

Honey Account Tranche A SGD Equity-Linked Structured Deposit –

Quarterly Update – Dec 2010

Product Features¹

Honey Account Tranche A is a 6-Year Equity-Linked Structured Deposit designed for you seeking alternative investments whose return is linked to the performance of 20 underlying shares.

The Structured Deposit pay you interest at a rate of 3.8% on 28 November 2005. There are 5 Potential Payouts on the 9th day of September in each year from 2007 to 2011, provided there is no Early Redemption by the Bank.

The Potential Payout Rate is the Annual Returns of all 20 Shares for each Potential Payout Date, subject to a minimum of 0%.

Annual Return: (a) 4.5% if the Average Price of that Share is for the first time, above its Initial Price

(b) Individual Stock Return, if the Average Price of that Share is equal to or below its Initial Price

Provided that once a Share is assigned an Annual Return of 4.5% on any Potential Payout Date, the Annual Return of that Share for all subsequent Potential Payout Dates will be 4.5%, regardless of how the Average Price of that Share for the subsequent dates compares with its Initial Price

Individual Stock Return: $(\text{Average price} - \text{Initial Price}) / \text{Initial Price}$

Average Price: the arithmetic mean of the official closing prices of such Share quoted by the relevant Stock Exchange on each of the 3 Fixing Dates immediately such Potential Payout Date

Initial Price: the closing price of such Share quoted by the relevant Exchange on the Deposit Value Date

Early Redemption occurs when the average of the Annual Returns of the 5 Least performing Shares is equal or higher than -5% on any Potential Payout Date

5 Least Performing Shares: the 5 Shares with the lowest Annual Return for that Potential Payout Date

In the event of an Early Redemption, the Bank will fully redeem the Structured Deposit and pay the Bonus Payout, which is 4.5% of the Principal Amount.

The Bank will return your full Principal at maturity or (if applicable) upon Early Redemption by the Bank.

Product Details

Value Date	26 Aug 2005
Maturity Date	9 Sep 2011
Initial Price	100%
Price as at 31 Dec 2010	98.58%
Accumulated Total Coupon (%)	4.3048%
Next Payout Date	9 Sep 2011

Product Update As at 31 Dec 2010, this product paid you a payout of 4.3048% of the principal amount.

The price of this product is affected by many factors including, but not limited to, the prevailing underlying Share prices.

Please refer to the appendix for details of the fixings.

This Quarterly Update contains a brief description of the product named herein and is not intended in any way to replace the terms of the product as set out in the relevant termsheet. In the event of any inconsistency between the terms in this Quarterly Update and the provisions in the relevant termsheet, the provisions in the relevant termsheet shall prevail. You should therefore refer to the relevant termsheet for the full details, definitions and terms of the product.

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Underlying Reference:

Share Issuer	Bloomberg Ticker	Exchange
Apple Computer Inc	AAPL UQ	NASDAQ Stock Exchange
Caterpillar Inc	CAT UN	New York Stock Exchange
China Mobile Hong Knog Ltd	41 HK	Hong Kong Stock Exchange
E.ON AG	EOA GY	Xetra Stock Exchange
Exxon Mobile Corp	XOM UN	New York Stock Exchange
Motorola Inc	MOT UN	New York Stock Exchange
Newmont Mining Corp	NEM UN	New York Stock Exchange
Nippon Steel Corp	5401 JT	Tokyo Stock Exchange
Oil Service Holdrs Trust	OIH UA	American Sotck Exchange
Phelps Dodge Corp	PD UN	New York Stock Exchange
Philips Electronics NV	PHIA NA	EN Amsterdam
Schlumberger Ltd	SLB UN	New York Stock Exchange
Suez SA	SZE FP	Euronext Paris
Sun Hung Kai Properties Ltd	16 HK	Hong Kong Stock Exchange
Texas Instruments Inc	TXN UN	New York Stock Exchange
Toshiba Corp	6502 JT	Tokyo Stock Exchange
UnitedHealth Group Inc	UNH UN	New York Stock Exchange
Wal-Mart Stores Inc	WMT UN	New York Stock Exchange
Wyeth	WYE UN	New York Stock Exchange
Yahoo! Inc	THOO UQ	NASDAQ Stock Exchange

Appendix Payout History

Fixing for First Potential Payout

	Fixing date	Apple Computer Inc	Caterpillar Inc	China Mobile Hong Kong Ltd	E.ON AG	Exxon Mobil Corp	Motorola Inc	Newmont Mining Corp	Nippon Steel Corp	Oil Service Holdrs Trust	Freeport-McMoRan Copper & Gold Inc [#]	Philips Electronics NV	Schlumberger Ltd#	Suez SA	Sun Hung Kai Properties Ltd	Texas Instruments Inc	Toshiba Corp	UnitedHealth Group Inc	Wal-Mart Stores Inc	Wyeth	Yahoo! Inc
Initial Price	26-Aug-05	45.7400	53.4900	34.2000	76.2400	58.4100	21.1200	39.1800	310.0000	112.8600	25.0662	21.1100	41.0400	23.2500	78.9000	32.0600	435.0000	50.4500	45.7000	45.5600	33.5700
Fixing Date for 1 st Potential Payout	27-Aug-07	132.2500	76.0000	100.6000	117.8900	85.1200	16.6700	40.4500	804.0000	173.5000	85.7200	28.8000	93.1400	38.3200	103.6000	34.4600	1052.0000	49.1900	43.8200	47.0300	23.0300
	28-Aug-07	126.8200	74.1600	99.9500	119.3000	83.0000	16.1700	41.0700	805.0000	170.5500	82.0400	28.1800	91.3100	38.2900	100.1000	33.4200	1046.0000	48.6300	43.4000	46.5600	22.5200
Average Price	29-Aug-07	134.0800	75.0400	99.2500	118.6600	85.2300	16.4700	41.6800	793.0000	176.4700	85.1000	28.3500	95.7200	38.9300	98.3000	34.2900	1010.0000	48.6900	44.1900	47.0600	22.5500
Individual Stock Return (%)		131.0500	75.0667	99.9333	118.6167	84.4500	16.4367	41.0667	800.6667	173.5067	84.2867	28.4433	93.3900	38.5133	100.6667	34.0567	1036.0000	48.8367	43.8033	46.8900	22.7000
Enriching Honey Effect (%)		186.5107	40.3378	192.2027	55.5832	44.5814	-22.1749	4.8154	158.2796	53.7362	236.2563	34.7387	127.5585	65.6487	27.5877	6.2279	138.1609	-3.1979	-4.1503	2.9192	-32.3801
		4.5000	4.5000	4.5000	4.5000	4.5000	-22.1749	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	-3.1979	-4.1503	4.5000	-32.3801

Total Return of 20 underlying shares = (4.50% x 16) + (-22.1749%) + (-3.1979%) + (-4.1503%) + (-32.3801%) = 10.0968%

Average Annual Return = 10.0968%/20 = 0.5048%

Therefore the 1st potential payout paid on 10 September 2007 = 0.5048%

Please note the following:

[#] Schlumberger Ltd – Initial price was divided by 2 following the 2 for 1 stock split on 10 April 2006

* Phelps Dodge Corp has been replaced by Freeport-McMoRan Copper & Gold Inc due to the delisting of Phelps Dodge Corp on 20 March 2007 following the acquisition by Freeport-McMoRan Copper & Gold Inc.

^ Suez SA has been replaced by GDF Suez following the merger with Gaz de France on 22 July 2008.

@ E.ON AG - 3 for 1 stock split on 4 August 2008

Fixing for Second Potential Payout

	Fixing date	Apple Computer Inc	Caterpillar Inc	China Mobile Hong Kong Ltd	E.ON AG [@]	Exxon Mobil Corp	Motorola Inc	Newmont Mining Corp	Nippon Steel Corp	Oil Service Holdrs Trust	Freeport-McMoRan Copper & Gold Inc [#]	Philips Electronics NV	Schlumberger Ltd#	GSZ FPA [^]	Sun Hung Kai Properties Ltd	Texas Instruments Inc	Toshiba Corp	UnitedHealth Group Inc	Wal-Mart Stores Inc	Wyeth	Yahoo! Inc
Initial Price		N.A.	N.A.	N.A.	N.A.	N.A.	21.1200	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	50.4500	45.7000	N.A.	33.5700
Fixing Date for 2 nd Potential Payout	26-Aug-08	N.A.	N.A.	N.A.	N.A.	N.A.	9.5600	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	29.4600	59.0000	N.A.	19.0900
	27-Aug-08	N.A.	N.A.	N.A.	N.A.	N.A.	9.6000	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	29.4300	59.2900	N.A.	19.3700
Average Price	28-Aug-08	N.A.	N.A.	N.A.	N.A.	N.A.	9.5700	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	30.0600	59.8800	N.A.	19.6500
Individual Stock Return (%)		N.A.	N.A.	N.A.	N.A.	N.A.	9.5767	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	29.6500	59.3900	N.A.	19.3700
Enriching Honey Effect (%)		4.5000	4.5000	4.5000	4.5000	4.5000	-54.6559	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	-41.2289	4.5000	4.5000	-42.2997

Total Return of 20 underlying shares = (4.50% x 17) + (-54.6559%) + (-41.2289%) + (-42.2997%) = -61.6845%

Average Annual Return = -61.6845%/20 = -3.0842%

Therefore the 2nd potential payout paid on 9 September 2008 = 0.0000%

Please note the following:

[#] Schlumberger Ltd – Initial price was divided by 2 following the 2 for 1 stock split on 10 April 2006

* Phelps Dodge Corp has been replaced by Freeport-McMoRan Copper & Gold Inc due to the delisting of Phelps Dodge Corp on 20 March 2007 following the acquisition by Freeport-McMoRan Copper & Gold Inc.

^ Suez SA has been replaced by GDF Suez following the merger with Gaz de France on 22 July 2008.

@ E.ON AG - 3 for 1 stock split on 4 August 2008

Fixing for Third Potential Payout

	Fixing date	Apple Computer Inc	Caterpillar Inc	China Mobile Hong Kong Ltd	E.ON AG®	Exxon Mobil Corp	Motorola Inc	Newmont Mining Corp	Nippon Steel Corp	Oil Service Holdrs Trust	Freeport-McMoRan Copper & Gold Inc*	Phillips Electronics NV	Schlumberger Ltd#	GSZ FPA^	Sun Hung Kai Properties Ltd	Texas Instruments Inc	Toshiba Corp	UnitedHealth Group Inc	Wal-Mart Stores Inc	Wyeth	Yahoo! Inc	
Initial Price		N.A.	N.A.	N.A.	N.A.	N.A.	21.1200	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	50.4500	N.A.	N.A.	33.5700
Fixing Date for 3rd Potential	26-Aug-09	N.A.	N.A.	N.A.	N.A.	N.A.	7.4800	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	28.9300	N.A.	N.A.	14.9300
	27-Aug-09	N.A.	N.A.	N.A.	N.A.	N.A.	7.3400	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	28.9400	N.A.	N.A.	14.9300
Payout	28-Aug-09	N.A.	N.A.	N.A.	N.A.	N.A.	7.2100	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	28.1800	N.A.	N.A.	14.8500
Average Price		N.A.	N.A.	N.A.	N.A.	N.A.	7.3433	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	28.6833	N.A.	N.A.	14.9033
Individual Stock Return (%)		N.A.	N.A.	N.A.	N.A.	N.A.	-65.2304	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	-43.1450	N.A.	N.A.	-55.6052
Enriching Honey Effect (%)		4.5000	4.5000	4.5000	4.5000	4.5000	-65.2304	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	-43.1450	4.5000	4.5000	-55.6052	

Total Return of 20 underlying shares = (4.50% x 17) + (-65.2304%) + (-43.145%) + (-55.6052%) = -87.4807%

Average Annual Return = -87.4807%/20 = -4.3742%

Therefore the 3rd potential payout paid on 9 September 2009 = 0.0000%

Fixing for Fourth Potential Payout

	Fixing date	Apple Computer Inc	Caterpillar Inc	China Mobile Hong Kong Ltd	E.ON AG®	Exxon Mobil Corp	Motorola Inc	Newmont Mining Corp	Nippon Steel Corp	Oil Service Holdrs Trust	Freeport-McMoRan Copper & Gold Inc*	Phillips Electronics NV	Schlumberger Ltd#	GSZ FPA^	Sun Hung Kai Properties Ltd	Texas Instruments Inc	Toshiba Corp	UnitedHealth Group Inc	Wal-Mart Stores Inc	Wyeth	Yahoo! Inc	
Initial Price		N.A.	N.A.	N.A.	N.A.	N.A.	21.1200	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	50.4500	N.A.	N.A.	33.5700
Fixing Date for 3rd Potential	26-Aug-10	N.A.	N.A.	N.A.	N.A.	N.A.	7.5	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	31.85	N.A.	N.A.	13.21
	27-Aug-10	N.A.	N.A.	N.A.	N.A.	N.A.	7.68	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	32.37	N.A.	N.A.	13.45
Payout	30-Aug-10	N.A.	N.A.	N.A.	N.A.	N.A.	7.52	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	31.91	N.A.	N.A.	13.18
Average Price		N.A.	N.A.	N.A.	N.A.	N.A.	7.5667	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	32.0433	N.A.	N.A.	13.2800
Individual Stock Return (%)		N.A.	N.A.	N.A.	N.A.	N.A.	-64.1730	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	-36.4850	N.A.	N.A.	-60.4409
Enriching Honey Effect (%)		4.5000	4.5000	4.5000	4.5000	4.5000	-64.1730	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	-36.4850	4.5000	4.5000	-60.4409	
Total Return of all 20 Shares (%)											-84.5988											
Average Annual Return (%)											-4.2299											

Total Return of 20 underlying shares = (4.50% x 17) + (-64.1730%) + (-36.4850%) + (-60.4409%) = -84.5988%

Average Annual Return = -84.5988%/20 = -4.2299%

Therefore the 4th potential payout paid on 9 September 2010 = 0.0000%

Please note the following:

Schlumberger Ltd – Initial price was divided by 2 following the 2 for 1 stock split on 10 April 2006

* Phelps Dodge Corp has been replaced by Freeport-McMoRan Copper & Gold Inc due to the delisting of Phelps Dodge Corp on 20 March 2007 following the acquisition by Freeport-McMoRan Copper & Gold Inc.

^ There is a corporate action on Freeport-McMoran Equity (FCX US) for Special Cash: USD 1 on Ex-Div Date: 09 Dec 2010.

^ Suez SA has been replaced by GDF Suez following the merger with Gaz de France on 22 July 2008.

@ E.ON AG - 3 for 1 stock split on 4 August 2008

Performance Update

The zero payout was due to the negative returns of Motorola, United Health Group Inc and Yahoo! Inc. Please see below for more news on the three companies.

1. Motorola Solutions Inc (MSI US) (Source: Bloomberg 16 Nov 2010, 1 Dec 2010, 4 Jan 2011)

Motorola Solutions, Inc., formerly Motorola, Inc., completed its spinoff into Motorola Mobility and Motorola Solutions on 4 January 2011. Under the terms of the distribution, Motorola, Inc. stockholders received 1 share of Motorola Mobility common stock for every 8 shares of Motorola common stock they held. Motorola, Inc. also effected a 1-for – 7 reverse stock split of Motorola common stock on the same day. Despite the spinoff and stock split, the share price remained sluggish as it faced continuous competition in the cell phone handset arena. Motorola was running in second place globally in the handset business as late as 2007 but it has since tumbled to a current seventh place.

2. United Health Group Inc (UNH US) (Source: Bloomberg 23 Dec 2010)

Despite UnitedHealth Group significant market presence, strong earnings from diversified health care operations in multiple states as well as from a growing non-regulated business, its share price remained below its initial price levels registered in 2005. Offsetting factors include its high financial leverage, which stood at 30.1% as at 30 September 2010. Its high level of goodwill to equity ratio (above 100%) due to the organization's numerous acquisitions also weighed on its share price. Aside, there is concern that United Health's future regulated earning may decline driven by mandatory rebates and higher medical loss ratios. Its share closed at USD36.11 at the end of 2010.

3. Yahoo! Inc (YHOO US) (Source: Bloomberg 13 Dec 2010, 30 Dec 2010, 2 Jan 2011)

Yahoo! Inc. continued its slide from its position as the world's dominant search engine (in the late 1990s). Following the footsteps of Google and Microsoft, Facebook overthrew Yahoo to become the world's third largest website. As measured by ComScore, Yahoo's visitor numbers remained flat (around 630 million per month) over the past year while Facebook grew to 648 million per month. Despite its many rounds of restructuring and layoffs, it still faces an uphill challenge to spur growth and increase revenue. Its margin from its display advertising market will continue to come under pressure, especially from competitors such as Google and Facebook. Its share price closed at USD 16.63 at the end of 2010.

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