fair value estimates.

Any updates in such assumptions, judgments and estimates to reflect new information or changes in market trends and conditions could materially affect the DBS Group's business, financial condition and results of operations.

The DBS Group's operations in, and further expansion into, diverse Asian markets present different risks and challenges which may adversely affect the DBS Group's results of operations.

Outside of Singapore and Hong Kong, the DBS Group has banking subsidiaries, branches and associated companies in various countries in Asia including China, Taiwan, India, Indonesia, Malaysia, and the Philippines. The largest earnings contributors are Indonesia through a 99%-owned subsidiary and China through a 100%-owned subsidiary. The DBS Group's operations in these jurisdictions could be adversely affected by changes in their respective legal, political, regulatory or economic environments.

Providing banking products and services in multiple jurisdictions exposes the DBS Group to a variety of regulatory and business challenges and risks and has increased the complexity of its risks in a number of areas including price risks, currency risks, interest rate risks, compliance risk, regulatory and reputational risk and operational risk. In the aftermath of the financial crisis and in light of enhanced regulations in many countries, the DBS Group expects to face additional pressure and scrutiny in all of these areas and in the management of its international operations. The DBS Group also faces risks arising from its ability to manage inconsistent legal and regulatory requirements in the multiple jurisdictions in which it operates and its ability to successfully establish and maintain an integrated system of internal controls for all of its international operations and businesses. There can be no assurance that the DBS Group will be able to execute its strategy and deliver returns on capital invested in its international subsidiaries or that its operations internationally will continue to be profitable.

In addition, over time, the DBS Group expects to expand into other countries in Asia. While this may be positive for the DBS Group's long-term position and may enhance revenue diversification, it also increases operational and asset quality risks. There can be no assurance that further regional expansion will not have a material adverse effect on the DBS Group's business, financial condition and results of operations, or that the DBS Group's credit and provisioning policies will be adequate in relation to such risks.

Significant fraud, systems failure or calamities could adversely affect the DBS Group's business, financial condition and results of operations.

The DBS Group's business is based on a high volume of transactions and the functioning and security of its systems and network are of vital importance to its operations. The DBS Group seeks to protect its computer systems and network infrastructure from physical break-ins as well as fraud and systems failures. The DBS Group employs round-the-clock external surveillance security systems, including firewalls, tokens and password encryption technologies, designed to minimize the risk of security breaches. Although the DBS Group intends to continue to implement security technologies, conduct regular vulnerability assessments and network penetration tests and establish operational procedures to prevent break-ins, damages and failures, there can be no assurance that these security

measures will be successful. The reputation of the DBS Group could be adversely affected by fraud committed by employees, customers or outsiders, or by its perceived inability to properly manage fraud-related risks. As the DBS Group outsources some of its systems management functions to external vendors, it is further exposed to the risk that such external vendors could be unable to fulfill their contractual obligations, or could be subject to fraud or operational errors by their employees.

In addition, although the DBS Group's centralized data centre and back-up systems are separately located in different places, there can be no assurance that both systems will not be simultaneously damaged or destroyed in the event of a major disruption or disaster. Such disruptions or disasters could arise from events that are wholly or partially beyond the control of the DBS Group. The DBS Group seeks to maintain internal controls in line with international best practices. However, a significant breakdown in internal controls, fraudulent activities by employees or failure of security measures or back-up systems may have a material adverse effect on the DBS Group's business, financial condition and results of operations.

The DBS Group is subject to the risk of increased liquidity and capital requirements to meet the minimum required by regulators.

In Singapore, MAS determines the level of liquidity and capital that the DBS Group is required to hold in relation to its balance sheet, off-balance sheet, counterparty and risk exposures. At the moment, the DBS Group meets MAS' requirements in these aspects. The DBS Group is capitalized above MAS' stated targets of 6% and 10% for Tier I and total capital adequacy ratios, respectively, on a Basel II basis, both on a standalone and consolidated basis. The DBS Group's ability to maintain its target regulatory capital ratios could be affected by a number of factors, including its earnings, fair value adjustments, the calculation of risk-weighted assets, and changes to the minimum regulatory requirements imposed by MAS.

In particular, the Basel Committee on Banking Supervision (the "Basel Committee") has announced new rules for liquidity and capital requirements intended to reinforce existing standards ("Basel III"), including new definitions for qualifying capital instruments, more onerous deductions from capital, additional capital buffers, increased minimum capital adequacy ratios, the introduction of common equity Tier 1 capital and leverage ratios, and further liquidity requirements, among others.

Further, in June 2011, MAS announced that Singapore incorporated banks ("SIBs") will be required to meet capital adequacy requirements that are higher than the Basel III standards. MAS will require SIBs to meet a minimum common equity Tier 1 ("CET1") capital adequacy ratio ("CAR") of 6.5%, Tier 1 CAR of 8% and total CAR of 10% from January 1, 2015. In addition, from January 1, 2013, MAS will require SIBs to meet the minimum requirements under Basel III for CET1 CAR and Tier 1 CAR that are meant to apply from January 1, 2015. This means that SIBs will be required to meet a minimum CET1 CAR of 4.5% and Tier 1 CAR of 6% from January 1, 2013. MAS' existing requirement for total CAR will remain unchanged at 10%. In line with Basel III requirements, MAS will introduce a capital conservation buffer of 2.5% that is to be met fully with CET1 capital. All of these changes will be phased in on January 1 each year from 2016 to 2019.

As at June 30, 2011, the DBS Group had a core Tier 1 CAR of 11.5%, a Tier 1 CAR of 13.5% and a total CAR of 16.5%. The DBS Group is well-positioned to comply with the new MAS Basel III capital requirements, which will be fully implemented by 2019. However if the regulatory capital requirements, liquidity requirements or ratios applied to the DBS Group continue to increase in the future, the DBS Group's return on capital and profitability could be materially and adversely affected. In addition, any failure by the DBS Group to satisfy such increased regulatory capital ratios or liquidity requirements within the applicable timeline could result in administrative actions or sanctions or significant reputational harm, which in turn may have a material adverse effect on the DBS Group's business, financial condition and results of operations. As at June 30, 2011, the DBS Group was in compliance with the regulatory capital requirements of each of the jurisdictions in which it operates subsidiaries.

The DBS Group's business is subject to reputational risk.

Reputational risk is the potential for damage to the DBS Group's franchise as a result of stakeholders taking a negative view of the DBS Group or its actions. Reputational risk could arise from

the failure by the DBS Group to effectively mitigate the risks in its businesses including one or more of country, credit, liquidity, market, regulatory, operational, environmental, litigation or social risk. Damage to the DBS Group's reputation could cause existing clients to reduce or cease to do business with the DBS Group and prospective clients to be reluctant to do business with the DBS Group. Any such event could result in a loss of earnings and have a material adverse effect on the business of the DBS Group. A failure to manage reputational risk effectively could also materially affect the DBS Group's business, financial condition and results of operations.

The DBS Group is subject to legal, regulatory and compliance risks.

The DBS Group is exposed to the risks of litigation, compliance and regulatory proceedings in the jurisdictions in which it operates. Management of these risks requires, among other things, policies and procedures to properly record and verify large numbers of transactions and events. Failure to address these risks appropriately may result in administrative sanctions in one or more jurisdictions in which the DBS Group conducts its business. Furthermore, investigations, administrative actions or litigation could commence in relation to violations, which may involve costs, including possible deterioration of the reputation of the DBS Group. Any future adverse judgments or rulings that are delivered against the DBS Group could have a material adverse effect on the DBS Group's business, operating results and financial condition.

Material changes in financial market conditions could adversely affect the DBS Group's business, financial condition and results of operations.

The DBS Group is exposed to market risk arising from market-making, structuring and packaging of investment products for clients, trading and fund deployment. Trading market risk arises from the impact on interest rate margins and trading profits as a result of changes in foreign exchange rates, commodity prices, equity prices, interest rates and credit spreads. Changes in interest levels, yield curves and spreads may affect, among other things, interest rate margins. In particular, if the yield on interest-earning assets does not increase at the same time or to the same extent as the DBS Group's cost of funds, or if the cost of funds does not decline at the same time or to the same extent as a decrease in yield on interest-earning assets, the DBS Group's net interest income and net interest margin may be adversely affected. Changes in foreign exchange rates may affect, among other things, the value of assets and liabilities denominated in foreign currencies and also the reported earnings of the DBS Group's non-Singapore dollar-denominated branches and subsidiaries. Any dislocation or material change in financial markets could have a material adverse effect on the DBS Group's business, financial condition and results of operations.

The DBS Group may face significant challenges in achieving the goals of its business strategy.

In February 2010, the DBS Group launched a new strategic plan with nine separate strategic priorities focusing on expanding its regional presence and developing various key business units. Although the DBS Group believes it has targeted the appropriate geographical and business segments in developing its strategy, its initiatives to offer new products and services and to increase sales of its existing products and services may not succeed if current market conditions do not stabilize, market opportunities develop more slowly than expected, the identified strategic initiatives have less potential than were envisioned originally or the profitability of the DBS Group's products and services is undermined by competitive pressures. Consequently, the DBS Group may be unable to achieve or maintain profitability in its targeted business areas. Any failure to execute its strategy in the manner envisioned could have a material and adverse impact on the DBS Group's business, financial condition and results of operations.

Systemic risk resulting from failures in the banking industry could adversely affect the DBS Group.

Within the banking industry, the default of any institution could lead to defaults by other institutions. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions because the commercial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom the DBS Group interacts on a daily basis, which could have an adverse effect on the DBS Group's ability to raise new funding and on the DBS Group's business, financial condition and results of operations.

In particular, the DBS Group is exposed to the risks of Singapore and Hong Kong's financial systems and the other financial systems in which it operates. Any difficulties or instability of the Singaporean or Hong Kong financial system or the other financial systems in which the DBS Group operates could create an adverse market perception about financial institutions and banks in the affected region and could adversely affect its business. The DBS Group's transactions with these financial institutions expose it to credit risk in the event of default by the counterparty, which can be exacerbated during periods of market illiquidity.

Country risk could adversely affect the DBS Group's business, financial condition and results of operations.

Country risk is the risk that a counterparty is unable to meet its contractual obligations as a result of adverse economic conditions or actions taken by governments in the relevant countries. This includes the risk that a sovereign borrower may be unable or unwilling to fulfill its foreign currency or cross-border contractual obligations; and the risk that a non-sovereign counterparty may be unable to fulfill its contractual obligations as a result of currency shortage due to adverse economic conditions or actions taken by the government of the country. These risks could adversely affect the DBS Group's business, financial condition and results of operations.

Terrorist activities, natural calamities and outbreak of communicable diseases around the world could lead to higher volatility in international capital markets, which may materially and adversely affect the DBS Group's business, financial condition and results of operations and the market price of the Notes.

Terrorist attacks, natural calamities and outbreak of communicable diseases could result in sporadic volatilities in international capital markets or adversely affect Singapore and other economies. Any material change in the financial markets or the Singapore economy or regional economies as a result of these events or developments may materially and adversely affect the DBS Group's business, financial condition and results of operations.

Increased competition could result in decreased loan margins and reduced market share.

The DBS Group's primary competitors consist of other Singapore banks and major international banks licensed in Singapore, other Hong Kong banks and major international banks licensed in Hong Kong, major international banks licensed elsewhere and other financial institutions in other markets in which the DBS Group operates. See "Description of the Business of the DBS Group — Competition".

The Singapore Government has taken steps to liberalize the Singapore banking industry, which has resulted in increased competition among domestic and international banks operating in Singapore, which reduced margins for certain banking products. In particular, MAS, which regulates banks in Singapore, has been granting Qualifying Full Bank ("QFB") licenses to international financial institutions since 1999. QFBs are currently permitted to establish operations in up to 25 locations. These 25 locations can be used for branches or off-site Automated Teller Machines ("ATMs"). QFBs are permitted to share ATMs among themselves. International banks granted such licenses will face fewer restrictions on their Singapore dollar deposit-taking and lending activities. In addition, in recent years the Singapore Government has allowed more international banks to obtain "wholesale banking" licenses to enable them to expand their Singapore dollar wholesale banking business in Singapore and to broaden the scope of Singapore dollar banking activities in which international banks may participate. Further, since the implementation of the United States Singapore Free Trade Agreement ("USSFTA"), which was signed in May 2003, Singapore banks, including the DBS Group, are subject to additional competition in areas that were traditionally the stronghold of local banks. The USSFTA has eliminated QFB and wholesale bank license quotas for U.S. banks and significantly relaxed certain other restrictions on international banking activities. There can be no assurance that the DBS Group will be able to compete successfully with other domestic and foreign financial institutions or that such increased competition will not have a material adverse effect on the DBS Group's business, financial condition and results of operations.

Similarly, in Hong Kong and the DBS Group's other overseas markets, many of the international and local banks operate in the same segments as the DBS Group and compete for the same customers. Competition may increase in some or all of the DBS Group's principal markets. Such increased competition, individually or in combination, could have a material adverse effect on the DBS Group's business, financial condition and results of operations.

An investor may experience difficulties in enforcing civil liabilities under U.S. federal securities laws against the DBS Group, the Directors and executive officers of DBS Bank and certain other parties.

DBS Bank is incorporated under the laws of Singapore and substantially all of its subsidiaries, associates, Directors and Executive Officers are incorporated outside or reside outside the United States of America. All or substantially all of the assets of such persons, and all of DBS Bank's assets, are located outside or are organized outside the United States. As a result, it may be difficult for investors to enforce judgments against DBS Bank or such persons in U.S. courts predicated upon the civil liability provisions of U.S. federal securities laws. In particular, investors should be aware that judgments of United States courts based upon the civil liability provisions of the federal securities laws of the United States are not enforceable in Singapore courts and there is doubt as to whether Singapore courts will enter judgments in original actions brought in Singapore courts based solely upon the civil liability provisions of the federal securities laws of the United States.

Risks Relating to the Notes

Limited rights of enforcement and subordination of the Subordinated Notes could impair an investor's ability to enforce its rights or realise any claims on the Subordinated Notes.

In most circumstances, the sole remedy against the Issuer available to the Trustee (on behalf of the holders of Subordinated Notes) to recover any amounts owing in respect of the principal or interest on the Subordinated Notes will be to institute proceedings for the winding-up of the Issuer in Singapore. See Condition 9 of "Terms and Conditions of the Notes".

If the Issuer defaults on the payment of principal or interest on the Subordinated Notes, the Trustee will only institute a proceeding in Singapore for the winding-up of the Issuer if it is so contractually obliged. The Trustee will have no right to accelerate payment of the Subordinated Notes in the case of default in payment or failure to perform a covenant except as they may be so permitted in the Trust Deed.

The Subordinated Notes will be unsecured and subordinated obligations of the Issuer and will rank junior in priority to the claims of Senior Creditors (as defined in "Terms and Conditions of the Notes" herein). Upon the occurrence of any winding-up proceeding, the rights of the holders of the Subordinated Notes to payments on such Subordinated Notes will be subordinated in right of payment to the prior payment in full of all deposits and other liabilities of the Issuer, as applicable, except those liabilities which rank equally with or junior to the Subordinated Notes. In a winding-up proceeding, the holders of the Subordinated Notes may recover less than the holders of deposit liabilities or the holders of other unsubordinated liabilities of the Issuer, as applicable. As there is no precedent for a winding-up of a major financial institution in Singapore, there is uncertainty as to the manner in which such a proceeding would occur and the results thereof. Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a risk that an investor in Subordinated Notes will lose all or some of its investment should the Issuer become insolvent.

A holder of the Notes may become subject to U.S. withholding tax if it fails to provide requested information to the Issuer.

The Hiring Incentives to Restore Employment Act, which was enacted in early 2010 and contains provisions ("FATCA") similar to a prior Congressional bill, the Foreign Account Tax Compliance Act of 2009, imposes a 30% withholding tax on certain payments to certain non-U.S. entities.

The relevant rules have not yet been fully developed and the future application of FATCA to the Issuer and the holders of Notes is uncertain. Holders may be required to provide certain information or be subject to withholding on certain payments made to them. If a holder does not provide the necessary information and is subject to withholding there will be no "gross up" (or any other additional amount) payable by way of compensation to the holder for the deducted amount. See "Certain Tax Considerations — United States Taxation — FATCA Withholding" for a further discussion of FATCA, including a discussion of the timing of any withholding.

FATCA IS COMPLEX AND ITS APPLICATION TO THE ISSUER IS UNCERTAIN AT THIS TIME. EACH HOLDER OF NOTES SHOULD CONSULT ITS OWN TAX ADVISOR TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.

The Issuer may issue Notes which may give rise to particular risks for potential investors.

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

- An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

- The Issuer may issue Notes where the issue price is payable in more than one installment. Failure to pay any subsequent installment could result in an investor losing all of its investment.

Notes with floating interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

- Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favorable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

- In the case of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a Noteholder who, as a result of trading such amounts, holds a nominal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a nominal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

If Definitive Notes are issued, holders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

There are risks associated with modifying or amending the terms and conditions of the Notes by way of a meeting of Noteholders.

The terms and conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind

all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Issuer and Noteholders may face certain risks associated with any changes to English law or Singapore law or administrative practice after the date of the issue of the relevant Notes.

The terms and conditions of the Notes are based on English law or Singapore law (as specified in the applicable Pricing Supplement) in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law, Singapore law or administrative practice after the date of issue of the relevant Notes.

Limited liquidity of the Notes may affect the market price of the Notes.

The Notes will not be registered under the Securities Act or the securities or blue sky laws of any state of the United States. The Notes are being offered, and may be resold outside of the United States within the meaning of and in compliance with Regulation S under the Securities Act. The Notes may also be offered, and may be resold, within the United States to institutional investors that qualify as “qualified institutional buyers”, within the meaning of and in compliance with Rule 144A under the Securities Act; or pursuant to another exemption from the registration requirements of the Securities Act. Consequently, the Notes are subject to restrictions on transfer and resale.

The Notes are a new issue of securities with no established trading market. Application may be made to list the Notes on the Official List of the SGX-ST. However, if for any reason the Notes are not listed, the liquidity of the Notes may be negatively impacted.

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency, credit or market risks, and/or are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have an adverse effect on the market value of the Notes. Even if the Notes are traded, they may trade at a discount from their initial issue price, depending on prevailing interest rates, the market for similar securities, the DBS Group’s performance and other factors.

The Dealers have made no commitment and have no obligation to make a market in the Notes. Therefore, no assurance can be given that any Dealer will actually make a market in any Notes that are issued under the Global Medium Term Note Programme, or if it does, that it will continue to make a market in the future. No assurance can be given that an active trading market for any Notes will develop and therefore the liquidity of the Notes may be considerably less than for comparable debt securities.

Singapore accounting and corporate disclosure standards may result in more limited disclosure than in other jurisdictions.

The DBS Group is subject to Singapore’s accounting standards and requirements that differ in certain material respects from those applicable to banks in certain other countries. Also, there may be less publicly available information about Singapore listed companies, such as DBSH, than is regularly made available by or about listed companies in certain other countries. This Offering Circular does not include a reconciliation of the financial statements of DBSH, DBS Bank or the DBS Group to U.S. GAAP and there can be no assurance that such reconciliation would not identify material quantitative differences.

Noteholders may be subject to Singapore taxation.

The Notes to be issued from time to time under the Programme during the period from the date of this Offering Circular to 31 December 2013 are intended to be “qualifying debt securities” for the purposes of the Income Tax Act, Chapter 134 of Singapore (“ITA”), subject to the fulfillment of certain conditions more particularly described in the section “Taxation — Singapore Taxation”. However, there is no assurance that such Notes will continue to enjoy the tax concessions should the relevant tax laws be amended or revoked at any time.

The Qualifying Debt Securities Plus Scheme (“QDS Plus Scheme”) has also been introduced as an enhancement of the Qualifying Debt Securities Scheme. Under the QDS Plus Scheme, subject to certain qualifications and conditions, income tax exemption is granted on interest, discount income (not including discount income from secondary trading), “prepayment fee”, “redemption premium” and “break cost” (as such terms are defined in the ITA) derived by any investor from qualifying debt securities (excluding Singapore Government Securities) which:

- (i) are issued during the period from 16 February 2008 to 31 December 2013;
- (ii) have an original maturity of not less than 10 years;
- (iii) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and
- (iv) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

With respect to any tranche of the Notes issued with an original maturity of at least 10 years and which are “qualifying debt securities”, there is no assurance that holders of such Notes would enjoy any tax exemption under the QDS Plus Scheme as it is currently unclear how the above requirements would be applicable in the context of certain events (including regulatory or tax changes or events) occurring within 10 years from the date of issue of such Notes.

Any credit ratings on DBS Bank or the Notes may not reflect all risks associated with investing in DBS Bank or the Notes, and a downgrade in the ratings of DBS Bank or the Notes may affect the market price of the Notes.

DBS Bank has received long-term ratings of “AA-” from Standard & Poor’s, “Aa1” from Moody’s and “AA-” from Fitch. The ratings reflect the ability of DBS Bank to make timely payment of principal and interest on senior unsecured debts. There can be no assurance that the ratings will remain in effect for any given period or that the ratings will not be revised by the rating agencies in the future if, in their judgment, circumstances so warrant. Not all issues of Notes may be rated and even if one or more independent credit rating agencies assigns credit ratings to an issue of Notes, the ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be suspended, revised, downgraded or withdrawn by the assigning rating agency at any time.

The book-entry registration system of the Notes may reduce the liquidity of any secondary market for the Notes and may limit the receipt of payments by the beneficial owners of the Notes.

Because transfers of interests in the Global Notes or Global Certificates can be effected only through book entries at Clearstream, Luxembourg and Euroclear, in the case of the Global Notes or Global Certificates to be issued in reliance on Regulation S, or DTC, in the case of the Global Certificates to be issued in reliance on Rule 144A, for the accounts of their respective participants, the liquidity of any secondary market for Global Notes or Global Certificates may be reduced to the extent that some investors are unwilling to hold Notes in book-entry form in the name of a Clearstream, Luxembourg, Euroclear or DTC participant. The ability to pledge interests in the Global Notes or Global Certificates may be limited due to the lack of a physical certificate. Beneficial owners of Global Notes or Global Certificates may, in certain cases, experience delay in the receipt of payments of principal and interest since such payments will be forwarded by the paying agent to Clearstream, Luxembourg, Euroclear or DTC, as applicable, who will then forward payment to their respective participants, who (if not themselves the beneficial owners) will thereafter forward payments to the beneficial owners of the interests in the Global Notes or Global Certificates. In the event of the insolvency of Clearstream, Luxembourg, Euroclear, DTC or any of their respective participants in whose name interests in the Global Notes or Global Certificates are recorded, the ability of beneficial owners to obtain timely or ultimate payment of principal and interest on Global Notes or Global Certificates may be impaired.

Notes may not be a suitable investment for all investors.

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained in this Offering Circular or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behavior of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio. A potential investor should ensure that he has sufficient knowledge and experience (either alone or with the help of a financial adviser) to make his own legal, tax, accounting and financial evaluation of the merits and risks of investing in the Notes and that he considers the suitability of the Notes as an investment in light of his own circumstances and financial condition.

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Risks Relating to the Market Generally

The Issuer may face certain risks associated with exchange rate fluctuations and any modifications to exchange controls.

The Issuer will pay principal and interest on the Notes in the currency specified (the "Settlement Currency"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Settlement Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Settlement Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Settlement Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

EXCHANGE RATES

The following table sets forth, for the periods indicated, information concerning the exchange rates between Singapore dollars and U.S. dollars based on the average mid-day rate published by the MAS on each business day during the relevant period.

Fiscal Year / Period	Singapore Dollars per U.S.\$1.00			
	Mid-Day Rate			
	<u>Average</u>	<u>Low</u>	<u>High</u>	<u>Period End</u>
2006	1.5884	1.5336	1.6574	1.5336
2007	1.5070	1.4404	1.5473	1.4412
2008	1.4142	1.3478	1.5327	1.4392
2009	1.4541	1.3796	1.5537	1.4034
2010	1.3630	1.2847	1.4217	1.2875
Eight months ended August 31, 2011	1.2472	1.2009	1.2985	1.2046

The following table sets forth, for the periods indicated, information concerning the exchange rates between Singapore dollars and U.S. dollars based on the average mid-day rate published by the MAS on each business day during the relevant period.

Month	Singapore Dollars per U.S.\$1.00			
	Mid-Day Rate			
	<u>Average</u>	<u>Low</u>	<u>High</u>	<u>Period End</u>
January 2011	1.2879	1.2794	1.2985	1.2865
February 2011	1.2774	1.2735	1.2815	1.2738
March 2011	1.2689	1.2610	1.2823	1.2617
April 2011	1.2480	1.2260	1.2616	1.2277
May 2011	1.2374	1.2259	1.2497	1.2328
June 2011	1.2347	1.2287	1.2423	1.2292
July 2011	1.2172	1.2009	1.2282	1.2041
August 2011	1.2088	1.2015	1.2218	1.2046

The above tables illustrate how many Singapore dollars it would take to buy one U.S. dollar. These transactions should not be construed as a representation that those Singapore dollar or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Singapore dollars, as the case may be, at any particular rate, or at all.

Exchange Controls

Currently, there are no exchange control restrictions in Singapore.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, save for the words in italics and, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the applicable Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the applicable Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalized terms that are not defined in these Conditions will have the meanings given to them in the applicable Pricing Supplement. Those definitions will be endorsed on the Definitive Notes or Certificates, as the case may be. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are constituted by a Trust Deed (as amended or supplemented as at the date of issue of the Notes (the "Issue Date"), the "Trust Deed") dated October 11, 2011 between the Issuer and The Bank of New York Mellon, London Branch (the "Trustee", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below) as supplemented by the Singapore Supplemental Trust Deed (as amended or supplemented as at the Issue Date) dated October 11, 2011 between the Issuer and the Trustee.

These terms and conditions (the "Conditions") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Notes, Certificates, Receipts, Coupons and Talons referred to below. The Issuer, the Trustee, The Bank of New York Mellon, London Branch as initial issuing and paying agent and the other agents named therein have entered into an Agency Agreement (as amended or supplemented as at the Issue Date, the "Agency Agreement") dated October 11, 2011 in relation to the Notes. The issuing and paying agent, the other paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "Issuing and Paying Agent", the "Paying Agents" (which expression shall include the Issuing and Paying Agent), the "Registrar", the "Transfer Agents" and the "Calculation Agent(s)". Copies of the Trust Deed and the Agency Agreement referred to above are available for inspection free of charge during usual business hours at the principal office of the Trustee (presently at One Canada Square, 40th Floor, London, E14 5AL, United Kingdom) and at the specified offices of the Paying Agents and the Transfer Agent.

The Noteholders, the holders of the interest coupons (the "Coupons") relating to interest bearing Notes in bearer form and, where applicable in the case of such Bearer Notes, talons for further Coupons (the "Talons") (the "Couponholders") and the holders of the receipts for the payment of installments of principal (the "Receipts") relating to Bearer Notes of which the principal is payable in installments (the "Receiptholders") are entitled to the benefit of, are bound by, and are deemed to have notice of, these Conditions, all the provisions of the Trust Deed and the applicable Pricing Supplement and are deemed to have notice of those provisions applicable to them of the Agency Agreement. The Pricing Supplement for this Note (or the relevant provisions thereof) is attached to or endorsed on this Note. References to "applicable Pricing Supplement" are to the Pricing Supplement (or relevant provisions thereof) attached to or endorsed on this Note.

As used in these Conditions, "Tranche" means Notes which are identical in all respects.

1 Form, Denomination and Title

The Notes are issued in bearer form ("Bearer Notes") or in registered form ("Registered Notes"), in each case in the Specified Denomination(s) shown hereon provided that the minimum Specified Denomination shall be U.S.\$200,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes) and integral multiples of U.S.\$1,000 (or its equivalent in other currencies) in excess thereof.

All Registered Notes shall have the same Specified Denomination. Unless otherwise permitted by the then current laws and regulations, which have a maturity of less than one year and in

respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 ("FSMA") will have a minimum denomination of £100,000 (or its equivalent in other currencies). Notes sold in reliance on Rule 144A will be in minimum denominations of U.S.\$200,000 (or its equivalent in other currencies) and integral multiples of U.S.\$1,000 (or its equivalent in other currencies) in excess thereof, subject to compliance with all legal and/or regulatory requirements applicable to the relevant currency. Notes which are listed on SGX-ST will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies) or such other amount as may be allowed or required from time to time. In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under Directive 2003/71/EC (the "Prospectus Directive", the minimum Specified Denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes.

Each Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/ Payment Basis shown thereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Any Bearer Note the nominal amount of which is redeemable in installments is issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("Certificates") and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar (the "Register"). The Issuer may appoint a registrar (the "Alternative Registrar") in accordance with the provisions of the Agency Agreement other than the Registrar in relation to any Series comprising Registered Notes. In these Conditions, "Registrar" includes, if applicable, in relation to any Series comprising Registered Notes, the Registrar or, as the case may be, the Alternative Registrar, as specified hereon. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "Noteholder" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "holder" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalized terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

References in the Conditions to Coupons, Talons, Couponholders, Receipts and Receiptholders relate to Bearer Notes only.

2 No Exchange of Notes and Transfers of Registered Notes

- (a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the

Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require without service charge and subject to payment of any taxes, duties and other governmental charges in respect of such transfer. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or (c) shall be available for delivery within five business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 5(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).
- (e) **Transfers Free of Charge:** Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Installment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Conditions 5(d), (iii) after any such Note has been called for redemption or (iv) during the period of 15 days ending on (and including) any date on which payment is due.

3 Status

- (a) **Status of Senior Notes:** The senior notes (being those Notes that specify their status as Senior in the applicable Pricing Supplement (the "Senior Notes")) and the Receipts and

Coupons relating to them constitute direct and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Senior Notes and the Receipts and Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

- (b) **Status of Subordinated Notes:** The subordinated notes (being those Notes that specify their status as Subordinated in the applicable Pricing Supplement) (the “Subordinated Notes”) and the Receipts and Coupons relating to them constitute direct, unsecured and subordinated obligations of the Issuer. The rights and claims of the Noteholders, the Receiptholders and the Couponholders are subordinated as described below.
- (c) **Subordination:** Upon the occurrence of any winding-up proceeding, the rights of the Noteholders, Receiptholders and Couponholders to payment of principal of and interest on the Subordinated Notes and the Receipts and Coupons relating to them and any other obligations in respect of the Subordinated Notes and the Receipts and Coupons relating to them are expressly subordinated and subject in right of payment to the prior payment in full of all claims of Senior Creditors and will rank senior to all share capital of the Issuer and Tier I Capital Securities and/or as otherwise specified in the applicable pricing supplement or in a supplement to the Offering Circular. The Subordinated Notes and the Receipts and Coupons relating to them will rank *pari passu* with all subordinated debt issued by the Issuer as specified in the applicable pricing supplement or in a supplement to the Offering Circular. In the event that (i) the Noteholders, Receiptholders or Couponholders do not receive payment in full of principal due and payable in respect of the Subordinated Notes plus interest thereon accrued to the date of repayment in any winding-up of the Issuer and (ii) the winding-up order or resolution passed for the winding-up of the Issuer or the dissolution of the Issuer is subsequently stayed, discharged, rescinded, avoided, annulled or otherwise rendered inoperative, then to the extent that such Noteholders, Receiptholders or Couponholders did not receive payment in full of such principal of and interest on such Subordinated Notes and the Receipts or Coupons relating to them, such unpaid amounts shall remain payable in full; provided that payment of such unpaid amounts shall be subject to the provisions under this Condition 3 and Condition 9(b) and Clause 5 and Clause 7 of the Trust Deed.

The Issuer has agreed, pursuant to the terms of the Trust Deed to indemnify the Noteholders, Receiptholders and Couponholders against any loss incurred as a result of any judgment or order being given or made for any amount due under the Subordinated Notes and the Receipts and Coupons relating to them and such judgment or order being expressed and paid in a currency other than the Specified Currency. Any amounts due under such indemnification will be similarly subordinated in right of payment with other amounts due on the Subordinated Notes or the Receipts or Coupons relating to them and payment thereof shall be subject to the provisions under this Condition 3 and Condition 9(b)(ii) and Clause 7.2 of the Trust Deed.

In order for the Subordinated Notes to qualify as Tier II Capital Securities, such notes must qualify with the relevant requirements set out in MAS 637 — “Notice on Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore” issued by the MAS, as amended, replaced or supplemented from time to time. For compliance with the applicable regulatory requirements at the time of issue of any Subordinated Notes, any additional or modified terms in relation to the Subordinated Notes prescribed by the MAS at the time of issue may be specified in the applicable Pricing Supplement for the issuance of such Subordinated Notes or in a supplement to the Offering Circular and any terms set out in these Conditions may be modified or amended in the applicable Pricing Supplement for the issuance of such Subordinated Notes or in a supplement to the Offering Circular.

On a winding-up of the Issuer, there may be no surplus assets available to meet the claims of the Noteholders, Receiptholders or Couponholders after the claims of the parties ranking senior to the Noteholders, Receiptholders and Couponholders (as provided in Condition 3 and Clause 5 of the Trust Deed) have been satisfied.

In these Conditions:

“**MAS**” means the Monetary Authority of Singapore or such other governmental authority having primary bank supervisory authority with respect to the Issuer.

“**Senior Creditors**” means creditors of the Issuer (including the Issuer’s depositors) other than those whose claims are expressed to rank *pari passu* or junior to the claims of the holders of the Subordinated Notes.

“**Tier I Capital Securities**” means (i) any security issued by the Issuer or (ii) any other similar obligation issued by any subsidiary of the Issuer, that, in each case, constitutes Tier I capital of the Issuer on an unconsolidated basis pursuant to the relevant requirements set out in MAS 637 — “Notice on Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore” issued by MAS, as amended, replaced or supplemented from time to time.

“**Tier II Capital Securities**” means any security or other similar obligation issued by the Issuer that constitutes Tier II capital instruments of the Issuer pursuant to the relevant requirements set out in MAS 637 — “Notice on Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore” issued by MAS, as amended, replaced or supplemented from time to time.

- (d) **Set-off and Payment Void:** No holder of Subordinated Notes, or any Receipts or Coupons relating to such Notes may exercise, claim or plead any right of set-off, counterclaim or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Subordinated Notes or the Receipts or Coupons relating to them. Each Noteholder, Receiptholder and Couponholder of Subordinated Notes shall, by acceptance of any Subordinated Note or, as the case may be, the Receipt or Coupon in relation to it, be deemed to have waived all such rights of set-off, counterclaim or retention to the fullest extent permitted by law. If at any time any Noteholder, Receiptholder or Couponholder receives payment or benefit of any sum in respect of the Subordinated Notes or the Receipts or Coupons relating to them (including any benefit received pursuant to any such set-off, counter-claim or retention) other than in accordance with Clause 7.2.2 of the Trust Deed and the second paragraph of Condition 9(b)(ii), the payment of such sum or receipt of such benefit shall, to the fullest extent permitted by law, be deemed void for all purposes and such Noteholder, Receiptholder or Couponholder, by acceptance of such Subordinated Note or a Receipt or Coupon in relation to it, shall agree as a separate and independent obligation that any such sum or benefit so received shall forthwith be paid or returned in full by such Noteholder, Receiptholder or Couponholder to the Issuer upon demand by the Issuer or, in the event of the winding-up of the Issuer, the liquidator of the Issuer, whether or not such payment or receipt shall have been deemed void under the Trust Deed. Any sum so paid or returned shall then be treated for purposes of the Issuer’s obligations as if it had not been paid by the Issuer, and its original payment shall be deemed not to have discharged any of the obligations of the Issuer under the Subordinated Notes or the Receipts or Coupons relating to them.

4 Interest and other Calculations

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(f).
- (b) **Interest on Floating Rate Notes:**
- (i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest

payable shall be determined in accordance with Condition 4(f). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

- (ii) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest for Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "ISDA Rate" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon
- (y) the Designated Maturity is a period specified hereon and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity", "Reset Date" and "Swap Transaction" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes where the Reference Rate is not specified as being SIBOR or SOR

- (x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest

for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

- (y) if the Relevant Screen Page is not available or if, sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if sub paragraph (x)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which

would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

- (C) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SIBOR or SOR
 - (x) Each Floating Rate Note where the Reference Rate is specified as being SIBOR (in which case such Note will be a SIBOR Note) or SOR (in which case such Note will be a Swap Rate Note) bears interest at a floating rate determined by reference to a benchmark as specified hereon or in any case such other benchmark as specified hereon.
 - (y) The Rate of Interest payable from time to time in respect of each Floating Rate Note under Condition 4(b)(iii)(C) will be determined by the Calculation Agent on the basis of the following provisions:
 - (I) in the case of Floating Rate Notes which are SIBOR Notes
 - (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE — SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME” and the column headed “SGD SIBOR/USD” (or such other Relevant Screen Page);
 - (bb) if no such rate appears on the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof), the Calculation Agent will, at or about the Relevant Time on such Interest Determination Date, determine the Rate of Interest for such Interest Period which shall be the rate which appears on the Reuters Screen SIBP Page under the caption “SINGAPORE DOLLAR INTER-BANK OFFERED RATES — 11:00 A.M.” and the row headed “SIBOR SGD” (or such other replacement page thereof), being the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period;

- (cc) if no such rate appears on the Reuters Screen SIBP Page (or such other replacement page thereof or, if no rate appears, on such other Relevant Screen Page) or if Reuters Screen SIBP Page (or such other replacement page thereof or such other Relevant Screen Page) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore inter-bank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate nominal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of such offered quotations, as determined by the Calculation Agent;
 - (dd) if on any Interest Determination Date two but not all the Reference Banks provide the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (cc) above on the basis of the quotations of those Reference Banks providing such quotations; and
 - (ee) if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate nominal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate or if on such Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the rate per annum which the Calculation Agent determines to be arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date.
- (II) in the case of Floating Rate Notes which are Swap Rate Notes
- (aa) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the Average Swap Rate for such Interest Period (determined by the

Calculation Agent as being the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE — SIBOR AND SWAP OFFER RATES — RATES AT 11:00 A.M. SINGAPORE TIME” under the column headed “SGD SWAP OFFER” (or such other page as may replace Reuters Screen ABSIRFIX01 Page for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period);

- (bb) if on any Interest Determination Date, no such rate is quoted on Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSIRFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Average Swap Rate (which shall be round up to the nearest 1/16 per cent.) for such Interest Period in accordance with the following formula:

In the case of Premium:

$$\begin{aligned} \text{Average Swap Rate} = & \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(T \times \text{Spot Rate})} \\ & + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360} \end{aligned}$$

In the case of Discount:

$$\begin{aligned} \text{Average Swap Rate} = & \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(T \times \text{Spot Rate})} \\ & - \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360} \end{aligned}$$

where:

SIBOR = the rate which appears on the Reuters Screen SIBO Page under the caption “SINGAPORE INTERBANK OFFER RATES (DOLLAR DEPOSITS) 11 A.M.” and the row headed “SIBOR USD” (or such other page as may replace Reuters Screen SIBO Page for the purpose of displaying Singapore Inter-bank U.S. dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Dates for a period equal to the duration of the Interest Period concerned;

Spot Rate = the rate (determined by the Calculation Agent) to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks and which appear under the caption "ASSOCIATION OF BANKS IN SINGAPORE — SGD SPOT AND SWAP OFFER RATES AT 11.00 A.M. SINGAPORE TIME" and the column headed "Spot" on the Reuters Screen ABSIRFIX06 Page (or such other page as may replace the Reuters Screen ABSIRFIX06 Page for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;

Premium or Discount = the rate (determined by the Calculation Agent) to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks for a period equal to the duration of the Interest Period concerned which appear under the caption "ASSOCIATION OF BANKS IN SINGAPORE SPOT AND SWAP OFFER RATES AT 11.00 A.M. SINGAPORE TIME" on the Reuters Screen ABSIRFIX06 Page (or such other page as may replace the Reuters Screen ABSIRFIX06 Page for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned; and

T = the number of days in the Interest Period concerned.

The Rate of Interest for such Interest Period shall be the Average Swap Rate (as determined by the Calculation Agent);

- (cc) if on any Interest Determination Date any one of the components for the purposes of calculating the Average Swap Rate under (bb) above is not quoted on the relevant Reuters Screen Page (or such other replacement page as aforesaid) or the relevant Reuters Screen Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotations of their Swap Rates for the Interest Period concerned at or about the Relevant Time on that Interest Determination Date and the Rate of Interest for such Interest Period shall be the Average Swap Rate for such Interest Period (which

shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Swap Rates quoted by the Reference Banks to the Calculation Agent). The Swap Rate of a Reference Bank means the rate at which that Reference Bank can generate Singapore dollars for the Interest Period concerned in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date and shall be determined as follows:

In the case of Premium:

$$\text{Swap Rate} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(T \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360}$$

In the case of Discount:

$$\text{Swap Rate} = \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(T \times \text{Spot Rate})} - \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360}$$

where:

SIBOR = the rate per annum at which U.S. dollar deposits for a period equal to the duration of the Interest Period concerned are being offered by that Reference Bank to prime banks in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date;

Spot Rate = the rate at which that Reference Bank sells U.S. dollars spot in exchange for Singapore dollars in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date;

Premium = the premium that would have been paid by that Reference Bank in buying U.S. dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore inter-bank market;

Discount = the discount that would have been received by that Reference Bank in buying U.S. dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore inter-bank market; and

T = the number of days in the Interest Period concerned; and

- (dd) if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with quotations of their Swap Rate(s), the Average Swap Rate shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, in an amount equal to the aggregate nominal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and the Rate of Interest for the relevant Interest Period shall be the Average Swap Rate (as so determined by the Calculation Agent), or if on such Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date.
- (z) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.
- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortization Yield (as described in Condition 5 (b)(i)).
- (d) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).
- (e) **Margin, Maximum/Minimum Rates of Interest, Installment Amounts and Redemption Amounts and Rounding:**
- (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 4(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest, Installment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Installment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the fifth decimal place (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.
- (f) **Calculations:** The amount of interest payable per calculation amount specified hereon (or, if no such amount is so specified, the Specified Denomination) (the “Calculation Amount”) in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (g) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Installment Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Installment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Installment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period End Date is subject to adjustment pursuant to Condition 4(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.
- (h) **Determination or Calculation by an agent of the Trustee:** If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Installment Amount, Final Redemption Amount,

Early Redemption Amount or Optional Redemption Amount, the Trustee shall, at the cost and expense of the Issuer, appoint an agent on its behalf to do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by an agent of the Trustee pursuant to this Condition 4(h) shall (in the absence of manifest error) be final and binding upon all parties.

- (i) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Business Day” means:

- (i) in the case of a currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of Euro, a day on which the TARGET System is operating (a “TARGET Business Day”); and/or
- (iii) in the case of a currency and/or one or more Business Centers a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Center(s) or, if no currency is indicated, generally in each of the Business Centers.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the “Calculation Period”):

- (i) if **“Actual/Actual”** or **“Actual/Actual — ISDA”** is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if **“Actual/365 (Fixed)”** is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if **“Actual/360”** is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if **“30/360”**, **“360/360”** or **“Bond Basis”** is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30.

- (v) if “30E/360” or “Eurobond Basis” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30.

- (vi) if “30E/360 (ISDA)” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D1**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“**D2**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

(vii) if “**Actual/Actual-ICMA**” is specified hereon,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“**Determination Date**” means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s); and

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date.

“**Euro**” means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period End Date and each successive period beginning on (and including) an Interest Period End Date and ending on (but excluding) the next succeeding Interest Period End Date.

“**Interest Amount**” means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“Interest Commencement Date” means the Issue Date or such other date as may be specified hereon.

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in the relevant Financial Centre for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro.

“Interest Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“Interest Period End Date” means each Interest Payment Date unless otherwise specified hereon.

“ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., (as may be updated, amended or supplemented from time to time) unless otherwise specified hereon.

“Rate of Interest” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified hereon and, in the case of a determination of SIBOR or SOR, the principal Singapore office of three major banks in the Singapore inter-bank market.

“Reference Rate” means the rate specified as such hereon.

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service as may be specified hereon.

“Relevant Time” means, with respect to any Interest Determination Date, the local time in the relevant Financial Centre specified hereon or, if none is specified, the local time in the relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the relevant Financial Centre or, if no such customary local time exists, 11.00 hours in the relevant Financial Centre and, for the purpose of this definition “local time” means, with respect to the Euro-zone as a relevant Financial Centre, Central European Time.

“Specified Currency” means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

- (i) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period

or to calculate any Interest Amount, Installment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (with the prior approval of the Trustee) appoint a leading bank or financial institution engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

5 Redemption, Purchase and Options

(a) Redemption by Installments and Final Redemption:

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5, each Note that provides for Installment Dates and Installment Amounts shall be partially redeemed on each Installment Date at the related Installment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Installment Amount (or, if such Installment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Installment Date, unless payment of the Installment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Installment Amount.
- (ii) Unless otherwise provided hereon and unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided hereon, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Installment Amount.

(b) Early Redemption:

(i) *Zero Coupon Notes:*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9 shall be the Amortized Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortized Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortization Yield (which, if none is shown hereon, shall be such rate as would produce an Amortized Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortized Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortized Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption

Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(d).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

- (ii) *Other Notes*: The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) **Redemption for Taxation Reasons:**

- (i) *Senior Notes*: The Senior Notes may be redeemed at the option of the Issuer in whole, but not in part, (the "Senior Notes Optional Tax Redemption") on any Interest Payment Date (if such Senior Note is a Floating Rate Note) or, if so specified thereon, at any time (if such Senior Note is not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 5(b) above) (together with interest accrued to the date fixed for redemption and any Additional Amounts then due or which will become due on or before the date fixed for redemption), if (i) the Issuer has or will become obliged to pay Additional Amounts (as described under Condition 7) as a result of any change in, or amendment to, the laws or regulations of a Relevant Taxing Jurisdiction (as defined in Condition 7) or any political subdivision or any authority thereof or therein having power to tax, or any change in the official application or interpretation of such laws or regulations, which change or amendment is announced and becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Notes then due.

Before the publication of any notice of redemption pursuant to this Condition 5(c)(i), the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognized standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled without further enquiry to accept such certificate and opinion as conclusive evidence of the satisfaction of the condition precedent set out in (ii) above, in which event it shall be conclusive and binding on Noteholders and Couponholders.

- (ii) **Subordinated Notes**: Subject to Condition 5(j), the Subordinated Notes may be redeemed at the option of the Issuer in whole, but not in part, (the "Subordinated Notes Optional Tax Redemption" and together with the Senior Notes Optional Tax Redemption, the "Optional Tax Redemption") on any Interest Payment Date (if such Subordinated Note is a Floating Rate Note) or at any time (if such Subordinated Note is not a Floating Rate Note), on giving not less than 30 but not more than 60 days' notice to the Noteholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 5(b) above) together with interest accrued but unpaid (if any) to (but excluding) the date fixed for redemption and any Additional Amounts then due or which will become due on or before the date fixed for redemption or, if the Early Redemption Amount is not specified hereon, at their nominal amount, together with interest accrued but unpaid (if any) to (but excluding)

the date fixed for redemption and any Additional Amounts then due or which will become due on or before the date fixed for redemption, if

- (aa) the Issuer has or will become obliged to pay Additional Amounts (as described under Condition 7) or
- (bb) payments of interest on the Subordinated Notes will or would be treated as “distributions” or dividends within the meaning of the Income Tax Act, Chapter 134 of Singapore or any other act in respect of or relating to Singapore taxation or would otherwise be considered as payments of a type that are non-deductible for Singapore income tax purposes,

in each case as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax (or any taxing authority of any taxing jurisdiction in which the Issuer is a tax resident) or any change in the official application or interpretation of such laws or regulations, which change or amendment is announced and becomes effective on or after the date on which agreement is reached to issue the Subordinated Notes, and the foregoing cannot be avoided by the Issuer taking reasonable measures available to it, provided that, where the Issuer has or will become obliged to pay Additional Amounts, no such notice of redemption shall be given earlier than (a) if such Subordinated Note is a Floating Rate Note, 60 days, or (b) if this Subordinated Note is not a Floating Rate Note, 90 days, in each case, prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Subordinated Notes then due.

Before the publication of any notice of redemption pursuant to this Condition 5(c)(ii), the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognized standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled without further enquiry to accept such certificate and opinion as conclusive evidence of the satisfaction of the condition precedent set out above, in which event it shall be conclusive and binding on Noteholders and Couponholders.

(d) **Redemption at the option of the Issuer:**

- (iii) **Senior Notes:** If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem all or, if so provided, some of the Notes on the date(s) specified hereon (the “Senior Notes Optional Redemption Date”). Any such redemption of Senior Notes shall be at the Optional Redemption Amount specified hereon together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Senior Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Senior Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account

of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

- (iv) **Subordinated Notes:** Subject to Condition 5(j), and unless otherwise specified in the Pricing Supplement, if Call Option is specified hereon, the Issuer may, on giving not less than 15 days' irrevocable notice to the Noteholders, elect to redeem all, but not some only, of the Subordinated Notes on the relevant date(s) specified hereon (which shall not be less than 5 years from the Issue Date) (the "Subordinated Notes Optional Redemption Dates" and together with the Senior Notes Redemption Date, the "Optional Redemption Dates") at their Optional Redemption Amount specified hereon or, if no Optional Redemption Amount is specified hereon, at their nominal amount together with interest accrued but unpaid (if any) to (but excluding) the date fixed for redemption in accordance with these Conditions.

All Subordinated Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

- (e) **Redemption at the option of holders of Senior Notes:** If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Senior Note, upon the holder of such Senior Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Senior Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Senior Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No such Senior Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior written consent of the Issuer.

Unless otherwise provided in the applicable Pricing Supplement, the Subordinated Notes are not redeemable prior to the Maturity Date at the option of the Noteholders.

- (f) **Redemption for Change of Qualification Event in respect of Subordinated Notes:** Subject to Condition 5(j), if immediately prior to the giving of the notice referred to below, as a result of a change or proposed change to the relevant requirements issued by MAS in relation to the qualification of the Subordinated Notes as Tier II Capital Securities of the Issuer or to the recognition of the Subordinated Notes as capital for calculating the total capital adequacy ratio of the Issuer, or any change in the application of official or generally published interpretation of such relevant requirements issued by MAS or any relevant authority, including a ruling or notice issued by MAS or any relevant authority, or any interpretation or pronouncement by MAS or any relevant authority that provides for a position with respect to such relevant requirements issued by MAS that differs from the previously generally accepted position in relation to similar transactions or which differs from any specific written statements made by any authority regarding the qualification of the Subordinated Notes as Tier II Capital Securities of the Issuer or to the recognition of the Subordinated Notes as capital for calculating the total capital adequacy ratio of the Issuer, which change or amendment (i) (subject to (ii)) becomes, or would become, effective on or after the Issue Date, or (ii) in the case of a change or proposed change to the relevant requirements issued by MAS, if such change is issued or is expected to be issued by MAS, on or after the Issue Date, the relevant Subordinated Notes, in whole or in part, would not qualify as Tier II Capital Securities of the Issuer (excluding, for the avoidance of doubt, non-qualification solely by virtue of the Issuer already having, or coming to have, an issue of securities with an aggregate principal amount up to or in excess of the limit of Tier II Capital Securities permitted pursuant to the relevant legislation and statutory guidelines in force as at the Issue Date) (a "Change of Qualification Event"),

then the Issuer may, having given not less than 30 but not more than 60 days' prior written notice to the Noteholders in accordance with Condition 15 (which notice shall be irrevocable), redeem in accordance with these Conditions on any Interest Payment Date all, but not some only, of the relevant Subordinated Notes, at their Early Redemption Amount or, if no Early Redemption Amount is specified hereon, at their nominal amount together with interest accrued but unpaid (if any) to (but excluding) the date of redemption in accordance with these Conditions.

Prior to the publication of any notice of redemption pursuant to this Condition 5(f), the Issuer shall deliver to the Trustee a certificate signed by one authorised person of the Issuer stating that a Change of Qualification Event has occurred and the Trustee shall accept such certificate without any further inquiry as conclusive evidence of the satisfaction of the conditions set out above without liability to any person in which event it shall be conclusive and binding on the Noteholders, Receiptholders and Couponholders. Upon expiry of such notice, the Issuer shall redeem the Subordinated Notes in accordance with this Condition 5(f).

- (g) **Purchases:** The Issuer and any of its subsidiaries (with the prior approval of MAS in the case of Subordinated Notes) may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.
- (h) **Cancellation:** All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.
- (i) **No Obligation to Monitor:** The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists within this Condition 5 and will not be responsible to the Noteholders, Receiptholders or Couponholders for any loss arising from any failure by it to do so. Unless and until the Trustee has notice in writing of the occurrence of any event or circumstance within this Condition 5, it shall be entitled to assume that no such event or circumstance exists.
- (j) **Redemption Conditions of Subordinated Notes:** Any redemption of Subordinated Notes by the Issuer is subject to the Issuer obtaining the prior approval of MAS.

6 Payments and Talons

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Installment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(f)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. "Bank" means a bank in the principal financial centre for such currency or, in the case of Euro, in a city in which banks have access to the TARGET System.
- (b) **Registered Notes:**
 - (i) Payments of principal (which for the purposes of this Condition 6(b) shall include final Installment Amounts but not other Installment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant

Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

- (ii) Interest (which for the purpose of this Condition 6(b) shall include all Installment Amounts other than final Installment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the Clearing System Business Day immediately prior to the due date for payment thereof, where “Clearing System Business Day” means Monday to Friday inclusive except 25 December and 1 January (the “Record Date”). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments subject to fiscal laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time, with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) such other agents as may be required by any other stock exchange on which the Notes may be listed, in each case as approved by the Trustee and (vi) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

- (f) **Unmatured Coupons and Receipts and unexchanged Talons:**
 - (i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Bearer Notes which comprise Fixed Rate

Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
 - (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
 - (iv) Upon the due date for redemption of any Bearer Note that is redeemable in installments, all Receipts relating to such Note having an Installment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
 - (v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
 - (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).
- (h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "business day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such other jurisdictions as shall be specified as "Financial Centers" hereon and:
- (i) (in the case of a payment in a currency other than Euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or
 - (ii) (in the case of a payment in Euro) which is a TARGET Business Day.

7 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes, the Receipts and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within (i) Singapore or, if different, the jurisdiction of tax residency of the Issuer, (ii) solely in the case of Notes issued by the London branch of the Issuer, the United Kingdom, and (iii) solely in the case of Notes issued by the Hong Kong branch of the Issuer, Hong Kong (each such jurisdiction, a “Relevant Taxing Jurisdiction”) or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts (the “Additional Amounts”) as shall result in receipt by the Receiptholders, Noteholders and Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is (i) treated as a resident of or as having a permanent establishment in the Relevant Taxing Jurisdiction for tax purposes or (ii) liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt, Talon or Coupon by reason of his having some connection with the Relevant Taxing Jurisdiction other than the holding or ownership of the Note, Receipt, Talon or Coupon or receiving income therefrom, or the enforcement thereof, or
- (b) **Lawful avoidance of withholding:** to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements concerning the nationality, residence, identity or other attributes of the holder or beneficial owner or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note (or the Certificate representing it), Receipt or Coupon is presented for payment or
- (c) **Presentation more than 30 days after the Relevant Date:** where presentation is required or has occurred, presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such Additional Amounts on presenting it for payment on or before the thirtieth such day or
- (d) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or
- (e) **Payment by another Paying Agent:** (except in the case of Registered Notes) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt, Talon or Coupon to another Paying Agent in a Member State of the European Union.

As used in these Conditions, “Relevant Date” in respect of any Note, Receipt, Talon or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt, Talon or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Notes, all Installment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortized Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or

supplement to it and (iii) “principal” and/or “interest” shall be deemed to include any Additional Amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the “Income Tax Act”), shall not apply if such person acquires such Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.

8 Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

9 Events of Default

(a) Senior Notes

If any of the following events (“Events of Default”) occurs and is continuing, in the case of Senior Notes, the Trustee at its discretion may, and if so requested by holders of at least one-quarter in nominal amount of the Senior Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to its being indemnified and/or secured and/or pre-funded to its satisfaction in its sole discretion) give notice to the Issuer that the Senior Notes are, and they shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest:

- (i) *Non-Payment*: default is made for more than 30 days in the payment on the due date of interest or principal in respect of any of the Senior Notes or
- (ii) *Breach of Other Obligations*: the Issuer does not perform or comply with any one or more of its other obligations under the Senior Notes or the Trust Deed, which default has not been remedied within 30 days after notice of such default shall have been given to the Issuer by the Trustee or
- (iii) *Enforcement Proceedings*: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against the whole or a material part of the property, assets or revenues of the Issuer and is not discharged or stayed within 90 days or
- (iv) *Insolvency*: the Issuer, is (or is deemed by law or a court of competent jurisdiction to be) insolvent or bankrupt or unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material (in the opinion of the Trustee) part of its debts or makes a general assignment or an arrangement or composition with or for the benefit of all its creditors or a moratorium is agreed or declared in respect of all or a material part of the debts of the Issuer or
- (v) *Winding-up*: an administrator is appointed in relation to the Issuer, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer, or the Issuer shall apply or petition for a winding-up or administration order in respect of itself or ceases or threatens, through an official action of its board of directors, to cease to carry on all or substantially all of its business or operations, in each case except for the purpose of and followed by a reconstruction,

amalgamation, reorganization, merger or consolidation on terms previously approved by an Extraordinary Resolution (as defined in the Agency Agreement).

(b) **Subordinated Notes:** In the case of the Subordinated Notes:

- (i) *Default:* "Default", wherever used in this Condition 9(b), means (except as expressly provided below, whatever the reason for such Default and whether or not it shall be voluntary or involuntary or be effected by the operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) failure to pay principal of or interest on any Subordinated Note or Receipt or Coupon (which default in the case of principal continues for seven Business Days and in the case of interest continues for 14 Business Days) after the due date for such payment.
- (ii) *Enforcement:* If a Default occurs in relation to the Subordinated Notes and is continuing, the Trustee may institute proceedings in Singapore (but not elsewhere) for the winding-up of the Issuer. The Trustee shall have no right to enforce payment under or accelerate payment of any Subordinated Note or Receipt or Coupon in the case of such Default in payment on such Subordinated Note or Receipt or Coupon or a default in the performance of any other covenant of the Issuer in such Subordinated Note, Coupon or in the Trust Deed except as provided for in this Condition 9 and Clause 7 of the Trust Deed.

Subject to the subordination provisions as set out in Condition 3 and in Clause 5 and Clause 7 of the Trust Deed, if a court order is made or an effective resolution is passed for the winding-up of the Issuer, there shall be payable on the Subordinated Notes and Coupons, after the payment in full of all claims of all Senior Creditors, but in priority to holders of share capital of the Issuer and Tier I Capital Securities and/or as otherwise specified in the applicable pricing supplement or in a supplement to the Offering Circular, such amount remaining after the payment in full of all claims of all Senior Creditors up to, but not exceeding, the nominal amount of the Subordinated Notes together with interest accrued to the date of repayment.

- (iii) *Rights and Remedies upon Default:* If a Default in respect of the payment of principal of or interest on the Subordinated Notes or Coupons occurs and is continuing, the sole remedy available to the Trustee shall be the right to institute proceedings in Singapore (but not elsewhere) for the winding-up of the Issuer. If the Issuer shall default in the performance of any obligation contained in the Trust Deed, the Subordinated Notes or the Coupons other than a Default specified in Condition 9(b)(i) above, the Trustee, the Noteholders, Receiptholders and Couponholders shall be entitled to every right and remedy given hereunder or thereunder or now or hereafter existing at law or in equity or otherwise, provided, however, that the Trustee shall have no right to enforce payment under or accelerate payment of any Subordinated Note or Coupon except as provided in this Condition 9 and Clause 7 of the Trust Deed. If any court awards money damages or other restitution for any default with respect to the performance by the Issuer of its obligations contained in the Trust Deed, the Subordinated Notes or the Coupons, the payment of such money damages or other restitution shall be subject to the subordination provisions set out herein and in Clause 5 and Clause 7 of the Trust Deed.
- (iv) *Entitlement of the Trustee:* The Trustee shall not be bound to take any of the actions referred to in Condition 9(b)(ii) above or Clause 7.2 of the Trust Deed or any other action under the Trust Deed unless (i) it shall have been so requested by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders or in writing by the holders of at least one-quarter in nominal amount of the Subordinated Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction in its sole discretion.

- (v) *Rights of Holders*: No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the winding-up of the Issuer in Singapore or to prove in any winding-up of the Issuer unless the Trustee, having become so bound to proceed (in accordance with the terms of the Trust Deed and the Conditions) or being able to prove in such winding-up, fails to do so within a reasonable period and such failure shall be continuing, in which case the Noteholder, Receiptholder or Couponholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise. No remedy against the Issuer, other than as referred to in this Condition 9 and Clause 7 of the Trust Deed, shall be available to the Trustee or any Noteholder, Receiptholder or Couponholder whether for the recovery of amounts owing in relation to or arising from the Subordinated Notes or the Coupons and Receipts relating to them and/or the Trust Deed or in respect of any breach by the Issuer of any of its other obligations relating to or arising from the Subordinated Notes and the Coupons, Receipts relating to them and/or the Trust Deed.

10 Meetings of Noteholders, Modification and Waiver

- (a) **Meetings of Noteholders**: The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provision of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to amend the dates of maturity or redemption of the Notes, any Installment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Installment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Installment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortized Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution or (ix) to modify Condition 3 in respect of the Subordinated Notes, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders and Receiptholders.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the applicable Pricing Supplement in relation to such Series.

- (b) **Modification of the Trust Deed and waiver:** The Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed which is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error and waive or authorise, on such terms as seem expedient to it, any breach or proposed breach, of any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. [Notwithstanding any other provision of these Conditions or the Trust Deed, no modification to any Condition or any provision of the Trust Deed may be made without the approval of MAS.]⁹ Any such modification, authorisation or waiver shall be binding on the Noteholders, Receiptholders and the Couponholders and, if the Trustee so requires, such waiver or authorisation shall be notified to the Noteholders as soon as practicable.
- (c) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders, Receiptholders or Couponholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders, Receiptholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholders or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders, Receiptholders or Couponholders.

11 Enforcement in respect of Senior Notes

In the case of Senior Notes, at any time after the Senior Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Senior Notes, the Receipts and the Coupons, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-quarter in nominal amount of the Senior Notes outstanding, and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction in its sole discretion. No Noteholder, Receiptholder or Couponholder in respect of Senior Notes may proceed directly against the Issuer unless the Trustee, having become bound so to proceed (in accordance with the terms of the Trust Deed and the Conditions), fails to do so within a reasonable time and such failure is continuing, in which case such Noteholder, Receiptholder or Couponholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise.

12 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

The Trustee may accept and rely without liability to Noteholders, Receiptholders or Couponholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may conclusively (without liability) accept and shall be entitled to rely on such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee, the Noteholders, Receiptholders and the Couponholders.

13 Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in

connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) or talons and otherwise as the Issuer and/or Agent may require in their sole discretion. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

14 Further Issues

The Issuer may from time to time without the consent of the Noteholders, Couponholders or Receiptholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

15 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in Singapore (which is expected to be the Business Times) or, so long as Notes are listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"), published on the website of the SGX-ST www.sgx.com. If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Singapore. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

So long as the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of DTC, Euroclear or Clearstream or the Alternative Clearing System (as defined in the form of the Global Certificate), notices to Noteholders shall be given by delivery of the relevant notice to DTC, Euroclear or Clearstream or the Alternative Clearing System, for communication by it to entitled accountholders in substitution for notification as required by the Conditions except that if the Notes are listed on the SGX-ST, and the rules of the SGX-ST so require, notice will in any event be published as provided above.

16 Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer

shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

17 Contracts (Rights of Third Parties) Act

[No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Notes expressly provide for such Act to apply to any of their terms.]¹

[No person shall have the right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.]²

18 Governing Law and Jurisdiction

(a) **Governing Law:** The Trust Deed, the Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, [English law]¹ [, save that the provisions in relation to subordination, set-off and payment void and default and enforcement are governed by and shall be construed in accordance with Singapore law]³ [Singapore law]².

[(b) **Jurisdiction:** The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons ("Proceedings") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).]¹

19 Headings

Headings are for convenience only and do not affect the interpretation of these Terms and Conditions.

¹ Include for Notes governed by English law.

² Include for Notes governed by Singapore law.

³ Include for Subordinated Notes.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Initial Issue of Notes

The Notes will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “Tranche”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a Pricing Supplement to this Offering Circular.

Global Notes and Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depository.

Upon the initial deposit of a Global Note with a Common Depository or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depository for Euroclear or Clearstream, Luxembourg (as the case may be) will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. Upon the initial deposit of a Global Certificate in respect of, and registration of, Registered Notes in the name of a nominee for DTC and delivery of the relevant Global Certificate to the Custodian for DTC, DTC will credit each participant with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depository may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date will be made against presentation of the Temporary Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and (in the case of a Temporary Global Note delivered to a Common Depository for Euroclear and Clearstream, Luxembourg) Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, DTC or any other permitted clearing system (“Alternative Clearing System”) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg, DTC or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, DTC or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

Exchange

1 *Temporary Global Notes*

Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “Summary — Selling Restrictions”), in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part, upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

2 *Permanent Global Notes*

Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.3 below, in part for Definitive Notes:

- (i) if the Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or
- (ii) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Issuing and Paying Agent of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a nominal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a nominal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg.

3 *Global Certificates*

3.1 *Unrestricted Global Certificates*

If the Pricing Supplement states that the Notes are to be represented by an Unrestricted Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system. Transfers of the holding of Notes represented by any Unrestricted Global Certificate pursuant to Condition 2(b) may only be made in whole but not in part:

- (a) if the Unrestricted Global Certificate is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or
- (b) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph (a) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

3.2 Restricted Global Certificates

If the Pricing Supplement states that the Restricted Notes are to be represented by a Restricted Global Certificate on issue, the following will apply in respect of transfers of Notes held in DTC. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of DTC, but will limit the circumstances in which the Notes may be withdrawn from DTC. Transfers of the holding of Notes represented by that Restricted Global Certificate pursuant to Condition 2(b) may only be made:

- (a) in whole but not in part, if such Notes are held on behalf of a Custodian for DTC and if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to that Restricted Global Certificate or DTC ceases to be a “clearing agency” registered under the Exchange Act or is at any time no longer eligible to act as such, and this Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC; or
- (b) in whole or in part, with the Issuer’s consent,

provided that, in the case of any transfer pursuant to (a) above, the relevant Registered Holder has given the relevant Registrar not less than 30 days’ notice at its specified office of the Registered Holder’s intention to effect such transfer. Individual Certificates issued in exchange for a beneficial interest in a Restricted Global Certificate shall bear the legend applicable to such Notes as set out in “Transfer Restrictions”.

3.3 Partial Exchange of Permanent Global Notes

For so long as a Permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Pricing Supplement) relating to Partly-paid Notes.

4 *Delivery of Notes*

On or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes. Global Notes and Definitive Notes will be delivered outside the United States and its possessions. In this Offering Circular, “Definitive Notes” means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Installment Amounts that have not already been paid on the Global Note and, if applicable, a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

5 *Exchange Date*

“Exchange Date” means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a Permanent Global Note, a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

Amendment to Conditions

The Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Circular. The following is a summary of certain of those provisions:

1 *Payments*

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made, against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. Conditions 6(e)(vi) and 7(e), will apply to Definitive Notes only. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of “business day” set out in Condition 6(h).

All payments made in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “Clearing System Business Day” means Monday to Friday inclusive except 25 December and 1 January.

2 *Prescription*

Claims against the Issuer in respect of Notes that are represented by a Permanent Global Note will become void unless it is presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 7).

3 *Meetings*

The holder of a Permanent Global Note or of the Notes represented by a Global Certificate shall (unless such Permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Permanent Global Note shall be treated as having one vote in respect of each minimum integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder’s holding, whether or not represented by a Global Certificate.)

4 *Cancellation*

Cancellation of any Note represented by a Permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Permanent Global Note.

5 *Purchase*

Notes represented by a Permanent Global Note may only be purchased by the Issuer or any of its subsidiaries or any holding company (within the meaning of section 5 of the Companies Act, Chapter 50 of Singapore) or any other subsidiary of such holding company if they are purchased together with the rights to receive all future payments of interest and Installment Amounts (if any) thereon.

6 *Issuer’s Option*

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note shall be exercised by the Issuer giving notice to the

Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Bearer Notes drawn, or in the case of Registered Notes shall not be required to specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Note, in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), DTC or any other clearing system (as the case may be).

7 *Noteholders' Options*

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note or a Global Certificate may be exercised by the holder of the Permanent Global Note or Global Certificate giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Bearer Notes, or in the case of Registered Notes shall not be required to specify the nominal amount of Registered Notes and the holder(s) of such Registered Notes, in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the Permanent Global Note or a Global Certificate to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation.

8 *Notices*

So long as any Notes are represented by a Global Note or Global Certificate and such Global Note or Global Certificate is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate except that if the Notes are listed on the SGX-ST, and the rules of the SGX-ST so require, notice will in any event be published in accordance with the Conditions.

Partly-paid Notes

The provisions relating to Partly-paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes or Global Certificate. While any installments of the subscription monies due from the holder of Partly-paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a Permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any installment due on any Partly-paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them.

USE OF PROCEEDS

The net proceeds from the issue of each Tranche of Notes will be used for the general business purposes of the DBS Group.

CAPITALIZATION AND INDEBTEDNESS OF THE DBS GROUP

The following table sets forth the capitalization and indebtedness of the DBS Group as at June 30, 2011 (based on or derived from the unaudited consolidated condensed interim financial information of the DBS Group unless otherwise indicated).

	As at June 30, 2011
	Actual
	<i>(\$ in millions)</i>
Short-term liabilities	
Customer deposits ⁽¹⁾	210,536
Interbank liabilities ⁽²⁾	26,799
Bills payable	399
Other debt securities	2,861
Other liabilities	28,304
Total short-term liabilities	268,899
Long-term liabilities	
Other debt securities	3,251
Total long-term liabilities	3,251
Non-controlling interests, including	
Preference shares ⁽³⁾	4,270
Loan capital	
Subordinated debts ⁽⁴⁾	5,058
Total loan capital	5,058
Shareholders' funds	
Share capital	9,214
Other reserves	7,086
Revenue reserves	11,714
Total shareholders' funds	28,014
Total capitalization⁽⁵⁾	40,593
Contingent liabilities	18,571

Notes:

- (1) Includes customer deposits classified as financial liabilities at fair value through profit or loss.
- (2) Includes interbank liabilities classified as financial liabilities at fair value through profit or loss.
- (3) Includes S\$1,700 million 4.7% non-cumulative non-convertible preference shares, S\$800 million 4.7% non-cumulative non-convertible preference shares and S\$1,500 million non-cumulative guaranteed preference shares callable with step-up in 2018. These qualify for Tier 1 capital treatment.
- (4) Includes U.S.\$750 million 5.00% subordinated notes callable with step-up in 2014, U.S.\$900 million floating rate subordinated notes callable with step-up in 2016, S\$500 million 4.47% subordinated notes callable with step-up in 2016, U.S.\$500 million 5.13% subordinated notes callable with step-up in 2012 and U.S.\$1,500 million floating rate subordinated notes callable with step-up in 2012. These qualify for Tier II capital treatment.
- (5) Total long-term liabilities plus non-controlling interests plus total loan capital plus shareholders' funds.

DESCRIPTION OF THE BUSINESS OF THE DBS GROUP

The DBS Group is the largest banking group incorporated in Southeast Asia by total assets and is engaged in a range of commercial banking and financial services principally in Asia. As at June 30, 2011, the DBS Group had S\$309 billion in total assets, S\$169 billion in customer loans and advances, S\$211 billion in customer deposits and S\$28 billion in total shareholders' funds. As at December 31, 2010, the DBS Group had S\$284 billion in total assets, S\$152 billion in customer loans and advances, S\$194 billion in customer deposits and S\$27 billion in total shareholders' funds.

The DBS Group's primary operations are in Singapore and Hong Kong. In Singapore, the DBS Group has leading positions in consumer banking, corporate banking, SME banking, investment banking, treasury and securities brokerage. In Hong Kong, it has an established corporate banking, SME banking and consumer banking business, among others. As at, and for the year ended, December 31, 2010, Singapore accounted for 65% and 63% of the DBS Group's assets and total income respectively, while Hong Kong accounted for 19% and 21% of the DBS Group's assets and total income respectively.

The DBS Group's operations in China, Taiwan, India, Indonesia and other countries also provide services to corporates, SMEs and retail customers. The DBS Group's diversification in the Asia Pacific region has resulted in a more balanced geographical distribution of its assets and total operating income.

A significant portion of the DBS Group's assets and operations is held and conducted through DBS Bank. As at June 30, 2011 and December 31, 2010, DBS Bank accounted for approximately 83% and 84%, respectively, of the DBS Group's consolidated total assets. DBS Bank is one of the highest rated commercial banks in Asia with a long-term issuer rating of "AA-" from Fitch, a long-term issuer rating of "Aa1" from Moody's and a long-term counterparty credit rating of "AA-" from Standard & Poor's.

DBS Bank was incorporated in July 1968 by the Singapore Government as a financing institution to support Singapore's industrialization. In June 1969, DBS Bank began commercial banking operations. In September 1999, DBS Bank was restructured to become a wholly-owned subsidiary of DBSH, which is listed on the SGX-ST. On July 21, 2003, DBS Bank changed its legal name from The Development Bank of Singapore Limited to DBS Bank Ltd.

As at August 31, 2011, DBSH had a market capitalization of approximately S\$31 billion based on the closing price per ordinary share on the Main Board of the SGX-ST, making DBSH one of the largest listed companies in Singapore in terms of market capitalization. As at August 31, 2011, Temasek Holdings (Private) Limited, directly or indirectly, held approximately 27.81% of DBSH's outstanding ordinary shares, and non-voting preference shares that, if converted, would bring such ownership to 30.78%.

Strengths

Strong credit profile and resilient capital base

The DBS Group has consistently maintained robust capital ratios and as at June 30, 2011, had a core Tier 1 capital adequacy ratio of 11.5%, a Tier 1 capital adequacy ratio of 13.5% and a total capital adequacy ratio of 16.5%. Recent capital management activities include a S\$4 billion rights issue completed in 2009, and preference share issues amounting to S\$2.5 billion in 2010. The DBS Group is well-positioned to comply with the new MAS Basel III capital requirements, which will be fully implemented by 2019. The DBS Group has adopted a prudent dividend policy to ensure that strong capital ratios are maintained while it executes its growth strategy.

The DBS Group was awarded "Safest Bank in Asia" in 2009, 2010 and 2011 by Global Finance. Singapore, the DBS Group's core market, is the only sovereign in Asia with a "Aaa" credit rating from Moody's, and "AAA" ratings from Standard & Poor's and Fitch.

Diversified loan and earnings mix supported by stable deposits and diversified funding sources

The DBS Group has a diversified loan portfolio and earnings mix that is not overly concentrated in any particular industry, country or business segment. As at June 30, 2011, no single industry contributed more than 25% of the DBS Group's gross loans and, outside of Singapore, no single country contributed more than 25%. The DBS Group also has a balanced mix between fee and interest income, with fee income derived from diversified sources such as loan fees, trade services and wealth management.

In terms of funding, the DBS Group's strong domestic deposit base and leading market position in low cost Singapore dollar deposits have enabled it to maintain a favorable loan-to-deposit ratio of 80.1% as of June 30, 2011. The DBS Group is actively seeking to diversify its funding sources through its wholesale funding business and through the capital markets.

Strong core banking business with proven earnings generation capability and exposure to key growth geographies in Asia

The DBS Group is the largest banking group incorporated in Southeast Asia by total assets and is engaged in a range of commercial banking and financial services principally in Asia. The DBS Group has cultivated banking relationships with both retail and institutional customers, which have enabled it to deliver consistent profitability throughout economic cycles. During the global financial crisis in 2008 and 2009, the DBS Group's return on average equity was 10.1% and 8.4%, respectively, despite unfavorable macroeconomic conditions. Given its exposure to key growth countries in Asia, the DBS Group is well positioned to benefit from the favorable macroeconomic conditions and growth momentum in Asia.

Prudent and comprehensive risk management framework focused on asset quality

The DBS Group has a robust risk management framework in place to address key risk areas and its risk management approach is based on (i) strong risk governance, (ii) robust and comprehensive processes to identify, measure, monitor, control and report risks, (iii) sound assessments of capital adequacy relative to risks, and (iv) a rigorous system of internal control reviews involving internal and external auditors. The DBS Group's prudent approach to risk management has enabled it to maintain low NPL ratios and high coverage ratios, even during economic downturns. As of December 31, 2009, the DBS Group's NPL ratio was 2.9% and its coverage ratio (defined as total allowances as a percentage of non-performing assets) was 83%. Since then, the DBS Group's NPL ratio has improved to 1.9% as of December 31, 2010 and 1.5% as of June 30, 2011 and the DBS Group's coverage ratio has improved to 100% as of December 31, 2010 and 113% as of June 30, 2011.

Strategy

The DBS Group is focused on building an Asian commercial bank to capture growth opportunities in the region. The DBS Group's strategic intent is to be "The Asian Bank of Choice for the New Asia". To this end, it has embarked on the following strategy to strengthen its growing presence in key Asian markets as follows:

Entrench leadership in Singapore

The DBS Group will continue to leverage its position of strength in Singapore. It will focus on growing customer assets, particularly in the retail and SME banking businesses. It will also intensify cross-selling efforts across all customer segments and leverage the bank's mass-market consumer franchise.

Re-energize Hong Kong

In Hong Kong, the DBS Group will continue to strengthen its franchise through a defined customer segmentation strategy by offering targeted financial products and services to corporates, SMEs and affluent individuals. The DBS Group also seeks to capture China-related trade and capital flows, including RMB-denominated products, through its Hong Kong franchise.

Re-balance the geographic mix of business

The DBS Group is seeking to diversify its geographic mix and expects the growth markets of China, Taiwan, India and Indonesia to account for an increasing proportion of its revenues and earnings over time. It will pursue growth in these markets by expanding its network to focus on corporates, SMEs and affluent individuals.

Build a leading SME banking business

The DBS Group is focused on building a regional SME platform by offering SMEs, whose role in intra-Asia trade flows is increasing, a seamless banking experience across its markets and a product suite complementary to their needs, by leveraging the DBS Group's network and local insights.

Strengthen wealth proposition

The DBS Group is strengthening its wealth management product offerings to meet the needs of Asia's growing affluent population. Leveraging its network and strong capital position, the DBS Group offers customers wealth management products that will enable them to benefit from Asia's rising prosperity.

Build out Global Transaction Services and Treasury & Markets capabilities across the region

As intra-Asia trade grows, the DBS Group believes that the need for transaction services will also increase. The DBS Group is investing in its GTS offerings to enable it to capture a portion of transaction revenues in Asia such as cash management services, trade finance, commodity finance and securities and fiduciary services offerings. The DBS Group is also strengthening its T&M offerings to widen the offerings available to its corporate and affluent clients across Asia.

Improve internal processes to underpin the DBS Group's geographic and regional business strategies

The DBS Group seeks to build a customer-centric organization by placing customers at the heart of the DBS banking experience. It is standardizing and creating a consistent set of management processes across its network. It is also focused on people development by grooming talent and creating opportunities for employees to develop and grow within the organization. At the same time, it is strengthening its technology and infrastructure platform to underpin its business ambitions.

Key Businesses

The DBS Group's main businesses include consumer banking, corporate banking, SME banking, investment banking, treasury and securities brokerage. The DBS Group operates its main businesses through its Consumer/Private Banking Group, Institutional Banking Group and T&M.

Consumer/Private Banking Group ("CBG")

Through its CBG, the DBS Group serves close to six million retail customers in Singapore, Hong Kong, China, Taiwan, Indonesia and India. It offers a comprehensive range of financial products and services, including savings and current accounts, fixed deposits, bill payment services, credit and debit cards, loans for housing and automobiles, wealth management, investment and insurance products. In the six months ended June 30, 2011 and the year ended December 31, 2010, CBG contributed 14.8% and 16.2%, respectively, of the DBS Group's profit before tax.

In Singapore, the DBS Group holds leading positions in savings and deposits, investments and insurance distribution. As at June 30, 2011, it had 4.4 million retail customers in the country and more than 50% share of the market in Singapore-dollar denominated savings accounts. It also had the country's largest retail distribution network with 90 retail banking contact points and more than 1,400 self-service banking facilities such as ATMs, cash and cheque deposit machines as at June 30, 2011. The DBS Group is one of the largest mortgage lenders for public and private housing in Singapore.

In Hong Kong, the DBS Group provides wealth management services to the affluent and mass affluent segments and is also a key player in retail deposits and unsecured loans. As at June 30, 2011, it had 54 retail and consumer finance branches and 72 ATMs in Hong Kong and served almost one million retail customers.

In China, Taiwan, India and Indonesia, the DBS Group's consumer banking operations are focused on serving the affluent and mass affluent segments. In China, its consumer banking operations were strengthened by the acquisition of the Royal Bank of Scotland's retail and commercial banking customer base, business portfolios and related employees in Shanghai, Beijing and Shenzhen.

The DBS Group's internet platform, DBS iBanking, offers a wide range of online services and, as at June 30, 2011, was used by approximately 1.6 million retail customers in Singapore. The DBS Group also launched a mobile banking platform, in April 2010, for customers in Singapore, Hong Kong and Taiwan.

Credit Cards

As at June 30, 2011, the DBS Group had more than 2.7 million credit cards in circulation in Singapore and Hong Kong. The DBS Group charges fees for the use of its credit cards, earns interest from customers and earns commissions from merchants for transactions processed. The DBS Group believes it is one of the market leaders in the credit card business for Singapore and Hong Kong.

Consumer Lending

The DBS Group offers housing loans, automobile loans and other consumer lending services. Other consumer lending products offered by the DBS Group include standby credit lines, personal loans, education loans and renovation loans. In Singapore, the DBS Group is one of the largest mortgage lenders for public and private housing.

Investments, Insurance and Treasury Products

The DBS Group offers a wide range of investment, insurance and treasury products, including structured deposits, unit trusts, insurance products, structured notes, treasury products such as bonds, currency linked investments, and equity linked notes. As of June 30, 2011, the DBS Group is a distributor of life insurance and general insurance products through its preferred partners Aviva and MSIG in Singapore and Hong Kong, respectively.

Wealth Management

The DBS Group believes that wealth is being created at a rapid pace in Asia and has made becoming a leading wealth manager in Asia a key strategic priority. Rated the "Safest Bank in Asia" by Global Finance in 2009, 2010 and 2011, the DBS Group is recognized for its financial strength and stability. The DBS Group offers various wealth management platforms to cater to the needs of a full range of affluent clients with various wealth management needs. The segmentation of clients helps the DBS Group to target and manage customer relationships effectively.

Institutional Banking Group ("IBG")

Through its IBG, the DBS Group serves more than 180,000 SME, corporate and institutional clients across Asia and provides a comprehensive range of products and services including syndicated finance, global transaction services, capital raising through debt and equity markets, real estate investment trusts ("REITs"), business trusts and real estate advisory, strategic advisory, private equity and treasury and markets products. IBG also provides equity services through DBS Vickers Securities Holdings Pte Ltd ("DBS Vickers"). In the six months ended June 30, 2011 and the year ended December 31, 2010, IBG contributed 63.4% and 48.2%, respectively, of the DBS Group's profit before tax.

Syndicated Finance

Through its Syndicated Finance team, the DBS Group originates, arranges, underwrites and distributes loan and loan-related products for corporate and institutional clients across the region to support a diverse range of needs including project finance, leveraged finance and acquisition finance. The Syndicated Finance team has been ranked consistently by Thomson Reuters LPC among the top five arrangers in Asia (excluding Japan and Australia).

Global Transaction Services

The DBS Group provides cash management, trade finance services, securities services and fiduciary services, enabling its clients to create cash flow for their operations, reduce balance sheet and counter party risk, and realize operational efficiencies. These activities carry high returns on equity and provide a high degree of recurring income.

In 2010, the DBS Group acquired 12,000 new GTS corporate client accounts, won more than 2,200 mandates for transaction banking services across Asia and now has over 80,000 corporate customers with operations in more than 100 countries accessing its internet banking platform.

Equity Capital Markets

Through its Equity Capital Markets unit, the DBS Group assists large corporates and SMEs in raising funds in equity markets, principally in Singapore and Hong Kong, through initial public offerings (“IPOs”), rights issues and share placements.

In Singapore, the DBS Group has consistently ranked among the top in equity issuances over the past five years. For 2010, the DBS Group lead-managed or joint-lead-managed equity offerings amounting to S\$6.7 billion, representing over half of the total equity funds raised in public offerings in Singapore during the year.

REITs, Business Trusts and Real Estate Advisory

The DBS Group originates and advises on REIT and Business Trust (“BT”) equity offerings across the region and has been a leading player in the REIT and BT markets in Singapore since 2002, when the DBS Group was the sole lead manager and bookrunner for the S\$235 million IPO of CapitaMall Trust, the first REIT to be listed in Singapore. Since then, the DBS Group has lead-managed a total of 15 property trust IPOs in Singapore, raising approximately S\$6.8 billion as well as several property trust transactions in the region. The DBS Group also lead-managed the first BT IPO in Singapore, Pacific Shipping Trust, in 2006.

Strategic Advisory

The DBS Group originates, advises, structures, and executes a wide range of public and private transactions, including leveraged buy-outs, competitive bid processes, privatizations, mergers, acquisitions and divestitures through its Strategic Advisory unit. The unit operates across Southeast Asia, North Asia, India and the Middle East to provide cross-border advisory services and matching of buy-sell opportunities.

Private Equity

The DBS Group provides equity capital and mezzanine debt financing to mid-to-late stage growth companies through its Private Equity unit. The Private Equity unit’s existing asset portfolio consists of both drawn and undrawn commitments which do not exceed S\$1 billion and as at June 30, 2011, were spread over 55 investments. To ensure portfolio diversification, risk concentration limits for industry, geography and year of investment are observed.

DBS Vickers Securities

The DBS Group provides brokerage services for individual, corporate and institutional clients through DBS Vickers, which has full stockbroking licenses in Singapore, Hong Kong, Thailand and Indonesia, as well as sales offices in London and New York, and a research representative office in Shanghai. DBS Vickers also has an 23.5% interest in Hwang-DBS (Malaysia) Berhad, an investment holding company in Malaysia. Its research analysts based in Singapore, Hong Kong, China, Thailand, Indonesia and Malaysia cover close to 500 listed companies in Asia.

Treasury and Markets

Through T&M, the DBS Group offers foreign exchange, money market and fixed income products, including derivative and structured products in foreign exchange, interest rates, equity, credit and commodities, as well as structured financing solutions. The DBS Group has a leading market share in Singapore dollar treasury products by volumes and is an active market marker in regional

currencies. As the primary dealer of Singapore Government Securities, the DBS Group is one of the largest participants in the Singapore Government Securities market and an active market maker in Singapore dollar swaps. The DBS Group is a specialist and a leading provider of Asian currency treasury products. In Hong Kong, it is an active market maker in Hong Kong dollar and offshore RMB derivatives. T&M works closely with CBG and IBG to structure and cross sell treasury products to corporate and individual customers.

Fixed Income Group (“FI Group”)

The DBS Group is a key player in the Asian debt capital markets. Its FI Group provides corporates, financial institutions, supranationals and sovereigns with customized solutions involving debt products including, straight and equity-linked debt capital, structured debt products, hybrid capital, ratings advisory services and liability management and debt advisory services.

The DBS Group is the market leader in the Singapore dollar-denominated bond market, and has consistently topped the league tables in this market. In 2010, the DBS Group acted as bookrunner for over S\$16 billion in bond issuances out of total market issuances of over S\$24 billion. The DBS Group is also active in the G3 straight investment grade and high yield bond market and convertible bond market.

Regional Presence

As at June 30, 2011, the DBS Group had more than 250 branches, sub-branches, loan centers and representative offices across 12 markets in Asia, including Singapore, Hong Kong, China, Taiwan, India and Indonesia. In addition, it has operations in other locations such as the Middle East, the UK and the US. The DBS Group has fully-owned subsidiaries in Hong Kong and China, and a 99%-owned subsidiary in Indonesia. It also has a 50% stake in the Islamic Bank of Asia. In addition it has affiliates in the Philippines, Malaysia and China — 20.3%-owned Bank of the Philippine Islands, 27.7%-owned Hwang-DBS (Malaysia) Bhd and 33%-owned Changsheng Fund Management Company.

The number of branches, sub-branches, loan centers and representative offices operated by the DBS Group as at June 30, 2011 are set forth below.

Bahrain	1
China	24
Hong Kong & Macau	63
India	12
Indonesia	45
Japan	1
Korea	1
Malaysia	3
Singapore	90
The Philippines	1
Taiwan	40
Thailand	1
United Arab Emirates	1
United Kingdom	1
United States	1
Vietnam	2

As at June 30, 2011, loans booked in overseas branches and subsidiaries accounted for approximately 41% of the DBS Group's total customer loans and advances. The DBS Group's main overseas operations are in Hong Kong, China, Taiwan, India and Indonesia.

Hong Kong

Hong Kong is the largest of the DBS Group's operations outside Singapore, accounting for approximately one-quarter of the DBS Group's earnings. A large part of the DBS Group's Hong Kong operations is conducted through DBSHK, a wholly-owned subsidiary of DBS Bank, which is the sixth largest bank in Hong Kong by total assets. DBSHK had 62 branches and loan centers and 72 ATMs as at June 30, 2011. DBSHK provides a wide range of banking services to corporate, SME and individual customers, including wealth management, investment banking, foreign exchange and treasury services, as well as internet banking and online services.

As at June 30, 2011, DBSHK had total assets of HK\$257.9 billion (S\$40.7 billion) on a consolidated basis, gross customer loans and advances of HK\$179.9 billion (S\$28.4 billion) and total customer deposits of HK\$181.7 billion (S\$28.7 billion). The DBS Group seeks to leverage its regional experience, marketing and product expertise to continue to introduce new products and expand DBSHK's operation and reach.

China

The DBS Group was the first Singapore bank to incorporate a wholly-owned subsidiary in China. DBS China was incorporated in May 2007 and is headquartered in Shanghai.

DBS China had nine branches and 11 sub-branches in Beijing, Dongguan, Guangzhou, Hangzhou, Nanning, Shanghai, Shenzhen, Suzhou and Tianjin as at June 30, 2011. In addition, DBS China had four representative offices. DBS China offers RMB and foreign currency banking products and services to large corporates, SMEs and retail customers.

As at June 30, 2011, DBS China had total assets of RMB 83.1 billion (S\$15.8 billion), gross customer loans and advances of RMB 39.8 billion (S\$7.6 billion) and total customer deposits of RMB 56.1 billion (S\$10.7 billion). The DBS Group also holds a 33% interest in Changsheng Fund Management Company, a leading fund management company in China, through DBS Bank Ltd.

Taiwan

As at June 30, 2011, the DBS Group had 40 branches across Taiwan (collectively “DBS Taiwan”) following its acquisition of the businesses of the former Bowa Bank in May 2008. DBS Taiwan offers a wide range of banking products and services to large corporates, SMEs and retail customers. As at June 30, 2011, DBS Taiwan had total assets of TWD219.5 billion (S\$9.4 billion), gross customer loans and advances of TWD145.4 billion (S\$6.2 billion) and total customer deposits of TWD129.6 billion (S\$5.5 billion). DBS Taiwan will be operating as a locally-incorporated subsidiary in 2012.

India

As at June 30, 2011, the DBS Group had 12 branches across India in Bengaluru, Chennai, Cuddalore, Kolhapur, Kolkata, Moradabad, Mumbai, Nashik, New Delhi, Pune, Salem and Surat (collectively “DBS India”).

DBS India offers a comprehensive suite of wholesale banking products and services to corporate customers. It is also developing a consumer banking business. As at June 30, 2011, DBS India had total assets of INR293.7 billion (S\$8.1 billion), gross customer loans and advances of INR120.9 billion (S\$3.3 billion) and total customer deposits of INR88.3 billion (S\$2.4 billion).

Indonesia

DBS Bank owns 99% of DBS Indonesia. Initially focused on corporate lending and trade finance, DBS Indonesia entered the consumer banking business in 2005. As at June 30, 2011, DBS Indonesia was a leading foreign bank in trade finance and wealth management, with 45 branches, sub-branches and loan centers in 11 major cities in Indonesia.

As at June 30, 2011, DBS Indonesia had total assets of IDR27.9 trillion (S\$4 billion), gross customer loans and advances of IDR20.6 trillion (S\$2.9 billion) and total customer deposits of IDR21 trillion (S\$3 billion).

Technology and Operations Unit (“T&O”) and Information Technology

T&O

T&O’s key areas of responsibility include technology strategy, architecture and engineering, technology delivery services, business process reengineering, strategic sourcing, call centre and processing operations for loans, custodial services, payments, cards, treasury and trade. T&O is organized to provide in-depth support to the DBS Group’s key businesses, as well as to ensure Group wide consistency, best practice and efficiency.

The DBS Group has significantly increased its investment in T&O in recent years to enhance stability and resiliency of its systems and processes as it expands in the region. T&O has played a major role in the DBS Group’s strategic cost management initiatives to achieve optimization of processes and resources.

Information Technology

The DBS Group’s information technology (“IT”) systems are critical to its business operations and are essential to effectively supporting the expansion of its business operations, increasing efficiencies, coordinating and enhancing risk management and control systems, and meeting the needs of its customers. With the DBS Group’s growing business across Asia, it recognizes the need for a strong technology and infrastructure platform. To increase consistency and efficiency in its IT systems, the DBS

Group is building a business-driven technology roadmap and rolling out standardized software applications across the DBS Group. The DBS Group is also putting in place back-up systems and a resiliency improvement plan to enhance the availability of services to its customers.

All of the DBS Group's IT systems comply with stringent business and continuity planning standards and undergo periodic testing.

Additional Information about the DBS Group

Competition

In Singapore, the DBS Group believes it has captured leading market shares in loans, mortgages and customer deposits. It competes with other Singapore banks across the full range of banking activities and customer segments. Foreign banks have been able to operate in corporate banking, investment banking and capital market activities over the years. Selected foreign banks, in particular those with QFB licenses, are able to compete in the consumer banking segment. In Hong Kong, DBS competes with local and foreign banks in the corporate, SME and consumer banking markets.

In other markets, where the DBS Group is building up its presence, it competes with local and foreign banks in the full range of corporate banking and treasury market activities. In the retail banking segment, the DBS Group is focused on the affluent segment and competes with other banks operating in this space.

Properties

The DBS Group owns some of the properties used for carrying out its banking business. These properties are located mainly in Singapore, Hong Kong and Taiwan and include office and retail branch premises. For some of these properties, surplus space is leased to third-party tenants for additional income.

Employees

The DBS Group had 17,274 employees as at June 30, 2011. As at December 31, 2010, 2009 and 2008 the DBS Group had 15,847, 14,033 and 14,312 employees, respectively.

Employees' remuneration is based on total compensation. An employee's total compensation is benchmarked to the market and consists of three components: fixed pay, cash bonuses and long-term incentives such as share grants and share options.

Insurance

The DBS Group has taken out a group insurance policy that is customary for financial institutions of a comparable size and scope. Management is of the opinion that this insurance, including banker's blanket and professional indemnity, is of an adequate level.

Legal Proceedings

The DBS Group is involved in litigation and arbitration proceedings in Singapore and in foreign jurisdictions involving claims by and against the DBS Group which arise in the ordinary course of its business. While it is not feasible to predict or determine the ultimate outcome of all pending or threatened litigation and arbitration proceedings, the DBS Group believes that the ultimate outcome of the various litigation and arbitration proceedings already commenced will not have a material adverse effect on the DBS Group's financial condition, liquidity or profitability.

DESCRIPTION OF THE ISSUER'S HONG KONG BRANCH

DBS Bank Ltd. was registered in Hong Kong as a non Hong Kong company on 6 March 1991 (Company number F4920) under the Hong Kong Companies Ordinance, with its principal place of business at 18th floor, The Center, 99 Queen's Road Central, Hong Kong. DBS Bank Ltd obtained a license under the Banking Ordinance of Hong Kong on 23 October 1990 (License number 199) and conducts its banking business through its branch in Hong Kong. DBS Bank Ltd is an authorized institution under the Banking Ordinance of Hong Kong. The Hong Kong branch of DBS Bank Ltd carries out the Institutional Banking business and Treasury and Market business of DBS Group in Hong Kong.

DESCRIPTION OF THE ISSUER'S LONDON BRANCH

DBS Bank Ltd., London branch was established in 1981 and registered as an overseas company at Companies House in England and Wales with company number FC010036, branch number BR000664. Its registered office in the United Kingdom is at 4th Floor, Paternoster House, 65 St. Paul's Churchyard, London EC4M 8AB. It is authorized to conduct banking and regulated activities in the United Kingdom by the Financial Services Authority. The London branch of DBS Bank Ltd. provides banking services (including regulated activities) to its clients in United Kingdom and Europe.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE DBS GROUP

The following discussion and analysis should be read in conjunction with, and is qualified in its entirety by reference to, the audited consolidated financial statements of the DBS Group, including the notes thereto, incorporated by reference in this Offering Circular and the unaudited consolidated condensed interim financial information of the DBS Group included herein. These financial statements have been prepared in accordance with Singapore FRS, which differs in certain material respects from U.S. GAAP. See "Summary of Significant Differences Between Singapore FRS and U.S. GAAP".

The presentation of certain financial statement line items in this document has been aligned to the presentation used by key management personnel to analyze and assess the business performance of the DBS Group from period to period. Such presentation differs in certain respects from the audited consolidated financial statements and the unaudited consolidated condensed interim financial information of the DBS Group incorporated by reference or included in this Offering Circular and also differs in certain respects from Singapore Financial Reporting Standards.

Except as otherwise noted, financial and statistical information presented in this Offering Circular is presented for the DBS Group on a consolidated basis. Substantially all the assets, liabilities and results of operations of the DBS Group are derived from the DBS Bank Group.

Overview

The DBS Group is the largest banking group incorporated in Southeast Asia by total assets and is engaged in a wide range of commercial banking and financial services with an expanding network of over 250 branches across 12 Asian markets. The DBS Group's principal operations are in Singapore and Hong Kong. In Singapore, the DBS Group operates consumer banking, corporate banking, SME banking, investment banking, treasury and securities brokerage businesses. In Hong Kong, the DBS Group has corporate, SME banking and consumer banking businesses, among others. The DBS Group also provides services to corporates, SMEs and retail customers through its operations in China, Taiwan, India, Indonesia and other countries.

As at June 30, 2011, the DBS Group had S\$309.5 billion in total assets, S\$168.7 billion in customer loans and advances (including customer loans classified as financial assets at fair value through profit or loss on the balance sheet), S\$210.5 billion in customer deposits (including customer deposits classified as financial assets at fair value through profit or loss on the balance sheet) and S\$28.0 billion in total shareholders' funds. As at June 30, 2011, approximately 63% of the DBS Group's total assets (excluding goodwill on consolidation) and 59% of gross customer loans were accounted for in Singapore. As at December 31, 2010, 2009 and 2008, 64%, 66% and 68% respectively of the DBS Group's total assets (excluding goodwill on consolidation) were accounted for in Singapore; 19%, 19% and 18% respectively in Hong Kong; and 17%, 15% and 14% respectively in other countries.

Singapore

The DBS Group is one of the largest banking and financial services providers in Singapore by total assets and leads the market in Singapore dollar-denominated customer loans and advances, housing loans, internet banking services and Singapore dollar-denominated customer deposits. As at June 30, 2011, the DBS Group had 90 branches and 1,102 ATMs in Singapore, serving over 4.4 million retail customers. As at June 30, 2011, the DBS Group in Singapore had total assets (excluding goodwill on consolidation) of S\$191.6 billion, total gross customer loans and advances of S\$101.5 billion, and total customer deposits of S\$151.7 billion. The DBS Group recorded net profit (before one-time items and goodwill charges) for its Singapore operations of S\$1.7 billion in 2010, S\$1.2 billion in 2009 and S\$1.3 billion in 2008. The improvement in 2010 was driven by higher customer flows for treasury products and lower specific allowances, partially offset by a decline in net interest income as interest margins fell as a result of the soft interest rate environment.

Hong Kong

Hong Kong is the second principal operation of the DBS Group after Singapore. A large part of the DBS Group's Hong Kong operations is conducted through DBSHK, a wholly-owned subsidiary of DBS Bank. As at June 30, 2011, DBSHK had 62 branches and 72 ATMs in Hong Kong, total assets of S\$40.7 billion, total gross customer loans and advances of S\$28.4 billion, and total customer deposits (including customer deposits classified at fair value through profit or loss) of S\$28.7 billion. DBSHK's net profit after impairment allowances was S\$421 million in 2010, S\$394 million in 2009 and S\$357 million in 2008.

In 2010, the improved performance of the DBS Group's operations in Hong Kong was driven by higher customer flows in for treasury products and lower specific allowances. This was partly offset by lower interest income as interest margins were affected by increased competition for deposits and housing loans.

As required under Singapore FRS, the DBS Group assesses at least annually the recoverable value of its investments to ascertain whether it corresponds with their carrying value. For the year ended December 31, 2010, a goodwill impairment charge of S\$1.02 billion was recorded for its investment in DBSHK. The impairment charge was based on an assessed recoverable value of S\$8.4 billion compared to a carrying value of S\$9.5 billion. The recoverable value was derived based on conservative assumptions of higher funding costs arising from heightened deposit competition.

As goodwill was deducted from regulatory capital on consolidation, the impairment charge did not affect the DBS Group's capital adequacy ratios. As such, it has not impeded the DBS Group's ability to grow its business and pay dividends. For the six months ended June 30, 2011, the DBS Group's overall operations in Hong Kong, which includes DBSHK, achieved record half-year earnings in Hong Kong dollar terms.

Subsequent to June 30, 2010, two goodwill impairment assessments were carried out for the six-monthly intervals. For both exercises, the assessed recoverable values were higher than the carrying values, and no impairment charges were taken. There were also no impairment charges for the years ended December 31, 2009 and December 31, 2008.

International Presence Outside of Singapore and Hong Kong

Outside of its primary markets, the DBS Group has a growing presence in China, Taiwan, India and Indonesia. In 2010, DBS China and DBS Taiwan reported a combined net profit of S\$47 million with revenues of S\$426 million. In 2010, DBS China doubled its deposit base, significantly improving its loan-to-deposit ratio, while loan growth remained strong in the double digits. In 2010, DBS Taiwan's revenues rose 8% due to growth in loans and deposits.

In 2010, the DBS Group's operations in South and Southeast Asia, which includes its India and Indonesia franchise, recorded net profit of S\$203 million and revenues of S\$457 million. DBS India continued to achieve stable loan growth and to grow non-interest income through increased customer cross-selling efforts across a wide range of products.

In Indonesia, the DBS Group saw growth in wealth management and continued to focus on the growth of its SME banking business and its Global Transaction Services capabilities in 2010.

Factors Affecting Financial Condition and Results of Operations

The DBS Group's financial condition and results of operations are affected by various factors including the ones described below.

Economic Conditions in Singapore and Hong Kong

The DBS Group's financial performance is dependent on the general economic and political developments in Singapore and Hong Kong. Like many banks and financial institutions worldwide, the DBS Group was adversely affected by the global financial crisis which resulted in a decrease in loans and net income and an increase in provisions for loan losses during the later half of 2008 and the first half of 2009. Financial markets substantially recovered following the first half of 2009 and in addition the Singapore Government's "Resilience Package" and the MAS' deposit guarantee scheme boosted confidence in Singapore banks.

In 2010, despite lingering economic uncertainties in the United States and concerns over the levels of sovereign debt in certain European countries, Asia experienced robust economic growth. According to the Singapore Department of Statistics, Singapore's real GDP increased 14.5% in 2010 and, according to MAS, loan growth in Singapore was 14.6% in 2010. According to the Hong Kong Monetary Authority, Hong Kong's real GDP increased by 7.0% and loan growth in Hong Kong was 28.6% in 2010.

In 2011, economic uncertainties in the United States and concerns over the levels of fiscal deficit in certain European countries increased uncertainty in the global capital markets and together with the downgrade of the sovereign debt rating of the United States by Standard & Poor's from "AAA" to "AA+", led to a sustained stock sell off in global equity markets in August 2011. A major earthquake in Japan on March 11, 2011 impacted global supply chain activity. These foregoing events together with policy tightening measures worldwide lead to a slowdown in economic activity globally.

According to the MAS, economic activity in Singapore remained flat in the second quarter of 2011, with a 0.3% increase in real GDP compared to the previous quarter. The MAS' forecast for Singapore's real GDP growth has been revised downwards to 5% from 6% as previously forecasted. According to the Hong Kong Monetary Authority, Hong Kong's real GDP declined slightly by 0.5% in the second quarter of 2011 and Hong Kong's real GDP growth forecast for 2011 is between 5% to 6%. Real GDP growth in 2011 for Singapore and Hong Kong is expected to be lower than in 2010. The DBS Group expects that economic conditions in Singapore and Hong Kong will continue to have an effect on the DBS Group's interest and non-interest income as well as asset quality.

Interest Rate Environment

Interest rate movements have a significant impact on the DBS Group's results of operations. The magnitude and timing of interest rate changes, as well as differences in the magnitude of such interest rate changes between the DBS Group's assets and liabilities, have a significant impact on its net interest margins and its profitability. Movements in short and long-term interest rates affect the DBS Group's interest income and interest expense as well as the level of gains and losses on its securities portfolio.

For the year ended December 31, 2008, interest rates began declining in Singapore, Hong Kong and elsewhere, and remained at record low levels for the years ended December 31, 2009 and December 31, 2010, and the six months ended June 30, 2011. This resulted in a fall in the DBS Group's net interest margins, which were 2.04% for the year ended December 31, 2008, 2.02% for the year ended December 31, 2009 and 1.84% for the year ended December 31, 2010. For the six months ended June 30, 2011, the DBS Group's net interest margin was 1.80%.

The DBS Group's net interest income accounted for 61% and 62% of its total income in the year ended December 31, 2010 and in the six months ended June 30, 2011, respectively. Net interest income is principally affected by yields on interest earning assets, costs of interest bearing liabilities and the volumes of each. The DBS Group's yields and costs are functions of its lending and deposit rates, interbank rates, yields on government and other debt securities, and costs of term debts and other borrowings, which are generally linked to the interest rate environment. In addition, lending and deposit rates are significantly influenced by competition in the markets in which the DBS Group operates.

Liquidity

Liquidity obligations arise from withdrawals of deposits, repayments of purchased funds at maturity, and extensions of credit and working capital needs. The DBS Group seeks to project, monitor and manage its liquidity needs under normal as well as adverse circumstances. Adverse market and economic conditions may limit or adversely affect the DBS Group's access to funding. Adverse economic conditions may also limit or negatively affect the DBS Group's ability to attract deposits, replace maturing liabilities in a timely manner and at commercially acceptable rates, satisfy statutory liquidity requirements and access the capital markets.

Approximately 77% and 76% of the DBS Group's total liabilities were attributable to customer deposits as of December 31, 2010 and June 30, 2011, respectively, and 8% and 10% were attributable to interbank liabilities (including interbank liabilities classified as fair value through profit or loss) as of

December 31, 2010 and June 30, 2011, respectively. As of December 31, 2010 and June 30, 2011, the DBS Group had total customer deposits and interbank liabilities of S\$212.5 billion and S\$237.3 billion and a loan to deposit ratio of 79% and 80%, respectively.

Critical Accounting Estimates

The preparation of the DBS Group's financial statements requires it to make difficult, complex and subjective judgments in selecting the appropriate estimates and assumptions that affect the amounts reported in its financial statements. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on historical experience, terms of existing contracts, its observance of trends in the industry, information provided by its customers and information available from other outside sources, as appropriate. There can be no assurance that the DBS Group's judgments will prove correct or that actual results reported in future periods will not differ from its expectations reflected in its accounting treatment of certain items. The following provides a brief description of the DBS Group's critical accounting estimates involving management's judgment. The DBS Group's significant accounting policies are described in more detail in Note 2 to the DBS Group's audited consolidated financial statements for the year ended December 31, 2010 incorporated by reference in this Offering Circular.

Impairment Allowances on Loans

It is the DBS Group's policy to establish, through charges against profit, specific and general allowances in respect of estimated and inherent credit losses in its loan portfolio.

In determining specific allowances, management considers objective evidence of impairment and exercises judgment in estimating cash flows and collateral value. When a loan is impaired, a specific allowance is assessed by using the discounted cash flow method, measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of specific allowance also takes into account the collateral value, which may be discounted to reflect the impact of a forced sale or timely liquidation.

In determining general allowance, management considers country and portfolio risks, as well as industry practices. General allowances of at least 1% of credit exposures on and off-balance sheet (against which specific allowances have not been made) are maintained and adjusted for collaterals held. This is in accordance with Notice to Banks No. 612 "Credit Files, Grading and Provisioning" issued by the MAS.

Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. The majority of the DBS Group's financial instruments reported at fair value are based on quoted and observable market prices or on internally developed models that are based on independently sourced market parameters, such as interest rate yield curves, option volatilities and foreign exchange rates. Valuation reserves or pricing adjustments where applicable will be used to converge to fair value.

Management of the DBS Group exercises judgment in determining the risk characteristics of various financial instruments, discount rates, estimates of future cash flows, future expected loss experience and other factors used in the valuation process. Judgment may also be applied in adjusting estimating prices for less readily observable external parameters such as through the use of valuation reserves. Other factors such as model assumptions and market dislocations leading to market anomalies can also materially affect these estimates.

Impairment Review of Goodwill on Consolidation

The DBS Group performs an impairment review to ensure that the carrying value of the goodwill does not exceed its recoverable amount from the cash-generating unit to which the goodwill is allocated. The recoverable amount represents the present value of the estimated future cash flows expected to arise from continuing operations. Therefore, in arriving at the recoverable amount, management exercises judgment in estimating the future cash flows, growth rate and discount rate.

Income Taxes

The DBS Group has exposure to income taxes in numerous jurisdictions. Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The DBS Group recognizes liabilities for expected tax issues based on reasonable estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Provisions for customer compensation

Judgment is needed to determine, taking into account the requirements in FRS 37 "Provisions, Contingent Liabilities and Contingent Assets", the appropriate level of possible compensation payable to certain customers who have bought structured investment products from the DBS Group. In making this judgment, the DBS Group evaluates the likelihood and estimated amount of outflow of resources which will be required to settle the obligation with reference to advice from legal counsel.

Results of Operations for the Six Months Ended June 30, 2011 and 2010

Net Interest Income and Net Interest Margin

The DBS Group's net interest income increased by 9% to S\$2.3 billion in the first six months of 2011, from S\$2.1 billion in the first six months of 2010 as net interest margins stabilized and the DBS Group's new loan volumes increased. Net interest income represented 62% of total income in the first six months of 2011 compared to 60% in the first six months of 2010. The DBS Group's net interest margin decreased 8 basis points to 1.80% in the first six months of 2011 from 1.88% in the first six months of 2010.

The following table sets forth the components of the DBS Group's interest income, interest expense and related data.

	Six months ended June 30,	
	2010	2011
	<i>(S\$ in millions, except percentages)</i>	
Interest Income		
Customer loans	1,918	2,098
Interbank assets ⁽¹⁾	156	250
Securities ⁽²⁾	707	717
Total	2,781	3,065
Interest Expense		
Customer deposits	456	544
Other borrowings ⁽³⁾	192	200
Total	648	744
Net interest income	2,133	2,321
Interest yield ⁽⁴⁾	2.5%	2.4%
Net interest margin ⁽⁵⁾	1.88%	1.80%
Net interest spread ⁽⁶⁾	1.83%	1.75%
Average interest earning assets ⁽⁷⁾	228,811	259,846
Average interest bearing liabilities ⁽⁷⁾	210,650	238,788

Notes:

- (1) Includes balances with central banks and due from banks.
- (2) Includes Singapore Government Securities and treasury bills, debt securities at fair value through profit or loss, securities pledged and debt securities classified as financial investments (excludes equity securities classified as financial investments).

- (3) Includes due to banks, bills payable, subordinated term debts, financial liabilities at fair value through profit or loss (excludes customer deposits) and other debt securities in issue.
- (4) Annualized interest income divided by average interest earning assets.
- (5) Annualized net interest income expressed as a percentage of average interest earning assets.
- (6) The difference between the rate earned on average interest earning assets and the rate paid/payable on average interest bearing liabilities.
- (7) Average interest earning assets and average interest bearing liabilities are computed based on monthly closing balances.

Average Balance Sheets and Interest Rates

The following table sets forth the monthly average balances of the DBS Group's interest earning assets and interest bearing liabilities, the related interest income or expense and average interest rates for the periods indicated. Calculation of these average balances on a daily basis could yield materially different average results.

	Six months ended June 30,					
	2010			2011		
	Average Balance⁽¹⁾	Average Interest	Average Rate	Average Balance⁽¹⁾	Average Interest	Average Rate
	<i>(\$ in millions, except percentages)</i>					
Interest earning assets						
Customer loans	135,532	1,918	2.85%	157,857	2,098	2.68%
Interbank assets ⁽²⁾	42,275	156	0.74%	51,978	250	0.97%
Securities ⁽³⁾	51,004	707	2.80%	50,011	717	2.89%
Total	228,811	2,781	2.45%	259,846	3,065	2.38%
Interest bearing liabilities						
Customer deposits	182,024	456	0.51%	200,656	544	0.55%
Other borrowings ⁽⁴⁾	28,626	192	1.35%	38,132	200	1.06%
Total	210,650	648	0.62%	238,788	744	0.63%
Net interest income		2,133			2,321	
Net interest margin⁽⁵⁾			1.88%			1.80%

Notes:

- (1) Average balances are computed based on monthly closing balances.
- (2) Includes balances with central banks and due from banks.
- (3) Includes Singapore Government Securities and treasury bills, debt securities at fair value through profit or loss, securities pledged and debt securities classified as financial investments (excludes equity securities classified as financial investments).
- (4) Includes due to banks, bills payable, subordinated term debts, financial liabilities at fair value through profit or loss (excludes customer deposits), and other debt securities in issue.
- (5) Annualized net interest income expressed as a percentage of average interest earning assets.

Volume and Rate Analysis

The following table details changes in interest income and interest expense between changes in volume and changes in rate for the first six months of 2011 compared with the first six months of 2010. Information is provided with respect to (i) effects attributable to changes in volume (changes in volume multiplied by prior rate) and (ii) effects attributable to changes in rate (changes in rate multiplied by current volume). Volume and rate variances have been calculated based on movements in average balances over the period indicated and changes in interest rates based on monthly average interest bearing assets and liabilities. Variances caused by changes in both volume and rate have been allocated to both volume and rate based on the proportional change in either volume or rate.

	Increase/(Decrease) for		
	Six months ended June 30, 2011 and June 30, 2010		
	Volume	Rate	Net Change
	<i>(S\$ in millions)</i>		
Interest Income			
Customer loans	316	(136)	180
Interbank assets	36	58	94
Securities	(14)	24	10
Total	338	(54)	284
Interest expense			
Customer deposits	47	41	88
Other borrowings	37	(29)	8
Total	84	12	96
Net impact on interest income	254	(66)	188

Non-Interest Income

The following table shows information with respect to the DBS Group's non-interest income for the periods indicated:

	Six months ended June 30,	
	2010	2011
	<i>(S\$ in millions)</i>	
Net fee and commission income ⁽¹⁾	699	803
Net trading income ⁽²⁾	526	415
Net loss from financial instruments designated at fair value ⁽³⁾	(18)	(11)
Net income on financial investments ⁽⁴⁾	148	166
Net gain on fixed assets	17	15
Others ⁽⁵⁾	23	38
Total	1,395	1,426

Notes:

- (1) Includes income received in connection with stock broking, investment banking, trade and remittances, loan related, guarantees, deposit-related, credit card, fund management, wealth management and others.
- (2) Includes income (loss) from trading businesses through foreign exchange, interest rates, credit and equities and other businesses.
- (3) Gains or losses from changes in the value of financial assets and financial liabilities designated at fair value.
- (4) Income from securities classified as available-for-sale and loans and receivables.
- (5) Includes rental income and others.

Total non-interest income increased by 2% to S\$1.4 billion in the first six months of 2011 from S\$1.4 billion in the first six months of 2010. In the first six months of 2011 and 2010, total non-interest

income accounted for 38% and 40%, respectively, of the DBS Group's total income. The increase in non-interest income in the first six months of 2011 was mainly as a result of increased net fee and commission income.

In the first six months of 2011, net fee and commission income increased by 15% to S\$803 million as compared to S\$699 million in the first six months of 2010 as increased revenues from wealth management, trade and remittances and investment banking were partially offset by a decrease in revenues from stock broking. Fee and commission income accounted for 21% and 20% of the DBS Group's total income in the first six months of 2011 and 2010, respectively.

Net trading income, including financial instruments designated at fair value, fell by 20% to S\$404 million in the first six months of 2011 from S\$508 million in the first six months of 2010 as higher income from customer flows was more than offset by a decline in trading gains.

Net income from financial investments amounted to S\$166 million in the first six months of 2011, compared to S\$148 million in the first six months of 2010.

Non-interest income (excluding fee and commission income) decreased by 10% to S\$623 million in the first six months of 2011 from S\$696 million in the first six months of 2010 as the decline in trading income was partially offset by higher net income from financial investments.

Expenses

The following table shows information with respect to the DBS Group's expenses for the periods indicated:

	Six months ended June 30,	
	2010	2011
	<i>(S\$ in millions, except percentages)</i>	
Staff ⁽¹⁾	700	828
Computerization ⁽²⁾	135	142
Occupancy ⁽³⁾	260	299
Revenue-related	66	77
Others ⁽⁴⁾	258	225
Total	1,419	1,571
<i>Of which: depreciation of properties and other fixed assets</i>	<i>94</i>	<i>90</i>
Cost-to-income ratio ⁽⁵⁾	40.2%	41.9%

Notes:

- (1) Includes salary and bonus expenses, contributions to defined contribution plans, share-based expenses and other staff-related expenses.
- (2) Includes hire and maintenance of computer hardware and software.
- (3) Includes rental expenses of office and branch premises and amounts incurred in the maintenance and service of buildings owned by the DBS Group.
- (4) Includes office administration expenses (e.g. printing and stationary, telecommunications, etc.) legal and professional fees.
- (5) Expenses (excluding goodwill charges and allowances for credit and other losses) divided by total income.

In the first six months of 2011, expenses (excluding goodwill charges and allowances for credit and other losses) increased by 11% to S\$1.57 billion from S\$1.42 billion in the first six months of 2010. Higher expenses were incurred in the first six months of 2011 as head-count was increased and investments were made to support higher business volumes and build capacity for future growth.

Allowances for Credit and Other Losses

The following table shows information with respect to the DBS Group's allowances for credit and other losses for the periods indicated:

	Six months ended June 30,	
	2010	2011
	<i>(S\$ in millions)</i>	
General allowances	149	160
Specific allowances for loans⁽¹⁾	392	61
Singapore	11	(8)
Hong Kong	3	11
Rest of Greater China	10	(14)
South and Southeast Asia	12	6
Rest of the world	356	66
Specific allowances for securities, properties and other assets ...	18	41
Total	559	262

Note:

(1) Specific allowances for loans are classified according to where the borrower is incorporated.

In the first six months of 2011, total allowances amounted to S\$262 million, a decrease of 53% from S\$559 million in the first six months of 2010, as a result of improved asset quality. Specific allowances for loans fell 84%, to S\$61 million in the first six months of 2011 from S\$392 million in the first six months of 2010, with broad-based declines in allowances across almost all regions as a result of strengthening economic conditions. General allowances increased to S\$160 million in the first six months of 2011 compared to S\$149 million in the first six months of 2010 as a result of growth in the DBS Group's loan portfolio.

Profit before Tax (excluding goodwill charges)

Profit before tax (excluding goodwill charges) increased by 23% to S\$1.97 billion in the first six months of 2011 from S\$1.60 billion in the first six months of 2010.

Net Profit (excluding goodwill charges)

The following table shows the reconciliation of management's view of net profit with the presentation of "net profit attributable to shareholders" in the DBS Group's unaudited consolidated condensed interim financial information.

	Six months ended June 30,	
	2010	2011
	<i>(S\$ in millions)</i>	
Net Profit	1,250	1,542
Goodwill charges	(1,018)	—
Net Profit attributable to shareholders⁽¹⁾	232	1,542

Note:

(1) As shown in the DBS Group's unaudited consolidated condensed interim financial information included in this Offering Circular.

The DBS Group's net profit (excluding goodwill charges) increased by 23% to a record S\$1.5 billion in the first six months of 2011 from S\$1.3 billion in the first six months of 2010. This increase in net profit was attributable to higher business volumes which led to increases in net interest income and non-interest income.

In Singapore, the DBS Group's net profit was S\$901 million in the first six months of 2011, a 14% increase from S\$787 million in the first six months of 2010, due to an increase in net interest income and lower allowances for credit and other losses were partly offset by a decline in non-interest income and higher expenses. In Hong Kong, the DBS Group's net profit rose by 36% over the period to S\$333 million in the first six months of 2011 from S\$245 million in the first six months of 2010. This increase was mainly attributable to higher total income and lower expenses due to higher non-recurring expenses in the first half of 2010.

Outside of Singapore and Hong Kong, the DBS Group's net profit in China and Taiwan more than doubled to S\$96 million in the first six months of 2011 from S\$42 million in the first six months of 2010. This was attributable to higher net interest income and lower specific allowances which were partially offset by an increase in expenses. In South and Southeast Asia, the DBS Group's net profit rose by 17% to S\$137 million in the first six months of 2011 from S\$117 million in the first six months of 2010. This increase was due to an increase in net interest income and lower specific allowances which were partially offset by a decrease in non-interest income and an increase in expenses. In the rest of the world, the DBS Group's net profit increased by 27% to S\$75 million in the first six months of 2011 from S\$59 million in the first six months of 2010.

Results of Operations for the Years ended December 31, 2010, 2009 and 2008

The DBS Group's net profit, excluding one-time items and goodwill charges, increased by 28% to S\$2.7 billion in 2010 from S\$2.1 billion in 2009, which represented a nominal increase from 2008. The increase in net profit during 2010 was due to strong loan growth across the region, higher income from cross-selling treasury products and lower allowances as asset quality improved.

Higher business volumes led to a record S\$4.1 billion in profit before allowances in 2010, an increase of 4% from S\$4.0 billion in 2009, which represented an increase of 17% from S\$3.4 billion in 2008. Total income increased 7% to S\$7.1 billion in 2010 from S\$6.6 billion in 2009, which represented an increase of 9% from S\$6.0 billion in 2008. The growth in total income during the periods under review was due to higher business volumes across consumer and corporate banking segments. The increase in total income was partially offset by an increase in expenses of 12% to S\$2.9 billion in 2010 from S\$2.6 billion in 2009, which remained stable from S\$2.6 billion in 2008. The increase in expenses in 2010 was attributable to increased staff costs and investments in infrastructure that were made during the periods under review.

As asset quality improved, allowances for credit and other losses declined by 40% to S\$911 million in 2010 from S\$1.53 billion in 2009, which represented an increase of 95% from S\$784 million in 2008. The NPL ratio increased from 1.5% in 2008 to 2.9% in 2009 and then declined to 1.9% in 2010. Allowance coverage declined from 114% in 2008 to 83% in 2009 and then increased to 100% in 2010. Allowance coverage including collateral was 176% in 2008, 108% in 2009 and 127% in 2010.

Return on equity rose to 10.2% in 2010 from 8.4% in 2009, which represented a decline from 10.1% in 2008. Return on assets improved to 0.98% in 2010 from 0.80% in 2009 and 0.84% in 2008. The DBS Group's equity to assets ratio was 9.4%, 9.8% and 7.7%, respectively, and its dividend payout ratio was 48.5%, 62.0% and 59.8%, respectively, as at December 31, 2010, 2009 and 2008. The DBS Group's capital adequacy ratio was 18.4%, 16.7% and 14.0% as of December 31, 2010, 2009 and 2008, respectively. The DBS Group's Tier 1 capital adequacy ratio was 15.1%, 13.1% and 10.1% and its core Tier 1 capital adequacy ratio was 11.8%, 11.0% and 8.0% as of December 31, 2010, 2009 and 2008, respectively. In the three months ended December 31, 2010, DBS Bank issued S\$2.5 billion of Tier 1 preference shares to replace S\$2.1 billion of existing preference shares that were called in the first six months of 2011. In early 2009, the DBS Group completed a S\$4.0 billion rights issue.

Net Interest Income and Net Interest Margin

The DBS Group's net interest income was S\$4.3 billion in 2010, which represented 61% of total income. In Singapore, the DBS Group's domestic loan portfolio grew at a faster rate than the industry average while in Hong Kong, China, Taiwan, India and Indonesia, healthy corporate and SME lending demand resulted in double-digit percentage loan growth rates. The DBS Group's total loans rose 16% during 2010 to S\$152.1 billion and higher lending volumes partially offset the impact of a decline in the DBS Group's net interest margins from 2.02% in 2009 to 1.84% in 2010, which caused the DBS Group's net interest income to decline by 3% to S\$4.3 billion in 2010 from S\$4.5 billion in 2009.

In 2009, net interest income grew by 4% to S\$4.5 billion from S\$4.3 billion in 2008. Net interest income represented 67% of the DBS Group's total income in 2009, compared with 71% in 2008. This increase in net interest income was attributable to higher loan and deposit volumes in Singapore and Hong Kong. The DBS Group's net interest margins declined 2 basis points to 2.02% in 2009, down from 2.04% in 2008.

The following table sets forth the components of the DBS Group's net interest income and other related data for the periods indicated:

	Years ended December 31,		
	2008	2009	2010
	<i>(S\$ in millions, except percentages)</i>		
Interest Income			
Customer loans	5,051	4,075	3,937
Interbank assets ⁽¹⁾	926	378	358
Securities ⁽²⁾	2,145	1,661	1,404
Total	8,122	6,114	5,699
Interest Expense			
Customer deposits	2,395	1,131	970
Other borrowings ⁽³⁾	1,426	528	411
Total	3,821	1,659	1,381
Net interest income	4,301	4,455	4,318
Interest yield ⁽⁴⁾	3.9%	2.8%	2.4%
Net interest margin ⁽⁵⁾	2.04%	2.02%	1.84%
Net interest spread ⁽⁶⁾	1.95%	1.97%	1.79%
Average interest earning assets ⁽⁷⁾	210,460	220,645	234,707
Average interest bearing liabilities ⁽⁷⁾	199,865	204,336	215,626

Notes:

- (1) Includes balances with central banks and due from banks.
- (2) Includes Singapore Government Securities and treasury bills, debt securities at fair value through profit or loss, securities pledged and debt securities classified as financial investments (excludes equity securities classified as financial investments).
- (3) Includes due to banks, bills payable, subordinated term debts, financial liabilities at fair value through profit or loss (excludes customer deposits) and other debt securities in issue.
- (4) Total interest income divided by average interest earning assets
- (5) Net interest income expressed as a percentage of average interest earning assets.
- (6) The difference between the rate earned on average interest earning assets and the rate paid/payable on average interest bearing liabilities.
- (7) Average interest earning assets and average interest bearing liabilities are computed based on monthly closing balances.

Average Balance Sheets and Interest Rates

The following table sets forth the monthly average balances of the DBS Group's interest earning assets and interest bearing liabilities, the related interest income or expense and average interest rates for the periods indicated. Calculation of these average balances on a daily basis could yield materially different average results.

	Years ended December 31,								
	2008			2009			2010		
	Average Balance ⁽¹⁾	Average Interest	Average Rate	Average Balance ⁽¹⁾	Average Interest	Average Rate	Average Balance ⁽¹⁾	Average Interest	Average Rate
<i>(S\$ in millions, except percentages)</i>									
Interest earning assets									
Customer loans	118,614	5,051	4.25%	127,832	4,075	3.20%	141,245	3,937	2.79%
Interbank assets ⁽²⁾ . . .	39,818	926	2.32%	41,782	378	0.91%	43,190	358	0.83%
Securities ⁽³⁾ . . .	52,028	2,145	4.11%	51,031	1,661	3.26%	50,272	1,404	2.79%
Total	210,460	8,122	3.86%	220,645	6,114	2.78%	234,707	5,699	2.43%
Interest bearing liabilities									
Customer deposits . . .	161,379	2,395	1.48%	178,064	1,131	0.64%	184,792	970	0.53%
Other borrowings ⁽⁴⁾	38,486	1,426	3.70%	26,272	528	2.02%	30,834	411	1.33%
Total	199,865	3,821	1.91%	204,336	1,659	0.81%	215,626	1,381	0.64%
Net interest income . . .	4,301			4,455			4,318		
Net interest margin⁽⁵⁾ . .			2.04%			2.02%			1.84%

Notes:

- (1) Average balances are computed based on monthly closing balances.
- (2) Includes balances with central banks and due from banks.
- (3) Includes Singapore Government Securities and treasury bills, debt securities at fair value through profit or loss, securities pledged and debt securities classified as financial investments (excludes equity securities classified as financial investments).
- (4) Includes due to banks, bills payable, subordinated term debts, financial liabilities at fair value through profit or loss (excludes customer deposits) and other debt securities in issue.
- (5) Net interest income expressed as a percentage of average interest earning assets.

Volume and Rate Analysis

The following table allocates changes in interest income and interest expense between changes in volume and changes in rate for 2010 compared with 2009, and 2009 compared with 2008. Information is provided with respect to (i) effects attributable to changes in volume (changes in volume multiplied by prior rate) and (ii) effects attributable to changes in rate (changes in rate multiplied by current volume). Volume and rate variances have been calculated based on movements in average balances over the period indicated and changes in interest rates based on monthly average interest bearing assets and liabilities. Variances caused by changes in both volume and rate have been allocated to both volume and rate based on the proportional change in either volume or rate.

	Increase/(Decrease) for 2009/2008			Increase/(Decrease) for 2010/2009		
	Volume	Rate	Net Change	Volume	Rate	Net Change
	(S\$ in millions)					
Interest Income						
Customer loans	392	(1,357)	(965)	426	(564)	(138)
Interbank assets	46	(593)	(547)	13	(33)	(20)
Securities	(41)	(438)	(479)	(24)	(233)	(257)
Total	397	(2,388)	(1,991)	415	(830)	(415)
Interest expense						
Customer deposits	248	(1,510)	(1,262)	42	(203)	(161)
Other borrowings	(462)	(434)	(896)	39	(156)	(117)
Total	(214)	(1,944)	(2,158)	81	(359)	(278)
Net impact on interest income	611	(444)	167	334	(471)	(137)
Due to change in number of days			(13)			—
Net interest income			154			(137)

Non-Interest Income

The following table shows information with respect to the DBS Group's non-interest income for the periods indicated:

	Years ended December 31,		
	2008	2009	2010
	(S\$ in millions)		
Net fee and commission income ⁽¹⁾	1,274	1,394	1,397
Net trading income (loss) ⁽²⁾	(187)	700	915
Net income (loss) from financial instruments designated at fair value ⁽³⁾	210	(267)	(20)
Net income from financial investments ⁽⁴⁾	367	254	310
Net gain from fixed assets ⁽⁵⁾	5	13	103
Others ⁽⁶⁾	61	54	43
Total	1,730	2,148	2,748

Notes:

- (1) Includes income received in connection with stock broking, investment banking, trade and remittances, loan-related, guarantees, deposit-related, credit card, fund management, wealth management and others.
- (2) Includes income (loss) from trading businesses through foreign exchange, interest rates, credit and equities (includes dividend income of S\$9 million in 2010, S\$7 million in 2009 and S\$19 million in 2008) and other businesses.

- (3) Gains or losses from changes in the value of financial assets and financial liabilities designated at fair value.
- (4) Income from securities classified as available-for-sale and loans and receivables.
- (5) Excludes one-time items.
- (6) Includes rental income and others.

Total non-interest income increased by 28% to S\$2.75 billion in 2010 from S\$2.15 billion in 2009, which represented an increase of 24% from S\$1.73 billion in 2008. In 2010 and 2009 total non-interest income accounted for 39% and 33%, respectively, of the DBS Group's total income. The increase in non-interest income in 2010 was mainly as a result of an increase in net trading income and net income from financial investments.

Net trading income, including financial instruments designated at fair value, recorded a gain of S\$895 million in 2010, compared to S\$433 million in 2009 and S\$23 million in 2008, as the DBS Group began to see results from efforts to cross-sell treasury products to corporate and retail customers. In 2009, the growth in trading activities was led by interest rate and foreign exchange trading.

Net income from financial investments amounted to S\$310 million in 2010, compared to S\$254 million in 2009 and S\$367 million in 2008.

Net Fee and Commission Income

The following table shows information with respect to the DBS Group's net fee and commission income for the periods indicated:

	Years ended		
	December 31,		
	2008	2009	2010
	<i>(S\$ in millions)</i>		
Stock broking	152	170	179
Investment banking	90	146	154
Trade and remittances	225	244	227
Loan-related	299	375	333
Guarantees	49	57	59
Deposit-related	81	84	85
Credit card	143	143	149
Fund management	32	20	22
Wealth management	137	101	136
Others	66	54	53
Total net fee and commission income	1,274	1,394	1,397

In 2010, net fee and commission income remained stable at S\$1.40 billion compared with S\$1.39 billion in 2009, which represented a 9% increase from S\$1.27 billion in 2008, as higher revenues from capital market-related activities and cards were offset by lower fees from trade and loan-related activities. In 2009, the increase in net fee and commission income was attributable largely to investment banking and loan-related activities, as well as improvements in stock broking and trade finance. Fee income accounted for 20% and 21% of the DBS Group's total income in 2010 and 2009, respectively.

Stronger markets also encouraged a higher level of mergers and acquisitions and IPO activity which resulted in an increase in investment banking fees of 5% to S\$154 million in 2010 from S\$146 million in 2009, which represented a 62% increase from S\$90 million in 2008. The increase in 2009 was a result of normalizing activity in the capital markets following the market dislocations in 2008, with the DBS Group acting on a leading number of REITs, equity offerings, Singapore-dollar denominated bonds and mid-market mergers and acquisitions in Singapore.

Income from trade and remittances fell by 7%, to S\$227 million in 2010 from S\$244 million in 2009, which represented an increase of 8% from S\$225 million in 2008. The decrease in income from trade and remittances in 2010 was due to declining margins.

Loan-related fees fell by 11%, to S\$333 million in 2010 from S\$375 million in 2009, which reflected a 25% increase from S\$299 million in 2008. The decrease in loan-related fees in 2010 reflected an exceptionally strong performance in 2009 which was due in part to higher refinancing volumes.

In 2010, wealth management product sales income increased by 35%, to S\$136 million from S\$101 million in 2009, which represented a 26% decline from S\$137 million in 2008. The increase in 2010 was due to expanded investment flows and strong gains in regional equity markets over the period. The decline in 2009 was due to reduced distribution fees for the sale of unit trusts and bancassurance products.

Expenses

The following table shows information with respect to the DBS Group's expenses for the periods indicated:

	Years ended December 31,		
	2008	2009	2010
	<i>(S\$ in millions, except percentages)</i>		
Staff ⁽¹⁾	1,256	1,292	1,422
Computerization ⁽²⁾	452	473	569
<i>Of which: depreciation of properties and other fixed assets</i>	<i>67</i>	<i>106</i>	<i>106</i>
Occupancy ⁽³⁾	253	265	269
<i>Of which: depreciation of properties and other fixed assets</i>	<i>34</i>	<i>29</i>	<i>29</i>
Revenue-related	147	132	136
Others ⁽⁴⁾	502	442	529
<i>Of which: depreciation of properties and other fixed assets</i>	<i>48</i>	<i>60</i>	<i>58</i>
Total	2,610	2,604	2,925
Cost-to-income ratio ⁽⁵⁾	43.3%	39.4%	41.4%

Notes:

- (1) Includes salary and bonus expenses, contributions to defined contribution plans, share-based expenses and other staff-related expenses.
- (2) Includes hire and maintenance of computer hardware and software.
- (3) Includes rental expenses of office and branch premises of S\$139 million in 2010, S\$125 million in 2009 and S\$120 million in 2008 and amounts incurred in the maintenance and service of buildings owned by the DBS Group's subsidiary companies.
- (4) Includes office administration expenses (e.g. printing and stationary, telecommunications, etc.) legal and professional fees.
- (5) Expenses (excluding one-time items, goodwill charges and allowances for credit and other losses), expressed as a percentage of total income.

In 2010, expenses (excluding goodwill charges and allowances for credit and other losses) increased by 12% to S\$2.93 billion in 2010 from S\$2.60 billion in 2009, which had remained stable from 2008. Higher expenses were incurred in 2010 to support higher business volumes and to make investments for future growth such as initiatives to improve customer service, create regional standards and enhance technology platforms. Expenses were stable during 2009 as the DBS Group reduced headcount by 2% and generally sought to keep expenses contained in a challenging economic environment. Non-wage-related costs rose 15% to S\$1.50 billion in 2010 from S\$1.31 billion in 2009, which was a 3% decrease from S\$1.35 billion in 2008.

Staff costs increased by 10% to S\$1.42 billion in 2010 from S\$1.29 billion in 2009, which represented a 3% increase from S\$1.26 billion in 2008. The increase in staff-related expenses in 2010 was in line with a 13% increase in headcount during the period.

Allowances for Credit and Other Losses

The following table shows information with respect to the DBS Group's allowances for credit and other losses for the periods indicated:

	Years ended		
	December 31,		
	2008	2009	2010
	<i>(S\$ in millions)</i>		
General allowances	234	154	232
Specific allowances for loans⁽¹⁾	419	1,113	614
Singapore	—	149	18
Hong Kong	—	185	14
Rest of Greater China	—	54	25
South and Southeast Asia	—	31	47
Rest of the world	—	694	510
Specific allowances for securities, properties and other assets⁽²⁾	131	262	65
Total	784	1,529	911

Notes:

- (1) Commencing in 2010, the DBS Group classifies specific allowances for loans according to where the borrower is incorporated. Comparatives for 2009 have been restated to conform to the current year presentation. No such restatement was performed for the 2008 comparative figures by geography.
- (2) Excludes one-time impairment charges for the DBS Group's investment in TMB Bank in Thailand of S\$23 million in 2009 and S\$104 million in 2008.

Total allowances amounted to S\$911 million in 2010, a decrease of 40% from S\$1.5 billion in 2009, as a result of improved asset quality. Specific allowances for loans fell 45%, to S\$614 million in 2010 from S\$1.1 billion in 2009, with broad-based declines in allowances across almost all regions as a result of strengthening economic conditions. Specific allowances for loans classified under "Rest of the world", while lower than the previous year, included residual charges for certain corporate loans. General allowances of S\$232 million were taken in 2010 as a result of growth in the DBS Group's loan portfolio.

In 2009, total allowances amounted to S\$1.5 billion, an increase of 95% from 2008. The rise in allowances mirrored an increase in NPLs, which amounted to 2.9% of total loans at December 31, 2009 compared to 1.5% at December 31, 2008. This increase in NPLs was primarily due to the financial condition of several large corporate borrowers in the Middle East and other regions outside of Asia whose businesses were adversely affected by the global financial crisis.

In 2009, the DBS Group's general allowances decreased while specific allowances for securities, properties and other assets rose due to a decline in general economic conditions during the period. The disposal of most of the DBS Group's non-Asset-Backed Securities Collateralized Debt Obligation investments resulted in a transfer of general allowances previously set aside for them to specific allowances.

Profit before Tax (excluding goodwill charges and one-time items)

Profit before tax (excluding goodwill charges and one-time items) increased by 31% to S\$3.3 billion in 2010 from S\$2.5 billion in 2009, which was a decrease of 6% from S\$2.7 billion in 2008.

Taxation

The DBS Group's taxation expense was S\$454 million in 2010 compared with S\$285 million in 2009 and S\$446 million in 2008. This resulted in effective tax rates (taxation expenses divided by profit before tax) of 20%, 11% and 17% for 2010, 2009 and 2008 respectively. Taxation for the DBS Group is determined on an entity by entity basis. The statutory corporate income tax rate in Singapore was 17% in 2010 and 2009 and 18% in 2008.

Net Profit (excluding goodwill charges and one-time items)

The following table shows the reconciliation of management's view of net profit with the presentation of "net profit for the year attributable to shareholders" in the DBS Group's audited consolidated financial statements.

	Years ended December 31,		
	2008	2009	2010
	<i>(S\$ in millions)</i>		
Net Profit	2,056	2,064	2,650
Goodwill charges	—	—	(1,018)
One-time items:	(127)	(23)	—
Staff cost relating to organization restructuring	(45)	—	—
Impairment allowance of TMB Bank	(104)	(23)	—
Gains from sale of properties	22	—	—
Net Profit for the year attributable to shareholders⁽¹⁾	1,929	2,041	1,632

Note:

(1) As shown in the DBS Group's audited consolidated income statements incorporated by reference in this Offering Circular.

The DBS Group's net profit (excluding goodwill charges and one-time items) increased by 28% to S\$2.7 billion in 2010 from S\$2.1 billion in 2009, which represented a nominal increase from 2008. The increase in net profit in 2010 was attributable to higher customer-driven non-interest income and to a decline in allowances as asset quality improved.

In Singapore, the DBS Group's net profit increased by 42% to S\$1.7 billion in 2010 from S\$1.2 billion in 2009 from better treasury product sales revenue and lower specific allowances. These improvements were partly offset by lower interest margins and higher expenses. There was also a larger tax-writeback in 2009. For the DBS Group's business in Hong Kong, net profit rose by 25% to S\$579 million in 2010 from S\$464 million in 2009 as non-interest income increased as a result of stronger treasury product sales and lower specific allowances. These gains were partially offset by lower interest margins and an increase in staff and infrastructure investment costs.

Financial Condition

Total Assets

The DBS Group's total assets at June 30, 2011 were S\$309.5 billion, compared to S\$283.7 billion at December 31, 2010, S\$258.6 billion at December 31, 2009, and S\$256.7 billion at December 31, 2008. The increase in total assets between December 31, 2010 and June 30, 2011 was primarily due to customer loan growth. The increase in total assets between December 31, 2009 and 2010 was primarily due to growth in the DBS Group's consumer and corporate lending portfolios. By contrast, total assets between December 31, 2008 and 2009 grew less rapidly due to the global financial crisis.

The following table sets forth the principal components of the DBS Group's total assets as at the dates indicated.

	As at December 31,			As at
	2008	2009	2010	June 30,
	<i>(S\$ in millions)</i>			
Cash and balances with central banks	15,790	22,515	31,203	31,235
Singapore Government securities and treasury bills . . .	14,797	15,960	11,546	12,894
Due from banks	20,467	22,203	20,306	23,579
Financial assets at fair value through profit or loss	9,401	11,257	10,179	11,551
Positive fair values for financial derivatives	32,328	16,015	16,767	16,839
Loans and advances to customers	125,841	129,973	151,698	168,272
Financial investments	22,782	25,731	26,550	26,980
Securities pledged	997	784	1,982	2,159
Investments in associates	604	672	813	839
Goodwill on consolidation ⁽¹⁾	5,847	5,847	4,802	4,802
Properties and other fixed assets	1,311	1,134	1,025	981
Investment properties	293	398	358	357
Deferred tax assets	171	144	102	100
Other assets ⁽²⁾	6,089	6,011	6,379	8,904
Total	256,718	258,644	283,710	309,492

Notes:

- (1) Includes an impairment charge of S\$1.02 billion in 2010 in relation to the DBS Group's investment in DBSHK in 2010, reflecting adjustments to the recoverable value of the investment in light of heightened deposit competition.
- (2) Includes accrued interest receivable, deposits and prepayments, clients' monies receivable from securities business and sundry debtors and others.

Customer Loans

Customer loans (including customer loans classified as financial assets at fair value through profit or loss) are the largest component of the DBS Group's total assets, having accounted for 55%, 54%, 50% and 49% of total assets as at June 30, 2011 and December 31, 2010, 2009 and 2008, respectively. The DBS Group's customer loans net of allowances for loan impairment were S\$168.7 billion at June 30, 2011, an 11% increase from S\$152.1 billion as at December 31, 2010. The DBS Group's customer loans net of allowances for loan impairment at December 31, 2010 represented an increase of 16% from S\$130.6 billion as at December 31, 2009, which reflected a 3% increase from S\$126.5 billion as at December 31, 2008.

The following table sets forth customer loans and advances, including customer loans classified as financial assets at fair value through profit or loss on the balance sheet, net of allowances for loan impairment, as at the dates indicated.

	As at December 31,			As at
	2008	2009	2010	June 30, 2011
	<i>(S\$ in millions)</i>			
Gross customer loans ⁽¹⁾	128,365	133,420	154,722	171,457
Specific allowances	(868)	(1,512)	(1,152)	(1,123)
General allowances	(1,016)	(1,325)	(1,476)	(1,628)
Net total customer loans	126,481	130,583	152,094	168,706
<i>Of which: customer loans held at fair value through profit or loss</i>	<i>(640)</i>	<i>(610)</i>	<i>(396)</i>	<i>(434)</i>
Loans and advances to customers ⁽²⁾	125,841	129,973	151,698	168,272
Gross customer loans by geography⁽³⁾				
Singapore	74,377	75,117	91,128	101,450
Hong Kong	32,085	33,431	36,224	40,095
Rest of Greater China	9,683	10,252	12,208	14,379
South and Southeast Asia	5,557	8,058	9,121	9,586
Rest of the world	6,663	6,562	6,041	5,947
Gross customer loans⁽¹⁾	128,365	133,420	154,722	171,457
Gross customer loans by currency				
Singapore dollar	53,527	56,712	67,439	72,334
Hong Kong dollar	29,347	30,274	30,478	29,376
US dollar	28,123	29,449	38,094	49,309
Others	17,368	16,985	18,711	20,438
Gross customer loans⁽¹⁾	128,365	133,420	154,722	171,457

Notes:

- (1) Includes customer loans classified as financial assets at fair value through profit or loss on the balance sheet.
- (2) As shown in the DBS Group's audited consolidated and unaudited interim balance sheets included or incorporated by reference in this Offering Circular.
- (3) Based on the location where the loans are booked.

Gross customer loans increased by 11% to S\$171.5 billion as at June 30, 2011, from S\$154.7 billion as at December 31, 2010. Gross customer loans as at December 31, 2010 represented an increase of 16% from S\$133.4 billion as at December 31, 2009, which reflected a 4% increase from S\$128.4 billion as at December 31, 2008. The increase in customer loans from December 31, 2010 to June 30, 2011 was primarily due to growth in corporate loans in Singapore and China and short-term trade financing for companies incorporated in China. The increase from 2009 to 2010 reflected strong borrowing from corporates around the region, while the increase from 2008 to 2009 was primarily due to housing loan growth in Singapore and Hong Kong.

Loans booked across Singapore, Hong Kong, China and Taiwan and South and Southeast Asia increased from 2008 to 2010.

Loans booked in Singapore, comprising both Singapore-dollar and foreign currency loans, rose 21% to S\$91.1 billion as at December 31, 2010 from S\$75.1 billion as at December 31, 2009 and S\$74.4 billion as at December 31, 2008. The growth in loans booked in Singapore was broad-based across consumer, SMEs and corporate segments.

Loans booked in Hong Kong grew 19% in local currency terms and 8% in Singapore-dollar terms, to S\$36.2 billion as at December 31, 2010 from S\$33.4 billion as at December 31, 2009 and S\$32.1 billion as at December 31, 2008. Loan growth in Hong Kong was supported by strong economic conditions and higher credit demand from China corporates.

Loans booked in China and Taiwan increased by 19% to S\$12.2 billion as at December 31, 2010, from S\$10.3 billion as at December 31, 2009 and S\$9.7 billion as at December 31, 2008, led by corporate loans. Loans booked in South and Southeast Asia (excluding Singapore) grew by 13% to S\$9.1 billion as at December 31, 2010 from S\$8.1 billion as at December 31, 2009 and S\$5.6 billion as at December 31, 2008, supported by strong corporate and SME borrowing in India and Indonesia. See “— Risk Management” for further discussion of the loan portfolio.

Cash and Balances with Central Banks

Cash and balances with central banks was S\$31.2 billion as at June 30, 2011 and December 31, 2010, a 39% increase from S\$22.5 billion as at December 31, 2009, which represented a 43% increase from S\$15.8 billion as at December 31, 2008. The DBS Group’s cash on hand was S\$1.4 billion as at December 31, 2010 and 2009 and S\$1.0 billion as at December 31, 2008. The DBS Group’s restricted balances with central banks were S\$6.1 billion, S\$3.2 billion and S\$3.1 billion as at December 31, 2010, 2009 and 2008, respectively. The DBS Group’s non-restricted balances with central banks were S\$23.7 billion, S\$17.9 billion and S\$11.6 billion as at December 31, 2010, 2009 and 2008, respectively.

Singapore Government securities and treasury bills

As at June 30, 2011, the DBS Group had S\$12.9 billion in Singapore Government securities and treasury bills, a 12% increase from S\$11.5 billion as at December 31, 2010. As at December 31, 2010, S\$9.7 billion of the DBS Group’s Singapore Government securities and treasury bills were classified as available-for-sale and S\$1.8 billion were classified as held for trading. This represented a decrease of 28% in Singapore Government securities and treasury bills from S\$16.0 billion as at December 31, 2009 which consisted of S\$13.2 billion in assets available-for-sale and S\$2.7 billion in assets held for trading. The value in Singapore Government securities and treasury bills as at December 31, 2009 represented an 8% increase from the value as at December 31, 2008 of S\$14.8 billion, S\$11.7 billion of which was classified as available-for-sale and S\$3.1 billion of which was classified as held for trading.

Financial Assets at Fair Value through Profit or Loss

The DBS Group’s financial assets at fair value through profit or loss were S\$11.6 billion, S\$10.2 billion, S\$11.3 billion and S\$9.4 billion as at June 30, 2011 and December 31, 2010, 2009 and 2008, respectively.

Financial Investments

The DBS Group’s financial investments were S\$27.0 billion, S\$26.6 billion, S\$25.7 billion and S\$22.8 billion as at June 30, 2011 and December 31, 2010, 2009 and 2008, respectively.

Total Liabilities

The DBS Group’s total liabilities increased by 11% to S\$277.2 billion as at June 30, 2011 from S\$250.6 billion as at December 31, 2010, which represented a 9% increase from S\$229.1 billion as at December 31, 2009. In 2009, total liabilities decreased 2% from S\$232.7 billion as at December 31, 2008. The increase in total liabilities in the first six months of 2011 was due to an increase in interbank and customer deposits. The increase in 2010 was due to increases in non-bank customer deposits and interbank deposits. Total liabilities decreased in 2009 as an increase in customer deposits was offset by declines in other liabilities.

The following table sets forth the principal components of the DBS Group's total liabilities as at the dates indicated.

	As at December 31,			As at
	2008	2009	2010	June 30, 2011
	<i>(S\$ in millions)</i>			
Due to banks	9,021	9,108	18,811	26,629
Due to non-bank customers	163,359	178,448	187,695	203,466
Financial liabilities at fair value through profit or loss	11,282	9,217	10,228	12,047
Negative fair values for financial derivatives	31,918	16,406	17,222	17,352
Bills payable	714	501	601	399
Current tax liabilities	779	807	879	948
Deferred tax liabilities	45	54	40	36
Other liabilities ⁽¹⁾	5,874	6,489	6,574	8,481
Other debt securities in issue	638	413	2,160	2,792
Subordinated term debts	9,085	7,702	6,398	5,058
Total	232,715	229,145	250,608	277,208

Note:

- (1) Includes sundry creditors, cash collaterals received in respect of derivative portfolios, interest payable, provision for loss in respect of off-balance sheet credit exposures, clients' monies payable in respect of securities business, and other payables.

Due to Banks

The DBS Group's due to banks (excluding due to banks at fair value through profit or loss) were S\$26.6 billion, S\$18.8 billion, S\$9.1 billion and S\$9.0 billion as at June 30, 2011 and December 31, 2010, 2009 and 2008, respectively.

Customer Deposits

Customer deposits (including customer deposits classified as financial liabilities at fair value through profit or loss) were the largest component of the DBS Group's total liabilities, having accounted for 76%, 77%, 80% and 73% of total liabilities as at June 30, 2011 and December 31, 2010, 2009 and 2008, respectively. The DBS Group's customer deposits were S\$210.5 billion as at June 30, 2011, a 9% increase from S\$193.7 billion as at December 31, 2010. The DBS Group's customer deposits at December 31, 2010 represented an increase of 6% from S\$183.4 billion as at December 31, 2009. The increase in 2010 was primarily due to an increase in Singapore dollar deposits. By deposit type, the increase was broad-based across savings accounts, current accounts and fixed deposits which increased by 7%, 9% and 5%, respectively between December 31, 2009 and December 31, 2010.

The DBS Group's customer deposits as at December 31, 2009 represented an 8% increase from S\$169.9 billion as at December 31, 2008, as both Singapore dollar and U.S. dollar denominated deposits increased. Across product categories, savings accounts and current accounts increased by 18% and 34%, respectively, while fixed deposits decreased by 10%.

The loan-to-deposit ratio as at June 30, 2011 was 80%, compared to 79%, 71% and 74% as at December 31, 2010, 2009 and 2008, respectively.

The following table sets forth customer deposits, including customer deposits classified as financial liabilities at fair value through profit or loss on the balance sheet as at the dates indicated.

	As at December 31,			As at
	2008	2009	2010	June 30, 2011
	<i>(S\$ in millions)</i>			
Customer deposits	169,858	183,432	193,692	210,536
<i>Of which: customer deposits held at fair value through profit or loss</i>	<i>(6,499)</i>	<i>(4,984)</i>	<i>(5,997)</i>	<i>(7,070)</i>
Due to non-bank customers	163,359	178,448	187,695	203,466
Customer deposits by currency				
Singapore dollar	93,957	103,842	112,228	119,723
Hong Kong dollar	23,536	23,625	23,220	20,217
US dollar	28,247	29,018	30,022	33,868
Others	24,118	26,947	28,222	36,728
Customer deposits⁽¹⁾	169,858	183,432	193,692	210,536
Customer deposits by product				
Fixed deposits	75,774	68,255	71,380	77,416
Savings accounts	70,369	82,751	88,789	92,398
Current accounts	20,730	27,705	30,115	35,756
Others	2,985	4,721	3,408	4,966
Customer deposits⁽¹⁾	169,858	183,432	193,692	210,536

Note:

(1) Includes customer deposits classified as financial liabilities at fair value through profit or loss on the balance sheet.

Other Debt Securities in Issue

As at June 30, 2011, the DBS Group's other debt securities in issue (excluding debt securities issued classified at fair value through profit or loss), which consisted of negotiable certificates of deposit issued by subsidiaries and other debt securities issued by DBS Bank and other subsidiaries and joint ventures, totaled S\$2.8 billion, as compared with S\$2.2 billion, S\$413 million and S\$638 million as at December 31, 2010, 2009 and 2008, respectively. Of the DBS Group's other debt securities in issue as at June 30, 2011 and December 31, 2010, 2009 and 2008, S\$964 million, S\$505 million, S\$44 million and S\$263 million, respectively, were due within one year.

Subordinated Term Debts

As at June 30, 2011, the DBS Group's subordinated term debts issued by DBS Bank and other subsidiaries totaled S\$5.1 billion, as compared with S\$6.4 billion, S\$7.7 billion and S\$9.1 billion as at December 31, 2010, 2009 and 2008, respectively. Of the DBS Group's subordinated term debts as at December 31, 2010, 2009 and 2008, S\$1.1 billion, S\$715 million and S\$1.1 billion, respectively, were due within one year.

Non-controlling Interests

As at June 30, 2011, the non-controlling interest of the DBS Group amounted to S\$4.3 billion, compared with S\$6.5 billion, S\$4.1 billion and S\$4.2 billion as at December 31, 2010, 2009 and 2008, respectively. Such non-controlling interests mainly comprised preference shares issued by DBS Bank and two subsidiary companies.

Further details regarding the assets and liabilities of the DBS Group are set forth under the heading "Description of the Assets and Liabilities of the DBS Group".

Capital Management

The DBS Group's capital management policies are to diversify its sources of capital, to allocate capital efficiently, guided by the need to maintain a prudent relationship between available capital and the risks of its underlying businesses and to meet the expectations of key constituencies, including investors, regulators and rating agencies. The DBS Group has complied with all capital adequacy ratios prescribed by the relevant regulators.

The capital management process, which is under the oversight of the Capital and Balance Sheet Committee, includes periodic reviews of both the demand for and supply of capital across the DBS Group. Overseas subsidiaries and non-banking subsidiaries of the DBS Group may be required to comply with country-specific and industry-specific capital requirements depending on the applicable jurisdiction and industry they operate in. Available capital is allocated across competing demands, guided by the policies outlined above, and to ensure regulatory compliance. Quarterly updates are provided to the Board of Directors.

The DBS Group has adopted the capital adequacy requirements of Basel II as set out in the revised MAS Notice to Banks No. 637 (Notice on Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore).

The following table sets forth details of capital resources and capital adequacy ratios for the DBS Group as at the dates indicated.

	As at December 31,			As at June 30,
	2008	2009	2010	2011
	<i>(S\$ in millions, except percentages)</i>			
Tier I Capital				
Share capital	4,215	8,435	8,780	9,256
Disclosed reserves and others	20,180	20,928	23,927	22,596
Less: Tier 1 deductions	(6,022)	(6,098)	(5,064)	(5,025)
Total	18,373	23,265	27,643	26,827
Tier II Capital				
Loan allowances admitted as Tier 2	656	434	696	820
Subordinated debts	6,571	5,970	5,281	5,058
Revaluation surplus from equity securities	27	87	149	79
Less: Tier 2 deductions	(106)	(128)	(142)	(101)
Total	7,148	6,363	5,984	5,856
Total capital	25,521	29,628	33,627	32,683
Risk weighted assets	182,685	177,222	182,694	198,445
Capital Adequacy Ratios				
Core Tier I ratio	8.0%	11.0%	11.8%	11.5%
Tier I ratio	10.1%	13.1%	15.1%	13.5%
Tier II ratio	3.9%	3.6%	3.3%	3.0%
Total capital ratio (Tiers I & II)	14.0%	16.7%	18.4%	16.5%

Further, in June 2011, MAS announced that SIBs will be required to meet capital adequacy requirements that are higher than the Basel III standards. MAS will require SIBs to meet a minimum CET1 CAR of 6.5%, Tier 1 CAR of 8% and total CAR of 10% from January 1, 2015. In addition, from January 1, 2013, MAS will require SIBs to meet the minimum requirements under Basel III for CET1 CAR and Tier 1 CAR that are meant to apply from January 1, 2015. This means that SIBs will be required to meet a minimum CET1 CAR of 4.5% and Tier 1 CAR of 6% from January 1, 2013. MAS' existing requirement for total CAR will remain unchanged at 10%. In line with Basel III requirements, MAS will introduce a capital conservation buffer of 2.5% that is to be met fully with CET1 capital. All of these changes will be phased in on January 1 each year from 2016 to 2019.

As at June 30, 2011, the DBS Group had a core Tier 1 CAR of 11.5%, a Tier 1 CAR of 13.5% and a total CAR of 16.5%. The DBS Group is well-positioned to comply with the new MAS Basel III capital requirements, which will be fully implemented by 2019.

Off Balance Sheet Items

As at June 30, 2011 the DBS Group's contingent liabilities were S\$18.6 billion, its commitments were S\$100.1 billion and its financial derivatives were S\$1,488.9 billion. As at December 31, 2010, 2009 and 2008, respectively, the DBS Group's contingent liabilities and commitments were S\$111.9 billion, S\$98.2 billion and S\$92.7 billion and it held financial derivatives in a total notional amount of S\$1,347.5 billion, S\$1,396.9 billion and S\$1,704.7 billion.

Business Segment Analysis

The following table sets out the DBS Group's results, total assets and total liabilities by business segments for the periods indicated. With effect from January 1, 2010, the business segments have been reaggregated following a review. Comparative figures for 2009 have been restated to conform to the 2010 presentation; 2008 comparative figures are not available.

	Consumer/ Private Banking	Institutional Banking	Treasury	Others	Total
	<i>(S\$ in millions)</i>				
As at and for the six months ended					
June 30, 2011					
Net interest income	717	1,071	471	62	2,321
Non-interest income	358	903	66	99	1,426
Total income	1,075	1,974	537	161	3,747
Total expenses	741	612	197	21	1,571
Allowances for credit and other losses	42	128	3	89	262
Share of profits of associates	—	14	—	41	55
Profit before tax	292	1,248	337	92	1,969
Total assets before goodwill	52,591	135,095	102,305	14,699	304,690
Goodwill on consolidation					4,802
Total assets					309,492
Total liabilities	122,424	88,004	59,869	6,911	277,208
As at and for the six months ended					
June 30, 2010⁽¹⁾					
Net interest income	712	977	397	47	2,133
Non-interest income	325	747	334	(11)	1,395
Total income	1,037	1,724	731	36	3,528
Total expenses	713	506	171	29	1,419
Allowances for credit and other losses	35	503	5	16	559
Share of profits of associates	—	14	—	33	47
Profit before tax	289	729	555	24	1,597
As at and for the year ended					
December 31, 2010⁽¹⁾					
Net interest income	1,398	1,995	840	85	4,318
Non-interest income	667	1,518	393	170	2,748
Total income	2,065	3,513	1,233	255	7,066
Expenses	1,471	1,119	368	(33)	2,925
Allowances for credit and other losses	55	812	(2)	46	911
Share of profits of associates	—	25	—	77	102
Profit before tax	539	1,607	867	319	3,332
Total assets before goodwill	51,328	118,572	98,735	10,273	278,908
Goodwill on consolidation					4,802
Total assets					283,710
Total liabilities	117,529	80,559	42,584	9,936	250,608

	Consumer/ Private Banking	Institutional Banking	Treasury	Others	Total
	<i>(S\$ in millions)</i>				
As at and for the year ended					
December 31, 2009⁽¹⁾					
Net interest income	1,399	1,844	1,223	(11)	4,455
Non-interest income	609	1,328	26	185	2,148
Total income	2,008	3,172	1,249	174	6,603
Expenses	1,245	964	324	71	2,604
Allowances for credit and other losses . . .	82	1,118	7	322	1,529
Share of profits of associates	—	28	—	38	66
Profit before tax	681	1,118	918	(181)	2,536
Total assets before goodwill	45,094	100,649	97,959	9,095	252,797
Goodwill on consolidation					5,847
Total assets					258,644
Total liabilities	115,194	69,084	31,262	13,605	229,145

Note:

(1) Excludes goodwill charges and one-time items. See “Basis of Presentation – Net Profit” for a description of such one-time items.

The business segment results are prepared based on the DBS Group’s internal management reporting which reflects the organization management structure. As the activities of the DBS Group are highly integrated, internal allocation has been made in preparing the segment information. Amounts for each business segment are shown after the allocation of certain centralized costs, funding income and the application of transfer pricing, where appropriate.

Transactions between segments are recorded within the segment as if they are third party transactions and are eliminated on consolidation. The presentation of the business segment results in the financial statements was revised in 2010 to better reflect internal management reporting. In addition, the DBS Group adopted a revised capital benefit and fund transfer policy with effect from January 1, 2010. Comparative figures have been restated to conform to the current presentation.

The various business segments are described below. During the year ended December 31, 2010, no one group of related customers accounted for more than 10% of the DBS Group’s revenues.

Consumer/Private Banking

Consumer/ Private Banking provides individual customers with a diverse range of banking and related financial services. The products and services available to customers include current and savings accounts, fixed deposits, loans and home finance, cards, payments, investment and insurance products.

Institutional Banking

Institutional Banking provides financial services and products to institutional clients including non-bank financial institutions, government linked companies, large corporates and small and medium-sized businesses. The business focus is to broaden and deepen the financial relationship with clients. The products and services available to customers include long and short term credit facilities ranging from specialized lending such as asset financing, project financing and real estate financing to overdraft, trade, receivables financing and structured trade; cash management and deposit; treasury and markets; corporate finance and advisory banking services for mergers and acquisitions, capital raising through debt and equity markets, capital restructuring, syndicated finance, securities and fiduciary services and private equity. Institutional Banking also provides equity services through DBS Vickers Securities (“DBSV”). DBSV offers a wide range of services to retail and corporate customers including research, sales and trading, share placement, nominees and securities custodian services and distribution of primary and secondary issues.

Treasury

Treasury provides treasury services to corporations, institutional and private investors, financial institutions and other market participants. It is primarily involved in sales, structuring, market making and trading across a broad range of financial products including foreign exchange, interest rate, debt, credit, equity and other structured derivatives. Income from these financial products and services offered to the customer of other business segments, such as Consumer/Private Banking and Institutional Banking, is reflected in the respective segments. Treasury is also responsible for facilitating the execution of the DBS Group's asset and liability interest rate positions and management of the investment of the DBS Group's excess liquidity and shareholders' funds.

Others

Others encompasses a range of activities from corporate decisions and income and expenses not attributed to the business segments described above.

Risk Management

The DBS Group sees strong risk management capabilities as vital to the success of a well-managed bank. The Risk Management Group is the central resource for driving such capabilities in the DBS Group and complements the risk and control activities of other functions including Group Audit and Group Legal & Compliance.

The key components of the DBS Group's risk management approach are: strong risk governance, robust and comprehensive processes to identify, measure, control, monitor and report risks; sound assessments of capital adequacy relative to risks; and a rigorous system of internal control reviews involving internal and external auditors.

Risk Governance

Under the DBS Group's risk management framework, the Board of Directors, through the Board Risk Management Committee, oversees the establishment of robust enterprise-wide risk management policies and processes and sets risk limits to guide risk-taking within the DBS Group.

The Chief Risk Officer ("CRO") has been appointed to oversee the risk management function. The CRO has a direct reporting line to the Board which is also responsible for the appointment, remuneration, resignation or dismissal of the CRO. Working closely with the established risk and business committees, the CRO is responsible for the following:

- (i) Management of risk management systems including processes to identify, measure, monitor, control and report risks; and
- (ii) Engagement of senior management on material matters relating to the various types of risks and development of risk controls and mitigation processes.

Management is accountable to the Board for ensuring the effectiveness of risk management and adherence to the risk appetite and target rating established by the Board. To provide risk oversight, senior management committees are mandated to focus on specific risk areas. These oversight committees are the Risk Executive Committee, the Group Credit Risk Committee, the Group Market and Liquidity Risk Committee, and the Group Operational Risk Committee.

On a day-to-day basis, business units have primary responsibility for risk management. In partnership with business units, independent control functions provide senior management with a timely assessment of key risk exposures and the associated management responses. These units, reporting to the CRO, also recommend risk appetite and control limits for approval in line with the risk management framework. There are detailed policies and procedures to identify, measure, analyze and control risk across all locations where the DBS Group has operations.

Credit Risk

Credit risk is the risk of loss resulting from the failure of borrowers or counterparties to meet their debt or contractual obligations. Exposure to credit risks arises from lending, sales and trading as well as derivative activities. Lending exposures are typically represented by the notional value or principal

amount of on-balance sheet financial instruments. Financial guarantees and standby letters of credit, which represent undertakings that the DBS Group will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans even though they are of contingent nature. Documentary and commercial letters of credit, which are undertakings by the DBS Group on behalf of a customer, are usually collateralized by the underlying shipments of goods to which they relate and therefore exhibit different risk characteristics from direct lending. Commitments to extend credit include unused portions of loan commitments, guarantees or letters of credit. The majority of unused commitments are contingent upon customers observing or meeting certain credit terms and conditions.

Risk Governance and Organization

The oversight committee for credit risk is the Group Credit Risk Committee. This committee serves as an executive forum for discussion on credit trends and all aspects of credit risk management, including the identification, measurement, monitoring, mitigation and control processes. It also provides oversight of credit risk committees that are established in the key markets in which the DBS Group operates. This structure ensures that key credit management decisions are effectively cascaded to the appropriate country, business and functional units.

Credit Policies

An enterprise-wide Core Credit Risk Policy sets forth the principles by which the DBS Group conducts its credit risk management activities. The policy ensures consistency in credit risk underwriting across the DBS Group, and provides guidance in the formulation of business-specific and/or location-specific credit policies. The Core Credit Risk Policy is considered and approved by the Risk Executive Committee. The business-specific and/or location-specific credit policies are established to provide greater details on the implementation of the credit principles within the Core Credit Risk Policy and are adapted to reflect different credit environments and portfolio risk profiles.

Senior management sets the overall direction and policy for managing credit risk at the enterprise level. In so doing, it directs the risk appetite and underwriting activities for various countries, industries and counterparties taking into account factors such as prevailing business and economic conditions.

Consumer Credit

Retail exposures comprise mainly residential mortgages, credit cards, auto loans and other unsecured loans. Retail exposures are typically managed on a portfolio basis and assessed based on credit scoring models supplemented by risk acceptance criteria.

Wholesale Credit

Wholesale exposures comprise sovereign, bank, corporate, corporate small business, specialized lending and securitization exposures. Wholesale exposures are assessed using approved credit models, and reviewed and analyzed by experienced credit approvers taking into consideration the relevant credit risk factors. Credit extensions are proposed by the business unit and are approved by the credit risk function based on the business strategies determined by senior management.

Traded Products and Securities

Credit risk from traded products and securities are managed within the overall credit risk appetite for corporates and financial institutions. Counterparty risk that may arise from traded products and securities is viewed similarly to loan exposures and included under the DBS Group's overall lending limits to counterparties.

The DBS Group actively monitors and manages its exposure to counterparties in over-the-counter derivative trades to protect its balance sheet in event of counterparty default. Counterparty risk exposures which may be materially and adversely affected by market risk events are identified, reviewed and acted upon by management and highlighted to the appropriate risk committees. In addition, the DBS Group takes into account any strong relationship between the creditworthiness of a counterparty and the expected future replacement value of a relevant transaction (so called wrongway risk) during the risk onboarding process. The current exposure method is used for calculating the DBS Group's net credit exposure and regulatory capital for counterparty exposures, using the mark-to-market exposures with an appropriate add-on factor for potential future exposures.

The DBS Group further manages its credit exposure by entering into master netting arrangements with counterparties where it is appropriate and feasible to do so. The credit risk associated with favorable contracts is reduced by a master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are settled on a net basis.

The DBS Group may also enter into Credit Support Annexes with counterparties for credit risk reduction and increased competitiveness. These are governed by internal guidelines with respect to the eligibility of various collaterals and the frequency of collateral calls.

Internal Credit Risk Models

The DBS Group adopts rating systems for different asset classes under an Internal Ratings Based Approach (“IRBA”). There is a robust governance process for the development, independent validation and approval of a credit risk model. Credit risk models developed are validated by an independent risk unit in the DBS Group to ensure they are fit for purpose. The models are placed through a rigorous review process prior to endorsement by the Group Credit Risk Committee and have to be approved by the Board Risk Management Committee before use.

To ensure the adequacy and robustness of these rating systems on an ongoing basis, Risk Management Group — Credit Portfolio Analytics conducts monthly performance monitoring on these rating systems and reports the results to the Group Credit Risk Committee. This process will highlight any material deterioration in the credit systems for management attention. In addition, an independent risk unit, Risk Management Group — Model Validation, conducts formal validation annually for each of the rating systems. The validation processes are also subject to an independent review by Group Audit.

The internal credit risk ratings produced by credit rating models are used to calculate the IRBA capital requirements. In addition, the ratings from the credit models are used as the basis to support the underwriting of credit, monitor the performance of the portfolios and determine business strategies.

The DBS Group applies the supervisory Loss Given Default (“LGD”) estimate provided by the MAS for its Foundation IRBA portfolios. These supervisory LGD estimates are used in the computation of risk weights and regulatory capital calculations. For its Advanced IRBA portfolios, the LGD is estimated using internal models, and used in capital calculations and risk return assessments.

Exposure or Exposure at Default (“EAD”) is the sum of the on-balance sheet amount and/or credit equivalent of the off-balance sheet amount (multiplied by a credit conversion factor) determined in accordance with MAS Notice 637.

Retail Exposures

Retail portfolios are categorized into asset classes under the Advanced IRBA, namely residential mortgages, qualifying revolving retail exposures and other retail exposures, including vehicle loans extended to individuals.

Within each asset class, exposures are managed on a portfolio basis. Each account is assigned to a risk pool, taking into consideration factors such as borrower characteristics and collateral type. Loss estimates are based on historical default and realized losses within a defined period. The definition of default is applied at the level of a particular facility, rather than at the level of the obligor.

Business-specific credit risk policies and procedures including underwriting criteria, scoring models, approving authorities, frequency of asset quality and business strategy reviews, as well as systems, processes and techniques to monitor portfolio performance against benchmarks are in place. Credit risk models for secured loans are used to update the risk level of each loan on a monthly basis, reflecting the broad usage of risk models in portfolio quality reviews in accordance with Basel II principles.

Wholesale Exposures

Wholesale exposures are assessed under the Foundation IRBA. The risk ratings for the wholesale exposures (other than securitization exposures) have been mapped to likely corresponding external rating equivalents.

Sovereign exposures are risk rated using internal risk rating models and guidelines in line with IRBA portfolios. Country-specific macroeconomic risk factors, political risk factors, social risk factors and liquidity risk factors are reviewed objectively in the sovereign rating models to assess the sovereign credit risk in a disciplined and systematic approach.

Bank exposures are assessed using a bank rating model covering various credit risk factors such as capital levels and liquidity, asset quality, earnings, management and market sensitivity. The risk ratings derived are benchmarked against external credit risk ratings to ensure that the internal rating systems are well aligned and appropriately calibrated.

Large corporate credits are assessed using approved models as well as reviews by designated credit approvers. Credit factors considered in the risk assessment process include the obligor's financial standing and outlook, industry and economic conditions market position, access to capital and management strength. The counterparty risk rating assigned to smaller business borrowers is primarily based on the borrower's financial position and strength, which are assessed via the use of a validated quantitative tool. This is supplemented by expert judgment of qualitative factors, such as management strength, by credit officers.

Credit ratings under the IRBA portfolios are, at a minimum, reviewed on an annual basis unless credit conditions require more frequent assessment. The counterparty risk rating process is reinforced by the facility risk rating system, which considers other exposure risk mitigants, such as collateral, party guarantees and transfer risk.

A default is considered to have occurred with regard to a particular obligor when either or both of the two following events have taken place:

- Subjective default: Obligor is unlikely to pay its credit obligations in full, without recourse by the DBS Group to actions such as realizing security (if held).
- Technical default: Obligor is past due more than 90 days on any credit obligation to the DBS Group.

This is consistent with the guidance provided under MAS Notice 637.

Specialized Lending Exposures

Specialized lending IRBA portfolios, consisting of income-producing real estate, project finance, object finance, hotel finance and commodities finance, adopt the supervisory slotting criteria specified under Annex 7V of MAS Notice 637. The supervisory slotting criteria guidelines under the supervisory rating categories are used to determine the risk weights to calculate the credit risk-weighted exposures.

Securitization Exposures

As at December 31, 2010 and June 30, 2011, the DBS Group does not have significant investments in securitized assets. Additionally, the DBS Group is not active in securitization activities that are motivated by credit risk transfer or other strategic considerations.

The DBS Group's investments in securitized assets are accounted for using the principles of Financial Reporting Standards 39. Refer to Note 2.7 to the consolidated financial statements for the year ended December 31, 2010, for the DBS Group's accounting policies on financial assets.

Where securitized assets are rated by external rating agencies, the Ratings-Based Method is used to calculate the risk weights of the exposures. The DBS Group only accepts ratings from Standard & Poor's, Moody's and Fitch for such exposures.

Credit Exposures Falling Outside of Internal Credit Risk Models

The DBS Group applies the Standardized Approach (“SA”) for portfolios which are individually immaterial in terms of both size and risk profile and for transitioning portfolios. These portfolios include:

- (i) IRBA-transitioning retail and wholesale exposures
- (ii) IRBA-exempt retail exposures
- (iii) IRBA-exempt wholesale exposures

The transitioning retail exposures are expected to transit to the Advanced IRBA over the next few years, subject to certification by MAS. In the meantime, the SA has been applied. The portfolios under the SA are subject to the DBS Group’s overall governance framework and credit risk management practices.

The portfolios under the SA are subject to the DBS Group’s overall governance framework and credit risk management practices. Under this framework, the DBS Group continues to monitor the size and risk profile of these portfolios and will look to enhance risk measurement processes should these risk exposures become material.

The DBS Group uses external ratings for credit exposures under the SA, where relevant, and the DBS Group only accepts ratings from Standard & Poor’s, Moody’s and Fitch in such cases. The DBS Group follows the process prescribed in MAS Notice 637 to map the ratings to the relevant risk weights.

Credit Monitoring and Control

Day-to-day monitoring of credit exposures, portfolio performance and the external environment that may have an impact on our credit risk profiles is key to our philosophy of effective credit risk management. Risk reporting on credit trends, which may include industry analysis, early warning alerts and key weak credits, is provided to the various credit committees, and key strategies and action plans are formulated and tracked.

Credit control functions ensure that credit risks are being taken and maintained in compliance with Group-wide credit policies and guidelines. These functions ensure proper activation of approved limits, ensure appropriate endorsement of excesses and policy exceptions, and monitor compliance with credit standards and credit covenants established by management and regulators.

An independent credit risk review team conducts regular reviews of credit exposures and judgmental credit risk management processes. It also conducts independent validation of internal credit risk rating processes on an annual basis. These reviews provide senior management with objective and timely assessments of the effectiveness of credit risk management practices and ensure Group-wide policies, internal rating models and guidelines are being adopted consistently across different business units including relevant subsidiaries.

Credit Risk Mitigants

Collateral

Where possible, the DBS Group takes collateral as a secondary recourse to the borrower. Collateral includes cash, marketable securities, properties, trade receivables, inventory and equipment and other physical and financial collateral. The DBS Group may also take fixed and floating charges on assets of borrowers. It has put in place policies to determine the eligibility of collateral for credit risk mitigation, which include requiring specific collaterals to meet minimum operational requirements in order to be considered as effective risk mitigants. Collateral taken for financial market operations is marked-to-market on a mutually-agreed period with the respective counterparties. Collateral taken for commercial banking is revalued periodically ranging from daily to annually, depending on the type of collateral. While real estate properties constitute the largest percentage of collateral assets, the DBS Group generally considers the collateral assets to be diversified.

Other Risk Mitigating Factors

The DBS Group also uses guarantees, credit derivatives, master netting agreements, credit support annexes and credit insurance as credit risk mitigants. While the DBS Group may accept guarantees from any counterparty, it sets internal thresholds for considering guarantors to be eligible for credit risk mitigation. Credit derivatives are used as credit risk mitigating factors mainly in structured transactions and for financial market operations. Master netting agreements and credit support annexes are used to mitigate counterparty credit risks. Credit insurance is used for risk sharing in various products such as factoring.

Credit Concentration

The DBS Group's risk management processes aim to ensure that an acceptable level of risk diversification is maintained across the DBS Group on an ongoing basis. Limits are established and regularly monitored in respect of country exposures and major industry groups, as well as for single counterparty exposures. Control structures are in place to ensure that appropriate limits are in place, exposures are monitored against these limits, and appropriate actions are taken if limits are breached.

Stress Testing

Comprehensive stress tests are conducted for assessing the potential impact to the DBS Group for changes in various specific key risk factors, as well as the potential impact of stress scenarios that are adverse but plausible. Stress tests are also employed in assessing the sensitivity of the portfolio to various risk parameters associated with the IRB Approach.

The stress tests are either directed by senior management (in the assessment of specific key risk factors) or articulated by the credit risk stress testing working group (in the design and performance of specific scenario stress tests). The working group is also responsible for developing and maintaining a robust stress testing model as well as to execute the stress testing process and analysis effectively. Stress test results are also reviewed by the Group Credit Risk Committee and the Board Risk Management Committee.

Stress tests form an integral part of the DBS Group's credit risk management process. The results are analyzed to assess the capital adequacy of the DBS Group and are used as inputs for capital planning. For each stress test, remedial actions are formulated as risk mitigation plans to be taken in the event of stress.

Non-Performing Loans and Impairments

The DBS Group classifies its credit facilities in accordance with MAS Notice to Banks No. 612, "Credit Files, Grading and Provisioning" issued by the MAS. These guidelines require the DBS Group to categorize its credit portfolios according to its assessment of a borrower's ability to repay a credit facility from his normal sources of income. There are two categories of performing assets and three categories of non-performing assets as follows:

Performing Assets

- Pass grade indicates that the timely repayment of the outstanding credit facilities is not in doubt.
- Special mention grade indicates that the credit facilities exhibit potential weaknesses that, if not corrected in a timely manner, may adversely affect future repayments and warrant close attention by the DBS Group.

Classified or Non-Performing Assets

- Substandard grade indicates that the credit facilities exhibit definable weaknesses either in respect of business, cash flow or financial position of the borrower that may jeopardize repayment on existing terms.
- Doubtful grade indicates that the credit facilities exhibit severe weaknesses such that the prospect of full recovery of the outstanding credit facilities is questionable and the prospect of a loss is high, but the exact amount remains undeterminable.
- Loss grade indicates the amount of recovery is assessed to be insignificant.

The DBS Group may also apply a split classification to any credit facility where appropriate. For instance, when an NPL is partially secured, the portion covered by the amount realizable from a collateral may be classified as substandard while the unsecured portion of the loan is classified as doubtful or loss, as appropriate.

Restructured Non-Performing Assets

Credit facilities are classified as restructured assets when the DBS Group grants concessions to a borrower because of deterioration in the financial position of the borrower or the inability of the borrower to meet the original repayment schedule. A restructured credit facility is classified into the appropriate non-performing grade depending on the assessment of the financial condition of the borrower and the ability of the borrower to repay based on the restructured terms. Such credit facilities are not returned to the performing status until there are reasonable grounds to conclude that the borrower will be able to service all future principal and interest payments on the credit facility in accordance with the restructured terms.

Repossessed Collateral

When required, the DBS Group will take possession of collateral it holds as securities and will dispose of them as soon as practicable, with the proceeds used to reduce the outstanding indebtedness. Repossessed collateral is classified in the balance sheet as other assets. The amounts of such other assets for 2010 and 2009 were not material.

Transfer Risk

The principles and approach in the management of cross-border risk are set out in the DBS Group's Country Risk Management Framework. The framework includes an internal country (and sovereign) risk rating system where the assessments are made independent of business decisions. Country benchmark limits are set to alert the DBS Group when exposures rise to levels that may imply concentration risk. Day-to-day operational country limits, called working limits, are also imposed to manage the shape and growth of cross-border exposures as they build up. A rigorous scanning process has been established with the objective of adjusting country exposures according to risks perceived at the global, regional and country level. There are close consultations with the businesses and credit management in right-sizing cross-border exposures to take into account not only risks and opportunities, but also the strategic intent of the DBS Group.

Market Risk

Market risk affects the economic values of financial instruments held by the DBS Group, and arises from changes in interest rate yields, foreign exchange rates, equity prices, commodity prices, credit spreads and changes in the correlations and volatilities of these risk factors.

The DBS Group manages market risk in the course of market-making, structuring and packaging products for investors and other clients, as well as to benefit from market opportunities. The DBS Group also manages banking book interest rate risk arising from mismatches in the interest rate profile of assets, liabilities and capital instruments (and associated hedges), including basis risk arising from different interest rate benchmarks, interest rate re-pricing risk, yield curve risks and embedded optionality. Behavioral assumptions are applied in managing the interest rate risk of banking book deposits with indeterminate maturities. To optimize its income and balance sheet management, the DBS Group deploys funds in debt securities, equities and funds or in the interbank market. All types of foreign exchange risk (including unhedged structural foreign exchange risk arising from the DBS Group's investment in strategic foreign currency investments) are risk managed as part of the trading book.

The DBS Group's market risk framework identifies the types of the market risk to be covered, the risk metrics and methodologies to be used to capture such risk and the standards governing market risk management within the DBS Group including limit setting and independent model validation, monitoring and valuation.

The Board establishes the DBS Group's risk appetite for market risk. The CEO delegates responsibility to the Risk Executive Committee to allocate risk appetite limits to risk-taking units. The Group Market and Liquidity Risk Committee, which reports into the Risk Executive Committee,

oversees the DBS Group's market risk management infrastructure, sets market risk control limits and provides enterprise-wide oversight of all market risks and their management. The independent market risk management function comprising risk control, risk analytics, and risk architecture reports to the CRO and is responsible for day-to-day market risk monitoring and analysis.

The principal market risk appetite measures for market risk are Value-at-Risk (VaR) and stress loss. The VaR is supplemented by risk control measures, such as sensitivities to risk factors, including their volatilities, as well as loss triggers for management action.

The DBS Group's general market risk VaR methodology uses a historical simulation approach to forecast the DBS Group's potential loss from market risk. The methodology is also used to compute stressed VaR and average tail loss metrics. VaR risk factor scenarios are aligned to parameters and market data that are used for valuation. The scenarios are maintained in the risk system and are used to compute VaR for each business unit and location, and at Group level. Trading book VaR is back-tested against the corresponding profit and loss to monitor its predictive power.

Although VaR provides valuable insights, no single measure can capture all aspects of market risk. Therefore, regular stress testing is carried out to monitor the DBS Group's vulnerability to shocks.

Liquidity Risk

Funding liquidity risk (or liquidity risk) is the current and prospective risk arising from the inability of the DBS Group to meet its contractual or regulatory obligations when they come due without incurring substantial losses. Liquidity obligations arise from withdrawals of deposits, repayments of purchased funds at maturity, and extensions of credit and working capital needs. The DBS Group seeks to project, monitor and manage its liquidity needs under normal as well as adverse circumstances.

The primary tool of monitoring liquidity risk is the maturity mismatch analysis, which presents the profile of future expected cashflows under pre-defined scenarios. This is monitored against available funding and liquid assets across successive time bands and across major currencies under normal and adverse scenarios. In addition, other monitoring metrics (for example, liquidity ratios, deposit concentration ratio, and balance sheet analysis) are used as complementary tools to the maturity mismatch analysis.

On a strategic level, the Board Risk Management Committee is responsible for approving the principles and baseline standards under the DBS Group's liquidity risk management framework, as well as defining the DBS Group's tolerance towards liquidity risk. The Risk Executive Committee, which reports to the Board Risk Management Committee, provides liquidity risk control across the DBS Group and its management. On a business and tactical level, the Group Asset and Liability Committee (GALCO) and country ALCOs are the primary committees responsible for ensuring the DBS Group's liquidity management profile is in accordance with the DBS Group's liquidity risk management framework and policies.

To manage liquidity risk within the tolerance defined by the Board, limits and triggers are set on maturity mismatches under normal and adverse scenarios and other monitoring metrics. Such limits seek to ensure that adequate funding and liquid assets are available to meet liquidity needs under both normal and stress scenarios. As part of its management of liquidity risk inherent in its financial liabilities, the DBS Group employs a number of strategies. These include maintaining sufficient liquid assets, maintaining diversified sources of liquidity, and having robust internal control processes and contingency plans.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events, including legal risk, but does not include strategic or reputational risk. An operational risk management framework, approved by the Board Risk Management Committee, has been developed with the objective of ensuring that operational risks within the DBS Group are identified, monitored, managed and reported in a structured, systematic and consistent manner.

To manage and control operational risk, the framework encompasses various tools including control self-assessment, risk event management and key risk indicator monitoring. Risk events, including any significant incidents that may impact the DBS Group's reputation, are required to be reported based on certain established thresholds. Key risk indicators with pre-defined escalation triggers are employed to facilitate risk monitoring in a forward looking manner. The DBS Group has implemented a system that supports multiple operational risk management processes and tools including operational risk or loss event reporting, control self-assessment, key risk indicators, tracking of issues or action plans and operational risk reporting.

A key component of the framework is a set of core operational risk standards which provides guidance on the baseline controls to ensure a controlled and sound operating environment. Each new product, service or outsourcing initiative is subject to a risk review and sign-off process in which relevant risks are identified and assessed by departments independent of the risk-taking unit proposing the product or service. Variations of existing products, services and outsourcing initiatives are also subject to a similar process. Major operational risk mitigation programs include business continuity management and a global insurance programme. On an annual basis, the CEO provides an attestation to the Board on the state of business continuity management of the DBS Group, including any residual risks.

The Group Operational Risk Committee oversees the DBS Group's operational risk management infrastructure, including the framework, policies, processes, information, methodologies and systems. The committee also performs regular reviews of the operational risk profiles of the DBS Group, and endorses and recommends corporate operational risk policies to be approved by senior management.

DESCRIPTION OF THE ASSETS AND LIABILITIES OF THE DBS GROUP

Customer Loan Portfolio

As at December 31, 2010 and December 31, 2009, the DBS Group's loans and advances to customers net of cumulative allowances were S\$152.1 billion and S\$130.6 billion, respectively, which accounted for approximately 54% and 50% of total assets for December 31, 2010 and December 31, 2009 respectively. Of these amounts, total loans and advances to customers net of cumulative allowances through DBS Bank accounted for S\$118.1 billion and S\$97.6 billion of total loans and advances to customers net of cumulative allowances as at December 31, 2010 and December 31, 2009 respectively. The DBS Group's gross loans and advances to customers were S\$154.7 billion as at December 31, 2010 and S\$133.4 billion as at December 31, 2009. As at December 31, 2010 and December 31, 2009, approximately 44% and 43%, respectively, of customer loans and advances were denominated in Singapore dollars.

From 2008 to 2010, the DBS Group's loans and advances to customers portfolio net of cumulative allowances grew at a compound annual growth rate of 10% from S\$126.5 billion as at December 31, 2008 to S\$152.1 billion as at December 31, 2010.

As at December 31, 2010, loans booked in Singapore accounted for approximately 59% of the DBS Group's gross customer loans and advances, while loans booked in Hong Kong accounted for 23% and 18% were from other overseas locations.

Customer Loan Concentrations

The DBS Group's top five customer loans and advances (based on outstanding amounts) accounted for 6% of its total customer loans and advances portfolio as at December 31, 2010, while the top 20 customer loans and advances accounted for 13% of the total customer loans and advances portfolio at that date. Of the top 20 customer loans and advances as at December 31, 2010, none was classified as non-performing.

The DBS Group's policy is to maintain a diversified loan portfolio without significant concentrations of exposure to any single customer or group of customers. Gross loans to manufacturing, building and construction, and general commerce companies accounted for 12%, 14% and 11% respectively of the DBS Group's gross total customer loans and advances portfolio as at December 31, 2010. Total gross consumer loans, which consist of housing loans and loans to professionals and private individuals, accounted for 32% of the gross total loans and advances portfolio as at December 31, 2010.

The following table sets forth the DBS Group's total gross loans and advances to customers portfolio by industrial classification as at December 31, 2008, 2009 and 2010:

	Customer Loan ⁽¹⁾ Concentrations					
	as at December 31,					
	2008		2009		2010	
	S\$	%	S\$	%	S\$	%
	<i>(S\$ in millions, except percentages)</i>					
Manufacturing	15,958	12.4	16,239	12.2	19,217	12.4
Building and construction	17,931	13.9	18,433	13.8	21,385	13.8
Housing loans	29,375	22.9	33,120	24.8	38,676	25.0
General commerce	13,075	10.2	13,335	10.0	16,732	10.8
Transportation, storage and communications	12,457	9.7	12,277	9.2	14,378	9.3
Financial institutions, investment and holding companies	14,490	11.3	16,710	12.5	18,517	12.0
Professionals and private individuals (except housing loans)	10,478	8.2	10,873	8.2	11,142	7.2
Others	14,601	11.4	12,433	9.3	14,675	9.5
Total	128,365	100.0	133,420	100.0	154,722	100.0

Note:

- (1) Includes customer loans classified as financial assets at fair value through profit or loss on the balance sheet. The industry classifications have been prepared at the level of the borrowing entity. A loan to an entity is classified by the industry in which it operates, even though its parent or group's main business may be in a different industry.

Housing Loans

As at December 31, 2010, the DBS Group's gross housing loans accounted for 25% of its total gross customer loans and advances portfolio, unchanged from December 31, 2009. As at December 31, 2008, gross housing loans accounted for 23% of its total gross loans and advances. Housing loans are the DBS Group's main consumer lending products. In Singapore, housing loans are granted to purchasers of both public and private residential properties. Housing loans are typically amortizing loans and priced at a mix of fixed and floating rates. These loans are typically secured by a mortgage on the underlying property, with an average term of between 15 and 35 years. The housing loan is subject to a first charge in favor of the CPF Board if a borrower had used his CPF savings to partially finance the property before September 2002. The first charge for housing loans made after 2002 resides with the lending bank. MAS issued a directive on housing loans on February 19, 2010, which lowered the loan-to-value limit for housing loans provided by financial institutions from 90% to 80% of the lower of the property's purchase price or fair market valuation. Borrowers are required to bridge the remaining amount with a minimum of 5% in cash and the balance in either cash or CPF savings. On August 30, 2010 and January 13, 2011, MAS issued further directives that, in combination, lowered the loan-to-value limit from 80% to 60% and increased the minimum cash payment from 5% to 10% for housing loans to property purchasers with one or more outstanding housing loans. Borrowers who do not have any outstanding housing loan at the time of applying for a housing loan continue to have a loan-to-value cap of 80% and a minimum cash payment limit of 5%.

Building and Construction

As at December 31, 2010, gross loans to the building and construction sector accounted for 14% of the DBS Group's total gross loans and advances portfolio, unchanged from December 31, 2009 and December 31, 2008. The DBS Group provides funding, mainly on a secured basis, for a variety of projects, such as office buildings and complexes, residential developments, industrial developments and retail developments. The DBS Group sets a limit on total commitments to the building and construction sector against the total customer loan portfolio. Within the building and construction sector, the DBS Group sets and monitors limits on the overall mix of projects in order to avoid excess concentrations in any one sub-sector.

The DBS Group follows a set of internal guidelines for determining the suitability of any particular building and construction project. For example, it will typically analyze, among other things, information such as the projected cash flows, the developer's track record, financial condition and reputation, the quality of the proposed construction and the location of the project; and will require the borrower to submit business plans and feasibility studies. The DBS Group tends to enter into repeat transactions with those developers with which it has had previous experience.

Financial Institutions, Investment and Holding Companies

As at December 31, 2010, gross loans to the financial institution, investments and holding company sectors accounted for 12% of the DBS Group's total gross loans and advances portfolio, compared with 13% as at December 31, 2009 and 11% as at December 31, 2008. Major customers include a variety of financial institutions, such as insurance companies, securities companies and unit trusts, leasing and credit companies and investment companies. Certain holding companies are engaged in property-related activities. The DBS Group's current lending policy in this sector is to focus on lending to top tier companies and government agencies.

Manufacturing

As at December 31, 2010, gross loans to the manufacturing sectors accounted for 12% of the DBS Group's total gross loans and advances portfolio, unchanged from December 31, 2009 and December 31, 2008. The DBS Group's manufacturing customers represent a broad range of businesses. Key industries in the manufacturing sector include electronics, transport equipment, downstream petrochemical and engineering industries. The DBS Group's manufacturing customers range from small to large corporations and include many of the major manufacturing companies and groups in Singapore, several large multi-national groups and smaller companies which are suppliers for large global organizations.

General Commerce

As at December 31, 2010, gross loans to the general commerce sector accounted for 11% of total gross loans and advances portfolio, compared with 10% as at December 31, 2009 and December 31, 2008. The DBS Group's general commerce customers include wholesalers and retailers.

Others

Loans to professionals and private individuals (except housing loans), accounted for 7% of total gross loans and advances portfolio as at December 31, 2010, compared with 8% as at December 31, 2009 and December 31, 2008. Loans to the transportation, storage and communications sector were 9% of total gross loans and advances portfolio as at December 31, 2010 and December 31, 2009, compared with 10% as at December 31, 2008. Loans classified as "others" accounted for 10% of total gross loans and advances portfolio as at December 31, 2010, compared with 9% as at December 31, 2009 and 11% as at December 31, 2008. Loans classified as "others" comprise mainly lending to government-linked corporations, statutory boards, hotels and other SMEs.

Limits on Exposures to Specified Groups of Persons

Section 29 of the Banking Act, Chapter 19 of Singapore (the "Banking Act"), provides that a bank in Singapore shall limit its exposure to certain groups of persons, including a substantial shareholder group, a director group of the bank and the financial group of the bank.

See "Regulation and Supervision — Other Key Prudential Provisions".

Cross-Border Exposure

The DBS Group's exposures exceeding 1% of the total assets of the DBS Group as at December 31, 2010, 2009 and 2008 were as follows:

Assets in	Loans and debt securities				Total exposure	
	Banks	Central banks and Government securities	Non-banks ⁽¹⁾	Investments	Amount	As a % of total assets
<i>(\$ in millions, except percentages)</i>						
2010						
Top 10 countries (Net exposure >1% of total assets)						
Hong Kong	3,554	2,288	37,631	79	43,552	15.4%
China	3,947	1,346	8,023	291	13,607	4.8%
India	3,944	1,047	6,911	46	11,948	4.2%
South Korea	2,133	1,965	4,491	—	8,589	3.0%
Taiwan	217	1,982	5,108	20	7,327	2.6%
Indonesia	191	1,700	4,394	15	6,300	2.2%
Unites States	995	2,862	1,727	106	5,690	2.0%
United Kingdom	1,479	375	2,612	9	4,475	1.6%
Malaysia	1,148	143	2,837	101	4,229	1.5%
Japan	1,156	1	2,375	1	3,533	1.2%
Total	18,764	13,709	76,109	668	109,250	38.5%

Assets in	Loans and debt securities				Total exposure	
	Banks	Central banks and Government securities	Non-banks ⁽¹⁾	Investments	Amount	As a % of total assets
<i>(\$ in millions, except percentages)</i>						
2009						
Top 10 countries (Net exposure >1% of total assets)						
Hong Kong	1,240	1,667	34,084	116	37,107	14.3%
India	3,413	1,048	5,838	194	10,493	4.1%
China	1,446	784	7,434	211	9,875	3.8%
South Korea	4,161	2,291	3,065	—	9,517	3.7%
United Kingdom	4,199	543	2,529	7	7,278	2.8%
United States	1,998	2,227	2,840	184	7,249	2.8%
Indonesia	49	1,869	3,827	2	5,747	2.2%
Taiwan	516	1,192	3,988	17	5,713	2.2%
Australia	3,305	19	1,524	75	4,923	1.9%
Japan	2,073	—	1,946	—	4,019	1.6%
Total	22,400	11,640	67,075	806	101,921	39.4%
2008						
Top 10 countries (Net exposure >1% of total assets)						
Hong Kong	1,745	1,230	32,673	160	35,808	13.9%
China	2,528	595	7,371	166	10,660	4.1%
India	3,709	1,115	3,823	399	9,046	3.5%
United Kingdom	4,578	5	2,777	23	7,383	2.9%
South Korea	2,923	1,487	2,223	—	6,633	2.6%
Taiwan	83	2,485	3,741	11	6,320	2.5%
Indonesia	221	619	4,021	—	4,861	1.9%
United States	1,239	302	2,697	145	4,383	1.7%
Australia	3,034	—	1,235	48	4,317	1.7%
France	3,490	—	247	1	3,738	1.5%
Total	23,550	7,838	60,808	953	93,149	36.3%

Note:

(1) Non-bank loans include loans to government and quasi-government entities.

Customer Loans and Advances Maturity Profile

As at December 31, 2010, customer loans and advances (net of allowances) repayable on demand and loans and advances maturing in less than seven days constituted 7%, loans and advances maturing in between one week to a month constituted 8%, loans and advances maturing between one month and three months constituted 9% and between three months and one year constituted 13%, while customer loans and advances maturing in one year or more accounted for the remainder of total customer loans and advances. Loans and advances with maturities of less than one year include revolving credit and overdraft facilities, which are typically renewed upon rollover and actual repayment patterns are of a longer-term nature. Of customer loans and advances (net of allowances) with maturities over one year as at December 31, 2010, 31% had maturities of between one and three years and 69% had maturities of over three years.

The following table sets forth an analysis of the DBS Group's customer loans and advances (net of loss allowances) by maturity:

	<u>Less than 7 Days</u>	<u>1 Week to 1 Month</u>	<u>1 to 3 Months</u>	<u>3 to 12 Months</u>	<u>1 to 3 Years</u>	<u>Over 3 Years</u>	<u>No specific maturity</u>	<u>Total</u>
<i>(\$ in millions)</i>								
As at December 31,								
2010	10,797	11,923	13,374	20,223	29,773	66,004	—	152,094
2009	8,225	12,198	10,711	13,885	31,533	54,031	—	130,583
2008	9,313	12,464	12,561	15,725	24,984	51,434	—	126,481

The following table summarizes the DBS Group's assets and liabilities at their carrying amounts as at December 31, 2010 and 2009, categorized by the earlier of contractual repricing or maturity dates. Actual maturity dates may differ from contractual dates owing to prepayments and the exercise of options. It should also be noted that any representation of interest rate risk at a specific date offers only a snapshot of the risks taken by the DBS Group, since the position is actively managed.

	<u>Less than 7 days</u>	<u>1 Week to 1 Month</u>	<u>1 to 3 Months</u>	<u>3 to 12 Months</u>	<u>1 to 3 Years</u>	<u>Over 3 Years</u>	<u>Non- interesting bearing</u>	<u>Total</u>
<i>(\$ in millions)</i>								
2010								
Cash and balances with central banks	3,624	7,064	12,818	1,168	—	—	6,529	31,203
Due from banks	3,460	5,583	4,509	3,572	—	—	3,182	20,306
Financial assets at fair value through profit or loss	500	1,920	1,627	2,894	1,171	1,721	346	10,179
Other securities ⁽¹⁾	372	1,776	7,895	5,146	9,170	14,577	1,142	40,078
Loans and advances to customers ⁽²⁾	25,538	47,572	35,957	19,575	14,440	6,995	1,621	151,698
Other assets ⁽³⁾	—	—	—	—	—	—	30,246	30,246
Total assets	33,494	63,915	62,806	32,355	24,781	23,293	43,066	283,710
Due to banks	5,208	9,377	2,981	753	—	—	492	18,811
Due to non-bank customers	129,670	21,085	19,201	14,486	1,497	1,756	—	187,695
Financial liabilities at fair value through profit or loss	788	1,119	1,510	2,969	2,177	1,648	17	10,228
Other liabilities ⁽⁴⁾	1,509	251	244	531	388	1,541	23,012	27,476
Subordinated term debts	—	1,158	1,930	1,116	680	1,514	—	6,398
Total liabilities	137,175	32,990	25,866	19,855	4,742	6,459	23,521	250,608
Non-controlling interests	—	—	—	—	—	—	6,503	6,503
Shareholders' funds ...	—	—	—	—	—	—	26,599	26,599
Total equity	—	—	—	—	—	—	33,102	33,102
On-balance sheet interest rate gap	(103,681)	30,925	36,940	12,500	20,039	16,834	(13,557)	—
Off-balance sheet interest rate gap — Financial derivatives ⁽⁵⁾	8,326	9,522	(5,684)	(4,670)	(4,205)	(3,289)	—	—

	Less than 1 Week to 7 days	1 Week to 1 Month	1 to 3 Months	3 to 12 Months	1 to 3 Years	Over 3 Years	Non- interesting bearing	Total
<i>(S\$ in millions)</i>								
2009								
Cash and balances with central banks	2,443	8,706	7,254	—	—	—	4,112	22,515
Due from banks	5,999	6,298	5,178	3,887	70	43	728	22,203
Financial assets at fair value through profit or loss	554	2,275	2,265	3,219	1,289	1,371	284	11,257
Other securities ⁽¹⁾	1,157	3,371	9,348	6,465	10,040	11,054	1,040	42,475
Loans and advances to customers ⁽²⁾	27,404	42,809	24,052	21,077	6,593	6,910	1,128	129,973
Other assets ⁽³⁾	—	—	—	—	—	—	30,221	30,221
Total assets	37,557	63,459	48,097	34,648	17,992	19,378	37,513	258,644
Due to banks	4,828	2,413	1,144	516	—	—	207	9,108
Due to non-bank customers	120,650	25,785	15,804	14,315	987	907	—	178,448
Financial liabilities at fair value through profit or loss	386	1,474	949	1,596	3,371	1,428	13	9,217
Other liabilities ⁽⁴⁾	789	21	39	70	366	612	22,773	24,670
Subordinated term debts	—	1,264	2,107	715	2,027	1,589	—	7,702
Total liabilities	126,653	30,957	20,043	17,212	6,751	4,536	22,993	229,145
Non-controlling interests	—	—	—	—	—	—	4,126	4,126
Shareholders' funds	—	—	—	—	—	—	25,373	25,373
Total equity	—	—	—	—	—	—	29,499	29,499
On-balance sheet interest rate gap	(89,096)	32,502	28,054	17,436	11,241	14,842	(14,979)	—
Off-balance sheet interest rate gap — Financial derivatives ⁽⁵⁾	5,064	(151)	(414)	2,852	(3,388)	(3,963)	—	—

Notes:

- (1) Other securities include Singapore Government securities and treasury bills, financial investments and securities pledged.
- (2) Loans and advances to customers excludes amounts classified as fair value through profit or loss.
- (3) Other assets include positive fair values for financial derivatives, investments in associates, goodwill on consolidation, properties and other fixed assets, investment properties, deferred tax assets and other assets.
- (4) Other liabilities include negative fair values for financial derivatives, bills payable, current and deferred tax liabilities, other debt securities in issue and other liabilities.
- (5) Off-balance sheet items are represented at notional values.

Credit Quality Information

Classification of Loans

The DBS Group classifies its loans in accordance with guidelines adopted by MAS and seeks to use international best practices in its approach where possible and applicable. MAS guidelines require

banks to classify their loan portfolios to take into account the risks inherent in a portfolio. These classifications, and underlying collateral valuations, are used to determine minimum levels of loan loss reserves which banks are required to maintain.

MAS guidelines require banks to categorize their loan portfolios into five categories — two for performing loans (Pass and Special Mention) and three for classified, or NPAs (Substandard, Doubtful and Loss). Banks are required to set minimum reserves based on these categories.

Loans categorized as Pass indicate that timely repayment of an outstanding credit facility is not in doubt, repayment is expected to be prompt and no potential weaknesses have been identified. The Special Mention category is appropriate when there is potential weakness in the borrower's creditworthiness, but such weakness does not warrant a Substandard or other inferior classification. Special Mention loans generally have adequate debt service capacity but require close and active supervision because the potential weaknesses, if not corrected, may adversely affect repayment prospects.

The DBS Group's Special Mention loans amounted to S\$5.54 billion as at December 31, 2010, compared with S\$5.05 billion as at December 31, 2009 and S\$3.54 billion as at December 31, 2008.

Substandard, Doubtful or Loss classifications are appropriate when there are well-defined weakness(es) in a borrower's position that may jeopardize repayment of principal or interest from normal sources.

The following table sets forth the various categories of classified loans:

Classification Assigned to Loans	Criteria
Substandard	Substandard grade indicates that the credit facilities exhibit definable weaknesses either in respect of business, cash flow or financial position of the borrower that may jeopardize repayment on existing terms.
Doubtful	Doubtful grade indicates that the credit facilities exhibit severe weaknesses such that the prospect of full recovery of the outstanding credit facilities is questionable and the prospect of a loss is high, but the exact amount remains undeterminable.
Loss	Loss grade indicates the amount of recovery is assessed to be insignificant.

The DBS Group may also apply a split classification in appropriate cases. Where an NPA is partially secured, the portion covered by collateral may be classified as Substandard while the unsecured portion of the loan may be classified as Doubtful or Loss, as appropriate.

The DBS Group conducts regular reviews, in the form of supervision reports, on a yearly basis for loans classified as Pass. For loans classified as Special Mention or lower, more frequent reviews are done.

The DBS Group uses an internal rating system for its bank counterparties based on the capital, assets, management, earnings, liquidity and sensitivity framework. The DBS Group's overseas branches and subsidiaries generally follow classification guidelines required by the respective local banking regulations but utilize DBS Bank's classification guidelines for the purposes of consolidation at the bank and/or holding company level.

DBS Bank submits regular reports on its classified loans to MAS. As part of its review, MAS determines compliance with applicable regulations and may require banks to classify a particular loan or to change an existing classification.

When concessions are granted to the original terms of a loan for reasons relating to the financial difficulties of the borrower, the loan is considered a Restructured Loan. A Restructured Loan is generally graded as Substandard/Doubtful or Loss. Restructured Loans are not returned to performing status until specific conditions have been met, including that there is no longer any reasonable doubt regarding the timely collection of principal and interest and that there has been a reasonable period of sustained performance under the restructured terms. The DBS Group currently has a number of NPAs which it has restructured or is in the process of restructuring. As part of the restructuring process, the particular business unit will work with the borrower to implement the most appropriate restructuring plan.

The DBS Group's total NPAs were S\$3.21 billion as at December 31, 2010, compared with S\$4.22 billion as at December 31, 2009. Of the total NPAs as at December 31, 2010, 65% were classified as Substandard, 23% were classified as Doubtful and 12% were classified as Loss. Of the total NPAs as at December 31, 2010, S\$675 million (or 21%) originated in Singapore. Of these, 73% were classified as Substandard. NPAs with respect to Hong Kong, China, Taiwan, South and Southeast Asia and the rest of the world totaled S\$362 million, S\$252 million, S\$336 million and S\$1,588 million respectively. As at December 31, 2010, approximately 19% of the DBS Group's total NPAs had been restructured and continued to be included in the total volume of NPAs. The DBS Group's top 20 NPAs amounted to S\$2.0 billion, or 62% of its total NPAs. 76% of the top 20 NPAs were in the Substandard category.

The ratio of NPLs to total non-bank loans ("NPL ratio") grew from 1.5% as at December 31, 2008 to 2.9% as at December 31, 2009 and then fell to 1.9% as at December 31, 2010 as economic conditions in the region strengthened. The NPL ratios for Singapore and Hong Kong were 0.8% and 1.0% respectively, as at December 31, 2010, compared with NPL ratios of 1.2% and 1.7% respectively, as at December 31, 2009, and NPL ratios of 1.1% and 1.8% respectively as at December 31, 2008. The write-offs for NPLs amounted to S\$899 million in 2010, S\$406 million in 2009 and S\$238 million in 2008, which were 0.6%, 0.3% and 0.2% of total non-bank loans as at December 31, 2010, 2009 and 2008, respectively.

Loan Loss Provisioning and Reserve, Interest Accrual and Write-Off Policies

The DBS Group's policy is to adopt provisioning policies in accordance with the Singapore FRS as modified by the requirements of the Notice to Banks No. 612 "Credit Files, Grading and Provisioning" issued by the MAS.

A specific allowance for credit losses is established if there is objective evidence that the DBS Group will be unable to collect all amounts due to a claim according to the original contractual terms or the equivalent value. A specific allowance for credit losses is reported as a reduction in the carrying value of a claim on the balance sheet. It is treated as an increase in other liabilities for other off-balance sheet items (such as letters of credit).

Individual credit exposures are evaluated using the discounted cash flow method and an allowance is made when existing facts, conditions or valuations indicate that the DBS Group is not likely to collect part or all of the principal and interest due contractually on the claim. An allowance is reversed only when there is reasonable assurance of timely collection. Homogenous consumer loans, such as housing loans and credit card receivables, are pooled accordingly to their risk characteristics and assessed and provided for collectively as a group, taking into account the historical loss experience of such loans.

The DBS Group maintains a level of general allowances that is deemed sufficient to absorb the estimated credit losses inherent in its loan portfolio (including off-balance sheet credit exposures). In determining the level of general allowances, the DBS Group considers country and portfolio risks, as well as industry practices. The DBS Group maintains general allowances of at least 1% of credit exposures on and off the balance sheet net of certain collateral and after deducting specific allowances that have been made.

When a receivable is impaired, the DBS Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument. Interest earned on the recoverable amount is recognized as interest income in the income statement.

Under applicable tax regulations in Singapore issued by the Inland Revenue Authority of Singapore ("IRAS") on December 30, 2005, banks are allowed to claim deductions on individual and collective impairment loss allowances for assets in revenue accounts (such as loans). In circumstances where banks are unable to provide for collective impairment in the initial years of FRS 39 implementation but continue to maintain general allowances in accordance with MAS requirements, tax deductions calculated based on current tax rules for general allowances will apply until December 31, 2012 or until the collective impairment allowance according to FRS 39 can be provided. Under the current tax rules for general allowances, the maximum tax-deductible general allowances that could be claimed each year are restricted to the lower of 25% of qualifying profits or 0.5% of the prescribed value of qualifying loans and investments in securities and subject to a cumulative limit of 3% of the prescribed value of qualifying loans and investments in securities for the aggregate capping. Where a tax deduction on general allowances was claimed under current tax rules, the corresponding write-back is taxable.

The DBS Group writes off particular loans after management has determined that the particular loan is not recoverable and (i) after either commencement of legal action to recover amounts unpaid or the borrower has been declared bankrupt and (ii) if appropriate, after action has been taken to foreclose/enforce on collateral securing the loan. The DBS Group continues to monitor loans which are written off for possible repayment of any amounts outstanding until all arrears are collected.

Non-Performing Assets and Provisioning Data

The following tables set forth various statistics with respect to the DBS Group's NPAs and loss allowances:

Non-Performing Assets and Provisioning Data as at December 31, 2010

	Singapore	Hong Kong	Rest of Greater China	South and Southeast Asia	Rest of the World	Total
<i>(\$ in millions, except percentages)</i>						
Non-performing assets						
(NPAs)	675	362	252	336	1,588	3,213
Substandard	491	164	93	164	1,174	2,086
Doubtful	49	100	96	104	388	737
Loss	135	98	63	68	26	390
Customer NPLs as a % of gross customer loans in the respective countries ⁽¹⁾	0.8%	1.0%	1.9%	1.2%	9.5%	1.9%
Total cumulative loss allowances	997	612	327	384	877	3,197
Specific allowances	223	214	166	164	578	1,345
General allowances	774	398	161	220	299	1,852
Total cumulative loss allowances as a % of:						
Total assets	0.4%	0.2%	0.1%	0.1%	0.3%	1.1%
NPAs in the respective countries	148%	169%	130%	114%	55%	100%
Unsecured NPAs in the respective countries	286%	239%	185%	130%	61%	127%

Note:

(1) Computed based on total customer NPLs (excluding non-performing debt securities and contingent items) divided by total gross customer loans.

Non-Performing Assets and Provisioning Data as at December 31, 2009

	Singapore	Hong Kong	Rest of Greater China	South and Southeast Asia	Rest of the World	Total
<i>(S\$ in millions, except percentages)</i>						
Non-performing assets						
(NPAs)	754	567	353	207	2,338	4,219
Substandard	534	242	167	120	1,092	2,155
Doubtful	87	146	97	46	1,055	1,431
Loss	133	179	89	41	191	633
Customer NPLs as a % of gross customer loans in the respective countries ⁽¹⁾	1.2%	1.7%	3.1%	1.3%	13.1%	2.9%
Total cumulative loss allowances	956	679	343	292	1,210	3,480
Specific allowances ...	215	330	213	99	951	1,808
General allowances ...	741	349	130	193	259	1,672
Total cumulative loss allowances as a % of:						
Total assets	0.4%	0.3%	0.1%	0.1%	0.5%	1.3%
NPAs in the respective countries	127%	120%	97%	141%	52%	83%
Unsecured NPAs in the respective countries	290%	179%	147%	160%	57%	108%

Note:

- (1) Computed based on total customer NPLs (excluding non-performing debt securities and contingent items) divided by total gross customer loans.

Non-Performing Assets and Provisioning Data as at December 31, 2008

	Singapore	Hong Kong	Rest of Greater China	South and Southeast Asia	Rest of the World	Total
<i>(S\$ in millions, except percentages)</i>						
Non-performing assets						
(NPAs)	717	588	459	207	421	2,392
Substandard	485	304	330	148	61	1,328
Doubtful	70	251	88	31	360	800
Loss	162	33	41	28	—	264
Customer NPLs as a % of gross customer loans in the respective countries ⁽¹⁾	1.1%	1.8%	4.3%	1.2%	0.7%	1.5%
Total cumulative loss allowances	713	649	365	242	763	2,732
Specific allowances ...	274	313	242	62	317	1,208
General allowances ...	439	336	123	180	446	1,524

Non-Performing Assets and Provisioning Data as at December 31, 2008

	Singapore	Hong Kong	Rest of Greater China	South and Southeast Asia	Rest of the World	Total
<i>(S\$ in millions, except percentages)</i>						
Total cumulative loss allowances as a % of:						
Total assets	0.3%	0.3%	0.1%	0.1%	0.3%	1.1%
NPAs in the respective countries	99%	110%	79%	117%	181%	114%
Unsecured NPAs in the respective countries	173%	174%	129%	184%	216%	176%

Note:

- (1) Computed based on total customer NPLs (excluding non-performing debt securities and contingent items) divided by total gross customer loans.

Industry Classification of Non-Performing Assets

The DBS Group's NPAs are spread across various industrial sectors, such as manufacturing, building and construction, commerce and housing loans.

The following tables show the breakdown by industry classification of NPAs and specific allowances for the DBS Group as at the dates indicated:

	As at December 31,					
	2008		2009		2010	
	NPA	Specific allowances	NPA	Specific allowances	NPA	Specific allowances
<i>(S\$ in millions)</i>						
Manufacturing	720	351	735	386	502	325
Building and construction	96	30	89	22	90	25
Housing loans	193	43	188	30	118	17
General commerce	381	187	472	238	248	107
Transportation, storage and communications	24	6	264	97	646	183
Professionals and private individuals (except housing loans)	223	129	234	113	173	74
Financial institutions, investment and holding companies	145	66	1,738	621	960	399
Others	176	108	156	98	141	82
Total NPLs	1,958	920	3,876	1,605	2,878	1,212
Debt securities	277	236	160	106	28	6
Contingent items and Others	157	52	183	97	307	127
Total	2,392	1,208	4,219	1,808	3,213	1,345

Aging of Non-Performing Assets

The following table sets forth information with respect to the aging of the DBS Group's NPAs as of the periods indicated:

	Aging of Non-Performing Assets				Total
	Not overdue	Past due			
		<3 Months	3-6 Months	>6 Months	
		<i>(S\$ in millions)</i>			
2010	1,294	225	124	1,570	3,213
2009	1,802	358	113	1,946	4,219
2008	857	463	326	746	2,392

Movements in Impairment Allowances

The following table shows changes in the DBS Group's specific and general loan loss allowances for the periods indicated:

	Changes in Cumulative Loan Loss Allowances		
	Specific	General	Total
	<i>(S\$ in millions)</i>		
2010			
Balance at January 1	1,512	1,325	2,837
Write-offs	(899)	—	(899)
Manufacturing	(63)	—	(63)
Building and construction	(2)	—	(2)
Housing loans	(1)	—	(1)
General commerce	(203)	—	(203)
Transportation, storage and communications	(10)	—	(10)
Financial institutions, investment and holding companies	(539)	—	(539)
Professionals and private individuals (except housing loans)	(63)	—	(63)
Others	(18)	—	(18)
Charge to income statement	614	182	796
Exchange and other movements	(75)	(31)	(106)
Balance at December 31	1,152	1,476	2,628
2009			
Balance at January 1	868	1,016	1,884
Write-offs	(406)	—	(406)
Manufacturing	(189)	—	(189)
Building and construction	(8)	—	(8)
Housing loans	(7)	—	(7)
General commerce	(92)	—	(92)
Transportation, storage and communications	(1)	—	(1)
Financial institutions, investment and holding companies	1	—	1
Professionals and private individuals (except housing loans)	(92)	—	(92)
Others	(18)	—	(18)
Charge to income statement	1,080	334	1,414
Exchange and other movements	(30)	(25)	(55)
Balance at December 31	1,512	1,325	2,837

	Changes in Cumulative Loan Loss Allowances		
	Specific	General	Total
	<i>(\$ in millions)</i>		
2008			
Balance at January 1	436	905	1,341
Write-offs	(238)	—	(238)
Manufacturing	(86)	—	(86)
Building and construction	(4)	—	(4)
Housing loans	7	—	7
General commerce	(8)	—	(8)
Transportation, storage and communications	(3)	—	(3)
Financial institutions, investment and holding companies	—	—	—
Professionals and private individuals (except housing loans)	(118)	—	(118)
Others	(26)	—	(26)
Charge to income statement	408	116	524
Acquisition of new business	263	14	277
Exchange and other movements	(1)	(19)	(20)
Balance at December 31	868	1,016	1,884

Securities Portfolio

The DBS Group classifies its securities portfolio in line with the requirements under FRS 39. Its securities are classified into the following:

- Securities at fair value through profit or loss — These securities are either acquired for the purpose of short-term selling (held for trading) or designated by management on initial recognition (under the fair value option). Securities at fair value through profit and loss are carried at fair value with the realized or unrealized gains or losses taken to the income statement;
- Loans and receivables — These securities are not quoted in an active market and they are carried at amortized cost using the effective interest method; and
- Available-for-sale (“AFS”) — Securities that are either designated as AFS securities or not classified in any other category. They are carried at fair value with the unrealized gains or losses recognized in the AFS revaluation reserves. When these AFS securities are sold or impaired, the accumulated fair value adjustments in the AFS revaluation reserves are taken to the income statement. Unquoted equity classified as AFS for which fair value cannot be reliably determined is carried at cost less impairment.

The DBS Group’s securities are disclosed as follows on its balance sheet:

- Singapore Government Securities and treasury bills;
- Financial assets at fair value through profit or loss (which include other securities at fair value through profit or loss);
- Financial investments; and
- Securities pledged.

The DBS Group’s total securities portfolio accounted for 17% of total assets as at December 31, 2010, compared with 20% as at December 31, 2009. Singapore Government Securities and treasury bills accounted for 4% of total assets as at December 31, 2010, compared with 6% as at December 31, 2009.

The DBS Group’s other securities at fair value through profit or loss accounted for 2% of total assets as at December 31, 2010, compared with 3% as at December 31, 2009. These consisted of

non-Singapore Government debt securities, corporate debt securities and equity securities held for trading purposes or designated at fair value through profit or loss.

The DBS Group's financial investments accounted for 9% and 10% of its total assets as at December 31, 2010 and December 31, 2009, respectively. Included in financial investments are securities classified as AFS and loans and receivables.

Securities pledged in the ordinary course of business accounted for an insignificant proportion of its total assets.

The following table sets forth book-value data relating to the DBS Group's securities portfolio, as at the periods indicated:

	As at December 31,		
	2008	2009	2010
	<i>(S\$ in millions)</i>		
Singapore Government Securities and treasury bills	14,797	15,960	11,546
Other financial securities at fair value through profit or loss	7,068	8,661	6,792
Financial investments	22,782	25,731	26,550
Securities pledged	997	784	1,982
Total	45,644	51,136	46,870

As at December 31, 2010, the DBS Group had specific and general allowances for financial investments of S\$197 million for diminution in value compared with allowances as at December 31, 2009 of S\$264 million.

Funding Sources

Historically, the DBS Group has raised most of its funding requirements from deposit-taking activities. The percentage of total liabilities attributable to customer deposits was 77% as at December 31, 2010 and 80% as at December 31, 2009. As at December 31, 2010, the DBS Group had a customer loan-to-deposit ratio of 79%, reflecting that deposits obtained were in excess of loan requirements.

The DBS Group's deposits are diversified, with retail customers providing a substantial portion of total deposits. These deposits have provided a low cost and stable funding source.

DBS Bank has also obtained funds from public offerings and private placements of debt instruments. Borrowings from commercial banks and other financial institutions have accounted for a relatively minor portion of the DBS Group's total domestic borrowings. However, the borrowings make up a more significant portion of the DBS Group's foreign currency requirements.

The DBS Group raises foreign currency funding, mainly in U.S. dollars. Major sources of foreign currency funds include offshore currency markets and domestic money markets in countries in which the DBS Group operates. DBS Bank also established a Debt Issuance Programme in 2010, which has been amended as of the date of this Offering Circular, under which DBS Bank may issue senior or subordinated debt securities in various currencies.

The following table sets forth details as at December 31, 2010 of securities issued by the DBS Group which qualify as capital for regulatory capital adequacy purposes.

Year of Issue	Face Value (in millions)	
<i>Issued by DBS Bank, which qualify for Tier II capital treatment</i>		
May 2001	U.S.\$850	7.13% Subordinated Notes ⁽¹⁾
October 2004	U.S.\$750	5.00% Subordinated Notes Callable with Step-up in 2014
June 2006	U.S.\$900	Floating Rate Subordinated Notes Callable with Step-up in 2016
July 2006	S\$500	4.47% Subordinated Notes Callable with Step-up in 2016
May 2007	U.S.\$500	5.13% Subordinated Notes Callable with Step-up in 2012
May 2007	U.S.\$1,500	Floating Rate Subordinated Notes Callable with Step-up in 2012

Issued by DBS Bank, which qualify for Tier I capital treatment

May 2001	S\$1,100	6.00% non-cumulative perpetual preference shares Callable with Step-up in 2011 ⁽¹⁾
October 2010	S\$1,700	4.70% non-cumulative perpetual preference shares Callable in 2020
November 2010	S\$800	4.70% non-cumulative perpetual preference shares Callable in 2020

Issued by DBS Capital Funding Corporation, which qualify for Tier I capital treatment

March 2001	U.S.\$725	7.66% non-cumulative guaranteed preference shares, Series A Callable with Step-up in 2011 ⁽²⁾
March 2001	S\$100	5.35% non-cumulative guaranteed preference shares, Series B Callable with Step-up in 2011 ⁽²⁾

Issued by DBS Capital Funding Corporation II, which qualify for Tier I capital treatment

May 2008	S\$1,500	5.75% non-cumulative guaranteed preference shares, Callable with Step-up in 2018
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Notes:

- (1) Issue was redeemed in May 2011
(2) Issue was redeemed in March 2011.

The following table sets forth a breakdown of the sources of the DBS Group's funding sources at the periods indicated:

	As at December 31,		
	2008	2009	2010
	<i>(S\$ in millions)</i>		
Customer deposits ⁽¹⁾	169,858	183,432	193,692
Interbank liabilities ⁽²⁾	9,571	9,320	18,854
Other borrowings and liabilities ⁽²⁾	57,470	40,519	44,565
Shareholders' funds	19,819	25,373	26,599
Total	256,718	258,644	283,710

Notes:

- (1) Includes customer deposits classified as financial liabilities at fair value through profit or loss on the balance sheet.
(2) Includes liabilities classified as financial liabilities at fair value through profit or loss on the balance sheet.

Deposits

The DBS Group offers a variety of deposit accounts, including non-interest bearing current accounts as well as interest bearing savings, current and fixed deposit accounts. The DBS Group generally sets the deposit interest rates according to market conditions. For fixed deposits, the interest rates offered vary according to the maturity and size of the deposit. When a fixed deposit matures and rolls over, the prevailing interest rate will be used.

The DBS Group's customer deposits increased by 6% to S\$194 billion as at December 31, 2010 from S\$183 billion as at December 31, 2009, with the increase driven by growth in savings and current accounts.

Deposits Maturity Profile

The following table sets forth a breakdown of the DBS Group's customer deposits by the remaining maturity and not the original maturity category as of the periods indicated:

	Deposits Maturity Profile						
	Less Than 7 Days	1 Week to 1 Month	1 to 3 Months	3 to 12 Months	1 to 3 Years	Over 3 Years	Total
	<i>(S\$ in millions)</i>						
As at December 31,							
2010	129,754	21,388	19,923	16,745	3,236	2,646	193,692
2009	120,677	26,710	16,064	14,659	3,650	1,672	183,432
2008	101,854	31,568	19,125	11,408	3,056	2,847	169,858

Although the DBS Group's deposit funding consists primarily of contractually short-term deposits, these deposits are mainly in statistically stable savings and current deposits, which account for 61% of the DBS Group's deposits as at December 31, 2010 and retail fixed deposits that are often rolled over at maturity. These provide the DBS Group with a stable source of long-term funds.

Interbank Funding (excluding interbank funding at fair value through profit or loss)

DBS Bank is a leading participant in domestic and foreign interbank markets and maintains money market lines with a large number of domestic and foreign banks. DBS Bank is a net provider of Singapore dollar interbank funds. As at December 31, 2010, the DBS Group had total interbank liabilities of S\$18.8 billion (or 7% of total liabilities and shareholders' funds) and interbank assets of S\$20.3 billion (or 7% of total assets). As at December 31, 2009, the DBS Group had total interbank liabilities of S\$9.1 billion (or 4% of total liabilities and shareholders' funds) and interbank assets of S\$22.2 billion (or 9% of total assets).

MANAGEMENT

DBSH and DBS Bank are both managed by a Board of Directors comprising the same nine members. The full Board of Directors of DBSH meets at least five times a year but may meet more often when necessary. DBSH has established a number of Board Committees in line with corporate governance best practices, including Audit, Board Risk Management, Executive, Nominating and Compensation and Management Development committees.

Under DBSH's constitutive documents, at each Annual General Meeting ("AGM"), one third of the Directors of DBSH and DBS Bank, for the time being, shall retire from office on rotation. The Directors to retire shall be those who have been longest in office since their last re-election or appointment. The retiring Directors are eligible for re-election.

The Boards of DBSH and DBS Bank

The following table sets out the members of the Board of Directors of DBSH. The Board of Directors of DBS Bank consists of the same members.

Name	Title
Mr. Peter Seah Lim Huat	Chairman
Mr. Piyush Gupta	Chief Executive Officer
Dr. Bart Joseph Broadman	Director
Dr. Christopher Cheng Wai Chee	Director
Ms. Euleen Goh Yiu Kiang	Director
Mr. Kwa Chong Seng	Director
Mr. Danny Teoh Leong Kay	Director
Mr. Nihal Vijaya Devadas Kaviratne	Director
Mr. Ho Tian Yee	Director

Peter Seah Lim Huat

Chairman

Mr. Seah, 64, joined the Board of Directors of DBS Group Holdings Ltd and DBS Bank Ltd on 16 November 2009 and assumed the role of Chairman on 1 May 2010. Mr. Seah is the present Chairman of Singapore Technologies Engineering Ltd and Singapore Health Services Pte Ltd. Mr. Seah was a banker for 33 years before retiring as Vice Chairman and CEO of the former Overseas Union Bank in 2001.

At this juncture, Mr. Seah is a member of the Temasek Holdings Advisory Panel. He also serves on the boards of StarHub Ltd., CapitaLand Limited, Government of Singapore Investment Corporation Private Limited and Fullerton Financial Holdings Pte Ltd. Amongst other appointments, he is also a member of the Defence Science and Technology Agency.

Mr. Seah is Chairman of the Executive Committee and Nominating Committee. He is a member of the Board Risk Management Committee, Audit Committee and Compensation and Management Development Committee.

In addition, he is Chairman of DBS Bank (Hong Kong) Limited and also chairs its Board Risk Management Committee.

Piyush Gupta***Chief Executive Officer***

Appointed on 9 November 2009, Mr. Gupta, 51, is CEO of DBS Group Holdings Ltd and DBS Bank Ltd. Prior to joining DBS, Mr. Gupta was CEO of Citibank for Southeast Asia, Australia and New Zealand. Mr. Gupta has spent over two-thirds of his 27-year career in Southeast Asia and Hong Kong, including 8 years in Singapore.

Mr. Gupta serves on the boards of The Institute of Banking and Finance, Global Indian Foundation, Dr. Goh Keng Swee Scholarship Fund and MasterCard Asia/Pacific, Middle East and Africa Regional Advisory Board. He is also a member of the Governing Council of the Human Capital Leadership Institute, an advisory board member of Sim Kee Boon Institute for Financial Economics, and a Managing Council member of the Indian Businessleaders Roundtable under the Singapore Indian Development Association (SINDA).

Mr. Gupta is a member of the Executive Committee. He is also Vice Chairman of DBS' subsidiary companies, The Islamic Bank of Asia Limited and DBS Bank (Hong Kong) Limited.

Bart Joseph Broadman***Director***

Appointed on 17 December 2008, Dr. Broadman, 50, is Managing Director of Alphadyne Asset Management based in Singapore. Prior to forming Alphadyne, Dr. Broadman spent 14 years in Asia working for J.P. Morgan, most recently as Vice Chairman of Asia and Head of Markets (Credit, Rates and Equities) in Asia.

He is currently a Board member of the Central Provident Fund and serves on its Investment Committee. Dr. Broadman also sits on the Nanyang Technological University Investment Committee and has recently been appointed Chairman of the Financial Research Council of the Monetary Authority of Singapore.

Dr. Broadman is a member of the Compensation and Management Development Committee and the Board Risk Management Committee.

Christopher Cheng Wai Chee***Director***

Appointed on 1 June 2007, Dr. Cheng, 63, is Chairman of Wing Tai Properties Limited (formerly known as USI Holdings Limited) and Winsor Properties Holdings Limited.

Amongst several other directorship, Dr. Cheng is Chairman of the Governance Committee of the Exchange Fund Advisory Committee (Hong Kong Monetary Authority), a steward of Hong Kong Jockey Club, a non-executive Director of Temasek Foundation CLG Limited, a member of the Yale University President's Council on International Activities, a member of the Board of Overseers of Columbia Business School, a member of the International Advisory Board of Hong Kong Polytechnic University and a council member of The University of Hong Kong.

Dr. Cheng is a member of the Audit Committee and the Compensation and Management Development Committee. In addition, he is a Director of DBS Bank (China) Limited and also chairs its Audit Committee.

Euleen Goh Yiu Kiang***Director***

Appointed on 1 December 2008, Ms. Goh, 56, is currently non-executive Chairman of the Singapore International Foundation.

She is also a non-executive Director of Aviva PLC, Singapore Airlines Limited, CapitaLand Limited and Singapore Exchange Limited. She also acts as Chairperson of the Accounting Standards Council and is a member of the Management Advisory Board of NUS Business School. Ms. Goh was

CEO of Standard Chartered Bank, Singapore from 2001 to March 2006. She held various senior management positions in Standard Chartered Bank, retiring in March 2006 after some 21 years with the Bank.

Ms. Goh chairs the Board Risk Management Committee and is a member of the Nominating Committee, Compensation and Management Development Committee and Executive Committee.

Kwa Chong Seng

Director

Appointed on 29 July 2003, Mr. Kwa, 64, is Chairman and Managing Director of ExxonMobil Asia Pacific Pte Ltd and the Lead Country Manager for the ExxonMobil group of companies in Singapore.

He is also Deputy Chairman of Temasek Holdings (Private) Limited and a Director of Sinopec SenMei (Fujian) Petroleum Company Limited. Mr. Kwa serves as a member of the Public Service Commission.

Mr. Kwa is Chairman of the Compensation and Management Development Committee and a member of the Nominating Committee.

Danny Teoh Leong Kay

Director

Appointed on 1 October 2010, Mr. Teoh, 55, spent 27 years in KPMG LLP, Singapore and was the Managing Partner since 2005 before he retired from KPMG in September 2010. Mr. Teoh is a qualified Chartered Accountant in the UK and is an associate member of the Institute of Chartered Accountants of England and Wales.

He is currently a board member of Changi Airport Group (Singapore) Pte Ltd and also chairs its Audit Committee. In addition, he is also a Director of Keppel Corporation Limited, JTC Corporation and the Singapore Olympic Foundation.

Mr. Teoh is Chairman of the Audit Committee and a member of the Board Risk Management Committee and the Nominating Committee.

Nihal Vijaya Devadas Kaviratne CBE

Director

Appointed on 29 April 2011, Mr. Kaviratne, 67, currently serves as President Commissioner of PT. TVS Motor Company Indonesia. Mr. Kaviratne's illustrious career with the Unilever Group spans 40 years during which he held various senior level management positions across Asia, Europe and Latin America. Mr Kaviratne was instrumental in leading the recovery of Unilever Indonesia after the financial crisis of 1998. He retired from Unilever in March 2005.

Mr Kaviratne has been Non-Executive Chairman of Akzo Nobel India Limited since 1 October 2010. Mr Kaviratne currently sits on the boards of StarHub Ltd., SATS Ltd. and GlaxoSmithKline Pharmaceuticals Ltd. in India. He serves as an Independent Director at Wildlife Reserves Singapore, and is also Chairman of the Indian Cancer Society.

Mr. Kaviratne is a member of the Audit Committee and the Board Risk Management Committee.

Ho Tian Yee

Director

Appointed on 29 April 2011, Mr. Ho, 59, has over 30 years' experience in managing and investing in global financial markets. As principal shareholder and Managing Director of Pacific Asset Management (S) Pte Ltd, he oversees the management of the company and assumes responsibilities for all investment decisions and risks.

Mr. Ho spent 19 years with Bankers Trust Company, Singapore where his last position was as General Manager and Regional Head of Southeast-Asian operations. He was responsible for the Singapore branch operation and the strategic direction of the Bankers Trust global trading business in Asia.

Currently, Mr. Ho serves as a non-executive director of Fraser & Neave Ltd and SP Australia Networks. He also serves on the board of non listed companies, Singapore Power Ltd, Fullerton Fund Management Co. Ltd and is the Chairman of Times Publishing Limited.

Mr. Ho is a member of the Board Risk Management Committee and the Nominating Committee.

Board Responsibility

The Board directs the DBS Group in the conduct of its affairs, undertaking a fiduciary role to ensure that corporate responsibility and ethical standards are met. The Board is responsible for:

- (i) Setting the strategic direction and long-term goals of the DBS Group and ensuring that adequate resources are available to meet strategic objectives.
- (ii) Approving and monitoring capital and financial plans to ensure that they are in line with the DBS Group's strategic directions; the annual budget; the annual and interim financial statements; and capital expenditures and divestments.
- (iii) Establishing a risk strategy and a framework for risks to be assessed and managed.
- (iv) Monitoring and reviewing management performance.
- (v) Using its wide-ranging expertise to vet corporate plans and policies as well as major decisions.
- (vi) Setting values and standards for the DBS Group.
- (vii) Making succession plans for itself and for the CEO to ensure continuity of leadership.

The Board also delegates authority and powers to Board committees to oversee specific responsibilities, such as executive leadership and strategy, financial reporting audit, risk management, credit controls and approvals, compensation and leadership development. These committees enable the Board to better carry out its stewardship and fiduciary responsibilities. The Board has established an internal framework called the Group Approving Authority ("GAA") to ensure that the delegation of authority at various levels is consistently applied throughout the DBS Group.

Terms of Appointment

Board members usually serve three three-year terms, which the DBS Group considers an appropriate length of time for members to gain an understanding of the DBS Group and make an effective contribution. In appointing new directors, the Nominating Committee considers the proposed candidate's expertise and background, and assesses if they possess the skills required by the Board. A candidate's skills are mapped against a matrix that is reviewed regularly to ensure that the Board has the requisite diversity of skills and backgrounds to perform effectively.

A new appointee is given a Directors' Handbook and briefed on his duties and statutory obligations. He is also given a series of induction briefings, usually undertaken over at least two sessions, by senior management on the DBS Group's various businesses and support functions.

Re-nomination and Rotation of Directors

The Articles of Association require the one-third of Board members who are longest-serving to retire from office every year at the AGM. Based on such a rotation process, each director is required to submit himself for re-election by shareholders at least once every three years. A director who reaches the age of 70 is required by law to retire and stand for re-election every year.

In addition, Nominating Committee members are subject to an annual assessment of their independence as prescribed by the Code of Corporate Governance 2005 issued by the Singapore Exchange Limited, the Guidelines on Corporate Governance for Banks, Financial Holding Companies and Direct Insurers which are incorporated in Singapore 2010 and the Governance and the Banking (Corporate Governance) (Amendment) Regulations 2010 issued by MAS. This independence assessment takes into account the Nominating Committee members' business relationships with the DBS Group and relationships with members of management and the substantial shareholder of DBS.

Board Committees of DBSH

The Board of Directors has established five committees to increase its effectiveness.

Executive Committee

The Executive Committee (the “Exco”) comprises Mr. Seah (Chairman), Ms. Goh and Mr. Gupta.

Exco’s responsibilities include:

- (i) Reviewing the delegation of authority pursuant to the GAA.
- (ii) Reviewing strategic and non-strategic investments or divestments.
- (iii) Reviewing the DBS Group’s strategy, business plans, annual budget and capital structure.
- (iv) Approving credit transactions and investments that exceed the limits that can be authorized by the CEO.
- (v) Approving items such as operating lease commitments, expenses and write-offs within designated limits.

Arising from recent regulatory amendments, Exco reviewed and enhanced the GAA and terms of reference for the Board and the Board committees to ensure that the DBS Group’s practices are aligned with the current Code, Guidelines and MAS Regulations. The GAA was simplified for capital expenditures and divestments, operating expenses and write-offs, enabling the approval process to be applied effectively and efficiently across each functional area.

In the course of the financial year, Exco also reviewed the DBS Group’s management bench strength across the region. It also reviewed several corporate actions and divestments and investments, providing an initial review prior to discussion and approval by the Board.

Audit Committee

The Audit Committee (the “AC”) comprises Mr. Teoh (Chairman), Dr. Cheng, Mr. Seah and Mr. Kaviratne.

AC’s responsibilities include:

- (i) Reviewing the adequacy of financial, operational and compliance controls, as well as accounting policies and systems, which are collectively known as internal controls.
- (ii) Reinforcing the effectiveness of internal and external audit processes.
- (iii) Monitoring the financial reporting process and ensuring the integrity of the DBS Group’s financial statements.
- (iv) Maintaining effective communications between the Board, management and external auditors. AC reviews internal and external auditors’ plans, the effectiveness of their audits, and the independence of the external auditors.

All AC meetings are also attended by the heads of Audit, Finance, and Legal, Compliance and Secretariat. AC also has the discretion to invite any director and executive to attend its meetings. Separate sessions with the external auditor are held without the presence of management to discuss matters that might have to be raised privately. In addition, AC Chairman meets the internal auditors regularly to discuss the internal audit plan, current work, key findings and other significant matters.

Board Risk Management Committee

The Board Risk Management Committee (the “BRMC”) comprises Ms. Goh (Chairman), Dr. Broadman, Mr. Seah, Mr. Teoh, Mr. Ho and Mr. Kaviratne.

BRMC’s responsibilities include:

- (i) Exercising oversight of the capital adequacy of the DBS Group.
- (ii) Approving the DBS Group’s overall and specific risk governance frameworks, including risk authority limits.
- (iii) Overseeing an independent DBS Group-wide risk management system and ensuring there are sufficient resources to monitor risks.
- (iv) Monitoring risk exposures and risk strategy in accordance with approved guidelines.

During 2010, the BRMC continued to monitor the overall progress of the DBS Group’s implementation of Basel II requirements. It received updates on Basel II models and approved enhancements to the models.

It also approved the baseline and stress scenarios for use in the three-year plan for the Internal Capital Adequacy Assessment Process. The BRMC was updated on the progress on the economic capital plan for credit risk and the Internal Models approach for market risk. In addition, to the review of the various risk profiles and topical issues, the BRMC approved changes to key risk management frameworks covering market, liquidity, credit and reputational risk as well as revisions in stress testing frameworks for market, liquidity and credit risk.

Compensation and Management Development Committee

The Compensation and Management Development Committee (the “CMDC”) comprises Mr. Kwa (Chairman), Dr. Cheng, Dr. Broadman, Ms. Goh and Mr. Seah.

CMDC’s responsibilities include:

- (i) Overseeing the principles and framework of compensation to ensure their alignment with prudent risk-taking to build a sustainable business in the long term.
- (ii) Ensuring that the remuneration policy is consistent with employment laws and regulations.
- (iii) Approving employee incentive schemes and reviewing their effectiveness in employee retention and the creation of long-term value for the DBS Group.
- (iv) Overseeing management development and succession planning to ensure that the DBS Group strengthens its core competencies, bench strength and leadership pipeline.

In 2010, the DBS Group continued to review and enhance the alignment of the Bank’s compensation policies and practices with the FSB principles for Sound Compensation Practices.

Nominating Committee

The Nominating Committee (the “NC”) comprises Mr. Seah (Chairman), Ms. Goh, Mr. Kwa, Mr. Teoh and Mr. Ho.

NC’s responsibilities include:

- (i) Reviewing and recommending Board appointments for approval by the Board, taking into account the expertise, skills and knowledge offered by the candidate and the needs of the Board.
- (ii) Determining annually whether each director is independent in accordance with regulatory guidelines.

- (iii) Recommending the membership of various Board committees, the appointments of key business and support unit heads, and senior positions in major subsidiaries.
- (iv) Providing guidance on directors' appropriate time commitments and assessing whether each director can make such a commitment after considering his other obligations.

Role of the Board of Directors of DBS Bank

The Articles of Association of DBS Bank state that the business of DBS Bank will be managed by the Directors, who may exercise all the powers of DBS Bank, subject to the provisions of the Companies Act or the Articles of Association and to such regulations as may be prescribed by DBS Bank in general meeting. Without detracting from the Articles, the Board of Directors of DBS Bank has also decided that certain matters must always be approved by the Board of Directors. These include:

- (a) the consolidated financial statements and Directors' report of DBS Bank;
- (b) any strategic plan for DBS Bank;
- (c) the annual budget for DBS Bank;
- (d) all strategic acquisitions and divestments by DBS Bank or its subsidiaries;
- (e) all major fund-raising exercises of DBS Bank or its subsidiaries; and
- (f) all decisions that will have a major impact on the reputation or standing of DBS Bank.

Organization Structure of the DBS Bank Group

General

The DBS Bank Group recognizes that the ability to maintain good corporate governance is a key factor in its future success. In this light, DBS Bank maintains an organizational structure which seeks effective integration internally in an effort to better address target markets and the delivery of products and services to customers by segment.

The DBS Bank Group has established a committee structure to foster cross-functional proactive and participative management throughout the DBS Bank Group. The key committee is the Group Executive Committee which oversees matters impacting the overall direction of the DBS Bank Group including corporate strategy, credit, capital and risk management. The Group Executive Committee is supported by the Group Management Committee as well as other committees including, (i) Risk Executive Committee, (ii) Group Credit Risk Committee, (iii) Group Asset Liability Committee, (iv) Group Market and Liquidity Risk Committee, (v) Group Operational Risk Committee and the (vi) Group Capital and Balance Sheet Committee, among others.

The Group Management Committee deliberates on key decisions for the DBS Bank Group, focus on driving business performance, achieving synergies across the organization and thereafter facilitate the execution of these decisions to deliver on planned outcomes and results. The Group Management Committee is also responsible for all matters of corporate governance and for protecting and enhancing our brand and corporate reputation.

Each committee comprises senior managers from across the DBS Bank Group's business and functional units. Meeting frequencies range from weekly to quarterly for these committees.

Group Executive Committee and Group Management Committee of the DBS Bank Group

The following table sets forth the senior management who are members of the Group Executive Committee and Group Management Committee of the DBS Bank Group.

<u>Name</u>	<u>Title</u>
Mr. Piyush Gupta*	Chief Executive Officer
Mrs. Chng Sok Hui*	Chief Financial Officer
Mr. Tan Kong Khoon*	Group Executive of Consumer Banking Group
Ms. Jeanette Wong*	Group Executive of Institutional Banking Group
Mr. Andrew Ng*	Group Executive of Treasury & Markets
Mr. Elbert Pattijn*	Chief Risk Officer
Mr. David Gledhill*	Head of Group Technology & Operations
Mr. Eric Ang	Head of Capital Markets
Mr. Sanjiv Bhasin	Head of DBS Bank India
Mr. Jerry Chen	Head of DBS Bank Taiwan
Mr. Ken Fagan	Head of Group Legal, Compliance and Secretariat
Mr. Edwin Khoo	Head of Enterprise Banking
Mr. Lim Him Chuan	Head of Group Audit
Mr. Sim S. Lim	Singapore Country Manager
Ms. Karen Ngui	Head of Group Strategic Marketing and Communications
Mr. Sebastian Paredes	Chief Executive Officer of DBS Bank (Hong Kong)
Ms. Lee Yan Hong	Head of Group Human Resources
Mr. Bernard Tan	President Commissioner of PT Bank DBS Indonesia
Ms. Tan Su Shan	Head of Wealth Management
Mr. Melvin Teo	Chief Executive Officer of DBS Bank (China) Limited

* Members of the Group Executive Committee

Mrs. Chng Sok Hui is the Chief Financial Officer of DBS Group, and a member of the DBS Executive Committee. Prior to this appointment, she was the Managing Director and Head of Risk Management at DBS Group and held the position for six years. Mrs. Chng serves as Supervisor of the board of DBS Bank (China) Limited, and on the board of the Bank of the Philippine Islands. Mrs. Chng is appointed by the Ministry of National Development to be a Board member of the Housing & Development Board, as well as the Ministry of Finance to serve on the Accounting Standards Council and the Tax Advisory Committee. Mrs. Chng represents DBS in several industry and professional groups and in her previous role, she served on the Executive Committee of the Global IFRI Chief Risk Officer Forum. Mrs. Chng is a Chartered Financial Analyst (CFA), as well as a Certified Financial Risk Manager (FRM). Mrs. Chng received AsiaRisk's Risk Manager of the Year Award in 2002. In October 2007, she was conferred the inaugural Financial Industry Certified Professional title by the Institute of Banking and Finance in Singapore. She is a member of the International Women's Forum (Singapore).

Mr. Tan Kong Khoon joined DBS Bank in December 2010 as Group Executive and Head of Consumer Banking. Mr. Tan began his banking career with DBS Bank in 1981. Since then, he has successfully built consumer banking franchises across multiple markets in Asia for Citibank, Standard Chartered Bank and ANZ Bank. From March 2007 to December 2009, Mr. Tan was President and CEO of Bank of Ayudhya, the fifth-largest listed bank in Thailand. Under his leadership, Bank of Ayudhya rapidly expanded its business and profitability through organic growth and multiple acquisitions. A Singaporean, Mr. Tan holds a Bachelor of Business Administration degree from Bishop's University, Canada, and is an alumnus of the Harvard Business School Advance Management Program.

Ms. Jeanette Wong was appointed Group Executive of Institutional Banking in 2008. She oversees Specialised Corporate and Investment Banking, Enterprise Banking and Global Transaction Services, as well as the international geographies (excluding Hong Kong and Greater China) in the DBS Bank Group's portfolio. Prior to her current appointment, she was the Chief Financial Officer for five years. Ms. Wong joined DBS Bank in 2003 as its Chief Administrative Officer. Prior to this she was the Senior Country Officer for JP Morgan's Singapore operations. Ms Wong is the Chairperson of the SMU Lee Kong Chian Business School Advisory Board, Vice-Chairperson of the Asia Cabinet of the Global Advisory Board for the University of Chicago Booth School of Business. The Monetary Authority of Singapore has also appointed her as a Member of the Financial Research Council. Ms. Wong is a Director of DBS Bank (China) Limited and Chairperson & Director of DBS Bank (Taiwan) Ltd. She also sits on the Board of Neptune Orient Lines Limited. Ms. Wong holds a Bachelor of Business Administration from National University of Singapore and a Master's in Business Administration from the University of Chicago.

Mr. Andrew Ng was appointed Group Executive of Treasury and Markets in April 2008. He joined the DBS Bank Group in 2000 and was appointed Regional Head of Trading in 2005. Mr. Ng has been instrumental in expanding DBS Treasury and Market's expansion in the region. In addition, he helped build a pan-Asia trading platform on different asset classes and established a region-wide local currency derivative capability for the bank. He has also expanded the DBS Bank Group's capabilities in generic and exotic derivatives. Mr. Ng has worked in the treasury business for over 25 years. Prior to joining the DBS Bank Group, he was an Executive Director at Canadian Imperial Bank of Commerce ("CIBC") from 1995 to 1999 where he set up CIBC's trading platform and derivative capabilities on Asian currencies. Between 1986 and 1995, Mr. Ng was Head of North Asia Trading and Treasurer of Chase Manhattan Bank in Taipei. Mr. Ng holds a Bachelor of Social Science degree from the University of Hong Kong.

Mr. Elbert Pattijn was appointed as Chief Risk Officer in 2008. He has responsibility for managing the DBS Bank Group's overall risks, including credit, market, operational and country risks. Mr. Pattijn joined the DBS Bank Group in October 2007 as a Managing Director and Head of Specialised Corporate and Investment Banking. Before joining the DBS Bank Group, he was Head of Debt Products Origination (Asia) for ING Bank and was previously Head of Counterparty Risk, Country Risk, Risk Research and Modelling for ING Group in Amsterdam. Mr. Pattijn holds a Masters Degree in Law from the University of Leiden in The Netherlands.

Mr. David Gledhill is an industry veteran with over 25 years of experience and has spent 18 years in Asia. Prior to joining DBS in 2008, Mr. Gledhill held key positions with regional responsibilities in JP Morgan where he was most recently the Head of Investment Bank Operations in Asia. Mr. Gledhill is a Director of Singapore Clearing House Pte Ltd and a Board Advisor to Singapore Management University (SMU) School of Information Systems. Mr. Gledhill is a British citizen and holds a Bachelor of Science Degree from the University of Durham in the United Kingdom.

Mr. Eric Ang is Managing Director and Head of Capital Markets at DBS Bank. With over 30 years of banking experience, he is responsible for the capital markets, private equity and merger and acquisition advisory businesses. He serves on the DBS Group Holdings Ltd (DBSH) Management Committee. Within DBSH, he serves on numerous boards including DBS Asia Capital Ltd, Hwang-DBS Investment Bank Berhad and The Islamic Bank of Asia. Mr. Ang holds a Bachelor in Business Administration (Honours) degree from the University of Singapore. Mr. Ang holds a Bachelor degree in Business Administration from the University of Singapore.

Mr. Sanjiv Bhasin is the General Manager and Chief Executive Officer of DBS Bank Ltd. India. He joined DBS Bank in 2008. Before joining DBS Bank, he was the Chief Executive Officer of Rabo India Finance, the Indian subsidiary of Rabobank Nederland. Prior to this, Mr. Bhasin held several senior positions within HSBC including Chief Operating Officer of HSBC India and Chief Executive Officer of HSBC Mauritius. Mr. Bhasin holds a Master of Business Administration in Finance from XLRI Jamshedpur and holds a Bachelor of Commerce from Sriram College of Commerce, New Delhi.

Mr. Jerry Chen joined the DBS Bank Group in 2008 as the General Manager and Head of DBS Taiwan. Prior to his appointment at the DBS Bank Group, Mr. Chen spent 26 years at Citibank Taiwan, where he held several senior positions, including its Credit Department, Structured Finance and Corporate Banking Group. Mr. Chen left Citibank in 2004 and joined Ta Chong Bank as President. Mr. Chen holds a Master of Business Administration from Taiwan's National Chiao Tung University.

Mr. Ken Fagan joined DBS Bank in July 2008 as the Head of Group Legal, Compliance and Secretariat. Mr. Fagan oversees DBS Bank Group's legal, compliance and board support on a group-wide basis. Mr. Fagan is an industry veteran with more than 30 years of legal experience. Prior to joining DBS Bank, he was with Citibank for 25 years, originally based in New York where he specialized in corporate and commercial finance. In 1994 he relocated to Singapore to serve as the first General Counsel of Citibank's Asia Pacific Consumer Business. From 1996-2003, he also served as the General Counsel of Citibank's Asia Pacific Corporate Bank. Mr. Fagan holds a Bachelor of Arts degree in Philosophy from Fordham University, a Master of Arts degree in Philosophy from Emory University and a law degree from New York University School of Law. He is a member of the bar of the State of New York and is a Singapore Permanent Resident.

Mr. Edwin Khoo is the Head of Enterprise Banking Group for Singapore and is responsible for developing the DBS Bank Group's mid-capitalization corporate and SME banking business. Mr. Khoo joined DBS Bank in 2003 from Citigroup where he last held the position of Business Director of its Global Consumer Banking's Secured Assets Group. Mr. Khoo formerly was a council member for both Singapore Manufacturers' Association (SMA) and Preservation of Monuments Board (PMB) from 2007 to 2009.

Mr. Lim Him Chuan was appointed Head of Group Audit at DBS Bank in 2008. Prior to this appointment, he was the Basel II Programme Director at DBS Bank as well as the Head of Operational Risk. Before joining DBS Bank, Mr. Lim was a Vice President with the Operational Risk Management Group at JP Morgan Singapore. He also assumed positions as Audit Manager and Management Consultant with PricewaterhouseCoopers in Singapore and New York. In addition, he was formerly the Chairman of the Association of Banks in Singapore's Operational Risk Taskforce. Mr. Lim holds a Bachelor degree in Accountancy (Honours) from the National University of Singapore.

Mr. Sim S. Lim is Country Manager for Singapore. Mr. Lim joined DBS Bank in September 2010. Before joining DBS Bank, Mr. Lim was the President and CEO of Nikko Citigroup Limited, a position he held from June 2008 to December 2009. During this time, Mr. Lim was also a board member of Nikko Citi Holdings, Inc. From April 2007 to June 2008, he was Country Officer and CEO, Citigroup Hong Kong, and Chairman of Citibank Hong Kong Limited. Between October 2003 and March 2007, Mr. Lim was Regional Head of Emerging Markets Sales and Trading for the Asia-Pacific, based in Singapore, and was also the non-executive Chairman of Citibank Berhad Malaysia. Mr. Lim was a Japanese government Monbusho scholar and graduated from Yokohama National University in Japan in 1983.

Ms. Karen Ngui, Head of Group Strategic Marketing and Communications, is responsible for corporate communications, brand management, strategic marketing and corporate social responsibility. She has over 20 years of experience in the financial sector and prior to joining DBS in 2005, was the Global Head of Brand Management and Strategic Marketing at Standard Chartered Bank. Ms. Ngui sits on the Board of Governors of the Singapore International Foundation. Ms. Ngui holds a Bachelor of Science degree in Environmental Engineering from University of Southern Illinois and a Masters of Business Administration from University of Iowa.

Mr. Sebastian Paredes was appointed Chief Executive Officer of DBS Bank (Hong Kong) Limited in September 2010. A seasoned banker of 25 years, Mr. Paredes has a strong track record in building franchises across multiple markets. As President Director of P.T. Bank Danamon, Indonesia, from 2005 to early 2010, Mr. Paredes successfully solidified the bank's position in retail, SME and commercial banking, and made inroads into new businesses such as consumer finance and micro lending. Prior to Danamon, Mr. Paredes spent 20 years at Citigroup, with stints in South America, Africa and Europe. Between 2002 and 2005, he managed 14 markets as CEO of Citigroup South Africa and regional head of Sub Saharan Africa. Mr. Paredes holds a Bachelor degree from California State University (Fresno CA., USA) and an International MBA from IE Business School (Madrid, Spain).

Ms. Lee Yan Hong is Head of Group Human Resources at DBS Bank. Before joining DBS Bank in September 2011, she was the Managing Director of Human Resources at Citibank Singapore where she managed over 9,000 staff and all of Citibank's business and support segments. With 26 years of total experience under her belt, she has held several positions in human resources at General Motors,

Hewlett-Packard, and at Citibank (where she spent 16 years of her career). Ms Lee holds a Bachelor degree in Business from the National University of Singapore.

Mr. Bernard Tan was appointed as a Commissioner of PT Bank DBS Indonesia in 2009. Prior to this appointment, Mr. Tan was the Acting Country Head of DBS Taiwan and headed the integration with Bowa Commercial Bank which DBS Bank Group acquired in 2008. Prior to this, Mr. Tan was a Managing Director in Debt Capital Markets at DBS Bank. Before joining the DBS Bank Group in 2008, Mr. Tan led a successful career in the military and government, holding a variety of leadership positions. Mr. Tan won two of Singapore's prestigious scholarships — the Presidential Scholarship and the Lee Kuan Yew Postgraduate Scholarship. He graduated from the University of Birmingham, UK with First Class Honours in Economics and Political Science and holds a Master of Business Administration from the Massachusetts Institute of Technology in the United States.

Ms. Tan Su Shan joined DBS Bank in July 2010 as Group Head of Wealth Management. Prior to joining DBS Bank, Ms. Tan was Morgan Stanley's Head of Private Wealth Management for Southeast Asia. Before re-joining Morgan Stanley in May 2008, she was a Region Head for Singapore, Malaysia and Brunei for Citi Private Bank. She was responsible for the private bank's overall business and a board director of Citi Trust Singapore. Ms. Tan was also the Singapore Investment Centre Head. Prior to that, she was an Executive Director with Morgan Stanley in Singapore, serving from 1997 to 2005 as an investment adviser to high net worth families, corporates and institutions in the region. Before joining Morgan Stanley, Ms. Tan spent eight years in ING Baring Securities in institutional equity sales, working in key financial hubs in London, Tokyo and Hong Kong. Ms. Tan was the founder of the Financial Women's Association in Singapore, and a board member of Aetos Security Management, a wholly-owned subsidiary of Temasek Holdings. She also sits on the investment committee of the Ministry of Health Holdings and is a board member of the Khoo Teck Puat Hospital. In addition, Ms. Tan is a member of the Monetary Authority of Singapore Private Banking Advisory Group. Ms. Tan graduated with a Master of Arts from Oxford University in the United Kingdom. In 2006, she was selected by Citi Private Bank to participate in the Senior Leadership Program at Harvard Business School.

Mr. Melvin Teo was appointed the Chief Executive Officer of DBS Bank (China) Limited in 2009. He is responsible for driving the bank's strategic business agenda in China. Prior to this, he was managing DBS' private equity business. Mr. Teo has held senior positions at Standard Chartered Bank in Singapore, Hong Kong and London as well as at Bank of America before joining DBS in 2005. Mr. Teo graduated from the Nanyang Technological University with a Bachelor Degree (First Class Honors) in Business (Banking).

Remuneration

The DBS Group's remuneration policy is built on a transparent appraisal system and is formulated to drive the performance of its employees, who are its most important asset. The remuneration policy is therefore fundamental to achieving the DBS Group's corporate goals.

Directors' remuneration

The remuneration for executive directors and fees for non-executive directors reflect the scope and extent of a director's responsibilities and obligations. They are measured against industry benchmarks and are competitive.

Remuneration of Non-executive Directors

Directors receive basic directors' fees. Additional fees are given to members of Board committees. Directors' fees are approved by shareholders at the AGM.

The current fee structure is set out below.

Annual fees for the Board

Board Chairman	\$500,000
Director	\$ 80,000

Fees for membership in board committees

Committee	Chairman	Committee Member
Executive Committee	\$75,000	\$45,000
Audit Committee	\$75,000	\$45,000
Board Risk Management Committee	\$75,000	\$45,000
Nominating Committee	\$35,000	\$20,000
Compensation and Management Development Committee	\$65,000	\$35,000
*Board Credit Committee	\$35,000	\$20,000

* The Board Credit Committee was disbanded on July 29, 2010 and subsumed into the Executive Committee.

Remuneration of Executive Directors

Certain principles are adopted by the Compensation and Management Development Committee (“CMDC”) in determining the remuneration for executive directors. Principally, the remuneration should motivate the executive directors to achieve the DBS Group’s annual and long-term goals and ensure that they are aligned with shareholders’ interests. Performance-related criteria therefore play a significant role in determining executive directors’ total remuneration. The criteria focus on using a balanced scorecard covering shareholders, customers, employees and risk and compliance objectives. CMDC’s recommendation for each executive director’s remuneration has to be endorsed by the Board.

Breakdown of Directors’ remuneration

The following table shows the composition of directors’ remuneration for 2010. Directors who were appointed or who resigned or retired during the year are included in the table.

Breakdown of DBSH directors’ remuneration for performance year 2010 (January 1, 2010 — December 31, 2010)⁽¹⁾

Name of Director	Salary Remuneration	Cash Bonus⁽²⁾	Share Plan	Directors’ Fees⁽³⁾	Share-based Remuneration⁽⁴⁾	Others	Total
				\$			
Piyush Gupta	1,200,000	2,693,000	4,112,400 ⁽⁵⁾	—	—	30,701	8,036,101
Peter Seah Lim							
Huat	—	—	—	460,389	197,310	20,839	678,538
Ang Kong Hua . . .	—	—	—	236,000	—	—	236,000
Andrew Robert							
Fowell							
Buxton	—	—	—	245,235	—	—	245,235
Bart Joseph							
Broadman	—	—	—	153,300	65,700	—	219,000
Christopher Cheng							
Wai Chee	—	—	—	153,090	65,610	—	218,700
Euleen Goh Yiu							
Kiang	—	—	—	211,679	90,719	—	302,398
Kwa Chong							
Seng	—	—	—	138,250	59,250	—	197,500
Ambat Ravi							
Shankar							
Menon ⁽⁶⁾	—	—	—	210,000	—	—	210,000
John Alan Ross . . .	—	—	—	260,500	—	—	260,500
Danny Teoh Leong							
Kay ⁽⁷⁾	—	—	—	40,494	17,354	—	57,848
Koh Boon							
Hwee ⁽⁸⁾	—	—	—	237,562	—	7,934	245,496

Notes:

- (1) Refers to 2010 performance remuneration — includes fixed pay in 2010, cash bonus received in 2011 and shares granted in 2011.
- (2) Based on amount accrued in 2010 financial statements. Amount finalized, approved and paid in 2011.

- (3) Fees payable in 2011 for being an appointed Director in 2010.
- (4) This is to be granted in the form of DBSH shares over a 4-year vesting period after the AGM.
- (5) Refers to the estimated value of DBSH shares granted in 2011 — forms part of 2010 variable performance bonus. Such shares will vest over a 4-year period.
- (6) Ambat Ravi Shankar Menon's Directors' fees were paid in cash, to a government agency, the Directorship and Consultancy Appointments Council.
- (7) Danny Teoh was appointed Director on October 1, 2010.
- (8) Koh Boon Hwee retired as Chairman on April 30, 2010 and his Directors' fees were paid in cash.

Note: Messrs Ang Kong Hua, John Alan Ross and Andrew Robert Fowell Buxton stepped down at the close of AGM on April 28, 2011, and received all of their Directors' fees in cash.

Key executives' remuneration

Although the Code recommends that at least the top five key executives' remuneration be disclosed within bands of S\$250,000, the Board believes such disclosure would be disadvantageous to the DBS Group's business interests, given the highly competitive conditions in the banking industry where poaching of executives is commonplace.

Long-term share incentives — DBSH Share Plan, DBSH Employee Share Plan and Share Ownership Scheme

As the DBS Group seeks to foster a culture that aligns the interests of employees with those of shareholders, it has put in place share-based plans for employees. These plans allow employees to share in the DBS Group's growth and success. There are three plans — the DBSH Share Plan ("Share Plan", previously known as the DBSH Performance Share Plan), the DBSH Employee Share Plan ("ESP") and the DBSH Share Ownership Scheme ("SOS").

Prior to 2009, DBSH Share Option Plan ("SOP") was part of the long-term share incentives put in place. The SOP expired on June 19, 2009 and it was not extended or replaced. The termination of SOP will not affect the rights of holders of any outstanding existing options.

Employees holding the corporate rank of Managing Director, Senior Vice President and Vice President are eligible to participate in the Share Plan.

Rewards made under the Share Plan form part of an employee's annual performance remuneration, which also includes cash bonuses. The portion of the performance remuneration paid in shares increases with the amount of the performance remuneration. The allocation of such awards will be linked to performance metrics designed to deliver shareholder value.

There are vesting periods for the Share Plan which operates like restricted share awards. There are two elements, namely, the main award and the "kicker" award. The shares comprised in the "kicker" award constitute 20% of the shares comprised in the main award. Effective 2010, the deferral period for unvested shares was extended from a three-year period to a four-year period, showing a more prudent risk management arrangement. Henceforth 33% of the shares comprised in the main award will vest two years after the date of grant. A further 33% will vest three years after the date of grant. The remaining 34% of the shares comprised in the main award, together with the shares comprised in the "kicker" award, will vest four years after the date of grant.

The aggregate total number of new DBSH ordinary shares that may be issued under the Share Plan and SOP at any time may not exceed 7.5% of the issued ordinary shares of DBSH (excluding Treasury shares).

The ESP caters to employees of the DBS Group who are not eligible to participate in the DBSH Share Plan. The allocation of such awards is made selectively linking to the contributions of an individual. There are vesting periods for the ESP. Similar to the Share Plan, the awards made under the ESP are time based. Effective 2010, the shares will vest at 33% two years after the date of grant. A further 33% will vest three years after the date of grant and the remaining 34% four years after the date of grant.

Employees who are not eligible for the Share Plan are eligible to participate in the SOS. The SOS is a market purchase plan administered by DBS Trustee Ltd, a wholly-owned subsidiary of DBS Bank. Under the SOS, all confirmed employees with at least one year of service can subscribe up to 10% of their monthly base pay to buy units of DBSH ordinary shares, with DBS contributing an additional 50% of the amount the employee contributes.

PRINCIPAL SHAREHOLDERS OF DBSH

The following table shows the shareholders of DBSH owning, in aggregate, more than 70% of the outstanding ordinary shares of DBSH, as shown on its share register as at August 31, 2011.

Name of Shareholder	Number of Shared Held	Percentage of Shares
Citibank Nominees Singapore Pte Ltd	451,703,061	19.32%
DBS Nominees Pte Ltd	361,226,814	15.45%
Maju Holdings Pte Ltd ⁽¹⁾	358,861,799	15.35%
Temasek Holdings (Private) Limited ⁽²⁾	284,145,301	12.16%
DBSN Services Pte Ltd	227,006,703	9.71%

Notes:

- (1) Wholly-owned subsidiary of Temasek Holdings (Private) Limited.
- (2) Wholly-owned company of the Singapore Government through the Minister for Finance.

As at August 31, 2011, Temasek Holdings (Private) Limited, directly or indirectly, held approximately 27.81% of the ordinary shares of DBSH. In addition, Maju Holdings Pte. Ltd. held 99,857,155 non-voting redeemable convertible preference shares each fully paid and 180,915 non-voting convertible preference shares each fully paid. Maju Holdings Pte. Ltd. can convert such preference shares into ordinary shares at any time and they are mandatorily convertible upon sale. All of these preference shares, if converted as at August 31, 2011, would bring such ownership to approximately 30.78%.

REGULATION AND SUPERVISION

Regulation and Supervision in Singapore

Introduction

Singapore banks come within the ambit of the Banking Act, Chapter 19 of Singapore (the “Banking Act”) and MAS, as the administrator of the Banking Act, supervises and regulates the banks and their operations. In addition to provisions in the Banking Act and the subsidiary legislation issued thereunder, banks have to comply with notices, directives, circulars and guidelines issued by MAS from time to time.

A bank’s operations may include the provision of capital markets services and financial advisory services. A bank licensed under the Banking Act is exempt from holding a capital markets services license under the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) and from holding a financial advisers’ license under the Financial Advisers Act, Chapter 110 of Singapore (the “FAA”). However, the bank will nonetheless have to comply with the SFA and the FAA and the subsidiary legislation issued thereunder, as well as notices, directives, circulars and guidelines issued by MAS from time to time, in respect of these regulated activities.

The Monetary Authority of Singapore

MAS is banker and financial agent to the Singapore Government and performs the functions of a central bank. Following its merger with the Board of Commissioners of Currency on October 1, 2002, MAS has also assumed the functions of currency issuance. MAS’ functions are: (a) to act as the central bank of Singapore, including the conduct of monetary policy, the issuance of currency, the oversight of payment systems and serving as banker to and financial agent of the Singapore Government; (b) to conduct integrated supervision of financial services and financial stability surveillance; (c) to manage the official foreign reserves of Singapore; and (d) to develop Singapore as an international financial centre.

The Regulatory Environment

Capital Adequacy Ratios

The Notice on Risk Based Capital Adequacy Requirements for Banks incorporated in Singapore dated December 14, 2007, last revised on July 5, 2011, such amendments to take effect from December 31, 2011 (“MAS Notice 637”) sets out the current requirements relating to the minimum capital adequacy ratios (“CARs”) for a bank incorporated in Singapore and the methodology a bank incorporated in Singapore shall use for calculating these ratios.

Pursuant to MAS Notice 637, MAS has imposed CAR requirements on a bank incorporated in Singapore at two levels:

- (a) the bank standalone (“Solo”) level CAR requirement, which measures the capital adequacy of a bank incorporated in Singapore based on its standalone capital strength and risk profile; and
- (b) the consolidated (“Group”) level CAR requirement, which measures the capital adequacy of a bank incorporated in Singapore based on its capital strength and risk profile after consolidating the assets and liabilities of its subsidiaries and any other entity which is treated as part of the bank’s group of entities according to Singapore FRS (collectively called “banking group entities”), taking into account any exclusions of certain banking group entities or adjustments required under MAS Notice 637.

In addition to complying with the requirements in MAS Notice 637, a bank incorporated in Singapore should consider as part of its internal capital adequacy assessment process (“ICAAP”) whether it has adequate capital at both the Solo and Group levels, to cover its exposure to all risks.

With effect from March 1, 2007, every bank incorporated in Singapore shall, at all times, maintain at both the Solo and Group levels, the following ratios:

- (a) a Tier I CAR of at least 6%; and
- (b) a Total CAR of at least 10%.

In addition to the requirements set out in MAS Notice 637, MAS may vary the CARs applicable to a bank incorporated in Singapore. In exercising this discretion, MAS will take into account, *inter alia*, any relevant risk factor, the ICAAP of a bank incorporated in Singapore and whether the CARs are commensurate with the overall risk profile of the bank.

In 2007, MAS approved DBS Bank's application to adopt the Basel II Internal Ratings-Based Approach (IRBA), with effect from January 1, 2008, for computing part of its regulatory capital requirements.

The Basel Committee on Banking Supervision (the "Basel Committee") has published "Basel III: A global regulatory framework for more resilient banks and banking systems" in December 2010 and released a press release "Basel Committee issues final elements of the reforms to raise the quality of regulatory capital" in January 2011 requiring all classes of capital instruments issued on or after January 1, 2013 to be loss absorbing at the point of non-viability.

Under the requirements of the Basel Committee, banks are required to maintain minimum common equity Tier I ("CET1"), Tier I and total CARs of 3.5%, 4.5% and 8.0%, respectively, from January 1, 2013, and CET1, Tier I and total CARs of 4.5%, 6.0% and 8.0%, respectively, from January 1, 2015. In addition, banks are required to hold a capital conservation buffer of 2.5% to weather periods of high stress. This capital conservation buffer is to be met with CET1 capital and will begin at 0.625% on January 1, 2016, increasing by an additional 0.625 percentage points in each subsequent year, to reach 2.5% on January 1, 2019. Furthermore, banks are subject to a counter-cyclical buffer ranging from 0% to 2.5% which will be implemented by each country when there is excessive credit growth in their systems, with discretion on the implementation according to their national circumstances. This counter-cyclical buffer is to be met with CET1 or possibly other forms of loss absorbing capital, subject to further guidance from the Basel Committee.

MAS has, on June 28, 2011, announced that a bank incorporated in Singapore will be required to meet capital adequacy requirements that are higher than the Basel Committee's requirements. A bank incorporated in Singapore will be required to meet a minimum CET1, Tier I, and total CARs of 4.5%, 6.0% and 10.0%, respectively, from January 1, 2013, and CET1, Tier I and total CARs of 6.5%, 8.0% and 10.0%, respectively, from January 1, 2015. In line with the Basel Committee's requirements, MAS will introduce a capital conservation buffer of 2.5% above the minimum capital adequacy requirements, which will be met with CET1 capital and phased in on January 1 each year from 2016 to 2019. Including the capital conservation buffer, a bank incorporated in Singapore will be required to meet CET1, Tier I, and total CARs of 9.0%, 10.5% and 12.5%, respectively from January 1, 2019.

Other Key Prudential Provisions

A bank is required to hold minimum liquid assets as specified in section 38 of the Banking Act and MAS Notice 613 on Minimum Liquid Assets, last revised on March 30, 2011 ("MAS Notice 613"). Under the bank-general framework, every bank shall hold, at all times, a minimum of 16% of its qualifying liabilities in liquid assets. A bank may apply to MAS for approval to comply with a bank-specific framework instead. Where the bank is approved by MAS to comply with the bank-specific framework, MAS will assign such bank a cap (which would be between 10% and 15%) of its qualifying liabilities that it would be required to hold, as computed in accordance with Appendix I of MAS Notice 613. A bank which is unable to comply with the bank-general framework or the bank-specific framework may apply to MAS for approval to comply with the bank-basic framework. If approved, such bank shall hold at all times, during a maintenance period, liquid assets of at least 18% of the average of the daily qualifying liabilities computed during the relevant 2-week period beginning on a Thursday and ending on a Wednesday. At least 50% of a bank's liquid assets held for these purposes must be Tier-1 liquid assets, as detailed in MAS Notice 613.

Under section 39 of the Banking Act and MAS Notice 758 on Minimum Cash Balance, a bank is also required to maintain a minimum cash balance with MAS of at least an average of 3% of its average qualifying liabilities over the relevant 2-week period beginning on a Thursday and ending on a Wednesday.

Under section 29 of the Banking Act, MAS may, by notice in writing to any bank incorporated in Singapore, impose such requirements as may be necessary or expedient for the purposes of limiting

the exposure of the bank to: (a) a substantial shareholder group of the bank; (b) the financial group of the bank; (c) a director group of the bank; and (d) any other person or class of persons as may be prescribed. For the purposes of this paragraph, (a) "substantial shareholder group" means any substantial shareholder (i.e. holding not less than 5% of the total voting rights) of the bank, every affiliate of such substantial shareholder, and where the bank is a subsidiary of a financial holding company or a parent bank ("Holding Company"), any substantial shareholder of the Holding Company and every affiliate of such substantial shareholder; (b) "financial group" means (in the case of a bank incorporated in Singapore) every company in which the bank acquires or holds, directly or indirectly, a major stake (as defined below); and (c) "director group" includes the director and his or her immediate family members, every firm or limited liability partnership in which that director is a partner, manager, agent, guarantor or surety, every individual of whom and every company of which that director is a guarantor or surety and every company in which the director (i) is an executive officer; (ii) owns more than half of the total number of issued shares (whether legally or beneficially); (iii) controls more than half of the voting power; or (iv) controls the composition of the board of directors. Regulation 24 of the Banking Regulations 2001, as amended (the "Banking Regulations") has prescribed that MAS may also impose requirements for the purpose of limiting the exposure of the bank to: (a) any officer (other than a director) or employee of the bank or other person who receives remuneration from the bank other than for services rendered to the bank or any company that is treated as part of the bank's group of companies according to Singapore FRS; and (b) a group of persons, who are financially dependent on one another or where one person (the controlling person) controls every other person in that group, and where at least one of the persons is a counterparty to the bank. For these purposes, a person is controlled by the controlling person if the person is (i) a person in which the controlling person holds more than half of the total number of issued shares (whether legally or beneficially); (ii) a person in which the controlling person controls more than half of the voting power; (iii) a person in which the controlling person controls the composition of the board of directors; (iv) a subsidiary of a person described in (i) to (iii) above; or (v) a person the policies of which the controlling person is in a position to determine. Section 29 of the Banking Act was amended to take effect on March 31, 2007 and marked a shift from the imposition of limits on credit facilities to the application of the limits to all exposures of the bank to specified groups of persons or entities. MAS issued MAS Notice 639 on Exposures to Single Counterparty Groups dated June 6, 2007 and last revised on December 31, 2009 ("MAS Notice 639") which sets out the limits on a bank's exposure to a single counterparty group, the types of exposures to be included in or excluded from those limits, the basis for computation of exposures, the approach for aggregating exposures to counterparties that pose a single risk to the bank, the recognition of credit risk mitigation and aggregating of exposures at the bank group level. Pursuant to MAS Notice 639, MAS has set out that:

- (a) at Solo level, a bank incorporated in Singapore shall not permit (i) the aggregate of its exposures to a single counterparty group to exceed 25% or such other percentage of its eligible total capital as may be approved by MAS; and (ii) the aggregate of exposures exceeding 10% of a bank's eligible total capital to any single counterparty group to exceed 50% or such other percentage of its total exposures as may be approved by MAS; and
- (b) at Group level, a bank incorporated in Singapore shall aggregate its exposures to a single counterparty group (other than the exposures to the financial group of the bank) with the exposures of its subsidiaries and the exposures of all other companies treated as part of the bank group to the same counterparty group and shall not permit (i) the aggregate of the exposures of the bank group to a single counterparty group to exceed 25% or such other percentage of the eligible total capital of the bank group as may be approved by MAS; and (ii) the aggregate of the exposures of the bank group exceeding 10% of a bank's eligible total capital to any single counterparty group, to exceed 50% or such other percentage of the bank group's total exposures as may be approved by MAS.

Exposures would have to be calculated based on the maximum loss that a bank may incur as a result of the failure of a specified counterparty to meet any of its obligations.

Every bank in Singapore shall make provisions for bad and doubtful debts and before any profit or loss is declared, ensure that the provision is adequate.

A bank in Singapore is prohibited from carrying on or entering into any partnership, joint venture or other arrangement with any person to carry on any business except: (a) banking business; (b) business which is regulated or authorized by MAS or if carried on in Singapore, would be regulated or authorized by MAS under any written law; (c) business which is incidental to (a) or (b); (d) business or a class of business prescribed by MAS; or (e) any other business approved by MAS.

A bank in Singapore can hold any beneficial interest in the share capital of a company (and such other investment, interest or right as may be prescribed by MAS) ("equity investment"), whether involved in financial business or not, so long as such equity investment does not exceed in the aggregate 2% of the capital funds of the bank or such other percentage as the MAS may prescribe. Such a restriction on a bank's equity investment does not apply to any interest held by way of security in the ordinary course of the bank's business or to any shareholding or interest acquired or held by a bank in the course of satisfaction of debts due to the bank, where such interest is disposed of at the earliest suitable opportunity or any major stake approved by MAS under section 32 of the Banking Act. In addition, under the Banking Regulations, the restriction will not apply, during the specified period, in respect of any equity investment in a single company acquired or held by a bank when acting as a stabilizing manager in relation to an offer of securities issued by the company subject to certain conditions.

A bank in Singapore cannot hold or acquire, directly or indirectly, a major stake in any company without first obtaining the approval of MAS. A "major stake" means: (a) any beneficial interest exceeding 10% of the total number of issued shares in a company; (b) control over more than 10% of the voting power in a company; or (c) any interest in a company, where directors of the company are accustomed or under an obligation, whether formal or informal, to act in accordance with the bank's directions, instructions or wishes, or where the bank is in a position to determine the policy of the company.

No bank in Singapore shall hold or acquire interests in or rights over immovable property, wherever situated, the value of which exceeds in the aggregate 20% of the capital funds of the bank or such other percentage as MAS may prescribe. The Banking Regulations further provide that the property sector exposure of a bank in Singapore shall not exceed 35% of the total eligible assets of that bank. Under the Banking Act and the Banking Regulations, a bank can invest in properties subject to an aggregate of 20% of its capital funds, but it is not allowed to engage in property development or management. However, a bank is permitted to carry on property management services in relation to investment properties that are owned by the bank or any company in which the bank has acquired or holds a major stake (in this paragraph, "banking group"), properties that have been foreclosed by the banking group in satisfaction of debts owed to it and properties used in the business of the banking group.

Corporate Governance Regulations and Guidelines

The Guidelines on Corporate Governance for Banks, Financial Holding Companies and Direct Insurers which are Incorporated in Singapore issued on December 9, 2010 (the "Guidelines") and the Banking (Corporate Governance) Regulations 2005, as amended, define what is meant by an independent director and set out the requirements for the composition of the board of directors and board committees, such as the Nominating Committee, Remuneration Committee and Audit Committee. The Guidelines also set out the principle that there should be a clear division of responsibilities between the working of the board of directors of a bank and the executive responsibilities of a bank's business, as well as the principle that there should be a strong and independent element on the board of directors of a bank, which is able to exercise objective judgment on corporate affairs independently, in particular, from the management of a bank. The Guidelines also encourage the separation of the roles of Chairman and Chief Executive Officer and outline how this is to be applied.

Other Regulations

MAS issues licenses under the Banking Act to banks to transact banking business in Singapore. Such licenses may be revoked if MAS is satisfied, among other things, that the bank: (a) is carrying on its business in a manner likely to be detrimental to the interests of the depositors of the bank or has insufficient assets to cover its liabilities to its depositors or the public; (b) is contravening the provisions of the Banking Act; or (c) has been convicted of any offence under the Banking Act or any of its

directors or officers holding a managerial or executive position has been convicted of any offence under the Banking Act.

In the event of the winding up of a bank, the liabilities in Singapore of the bank shall, amongst themselves, rank in the following order of priority: (a) firstly, any premium contributions due and payable by the bank under the Deposit Insurance and Policy Owners' Protection Schemes Act 2011; (b) secondly, liabilities incurred by the bank in respect of insured deposits, up to the amount of compensation paid or payable out of the Deposit Insurance Fund by the Singapore Deposit Insurance Corporation Limited under the Deposit Insurance and Policy Owners' Protection Schemes Act 2011 in respect of such insured deposits; (c) thirdly, deposit liabilities incurred by the bank with non-bank customers, other than those specified in paragraph (b) above and paragraph (d) below; and (d) fourthly, deposit liabilities incurred by the bank with non-bank customers when operating an Asian Currency Unit approved under the Banking Act. As between liabilities of the same class referred to in each of the paragraphs (a) to (d) above, such liabilities shall rank equally between themselves. The liabilities specified above shall have priority over all unsecured liabilities of the bank other than the preferential debts specified in section 328(1) of the Companies Act, Chapter 50 of Singapore.

Unless otherwise expressly provided in the Banking Act, officers of a bank may not disclose customer information to any other person without the written consent of the customer.

Examinations and Reporting Arrangements for Banks

MAS conducts on-site examinations of banks. Banks are also subject to annual audit by an external auditor approved by MAS, who, aside from the annual balance sheet and profit and loss account must report to MAS immediately if in the course of the performance of his duties as an auditor of the bank, he is satisfied that:

- (a) there has been a serious breach or non-observance of the provisions of the Banking Act or that otherwise a criminal offense involving fraud or dishonesty has been committed;
- (b) losses have been incurred which reduce the capital funds of the bank by 50%;
- (c) serious irregularities have occurred, including irregularities that jeopardize the security of the creditors; or
- (d) he is unable to confirm that the claims of creditors are still covered by the assets.

Banks incorporated in Singapore shall not, except with the prior written approval of MAS, appoint the same audit firm for more than five consecutive financial years. On October 21, 2008, MAS announced the temporary suspension of the requirement for mandatory audit firm rotation after five years.

All banks in Singapore are required to submit periodic statistical returns and financial reports to MAS, including returns covering minimum cash balances and liquid assets, statements of assets and liabilities and total foreign exchange business transacted.

MAS may also require ad hoc reports to be submitted.

Supervision by Other Agencies

The DBS Bank Group's overseas operations are also supervised by the regulatory agencies in their respective jurisdictions — in particular, DBSHK is supervised by the Hong Kong Monetary Authority, PT Bank DBS Indonesia is supervised by Bank Indonesia, the DBS Bank Group's Indian branches are supervised by the Reserve Bank of India and the DBS Bank Group's China branches are supervised by the Chinese Banking Regulatory Commission.

Apart from being supervised by MAS, the stockbroking and futures trading arms of the DBS Bank Group are also supervised by the Singapore Exchange Limited.

RELATED PARTY TRANSACTIONS

The DBS Bank Group conducts banking transactions with a number of related parties. Related parties of the DBS Bank Group as defined under Singapore FRS include associated companies, joint venture companies, directors and management personnel of the DBS Bank Group. Related party transactions include deposit taking, loans and credit card facilities. All of the related party transactions undertaken by the DBS Bank Group parties are made in the ordinary course of business and are carried out on arm's length terms. For a more detailed description, see DBS Bank Group's most recent annual consolidated financial statements included in this Offering Circular.

TAXATION

The following summary of certain United States, Singapore, United Kingdom and Hong Kong income tax and certain EU Directives on the taxation of savings income consequences of the purchase, ownership and disposition of the Notes is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with the consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of the Notes should consult their own tax advisors concerning the application of Singapore, United Kingdom and Hong Kong income tax laws and certain EU Directives on the taxation of savings income to their particular situations as well as any consequences of the purchase, ownership and disposition of the Notes arising under the laws of any other taxing jurisdiction.

United States Taxation

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS OFFERING CIRCULAR IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The following is a summary of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by, in the case of Section I, a U.S. Holder (as defined below) and, in the case of Section II, by all holders. This summary does not address the material U.S. federal income tax consequences of every type of Note which may be issued under the Programme, and the relevant Pricing Supplement will contain additional or modified disclosure concerning the material U.S. federal income tax consequences relevant to such type of Note as appropriate. This summary deals only with purchasers that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors, and does not address state, local, foreign or other tax laws. In particular, this summary does not address tax considerations applicable to investors that own (directly or indirectly) 10% or more of the voting stock of the Issuer, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, dealers in securities or currencies, investors that will hold the Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes or U.S. Holders whose functional currency is not the U.S. dollar. Moreover, the summary deals only with Notes with a term of 30 years or less. The U.S. federal income tax consequences of owning Notes with a longer term will be discussed in the applicable Pricing Supplement.

As used herein, the term "U.S. Holder" means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation, or other entity treated as a corporation, created or organized under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in a partnership that holds Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are

partnerships should consult their tax adviser concerning the U.S. federal income tax consequences to their partners of the acquisition, ownership and disposition of Notes by the partnership.

The summary is based on the tax laws of the United States including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect.

Bearer Notes are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the United States Internal Revenue Code.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY AND DOES NOT ADDRESS THE MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF EVERY TYPE OF NOTES WHICH MAY BE ISSUED UNDER THE PROGRAMME. ADDITIONAL U.S. FEDERAL INCOME TAX CONSEQUENCES, IF ANY, APPLICABLE TO A PARTICULAR ISSUANCE OF NOTES WILL BE SET FORTH IN THE APPLICABLE PRICING SUPPLEMENT. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

(a) SECTION I- U.S Holders

Characterization of the Notes

The characterization of a Series or Tranche of Notes may be uncertain and will depend on the terms of those Notes. The determination of whether an obligation represents debt, equity, or some other instrument or interest is based on all the relevant facts and circumstances. There may be no statutory, judicial or administrative authority directly addressing the characterization of some of the types of Notes that are anticipated to be issued under the Programme or of instruments similar to the Notes.

Depending on the terms of a particular Series or Tranche of Notes, the Notes may not be characterized as debt for U.S. federal income tax purposes despite the form of the Notes as debt instruments. For example, Notes of a Series or Tranche may be more properly characterized as notional principal contracts, collateralized put options, prepaid forward contracts, or some other type of financial instrument. Alternatively, the Notes may be characterized as equity, or as representing an undivided proportionate ownership interest in the assets of, and share of the liabilities of the Issuer. Additional alternative characterizations may also be possible. Further possible characterizations, if applicable, may be discussed in the relevant Pricing Supplement.

No rulings will be sought from the Internal Revenue Service (“IRS”) regarding the characterization of any of the Notes issued hereunder for U.S. federal income tax purposes. Each U.S. Holder should consult its own tax adviser about the proper characterization of the Notes for U.S. federal income tax purposes and consequences to the U.S. Holder of acquiring, owning or disposing of the Notes.

The following summary assumes that the Notes are properly treated as debt for U.S. federal income tax purposes.

Payments of Interest

General

Interest on a Note, whether payable in U.S. dollars or a currency, composite currency or basket of currencies other than U.S. dollars (a “foreign currency”), other than interest on a “Discount Note” that is not “qualified stated interest” (each as defined below under “Original Issue Discount — General”), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the holder’s method of accounting for tax purposes. Interest paid by the Issuer on the Notes and original issue discount, if any, accrued with respect to the Notes (as described below under “Original Issue Discount”) generally will constitute income from sources outside the United States and will generally be treated as “passive category income” for U.S. foreign tax credit purposes. Prospective purchasers should consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to income attributable to the Notes.

Original Issue Discount

General. The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes issued with original issue discount (“OID”). The following summary does not discuss Notes that are characterized as contingent payment debt instruments for U.S. federal income tax purposes. In the event the Issuer issues contingent payment debt instruments the applicable Pricing Supplement may describe the material U.S. federal income tax consequences thereof.

A Note, other than a Note with a term of one year or less (a “Short-Term Note”), will be treated as issued with OID (a “Discount Note”) if the excess of the Note’s “stated redemption price at maturity” over its issue price is equal to or more than a de minimis amount (0.25% of the Note’s stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an “installment obligation”) will be treated as a Discount Note if the excess of the Note’s stated redemption price at maturity over its issue price is equal to or greater than 0.25% of the Note’s stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note’s weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note’s stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of “qualified stated interest.” A qualified stated interest payment is generally any one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under “Variable Interest Rate Notes”), applied to the outstanding principal amount of the Note. Solely for the purposes of determining whether a Note has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note.

U.S. Holders of Discount Notes must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note. The daily portion is determined by allocating to each day in any “accrual period” a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note’s adjusted issue price at the beginning of the accrual period and the Discount Note’s yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The “adjusted issue price” of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

Acquisition Premium. A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being “acquisition premium”) and that does not make the election described below under “Election to Treat All Interest as Original Issue Discount,” is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder’s adjusted basis in the Note immediately after its purchase over the Note’s adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note’s adjusted issue price.

Short-Term Notes. In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (as specially defined below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realized on the sale or retirement of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realized.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Note. This election will apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

Market Discount. A Note, other than a Short-Term Note, generally will be treated as purchased at a market discount (a "Market Discount Note") if the Note's stated redemption price at maturity or, in the case of a Discount Note, the Note's "revised issue price," exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25% of the Note's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note's maturity (or, in the case of a Note that is an installment obligation, the Note's weighted average remaining maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes "de minimis market discount." For this purpose, the "revised issue price" of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments.

Any gain recognized on the maturity or disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Note. This election will apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS. A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently will generally be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note that is in excess of the interest and OID on the Note includible in the U.S. Holder's income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder.

Market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Market Discount Note with respect to which it is made and is irrevocable.

Election to Treat All Interest as Original Issue Discount. A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under "Original Issue Discount — General," with certain modifications. For purposes of this election, interest includes stated interest, OID, de minimis OID, market discount, de minimis market discount and unstated interest, as adjusted by any amortizable bond premium (described below under "Notes Purchased at a Premium") or acquisition premium. This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. If the election to apply the constant-yield method to all interest on a Note is made with respect to a Market Discount Note, the electing U.S. Holder will be treated as having made the election discussed above under

“Market Discount” to include market discount in income currently over the life of all debt instruments with market discount held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

Variable Interest Rate Notes. Notes that provide for interest at variable rates (“Variable Interest Rate Notes”) generally will bear interest at a “qualified floating rate” and thus will be treated as “variable rate debt instruments” under Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a “variable rate debt instrument” if (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Interest Rate Note by more than a specified de minimis amount, (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A “qualified floating rate” is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note’s issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate.

An “objective rate” is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer’s stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note’s term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note’s term. A “qualified inverse floating rate” is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note’s issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a “current value” of that rate. A “current value” of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a “variable rate debt instrument,” then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and

will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a “variable rate debt instrument” will generally not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a “true” discount (i.e., at a price below the Note’s stated principal amount) in excess of a specified de minimis amount. OID on a Variable Interest Rate Note arising from “true” discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a “variable rate debt instrument” will be converted into an “equivalent” fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an “equivalent” fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note’s issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a “variable rate debt instrument” and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note’s issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an “equivalent” fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an “equivalent” fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the “equivalent” fixed rate debt instrument by applying the general OID rules to the “equivalent” fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the “equivalent” fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the “equivalent” fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a “variable rate debt instrument,” then the Variable Interest Rate Note will be treated as a contingent payment debt obligation. The proper U.S. federal income tax treatment of Variable Interest Rate Notes that are treated as contingent payment debt obligations will be more fully described in the applicable Pricing Supplement.

Notes Purchased at a Premium

A U.S. Holder that purchases a Note for an amount in excess of its principal amount, or for a Discount Note, its stated redemption price at maturity, may elect to treat the excess as “amortizable bond premium,” in which case the amount required to be included in the U.S. Holder’s income each year with respect to interest on the Note will be reduced by the amount of amortizable bond premium allocable (based on the Note’s yield to maturity) to that year.

Any election to amortize bond premium will apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder

at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also “Original Issue Discount — Election to Treat All Interest as Original Issue Discount.”

Purchase, Sale and Retirement of Notes

A U.S. Holder’s tax basis in a Note will generally be its cost, increased by the amount of any OID or market discount included in the U.S. Holder’s income with respect to the Note and the amount, if any, of income attributable to de minimis OID and de minimis market discount included in the U.S. Holder’s income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortizable bond premium applied to reduce interest on the Note.

A U.S. Holder will generally recognize gain or loss on the sale or retirement of a Note equal to the difference between the amount realized on the sale or retirement and the tax basis of the Note. Except to the extent described above under “Original Issue Discount — Market Discount” or “Original Issue Discount — Short Term Notes” or attributable to accrued but unpaid interest or changes in exchange rates (as discussed below), gain or loss recognized on the sale or retirement of a Note will be capital gain or loss and will be long term capital gain or loss if the U.S. Holder’s holding period in the Notes exceeds one year. The deductibility of capital losses is subject to limitations. Gain or loss realized by a U.S. Holder on the sale or retirement of a Note generally will constitute income or loss from sources within the United States.

Foreign Currency Notes

Interest. If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognized by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognized with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year).

Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in, or determined by reference to, a foreign currency, the U.S. Holder may recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

OID. OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Note or a sale or disposition of the Note), a U.S. Holder may recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Market Discount. Market discount on a Note that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognize U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognize, upon the disposition or maturity of the Note, the U.S. dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

Bond Premium. Bond premium (including acquisition premium) on a Note that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income in units of the foreign currency. On the date bond premium offsets interest income, a U.S. Holder may recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the amount offset multiplied by the difference between the spot rate in effect on the date of the offset, and the spot rate in effect on the date the Notes were acquired by the U.S. Holder. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognize a capital loss when the Note matures.

Sale or Retirement. As discussed above under "Purchase, Sale and Retirement of Notes," a U.S. Holder will generally recognize gain or loss on the sale or retirement of a Note equal to the difference between the amount realized on the sale or retirement and its tax basis in the Note. A U.S. Holder's tax basis in a Note that is denominated in a foreign currency will be determined by reference to the U.S. dollar cost of the Note. The U.S. dollar cost of a Note purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase.

The amount realized on a sale or retirement for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or retirement or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury Regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale. Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A U.S. Holder will recognize U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder's purchase price for the Note (or, if less, the principal amount of the Note) (i) on the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss will be realized only to the extent of total gain or loss realized on the sale or retirement (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest).

Disposition of Foreign Currency

Foreign currency received on a payment on a Note or on the sale or other disposition of a Note will have a tax basis equal to its U.S. dollar value at the time the foreign currency is received. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognized on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

Backup Withholding and Information Reporting

In general, payments of interest and accruals of OID on, and the proceeds of a sale, redemption or other disposition of, the Notes payable to a U.S. Holder by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding will apply to these payments, including payments of OID, if the U.S.

Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. Certain U.S. Holders (including, among others, corporations) are not subject to backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Reportable Transactions

A U.S. taxpayer that participates in a “reportable transaction” will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if the loss exceeds U.S.\$50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders. In the event the acquisition, holding or disposition of Notes constitutes participation in a “reportable transaction” for purposes of these rules, a U.S. Holder will be required to disclose its investment by filing Form 8886 with the IRS.

A penalty in the amount of U.S.\$10,000 in the case of a natural person and U.S.\$50,000 in all other cases is generally imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules.

Foreign Financial Asset Reporting

Recently enacted legislation imposes new reporting requirements on the holding of certain foreign financial assets, including debt or equity of foreign entities, if the aggregate value of all of these assets exceeds \$50,000. The Notes are expected to constitute foreign financial assets subject to these requirements unless the Notes are regularly traded on an established securities market and held in an account at a domestic financial institution. U.S. Holders should consult their tax advisers regarding the application of this legislation.

(b) SECTION II- All Holders

FATCA Withholding

On March 18, 2010, the Hiring Incentives to Restore Employment Act was enacted, containing provisions (“FATCA”) similar to a prior Congressional bill, the Foreign Account Tax Compliance Act of 2009. FATCA imposes a withholding tax of 30% on certain U.S. source payments and proceeds from the sale of certain assets that give rise to U.S. source payments, as well as a portion of certain payments by non-U.S. entities, to persons that fail to meet requirements under FATCA. This withholding tax may be imposed on (i) payments to the Issuer if it does not enter into and comply with an agreement with the IRS (an “IRS Agreement”) to obtain and report information about the holders of Notes, or (ii) a portion of payments to holders or beneficial owners of Notes, if the Issuer does enter into an IRS Agreement and is unable to obtain the necessary information from those holders or beneficial owners. Withholding would be imposed from (x) January 1, 2014 in respect of certain U.S. source payments made on or after that date and (y) January 1, 2015 in respect of proceeds from the sale of certain assets that give rise to U.S. source payments. Withholding should not be required with respect to payments on the Notes before January 1, 2015 and then only on Notes issued after March 18, 2012.

The future application of FATCA to the Issuer and the Holders of Notes is uncertain, and it is not clear at this time what actions, if any, will be required to minimize any adverse impact of FATCA on the Issuer and the holders of Notes. The Issuer has not decided whether it will enter into an IRS Agreement. If the Issuer does not enter into the IRS Agreement or fails to comply with the IRS Agreement, and is therefore subject to the 30% withholding tax, the Issuer may have less cash to make interest and principal payments on the Notes.

If the Issuer or other relevant intermediary does enter into the IRS Agreement, and Notes are issued after March 18, 2012, then to the extent payments are not otherwise excluded from the FATCA regime, an investor that is not a financial institution may be required to provide the information described below or be subject to U.S. withholding tax on a portion of interest and principal on the Notes and the proceeds from their sale. Investors that (a) are foreign financial institutions, or receive payments through a foreign financial institution and (b) have not (or the relevant financial institution has

not) entered an agreement with the IRS regarding compliance with (or otherwise established an exemption from) FATCA would also be subject to this U.S. withholding tax.

Each Holder or beneficial owner of Notes may be required to provide satisfactory documentation (i) to establish that it is not a U.S. person, or (ii) if it is a U.S. person or non-U.S. person with “substantial United States owners” (as defined in the Code), that indicates the name, address and U.S. taxpayer identification number of such U.S. person or substantial United States owners. Each holder or beneficial owner of Notes that is required to provide such information and fails to do so will generally be subject to a U.S. withholding tax on any payments made to that person. A holder or beneficial owner of Notes who fails to provide the necessary information due to a non-U.S. law prohibiting the provision of this information must execute a valid waiver of the relevant non-U.S. law or dispose of the Notes or its interest therein within a reasonable time.

Furthermore, it is uncertain at this time how the reporting mechanism will operate. In particular, certain changes will likely have to occur with the operation of DTC, Euroclear, Clearstream, Luxembourg and other similar clearing systems. In particular, at this time it is not entirely clear whether the reporting obligations will apply to the Issuer, the relevant clearing system or the financial institution with which the beneficial owner has an account.

FATCA is particularly complex and its application to the Issuer is uncertain at this time. Each holder of Notes should consult its own tax advisor to obtain a more detailed explanation of FATCA and to learn how it might affect such holder in its particular circumstance.

Fungible Issue

The Issuer may, without the consent of the Holders of outstanding Notes, issue additional Notes with identical terms. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such a case, the additional Notes may be considered to have been issued with OID even if the original Notes had no OID, or the additional Notes may have a greater amount of OID than the original Notes. These differences may affect the market value of the original Notes if the additional Notes are not otherwise distinguishable from the original Notes.

Singapore Taxation

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines issued by MAS in force as at the date of this Offering Circular and are subject to any changes in such laws or administrative guidelines, or the interpretation of those laws or guidelines, occurring after such date, which changes could be made on a retroactive basis. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive tax incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own tax advisors as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including the effect of any foreign, state or local tax laws to which they are subject. It is emphasized that none of the Issuer nor any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

In addition, the statements below assume that the Notes are not perpetual with no stated maturity date.

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15% final withholding tax described below) to non-resident persons (other than non-resident individuals) is 17% with effect from the year of assessment 2010. The applicable rate for non-resident individuals is 20%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15%. The rate of 15% may be reduced by applicable tax treaties.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

DBS Bank Ltd., which is a Financial Sector Incentive (Bond Market) Company (as defined in the ITA), has been appointed as arranger of the Programme from the date of its establishment. On October 11, 2011, Goldman Sachs (Singapore) Pte. and Merrill Lynch (Singapore) Pte. Ltd. (which are also Financial Sector Incentive (Bond Market) Companies) were appointed as joint arrangers (with DBS Bank Ltd.) of the Programme.

As the Programme as a whole is arranged by Financial Sector Incentive (Bond Market) Companies, any tranche of the Notes which are debt securities issued under the Programme from the date of this Offering Circular to December 31, 2013 ("Relevant Notes") are "qualifying debt securities" for the purposes of the ITA, to which the following treatments apply:

- (a) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the Comptroller of Income Tax in Singapore (the "Comptroller") may direct, of a return on debt securities in respect of the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require to the Comptroller and MAS and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent

establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using funds from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively the "Qualifying Income") from the Relevant Notes derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax. "Funds from Singapore operations" means, in relation to a person, the funds and profits of that person's operations through a permanent establishment in Singapore;

- (b) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the Comptroller may direct, of a return on debt securities in respect of the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require to the Comptroller and MAS), Qualifying Income derived by any company or a body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10%; and
- (c) subject to:
 - (i) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and
 - (ii) the Issuer, or such other person as the Comptroller may direct, furnishing to the Comptroller and MAS a return on debt securities in respect of the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require,

Qualifying Income derived from the Relevant Notes is not subject to withholding of tax by the Issuer.

However, notwithstanding the foregoing:

- (a) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as "qualifying debt securities"; and
- (b) even though a particular tranche of Relevant Notes are "qualifying debt securities", if, at any time during the tenure of such tranche of Relevant Notes, 50% or more of the issue of such Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:
 - (i) any related party of the Issuer; or
 - (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax described above.

The term "related party", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms “break cost”, “prepayment fee” and “redemption premium” are defined in the ITA as follows:

- “break cost”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;
- “prepayment fee”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and
- “redemption premium”, in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to “break cost”, “prepayment fee” and “redemption premium” in this Singapore tax disclosure have the same meaning as defined in the ITA.

Notwithstanding that the Issuer is permitted to make payments of interest, discount income, prepayment fee, redemption premium and break cost in respect of the Relevant Notes without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

The QDS Plus Scheme has also been introduced as an enhancement of the Qualifying Debt Securities Scheme. Under the QDS Plus Scheme, subject to certain conditions having been fulfilled (including the submission by the issuer or such other person as the Comptroller may direct, of a return on debt securities in respect of the qualifying debt securities within such period as the Comptroller may specify and such other particulars in connection with the qualifying debt securities as the Comptroller may require to the Comptroller and MAS), income tax exemption is granted on interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost derived by any investor from qualifying debt securities (excluding Singapore Government Securities) which:

- (a) are issued during the period from February 16, 2008 to December 31, 2013;
- (b) have an original maturity of not less than 10 years;
- (c) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and
- (d) cannot be “re-opened” with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of Relevant Notes are “qualifying debt securities” which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Notes, 50% or more of the issue of such Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, interest, discount income, prepayment fee, redemption premium and break cost from such Relevant Notes derived by:

- (i) any related party of the Issuer; or
- (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes as part of a trade or business carried on by that person in Singapore may be taxable as such gains are considered revenue in nature.

Holders of the Notes who are adopting Singapore Financial Reporting Standard 39 (“FRS 39”) for Singapore income tax purposes may be required to recognize gains or losses (not being gains or losses in the nature of capital) for tax purposes in accordance with the provisions of FRS 39 (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of the Notes is made. See also “Adoption of FRS 39 Treatment for Singapore Income Tax Purposes”.

Adoption of FRS 39 Treatment for Singapore Income Tax Purposes

The Inland Revenue Authority of Singapore has issued a circular entitled “Income Tax Implications arising from the adoption of FRS 39 — Financial Instruments: Recognition and Measurement” (“FRS 39 Circular”). The ITA has since been amended to give effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain “opt-out” provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after February 15, 2008.

United Kingdom

The comments below are of a general nature based on current UK tax law as applied in England and Wales and published HM Revenue & Customs practice relating only to the UK withholding tax treatment of payments of principal and interest in respect of Notes issued from the Issuer’s London branch (“**London Notes**”) and are not intended to be exhaustive. Any Noteholders who are in doubt as to their own tax position should consult their professional advisers.

UK Withholding Tax on Interest Payments

Interest paid on London Notes is likely to have a UK source. Accordingly, if London Notes are issued for a term of one year or more (or under arrangements the effect of which is to render the Notes part of a borrowing with a total term of one year or more), any interest (“**Yearly Interest**”) paid on those London Notes will be paid under deduction of UK income tax at the basic rate (currently 20 per cent.), subject to certain exceptions and, in particular, to the exceptions listed below.

Bank interest exception

To the extent that at the time any Yearly Interest is paid the Issuer is a bank as defined in section 991 of the Income Tax Act 2007 and that Yearly Interest is paid in the ordinary course of the Issuer’s business, that Yearly Interest may be paid without UK withholding tax. In accordance with the published practice of HM Revenue & Customs, payments of interest on the London Notes which conform to any of the definitions of Tier I, II or III capital adopted by the Bank of England, whether or not such London Notes actually count towards Tier I, II or III capital for regulatory purposes, will not be regarded as paid in the ordinary course of the Issuer’s business for this purpose.

Quoted Eurobond exception

Whilst the London Notes are and continue to be “quoted Eurobonds”, payments of Yearly Interest by the Issuer on the London Notes may be made without UK withholding tax.

The London Notes issued will constitute “quoted Eurobonds” provided they are and continue to be listed on a recognised stock exchange, within the meaning of Section 1005 Income Tax Act 2007. The SGX-ST is a recognised stock exchange for these purposes. Securities will be treated as listed on the SGX-ST if they are both admitted to trading on the Main Board of the SGX-ST and are officially listed in Singapore in accordance with provisions corresponding to those generally applicable in countries in the European Economic Area.

Persons in the UK (i) paying interest to or receiving interest on behalf of another person, or (ii) paying amounts due on redemption of any Notes which constitute deeply discounted securities as defined in Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 to or receiving such amounts on behalf of another person who is an individual, may be required to provide certain information to HM Revenue & Customs regarding the identity of the payee or person entitled to the interest and, in certain circumstances, such information may be exchanged with tax authorities in other countries. However, in relation to amounts payable on the redemption of such Notes HM Revenue & Customs published practice indicates that HM Revenue & Customs will not exercise its power to obtain information where such amounts are paid or received on or before 5 April 2012.

EU Directive on the Taxation of Savings Income

Under Council Directive 2003/48/EC on the taxation of savings income (the “**Directive**”), Member States of the European Union are required to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to or for the benefit of an individual or to certain other persons in another Member State, except that Austria and Luxembourg may instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise. The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Accordingly, to the extent that interest or other amounts are paid on the London Notes by or through a person in the EU these reporting or withholding (as applicable) provisions may apply.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any other person would be obliged to pay additional amounts with respect to any Note, Receipt, Talon or Coupon as a result of the imposition of such withholding tax. The Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

Hong Kong

The statements herein regarding taxation are based on the laws of Hong Kong in force as at the date of this document and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary relates to Notes issued by the Issuer’s Hong Kong branch (“Hong Kong Notes”) and does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers or certain professional investors) may be subject to special rules. Investors should consult their own tax advisers regarding the tax consequences of an investment in the Notes.

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on Hong Kong Notes or in respect of any capital gains arising from the sale of Hong Kong Notes.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Cap.112) of Hong Kong (the “Inland Revenue Ordinance”), as it is currently applied in the Inland Revenue Department, interest on Hong Kong Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on Hong Kong Notes is derived from Hong Kong and is received by or accrues to a company, other than a financial institution, carrying on a trade, profession or business in Hong Kong; or
- (ii) interest on Hong Kong Notes is derived from Hong Kong and is received by or accrues to a person, other than a company, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business; or
- (iii) interest on Hong Kong Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong.

Pursuant to the Exemption from Profits Tax (Interest Income) Order, interest income accruing to a person other than a financial institution on deposits (denominated in any currency and whether or not the deposit is evidenced by a certificate of deposit) placed with, inter alia, a financial institution in Hong Kong (within the meaning of section 2 of the Banking Ordinance) are exempt from the payment of Hong Kong profits tax. The issue of Hong Kong Notes by the Issuer is expected to constitute a deposit to which the above exemption from payment will apply.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Hong Kong Notes will be subject to profits tax.

Sums derived from the sale, disposal or redemption of Hong Kong Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source. The source of such sums will generally be determined by having regard to the manner in which the Hong Kong Notes are acquired and disposed.

Stamp Duty

Stamp duty will not be payable on the issue of Hong Kong Notes which are Bearer Notes by the Issuer, provided either:

- (i) such Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) such Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap.117) of Hong Kong).

If stamp duty is payable it is payable by the Issuer on the issue of Hong Kong Notes which are Bearer Notes at a rate of 3% of the market value of the Notes at the time of issue.

No stamp duty will be payable on any subsequent transfer of Hong Kong Notes which are Bearer Notes.

No stamp duty is payable on the issue of Hong Kong Notes which are Registered Notes.

Stamp duty may be payable on any transfer of Hong Kong Notes which are Registered Notes issued by the Issuer. Stamp duty will, however, not be payable on any transfers of Hong Kong Notes which are Registered Notes, provided that either:

- (i) the Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

- (ii) the Registered Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap.117) of Hong Kong); or
- (iii) the register for the Registered Notes is not maintained in Hong Kong.

If stamp duty is payable in respect of the transfer of Registered Notes it will be payable at the rate of 0.2% (of which 0.1% is payable by the seller and 0.1% is payable by the purchaser) normally by reference to the consideration or its value. If, in the case of either the sale or purchase of such Registered Notes, stamp duty is not paid, both the seller and the purchaser may be liable jointly and severally to pay any unpaid stamp duty and also any penalties for late payment. If stamp duty is not paid on or before the due date (two days after the sale or purchase if effected in Hong Kong or 30 days if effected elsewhere) a penalty of up to 10 times the duty payable may be imposed. In addition, stamp duty is payable at the fixed rate of HK\$5.00 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN SINGAPORE FRS AND U.S. GAAP

The financial information contained and incorporated by reference in this offering document has been prepared and presented in accordance with Singapore Financial Reporting Standards (“SFRS”). Certain differences exist between SFRS and generally accepted accounting principles in the United States (“U.S. GAAP”). The matters described below summarize certain differences between SFRS and U.S. GAAP that may be material.

The DBS Group has not prepared a complete reconciliation of its consolidated financial statements and related footnote disclosures between SFRS and U.S. GAAP and has not quantified such differences. Accordingly, no assurance is provided that the following summary of certain differences between SFRS and U.S. GAAP is complete. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events are presented in the consolidated annual or interim financial statements. Additionally, no attempt has been made to identify future differences (i.e. differences for standards mandatorily effective after the latest balance sheet in this offering document) between SFRS and U.S. GAAP as a result of prescribed changes in accounting standards. Regulatory bodies that promulgate SFRS and U.S. GAAP have significant projects ongoing that could affect future comparisons such as this one. The DBS Group believes that the application of U.S. GAAP to the audited consolidated financial statements and the unaudited consolidated condensed interim financial statements would or could have a material affect and significant impact upon the financial information as reported under SFRS. In making an investment decision, investors must rely upon their own examination of the DBS Group, the terms of the offering and the financial information herein. Potential investors should consult their own professional advisors for an understanding of the differences between SFRS and U.S. GAAP and how these differences might affect the financial information herein.

Hedge Accounting

SFRS

Hedge accounting is permitted provided that an entity meets stringent qualifying criteria in relation to documentation and hedge effectiveness. There are three types of hedged relationships namely: fair value hedge, cash flow hedge and hedge of a net investment in a foreign operation.

In order to apply hedge accounting, the entity is required to identify the hedged item, hedging instrument and the risk to be hedged. In addition, the entity would need to assess the hedge effectiveness of the hedge relationship at the inception and throughout the life of the hedge relationship.

U.S. GAAP

Generally, hedge accounting under U.S. GAAP is similar in principle to SFRS. However, there are various differences in its application and assessment of hedge effectiveness. For example U.S. GAAP permits an entity to assume that certain narrowly-defined types of hedging relationships where the critical terms of the swaps and the hedged assets or liabilities are the same, will be completely effective. There is no equivalent “short-cut” method under SFRS.

Consolidation

SFRS

Under SFRS, consolidated financial statements should include all subsidiaries and in determining whether a parent/subsidiary relationship exists, the focus is on the concept of control. Control is the parent’s power to govern the financial and operating policies of a subsidiary to obtain benefits.

Companies acquired (disposed of) are included in (excluded from) consolidation from the date on which control passes. Presently exercisable potential voting rights are also considered in determining whether to consolidate an entity. SFRS requires consolidation of special purpose entities, or SPEs, where the substance of the relationship indicates that an entity controls the SPE.

U.S. GAAP

Under U.S. GAAP, a company should first consider the guidance under ASC 810-10-15-3, and determine if the entity is a variable interest entity (“VIE”). VIEs include many entities such as SPEs, trusts, and other companies. VIEs are evaluated for consolidation based on all contractual, ownership, or other interests that expose their holders to the risks and rewards of the entity, where such interests are termed variable interests. The holder of a potentially significant variable interest that also has the power to direct the activities of the VIE which most affect its performance is the VIE’s primary beneficiary, and is required to consolidate the VIE. Prior to January 1, 2010 a VIE’s primary beneficiary was the company that would absorb a majority of the expected losses or residual returns of the VIE.

If it has been determined that an entity is outside the scope of ASC 810-10-15-3, then consideration should be given to ASC 810-10-15-8, which generally requires consolidation when a company directly or indirectly has a controlling financial interest in another entity. The usual condition for a controlling financial interest is ownership of a majority of the voting interests, and, therefore, as a general rule, ownership by one company, directly or indirectly, of over 50.0% of the outstanding voting shares of another entity indicates that the company should consolidate the entity. Consolidation of majority-owned subsidiaries is required in the preparation of consolidated financial statements, unless control is temporary and does not rest with the majority owner.

Joint Ventures

SFRS

Under SFRS, a company should account for its joint ventures using the proportionate consolidation method or the equity method.

U.S. GAAP

Under U.S. GAAP, a company should use the equity method of accounting to recognize the investment in a jointly controlled entity. U.S. GAAP does not permit proportionate consolidation except for unincorporated entities in certain industries.

Business Combinations

SFRS

Deferred taxes in business combination

Under SFRS, the resolution of income tax uncertainties is recognized in the income statement if outside the one-year purchase accounting adjustment period.

Impairment of goodwill

Under SFRS, goodwill is tested annually for impairment under a one-step approach. Goodwill is assigned to one or more cash-generating units (“CGUs”). Each represents the smallest CGU to which goodwill can be allocated based on a reasonable and consistent basis (i.e. the CGU should represent the lowest level at which management monitors the return on investment in assets that include goodwill). The CGU is not larger than an operating segment. The recoverable amount of the cash-generating unit (i.e. the higher of an asset’s fair value less costs to sell and its value in use) is compared to its carrying amount. The impairment loss is recognized as the difference. If the impairment loss exceeds the book value of goodwill, complex allocation rules must be followed.

U.S. GAAP

Deferred taxes in business combination

Prior to January 1, 2009, under U.S. GAAP, the subsequent resolution of any tax uncertainty related to a business combination was applied as an increase or a decrease in the goodwill attributable to that acquisition regardless of the timing of resolution. Since January 1, 2009 the accounting treatment has converged with SFRS where the resolution of income tax uncertainties is recognized in the income statement if outside the one-year purchase accounting adjustment period.

Impairment of goodwill

Under U.S. GAAP, goodwill is tested annually for impairment using a two-step process. The first step is to identify any potential impairment, and the second step measures the amount of impairment, if any. In the first step, the fair value of the reporting unit to which the goodwill has been allocated is compared to the book value of the reporting unit (including the goodwill). If the carrying value is in excess of the fair value, step two is performed to measure the amount of impairment loss, if any. In step two, the implied fair value of the reporting unit is allocated to all the individual assets and liabilities comprising the reporting unit with goodwill being determined as the residual amount. The implied fair value of the goodwill is then compared to its book value. If the book value of the goodwill is in excess of its implied fair value, an impairment loss is recognized in operating income for the excess.

Financial assets and financial investments

SFRS

SFRS requires that financial assets be classified in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale. Financial assets at fair value through profit or loss are sub-categorized to financial assets held for trading and designated at fair value through profit or loss at inception.

A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception include those that are managed and their performances are evaluated on a fair value basis. Financial assets at fair value through profit or loss are carried at fair value and the changes in fair value are recognized in the income statement. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently carried at amortized cost using the effective interest method. Financial assets classified as available-for-sale are carried at fair value and the changes in fair value are recognized in the fair value reserve. The DBS Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of financial assets classified as available-for-sale, a significant or prolonged decline in the fair value of the investment below its cost is considered as an indicator that available-for-sale-financial asset is impaired. If any evidence of impairment exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss) that was recognized in the fair value reserve is reclassified to profit or loss. The impairment losses recognized as an expense on equity securities are not reversed through profit or loss.

U.S. GAAP

U.S. GAAP requires specific accounting depending on whether the investment is a debt or equity security. Debt securities are classified as trading, available-for-sale or held-to-maturity. Equity securities that have readily determinable fair value are classified as trading or available-for-sale. If securities (both debt and equity) are held principally for resale in the near term, they should be classified as trading. Debt securities that an entity has both the ability and intent to hold until maturity should be classified as held-to-maturity. All other securities would be considered available-for-sale.

Securities classified as trading are carried at fair value and realized gains and losses arising from the change in fair value are recognized in the income statement. Securities classified as available-for-sale are carried at fair value and unrealized gains and losses arising from the change in fair value are recognized in other comprehensive income within shareholders' equity. Debt securities classified as held-to-maturity are carried at amortized cost. Equity securities for which there is no readily determinable fair value (i.e. investment in non-public entity) are typically accounted for at cost.

For listed securities classified as held-to-maturity or available-for-sale and securities recorded at cost, a company should determine whether a decline in fair value is other than temporary. An other than temporary impairment is generally defined as a prolonged period in which the fair value of the investment remains at a level substantially below the investment's cost. If the decline is other than temporary, the cost basis of the security should be written down to fair value and become the new cost basis and the write-down should be included in earnings as a realized loss. Each individual security should be evaluated for impairment as the practice of providing a general allowance for unidentified impairment is not appropriate.

Long-Lived Assets

SFRS

Historical cost is the primary basis of accounting. However, SFRS permits the revaluation to fair value of intangible assets; property, plant and equipment; and investment property and inventories in certain industries (e.g., commodity broker/dealer).

U.S. GAAP

U.S. GAAP generally utilizes historical cost and prohibits revaluations except for certain categories of financial instruments, which are carried at fair value.

Leases Involving Land and Buildings

SFRS

Under SFRS, land and building elements must be considered separately, unless the land element is not material. This means nearly all leases involving land and buildings are bifurcated into two components, with separate classification considerations and accounting for each component.

Leasehold lands are allowed to be treated as finance leases and leased assets be recorded as an item of property, plant and equipment or investment property, which can be carried using cost or revaluation/fair value model.

U.S. GAAP

Under U.S. GAAP, when a lease involves both land and buildings and the lease does not meet either the transfer of ownership or bargain purchase option criterion of ASC 840-10-24-1 (a) and (b), the land portion of the lease is ignored (i.e. the entire lease is treated simply as a lease of the building) in classification and recording unless the fair value of the land is 25 percent or more of the fair value of the leased property unit. When the 25 percent test is met, the lease is required to be bifurcated into its land and building elements. The portion of the annual lease payment deemed to pertain to the land is determined by multiplying the lessee's incremental borrowing rate by the fair value of the land; this portion of the lease payments is treated as an operating lease. The balance of the lease payments is deemed to related to the building which is classified separately under ASC 840-10-25-I(c) and I(d).

Impairment of Assets, Other than Goodwill and Indefinite-Lived Intangibles

SFRS

Under SFRS, assets (other than goodwill and indefinite-lived intangibles) are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recovered. If there is such an indication, the asset must be tested for impairment. The impairment loss is the difference between the asset's carrying amount and its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. Value in use is the future cash flows to be derived from the particular asset, discounted to present value using a pre-tax market-determined rate that reflects the current assessment of the time value of money and the risks specific to the asset. Impairment of long-lived assets are charged to the profit and loss account as an expense unless the impairment reverses a previous revaluation increase, in which case, it is charged directly against any revaluation reserve to the extent that the reduction does not exceed the amount held in the revaluation reserve in respect of the same item. Any excess will be charged to the profit and loss account. Reversals of impairment losses are allowed if and only if there has been a change in the estimates used to determine the recoverable amount.

U.S. GAAP

Under U.S. GAAP, it is required that long-lived assets held and used and certain identifiable finite-lived intangible assets of an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the relevant asset may not be recoverable. In assessing the recoverability, the entity estimates the future cash flows, undiscounted and without interest charges that are expected to result from the use of the asset and its eventual disposal. An impairment loss is only recognized if the sum of such expected future cash flows is less than the carrying amount of the asset. An impairment loss shall be measured as the difference between the carrying amount of the long-lived asset and its fair value.

Under U.S. GAAP, if an impairment loss is recognized, the adjusted carrying amount of the long-lived asset is its new cost and it is to be depreciated over its remaining useful life. Reversal of a previously recognized impairment loss is prohibited. Generally, an entity should consider all available information including current prices, historical averages, and forward pricing curves in assessing the impairment loss. Those marketplace assumptions typically should be consistent with a company's operating plans and financial projections underlying other aspects of the impairment analysis. It would generally be inappropriate for a company to use a single factor, such as the current price or a historical average, as a surrogate for estimating future prices without considering other information that a market participant would consider.

Foreign Currency Translation

SFRS

Under SFRS, the financial statements of all foreign operations are translated into the presentation currency using period-end, period-average and historical rates, respectively, for assets and liabilities, income and equity accounts. Exchange differences arising on translation are recorded in the currency translation reserve accounts.

U.S. GAAP

Under U.S. GAAP, the functional currency of each of the entities within a group is determined. If the books and records are not maintained in the functional currency, all transactions denominated in a currency other than the functional currency are first "remeasured" into the functional currency before translating the financial statements of that entity into the currency used to present the financial statements ("reporting currency"). In the remeasurement process, monetary assets and liabilities are translated at the period-end exchange rate, non-monetary assets and liabilities are translated at historical exchange rates and income accounts are translated at period-average exchange rates. Exchange differences on remeasurement are recorded in the income statement. If the reporting currency differs from the functional currency, a further translation is required under U.S. GAAP. The functional currency financial statements are translated into the reporting currency using period-end, period-average and historical exchange rates, respectively, for assets and liabilities, income and equity accounts. Exchange differences arising on translation are recorded in the currency translation adjustment account.

Derivative Financial Instruments

SFRS

Under SFRS, the definition of a derivative only requires settlement at a future date. The terms of the derivative contract do not require or permit net settlement. Accordingly, there are some derivatives, such as option and forward agreements to buy unlisted equity investments that fall within the SFRS definition of derivative financial instrument, but not the US GAAP definition.

Similar to US GAAP. A derivative shall be initially measured at fair value on the acquisition date. Subsequent measurement is required with changes in fair value recognized in the income statement, except for a derivative that is a designated and effective hedging instrument, or a financial guarantee contract, or a derivative that is linked to and must be settled by delivery of equity instruments which do not have any quoted market price in an active market and whose fair value cannot be reliably measured.

All derivatives are recognized on the balance sheet as either financial assets or liabilities.

U.S. GAAP

US GAAP contains a requirement for net settlement as part of its definition of a derivative which is not part of the definition of a derivative under SFRS. Under US GAAP, a derivative contract is net settled if its terms require or permit net settlement, it can readily be settled net by a means outside the contract, or it provides for delivery of an asset that puts the recipient in a position not substantially different from net settlement.

Initial measurement — Measured at fair value on the acquisition date.

Subsequent measurement — At fair value with changes recognized in the income statement except for derivatives used in effective cash flow or net investment hedges.

Fair Value Hierarchy

SFRS

Fair value hierarchy is not significantly different from the guidance in US GAAP. Quoted prices in an active market are the best evidence of fair value and in the absence of quoted prices, quoted prices of similar instruments or a valuation technique.

The appropriate quoted market price for an asset held or a liability to be issued is the current bid price and, for an asset to be acquired or a liability held, is the ask price. However, when the entity has assets and liabilities with offsetting market positions, the entity may use the mid-price for the offsetting positions and apply the bid or ask price to the net open position.

Day One gains or losses are recognized only when all inputs to the measurement model are observable.

U.S. GAAP

Quoted prices in an active market are the best evidence of fair value and in the absence of quoted prices, quoted prices of similar instruments or a valuation technique. ASC 820 requires the use of an “exit price” in valuation. The notion of exit price does not necessarily require the use of bid or ask prices. Rather, ASC 820 calls for the use of “the price within the bid-ask spread that is most representative of fair value in the circumstances” and “does not preclude” the use of mid-market prices or other “conventions as a practical expedient” for fair value measurement within a bid-ask spread.

If otherwise supported by the facts and circumstances, entities may recognize Day One gains on financial instruments reported at fair value even when some inputs to the measurement model are not observable.

Convertible Notes

SFRS

Under SFRS, convertible notes that can be converted to share capital at the option of the holder are accounted for as compound financial instruments, net of attributable transactions costs. “Split accounting” is used whereby the proceeds of issuing debt are allocated between the two components: the equity conversion rights (recognized in equity); and the liability, recognized at fair value calculated by discounting at a market rate for a non-convertible debt (recognized in liabilities).

U.S. GAAP

Under U.S. GAAP, these instruments are recorded as liabilities. For conventional convertible debt, the instrument is treated as one unit and recorded as a liability in its entirety (no recognition is given to the equity component), unless the instrument contains a beneficial conversion feature that requires separation. A conversion option will only be separated from the debt instrument if it meets certain criteria. However, the intrinsic value of a beneficial conversion feature (“BCF”) may still need to be recorded in certain circumstances if the conversion option is not required to be separated from the debt instrument.

Deferred Taxes

SFRS

Under SFRS, deferred income taxes are required to be provided in full using the liability method on temporary differences arising between the tax base of an asset or a liability and its carrying amount in the financial statements at any point in time. Deferred tax assets and liabilities arising from temporary differences need to be measured at the rates enacted or substantially enacted by the balance sheet date. Deferred tax liabilities are provided in full on all taxable temporary differences while deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

U.S. GAAP

Under U.S. GAAP, deferred tax assets and liabilities are recognized for the tax consequences of temporary differences by applying enacted statutory rates applicable to future years to differences

between the financial statement carrying amounts and the tax bases of existing assets and liabilities. A valuation allowance is provided to reduce the amount of deferred tax assets if, in the opinion of management, it is considered “more likely than not” that some portion of, or all of, the deferred tax asset will not be realized in the future. “More likely than not” is defined as a likelihood of more than 50.0%. In determining whether a valuation allowance is necessary, a company may not generally consider future anticipated income in measuring the valuation allowance if that company has a history of losses.

Effective January 1, 2007, U.S. GAAP prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a position taken or expected to be taken in a tax return.

SFRS does not have similar guidance.

Leases

SFRS

Under SFRS, a lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Whether a lease is a finance lease or an operating lease depends on the substance of the transaction rather than the form of the contract.

U.S. GAAP

Under U.S. GAAP, a lease is classified as a finance (or capital) lease if one of the following criteria is met: (a) ownership of the leased assets transfers to the lessee at the end of the lease term; (b) the lease contains a bargain purchase option; (c) the lease term is equal to 75% or more of the estimated useful life of the assets; or (d) the net present value of the minimum lease payments equals or exceeds 90% of the underlying fair value of the leased assets less any investment tax credit retained by the lessor.

Dividends

SFRS

Under SFRS, final dividends are recorded in the financial period in which the dividends are approved by the shareholders.

U.S. GAAP

Under U.S. GAAP, dividends are recorded as of the date of declaration by the board of directors.

Other Comprehensive Income

SFRS

Under SFRS, prior to January 1, 2009, items of gains and losses that are recognized directly in the shareholders' equity instead of the profit and loss account (e.g. unrealized revaluation gains or losses on land and buildings and foreign exchange translation difference) can be presented either in the notes or separately highlighted within the primary statements of changes in equity.

With effect from January 1, 2009, all non-owner changes in equity are shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

U.S. GAAP

U.S. GAAP requires the reporting of comprehensive income and its components in a financial statement that is displayed with the same prominence as other financial statements that constitute a full set of financial statements. Comprehensive income is composed of two subsets: net income and other comprehensive income (“OCI”). Items reported should be accumulated in a separate “accumulated OCI” component of shareholders' equity. Accumulated OCI comprises foreign currency

cumulative translation adjustment, unrealized gains (losses) on available-for-sale securities, minimum pension liability and the effective portion of the change in the fair value of cash flow and net investment hedge under ACS 815-35 related to other comprehensive income items. Items reported should be accumulated.

Bond Issue Costs

SFRS

Under SFRS, the unamortized portion of the bond issue costs is presented net of debt.

U.S. GAAP

Under U.S. GAAP, bonds, notes and debentures' issue costs (other than those incurred by the lender) are generally capitalized as an asset (i.e. deferred charges), and depending on an issuer's complement of debt instruments, the issuer may have various amortization policies for debt issue costs. Costs incurred by the lender, or on behalf of the lender, which are paid by the issuer, are considered debt discounts. Such debt discounts are presented net of debt.

Diluted Earnings-Per-Share Calculation

SFRS

Dilutive potential common shares shall be determined independently for each period presented, not a weighted average of the dilutive potential common shares included in each interim computation. The contracts that can be settled in either common shares or cash at the election of the entity or the holder are always presumed to be settled in common shares and included in diluted earnings-per-share ("EPS"); that presumption may not be rebutted.

U.S. GAAP

In computing diluted EPS, the treasury stock method is applied to instruments such as options and warrants. This requires that the number of incremental shares applicable to the contract be included in the EPS denominator by computing a year-to-date weighted-average number of incremental shares from each quarterly diluted EPS computation.

The if-converted method applies to most convertible securities, which requires the denominator to be adjusted under the assumption that all potential common shares under the contract are issued at the beginning of the period.

Accounting for Guarantees

SFRS

Under SFRS, performance guarantees are treated as contingent liabilities and disclosed in the financial statements as it is not anticipated that material liabilities will arise from the contingent liabilities.

U.S. GAAP

U.S. GAAP requires the recognition of a liability or asset at fair value determined based on the probability weighted cash flows for certain types of third-party guarantees. In addition, the guarantor is required to disclose (a) the nature of the guarantee including the approximate term of the guarantee, how the guarantee arose and the events or circumstances that would require the guarantor to perform under the guarantee; (b) the maximum potential amount of future payments under the guarantee; (c) the carrying amount of the liability, if any, for the guarantor's obligation under the guarantee; and (d) the nature and extent of any recourse provision or available collateral that would enable the guarantor to recover the amounts paid under the guarantee.

Related Parties

SFRS

Under SFRS, parties are considered to be related if one party has the ability, directly or indirectly, to exercise significant influence over the party in making financial and operating decisions.

Related parties may be individuals or other entities. Parties are also considered to be related if they are subject to common control or common significant influence. Disclosure requirements under SFRS include the relationship, the amounts involved in a transaction, as well as the balances for each major category of related parties.

The compensation of key management personnel is disclosed in total and by category of compensation.

U.S. GAAP

Under U.S. GAAP, there are broader related party relationships disclosure requirements, and the definition of a related party under U.S. GAAP may include some entities that would not be considered related parties under SFRS, such as principal owners of an enterprise and members of their immediate families.

Disclosure of compensation of key management personnel is not required.

Cash Flow Statement

SFRS

Under SFRS, interest paid and received and dividends received shall be classified in a consistent manner from period to period as operating, investing or financing cash flows. Under SFRS, the indirect method of presenting the statement of cash flows reconciles profit after tax and after share of results of associated companies, to cash flows from operating activities. Cash and cash equivalents include bank overdrafts.

U.S. GAAP

Under U.S. GAAP, interest paid and interest and dividends received are classified as operating activities. Under U.S. GAAP the reconciliation of cash flows from operating activities under the indirect method begins with net income. Bank overdrafts are not included in cash and cash equivalents and, accordingly, changes in balances of overdrafts are classified as financing cash flows.

Non-GAAP Measures

SFRS

There is no specific guidance or prohibition under SFRS regarding the disclosure of non-GAAP measures. In addition, other non-GAAP measures may be disclosed in this offering document.

U.S. GAAP

Under U.S. GAAP, non-GAAP measures that are not specifically permitted by applicable accounting standards may not be presented in financial statements or related notes. For reporting to the U.S. Securities and Exchange Commission, non-GAAP measures may be presented in financial information accompanying the financial statements if the non-GAAP measure is reconciled to the appropriate GAAP measure and disclosure is added explaining the purpose and reason for its inclusion.

Segment Reporting

SFRS

Under SFRS, prior to January 1, 2009, a two-tier approach to segment reporting is required. An entity determines its primary and secondary segment reporting formats based on the dominant source of the entity's business risks and returns. The secondary format requires less disclosure.

With effect from January 1, 2009, operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

U.S. GAAP

Under U.S. GAAP, segment reporting is required for all publicly listed entities. Non-public companies may choose to disclose. A public enterprise is required to report financial and descriptive information about its reportable operating segments. Operating segments are components of an enterprise about which separate financial information is available and that is evaluated regularly by the chief operating decision-maker of a company in deciding how to allocate resources and in assessing performance. Generally, financial information is required to be reported on the same basis that is used internally for evaluating segment performance.

Classification of Debt

SFRS

If completed after the balance sheet date, neither an agreement to refinance or reschedule payments on a long-term basis nor the negotiation of a debt covenant waiver would result in noncurrent classification of debt, even if executed before the financial statements are issued. The presentation of a classified balance sheet is required, except when a liquidity presentation is more relevant.

U.S. GAAP

Entities may classify debt instruments due within the next 12 months as noncurrent at the balance sheet date, provided that agreements to refinance or to reschedule payments on a long-term basis (including waivers for certain debt covenants) get completed before the financial statements are issued. The presentation of a classified balance sheet is required, with the exception of certain industries.

Financial Instruments Disclosure

SFRS

SFRS 107 requires detailed qualitative and quantitative disclosures about the nature and extent of risks arising from financial instruments including credit, liquidity and market risks and how management manages those risks. Such disclosures include detailed sensitivity analyses for each type of market risk to which a company is exposed at the end of the reporting period.

U.S. GAAP

There is no such requirement under U.S. GAAP. These disclosures are similar to the liquidity disclosures required under "Item 303 – Management's Discussion and Analysis of Financial Condition and Results of Operations" under Regulation S-K of the US Securities Act of 1933.

Interim financial reporting

SFRS

Interim financial statements are prepared via the discrete-period approach, wherein the interim period is viewed as a separate and distinct accounting period, rather than as part of an annual cycle.

U.S. GAAP

US GAAP views interim periods primarily as integral parts of an annual cycle. As such, it allows entities to allocate among the interim periods certain costs that benefit more than one of those periods.

SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated October 11, 2011 (the “Dealer Agreement”) between the Issuer, the Programme Dealers and the Joint Arrangers, the Notes will be offered on a continuous basis by the Issuer to the Programme Dealers. However, the Issuer has reserved the right to issue Notes directly on its own behalf to Dealers that are not Programme Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between the Issuer and the Dealer in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Joint Arrangers for certain of their expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they may make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

In order to facilitate the offering of any Tranche of the Notes, one or more Dealers named as Stabilizing Managers (or persons acting on behalf of any Stabilizing Manager) in the relevant Pricing Supplement, to the extent permitted by applicable laws and regulations, may engage in transactions that stabilize, maintain or otherwise affect the market price of the relevant Notes during and after the offering of the relevant Tranche. Specifically, such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the Issuer. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilize or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilization transactions or otherwise. The effect of these transactions may be to stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to whether such stabilization activities will take place at all or the magnitude or effect of any such stabilizing or other transactions. Such transactions, if commenced, may be discontinued at any time. Stabilization activities are subject to certain prescribed time limits in certain jurisdictions. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes.

See “Clearing and Settlement — Book-Entry Ownership — Pre-issue Traders Settlement for Registered Notes” with respect to the settlement of any Notes issued.

Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to further agree, that it will not directly or indirectly offer, sell, resell, re-offer or deliver Notes to any entity listed under “Related Parties of the Issuer” below or in any such list being updated in writing by the Issuer and delivered to the Dealers in accordance with Clause 8.26 (Related Parties Information) of the Dealer Agreement.

Related Parties of the Issuer

1. AXS PTE. LTD.
2. Dao Heng Finance Limited
3. DBS Asia Capital Limited
4. DBS Bank (China) Ltd.
5. DBS Bank (Hong Kong) Limited
6. DBS Bank (Taiwan) Ltd
7. DBS Capital Funding Corporation
8. DBS Capital Funding II Corporation
9. DBS Capital Investments Ltd
10. DBS China Square Limited
11. DBS Corporate Services (Hong Kong) Limited
12. DBS Diamond Holdings Ltd.
13. DBS Group (HK) Limited
14. DBS Group Holdings Ltd.
15. DBS Group Holdings (Hong Kong) Ltd.
16. DBS Insurance Agency (Taiwan) Limited
17. DBS Investment & Financial Advisory Co., Ltd.
18. DBS Kwong On (Nominees) Limited
19. DBS Kwong On Finance Limited
20. DBS Kwong On Limited
21. DBS Nominees (Private) Limited
22. DBS Overseas Limited
23. DBS Private Equity Enterprise
24. DBS Trustee (Hong Kong) Limited
25. DBS Trustee H.K. (Jersey) Limited
26. DBS Trustee H.K. (New Zealand) Limited
27. DBS Trustee Limited
28. DBS Vickers (Hong Kong) Limited
29. DBS Vickers Research (Singapore) Pte Ltd
30. DBS Vickers Securities (Hong Kong) Limited
31. DBS Vickers Securities (Singapore) Pte Ltd
32. DBS Vickers Securities (Thailand) Co Ltd
33. DBS Vickers Securities (UK) Limited
34. DBS Vickers Securities (USA) Inc.
35. DBS Vickers Securities Holdings Pte Ltd
36. DBS Vickers Securities Nominees (Hong Kong) Limited
37. DBS Vickers Securities Nominees (Singapore) Pte Ltd
38. DBS Vickers Securities Online Holdings Pte Ltd
39. DBSAM Funds
40. DBSN Services Pte. Ltd.
41. DHB Limited
42. DHJ Management Limited
43. DNZ Limited
44. Hang Lung Bank (Nominee) Limited
45. JT Administration Limited
46. Kendrick Services Limited
47. Kenson Asia Limited
48. Kingly Management Limited
49. Lushington Investments Limited
50. Market Success Limited
51. OTB Card Company Limited
52. OTB International Factors Limited
53. Overseas Trust Bank Nominees Limited
54. Primefield Company Pte Ltd
55. PT Bank DBS Indonesia
56. PT DBS Vickers Securities (Indonesia)
57. Quickway Limited
58. The Islamic Bank of Asia Limited
59. Ting Hong Nominees Limited
60. Vickers Ballas Asset Management Pte Ltd
61. Vickers Ballas Consultancy Services Limited
62. Vickers Ballas Investment Management Limited
63. Worldson Services Limited
64. Ayala DBS Holdings Inc
65. Bank of The Philippines Islands
66. Century Horse Group Limited
67. Changsheng Fund Management Company Ltd.
68. Clearing and Payment Services Pte Ltd
69. Hutchison DBS Card Limited
70. Hwang-DBS (Malaysia) Berhad

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| 71. Hwang DBS Investment Management Berhad | 75. Orix Leasing Singapore Limited |
| 72. HwangDBS Vickers Research Sdn Bhd | 76. Raffles Fund 1 Limited |
| 73. Investment and Capital Corporation of the Philippines | 77. The Asian Entrepreneur Legacy One, L.P. |
| 74. Network for Electronic Transfers (Singapore) Pte Ltd | |

Declaration of Interest

DBS Bank Ltd. is the Issuer and is also acting as a Joint Arranger and a Programme Dealer in respect of the Programme.

The Programme Dealers are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Each of the Programme Dealers and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Programme Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the Issuer. The Programme Dealers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

United States

The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Each Dealer has represented and agreed that it has offered and sold the Notes of any Tranche, and will offer and sell the Notes of any Tranche (a) as part of their distribution at any time and (b) otherwise until the expiration of 40 days after the completion of the distribution of such Tranche as determined and such completion is certified to each relevant Dealer by the Issuing and Paying Agent or the lead manager of a syndicated issue of Notes, as the case may be, only in accordance with Rule 903 of Regulation S under the Securities Act or (only as provided below) Rule 144A. Accordingly, each Dealer has represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer has agreed to notify the Issuing and Paying Agent or, in the case of a syndicated issue of Notes, the Lead Manager when it has completed the distribution of its portion of the Notes of any Tranche so that the Issuing and Paying Agent or the lead manager of a syndicated issue of Notes, as the case may be, may determine completion of the distribution of all Notes of such Tranche and notify the other relevant Dealers of the end of the distribution compliance period. Each Dealer also has agreed that, at or prior to confirmation of a sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until the expiration of 40 days after completion of the distribution of all Notes of the Tranche of which such

Notes are a part as determined and certified by the relevant Dealer, in the case of a non-Syndicated Issue, or the Lead Manager, in the case of a Syndicated Issue, and except in either case in accordance with Regulation S or Rule 144A under the Securities Act. Terms used above have the meanings given to them by Regulation S.”

Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, unless the pricing supplement or subscription agreement relating to one or more Tranches specifies that the applicable TEFRA exemption is either “C Rules” or “not applicable”, each Dealer has represented in relation to each Tranche of Notes in bearer form that:

- except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (the “D Rules”), (i) that it has not offered or sold, and during the restricted period it will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (ii) it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;
- it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes in bearer form may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- if it is a United States person, that it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(6);
- with respect to each affiliate that acquires Notes in bearer form from a Dealer for the purpose of offering or selling such Notes during the restricted period, it either (a) repeats and confirms the representations contained in the first three bullet points above on behalf of such affiliate or (b) agrees that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in the first three bullet points above; and
- it has not and agrees that it will not enter into any written contract (as defined in United States Treasury Regulation Section 1.163-5(c)(2)(i)(D)(4)) pursuant to which any other party to the contract (other than one of its affiliates or another Dealer) has offered or sold, or during the restricted period will offer or sell, any Notes, except where pursuant to the contract the Dealer has obtained or will obtain from that party, for the benefit of the Issuer and the relevant Dealers, the representations contained in, and that party’s agreement to comply with, the provisions of the first four bullet points above.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder, including the D Rules.

Notes issued pursuant to the D Rules (other than temporary Global Notes) and any receipts or coupons appertaining thereto will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.

In respect of Notes in bearer form where TEFRA C is specified in the applicable Pricing Supplement under U.S. Treas. Reg. section 1.163-5(c)(2)(i)(C)(the “C Rules”), such Notes in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance. In relation to each Tranche, each Dealer has represented and agreed that it has not offered, sold or delivered, and shall not offer, sell or deliver, directly or indirectly, such Notes in bearer form within the United States or its possessions in connection with their original issuance. Further, each Dealer has represented and agreed in connection with the original issuance of such Notes in bearer form that it has not communicated, and will not communicate, directly or indirectly, with

a prospective purchaser if either such purchaser or it is within the United States or its possessions or otherwise involve its U.S. office in the offer or sale of such Notes in bearer form. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder, including the C Rules.

In connection with an offer or sale of any Notes in the United States or an offering in reliance on or pursuant to Regulation S, each Dealer has represented and agreed that, it is (a) a “qualified institutional buyer” within the meaning of Rule 144A and an “accredited investor” within the meaning of Rule 501(a) under the Securities Act or (b) a non-U.S. person outside of the United States.

Notwithstanding anything above to the contrary, it is understood that the Notes may be offered and sold in the United States, and in connection therewith each Dealer has represented and agreed or will represent and agree that:

- offers, sales, resales and other transfers of Notes made in the United States made or approved by a Dealer (including offers, resales or other transfers made or approved by a Dealer in connection with secondary trading) shall be made with respect to Registered Notes only and shall be effected pursuant to an exemption from the registration requirements of the Securities Act;
- offers, sales, resales and other transfers of Notes made in the United States will be made only in private transactions to institutional investors that are reasonably believed to qualify as “qualified institutional buyers” within the meaning of Rule 144A;
- the Notes will be offered in the United States only by approaching prospective purchasers on an individual basis. No general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act will be used in connection with the offering of the Notes in the United States;
- no sale of the Notes in the United States to any one purchaser will be for less than U.S.\$200,000 (or its foreign currency equivalent) principal amount and no Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$200,000 (or its foreign currency equivalent) principal amount of the Notes; and
- each Note sold in the United States shall contain a legend stating that such Note has not been, and will not be, registered under the Securities Act, that any resale or other transfer of such Note or any interest therein may be made only:
 - (1) to the Issuer or any subsidiary thereof;
 - (2) to a qualified institutional buyer in a transaction which meets the requirements of Rule 144A;
 - (3) outside the United States to a non-U.S. person pursuant to Regulation S under the Securities Act;
 - (4) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available); or
 - (5) pursuant to an effective registration statement under the Securities Act.

Resale or secondary market transfer of Notes in the United States may be made in the manner and to the parties specified above and to qualified institutional buyers in transactions which meet the requirements of Rule 144A.

The Issuer represents and agrees that any resale or other transfer, or attempted resale or other transfer of Notes sold as part of a private placement in the United States made other than in compliance with the restrictions set out in paragraphs (i) through (v) above shall not be recognized by the Issuer or any agent of the Issuer and shall be void. The certificates for the Notes sold in the United States shall bear a legend to this effect.

Each issue of other types of Notes may be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement. The relevant Dealer agrees that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Dealer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (i) if the relevant Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “Non-exempt Offer”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the relevant Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (iii) at any time to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (i) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented to the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

United Kingdom

Each Dealer has represented and agreed that:

- (i) in relation to any Notes which have 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 Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as 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 Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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 Notes in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorized person, apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

Hong Kong

Each Dealer has represented and agreed that (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (ii) 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 Notes, 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 Notes 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 and any rules made under that Ordinance.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the “Financial Instruments and Exchange Act”). Accordingly, each Dealer has represented and agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949, as amended)) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other applicable laws and regulations of Japan.

Singapore

Each Dealer has acknowledged that this Offering Circular has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law; or
- (iv) as specified in Section 276(7) of the SFA.

Indonesia

Each Dealer has acknowledged that the Notes have not been and will not be registered with the Indonesian Capital Markets and Financial Institutions Supervisory Agency (Badan Pengawas Pasar Modal dan Lembaga Keuangan) and therefore may not be offered or sold in Indonesia or to Indonesian citizens in a manner which constitutes a public offering within the meaning of Law No. 8 Year 1995 regarding the Capital Markets (10 November 1995) and its implementing regulations. Each Dealer has represented and agreed that, in any offering of Notes, the Dealers in aggregate will not, directly or indirectly, expressly or implicitly:

- (i) offer Notes to more than 100, or sell Notes to more than 50, persons in Indonesia and/or citizens of Indonesia; or
- (ii) offer Notes by way of any mass media, including any newspaper, magazine, film, television, radio or other electronic media or any letter, brochure or other printed matter, distributed to more than 100 persons in Indonesia and/or citizens of Indonesia,

unless the offering is for Notes the value of which is less than Rp. 1,000,000,000 in aggregate. For purposes of these restrictions, as required by applicable regulations in Indonesia, offers of the same securities occurring in offerings that are not separated by a period of at least 12 months will be aggregated.

Taiwan

The Notes have not been and will not be registered with the Financial Supervisory Commission of Taiwan, the Republic of China pursuant to relevant securities laws and regulations of Taiwan, the Republic of China and may not be offered or sold in Taiwan, the Republic of China through a public offering or in circumstance which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan, the Republic of China that requires a registration or approval of the Financial Supervisory Commission of Taiwan, the Republic of China. No person or entity in Taiwan, the Republic of China has been authorized to offer or sell the Notes in Taiwan, the Republic of China.

General

These selling restrictions may be modified by the agreement of the Issuer and any Dealers, following a change in applicable law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

Each Dealer has agreed that it will, to the best of its knowledge and belief, comply with all relevant securities laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Offering Circular, any other offering material or any Pricing Supplement and neither the Issuer nor any other Dealer shall have responsibility therefor.

None of the Issuer and any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

FORM OF PRICING SUPPLEMENT

Pricing Supplement dated [●]

DBS BANK LTD.

[(acting through its [Hong Kong branch/London branch])]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the U.S.\$15,000,000,000 Global Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated [●] [and the supplemental [Offering Circular] dated [●]]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular [as so supplemented].

The following language applies if any tranche of the Notes is intended to be “qualifying debt securities” (as defined in the Income Tax Act, Chapter 134 of Singapore):

[Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the “ITA”), shall not apply if such person acquires such Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

The following alternative language applies if the first tranche of an issue which is being increased was issued under Offering Circular with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Offering Circular dated [original date]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [current date] [and the supplemental Offering Circular dated [●]], save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto.]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]

- | | | |
|---|--|---|
| 1 | Issuer: | DBS Bank Ltd. [(acting through its [Hong Kong branch/London branch])] |
| 2 | (i) Series Number: | [●] |
| | (ii) Tranche Number: | [●] |
| | (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).] | |
| 3 | Specified Currency or Currencies: | [●] |
| 4 | Aggregate Nominal Amount: | [●] |
| | (i) Series: | [●] |
| | (ii) Tranche: | [●] |

- 5 (i) Issue Price: [●]% of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (*in the case of fungible issues only, if applicable*)]
- (ii) Net proceeds: [●] (*Required only for listed issues*)
- 6 (i) Specified Denominations: [●]
If the Specified Denomination is expressed to be €100,000 or its equivalent and multiples of a lower nominal amount (for example €1,000), insert the following: “€100,000 and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No notes in definitive form will be issued with a denomination above [€199,000]”.
- (ii) Calculation Amount: [●]
- 7 (i) Issue Date: [●]
- (ii) Interest Commencement Date [*Specify/Issue date/Not Applicable*]
- 8 Maturity Date: [*specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year/None*]
- 9 Interest Basis: [●% Fixed Rate [from [●] to [●]]
[[*specify reference rate*] +/- ●% Floating Rate [from [●] to [●]]
[Zero Coupon]
[Other (*specify*)]
(further particulars specified below)
- 10 Redemption/Payment Basis: [Redemption at par]
[Partly-Paid]
[Installment]
[Other (*specify*)]
- 11 Change of Interest or Redemption: [*Specify details of any Payment Basis: provision for convertibility of Notes into another interest or redemption/ payment basis*]
- 12 Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
- 13 Status of the Notes: [Senior/Subordinated]
- 14 Listing: [SGX-ST/(*specify*)/None]
- 15 Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 16 Fixed Rate Note Provisions: [Applicable/Not Applicable/Applicable from and including the [Issue Date/Interest Payment Date falling on [●] to but excluding the [Interest Payment Date falling on [●]/Maturity Date]
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Rate[(s)] of Interest: [●]% per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]

- (ii) Interest Payment Date(s): [●] in each year [commencing on the [Issue Date /Interest Payment Date falling on [●] and ending on the [Interest Payment Date falling on [●]/Maturity Date]] [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of “Business Day”]/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA)/other]
- (vi) [Determination Dates: [●] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*give details*]
- 17 Floating Rate Note Provisions: [Applicable/Not Applicable/Applicable from and including the [Issue Date /Interest Payment Date falling on [●] to but excluding the [Interest Payment Date falling on [●]/Maturity Date] *(If not applicable, delete the remaining subparagraphs of this paragraph.)*]
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●]
- (iii) Interest Period End Date: [●]
(Not applicable unless different from Interest Payment Date)
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (give details)]
- (v) Business Centre(s): [●] *(insert New York city for U.S. dollar denominated Notes to be held through DTC and for non-U.S. dollar denominated Notes where exchange into U.S. dollars is contemplated for DTC participants holding through Euroclear and Clearstream, Luxembourg)*
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (*give details*)]
- (vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Agent]): [●]
- (viii) Screen Rate Determination:
- Reference Rate: [●]
 - Interest Determination Date(s): [●]
 - Relevant Screen Page: [●]

- (ix) ISDA Determination:
 - Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
 - (x) Margin(s): [+/-][●] % per annum
 - (xi) Minimum Rate of Interest: [●] % per annum
 - (xii) Maximum Rate of Interest: [●] % per annum
 - (xiii) Day Count Fraction: [●]
 - (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [●]
- 18 Zero Coupon Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Amortization Yield [●] % per annum
 - (ii) Any other formula/basis of determining amount payable: [●]

PROVISIONS RELATING TO REDEMPTION

- 19 Call Option: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
 - (ii) Optional Redemption Amount(s) of each Note and specified denomination method, if any, of calculation of such amount(s): [●] per Calculation Amount
 - (iii) If redeemable in part:
 - Minimum Redemption Amount: [●] per Calculation Amount
 - Maximum Redemption Amount: [●] per Calculation Amount
 - (iv) Notice period: [●]
- 20 Put Option: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): [●]
 - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount
 - (iii) Notice period: [●]
- 21 Final Redemption Amount of each Note [●] per Calculation Amount
- 22 Early Redemption Amount
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/ or the method of calculating the same (if required or if different from that set out in the Conditions): [●]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23 Form of Notes:

Bearer Notes:

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]

[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]

[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]

(N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)

Registered Notes:

[Regulation S Global Note (U.S.\$/€[●] nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg]]

[Rule 144A Global Note (U.S.\$[●] nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg]]

24 Financial Centre(s) or other special provisions relating to Payment Dates:

[Not Applicable/give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 16 (ii) and 17(iv) relate] *(insert New York City for U.S. dollar denominated Notes to be held through DTC)*

25 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):

[Yes/No. *If yes, give details*]

26 Details relating to Partly-Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:

[Not Applicable/*give details*]

27 Details relating to Installment Notes: amount of each installment ("Installment Amount"), date on which each payment is to be made ("Installment Date"):

[Not Applicable/*give details*]

28 Other terms or special conditions:

[Not Applicable/*give details*]

DISTRIBUTION

29

(i) If syndicated, names of Managers: [Not Applicable/*give names*]

(ii) Stabilizing Manager (if any): [Not Applicable/*give name*]

30 If non-syndicated, name of Dealer: [Not Applicable/*give name*]

31 Whether TEFRA D or TEFRA C was applicable or TEFRA rules not applicable: [TEFRA D / TEFRA C/ TEFRA not applicable (for Bearer Notes with a maturity of one year or less or Registered Notes)]*

32 Additional selling restrictions: [Not Applicable/*give details*]

OPERATIONAL INFORMATION

33 ISIN Code: [●]

34 Common Code: [●]

35 CUSIP: [●]

36 Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and/or DTC and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]

37 Delivery: Delivery [against/free of] payment

38 Additional Paying Agent(s) (if any): [●]

GENERAL

39 Applicable Governing Document: [Trust Deed dated [●]]
[Singapore Supplemental Trust Deed dated [●]]
[Supplemental Trust Deed for Subordinated Notes dated [●]]

40 Governing Law: [English law] [save that the provisions relating to Subordinated Notes in relation to subordination, set-off and payment void, and default and enforcement shall be governed by, and construed in accordance with, the laws of Singapore] [Singapore law]

[PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on the Singapore Exchange Securities Trading Limited of the Notes described herein pursuant to the U.S.\$15,000,000,000 Global Medium Term Note Programme of DBS Bank Ltd.]

* Where TEFRA D is applicable, a Bearer Note must be issued in the form of a temporary Global Note exchangeable upon a U.S. tax certification for a Permanent Global Note or a Definitive Note.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of DBS Bank Ltd.:

By:
Duly authorized

CLEARING AND SETTLEMENT

*The following is a summary of the rules and procedures of Euroclear, Clearstream, Luxembourg and DTC (together, the “**Clearing Systems**”), currently in effect, as they relate to clearing and settlement of transactions involving the Notes. The rules and procedures of these systems are subject to change at any time. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Joint Arrangers, any Dealer nor any party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. The applicable Pricing Supplement will specify the Clearing System(s) applicable for each Series.*

The Clearing Systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants (“Participants”) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. DTC is owned by a number of its direct participants (“Direct Participants”), which include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the “Rules”), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC’s book-entry settlement system (“DTC Notes”) as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the U.S. Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes (“Owners”) have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC’s records. The ownership interest of each actual purchaser of each DTC Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participant’s records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the

Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy). Principal and interest payments on the DTC Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Certificate, will be legended as set forth under "Transfer Restrictions".

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organizations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to Euroclear and Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

Book-Entry Ownership

Bearer Notes

The Issuer will make applications to Clearstream, Luxembourg and Euroclear for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. In respect of Bearer

Notes, a Temporary Global Note and/or a Permanent Global Note in bearer form without coupons will be deposited with a common depository for Clearstream, Luxembourg and Euroclear. Transfers of interests in a Temporary Global Note or a Permanent Global Note will be made in accordance with the normal Euromarket debt securities operating procedures of Clearstream, Luxembourg and Euroclear.

Registered Notes

The Issuer will make applications to Clearstream, Luxembourg and Euroclear for acceptance in their respective book-entry systems in respect of the Unrestricted Notes to be represented by each Unrestricted Global Certificate. Each Unrestricted Global Certificate will have an ISIN and a Common Code.

The Issuer will make application to DTC for acceptance in its book-entry settlement system of the Unrestricted Notes and/or the Restricted Notes represented by each Global Certificate. Each Global Certificate will have a CUSIP number. Each Restricted Global Certificate will be subject to restrictions on transfer contained in a legend appearing on the front of such Certificate, as set out under "Transfer Restrictions". In certain circumstances, as described below in "Transfers of Registered Notes", transfers of interests in a Restricted Global Certificate may be made as a result of which such legend is no longer applicable.

The custodian with whom the Global Certificates are deposited (the "Custodian") and DTC will electronically record the nominal amount of the of the individual beneficial interests represented by such Global Certificate to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Global Certificate will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Certificate, the respective depositories of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Global Certificate accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments of the principal of, and interest on, each Global Certificate registered in the name of DTC's nominee will be to or to the order of its nominee as the registered owner of such Global Certificate. The Issuer expects that the nominee, upon receipt of any such payment, will immediately credit DTC participants' accounts with payments in amounts proportionate to their respective beneficial interests in the nominal amount of the relevant Global Certificate as shown on the records of DTC or the nominee. The Issuer also expects that payments by DTC participants to owners of beneficial interests in such Global Certificate held through such DTC participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC participants. None of the Issuer nor any Paying Agent or any Transfer Agent (each an "Agent") will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Global Certificates or for maintaining, supervising or reviewing any records relating to such ownership interests.

All Registered Notes will initially be in the form of an Unrestricted Global Certificate and/or a Restricted Global Certificate. Individual definitive Registered Notes will only be available, in the case of Unrestricted Notes, in amounts specified in the applicable Pricing Supplement, and, in the case of Restricted Notes, in amounts of U.S.\$200,000 (or its equivalent in other currencies), or higher integral multiples of U.S.\$1,000 (or its equivalent in other currencies), in certain limited circumstances described below.

Individual Certificates

Registration of title to Registered Notes in a name other than a depository or its nominee for Clearstream, Luxembourg and Euroclear or for DTC will not be permitted unless (i) in the case of Restricted Notes, DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depository with respect to the Restricted Global Certificate, or ceases to be a "clearing agency" registered under the Exchange Act, or is at any time no longer eligible to act as such and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC, (ii) in the case of Unrestricted Notes, Clearstream, Luxembourg or

Euroclear is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does, in fact, do so. In such circumstances, the Issuer will cause sufficient individual definitive Registered Notes to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholder(s). A person having an interest in a Global Certificate must provide the Registrar with:

- (i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Registered Notes; and
- (ii) in the case of a Restricted Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange, or in the case of a simultaneous resale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Individual definitive Registered Notes issued pursuant to this paragraph (ii) shall bear the legends applicable to transfers pursuant to Rule 144A.

Transfers of Registered Notes

Transfers of interests in Global Certificates within DTC and Clearstream, Luxembourg, Euroclear will be effected in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Restricted Global Certificate to such persons may be limited. Because DTC can only act on behalf of direct participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Restricted Global Certificate to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

Beneficial interests in an Unrestricted Global Certificate may be held only through Clearstream, Luxembourg or Euroclear. Transfers may be made at any time by a holder of an interest in an Unrestricted Global Certificate to a transferee who wishes to take delivery of such interest through the Restricted Global Certificate for the same Series of Notes provided that any such transfer made on or prior to the expiration of the Distribution Compliance Period (as defined in "Subscription and Sale") relating to the Notes represented by such Unrestricted Global Certificate will only be made upon receipt by the Registrar or any Transfer Agent of a written certificate from Euroclear or Clearstream, Luxembourg, as the case may be (based on a written certificate from the transferor of such interest), to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities law of any state of the United States or any other jurisdiction. Any such transfer made thereafter of the Notes represented by such Unrestricted Global Certificate will only be made upon request through Clearstream, Luxembourg or Euroclear by the holder of an interest in the Unrestricted Global Certificate to the Issuing and Paying Agent and receipt by the Issuing and Paying Agent of details of that account at DTC to be credited with the relevant interest in the Restricted Global Certificate. Transfers at any time by a holder of any interest in the Restricted Global Certificate to a transferee who takes delivery of such interest through an Unrestricted Global Certificate will only be made upon delivery to the Registrar or any Transfer Agent of a certificate setting forth compliance with the provisions of Regulation S and giving details of the account at Euroclear or Clearstream, Luxembourg, as the case may be, and DTC to be credited and debited, respectively, with an interest in the relevant Global Certificates.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described above and under "Transfer Restrictions", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Custodian, the Registrar and the Issuing and Paying Agent.

On or after the Issue Date for any Series of Registered Notes, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement day three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Global Registered Certificates will be effected through the Issuing and Paying Agent, the Custodian and the Registrar receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers will be effected on the later of (i) three business days after the trade date for the disposal of the interest in the relevant Global Registered Certificate resulting in such transfer and (ii) two business days after receipt by the Issuing and Paying Agent or the Registrar, as the case may be, of the necessary certification or information to effect such transfer. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

For a further description of restrictions on transfer of Registered Notes, see “Transfer Restrictions”.

DTC will take any action permitted to be taken by a holder of Registered Notes (including, without limitation, the presentation of Restricted Global Certificates for exchange as described above) only at the direction of one or more participants in whose account with DTC interests in Restricted Global Certificates are credited and only in respect of such portion of the aggregate nominal amount of the relevant Restricted Global Certificates as to which such participant or participants has or have given such direction. However, in the circumstances described above, DTC will surrender the relevant Restricted Global Certificates for exchange for individual definitive Registered Notes (which will, in the case of Restricted Notes, bear the legend applicable to transfers pursuant to Rule 144A).

Although DTC, Clearstream, Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Certificates among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer or any Agent will have any responsibility for the performance by DTC, Clearstream, Luxembourg, Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

While a Restricted Global Certificate is lodged with DTC or the Custodian, Restricted Notes represented by individual definitive Registered Notes will not be eligible for clearing or settlement through DTC, Clearstream, Luxembourg or Euroclear.

Pre-issue Trades Settlement for Registered Notes

It is expected that delivery of Notes will be made against payment therefor on the relevant Issue Date, which could be more than three business days following the date of pricing. Under Rule 15c6-1 of the U.S. Securities and Exchange Commission under the Exchange Act, trades in the United States secondary market generally are required to settle within three business days (T+3), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes in the United States on the date of pricing or the next succeeding business days until the relevant Issue Date will be required, by virtue of the fact that the Notes initially will settle beyond T+3, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices and purchasers of Notes who wish to trade Notes between the date of pricing and the relevant issue date should consult their own adviser.

TRANSFER RESTRICTIONS

Restricted Notes

Each purchaser of Restricted Notes within the United States pursuant to Rule 144A, by accepting delivery of this Offering Circular, will be deemed to have represented, agreed and acknowledged that:

- (i) it is (a) a QIB, (b) acquiring such Restricted Notes for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Restricted Notes has been advised, that the sale of such Restricted Notes to it is being made in reliance on Rule 144A;
- (ii) it understands that such Restricted Notes have not been and will not be registered under the Securities Act and any other applicable U.S. state securities laws and (a) may not be offered, sold, pledged or otherwise transferred except (i) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (ii) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States; (b) the purchaser will, and each subsequent purchaser is required to, notify any subsequent purchaser of such notes from it of the resale restrictions referred to in (a) above; and (c) no representation can be made as to the availability of the exemption provided by Rule 144 under the Securities Act for resale of the Notes.

If it is a person other than a person outside the United States, it agrees that if it should resell or otherwise transfer the Notes, it will do so only:

- to the Issuer or any of our respective affiliates;
 - inside the United States to a qualified institutional buyer in compliance with Rule 144A;
 - outside the United States in compliance with Rules 903 or 904 under the Securities Act;
 - pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available); or
 - pursuant to an effective registration statement under the Securities Act.
- (iii) it understands that such Restricted Notes, unless the Issuer determines otherwise in compliance with applicable law, will bear a legend to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE

MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THIS NOTE. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A;

- (iv) it understands that any Notes, unless the Issuer determines otherwise in compliance with applicable law, will bear a legend to the following effect:

EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF THIS NOTE WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT, AT THE TIME OF ITS ACQUISITION AND THROUGHOUT THE PERIOD IT HOLDS SUCH NOTE, EITHER (X) IT IS NOT AN EMPLOYEE BENEFIT PLAN AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), AND SUBJECT TO TITLE I OF ERISA, A PLAN AS DEFINED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”), AND SUBJECT TO SECTION 4975 OF THE CODE OR ANY ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED TO INCLUDE “PLAN ASSETS” BY REASON OF INVESTMENT BY ANY OF THE FOREGOING IN THE ENTITY, OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR (Y) ITS PURCHASE, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY SUBSTANTIALLY SIMILAR LAW). ANY PURPORTED TRANSFER OF THIS NOTE, OR ANY INTEREST THEREIN TO A PURCHASER OR TRANSFEREE THAT DOES NOT COMPLY WITH THE ABOVE REQUIREMENTS WILL BE OF NO FORCE AND EFFECT AND SHALL BE NULL AND VOID AB INITIO.

- (v) either (a) it is neither an “employee benefit plan” as defined in ERISA, and subject to Title I of ERISA, a “plan” as defined in Section 4975(e)(1) of the Code, and subject to Section 4975 of the Code or nor any entity whose underlying assets include “plan assets” by reason of such plan’s investment in the entity, nor a governmental, church, non-U.S. or other plan which is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code or (b) its purchase, holding and disposition of a Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation of any substantially similar law). Any purported transfer of a Note, or any interest therein to a purchaser or transferee that does not comply with the above requirements will be of no force and effect and shall be null and void ab initio.
- (vi) it understands that the Restricted Notes offered in reliance on Rule 144A will be represented by a Restricted Global Certificate. Before any interest in the Restricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Unrestricted Global Certificate, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws; and
- (vii) it acknowledges that the Issuer, the Registrar, any Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Restricted Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Additional transfer restrictions may be set forth in the applicable Pricing Supplement with respect to a particular Tranche of a Registered Series.

Unrestricted Notes

Each purchaser of Unrestricted Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Unrestricted Notes in resales prior to the expiration of the Distribution Compliance Period (as defined in "Subscription and Sale"), by accepting delivery of this Offering Circular and the Unrestricted Notes, will be deemed to have represented, agreed and acknowledged that:

- (i) it is, or at the time Unrestricted Notes are purchased will be, the beneficial owner of such Unrestricted Notes and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate;
- (ii) it understands that such Unrestricted Notes have not been and will not be registered under the Securities Act and that, prior to the expiration of the Distribution Compliance Period, it will not offer, sell, pledge or otherwise transfer such Unrestricted Notes except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States;
- (iii) it understands that the Unrestricted Notes, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT;

- (iv) it understands that any Notes, unless the Issuer determines otherwise in compliance with applicable law, will bear a legend to the following effect:

EACH PURCHASER AND SUBSEQUENT TRANSFEREE OF THIS NOTE WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT, AT THE TIME OF ITS ACQUISITION AND THROUGHOUT THE PERIOD IT HOLDS SUCH NOTE, EITHER (X) IT IS NOT AN EMPLOYEE BENEFIT PLAN AS DEFINED IN SECTION 3(3) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), AND SUBJECT TO TITLE I OF ERISA, A PLAN AS DEFINED IN SECTION 4975(e)(1) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), AND SUBJECT TO SECTION 4975 OF THE CODE OR ANY ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED TO INCLUDE "PLAN ASSETS" BY REASON OF INVESTMENT BY ANY OF THE FOREGOING IN THE ENTITY, OR A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN WHICH IS SUBJECT TO ANY FEDERAL, STATE, LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR (Y) ITS PURCHASE, HOLDING AND DISPOSITION OF THIS NOTE WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN, A NON-EXEMPT VIOLATION OF ANY SUBSTANTIALLY SIMILAR LAW). ANY PURPORTED TRANSFER OF THIS NOTE, OR ANY INTEREST THEREIN TO A PURCHASER OR TRANSFEREE THAT DOES NOT COMPLY WITH THE ABOVE REQUIREMENTS WILL BE OF NO FORCE AND EFFECT AND SHALL BE NULL AND VOID AB INITIO.

- (v) either (a) it is neither an “employee benefit plan” as defined in ERISA, and subject to Title I of ERISA, a “plan” as defined in Section 4975(e)(1) of the Code, and subject to Section 4975 of the Code or nor any entity whose underlying assets include “plan assets” by reason of such plan’s investment in the entity, nor a governmental, church, non-U.S. or other plan which is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code or (b) its purchase, holding and disposition of a Note will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a governmental, church, non-U.S. or other plan, a non-exempt violation of any substantially similar law). Any purported transfer of a Note, or any interest therein to a purchaser or transferee that does not comply with the above requirements will be of no force and effect and shall be null and void ab initio.
- (vi) it understands that the Unrestricted Notes offered in reliance on Regulation S may be represented by an Unrestricted Global Certificate. Prior to the expiration of the Distribution Compliance Period, before any interest in the Unrestricted Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Restricted Global Certificate, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws; and
- (vii) the Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Additional transfer restrictions may be set forth in the applicable Pricing Supplement with respect to a particular Tranche of a Registered Series.

LEGAL MATTERS

Legal matters in connection with the issue and sale of the Notes offered hereby will be passed upon for DBS Bank (i) by Allen & Gledhill LLP, legal advisor to DBS Bank, with respect to certain matters of Singapore law and (ii) by Linklaters Allen & Gledhill, legal advisor to DBS Bank, with respect to certain matters of English Law and the federal laws of the United States. The validity of the Notes will be passed upon for the Joint Arrangers by Latham & Watkins.

INDEPENDENT AUDITORS

The consolidated financial statements of the DBS Group as at and for the years ended December 31, 2008, 2009 and 2010 incorporated by reference in this Offering Circular have been audited by PricewaterhouseCoopers LLP, independent public auditors, as stated in their reports incorporated by reference herein. With respect to the unaudited consolidated condensed interim financial information as at and for the six months ended June 30, 2011 included in this Offering Circular, PricewaterhouseCoopers LLP reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate report dated October 11, 2011, included herein, states that they did not audit and they do not express an opinion on the unaudited consolidated condensed interim financial information. Accordingly, the degree of reliance on their report on such interim financial information should be restricted in the light of the limited nature of the review procedures applied.

GENERAL INFORMATION

1. Application may be made to the SGX-ST for permission to deal in, and for quotation of, any Notes which are agreed at the time of issue to be listed on the SGX-ST. There can be no assurance that an application to the SGX-ST will be approved.
2. The Issuer has obtained all necessary consents, approvals and authorizations in Singapore in connection with the issue and performance of the Notes to be issued by it. The establishment and update of the Programme was authorized by resolutions of the Issuer's Board of Directors passed on May 14, 2010 and October 4, 2011.
3. There has been no material adverse change in the financial position of the DBS Group since 31 December 2010.
4. The DBS Group is not, and has not been, involved in any litigation or arbitration proceedings that may have, or have had during the 12 months preceding the date of this Offering Circular, a material adverse effect on the financial position of the DBS Group and the DBS Group is not aware of any such litigation or arbitration pending or threatened.
5. Each Bearer Note, Receipt, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
6. Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are entities in charge of keeping the records). The Common Code and the International Securities Identification Number (ISIN) for each Series of Notes will be set out in the relevant Pricing Supplement. In addition, the Issuer will make an application with respect to each Series of Registered Notes intended to be eligible for sale pursuant to Rule 144A for such Notes to be accepted for trading in book entry form by DTC. Acceptance of each Series and the relevant Committee on the Uniform Security Identification Procedure (CUSIP) number applicable to a Series will be set out in the relevant Pricing Supplement.
7. The issue price and the amount of the relevant Notes will be determined before filing of the relevant Pricing Supplement of each Tranche, based on then prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.
8. From the date of this Offering Circular and for so long as any Notes are outstanding under the Programme, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer and at the office of the Trustee:
 - (i) the Trust Deed;
 - (ii) the audited consolidated financial statements of DBS Group for the years ended December 31, 2008, December 31, 2009 and December 31, 2010;
 - (iii) any audited consolidated financial statements of the DBS Group which are published and filed with ACRA after the date of this Offering Circular;
 - (iv) any unaudited consolidated condensed interim financial information of the DBS Group which has been published by the DBS Group after the date of this Offering Circular;
 - (v) each Pricing Supplement (save that each Pricing Supplement relating to a Note which is not listed on a stock exchange will only be available for inspection by a holder of such

Note and such holder must provide evidence satisfactory to the Trustee as to its holding and its identity); and

- (vi) a copy of this Offering Circular or any further Offering Circular and any supplementary Offering Circular.
9. Copies of the latest annual report and financial statements of the DBS Group may be obtained at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE MEMBERS OF DBS GROUP HOLDINGS LTD

Introduction

We have reviewed the accompanying consolidated condensed balance sheet of DBS Group Holdings Ltd (“the Company”) and its subsidiaries (the “Group”) as of 30 June 2011 and the related consolidated condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this consolidated condensed interim financial information in accordance with Financial Reporting Standard 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial information is not prepared, in all material respects, in accordance with Financial Reporting Standard 34 *Interim Financial Reporting*.

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants

Singapore, 11 October 2011

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
For the Period Ended June 30

	<u>Note</u>	<u>2011</u>	<u>2010</u>
		<u>In S\$ millions</u>	<u>In S\$ millions</u>
Income			
Interest income.....		3,065	2,781
Interest expense.....		744	648
Net interest income		<u>2,321</u>	<u>2,133</u>
Net fee and commission income	4	803	699
Net trading income.....		415	526
Net (loss) from financial instruments designated at fair value.....		(11)	(18)
Net income from financial investments		166	148
Other income.....		53	40
Total income		<u>3,747</u>	<u>3,528</u>
Expenses			
Employee benefits.....		828	700
Depreciation of properties and other fixed assets		90	94
Other expenses.....		653	625
Goodwill charges		-	1,018
Allowances for credit and other losses.....		262	559
Total expenses.....		<u>1,833</u>	<u>2,996</u>
Profit		1,914	532
Share of profits of associates		55	47
Profit before tax		<u>1,969</u>	<u>579</u>
Income tax expense.....		276	237
Net profit for the period		<u>1,693</u>	<u>342</u>
Attributable to:			
Shareholders		1,542	232
Non-controlling interests		151	110
		<u>1,693</u>	<u>342</u>
Earnings per share (cent)			
Basic		1.33	0.64
Diluted		1.27	0.62

(see notes on pages F-8 to F-16, which form part of these financial statements)

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES
UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
For the period ended June 30

	Note	2011	2010
	In S\$ millions		
Net profit		1,693	342
Other comprehensive income			
Financial currency translation differences for foreign operations.....	(39)	19	
Share of other comprehensive (loss) / income of associates.....	(11)	4	
Available-for-sale financial assets			
Net valuation taken to equity		190	457
Transferred to income statement on sale.....	(144)	(36)	
Tax on items taken directly to or transferred from equity.....		5	(23)
Other comprehensive income, net of tax		1	421
Total comprehensive income		1,694	763
Attributable to:			
Shareholders.....		1,566	660
Non-controlling interests		128	103
		1,694	763

(see notes on pages F-8 to F-16, which form part of these financial statements)

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES
UNAUDITED CONDENSED BALANCE SHEET

		<u>DBS Group</u>	
<u>Note</u>	<u>30 Jun 2011</u>	<u>31 Dec 2010^{1/}</u>	
In S\$ millions			
ASSETS			
	Cash and balances with central banks	31,235	31,203
	Singapore Government securities and treasury bills	12,894	11,546
	Due from banks	23,579	20,306
	Financial assets at fair value through profit or loss	11,551	10,179
	Positive fair values for financial derivatives	16,839	16,767
	Loans and advances to customers	5 168,272	151,698
	Financial investments	26,980	26,550
	Securities pledged	2,159	1,982
	Investments in associates	839	813
	Goodwill on consolidation	12 4,802	4,802
	Properties and other fixed assets	981	1,025
	Investment properties	357	358
	Deferred tax assets	100	102
	Other assets	8,904	6,379
	TOTAL ASSETS	<u>309,492</u>	<u>283,710</u>
LIABILITIES			
	Due to banks	26,629	18,811
	Due to non-bank customers	7 203,466	187,695
	Financial liabilities at fair value through profit or loss	12,047	10,228
	Negative fair values for financial derivatives	17,352	17,222
	Bills payable	399	601
	Current tax liabilities	948	879
	Deferred tax liabilities	36	40
	Other liabilities	8,481	6,574
	Other debt securities in issue	2,792	2,160
	Subordinated term debts	11 5,058	6,398
	TOTAL LIABILITIES	<u>277,208</u>	<u>250,608</u>
	NET ASSETS	<u>32,284</u>	<u>33,102</u>
EQUITY			
	Share capital	9,256	8,780
	Treasury shares	(42)	(84)
	Other reserves	7,086	7,084
	Revenue reserves	11,714	10,819
	SHAREHOLDERS' FUNDS	<u>28,014</u>	<u>26,599</u>
	Non-controlling interests	4,270	6,503
	TOTAL EQUITY	<u>32,284</u>	<u>33,102</u>
OFF-BALANCE SHEET ITEMS			
	Contingent liabilities	18,571	16,031
	Commitments	100,130	95,918
	Financial derivatives	1,488,892	1,347,522

Note
1/ Audited

(see notes on pages F-8 to F-16, which form part of these financial statements)

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Period Ended June 30

	<u>Ordinary shares</u>	<u>Convertible preference shares</u>	<u>Treasury shares</u>	<u>Other reserves</u>	<u>Revenue reserve</u>	<u>Total</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
	In S\$ millions							
2011								
Balance at January 1, 2011	8,533	247	(84)	7,084	10,819	26,599	6,503	33,102
Issue of shares upon exercise of share options....	9					9		9
Reclassification of reserves upon exercise of share options	1			(1)		-		-
Shares distributable pursuant to Scrip Dividend Scheme	466					466		466
Cost of share-based payments.....				21		21		21
Draw-down of reserves upon vesting of performance shares			42	(42)		-		-
Final dividends payable for previous year					(647)	(647)	-	(647)
Dividends paid to non-controlling interests						-	(172)	(172)
Redemption of preference shares issued by a subsidiary						-	(2,112)	(2,112)
Change in non-controlling interests						-	(77)	(77)
Total comprehensive income				24	1,542	1,566	128	1,694
Balance at June 30, 2011	<u>9,009</u>	<u>247</u>	<u>(42)</u>	<u>7,086</u>	<u>11,714</u>	<u>28,014</u>	<u>4,270</u>	<u>32,284</u>
2010								
Balance at January 1, 2010	8,188	247	(114)	6,879	10,173	25,373	4,126	29,499
Issue of shares upon exercise of share options....	8					8		8
Reclassification of reserves upon exercise of share options	1			(1)		-		-
Shares distributable pursuant to Scrip Dividend Scheme	206					206		206
Cost of share-based payments.....				22		22		22
Draw-down of reserves upon vesting of performance shares			28	(28)		-		-
Final dividends payable for previous year					(320)	(320)		(320)
Interim dividends payable for current year					(333)	(333)		(333)
Dividends paid to non-controlling interests						-	(117)	(117)
Total comprehensive income				428	232	660	103	763
Balance at June 30, 2010	<u>8,403</u>	<u>247</u>	<u>(86)</u>	<u>7,300</u>	<u>9,752</u>	<u>25,616</u>	<u>4,112</u>	<u>29,728</u>

(see notes on pages F-8 to F-16, which form part of these financial statements)

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the Period ended June 30

	<u>June 2011</u>	<u>June 2010</u>
	<u>In S\$ millions</u>	
Cash flows from operating activities		
Net profit for the year	1,693	342
Adjustments for non-cash items:		
Allowances for credit and other losses.....	262	559
Depreciation of properties and other fixed assets	90	94
Goodwill charges	-	1,018
Share of profits of associates	(55)	(47)
Net gain on disposal of properties and other fixed assets	(15)	(17)
Net gain on disposal of financial investments.....	(166)	(148)
Income tax expense.....	276	237
Profit before changes in operating assets & liabilities	2,085	2,038
Increase/(Decrease) in:		
Due to banks	7,818	11,958
Due to non-bank customers	15,771	92
Financial liabilities at fair value through profit or loss	1,819	1,702
Other liabilities including bills payable	1,457	3,548
Debt securities and borrowings.....	523	242
(Increase)/Decrease in:		
Change in restricted balances with central banks.....	1	(354)
Singapore Government securities and treasury bills	(1,348)	596
Due from banks	(3,288)	2,959
Financial assets at fair value through profit or loss.....	(1,372)	(403)
Loans and advances to customers	(16,808)	(15,937)
Financial investments.....	(266)	(1,542)
Other assets	(2,759)	(4,254)
Tax paid	(204)	(156)
Net cash generated from operating activities(1)	<u>3,429</u>	<u>489</u>
Cash flows from investing activities		
Proceeds from disposal of associates	-	16
Acquisition of interest in associates.....	(35)	(22)
Dividends from associates	24	21
Purchase of properties and other fixed assets	(70)	(51)
Proceeds from disposal of properties and other fixed assets.....	21	35
Net cash used in investing activities(2)	<u>(60)</u>	<u>(1)</u>
Cash flows from financing activities		
Increase in share capital and share premium.....	10	9
Payment upon maturity of subordinated term debts.....	(1,046)	(705)
Dividends paid to non-controlling interests	(172)	(117)
Payment upon redemption of preference shares	(2,112)	-
Net cash used in financing activities(3)	<u>(3,320)</u>	<u>(813)</u>
Exchange translation adjustments(4)	(16)	27
Net change in cash and cash equivalents(1)+(2)+(3)+(4)	33	(298)
Cash and cash equivalents at 1 January	<u>25,112</u>	<u>19,281</u>
Cash and cash equivalents at 30 June	<u>25,145</u>	<u>18,983</u>

(see notes on pages F-8 to F-16, which form part of these financial statements)

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION
For the Financial Periods ended June 30, 2011 and June 30, 2010

1. General Information

The Company, DBS Group Holdings Ltd, is incorporated and domiciled in the Republic of Singapore and has its registered office at 6 Shenton Way, DBS Building Tower One, Singapore 068809.

The Company is listed on the Singapore Exchange.

The principal activity of the Company is that of an investment holding company and the principal activity of its main subsidiary, DBS Bank Ltd, is the provision of retail, small and medium-sized enterprise, corporate and investment banking services.

The condensed consolidated interim financial information relate to the Company and its subsidiaries (the Group) and the Group's interests in associates and joint ventures.

This condensed consolidated interim financial information has been reviewed, not audited.

2. Basis of Presentation

DBS Group Holdings Ltd ("DBSH") prepares its condensed consolidated DBSH Group ("Group") interim financial statements in accordance with Singapore Financial Reporting Standard ("FRS") No. 34 Interim Financial Reporting, as modified by the requirements of Notice to Banks No. 612 "Credit Files, Grading and Provisioning" issued by the Monetary Authority of Singapore, and are expressed in Singapore dollars. The accounting policies and methods of computation applied for the current financial periods are consistent with those applied for the financial year ended 31 December 2010, with the exception of the adoption of new or revised FRS and Interpretations to FRS ("INT FRS").

On 1 January 2011, the Group adopted the following new or revised FRS and INT FRS that are issued by the Accounting Standard Council ("ASC"), and are relevant for the Group:

- FRS 24 Related Party Disclosures (2009)
- Improvements to FRSs (2010)

3. Estimates

The preparation of interim financial statements requires management to exercise judgment, use estimates and make assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the group accounting policies and the estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2010.

4. Net Fee and Commission Income

Net fee and commission income comprises the following:

	Six months ended June 30	
	2011	2010
	In S\$ millions	
Stockbroking	77	84
Investment banking	117	56
Trade and remittances	129	116
Loan related	188	201
Guarantees	36	29
Deposit related	42	42
Credit card	71	72
Fund management	11	11
Wealth management	103	61
Others	29	27
Total	803	699

5. Loans and Advances to Customers

	Jun 30, 2011	Dec 31, 2010
	In S\$ millions	
Gross	171,457	154,722
Less:		
Specific allowances	1,123	1,152
General allowances	1,628	1,476
Net total	168,706	152,094
Of which: customer loans held at fair value through profit or loss	(434)	(396)
	168,272	151,698
By geography (a)		
Singapore	83,466	74,595
Hong Kong	36,933	36,688
Rest of Greater China	19,121	13,495
South and South-east Asia	15,918	13,976
Rest of the world	16,019	15,968
Total (Gross)	171,457	154,722
By industry		
Manufacturing	22,508	19,217
Building and construction	24,555	21,385
Housing loans	39,368	38,676
General commerce	23,545	16,732
Transportation, storage & communications	15,938	14,378
Financial institutions, investment & holding companies	16,104	18,517
Professionals & private individuals (except housing loans)	12,526	11,142
Others	16,913	14,675
Total (Gross)	171,457	154,722
By currency		
Singapore dollar	72,334	67,439
Hong Kong dollar	29,376	30,478
U.S. dollar	49,309	38,094
Others	20,438	18,711
Total (Gross)	171,457	154,722

(a) Loans by geography are classified according to where the borrower is incorporated

6. Non-Performing Assets (NPAs) and Allowances

6.1 Details of DBS Group's NPAs and provisions at June 30, 2011 are as follows:

Non-Performing Assets and Loss Allowance Coverage Data as at June 30, 2011						
	Singapore	Hong Kong	Rest of Greater China	South and Southeast Asia	Rest of the World	Total
	In S\$ millions, except percentages					
Non-performing assets (NPAs)	591	302	236	329	1,425	2,883
Substandard	423	135	85	177	1,087	1,907
Doubtful	45	97	84	56	314	596
Loss	123	70	67	96	24	380
Customer non-performing loans (NPLs) as a % of gross customer loans in the respective countries (a)	0.6%	0.8%	1.2%	1.1%	8.6%	1.5%
Total cumulative loss allowances	1,066	581	381	383	855	3,266
Specific allowances	227	171	152	153	572	1,275
General allowances	839	410	229	230	283	1,991
Total cumulative loss allowances as a % of:						
Total assets	0.3%	0.2%	0.1%	0.1%	0.3%	1.1%
NPAs in the respective countries	180%	192%	161%	116%	60%	113%
Unsecured NPAs in the respective countries	319%	276%	236%	148%	69%	148%

(a) Computed based on total customer non-performing loans (NPLs) (excluding non-performing debt securities and contingent items) divided by total gross customer loans.

Details of DBS Group's NPAs and provisions at Dec 31, 2010 are as follows:

Non-Performing Assets and Loss Allowance Coverage Data as at December 31, 2010						
	Singapore	Hong Kong	Rest of Greater China	South and Southeast Asia	Rest of the World	Total
	In S\$ millions, except percentages					
Non-performing assets (NPAs)	675	362	252	336	1,588	3,213
Substandard	491	164	93	164	1,174	2,086
Doubtful	49	100	96	104	388	737
Loss	135	98	63	68	26	390
Customer non-performing loans (NPLs) as a % of gross customer loans in the respective countries (a)	0.8%	1.0%	1.9%	1.2%	9.5%	1.9%
Total cumulative loss allowances	997	612	327	384	877	3,197
Specific allowances	223	214	166	164	578	1,345
General allowances	774	398	161	220	299	1,852
Total cumulative loss allowances as a % of:						
Total assets	0.4%	0.2%	0.1%	0.1%	0.3%	1.1%
NPAs in the respective countries	148%	169%	130%	114%	55%	100%
Unsecured NPAs in the respective countries	286%	239%	185%	130%	61%	127%

(a) Computed based on total customer non-performing loans (NPLs) (excluding non-performing debt securities and contingent items) divided by total gross customer loans.

6.2 Analysis of Non-Performing Assets

	<u>Jun 30, 2011</u>		<u>Dec 31, 2010</u>	
	<u>NPAs</u>	<u>Specific allowances</u>	<u>NPAs</u>	<u>Specific allowances</u>
	In S\$ millions			
By industry				
Manufacturing.....	415	280	502	325
Building and construction.....	84	32	90	25
Housing loans.....	107	14	118	17
General commerce.....	252	105	248	107
Transportation, storage & communications.....	575	229	646	183
Financial institutions, investment & holding companies.....	867	366	960	399
Professionals & private individuals (except housing loans).....	180	69	173	74
Others.....	<u>117</u>	<u>68</u>	<u>141</u>	<u>82</u>
Total non-performing loans.....	2,597	1,163	2,878	1,212
Debt securities.....	10	3	28	6
Contingent items and Others.....	<u>276</u>	<u>109</u>	<u>307</u>	<u>127</u>
Total non-performing assets.....	<u>2,883</u>	<u>1,275</u>	<u>3,213</u>	<u>1,345</u>
	<u>Jun 30, 2011</u>		<u>Dec 31, 2010</u>	
	<u>NPAs</u>	<u>Specific allowances</u>	<u>NPAs</u>	<u>Specific allowances</u>
	In S\$ millions			
By loan classification				
Non-performing assets				
Substandard.....	1,907	431	2,086	374
Doubtful.....	596	464	737	580
Loss.....	<u>380</u>	<u>380</u>	<u>390</u>	<u>391</u>
Total.....	<u>2,883</u>	<u>1,275</u>	<u>3,213</u>	<u>1,345</u>
Restructured assets				
Substandard.....	951	209	443	47
Doubtful.....	122	105	145	128
Loss.....	<u>28</u>	<u>28</u>	<u>28</u>	<u>28</u>
Total.....	<u>1,101</u>	<u>342</u>	<u>616</u>	<u>203</u>
	<u>Jun 30, 2011</u>		<u>Dec 31, 2010</u>	
	<u>NPAs</u>		<u>NPAs</u>	
	In S\$ millions			
By collateral type				
Unsecured non-performing assets.....		2,210		2,523
Secured non-performing assets by collateral type				
Properties.....		269		250
Shares and debentures.....		106		85
Fixed deposits.....		40		38
Others.....		<u>258</u>		<u>317</u>
Total.....		<u>2,883</u>		<u>3,213</u>

	<u>Jun 30, 2011</u> NPAs	<u>Dec 31, 2010</u> NPAs
	In S\$ millions	
By period overdue		
Not overdue	1,592	1,294
< 90 days overdue.....	221	225
91-180 days overdue	134	124
>180 days overdue.....	<u>936</u>	<u>1,570</u>
Total	<u>2,883</u>	<u>3,213</u>

7. Due to Non-bank Customers

	<u>Jun 30, 2011</u>	<u>Dec 31, 2010</u>
	In S\$ millions	
Total customer deposits.....	210,536	193,692
Of which: customer deposits at fair value through profit or loss	<u>(7,070)</u>	<u>(5,997)</u>
	<u>203,466</u>	<u>187,695</u>
By currency		
Singapore dollar	119,723	112,228
U.S. dollar	33,868	30,022
Hong Kong dollar	20,217	23,220
Others	<u>36,728</u>	<u>28,222</u>
Total	<u>210,536</u>	<u>193,692</u>
By product		
Savings accounts.....	92,398	88,789
Current accounts	35,756	30,115
Fixed deposits	77,416	71,380
Other deposits	<u>4,966</u>	<u>3,408</u>
Total	<u>210,536</u>	<u>193,692</u>

8. Segmental Reporting

8.1 Business Segment Reporting

	<u>Consumer</u> <u>/Private</u> <u>Banking</u>	<u>Institutional</u> <u>Banking</u>	<u>Treasury</u>	<u>Others</u>	<u>Total</u>
	In S\$ millions				
Selected profit and loss items					
Six months ended June 30, 2011					
Net interest income	717	1,071	471	62	2,321
Non-interest income.....	358	903	66	99	1,426
Total income.....	1,075	1,974	537	161	3,747
Expenses.....	741	612	197	21	1,571
Allowances for credit and other losses.....	42	128	3	89	262
Share of profits of associates.....	-	14	-	41	55
Profit before tax	292	1,248	337	92	1,969
Six months ended June 30, 2010					
Net interest income	712	977	397	47	2,133
Non-interest income.....	325	747	334	(11)	1,395
Total income.....	1,037	1,724	731	36	3,528
Expenses.....	713	506	171	29	1,419
Goodwill charge.....	-	-	-	1,018	1,018
Allowances for credit and other losses.....	35	503	5	16	559
Share of profits of associates.....	-	14	-	33	47
Profit before tax	289	729	555	(994)	579
Selected balance sheet items June 30, 2011					
Total assets before goodwill	52,591	135,095	102,305	14,699	304,690
Goodwill on consolidation.....					4,802

Total assets					309,492
Total liabilities	122,424	88,004	59,869	6,911	277,208
Capital expenditure for six months ended June 30, 2011	15	16	8	31	70
Depreciation for six months ended June 30, 2011	22	11	4	53	90
Selected balance sheet items Dec 31, 2010					
Total assets before goodwill	51,328	118,572	98,735	10,273	278,908
Goodwill on consolidation					4,802
Total assets					283,710
Total liabilities	117,529	80,559	42,584	9,936	250,608
Capital expenditure for six months ended June 30, 2010	14	9	2	26	51
Depreciation for six months ended June 30, 2010	25	11	4	54	94

8.2 Geographical Segment Reporting

	<u>S'pore</u>	<u>Hong Kong</u>	<u>Rest of Greater China</u>	<u>South and Southeast Asia</u>	<u>Rest of World</u>	<u>Total</u>
	In S\$ millions					
Selected profit and loss items						
Six months ended June 30, 2011						
Net interest income	1,428	389	228	165	111	2,321
Non-interest income	860	377	62	90	37	1,426
Total income	2,288	766	290	255	148	3,747
Expenses	941	309	178	112	31	1,571
Allowances for credit and other losses	174	63	2	12	11	262
Share of profits of associates	8	-	10	37	-	55
Profit before tax	1,181	394	120	168	106	1,969
Income tax expense	129	61	24	31	31	276
Net profit	901	333	96	137	75	1,542
Six months ended June 30, 2010						
Net interest income	1,300	400	155	147	131	2,133
Non-interest income	882	330	56	106	21	1,395
Total income	2,182	730	211	253	152	3,528
Expenses	742	396	147	105	29	1,419
Goodwill charge	1,018	-	-	-	-	1,018
Allowances for credit and other losses	426	39	24	25	45	559
Share of profits of associates	5	-	11	31	-	47
Profit before tax	1	295	51	154	78	579
Income tax expense	122	50	9	37	19	237
Net profit	(231)	245	42	117	59	232
Selected balance sheet items						
June 30, 2011						
Total assets before goodwill	191,570	59,749	25,727	15,152	12,492	304,690
Goodwill on consolidation	4,802	-	-	-	-	4,802
Total assets	196,372	59,749	25,727	15,152	12,492	309,492
Dec 31, 2010						
Total assets before goodwill	179,813	52,489	21,033	13,710	11,863	278,908
Goodwill on consolidation	4,802	-	-	-	-	4,802
Total assets	184,615	52,489	21,033	13,710	11,863	283,710

9. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2010.

10. Related Party Transactions

The Group conducts banking transactions with a number of related parties. Related parties of the Group as defined under Singapore FRS include associated companies, joint venture companies, directors and management personnel of the Group. Related party transactions include deposit taking, loans and credit card facilities. All of the related party transactions undertaken by the Group parties are made in the ordinary course of business and are carried out on arm's length commercial terms, and are not material.

11. Redemption of subordinated term debt and preference shares

The table below shows the movement in the subordinated term debts for the six months ended 30 June 2010 and 2011.

	2011	2010
	In S\$ millions	
Balance at 1 January	6,398	7,702
Maturity of subordinated term debts	(1,046)	(705)
Exchange and other movements	(294)	(41)
Balance at 30 June	5,058	6,956

The following subordinated term debt and preference shares were redeemed during the six months ended 30 June 2011:

Year of Issue Face Value (in millions)

Issued by DBS Bank, which qualify for Tier II capital treatment

May 2001..... U.S.\$850 7.13% Subordinated Notes

Issued by DBS Bank, which qualify for Tier I capital treatment

May 2001..... S\$1,100 6.00% non-cumulative perpetual preference shares Callable with Step-up in 2011

Issued by DBS Capital Funding Corporation, which qualify for Tier I capital treatment

March 2001..... U.S.\$725 7.66% non-cumulative guaranteed preference shares, Series A Callable with Step-up in 2011

March 2001..... S\$100 5.35% non-cumulative guaranteed preference shares, Series B Callable with Step-up in 2011

The following subordinated term debt was redeemed during the six months ended 30 June 2010:

Year of Issue Face Value (in millions)

Issued by DBS Bank, which qualify for Tier II capital treatment

Apr 2000..... U.S.\$500 7.88% Subordinated Notes

12. Goodwill on consolidation

Set out below is the carrying value of the Group's goodwill arising from acquisition of subsidiaries and joint ventures as at 30 June 2011 and 30 June 2010, after an assessment for impairment was performed:

	<u>2011</u>	<u>2010</u>
	In S\$ millions	
Balance at 1 January	4,802	5,847
Impairment charge	-	(1,018)
Disposal of joint venture.....	-	(27)
Balance at 30 June	<u>4,802</u>	<u>4,802</u>

For the six months ended 30 June 2010, an impairment charge of S\$1,018 million has been recorded in the income statement for the goodwill arising from the Group's acquisition of DBS Bank (Hong Kong) Limited. This resulted from a decline in the value-in-use of the cash generating unit as cash flow projections were reduced. The decline in cash flow projection for the cash generating unit was driven by the increased likelihood of interest margin compression as a result of heightened deposit competition.

13. Capital Adequacy

	<u>Jun 30, 2011</u>	<u>Dec 31, 2010</u>
	In S\$ millions	
Tier 1		
Share capital.....	9,256	8,780
Disclosed reserves and others.....	22,596	23,927
Less: Tier 1 Deductions.....	(5,025)	(5,064)
Eligible Tier 1	<u>26,827</u>	<u>27,643</u>
Tier 2		
Loan allowances admitted as Tier 2	820	696
Subordinated debts.....	5,058	5,281
Revaluation surplus from equity securities ...	79	149
Less: Tier 2 Deductions.....	(101)	(142)
Total eligible capital	<u>32,683</u>	<u>33,627</u>
Risk-weighted assets.....	<u>198,445</u>	<u>182,694</u>
Capital adequacy ratio (%)		
Core Tier 1 ratio.....	11.5	11.8
Tier 1 ratio.....	13.5	15.1
Tier 2 ratio.....	3.0	3.3
Total (Tier 1 and 2) ratio	<u>16.5</u>	<u>18.4</u>

14. Contingent Liabilities and Commitments

The Group conducts business involving guarantees, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties.

Guarantees and performance bonds are generally written by the Group to support the performance of a customer to third parties. As the Group will only be required to meet these obligations in the event of customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amount. Endorsements are residual liabilities of the Group in respect of bills of exchange, which have been paid and subsequently rediscounted.

The commitments of the Group are mainly due to the undrawn loan commitments.

15. Dividends

For the first half of 2011, the Directors have declared an interim one-tier tax-exempt dividend of 28 cents (first half 2010: 28 cents) for each DBS Group Holdings (“DBSH”) non-voting convertible preference share (“CPS”) and each DBSH non-voting redeemable CPS, and an interim one-tier tax-exempt dividend of 28 cents (first half 2010: 28 cents) for each DBSH ordinary share. The DBSH Scrip dividend scheme will be applied to these dividends.

16. Subsequent Event

There were no significant subsequent events subsequent to the end of the interim period.

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