

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QIBs (AS DEFINED BELOW) UNDER RULE 144A UNDER THE SECURITIES ACT (AS DEFINED BELOW) ("RULE 144A") OR (2) NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) PURCHASING THE SECURITIES OUTSIDE THE UNITED STATES (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 electronic mail ("e-mail"), but instead, delete and destroy all copies of this e-mail, including all attachments. The following applies to the 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 from time to time, 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), 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 OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. 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 PRICING SUPPLEMENT AND CONDITIONS OF THE SECURITIES AND THE INFORMATION CONTAINED IN THE OFFERING CIRCULAR (AS AMENDED AND RESTATED) THAT WILL BE DISTRIBUTED TO YOU PRIOR TO THE PRICING DATE AND NOT ON THE BASIS OF THE ATTACHED DOCUMENTS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

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) or (ii) non-U.S. persons eligible to purchase the securities outside the United States in an offshore transaction in reliance on Regulation S. 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 and that the e-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 authorised 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 Issuers (as described in the Offering Circular) 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 Issuers, 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 discrepancies between the Offering Circular distributed to you in electronic format and the hard-copy version available to you on request from a Joint Arranger or Dealer.

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 Group Holdings Ltd

*(incorporated with limited liability under the laws of the Republic of Singapore)
(registered in Singapore under registration number 199901152M)*

DBS Bank Ltd.

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

USD 30,000,000,000 Global Medium Term Note Programme

On 24 June 2010, DBS Bank Ltd. established its Debt Issuance Programme. Such Debt Issuance Programme is amended as at 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 Programme prior to the date of this Offering Circular.

Under the Programme described in this Offering Circular, each of DBS Group Holdings Ltd (a limited liability company incorporated in Singapore) (“**DBSH**”) and DBS Bank Ltd. (a limited liability company incorporated in Singapore) through its registered office in Singapore or out of any of its branches outside Singapore (including, without limitation, its Australia branch, Hong Kong branch, London branch and Taipei branch) (“**DBS Bank**” and, together with DBSH, the “**Issuers**” and each an “**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 and Perpetual Capital Securities (as defined herein) issued by DBS Bank through its registered office in Singapore or by DBSH, which may qualify as regulatory capital of the Relevant Issuer (as defined herein). The aggregate nominal amount of Notes outstanding will not at any time exceed USD 30,000,000,000 (or the equivalent in other currencies and subject to increase as provided herein). Notes issued by the Australia branch of DBS Bank which are denominated in Australian dollars and are issued in the Australian domestic wholesale capital market are referred to as “**AMTNs**”. Where used in this Offering Circular unless otherwise stated, “**Notes**” includes Perpetual Capital Securities that may be issued from time to time under the Programme. Defined terms used in this Offering Circular shall have the meanings given to such terms in “*Terms and Conditions of the Notes other than the Perpetual Capital Securities*”, “*Terms and Conditions of the Perpetual Capital Securities*”, “*Form of Pricing Supplement relating to Notes other than Perpetual Capital Securities*”, “*Form of Pricing Supplement relating to Perpetual Capital Securities*” and “*Summary of the Programme*”, as applicable.

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 applicable 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 Issuers, the Programme or such Notes. The SGX-ST assumes no responsibility for the correctness of any statements 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 Issuers may also issue unlisted Notes.

The Notes are complex and high-risk financial instruments and are not a suitable or appropriate investment for all investors. Investors should not purchase the Notes in the primary or secondary markets unless they are professional investors and understand the risks involved. The Notes are not suitable for retail investors. There are risks inherent in the holding of any Notes, including for example in respect of Subordinated Notes and Perpetual Capital Securities (each as defined herein) including certain risks in relation to their subordination and the circumstances in which Noteholders may suffer loss as a result of holding any Notes. Prospective investors should have regard to the factors described under the section headed “**Risk Factors**” in this Offering Circular for a discussion of certain considerations to be taken into account in connection with an investment in the Notes.

Pursuant to the Monetary Authority of Singapore Act 1970 of Singapore (the “MAS Act”) and the Monetary Authority of Singapore (Resolution of Financial Institutions) Regulations 2018 (the “MAS Regulations”), Subordinated Notes and Perpetual Capital Securities are eligible instruments (as defined in the MAS Regulations). Accordingly, should a Bail-in Certificate (as defined herein) be issued, Subordinated Notes and Perpetual Capital Securities may be subject to cancellation, modification, conversion and/or change in form, as set out in such Bail-in Certificate.

THE NOTES HAVE NOT BEEN AND WILL NOT BE 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 (THE “U.S.”), 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 UNDER THE SECURITIES ACT (“REGULATION S”)). SEE “SUBSCRIPTION AND SALE” AND “TRANSFER RESTRICTIONS”.

Each Tranche (as defined in “*Summary of the Programme*”) of Notes (other than AMTNs) in bearer form (“**Bearer Notes**”) 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 applicable 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. See “*Summary of Provisions Relating to the Notes while in Global Form*”.

Each Series of Notes (as defined in “*Summary of the Programme*”) in registered form (“**Registered Notes**”) (other than AMTNs) will be represented by registered certificates (each a “**Certificate**”), without interest coupons. AMTNs will be issued in registered certificated form and will take the form of entries on a register established and maintained by a registrar in Australia and may be lodged with the clearing system (“**Austraclear System**”) operated by Austraclear Ltd (“**Austraclear**”). Each Tranche of AMTNs will be represented by a registered certificate without interest coupons (each an “**AMTN Certificate**”), which shall be issued by the Issuer in respect of each Tranche of AMTNs. AMTNs will be sold in “offshore transactions” within the meaning of Regulation S. Registered Notes (other than AMTNs) 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 SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”) (the “**Common Depository**”), with The Central Depository (Pte) Limited (“**CDP**”), with a sub-custodian for the Central Moneymarkets Unit Service, operated by the Hong Kong Monetary Authority (the “**CMU**”) 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 among the Relevant 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 will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear or Clearstream, as the case may be. Beneficial interests in Global Notes or Certificates held in book-entry form through CDP will be shown on, and transfers thereof will be effected only through, records maintained by CDP. Beneficial interests in Global Notes or Certificates held in book-entry form through the CMU will be shown on, and transfers thereof will be effected only through, records maintained by the CMU. 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 or distribution (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 on the SGX-ST, 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.

This Offering Circular is an advertisement and is not a prospectus for the purposes of Regulation (EU) 2017/1129 (as amended or superseded).

Joint Arrangers and Programme Dealers

DBS Bank Ltd.

Deutsche Bank

Programme Dealers

Barclays

Citigroup

HSBC

J.P. Morgan

**Lloyds Bank Corporate
Markets**

BofA Securities

RBC Capital Markets

**Société Générale
Corporate & Investment
Banking**

TD Securities

UBS

Wells Fargo Securities

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

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Pricing Supplement in respect of any Notes may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, “**MiFID II**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise, unless so determined, neither the Joint Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – The Pricing Supplement in respect of any Notes may include a legend entitled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise, unless so determined, neither the Joint Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

PRIIPS REGULATION – PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor in the EEA means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “**UK**”). For these purposes, a retail investor in the UK means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of

Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “FSMA”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE NOTIFICATION - Unless otherwise stated in the Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Programme are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Each of the Issuers accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Issuers, each of which is responsible (each having 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 authorised 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 authorised by the Issuers, the Joint Arrangers, any Dealers, the Trustee or the Agents (each 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 Issuers 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 Issuers 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 at 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 Issuers, 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. 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 Issuers in such jurisdiction.

THE NOTES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S AND/OR WITHIN THE UNITED STATES TO QIBS IN RELIANCE ON RULE 144A OR ANOTHER EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT. 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 OFFERING CIRCULAR, 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 OFFERING CIRCULAR. 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 Issuers, the Joint Arrangers or any Dealer to subscribe for or purchase, any Notes.

Subject as provided in the applicable Pricing Supplement, the only persons authorised 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, any Agent or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers 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 Issuers or the issue and offering of the Notes. Each Joint Arranger, each Dealer, the Trustee, each Agent and any of their respective affiliates, officers, employees, agents, representatives, directors or advisers 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 or documents incorporated by reference are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuers, the Joint Arrangers or any Dealers, the Trustee, any Agent or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers 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 on such investigation as it deems necessary. None of the Joint Arrangers, any Dealer, the Trustee, any Agent or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers undertakes to review the financial condition or affairs of the Issuers 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. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

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, the Trustee, any Agent nor any of their respective affiliates, officers, employees, agents, representatives, directors or advisers nor any person affiliated with any Joint Arranger, any Dealer, the Trustee, any Agent or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers 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 authorised to give any information or to make any representation concerning the issue or sale of the Notes or the Issuers

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 authorised by the Issuers, the Joint Arrangers, the Dealers, the Trustee, the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers. This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuers, the Joint Arrangers, the Dealers, the Trustee, the Agents and any of their respective affiliates, officers, employees, agents, representatives, directors or advisers do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Joint Arrangers, the Dealers, the Trustee, the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers which would permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the EEA, the UK, Hong Kong, Japan, Singapore, Indonesia, Taiwan, Republic of China ("**Taiwan**"), Australia, the United Arab Emirates (excluding the DIFC), the DIFC and Canada see "*Subscription and Sale*".

DBS Bank has been granted authority to carry on banking business in Australia by the Australian Prudential Regulation Authority ("**APRA**") and is a foreign "authorised deposit-taking institution" ("**foreign ADI**") as that term is defined under the Banking Act 1959 of Australia (the "**Australian Banking Act**"). Notes issued by DBS Bank (including DBS Bank acting through its Australia branch) are not deposits of DBS Bank and are not covered by the depositor protection provisions of Division 2 of Part II of the Australian Banking Act. DBS Bank's indebtedness in respect of the Notes issued by DBS Bank acting through its Australia branch is affected by applicable laws which include (but are not limited to) Section 11F of the Australian Banking Act and Section 86 of the Reserve Bank Act 1959 of the Commonwealth of Australia. Section 11F of the Australian Banking Act provides that, in the event that a foreign ADI, such as DBS Bank, (whether in or outside Australia) suspends payment or becomes unable to meet its obligations, the assets of the foreign ADI in Australia are to be available to meet its liabilities in Australia in priority to all other liabilities of the foreign ADI. Section 86 of the Reserve Bank Act 1959 provides that, notwithstanding anything contained in any law relating to the winding up of companies, but subject to Subsection 13A(3) of the Australian Banking Act (which does not apply to DBS Bank as a foreign ADI), debts due to the Reserve Bank of Australia by an authorised deposit-taking institution (including a foreign ADI) ("**ADI**") shall, in the winding up of the ADI, have priority over all other debts of the ADI. DBS Bank does not make any representation as to whether the Notes would constitute liabilities in Australia under such statutory provisions.

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 authorised. 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 AND PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to “**Singapore dollars**” and “**SGD**” are to the lawful currency of Singapore, all references to “**U.S. dollars**” and “**USD**” are to the lawful currency of the United States of America, all references to “**EUR**” are to the lawful currency of the member states of the European Union that have adopted or may adopt the single currency in accordance with the treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the treaty on European Union, all references to “**Hong Kong dollars**” and “**HKD**” are to the lawful currency of Hong Kong, all references to “**RMB**”, “**Renminbi**” and “**CNY**” are to the lawful currency of China, all references to “**Sterling**” and “**GBP**” are to the lawful currency of the UK and all references to “**Australian dollars**” and “**AUD**” are to the lawful currency of Australia. References to “**Greater China**” are to the People’s Republic of China, Macau, 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, “**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), “**DBS Bank Group**” refers to DBS Bank and its consolidated subsidiaries and “**DBSHK**” refers to DBS Bank (Hong Kong) Limited. Substantially all the assets, liabilities and income of the DBS Group are derived from the DBS Bank Group. References in this Offering Circular to “**2019**”, “**2020**” and “**2021**” refer to the DBS Group’s fiscal years ended 31 December 2019, 2020 and 2021, respectively. Unless specified otherwise or the context otherwise requires, all references to “loans” refer to loans net of cumulative allowances. As used in this Offering Circular, “**Note Conditions**” refers to the terms and conditions of the Notes other than the Perpetual Capital Securities, “**Perpetual Capital Securities Conditions**” refers to the terms and conditions of the Perpetual Capital Securities and “**Conditions**” refers to the Note Conditions and the Perpetual Capital Securities Conditions together.

In this Offering Circular, all of the DBS Group’s financial information is presented on a consolidated basis, unless stated otherwise. The audited consolidated financial statements of the DBS Group and the DBS Bank Group are prepared in accordance with the Singapore Financial Reporting Standards (International) (“**SFRS(I)**”). The SFRS(I) is equivalent to International Financial Reporting Standards (“**IFRS**”) but differ in certain material respects from generally accepted accounting principles in the United States (“**U.S. GAAP**”). Accordingly, these financial statements and reported earnings could be different from those which would be reported under U.S. GAAP. Such differences may be material. This Offering Circular does not contain a reconciliation of the DBS Group’s and the DBS Bank Group’s consolidated financial statements to U.S. GAAP nor does it contain any information in relation to the differences between SFRS(I) and U.S. GAAP. Had the consolidated financial statements and other financial information been prepared in accordance with U.S. GAAP, the results of operations and financial position of the DBS Group and the DBS Bank Group may have been materially different. Investors should consult their own professional advisers for an understanding of the differences between SFRS(I), U.S. GAAP and the generally accepted accounting principles of other jurisdictions and how those differences might affect the financial information contained in this Offering Circular. The DBS Group’s audited consolidated financial statements as at and for the year ended 31 December 2021 are included in this Offering Circular, beginning on page F-2, and the DBS Bank Group’s audited consolidated financial statements as at and for the year ended 31 December 2021 are included in this Offering Circular, beginning on page F-100. This Offering Circular incorporates by reference the DBS Group’s audited consolidated financial statements as at and for the years ended 31 December 2020 and 2019 and the DBS Bank Group’s audited consolidated financial statements as at and for the years ended 31 December 2020 and 2019. See “*Documents Incorporated by Reference*”.

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 stabilisation coordinator(s) (the “**Stabilisation Coordinator(s)**”) (or persons acting on behalf of any Stabilisation Coordinator(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 for a limited period of time after the relevant issue date. However, there is no assurance that the Stabilisation Coordinator(s) (or persons acting on behalf of any Stabilisation Coordinator(s)) will undertake stabilisation action. Any stabilisation 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 stabilisation action or over-allotment must be conducted by the relevant Stabilisation Coordinator(s) (or persons acting on behalf of any Stabilisation Coordinator(s)) in accordance with all applicable laws and rules. Any such stabilisation action may only be conducted outside Australia and on a market operated outside Australia.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with each applicable Pricing Supplement and each applicable supplemental Offering Circular.

This Offering Circular should also be read and construed in conjunction with the audited consolidated financial statements of the DBS Group as at and for the years ended 31 December 2020 and 2019 and the audited consolidated financial statements of the DBS Bank Group as at and for the years ended 31 December 2020 and 2019, which have been previously published and filed with the Accounting and Corporate Regulatory Authority of Singapore (“**ACRA**”). The DBS Group’s audited consolidated financial statements as at and for the year ended 31 December 2021 are included in this Offering Circular, beginning on page F-2, and the DBS Bank Group’s audited consolidated financial statements as at and for the year ended 31 December 2021 are included in this Offering Circular, beginning on page F-100.

This Offering Circular should also be read and construed in conjunction with any audited consolidated financial statements of the DBS Group and the DBS Bank Group which are available at <https://www.dbs.com> subsequent to the date of this Offering Circular and any unaudited interim consolidated financial statements of the DBS Group and the DBS Bank Group published subsequent 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. Such audited consolidated financial statements of the DBS Group and the DBS Bank Group which are deemed to be incorporated by reference in this Offering Circular may also be obtained at the SGX-ST’s website at <https://www.sgx.com>.

Website addresses in this Offering Circular are included for reference only, and the contents of such websites are not incorporated by reference into, and do not form part of, this Offering Circular.

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 (<https://www.dbs.com>) of the Issuers. Save as stated above, the information on the Issuers’ website or any website directly or indirectly linked to such websites is not incorporated by reference in this Offering Circular and should not be relied on in connection with an investment in the Notes.

SUPPLEMENTAL OFFERING CIRCULAR

If at any time the Relevant Issuer shall be required to prepare a supplemental Offering Circular, the Relevant 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 Relevant Issuer will, during any period in which it is neither subject to Section 13 or 15(d) of 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 required to be delivered in Rule 144A(d)(4) under the Securities Act.

ENFORCEABILITY OF JUDGMENTS

DBSH is a company incorporated with limited liability under the laws of the Republic of Singapore registered in Singapore under registration number 199901152M and 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 each of the Issuers are not residents of the United States, and all or a substantial portion of the assets of each of the Issuers 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 Issuers or such persons or to enforce against any of them in the United States court, 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. For more information, please refer to “*Risk Factors - 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 each of DBSH and DBS Bank and certain other parties.*”

FORWARD-LOOKING STATEMENTS

This Offering Circular 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 Issuers, their respective subsidiaries and management, are intended to identify such forward-looking statements. These statements concern, or may affect, future matters. These may include the Issuers’ and their respective subsidiaries’ future strategies, business plans and results and are based on the current expectations of the Directors of each of the Issuers. 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 impact of COVID-19;
- the actual growth in demand for banking and other financial products and services in the countries that the Issuers operate in or where a material number of their customers reside;
- the Issuers’ ability to successfully implement their respective strategy;
- the Issuers’ growth and expansion in domestic and overseas markets;
- future levels of impaired assets;

- the adequacy of the Issuers' allowance for credit and investment losses;
- the ability to maintain targeted capital ratios;
- the impact of changes in banking regulations and other regulatory changes in Singapore and other jurisdictions on the Issuers;
- the future impact of new accounting standards;
- technological changes;
- 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 Issuers' ability to roll over their short-term funding sources and their exposure to credit;
- market fluctuations and the effects on trading, investment and other non-interest income; and
- the success of managing the risks of the foregoing.

Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as at the date hereof. The Issuers do 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.

SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information and financial statements contained or referred to elsewhere in this Offering Circular, including the sections regarding “Management’s Discussion and Analysis of Financial Condition and Results of Operations of the DBS Group”, “Description of the Business of the DBS Group”, “Description of the Assets and Liabilities of the DBS Group” and “Governance and Management”. To understand the terms of the Notes, investors should carefully read the sections of this Offering Circular entitled “Terms and Conditions of the Notes other than the Perpetual Capital Securities”, “Terms and Conditions of the Perpetual Capital Securities” and the risks of investing in the Notes under “Risk Factors” and the applicable Pricing Supplement.

The DBS Group is the largest banking group in Southeast Asia by total assets and is engaged in a range of commercial banking and financial services, principally in Asia. As at 31 December 2021, the DBS Group had SGD 686 billion in total assets, SGD 409 billion in customer loans and advances, SGD 502 billion in customer deposits and SGD 58 billion in total shareholders’ funds.

The DBS Group is headquartered and listed in Singapore and has a growing presence in the three key Asian axes of growth: Greater China, South Asia and Southeast Asia. In Singapore, the DBS Group has leading positions in consumer banking, wealth management, institutional banking, treasury and capital markets. As at, and for the year ended, 31 December 2021, Singapore accounted for 66% and 63% of the DBS Group’s assets (excluding goodwill and intangibles) and total income (excluding one-time item), respectively.

The DBS Group’s Greater China presence is anchored in Hong Kong and also encompasses China and Taiwan, where it operates locally-incorporated subsidiaries. The DBS Group also operates a locally-incorporated subsidiary in each of Indonesia and India. Its diversification in the Asia Pacific region has resulted in a more balanced geographical distribution of its assets and total operating income.

Substantially all of the assets, liabilities and income of the DBS Group are derived from the DBS Bank Group. As at 31 December 2021, the DBS Bank Group accounted for nearly 100% of the DBS Group’s consolidated total assets and net profit. DBSH has long-term issuer ratings of “AA-” from Fitch Ratings Ltd. (“**Fitch**”) and “Aa2” from Moody’s Investors Services Inc. (“**Moody’s**”). DBS Bank is one of the highest rated commercial banks in Asia with long-term issuer ratings of “AA-” from Fitch, “Aa1” from Moody’s and “AA-” from Standard & Poor’s Rating Services (“**Standard & Poor’s**”). DBSH’s and DBS Bank’s credit ratings have stable outlooks from Fitch, Moody’s and Standard & Poor’s.

DBS Bank was incorporated in July 1968 by the Singapore government as a financial institution to support Singapore’s economic development and industrialisation. 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 21 July 2003, DBS Bank changed its legal name from The Development Bank of Singapore Limited to DBS Bank Ltd.

As at 31 December 2021, DBSH had a market capitalisation of approximately SGD 83.9 billion based on the closing price per ordinary share on the Main Board of the SGX-ST. As at 31 December 2021, Temasek Holdings (Private) Limited, directly or indirectly, held approximately 29% of DBSH’s outstanding ordinary shares.

Strengths

Strong credit profile and resilient capital base

The DBS Group has consistently maintained robust capital ratios and as at 31 December 2021, had a Common Equity Tier 1 (“**CET1**”) capital adequacy ratio (“**CAR**”) of 14.4%, a Tier 1 CAR of 15.1% and a Total CAR of 17.0%. The DBS Group’s capital position is above the MAS Basel III capital requirements

that have been effective from 1 January 2013. The DBS Group has adopted a prudent dividend policy – paying sustainable dividends that grow progressively with earnings – to ensure that strong capital ratios are maintained while it executes its strategy.

The DBS Group has been awarded “Safest Bank in Asia” for 13 consecutive years from 2009 to 2021 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” credit 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, location or business segment. As at 31 December 2021, with the exception of the building and construction industry, which contributed 26% of the DBS Group’s gross loans, no single industry contributed more than 20% of the DBS Group’s gross loans and, outside of Singapore, no single location contributed more than 20% of the DBS Group’s gross loans. The DBS Group also has a balanced mix between interest and non-interest income, with non-interest income derived from diversified sources such as loan-related activities, transaction services, wealth management and treasury product sales.

In terms of funding, the DBS Group has a strong domestic deposit base and leading market position in low cost Singapore dollars deposits. The DBS Group has also grown its transactional accounts with corporate customers and institutional investors, in line with its strategy. In addition, the DBS Group diversifies its funding sources through the wholesale funding market. In 2015, DBS Bank undertook its inaugural covered bond issuance, making it the first issuer of covered bonds in Singapore.

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 in Southeast Asia by total assets. The DBS Group is anchored in Singapore and Hong Kong and has a growing presence in Greater China, South Asia and Southeast Asia. Over the past decade, the DBS Group has delivered consistent financial performance underpinned by increased strategic clarity and disciplined execution of its strategy. Total income (excluding one-time items) grew at a compound annual growth rate (“CAGR”) of 6% between 2011 and 2021 while profit before allowances (excluding one-time items) recorded a CAGR of 6% over the same period.

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. Its risk management approach is based on:

- (i) strong risk governance, with the Board of Directors of DBSH (the “**Board**” or “**Board of Directors**”), through the Board Risk Management Committee (the “**BRMC**”), setting out the DBS Group’s Risk Appetite (as defined below) and overseeing the establishment of enterprise-wide risk management policies and processes, and setting risk limits to guide the DBS Group’s risk taking;
- (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 ratio of non-performing loans (“**NPLs**”) to total non-bank loans (“**NPL ratio**”) was 1.3%, 1.6% and 1.5% as at 31 December 2021, 2020 and 2019, respectively, and the DBS Group’s allowance coverage ratio (defined as total allowances¹ as a percentage of non-performing assets (“**NPAs**”) was 116%, 110% and 94% as at 31 December 2021, 2020 and 2019, respectively.

¹ Computation includes regulatory loss allowance reserves (“**RLAR**”) as part of total allowances.

Asia-focused Strategy

The DBS Group's strategy is predicated on Asia's megatrends, including the rising middle class, growing intra-regional trade, urbanisation and the rapid adoption of technology that is fuelling new innovations.

The DBS Group seeks to intermediate trade and capital flows as well as support wealth creation in Asia, capitalising on its established and growing presence in Greater China, South Asia and Southeast Asia.

In Singapore, the DBS Group serves all customer segments. Outside Singapore, the DBS Group has extended its reach beyond serving the affluent individuals, corporates and institutional investors segments through leveraging digital technologies to engage individuals and small and medium enterprises ("**SMEs**").

The DBS Group is well underway in its digitalisation journey to transform the bank to be able to respond and innovate quickly to deliver simple, fast and contextual banking in the digital age.

The DBS Group periodically reviews its strategy, taking into account emerging megatrends, its operating environment and its stakeholders' input.

General Information

DBSH and DBS Bank are limited liability companies incorporated in the Republic of Singapore. The registered and principal office of each of DBSH and DBS Bank is 12 Marina Boulevard, Marina Bay Financial Centre Tower 3, Singapore 018982 (telephone number +65 6878 8888). The Issuers' website is located at <https://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 or Series of Notes, the applicable Pricing Supplement. Words and expressions defined in “Terms and Conditions of the Notes other than the Perpetual Capital Securities” and “Terms and Conditions of the Perpetual Capital Securities” shall have the same meanings in this summary. Other words and expressions used in this summary and not otherwise defined in this summary shall have the meanings ascribed to such words and expressions appearing elsewhere in this Offering Circular.

Issuers of Senior Notes

DBS Group Holdings Ltd, DBS Bank Ltd. or any of its branches outside Singapore (including, without limitation, DBS Bank Ltd., Australia branch, DBS Bank Ltd., Hong Kong branch, DBS Bank Ltd., London branch and DBS Bank Ltd., Taipei branch). References in this Offering Circular to “**Relevant Issuer**” mean, in relation to any Tranche, the Issuer which has concluded, or is negotiating, an agreement with the relevant Dealer(s) to issue, or which has issued, the Notes of that Tranche. In relation to each Tranche of Notes, the applicable Pricing Supplement will indicate whether DBS Bank is acting through any of its branches outside Singapore, if applicable.

Issuers of Subordinated Notes

DBS Group Holdings Ltd and DBS Bank Ltd.

Issuers of Perpetual Capital Securities

DBS Group Holdings Ltd and DBS Bank Ltd.

Description

Global Medium Term Note Programme.

Programme Limit

Up to USD 30,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time. The Issuers may increase this amount in accordance with the terms of the Dealer Agreement.

Joint Arrangers

DBS Bank Ltd., Deutsche Bank AG, Singapore Branch and any other Joint Arrangers appointed in respect of the Programme.

Dealers

Barclays Bank PLC, Singapore Branch, Citigroup Global Markets Inc., DBS Bank Ltd., Deutsche Bank AG, Singapore Branch, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, J.P. Morgan Securities Asia Private Limited, Lloyds Bank Corporate Markets plc, Merrill Lynch (Singapore) Pte. Ltd., RBC Capital Markets, LLC, RBC Europe Limited, Société Générale, The Toronto-Dominion Bank, UBS AG Singapore Branch¹ and Wells Fargo Securities, LLC.

The Issuers 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

¹ UBS AG is incorporated in Switzerland with limited liability. UBS AG has a branch registered in Singapore (UEN S98FC5560C)

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 dealers in respect of one or more Tranches. The Notes may be offered from time to time by the Relevant Issuer through the Dealers. The Relevant Issuer may sell Notes to the Dealers acting as principals for resale to investors or other purchasers and the Relevant 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 (in respect of Notes other than AMTNs).

Calculation Agent

The Bank of New York Mellon, London Branch, The Bank of New York Mellon, Singapore Branch, The Bank of New York Mellon, Hong Kong Branch or The Bank of New York Mellon, as applicable (other than AMTNs)), or any other entity appointed by the Relevant Issuer as indicated in the applicable Pricing Supplement.

Issuing and Paying Agent

The Bank of New York Mellon, London Branch (in respect of each series of Notes cleared through Euroclear or Clearstream).

CDP Paying Agent

The Bank of New York Mellon, Singapore Branch (in respect of each series of Notes cleared through CDP (“**CDP Notes**”)).

CMU Lodging and Paying Agent

The Bank of New York Mellon, Hong Kong Branch (in respect of each series of Notes cleared through the CMU (“**CMU Notes**”)).

DTC Paying Agent and Exchange Agent

The Bank of New York Mellon (in respect of each series of Notes cleared through DTC (“**DTC Notes**”)).

Paying Agent in respect of AMTNs only

BTA Institutional Services Australia Limited (the “**Australian Agent**”).

Registrar and Transfer Agent

The Bank of New York Mellon SA/NV, Luxembourg Branch (in respect of each series of Notes cleared through Euroclear or Clearstream), The Bank of New York Mellon, Singapore Branch (in respect of CDP Notes), The Bank of New York Mellon, Hong Kong Branch (in respect of CMU Notes), The Bank of New York Mellon (in respect of DTC Notes) and BTA Institutional Services Australia Limited (in respect of AMTNs).

The Issuing and Paying Agent, the Calculation Agent, Exchange Agent, the CDP Paying Agent, the CMU Lodging and Paying Agent, the DTC Paying Agent and Exchange Agent, the Transfer Agent, other Paying Agent or Agents

Currencies

and the Registrar as may be appointed from time to time are together referred to as the “**Agents**”.

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

Renminbi Fallback

If by reason of inconvertibility, non-transferability or illiquidity, an Issuer is not, in its sole and absolute discretion, able to satisfy payments of principal or interest (in respect of the Notes other than the Perpetual Capital Securities) or Distributions (in respect of the Perpetual Capital Securities only, and as defined in “*Terms and Conditions of the Perpetual Capital Securities – Condition 4 (Distributions and Other Calculations)*”), as applicable, when due in Renminbi, the Relevant Issuer may settle such payment in U.S. dollars (in the case of CMU Notes and notes cleared through Euroclear and Clearstream) or in Singapore dollars (in the case of CDP Notes).

Denomination

Definitive Notes will be in denominations as may be specified in the applicable Pricing Supplement (the “**Specified Denomination**”), save that, unless otherwise permitted by then current laws and regulations, 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 Relevant Issuer in the UK or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “**FSMA**”) will have a minimum Specified Denomination of GBP 100,000 (or its equivalent in other currencies) and the minimum denomination of each Note to be sold in the United States in reliance on Rule 144A shall be USD 200,000 (or its equivalent in other currencies) and integral multiples of USD 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.

The minimum Specified Denomination of each Note admitted to trading on a regulated market within the EEA or in the UK or offered to the public in an EEA State or in the UK in circumstances which require the publication of a prospectus under Regulation (EU) 2017/1129 (as amended or superseded, the “**Prospectus Regulation**”) will be EUR 100,000 or GBP 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).

AMTNs will be issued in a single denomination as specified in the Pricing Supplement save that:

- (i) the aggregate consideration payable to the Issuer by each offeree is at least AUD 500,000 (or the equivalent

in any other currency and disregarding any monies lent by the Issuer or its associates to the purchaser) or the issuance results from an offer or invitation of those Notes which otherwise does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia (the “**Australian Corporations Act**”);

- (ii) the issuance is not made to a “retail client” for the purposes of Section 761G of the Australian Corporations Act;
- (iii) the issuance complies with all other applicable laws; and
- (iv) the issuance does not require any document to be lodged with the Australian Securities and Investments Commission or ASX Limited.

Form of Notes

The Notes may be issued in bearer form or in registered form only. Registered Notes will not be exchangeable for Bearer Notes and *vice versa*. AMTNs will only be issued in registered certificated form. Subordinated Notes and Perpetual Capital Securities, as applicable, will only be issued in registered form. Each Global Note will be deposited on or around the relevant issue date with a common depository or sub-custodian for Euroclear, Clearstream, Luxembourg and/or as the case may be, the CMU and/or any other relevant clearing system.

Each Tranche of Notes in bearer form will be represented on issue by a Temporary Global Note or a Permanent Global Note, 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 applicable Pricing Supplement, 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 (see “*Summary of Provisions Relating to the Notes while in Global Form*”).

Registered Notes (other than AMTNs) 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 (other than AMTNs) that are registered in the name of a nominee or a nominee of the common depository (as applicable) 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 to QIBs within the meaning of Rule

Clearing Systems	<p>144A in the United States in reliance on Rule 144A will initially be represented by a Restricted Global Certificate.</p> <p>AMTNs will only be issued as Registered Notes. AMTNs will be issued in registered certificated form and will take the form of entries on a register established and maintained by a registrar in Australia and may be lodged with the Austraclear System. Each Tranche of AMTNs will be represented by an AMTN Certificate. AMTNs will not be issued as Subordinated Notes or Perpetual Capital Securities.</p> <p>CDP, the CMU, Euroclear and/or Clearstream for Bearer Notes and CDP, the CMU, DTC, Euroclear, Clearstream, and/or the Austraclear System for Registered Notes and, in relation to any Tranche, such other clearing system as agreed.</p>
Maturities	<p>Subject to compliance with all relevant laws, regulations and directives, the Notes may have any maturity that is one month or greater.</p>
Method of Issue	<p>Notes may be distributed by way of private placement on a syndicated or non-syndicated basis.</p> <p>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 (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable, and their issue price), 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 (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable, 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”).</p>
Issue Price	<p>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.</p>
Fixed Rate Notes	<p>Fixed Rate Notes will bear interest (in respect of Notes other than Perpetual Capital Securities) or confer the right to receive Distributions (in respect of Perpetual Capital Securities only), as applicable, payable in arrear on such day(s) as may be agreed (as specified in the applicable Pricing Supplement).</p>

Floating Rate Notes	<p>Floating Rate Notes will bear interest (in respect of Notes other than Perpetual Capital Securities) or confer the right to receive Distributions (in respect of Perpetual Capital Securities only), as applicable, determined separately for each Series as follows:</p> <ul style="list-style-type: none"> (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 HIBOR, EURIBOR, BBSW, SONIA Benchmark, SOFR Benchmark or SORA Benchmark (or such other benchmark as may be specified in the applicable Pricing Supplement) as adjusted for any applicable margin. <p>Interest periods (in respect of Notes other than Perpetual Capital Securities) or Distribution periods (in respect of Perpetual Capital Securities only), as applicable, will be specified in the applicable Pricing Supplement.</p>
Zero Coupon Notes	<p>Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest (in respect of Notes other than Perpetual Capital Securities).</p>
Other Notes	<p>Terms applicable to any other type of Notes which a Relevant Issuer may agree to issue under the Programme will be set out in the applicable Pricing Supplement.</p>
Change of Interest Basis or Distribution Basis	<p>Notes may be converted from one interest basis (in respect of Notes other than Perpetual Capital Securities) or one Distribution basis (in respect of Perpetual Capital Securities only), as applicable, to another in the manner set out in the applicable Pricing Supplement.</p>
Redemption of Senior Notes	<p>The applicable Pricing Supplement will indicate either that the Senior Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, 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 Relevant Issuer and/or the Senior Noteholders upon giving notice to the Senior Noteholders or the Relevant 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.</p> <p>The applicable Pricing Supplement may provide that Senior Notes may be redeemable in two or more instalments in such amounts and on such dates as indicated therein.</p>
Redemption of Subordinated Notes	<p>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, with the prior approval of the Monetary</p>

<p>Redemption of Perpetual Capital Securities</p>	<p>Authority of Singapore (the “MAS”), at the option of the Relevant Issuer:</p> <ul style="list-style-type: none"> (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. <p>The applicable Pricing Supplement will specify the basis for calculating the redemption amounts payable.</p> <p>The applicable Pricing Supplement issued in respect of each issue of Perpetual Capital Securities will indicate that the Perpetual Capital Securities cannot be redeemed other than, with the prior approval of the MAS, at the option of the Issuer:</p> <ul style="list-style-type: none"> (i) for taxation reasons; or (ii) following a Change of Qualification Event; or (iii) on such other terms as may be indicated in the applicable Pricing Supplement. <p>The applicable Pricing Supplement will specify the basis for calculating the redemption amounts payable.</p>
<p>Variation instead of Redemption of the Subordinated Notes and the Perpetual Capital Securities</p>	<p>The Relevant Issuer may, subject to the approval of the MAS, vary the terms of the Subordinated Notes or the Perpetual Capital Securities, as applicable, so they remain or become DBS Bank Qualifying Securities (as defined in the relevant Conditions) or, as the case may be, DBSH Qualifying Securities (as defined in the relevant Conditions) as provided in Note Condition 5(g) (in respect of Notes other than Perpetual Capital Securities) or Perpetual Capital Securities Condition 6(f) (in respect of Perpetual Capital Securities only), as applicable.</p>
<p>Loss Absorption upon a Trigger Event in respect of Subordinated Notes and the Perpetual Capital Securities</p>	<p>The applicable Pricing Supplement issued in respect of each issue of Subordinated Notes or the Perpetual Capital Securities, as applicable, may provide that the Loss Absorption Option is a Write-off in accordance with Note Condition 6(a) for Subordinated Notes issued by DBS Bank or Perpetual Capital Securities Condition 7(a) for Perpetual Capital Securities issued by DBS Bank, as applicable, or, as the case may be, Note Condition 6(b) for Subordinated Notes issued by DBSH or Perpetual Capital Securities Condition 7(b) for Perpetual Capital Securities issued by DBSH.</p>
<p>Contractual Recognition of bail-in regime in respect of Subordinated Notes and Perpetual Capital Securities</p>	<p>The Trustee (on behalf of the holders of Subordinated Notes or the holders of Perpetual Capital Securities, as applicable) and each holder of a Subordinated Note or a Perpetual Capital Security shall be subject, and shall be deemed to agree, to be bound by and acknowledge that the Subordinated Notes or the Perpetual Capital Securities, as</p>

the case may be, and each holder may be subject to cancellation, modification, conversion, change in form, or have the effect as if a right of modification, conversion, or change of form had been exercised by the MAS in the exercise of the MAS' powers under Division 4A of Part 4B of the MAS Act without prior notice. The Trustee (on behalf of the holders of Subordinated Notes or the holders of the Perpetual Capital Securities, as applicable) and each holder of a Subordinated Note or a Perpetual Capital Security shall be subject, and shall be deemed to agree, to be bound by and acknowledge that they are each subject to, having the Subordinated Notes or a Perpetual Capital Security, being the subject of the exercise of the MAS' powers under Division 4A of Part 4B of the MAS Act. The Trustee (on behalf of the holders of Subordinated Notes or the holders of the Perpetual Capital Securities, as applicable) and each holder of a Subordinated Note or a Perpetual Capital Security shall be deemed to agree to be bound by the terms of a Bail-in Certificate (as defined in Note Condition 6(c) or Perpetual Capital Securities Condition 7(c), as applicable).

Withholding Tax

All payments of principal and interest (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable, in respect of the Notes, the Receipts and the Coupons will be made free and clear of withholding taxes of:

- (i) Singapore or, if different, any other jurisdiction in which the Relevant Issuer is tax resident;
- (ii) in the case of Notes issued from DBS Bank's Australia branch, Australia;
- (iii) in the case of Notes issued from DBS Bank's London branch, the UK;
- (iv) in the case of Notes issued from DBS Bank's Hong Kong branch, Hong Kong; and
- (v) in the case of Notes issued from DBS Bank's Taipei branch, Taiwan,

unless required by law.

In that event, the Relevant Issuer shall pay such additional amounts as shall result in receipt by the Noteholders, the Receiptholders or the 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 and the Receipts and the Coupons relating to them will constitute direct and unsecured obligations of the Relevant Issuer as set out in Note Condition 3(a).

**Status of the
Subordinated Notes**

The Subordinated Notes will constitute direct, unsecured and subordinated obligations of the Relevant Issuer as set out in Note Condition 3(b).

**Status of the Perpetual Capital
Securities**

The Perpetual Capital Securities will constitute direct, unsecured and subordinated obligations of the Relevant Issuer as set out in Perpetual Capital Securities Condition 3(a).

**Subordination of the DBS
Bank Subordinated Notes**

Upon the occurrence of any winding-up proceedings, the rights of the Noteholders to payment of principal of and interest on the DBS Bank Subordinated Notes and any other obligations in respect of the DBS Bank Subordinated Notes are expressly subordinated and subject in right of payment to the prior payment in full of all claims of DBS Bank Relevant Creditors and will rank senior to all share capital of DBS Bank and the DBS Bank Tier 1 Capital Securities. The DBS Bank Subordinated Notes will rank *pari passu* with all subordinated debt issued by DBS Bank that qualifies as DBS Bank Tier 2 Capital Securities and any instrument or security issued, entered into or guaranteed by DBS Bank that ranks or is expressed to rank, by its terms or operation of law, *pari passu* with a DBS Bank Subordinated Note.

**Subordination of the DBS Bank
Perpetual Capital Securities**

Upon the occurrence of any winding-up proceedings, the rights of the Securityholders to payment of principal of and Distributions on the DBS Bank Perpetual Capital Securities and any other obligations in respect of the DBS Bank Perpetual Capital Securities are expressly subordinated and subject in right of payment to the prior payment in full of all claims of DBS Bank Relevant Creditors and will rank senior to DBS Bank Junior Obligations. The DBS Bank Perpetual Capital Securities will rank *pari passu* with DBS Bank Additional Tier 1 Capital Securities and any instrument or security issued, entered into or guaranteed by DBS Bank that ranks or is expressed to rank, by its terms or operation of law, *pari passu* with a DBS Bank Perpetual Capital Security.

**Subordination of the DBSH
Subordinated Notes**

Upon the occurrence of any winding-up proceedings, the rights of the Noteholders to payment of principal of and interest on the DBSH Subordinated Notes and any other obligations in respect of the DBSH Subordinated Notes are expressly subordinated and subject in right of payment to the prior payment in full of all claims of DBSH Relevant Creditors and will rank senior to all share capital of DBSH and the DBSH Tier 1 Capital Securities. The DBSH Subordinated Notes will rank *pari passu* with all subordinated debt issued by DBSH that qualifies as DBSH Tier 2 Capital Securities and any instrument or security issued, entered into or guaranteed by DBSH that ranks or is expressed to rank, by its terms or operation of law, *pari passu* with a DBSH Subordinated Note.

Subordination of the DBSH Perpetual Capital Securities

Upon the occurrence of any winding-up proceedings, the rights of the Securityholders to payment of principal of and Distributions on the DBSH Perpetual Capital Securities and any other obligations in respect of the DBSH Perpetual Capital Securities are expressly subordinated and subject in right of payment to the prior payment in full of all claims of DBSH Relevant Creditors and will rank senior to DBSH Junior Obligations. The DBSH Perpetual Capital Securities will rank *pari passu* with DBSH Additional Tier 1 Capital Securities and any instrument or security issued, entered into or guaranteed by DBSH that ranks or is expressed to rank, by its terms or operation of law, *pari passu* with a DBSH Perpetual Capital Security.

Negative Pledge

None.

Cross Default

None.

Events of Default in respect of the Senior Notes (other than AMTNs) and AMTNs

Events of Default for the Senior Notes (other than AMTNs) and AMTNs are set out in Note Condition 10(a).

Events of Default and Rights and Remedies upon Default in respect of the Subordinated Notes

Events of Default for the Subordinated Notes are set out in Note Condition 10(b).

If a Default in respect of the payment of principal of or interest on the relevant 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 Relevant Issuer. If the Relevant Issuer shall default in the performance of any obligation contained in the Trust Deed or the relevant Subordinated Notes other than a Default specified in the Note Conditions, the Trustee and the Noteholders shall be entitled to every right and remedy given under the Note Conditions or 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 except as provided in the Note Conditions and the Trust Deed. If any court awards money damages or other restitution for any default with respect to the performance by the Relevant Issuer of its obligations contained in the Trust Deed, the relevant Subordinated Notes, the payment of such money damages or other restitution shall be subject to the subordination provisions set out in the Note Conditions and the Trust Deed.

Default and Rights and Remedies upon Default in respect of the Perpetual Capital Securities

Default events for the Perpetual Capital Securities are set out in Perpetual Capital Securities Condition 11.

If a Default in respect of the payment of principal of or Distribution on the Perpetual Capital Securities 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 Relevant Issuer. If the

	<p>Relevant Issuer shall default in the performance of any obligation contained in the Trust Deed, the relevant Perpetual Capital Securities other than a Default specified in the Perpetual Capital Securities Conditions, the Trustee and the Securityholders shall be entitled to every right and remedy given under the Perpetual Capital Securities Conditions 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 Perpetual Capital Security except as provided in the Perpetual Capital Securities Conditions and the Trust Deed. If any court awards money damages or other restitution for any default with respect to the performance by the Relevant Issuer of its obligations contained in the Trust Deed, the relevant Perpetual Capital Securities, the payment of such money damages or other restitution shall be subject to the subordination provisions set out in the Perpetual Capital Securities Conditions and the Trust Deed.</p>
<p>Rating</p>	<p>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.</p>
<p>Listing</p>	<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 SGD 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>
<p>Governing Law</p>	<p>As specified in the applicable Pricing Supplement:</p> <ul style="list-style-type: none"> (i) English law, save that Condition 6(c) in respect of the Subordinated Notes, Condition 7(c) in respect of the Perpetual Capital Securities and the provisions in relation to subordination, set-off and payment void and default and enforcement in respect of both the Subordinated Notes and the Perpetual Capital Securities are governed by and shall be construed in accordance with, Singapore law; or (ii) Singapore law; or (iii) in respect of any AMTNs, the laws of New South Wales, Australia shall apply.

Selling Restrictions

United States, EEA, the UK, Hong Kong, Japan, Singapore, Indonesia, Taiwan, Australia, the United Arab Emirates (excluding the DIFC), the DIFC, Canada and other restrictions as may be required in connection with a particular issue of Notes. See “*Subscription and Sale*” and any additional selling and transfer restrictions set out in the applicable Pricing Supplement.

Bearer Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”)) (“**TEFRA D**”) unless:

- (i) the applicable Pricing Supplement states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of Code) (“**TEFRA C**”); or
- (ii) Bearer Notes are issued other than in compliance with TEFRA D or TEFRA C 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 applicable 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 prior to the expiration of the relevant distribution compliance period and on the transfer of Registered Notes sold pursuant to Rule 144A. See “*Transfer Restrictions*”.

ERISA Considerations

Unless otherwise provided in the applicable Pricing Supplement, the Notes may be purchased and held by an employee benefit plan or other plan subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), or Section 4975 of the Code or by an entity whose underlying assets are deemed for purposes of ERISA or Section 4975 of the Code to include “plan assets” by reason of such plan’s investment in the entity (such plans and entities collectively referred to as “**Plans**”). Each purchaser and transferee of a Note will be deemed to have represented and agreed by its acquisition and holding of the Note (or any interest therein) either (i) it is not a Plan or a governmental, church, non-United States or other employee benefit plan that is subject to a U.S. federal, state or local law, or non-U.S. law, that is substantially similar to Section 406 of ERISA or Section 4975 of the Code (“**Similar Law**”), or (ii) its acquisition, holding and disposition of the Notes (or any interest therein) does not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA

Risk Factors

or Section 4975 of the Code, or in the case of a governmental, church, non-United States or other employee benefit plan, a violation of any applicable Similar Law. See “*ERISA and Certain Other Considerations*”.

There are certain risks related to any issue of Notes under the Programme, which investors should ensure they fully understand, a non-exhaustive summary of which is set out under “*Risk Factors*”.

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 31 December 2021, 2020 and 2019. Such presentation differs in certain respects from the DBS Group's audited consolidated financial statements and from SFRS(I). The following information should be read in conjunction with the DBS Group's audited consolidated financial statements as at and for the year ended 31 December 2021 and the related notes thereto which are set forth beginning on page F-2 of this Offering Circular and the audited consolidated financial statements as at and for the years ended 31 December 2020 and 2019 and the related notes thereto which are incorporated by reference in this Offering Circular, and the sections entitled "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 and the DBS Bank Group are prepared in accordance with the SFRS(I). These financial statements differ in certain material respects from U.S. GAAP. Investors should consult their own professional advisers for an understanding of the differences between SFRS(I) and U.S. GAAP and the generally accepted accounting principles of other jurisdictions and how those differences might affect the financial information contained in this Offering Circular.

In SGD millions	For the years ended 31 December		
	2019	2020	2021
Selected income statement items			
Net interest income	9,625	9,076	8,440
Net fee and commission income	3,052	3,058	3,524
Other non-interest income.....	1,867	2,458	2,333
Total income	14,544	14,592	14,297
Total expenses.....	6,258	6,158	6,469
Profit before allowances.....	8,286	8,434	7,828
Allowances for credit and other losses	703	3,066	52
Profit before tax.....	7,583	5,368	7,776
Net profit	6,391	4,721	6,801
One-time items ⁽¹⁾	-	-	4
Net profit including one-time items	6,391	4,721	6,805

Note:

- (1) The one-time items in 2021 relate to gain recognised on completion of Shenzhen Rural Commercial Bank acquisition; as well as a Corporate Social Responsibility commitment to DBS Foundation and other charitable causes.

In SGD millions, except percentages	As at and for the years ended 31 December		
	2019	2020	2021
Selected balance sheet items			
Customer loans	357,884	371,171	408,993
Total assets	578,946	649,938	686,073
Customer deposits	404,289	464,850	501,959
Total liabilities	527,147	595,295	628,359
Shareholders' funds	50,981	54,626	57,526
Key financial ratios (excluding one-time items)⁽¹⁾			
Return on assets ⁽²⁾	1.13%	0.75%	1.02%
Return on equity ⁽³⁾	13.2%	9.1%	12.5%
Cost-to-income ratio ⁽⁴⁾	43.0%	42.2%	45.2%
Net interest margin ⁽⁵⁾	1.89%	1.62%	1.45%
<i>As % of total income:</i>			
Net interest income	66.2%	62.2%	59.0%
Non-interest income	33.8%	37.8%	41.0%
Customer NPL ⁽⁶⁾ as % of gross customer loans and advances	1.5%	1.6%	1.3%
Total NPAs ⁽⁷⁾ as % of total assets	1.0%	1.0%	0.9%
Total cumulative loss allowances (including RLAR) ⁽⁸⁾ as % of:			
Total assets	0.9%	1.1%	1.0%
Total NPAs	94%	110%	116%
CAR			
CET1 ratio	14.1%	13.9%	14.4%
Tier 1 ratio	15.0%	15.0%	15.1%
Total capital ratio	16.7%	16.8%	17.0%

Notes:

- (1) These key financial ratios are not standard measures under SFRS(I) or U.S. GAAP.
- (2) Net profit attributable to shareholders divided by average total assets.
- (3) Calculated based on net profit attributable to shareholders net of dividends on other equity instruments. Non-controlling interests and other equity instruments are not included as equity in the computation of return on equity.
- (4) Expenses expressed as a percentage of total income.
- (5) Net interest income expressed as a percentage of average interest-earning assets.
- (6) Based on customer loans and advances that have been classified in accordance with the MAS guidelines.

- (7) Based on customer loans and advances, loans to banks, debt securities and contingent liabilities that have been classified in accordance with the MAS guidelines.
- (8) Allowances refer to Stage 1, Stage 2 and Stage 3 expected credit loss, and also include regulatory loss allowance reserves ("**RLAR**") of SGD 404 million as at 31 December 2019. RLAR was nil as at 31 December 2020 and 31 December 2021.

RISK FACTORS

Each Issuer believes that the following factors may affect its business and/or its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuers are 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 and 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.

Several major events and developments in recent times have significant implications for the world and the DBS Group. First, the COVID-19 pandemic has exposed the risks of sudden stoppages of economies and supply chain disruptions as well as high dependency on Chinese manufacturing. Post-COVID-19, there will be more pressures to re-shore certain manufacturing activities and ensure self-sufficiency while putting more emphasis on diversification of the production bases away from China. In addition, the emergence of new COVID-19 variants could lead to resurgence in infection rates and re-imposition of tight border control and restrictions on movement and economic activities, posing further economic growth risk. Moreover, the continuation of zero-COVID strategies by China and Hong Kong have also weighed on their economic recovery at a time when other major countries are lowering their restrictions and learning to live with the virus. Second, tensions between the U.S. and China could re-escalate in the areas of data and technology security, as well as human rights accusations, particularly as the U.S. and China head towards the mid-term elections and 20th Party Congress respectively in Q4 2022. Third, with the world entering a third year of the pandemic in 2022, the end of the moratorium on loan repayments and reduction of government's fiscal stimulus plans could expose bad loans and asset quality on banks' balance sheets, although this has been modest thus far. Fourth, normalisation of monetary policies, such as the tapering of asset purchase and interest rate hikes, have also started in various parts of the world and if mis-calibrated, could have adverse implications to economic growth. Fifth, financial market volatility and increased economic uncertainty may arise due to specific country-related factors, for example the Chinese government is further fine-tuning its regulatory oversight on specific sectors (such as property and platform technology companies) and reining in debt growth even as it attempts to stabilise economic growth. To the extent that uncertainty regarding the economic outlook is heightened and starts to negatively impact consumer confidence and consumer credit factors globally or regionally, the DBS Group's business, financial condition and results of operations could be significantly and adversely affected. Lastly, a material escalation in geopolitical risks such as a protracted Russia-Ukraine conflict and rising tensions in the Indo-pacific regions (including between China and Taiwan) could result in global economic slowdown, higher inflation, financial market volatilities and capital flight from emerging markets.

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 2008 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 realised losses on its investment and derivative portfolios and adversely affected its profitability. In addition, the DBS Group remains subject to the indirect economic effect of any potential tightening in global credit conditions, 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 arising from financial institutions that can fail or are otherwise unable to meet their obligations under their contractual commitment to the DBS Group.

On a geographical basis, the DBS Group's performance and the quality and growth of its assets are substantially dependent on the health of its primary markets in China, Hong Kong, India, Indonesia, Singapore and Taiwan. In particular, Singapore, the home country of the DBS Group, is highly dependent on external trade and investment, and is exposed to economic and market conditions in other countries in light of the interconnectivity between Singapore's economy and the rest of the world. If there is another global or regional financial crisis or a severe economic downturn in 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. This would 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.

Any substantial increase in NPAs may impair the DBS Group's business, financial condition and results of operations.

Various factors such as a rise in unemployment, a sustained rise in interest rates, negative developments in the economies and/or the sectors in which the DBS Group lends money, movements in global commodities markets and exchange rates, global competition and political and economic developments in key economies, as well as the continued spread of COVID-19, could have a material adverse effect on the quality of the DBS Group's loan portfolio. Some borrowers and counterparties may not be able to meet their financial obligations and this may result in loans being classified as non-performing assets.

Adverse changes in the credit quality of the DBS Group's borrowers and counterparties or adverse changes arising from a deterioration in global, regional and sectoral 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. For example, the ongoing effects as a consequence of the COVID-19 outbreak could have an adverse impact on housing prices and values in Singapore. Although the DBS Group devotes considerable resources to managing these risks, many of the factors affecting borrower and counterparty credit risks are exogenous to 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. See further "*Risk Management – Non-Performing Assets*" for details on the NPAs of the DBS Group.

A decline in collateral values or inability to realise 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, regional and sectoral economic conditions or asset values could reduce the recoverability and/or the value of the DBS Group's assets. For example, during the course of 2020 and through to 2021, to help ease the financial strain on individuals and SMEs caused by the COVID-19 pandemic, the MAS, the Association of Banks in Singapore and the Finance Houses Association of Singapore announced several support measures for individuals and SMEs on certain deferments of interest and principal payments on eligible loans. Several of these support measures have ended, while others are being tapered and due to end in the course of 2022. See further "*Regulation and Supervision – The Regulatory Environment – Other Special Financial Relief Programmes*" for more details on the support measures. Additionally, 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 realise 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. 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 demand deposits from savings and current accounts, or fixed deposits. The DBS Group's deposits are well diversified across customers. 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. DBSH has received long-term issuer ratings of "AA-" from Fitch and "Aa2" from Moody's. DBS Bank has received long-term issuer ratings of "AA-" from Fitch, "Aa1" from Moody's and "AA-" from Standard & Poor's. DBSH's and DBS Bank's credit ratings have stable outlooks from Fitch, Moody's and Standard & Poor's. 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 for the criteria or methodology by which such rating agencies determine such ratings be updated, changed or otherwise revised 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 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 instrument is not active, the DBS Group establishes fair value by using valuation techniques. These may 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. In inactive markets, fair values, or market parameters used with internally developed models to derive fair values, may also be kept unchanged. 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 disruptions/ dislocations and unexpected correlation shifts can materially affect these estimates and the resulting fair value estimates.

The DBS Group's operations in, and further expansion into, diverse markets in and outside of Asia 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 locations in Asia, including China, Taiwan, India, Indonesia, and outside Asia, including in the UK and Australia. 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. 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 may 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.

Significant fraud, data theft, cyber attacks, 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 increasing threat of cyber-attacks on financial institutions continues to be one of the DBS Group's top risk concerns. Cyber criminals, hackers, insiders and nation state sponsored adversaries are among those that may target financial computer systems. The DBS Group seeks to protect its computer systems and network infrastructure from physical break-ins, cyber intrusion as well as fraud and systems failures. The DBS Group employs round-the-clock external surveillance security systems, including logical access controls, intrusion prevention systems, multi-factor authentication and encryption technologies, designed to minimise the risk of security breaches. Although the DBS Group intends to continue to implement security technologies, conduct regular assessments and establish operational procedures to prevent break-ins, damages and failures, there can be little 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 fulfil their contractual obligations or could be subject to fraud or operational errors by their employees.

In addition, although the DBS Group's data centre and back-up systems are separately located, there can be little 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 may be subject to increased regulatory capital and liquidity requirements which could have a material adverse effect on its business, financial condition and results of operations.

The DBS Group is subject to capital adequacy and liquidity standards set by the MAS.

The MAS Notice 637 on Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore ("**MAS Notice 637**") incorporates the Basel III capital standards published by the Basel Committee on Banking Supervision (the "**Basel Committee**") into Singapore regulations. Domestic systemically important banks ("**D-SIBs**") are required to comply with a minimum Common Equity Tier 1 ("**CET1**") capital adequacy ratio ("**CAR**") of 6.5%, Tier 1 CAR of 8% and Total CAR of 10%. These minimum ratios are two

percentage points higher than those established by the Basel Committee, and are aimed to reduce the probability of failure of D-SIBs by increasing their going-concern loss absorbency. The MAS has designated DBS Bank as a D-SIB. In addition, Singapore-incorporated banks are required to maintain a capital conservation buffer of up to 2.5% and a countercyclical buffer of up to 2.5%, both to be met fully with CET1 capital.

The countercyclical buffer is not an ongoing requirement and is only applied as and when specified by the relevant banking supervisors. The applicable magnitude will be a weighted average of the jurisdiction-specific countercyclical buffer requirements that are required by authorities in jurisdictions to which a bank has private sector credit exposures. The Basel Committee expects jurisdictions to implement the countercyclical buffer during periods of excessive credit growth. Of the jurisdictions where the DBS Group has material private sector credit exposures, Hong Kong has applied a countercyclical buffer of 2.5% from 1 January 2019, which was reduced to 2.0% from 14 October 2019 and 1.0% from 16 March 2020, and remained unchanged thereafter.

Including the capital conservation buffer and excluding the countercyclical buffer, a D-SIB is required to meet CET1 CAR of 9.0%, Tier 1 CAR of 10.5% and Total CAR of 12.5%.

MAS Notice 637 also imposes a minimum leverage ratio requirement of 3% for Singapore-incorporated banks at the solo and group levels.

In respect of liquidity standards, the DBS Group is subject to Basel III liquidity coverage ratio (“**LCR**”) standards under MAS Notice 649 on Minimum Liquid Assets and Liquidity Coverage Ratio (“**MAS Notice 649**”). The DBS Group is required to maintain at all times a Singapore dollars LCR of at least 100% and an all-currency LCR of at least 100%.

The DBS Group is subject to the Basel Committee’s standards on Basel III net stable funding ratio (“**NSFR**”) requirements under MAS Notice 652 on Net Stable Funding Ratio (“**MAS Notice 652**”). DBS Bank, as a D-SIB that is incorporated in Singapore and whose head office or parent bank is incorporated in Singapore must maintain a consolidated all-currency DBS Group NSFR of at least 100% at all times. In addition, the MAS has stated that it will continue to monitor international developments on the Basel Committee’s NSFR requirements and analyse relevant Singapore bank data to facilitate appropriate adjustments to the NSFR requirements should the need arise.

In addition, the DBS Group’s overseas banking subsidiaries and branches are subject to capital adequacy and liquidity requirements imposed by their respective local regulators. As at 31 December 2021, the DBS Group was in compliance with the applicable capital adequacy and liquidity requirements of each of the jurisdictions in which it operates subsidiaries and branches.

If the regulatory capital or liquidity requirements applied to the DBS Group should 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 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.

In particular, on 7 May 2019, the MAS released a consultation paper on “Proposed Implementation of the Final Basel III Reforms in Singapore”, seeking feedback on proposed revisions to the risk-based capital requirements and leverage ratio requirements for Singapore-incorporated banks to align with the Basel III reforms, and to implement these revisions from 1 January 2022. On 7 April 2020, the MAS announced that the implementation date of the Basel III reforms had been deferred by one year to 1 January 2023 to enable banks to prioritise their resources in response to COVID-19. On 17 December 2020, the MAS released its “Response to Feedback Received on the Proposed Implementation of the Final Basel III Reforms in Singapore – Operational Risk Capital and Leverage Ratio Requirements”. On 25 March 2021,

the MAS released its “Response to Feedback Received on the Proposed Implementation of the Final Basel III Reforms in Singapore – Credit Risk Capital and Output Floor Requirements”. On the same day, the MAS also released a consultation paper on “Draft Standards for Credit Risk Capital and Output Floor Requirements for Singapore-incorporated banks”, seeking feedback on proposed amendments to MAS 637 in respect of credit risk capital and output floor requirements which take into account this response. The revised standards are expected to take effect from 1 January 2023, with transitional arrangements provided for implementation of the output floor till 1 January 2028. On 13 September 2021, the MAS published its “Response to Feedback Received on the Proposed Implementation of the Final Basel III Reforms in Singapore – Market Risk Capital Requirements”. The MAS also released a consultation paper on “Draft Standards for Market Risk Capital and Capital Reporting Requirements for Singapore-Incorporated Banks” seeking feedback on draft standards relating to market risk capital and capital reporting requirements for Singapore-incorporated banks. Under this consultation paper, amendments have been proposed to MAS Notice 637 to take into account the aforementioned response as well as standards relating to market risk capital requirements in the consolidated Basel Framework published by the Basel Committee on Banking Supervision. MAS intends to implement the revised standards for market risk capital for supervisory reporting purposes from 1 January 2023, and for the purposes of compliance with capital adequacy and disclosure requirements from 1 January 2023 or later. These revisions can affect the way banks in Singapore calculate their exposures, which may in turn affect their capital requirements.

On 7 February 2022, the MAS imposed on DBS Bank Ltd. an additional capital requirement arising from the widespread unavailability of DBS Bank’s digital banking services during 23 to 25 November 2021. The MAS has required DBS Bank to apply a multiplier of 1.5 times to its risk-weighted assets for operational risk. This translates to an additional amount of approximately S\$930 million in regulatory capital (based on reported financial statements as at 30 September 2021). The additional capital requirement will be reviewed when the MAS is satisfied that DBS Bank has addressed the identified shortcomings from an independent review of the incident.

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

Reputational risk has 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 location, credit, liquidity, market, regulatory, operational, environmental, litigation and 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. Additionally, in recent years, regulators globally have increased their scrutiny of internal controls and have correspondingly increased the penalties for any non-compliance particularly in the areas of sanctions, anti-bribery and anti-money laundering compliance. Furthermore, investigations, administrative actions or litigation could commence in relation to violations, which may involve penalties, damages, costs, and 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.

The exercise by the MAS of resolution powers may be beyond the control of the Relevant Issuer.

The MAS has certain resolution powers over failed financial institutions (or financial institutions which are at risk of failure, or which have breached their regulatory obligations) and these resolution powers can be exercised by the MAS prior to insolvency of the said financial institutions. These resolution powers are set out in the Monetary Authority of Singapore Act 1970 of Singapore (“**MAS Act**”).

The MAS’ resolution powers include among other things, the power to transfer the whole or part of the business of a financial institution, the power to order a compulsory transfer of shares of a financial institution, the power to order a compulsory restructuring of share capital of the institution, the exercise of statutory powers allowing the MAS to temporarily stay early termination rights (including set-off and netting rights) of counterparties to financial contracts (including those governed by foreign laws) entered into with a financial institution over which the MAS may exercise its resolution powers (which would include Singapore licensed banks), a statutory bail-in regime, cross-border recognition of resolution action, creditor safeguards and resolution funding. The MAS also has statutory bail-in powers to write down or convert a Singapore-incorporated bank or Singapore-incorporated bank holding company’s debt into equity. These powers extend to DBS Bank and DBSH. As specified under Division 4A of Part 4B of the MAS Act, the classes of instruments subject to the statutory bail-in powers of the MAS include equity instruments and unsecured subordinated debt issued on or after 29 November 2018.

If the MAS exercises its resolution powers in respect of the DBS Group, this may have the effect of adversely affecting DBS Group’s business, financial condition and results of operations.

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 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.

The DBS Group’s overseas operations are subject to fluctuations in foreign currency exchange rates against Singapore dollars. 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 Singapore dollars may adversely affect the DBS Group’s business, financial condition and results of operations. From time to time, the MAS may announce changes to the Singapore dollars nominal effective exchange rate policy band. There can be no assurance that such policy changes will not adversely affect 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.

The DBS Group’s strategy of capitalising on Asia’s megatrends to intermediate trade and capital flows and supporting wealth creation in the region may not succeed if market conditions are not stable, opportunities develop more slowly than expected or have less potential than originally envisaged, or the profitability of the DBS Group’s products and services is undermined by competitive pressures. 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.

The DBS Group’s focus on digitalisation also exposes it to a range of cyber risks. With the digital landscape evolving quickly, there can be no assurance that the DBS Group will be able to fully and successfully

execute its digital strategy. For more information on such potential cyber risks, please refer to the risk factor above on “*Significant fraud, systems failure or calamities could adversely affect 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. This 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 financial system in Singapore, Hong Kong or the other locations 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 fulfil its foreign currency or cross-border contractual obligations; and the risk that a non-sovereign counterparty may be unable to fulfil 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.

Risks may arise from pursuing inorganic opportunities.

The DBS Group may from time to time evaluate inorganic opportunities, including acquisitions, divestments, joint ventures and investments, with a view to determining whether those opportunities will enhance the DBS Group’s strategic position and financial performance.

The certainty and timing (including the timelines of any public releases) of any such inorganic opportunities are not wholly within the DBS Group’s control and may be impacted by a range of factors outside of the control of the DBS Group, including the actions and/or decisions of transaction counterparties and/or regulators. Pursuit of such inorganic opportunities inherently involves transaction risks, including over-valuation of an acquisition or investment or under-valuation of a divestment, and exposure to reputational damage. Integration or separation of an acquired or divested business, as the case may be, can be complex and costly, and the DBS Group may encounter difficulties in integrating or separating businesses, including failure to realise expected synergies, combining or separating relevant accounting and data processing systems, disruption to operations, as well as managing relevant relationships with employees, customers, regulators, counterparties, suppliers and other business partners. Integration or separation efforts could also create inconsistencies in standards, controls, procedures and policies, as well as diversion of management resources or higher than expected costs. There can also be no assurance that employees, customers, counterparties, suppliers and other business partners of newly acquired or retained businesses will remain post-acquisition or post-divestment, and the loss of employees, customers, counterparties, suppliers and other business partners may adversely affect the DBS Group’s operations

or results. Any of these risks and difficulties may ultimately have an adverse impact on the DBS Group's financial performance and position.

Additionally, there are risks relating to the completion of any particular transaction occurring, including counterparty and settlement risk, or the non-satisfaction of any completion conditions (for example, relevant regulatory or third-party approvals and/or other completion conditions). This may adversely affect the DBS Group's ability to conduct its business successfully and impact the DBS Group's operations or results. The DBS Group may also be restricted by the terms of any confidentiality or similar agreement in connection with any opportunity being pursued from publicly disclosing details of such opportunity. In addition, where the DBS Group's acquisitions are in foreign jurisdictions, or are in emerging or growth economies in particular, they may be exposed to heightened levels of regulatory scrutiny and political, social or economic disruption and sovereign and/or reputational risk in emerging and growth markets. The DBS Group may also be exposed to disputes, litigation or other proceedings as a result of pursuing inorganic opportunities which may arise from existing stakeholders (including, for example, customers or employees, minority shareholders, creditors or investors) or in any other counterparty involved in, or connected with, the acquisition, divestment, joint venture or investment (as the case may be). The DBS Group's operating performance, risk profile and capital structure may consequently be affected by these opportunities and there is a risk that the DBS Group's credit ratings may be placed on credit watch or downgraded if these opportunities are pursued.

The DBS Group may also have ongoing exposures to divested businesses, including through the provision of continued services and infrastructure or an agreement to retain certain liabilities of the divested businesses through warranties and indemnities, which may have an adverse impact on the DBS Group's business and financial performance and position.

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.

Terrorist attacks, natural calamities and outbreak of communicable diseases around the world may affect investor sentiment and could result in sporadic volatilities in international capital markets or adversely affect Singapore and other economies. For example, the outbreak of COVID-19 has, resulted in, among other things, renewed travel and transportation restrictions as of the date of this Offering Circular and increased volatility in international capital markets. Given the uncertainties as to the development of the COVID-19 outbreak, it is difficult to predict how long such conditions will exist and the extent to which the DBS Group may be affected by such conditions. In particular, as of the date of this Offering Circular it has also caused significant disruption to the Singapore economy, in particular the travel, tourism and retail segments. See further "*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*" for details of the impact of COVID-19 on the DBS Group. Any material change in the financial markets, the Singapore economy or economies of countries or regions where the DBS Group operates 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 – Additional Information about the DBS Group – Competition*".

The Singapore government has taken steps to liberalise 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, the MAS has been issuing qualifying full bank (“QFB”) licences to international financial institutions since 1999. QFBs are currently permitted to establish operations in up to 25 locations. Certain QFBs that meet the MAS’ qualifications for being “significantly rooted” may be allowed to have an additional 25 places of business in Singapore, of which 10 may be branches. In December 2020, the MAS awarded Significantly Rooted Foreign Bank privileges to Standard Chartered Bank (Singapore) Limited. In addition, the Singapore government has allowed more international banks to obtain “wholesale banking” licences to enable them to expand their Singapore dollars wholesale banking business in Singapore and to broaden the scope of Singapore dollars banking activities in which international banks may participate.

In December 2020, the MAS also announced the successful applicants of two digital full bank (“DFB”) licences and two digital wholesale bank (“DWB”) licences. The new digital banks are expected to commence operations from early 2022. A DFB will be allowed to take deposits from and provide banking services to retail and non-retail customer segments, while a DWB will be allowed to take deposits from and provide banking services to SMEs and other non-retail customer segments.

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.

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.

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 each of DBSH and DBS Bank and certain other parties.

DBSH and DBS Bank are incorporated under the laws of Singapore and substantially all of their respective 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 DBSH’s and DBS Bank’s assets, are located outside or are organised outside the United States. As a result, it may be difficult for investors to enforce judgments against either DBSH or 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 on 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

DBSH is a holding company and holders of Notes issued by DBSH have claims against DBSH and not any of its subsidiaries (including DBS Bank).

DBSH is the holding company of the DBS Bank Group. Holders of the Notes issued by DBSH have claims against DBSH and not any of DBSH’s subsidiaries. Generally, claims of creditors, including depositors, trade creditors, and claims of preferred shareholders of DBSH’s subsidiaries and associated companies, if any, will be against the assets and earnings of such subsidiaries and associated companies, as compared to claims of holders of Notes issued by DBSH which will be against the assets and earnings of DBSH.

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

In most circumstances, the sole remedy against the Relevant Issuer available to the Trustee (on behalf of the holders of Subordinated Notes or the holders of the Perpetual Capital Securities, as applicable) to recover any amounts owing in respect of the principal of or interest on the Subordinated Notes, or principal of or Distributions on the Perpetual Capital Securities, as applicable, will be to institute proceedings for the winding-up of the Relevant Issuer in Singapore. See Note Condition 10 (in respect of Subordinated Notes) and Perpetual Capital Securities Condition 11 (in respect of Perpetual Capital Securities only), as applicable.

If the Relevant Issuer defaults on the payment of principal or interest on the Subordinated Notes, or Distributions on the Perpetual Capital Securities, as applicable, the Trustee will only institute a proceeding in Singapore for the winding-up of the Relevant Issuer if it is so contractually obliged. The Trustee will have no right to accelerate payment of the Subordinated Notes or the Perpetual Capital Securities, as applicable, 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 and the Perpetual Capital Securities will be direct, unsecured and subordinated obligations of the Relevant Issuer and will rank junior in priority to the claims of the DBS Bank Relevant Creditors or DBSH Relevant Creditors, as the case may be (as defined in “*Terms and Conditions of the Notes other than the Perpetual Capital Securities*” (in respect of the Subordinated Notes) and “*Terms and Conditions of the Perpetual Capital Securities*” (in respect of the Perpetual Capital Securities only), as applicable). In addition, any Subordinated Notes or Perpetual Capital Securities, as applicable, issued by DBSH would be structurally subordinated to obligations and liabilities of any of DBSH's subsidiaries and, therefore, creditors of DBSH's subsidiaries would have priority ranking. Upon the occurrence of any winding-up proceedings, the rights of the holders of the relevant Subordinated Notes or the Perpetual Capital Securities, as applicable, to payments on such Subordinated Notes or Perpetual Capital Securities, as applicable, will be subordinated in right of payment to the prior payment in full of claims of the DBS Bank Relevant Creditors or DBSH Relevant Creditors, as the case may be, as applicable, except those liabilities which rank equally with or junior to the relevant Subordinated Notes or the Perpetual Capital Securities, as applicable. In a winding-up proceeding, the holders of the relevant Subordinated Notes or the Perpetual Capital Securities, as applicable, may recover less than the holders of deposit liabilities or the holders of other unsubordinated liabilities of the Relevant 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 or Perpetual Capital Securities may pay a higher rate of interest (in respect of Subordinated Notes), or Distributions (in the case of Perpetual Capital Securities only), as applicable, than comparable Notes which are not subordinated, there is a risk that an investor in Subordinated Notes or Perpetual Capital Securities, as applicable, will lose all or some of its investment should the Relevant Issuer become insolvent.

The resolution regime in Singapore may override the contract terms of the Subordinated Notes and the Perpetual Capital Securities, and the exercise of bail-in powers may be beyond the control of the Relevant Issuer.

Pursuant to the MAS Act and the MAS Regulations, should a Bail-in Certificate be issued, the Subordinated Notes and the Perpetual Capital Securities may be subject to cancellation, modification, conversion and/or change in form.

Holders of Subordinated Notes or Perpetual Capital Securities and the Trustee, as applicable, are deemed to agree to be bound by the terms of a Bail-in Certificate. Accordingly, the rights of such holders are subject to, and will be amended and varied (if necessary), solely to give effect to, the exercise of the MAS' powers under Division 4A of Part 4B of the MAS Act.

The determination of the viability of the Relevant Issuer and the exercise of the MAS' powers is largely at the discretion of the MAS. While the MAS must have regard to the desirability of giving a pre-resolution creditor the priority and treatment that the pre-resolution creditor would have enjoyed had the Division 4A financial institution been wound up, the MAS may also consider other factors in determining whether to exercise its powers in accordance with this principle.

Potential investors should consider the risk that a holder of Subordinated Notes or Perpetual Capital Securities, as applicable, may lose all of their investment in such Subordinated Notes or Perpetual Capital Securities, as applicable, including the principal amount plus any accrued but unpaid interest (in respect of Subordinated Notes) or the principal amount plus any accrued but unpaid Distributions (in respect of Perpetual Capital Securities only), as applicable, in the event that a Bail-in Certificate is issued or undergo a change in form in their investment in line with the powers of the MAS to do so.

The issue of a Bail-in Certificate may depend on a number of factors which may be outside of the Relevant Issuer's, the DBS Bank Group's or the DBS Group's (as applicable) control. The MAS may require or may cause the Subordinated Notes or the Perpetual Capital Securities to be subject to cancellation, modification, conversion and/or change in form in circumstances that are beyond the control of the Relevant Issuer, the DBS Bank Group and the DBS Group (as applicable) and with which neither the Relevant Issuer, the DBS Bank Group nor the DBS Group (as applicable) agree.

Subordinated Notes or Perpetual Capital Securities, as applicable, are complex financial instruments.

Subordinated Notes or Perpetual Capital Securities, as applicable, are complex financial instruments. A potential investor should not invest in such Subordinated Notes or Perpetual Capital Securities, as applicable, unless it has the knowledge and expertise (either alone or with a financial adviser) to evaluate how the Subordinated Notes or Perpetual Capital Securities, as applicable, will perform under changing conditions, the resulting effects on the likelihood of a write-down, modification, conversion and/or change in form, and the value of such Subordinated Notes or Perpetual Capital Securities, as applicable, and the impact this investment will have on the potential investor's overall investment portfolio. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Offering Circular or incorporated by reference herein.

The terms of the Subordinated Notes or the Perpetual Capital Securities contain non-viability loss absorption provisions, and the occurrence of a Trigger Event may be beyond the control of the Relevant Issuer.

MAS Notice 637 provides that the terms of all Additional Tier 1 and Tier 2 capital instruments must be loss absorbing at the point of non-viability. In this regard, the terms of all Additional Tier 1 and Tier 2 capital instruments issued from 1 January 2013 onwards, require a provision that such instruments, at the option of the MAS, be either written-off or converted into ordinary shares upon the occurrence of the trigger event. The trigger event would be the earlier of:

- (i) the MAS notifying the Relevant Issuer in writing that it is of the opinion that a write-off or conversion is necessary, without which (where DBS Bank is the Relevant Issuer) DBS Bank Group or DBS Group, or (where DBSH is the Relevant Issuer) DBSH or DBS Group, would become non-viable; and
- (ii) the MAS decision to make a public sector injection of capital, or equivalent support, without which (where DBS Bank is the Relevant Issuer) DBS Bank Group or DBS Group, or (where DBSH is the Relevant Issuer) DBSH or DBS Group, would have become non-viable, as determined by the MAS,

(for the purposes of this Offering Circular, each a "**Trigger Event**").

Upon the occurrence of a Trigger Event relating to (in the case of Subordinated Notes or Perpetual Capital Securities, as applicable, issued by DBS Bank) DBS Bank Group or DBS Group or (in the case of Subordinated Notes or Perpetual Capital Securities, as applicable, issued by DBSH) DBSH or DBS Group as determined by the MAS, the Relevant Issuer may be required, subject to the terms of the relevant series of Subordinated Notes or Perpetual Capital Securities, as applicable, and the discretion of the MAS, irrevocably (without the need for the consent of the holders of such Subordinated Notes or Perpetual Capital Securities, as applicable) to effect either a full or partial write-off of the outstanding principal and accrued and unpaid interest in respect of such Subordinated Notes or accrued and unpaid Distributions in respect of Perpetual Capital Securities, as applicable.

To the extent relevant in the event that such Subordinated Notes or Perpetual Capital Securities, as applicable, are written-off, any written-off amount shall be irrevocably lost and holders of such Subordinated Notes or Perpetual Capital Securities, as applicable, will cease to have any claims for any principal amount and accrued but unpaid interest (in respect of Notes other than Perpetual Capital Securities) or any principal amount and accrued but unpaid Distributions (in respect of Perpetual Capital Securities only), as applicable, which has been subject to write-off. No Noteholder or Securityholder may exercise, claim or plead any right to any amount written-off, and each Noteholder and Securityholder shall be deemed to have waived all such rights to such amounts written-off. A write-off of any amount in respect of the Subordinated Notes or the Perpetual Capital Securities (as the case may be) shall not constitute a Default under the relevant Conditions.

While the MAS has set out a list of factors that it may take into account in assessing viability, it is not an exhaustive list and, ultimately, the circumstances in which the MAS may exercise its discretion are not limited. Due to the inherent uncertainty regarding the determination of whether a Trigger Event exists, it will be difficult to predict when, if at all, a write-off will occur. Accordingly, the trading behaviour in respect of Subordinated Notes or Perpetual Capital Securities, as applicable, which have the non-viability loss absorption feature is not necessarily expected to follow trading behaviour associated with other types of securities. Any indication that DBS Bank and its subsidiaries or DBSH and its subsidiaries (as the case may be) are trending towards a Trigger Event could have a material adverse effect on the market price of the relevant Subordinated Notes or the Perpetual Capital Securities, as applicable.

Potential investors should consider the risk that a holder of Subordinated Notes or Perpetual Capital Securities, as applicable, which have the non-viability loss absorption feature may lose all of their investment in such Subordinated Notes or Perpetual Capital Securities, as applicable, including the principal amount plus any accrued but unpaid interest (in respect of Notes other than Perpetual Capital Securities) or the principal amount plus any accrued but unpaid Distributions (in respect of Perpetual Capital Securities only), as applicable, in the event that a Trigger Event occurs.

The occurrence of a Trigger Event may depend on a number of factors which may be outside of the Relevant Issuer's, the DBS Bank Group's or the DBS Group's (as applicable) control. The MAS may require or may cause a write-off in circumstances that are beyond the control of the Relevant Issuer, the DBS Bank Group and the DBS Group (as applicable).

Subordinated Notes or Perpetual Capital Securities, as applicable, that include a loss absorption feature, are complex financial instruments. A potential investor should not invest in such Subordinated Notes or Perpetual Capital Securities, as applicable, unless it has the knowledge and expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the likelihood of a write-down and the value of such Subordinated Notes or Perpetual Capital Securities, as applicable, and the impact this investment will have on the potential investor's overall investment portfolio. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Offering Circular or incorporated by reference herein.

The terms and conditions of the Subordinated Notes and the Perpetual Capital Securities may provide for multiplicity of actions in the event of enforcement.

The terms and conditions of the Subordinated Notes and the Perpetual Capital Securities (other than those that are to be governed exclusively by Singapore law) provide that they shall be governed by English law and that disputes arising in relation thereto shall be subject to the jurisdiction of the English courts, except for the provisions relating to the subordination, set-off and payment void and default and enforcement of such Subordinated Notes or Perpetual Capital Securities, which shall be governed by Singapore law and subject to the jurisdiction of the Singapore courts in the event of a dispute. As such, in the event of an enforcement of those Subordinated Notes or Perpetual Capital Securities, the Trustee or the holders may need to commence separate actions in the English and Singapore courts in relation to a single claim. Whilst the English courts and the Singapore courts may defer the relevant part of the claim to the other court, the two claims are inherently linked and there is no certainty as to the approach that the two court systems would take in relation to those separate claims and proceedings, and, therefore, the process and procedures for action and the ultimate manner of judgment would be uncertain. This multiplicity of proceedings and lack of certainty could adversely affect the Trustee's or the holders' claims and the enforcement thereof and could introduce delays into the process of enforcement of those claims.

The Perpetual Capital Securities are perpetual securities and Securityholders have no right to require redemption.

The Perpetual Capital Securities are perpetual and have no maturity date. Securityholders have no ability to require the Relevant Issuer to redeem the Perpetual Capital Securities. The Relevant Issuer can redeem the Perpetual Capital Securities in certain circumstances as described in "*Terms and Conditions of the Perpetual Capital Securities*", but the Relevant Issuer is under no obligation to redeem the Perpetual Capital Securities at any time. The Relevant Issuer's ability to redeem Perpetual Capital Securities is subject to the Relevant Issuer obtaining the prior written consent of the MAS (if then required) to the redemption, and satisfying any conditions that the MAS may impose at that time.

This means that Securityholders have no ability to cash in their investment, except if the Relevant Issuer exercises its right to redeem the Perpetual Capital Securities or by Securityholders selling their Perpetual Capital Securities in the open market. There can be no guarantee that the Relevant Issuer will exercise its right to redeem the Perpetual Capital Securities or will be able to meet the conditions for redemption of the Perpetual Capital Securities.

Securityholders who wish to sell their Perpetual Capital Securities may be unable to do so at a price at or above the amount they have paid for them, or at all, if insufficient liquidity exists in the market for the Perpetual Capital Securities.

In addition, upon the occurrence of a Tax Event or a Change of Qualification Event, the Perpetual Capital Securities may be redeemed at the Redemption Amount, as more particularly described in "*Terms and Conditions of the Perpetual Capital Securities*". If any Trigger Event has occurred and/or a Bail-in Certificate has been issued since the Issue Date, as more fully described in "*Risks Relating to the Notes – The Subordinated Notes and the Perpetual Capital Securities, as applicable, may be subject to a full or partial write-off*", Securityholders may lose up to the full principal amount of the Perpetual Capital Securities.

There can be no assurance that Securityholders will be able to reinvest the amount received upon redemption at a rate that will provide the same rate of return as their investment in the Perpetual Capital Securities.

Payments of Distribution on the Perpetual Capital Securities are discretionary and such Distributions are non-cumulative.

Payment of Distributions on any Distribution Payment Date is at the sole discretion of the Relevant Issuer. Subject to the Terms and Conditions of the Perpetual Capital Securities, the Relevant Issuer may elect to

cancel any Distribution on any Distribution Payment Date. The Relevant Issuer may make such election for any reason. In addition, the Relevant Issuer will not be obliged to pay, and will not pay, any Distribution if:

- (i) the Relevant Issuer is prevented by applicable Singapore banking regulations or other requirements of the MAS from making payment in full of dividends or other distributions when due on its Additional Tier 1 Capital Securities;
- (ii) the Relevant Issuer is unable to make payment of dividends or other distributions on its Additional Tier 1 Capital Securities without causing a breach of the MAS' consolidated or unconsolidated capital adequacy requirements set out in:
 - (a) (where the Relevant Issuer is DBS Bank) MAS Notice 637; or
 - (b) (where the Relevant Issuer is DBSH) (on the basis that DBSH is subject to the application of MAS Notice 637) MAS Notice 637 or any notice issued by the MAS in respect of Designated Financial Holding Companies that is analogous to MAS Notice 637, from time to time applicable to DBSH; or
- (iii) the aggregate of the amount of the Distribution (if paid in full), together with the sum of any other dividends and other distributions originally scheduled to be paid (whether or not paid in whole or part) during the Relevant Issuer's then-current fiscal year on the Perpetual Capital Securities or its Additional Tier 1 Capital Securities, would exceed the Distributable Reserves as of the Distribution Determination Date.

Any Distributions which are not paid on the applicable Distribution Payment Date shall not accumulate or be payable at any time thereafter, whether or not funds are, or subsequently become, available. Securityholders will have no right thereto whether in a bankruptcy or dissolution as a result of the Relevant Issuer's insolvency or otherwise.

Therefore, any Distributions not paid will be lost and the Relevant Issuer will have no obligation to make payment of such Distributions or to pay interest thereon. If Distributions are not paid for whatever reason, the Perpetual Capital Securities may trade at a lower price. If a Securityholder sells its Perpetual Capital Securities during such a period, such Securityholder may not receive the same return on investment as a Securityholder who continues to hold its Perpetual Capital Securities until Distributions are resumed.

The Issuers 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:

- (i) An optional redemption feature is likely to limit the market value of Notes. During any period when the Relevant 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.

If an Issuer redeems Notes when its cost of borrowing is lower than the interest rate (in respect of Notes other than Perpetual Capital Securities) or the distribution rate (in respect of Perpetual Capital Securities only), as applicable, on the Notes, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate (in respect of Notes other than Perpetual Capital Securities) or the distribution rate (in respect of Perpetual Capital Securities only), as applicable, as high as the interest rate (in respect of Notes other than Perpetual Capital Securities) or the distribution rate (in respect of Perpetual Capital Securities only), as applicable, 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.

- (ii) The Issuers may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.
- (iii) Notes with floating interest rates (in respect of Notes other than Perpetual Capital Securities) or floating distribution rates (in respect of Perpetual Capital Securities only), as applicable, 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.
- (iv) Fixed/Floating Rate Notes may bear interest (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable, at a rate that the Relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. An Issuer's ability to convert the interest rate (in respect of Notes other than Perpetual Capital Securities) or the distribution rate (in respect of Perpetual Capital Securities only), as applicable, will affect the secondary market and the market value of such Notes since the Relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable 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 Relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.
- (v) 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 (in respect of Notes other than Perpetual Capital Securities) or distribution rates (in respect of Perpetual Capital Securities only), as applicable, 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 (in respect of Notes other than Perpetual Capital Securities) or distribution-bearing (in respect of Perpetual Capital Securities only), as applicable, securities with comparable maturities.
- (vi) 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.

The regulation and reform of “benchmark” rates of interest and indices may adversely affect the value of Notes linked to or referencing such “benchmarks”.

The Programme allows for the issuance of Notes that reference certain interest rates or other types of rates or indices which are deemed to be “benchmarks”, in particular with respect to certain Floating Rate Notes where the Reference Rate (as defined in the Conditions) may be HIBOR, EURIBOR, BBSW, SONIA Benchmark, SOFR Benchmark or SORA Benchmark or another such benchmark. The Pricing Supplement for the Notes will specify whether HIBOR, EURIBOR, BBSW, SONIA Benchmark, SOFR Benchmark or SORA Benchmark or another such benchmark is applicable.

Interest rates and indices which are deemed to be or used as “benchmarks” are the subject of recent international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently

than in the past, to disappear entirely or to have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Note linked to or referencing such a benchmark.

More broadly, any of the international reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

The elimination of any benchmarks, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark. Such factors may have the following effects on certain benchmarks:

- (i) discourage market participants from continuing to administer or contribute to the benchmark;
- (ii) trigger changes in the rules or methodologies used in the benchmark; or
- (iii) lead to the disappearance of the benchmark.

Any of the above changes or any other consequential changes as a result of international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

Where Screen Rate Determination is specified as the manner in which the Rate of Interest (or the Rate of Distribution) in respect of Floating Rate Notes is to be determined, the Conditions provide that the Rate of Interest (or the Rate of Distribution, in the case of Perpetual Capital Securities) shall be determined by reference to the relevant screen page or website depending on whether the Reference Rate is specified as being (or derived from) HIBOR, EURIBOR, BBSW, SONIA Benchmark, SOFR Benchmark or SORA Benchmark. In the case of any discontinuation or disapplication of such Reference Rate in accordance with the Conditions, which may include circumstances where the regulatory supervisor of the administrator of the original Reference Rate makes a public statement that such Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market, Condition 4(i) sets out more details on the mechanics for determining the Rate of Interest or the Rate of Distribution in the absence of the original applicable Reference Rate. Such mechanics may involve the determination of a replacement Reference Rate and a spread adjustment to be applied to such replacement Reference Rate. The use of any replacement Reference Rate and application of a spread adjustment determined in accordance with Condition 4(i) to determine the Rate of Interest or the Rate of Distribution is likely to result in Notes initially linked to or referencing the original applicable Reference Rate performing differently (which may include payment of a lower Rate of Interest or lower Rate of Distribution, as applicable) than they would do if the original applicable Reference Rate were to continue to apply in its current form. Any such determination which involves the exercise of discretion by the Relevant Issuer or, if the designated person is an affiliate of the Relevant Issuer, such affiliate, may also present the Relevant Issuer or such affiliate with a conflict of interest.

Furthermore, if a replacement Reference Rate has been determined by the Relevant Issuer (or its designated person, as the case may be) in accordance with Condition 4(i), the Conditions provide that the Issuer may vary the Conditions and/or the Trust Deed, as necessary to ensure the proper operation of such replacement Reference Rate, without any requirement for consent or approval of the Noteholders.

Where Condition 4(i) is specified in the relevant Pricing Supplement as the applicable mechanics for determining a replacement Reference Rate, there may be circumstances in which a new replacement Reference Rate may not be able to be determined before the next Interest Determination Date (or the next Distribution Determination Date in the case of Perpetual Capital Securities), or where a replacement Reference Rate is not adopted because it could reasonably be expected to prejudice the qualification of the Notes as Tier 2 capital or Additional Tier 1 capital (as the case may be) and/or the Notes as eligible liabilities or loss absorbing capacity instruments for the purposes of any applicable loss absorption regulations. In such event, the Rate of Interest or the Rate of Distribution for the next succeeding Interest

Period (or the next succeeding Distribution Period in the case of Perpetual Capital Securities) will be the Rate of Interest or the Rate of Distribution applicable as at the last preceding Interest Determination Date or Distribution Determination Date before the discontinuation or disapplication of the original Reference Rate in accordance with the Conditions. This is likely to result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest or Rate of Distribution) than they would do if the relevant benchmark were to continue to apply, or if a replacement Reference Rate could be determined. The initial Rate of Interest or the initial Rate of Distribution, or the Rate of Interest or the Rate of Distribution applicable as at the last preceding Interest Determination Date or Distribution Determination Date before the discontinuation or disapplication of the original applicable Reference Rate in accordance with the Conditions, could, as a result, continue to apply to maturity, which would lead to the floating rate Notes, in effect, becoming fixed rate Notes.

Where ISDA Determination is specified as the manner in which the Rate of Interest or the Rate of Distribution in respect of Floating Rate Notes is to be determined, the Conditions provide that the Rate of Interest or the Rate of Distribution in respect of the Floating Rate Notes shall be determined by reference to the relevant Floating Rate Option in the 2006 ISDA Definitions. Where the Floating Rate Option specified is an "IBOR" Floating Rate Option, the Rate of Interest or the Rate of Distribution may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If the relevant IBOR is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest or the Rate of Distribution that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any international reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

Negative benchmark rates would reduce the rate of interest on the Floating Rate Notes

The interest rate to be borne by Floating Rate Notes is based on a spread over the relevant benchmark, including HIBOR, EURIBOR, BBSW, SONIA Benchmark, SOFR Benchmark or SORA Benchmark or another benchmark. Changes in the relevant benchmark rate will affect the rate at which Floating Rate Notes accrue interest and the amount of interest payments on Floating Rate Notes. To the extent that the relevant benchmark rate decreases below 0.00% for any interest period, the rate at which the Floating Rate Notes accrue interest for such interest period may be reduced by the amount by which such benchmark rate is negative. Any such movements would be limited to a rate of 0.00% (unless otherwise set out in the relevant Pricing Supplement).

The market continues to develop in relation to risk-free rates (including overnight rates) as reference rates for Floating Rate Notes.

Investors should be aware that the market continues to develop in relation to risk-free rates, as reference rates in the capital markets and their adoption as alternatives to the relevant interbank offered rates. For example, on 29 November 2017, the Bank of England and the United Kingdom Financial Conduct Authority announced that the Bank of England's Working Group on Sterling Risk-Free Rates had been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("**SONIA**") over the following four years across sterling bond, loan and derivatives markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021. The New York Federal Reserve (the "**NY Federal Reserve**") also began to publish SOFR in April 2018, and the Alternative Reference Rates Committee (the "**ARRC**") has published its Paced Transition Plan which outlines the key milestones until the end of 2021 to facilitate a smooth and orderly transition from USD LIBOR to SOFR. On 30 August 2019, the MAS similarly announced the establishment of a steering committee (being the Steering Committee for SOR Transition to SORA ("**SC-STs**")) to oversee an industry-wide benchmark transition from SOR to SORA, and on 27 October 2020, the SC-STs announced industry timelines to support a

coordinated shift away from the use of SOR in financial products and accelerate usage of SORA, including that all financial institutions and their customers should, by end-April 2021, cease usage of SOR in new loans and securities that mature after end-2021. On 31 March 2021, the SC-STS further announced new industry timelines to cease issuance of SOR derivatives and SIBOR-linked financial products by end-September 2021, including that all financial institutions and their customers should cease usage of SOR in new derivatives contracts (with certain exceptions) by end-September 2021. On 29 July 2021, the SC-STS further announced new industry timelines encouraging wholesale market participants to substantially shift out of their legacy SOR exposures by 31 December 2021, with specific recommendations in respect of corporate loans, derivatives and bonds to facilitate the transitions from SOR to SORA. For the retail loan market, the SC-STS has announced a longer transition period from September 2021 to October 2022.

In addition, market participants and relevant working groups are exploring alternative reference rates based on risk-free rates, examples of which include Term SONIA reference rates and Term SOFR reference rates (which seek to measure the market's forward expectation of an average SONIA or SOFR rate over a designated term).

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Conditions and used in relation to any that reference risk-free rates issued under the Programme. The Relevant Issuer may in the future also issue Notes referencing risk-free rates that differ materially in terms of interest determination when compared with any previous Notes referencing the same risk-free rate issued by it under the Programme. The development of risk-free rates as interest reference rates for the Eurobond markets and of the market infrastructure for adopting such rates could result in reduced liquidity or increased volatility or could otherwise affect the market price of any Notes issued under the Programme which references any such risk-free rate from time to time.

Furthermore, the basis of deriving certain risk-free rates, such as SONIA Benchmark, SOFR Benchmark or SORA Benchmark, may mean that interest on Notes which reference any such risk-free rate would only be capable of being determined after the end of the relevant Observation Period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference any such risk-free rate to accurately estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, if Notes referencing SONIA Benchmark, SOFR Benchmark or SORA Benchmark become due and payable as a result of an event of default under Condition 10(a), the rate of interest payable for the final Interest Period in respect of such Notes shall only be determined on the date which the Notes become due and payable and shall not be reset thereafter. Investors should consider these matters when making their investment decision with respect to any such Notes.

In addition, the manner of adoption or application of risk-free rates in the Eurobond markets may differ materially compared with the application and adoption of such risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of risk-free rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk-free rates.

Since risk-free rates are relatively new market indices, Notes linked to any such risk-free rate may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to any risk-free rate, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Notes may be lower than those of later-issued indexed debt securities as a result. Further, if any risk-free rate to which a series of Notes is linked does not prove to be widely used in securities like the Notes, the trading price of such Notes linked to a risk-free rate may be lower than those of Notes linked to indices that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell

such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. Daily changes in such rates may also be more volatile than daily changes in other benchmarks or market rates, such that the value on and value of Notes linked to risk-free rates may fluctuate more than floating rate debt securities linked to less volatile rates. There can also be no guarantee that any risk-free rate to which a series of Notes is linked will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Notes referencing such risk-free rate. If the manner in which such risk-free rate is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

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 Issuers and Noteholders may face certain risks associated with any changes to English law, Singapore law or Australian 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, Singapore law or Australian 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, Australian 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 may be offered, and may be resold outside of the United States within the meaning of and in compliance with Regulation S. The Notes may also be offered, and may be resold, within the United States to institutional investors that qualify as QIBs, within the meaning of and in compliance with Rule 144A, 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 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.

The Issuers may vary the terms of Subordinated Notes or the Perpetual Capital Securities.

The Relevant Issuer may at any time, without the consent or approval of the Noteholders or the Trustee, but subject to the prior approval of the MAS (to the extent that any variation would affect the eligibility of any Subordinated Notes as Tier 2 Capital Securities or the eligibility of the Perpetual Capital Securities as Additional Tier 1 Capital Securities of the Relevant Issuer, as applicable), vary the terms of any Subordinated Notes or Perpetual Capital Securities, as applicable, so that they remain or, as appropriate, become DBS Bank Qualifying Securities or, as the case may be, DBSH Qualifying Securities, subject to certain conditions. The terms of such varied Subordinated Notes or the Perpetual Capital Securities, as applicable, may contain one or more provisions that are substantially different from the terms of the original Notes, *provided that* the Subordinated Notes or the Perpetual Capital Securities, as applicable, remain DBS Bank Qualifying Securities or, as the case may be, DBSH Qualifying Securities in accordance with the relevant Conditions. While the Relevant Issuer cannot make changes to the terms of the Subordinated Notes or the Perpetual Capital Securities, as applicable, that give rise to any right of the Relevant Issuer to redeem the varied securities that are inconsistent with the redemption provisions of such Subordinated Notes or Perpetual Capital Securities, as applicable, that result in a Tax Event or Capital Event, or which do not comply with the rules of any stock exchange on which such Subordinated Note or Perpetual Capital Security, as applicable, may be listed or admitted to trading, no assurance can be given as to whether any of these changes will negatively affect any particular Noteholder. Furthermore, the Trustee has no obligation or ability to verify whether the requirements for such variations have been satisfied and will have no discretion in determining whether any such variation results in terms that are materially less favourable to the holders of Subordinated Notes or Perpetual Capital Securities. In addition, the tax and stamp duty consequences of holding such varied Notes could be different for some categories of Noteholder from the tax and stamp duty consequences for them of holding the Notes prior to such variation.

The Subordinated Notes and the Perpetual Capital Securities, as applicable, may be subject to a full or partial write-off or modification or change in form upon the occurrence of a Trigger Event or issuance of a Bail-in Certificate, as applicable.

Investors may lose the entire amount of their investment in any Subordinated Notes or Perpetual Capital Securities, as applicable, in which write-off upon the occurrence of a Trigger Event is specified, which will lead to a full or partial write-off. Separately, investors may also lose part or all of their investment in any Subordinated Notes or Perpetual Capital Securities, as applicable, as a result of the cancellation, modification, conversion and/or change in form of such Subordinated Notes or Perpetual Capital Securities, as applicable, should a Bail-in Certificate be issued. Upon the occurrence of a partial write-off or if so specified in a Bail-in Certificate, the principal amount and any accrued but unpaid interest of such Subordinated Notes or Distributions of such Perpetual Capital Securities, will automatically be written down and if there is a full write-off, the principal amount and any accrued but unpaid interest of such Subordinated Notes or Distributions of such Perpetual Capital Securities, as applicable, may be written down completely and such Subordinated Notes or Perpetual Capital Securities, as applicable, will be automatically cancelled.

In addition, the subordination provisions set out in Note Condition 3(c) (in respect of Subordinated Notes) and Perpetual Capital Securities Condition 3(b) (in respect of Perpetual Capital Securities only) are effective only upon the occurrence of any winding-up proceedings of the Relevant Issuer. In the event that a Trigger Event occurs or if so specified in a Bail-in Certificate, the rights of holders of Subordinated Notes and Perpetual Capital Securities, as applicable, and the Receipts, Coupons or Distributions relating to them (as the case may be) shall be subject to Note Condition 6 (in respect of Subordinated Notes) and Perpetual Capital Securities Condition 7 (in respect of Perpetual Capital Securities only). This may not result in the same outcome for holders of Subordinated Notes or holders of the Perpetual Capital Securities

(as the case may be) as would otherwise occur under Note Condition 3(c) (in respect of Subordinated Notes) and Perpetual Capital Securities Condition 3(b) (in respect of Perpetual Capital Securities only) upon the occurrence of any winding-up proceedings of the Relevant Issuer.

Furthermore, upon the occurrence of a write-off of any Subordinated Notes or the Perpetual Capital Securities, as applicable, or if so specified in a Bail-in Certificate, the right to receive interest on such Subordinated Notes or Distributions on such Perpetual Capital Securities, as applicable, will cease to accrue and all interest on such Subordinated Notes or Distributions on such Perpetual Capital Securities, as applicable, that were not due and payable prior to the write-off shall become null and void. Consequently, Noteholders will not be entitled to receive any interest that has accrued on such Subordinated Notes or Distributions on such Perpetual Capital Securities, as applicable, from (and including) the last Interest Payment Date (in respect of Subordinated Notes) or the last Distribution Payment Date (in respect of Perpetual Capital Securities only) falling on or prior to the Trigger Event Notice or as specified in a Bail-in Certificate.

Any such write-off or cancellation under the terms of a Bail-in Certificate will be irrevocable and the Noteholders will, upon the occurrence of a write-off or if so specified in a Bail-in Certificate, not receive any shares or other participation rights of the Relevant Issuer or be entitled to any other participation in the upside potential of any equity or debt securities issued by the Relevant Issuer or any other member of the DBS Group, or be entitled to any subsequent write-up or any other compensation in the event of a potential recovery of the Relevant Issuer or the DBS Group.

Changes in accounting principles may have an impact on the DBS Group's financials.

The DBS Group is subject to risk around changes in accounting standards that may change the basis upon which the DBS Group reports its financial results.

There can be no assurance that any such changes will not have a material adverse impact on the DBS Group's financial statements in future periods.

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, the DBS Bank Group or the DBS Group to U.S. GAAP and there can be no assurance that such reconciliation would not identify material quantitative differences.

Investors should consult their own professional advisers for an understanding of the differences between SFRS(I) and U.S. GAAP and the generally accepted accounting principles of other jurisdictions and how those differences might affect the financial information contained in this Offering Circular.

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 2023 are intended to be "qualifying debt securities" for the purposes of the Income Tax Act 1947 of Singapore (the "**Income Tax Act**") subject to the fulfilment 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 in connection therewith should the relevant tax laws be amended or revoked at any time.

Tax treatment of Subordinated Notes or Perpetual Capital Securities that contain non-viability loss absorption provisions is unclear.

It is not clear whether any particular tranche of the Subordinated Notes or the Perpetual Capital Securities, as applicable, which contains non-viability loss absorption provisions will be regarded as debt securities by the Inland Revenue Authority of Singapore (“IRAS”) for the purposes of the Income Tax Act and whether the tax concessions available for qualifying debt securities under the qualifying debt securities scheme (as set out in “*Taxation — Singapore Taxation*”) would apply to such tranche of the Subordinated Notes or the Perpetual Capital Securities, as applicable. There is also no assurance that any tranche of Subordinated Notes or Perpetual Capital Securities, as the case may be, to be issued from time to time under the Programme will be able to enjoy such tax concessions should the relevant tax laws be amended or revoked at any time.

If any tranche of the Subordinated Notes or the Perpetual Capital Securities, as applicable, is not regarded as debt securities for the purposes of the Income Tax Act and/or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of any tranche of the Subordinated Notes or the Perpetual Capital Securities, as applicable, should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of such tranche of the Subordinated Notes or the Perpetual Capital Securities, as applicable.

Characterisation of certain Notes may be unclear for U.S. federal income tax purposes.

The characterisation of a Series or Tranche of Notes (including Subordinated Notes and Perpetual Capital Securities) may be uncertain for U.S. federal income tax purposes 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 United States statutory, judicial or administrative authority directly addressing the characterisation of some of the types of Notes that are anticipated to be issued under the Programme or of instruments similar to the Notes. Each U.S. Holder (as defined in “*Taxation – United States Taxation*”) should consult its own tax adviser about the proper characterisation 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.

Issuance of additional Notes may be treated as a separate series for U.S. federal income tax purposes.

The Issuers may, without the consent of the Noteholders, 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 issue for U.S. federal income tax purposes. In such a case, among other things, the additional Notes may be considered to have been issued with OID (as defined in “*Taxation – United States Taxation*”) 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.

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

DBSH has long-term issuer ratings of “AA-” from Fitch and “Aa2” from Moody’s. DBS Bank is one of the highest rated commercial banks in Asia with long-term issuer ratings of “AA-” from Fitch, “Aa1” from Moody’s and “AA-” from Standard & Poor’s. DBSH’s and DBS Bank’s credit ratings have stable outlooks from Fitch, Moody’s and Standard & Poor’s. The ratings reflect the ability of the Issuers 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. For example, on 4 March 2020, Fitch released a

statement in which it noted that it had, amongst other things, placed 26 Asia Pacific banks under criteria observation, which included DBS Bank and, subsequently, on 9 April 2020, Fitch placed DBSH's and DBS Bank's Long-Term Issuer Default ratings and Viability Ratings on Rating Watch Negative to reflect the increased near-term downside risks from the economic implications of the COVID-19 pandemic. On 8 April 2021, Fitch revised DBSH's and DBS Bank's Long-Term Issuer Default ratings to Stable. Any actual or perceived reduction in DBSH's or DBS Bank's financial strength or viability, whether due to a credit rating downgrade or any other factor, could materially and adversely affect DBSH's or DBS Bank's business, financial condition or results of operations as any such development may, among other things, negatively affect DBSH's and/or DBS Bank's relationship with its stakeholders (including, for example, customers or employees, shareholders, creditors or investors), and impact DBSH's or DBS Bank's ability to obtain financing on a timely and competitive basis.

In addition, 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.

Upon the occurrence of a Trigger Event or the issue of a Bail-in Certificate, clearance and settlement of the Subordinated Notes and the Perpetual Capital Securities will be suspended and there may be a delay in updating the records of the relevant clearing system to reflect the amount written-off or the effect of the Bail-in Certificate.

Following the receipt of a Trigger Event Notice or notice of issue of a Bail-in Certificate, all clearance and settlement of the Subordinated Notes or the Perpetual Capital Securities, as applicable, will be suspended. As a result, Noteholders or Securityholders, as applicable, will not be able to settle the transfer of any Subordinated Notes or Perpetual Capital Securities, as applicable, from the commencement of the Suspension Period, and any sale or other transfer of the Subordinated Notes or Perpetual Capital Securities that a Noteholder or Securityholder, as applicable, may have initiated prior to the commencement of the Suspension Period that is scheduled to settle during the Suspension Period will be rejected by the relevant clearing system and will not be settled within the relevant clearing systems.

The update process of the relevant clearing system may only be completed after the date on which the write-off is scheduled or the Bail-in Certificate has been effected. Notwithstanding such delay, holders of the Subordinated Notes or Perpetual Capital Securities, as applicable, may lose the entire value of their investment in the Subordinated Notes or Perpetual Capital Securities, as applicable, on the date on which the write-off occurs or when the Bail-in Certificate has been effected. No assurance can be given as to the period of time required by the relevant clearing system to complete the update of their records or the availability of procedures in the relevant clearing systems to effect any write-offs or to give effect to the Bail-in Certificate. Furthermore, the conveyance of notices and other communications by the relevant clearing system to their respective participants, by those participants to their respective indirect participants, and by the participants and indirect participants to beneficial owners of interests in the Global Certificate will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to 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 CDP, the CMU, Euroclear or Clearstream, 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 CDP, the CMU, DTC, Euroclear or Clearstream 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 (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable, since such payments will be forwarded by the paying agent to CDP, the CMU, DTC, Euroclear or Clearstream, 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 CDP, the CMU, DTC, Euroclear or Clearstream 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 (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable, on Global Notes or Global Certificates may be impaired.

Where the AMTNs are lodged with the Austraclear System, investors will have to rely on the procedures of Austraclear for transfer, payment and communication with the Issuers.

AMTNs will be issued in registered certificated form. Each Tranche of AMTNs will be represented by an AMTN Certificate. Each AMTN Certificate is a certificate representing the AMTNs of a particular Tranche and will be substantially in the form set out in the Note (AMTN) Deed Poll, duly completed and signed by the Issuers and authenticated by the Registrar in respect of AMTNs. An AMTN Certificate is not a negotiable instrument nor is it a document of title. Title to any AMTNs, which is the subject of an AMTN Certificate, is evidenced by entry in the Register and, in the event of a conflict, the Register shall prevail (subject to correction for fraud or proven error).

The Issuers may procure that the AMTNs are lodged with the Austraclear System. On lodgement, Austraclear will become the sole registered holder and legal owner of the AMTNs. Subject to the rules and regulations of the Austraclear System (the “**Austraclear System Regulations**”) established by Austraclear (as amended or replaced from time to time) to govern the use of the Austraclear System, participants of the Austraclear System (“**Accountholders**”) may acquire rights against Austraclear in relation to those AMTNs as beneficial owners and Austraclear is required to deal with the AMTNs in accordance with the directions and instructions of the Accountholders. Investors in AMTNs who are not Accountholders would need to hold their interest in the relevant AMTNs through a nominee who is an Accountholder. All payments made by the Issuers in respect of AMTNs lodged with the Austraclear System will be made directly to an account agreed with Austraclear or as it directs in accordance with the Austraclear System Regulations.

Where the AMTNs are lodged with the Austraclear System, any transfer of AMTNs will be subject to the Austraclear System Regulations. Secondary market sales of AMTNs cleared through the Austraclear System will be settled in accordance with the Austraclear System Regulations.

The Notes may not be a suitable investment for all investors.

The Notes are complex and high-risk financial instruments. 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 or distribution is payable in one or more currencies, or where the currency for principal or interest or distribution payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour 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 and 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 it has sufficient knowledge and experience (either alone or with the help of a financial adviser) to make its own legal, tax, accounting and financial evaluation of the merits and risks of investing in the Notes and that it considers the suitability of the Notes as an investment in light of its 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) the Notes are legal investments for it;
- (ii) the 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.

The Notes may not be a suitable investment for all investors seeking exposure to green or sustainable development assets.

Pursuant to the recommendations in the voluntary process guidelines for issuing Green Bonds (the "**Green Bond Principles**") as published by the International Capital Market Association that issuers use external assurance to confirm their alignment with the key features of the Green Bond Principles in respect of any issuances for which the use of proceeds are intended to be applied in respect of any green bond projects or related purposes, Sustainalytics Australia Pty. Ltd. ("**Sustainalytics**") was engaged to issue a framework overview and second party opinion dated 13 July 2017 in accordance with the Green Bond Principles (June 2017) and other external party may be further engaged to issue a framework overview and/or second party opinion (the "**Second Party Opinion(s) Reports**") in relation to the DBS Group's Green Bond Framework (as may be updated or amended from time to time, the "**DBS Green Bond Framework**", which is publicly available).

In addition, the Relevant Issuer may engage an external party in respect of a particular Series of Notes to issue an independent limited assurance report (a "**Limited Assurance Report**") in relation to the proposed use of proceeds, project evaluation and selection, management of proceeds and/or reporting for any particular Series of Notes from time to time (together with the Second Party Opinion(s) Reports, the "**Green Bond Reports**").

The Relevant Issuer may agree to certain reporting and use of proceeds obligations as described under “Use of Proceeds” in the applicable Pricing Supplement in respect of any particular Series of Notes which may make reference to such Green Bond Reports. However:

- (i) it will not be an Event of Default under the terms and conditions of any such Notes if the Relevant Issuer fails to comply with any such obligations in respect of any particular Series of Notes; and
- (ii) the Green Bond Reports are not incorporated into, and do not form part of, this Offering Circular or the relevant Pricing Supplement.

Neither the Relevant Issuer, the Dealers nor any other person makes any representation or assurances as to:

- (i) the suitability of any such Green Bond Reports; or
- (ii) whether any such Notes will meet investor criteria and expectations regarding green or sustainable development for any investors.

Any such Green Bond Report may provide an opinion on certain environmental, social, sustainability and related considerations but is not intended to address any credit, market or other aspects of an investment in any particular Series of Notes including, without limitation, market price, marketability, investor preference or suitability of any security. No representation or assurance is given as to the suitability or reliability of any opinion or certification of any third party made available in connection with an issue of Notes issued as Green Bonds. For the avoidance of doubt, any such opinion or certification is not incorporated in this Offering Circular. Any such opinion or certification is not a recommendation by the Relevant Issuer, the Arranger, the Dealer or any other person to buy, sell or hold any such Notes and is current only as of the date it was issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein. While it is the intention of the Relevant Issuer to apply the proceeds of any Notes issued as Green Bonds for eligible projects and to report on the use of proceeds or eligible projects, there is no contractual obligation to do so. There can be no assurance that any such eligible projects will be available or capable of being implemented in the manner anticipated and, accordingly, that the Relevant Issuer will be able to use the proceeds for such eligible projects as intended. In addition, there can be no assurance that eligible projects will be completed as expected or achieve the impacts or outcomes (environmental, social or otherwise) originally expected or anticipated. None of a failure by the Relevant Issuer to allocate the proceeds of any Notes issued as Green Bonds or a failure of a third party to issue (or to withdraw) an opinion or certification in connection with an issue of Green Bonds or the failure of the Notes issued as Green Bonds to meet investors' expectations requirements regarding any “green”, “sustainable”, “social” or similar labels will constitute an Event of Default or breach of contract with respect to any of the Notes issued as Green Bonds. In addition, a withdrawal of any such Green Bond Report may affect the value of the Notes and/or may have consequences for certain investors with portfolio mandates to invest in green or sustainable assets.

Any such Green Bond Reports are not recommendations to buy, sell or hold securities and are only current as of the date they were initially issued; any such Green Bond Reports are for information purposes only and neither the Relevant Issuer, Sustainalytics, any third party engaged to issue such Green Bond Reports nor any other person accepts any form of liability for the substance of any such Green Bond Report(s) and/or any liability for loss arising from the use of any such Green Bond Report(s) and/or the information provided therein.

No assurance is given by the Relevant Issuer, the Arranger or the Dealers that such use of proceeds will satisfy any present or future investment criteria or guidelines with which an investor is required, or intends, to comply, in particular with regard to any direct or indirect environmental or sustainability impact of any project or uses, the subject of or related to, the DBS Green Bond Framework.

Furthermore, there is currently no market consensus on what precise attributes are required for a particular project to be defined as 'green' or 'sustainable', and therefore no assurance can be provided to investors that the Relevant Issuer's projects will meet all investor expectations regarding sustainability performance. Neither the Relevant Issuer nor any other person makes any representation as to the whether the Notes will meet certain green or sustainability criteria required by the potential investors. In the event that the Notes are included in any dedicated 'green', 'environmental', 'sustainable' or other equivalently-labelled index, no representation or assurance is given by the Relevant Issuer or any other person that such listing or admission, or inclusion in such index, satisfies any present or future investor expectations or requirements as regards to any investment criteria or guidelines with which such investor or its investments are required to (or intend to) comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates.

Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made by the Relevant Issuer, the Arranger, the Dealer or any other person that any such listing or admission to trading will be obtained in respect of any such Notes or that any such listing or admission to trading will be maintained during the life of the Notes.

A failure of the Notes issued as Green Bonds to meet investor expectations or requirements as to their "green", "sustainable", "social" or equivalent characteristics including the failure to apply proceeds for eligible projects, the failure to provide, or the withdrawal of, a third party opinion or certification, the Notes ceasing to be listed or admitted to trading on any dedicated stock exchange or securities market as aforesaid or the failure by the Relevant Issuer to report on the use of proceeds or eligible projects as anticipated, may have a material adverse effect on the value of such Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets (which consequences may include the need to sell the Notes as a result of the Notes not falling within the investor's investment criteria or mandate).

Each potential investor of any Notes should determine for itself the relevance of the information contained in this Offering Circular and the Pricing Supplement in respect of any particular Series of Notes (including regarding the use of proceeds of the issue of any Notes) and its purchase of the Notes should be based upon such investigation as it deems necessary.

Risks Relating to the Market Generally

Investment in Notes may be subject to certain risks associated with exchange rate fluctuations and any modifications to exchange controls.

The Relevant Issuer will pay principal and interest (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable, 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 (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable, or principal than expected, or no interest (in respect of Notes other than Perpetual Capital Securities), or Distributions (in respect of Perpetual Capital Securities only), as applicable, or principal.

Implementation of the final set of Basel III reforms may affect the capital requirements and/or liquidity associated with a holding of the Notes for certain investors.

Regulated institutions may be subject to capital adequacy and liquidity standards under Basel III (which may be incorporated into local legislation by the MAS or other regulators). These requirements can include, amongst others, capital adequacy requirements and liquidity coverage requirements.

The implementation of the final set of Basel III reforms (which may take effect from 1 January 2023 at the earliest, subject to local legislation by the MAS or other regulators) may have an impact on the capital requirements in respect of holdings of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

In general, investors should consult their own advisers as to the regulatory capital and liquidity requirements in respect of the Notes and as to the consequences for and effect on them of any changes to the Basel framework and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Risks Relating to Renminbi-Denominated Notes

Notes denominated in Renminbi ("**RMB Notes**") may be issued under the Programme. RMB Notes contain particular risks for potential investors.

Renminbi is not freely convertible and there are significant restrictions on remittance of Renminbi into and outside the PRC.

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies despite significant reduction in control by it in recent years over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

However, remittance of Renminbi by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually.

Although since 1 October 2016, the Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund, there is no assurance that the PRC government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that the pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Relevant Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi. Each investor should consult its own advisers to obtain a more detailed explanation of how the PRC regulations and rules may affect their investment decisions.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of RMB Notes and the Relevant Issuer's ability to source Renminbi outside the PRC to service such RMB Notes.

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. While the People's Bank of China ("PBOC") has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the "Renminbi Clearing Banks") and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the "Settlement Arrangements"), the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBOC. The Renminbi Clearing Banks only have access to onshore liquidity support from PBOC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC rules and regulations will not be promulgated or amended or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of RMB Notes. To the extent the Relevant Issuer is required to source Renminbi in the offshore market to service its RMB Notes, there is no assurance that the Relevant Issuer will be able to source such Renminbi on satisfactory terms, if at all. If Renminbi is not available in certain circumstances as described under the Notes, the Relevant Issuer can make payments under the Notes in a currency other than Renminbi.

Investment in RMB Notes is subject to exchange rate risks.

The value of Renminbi against U.S. dollars and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and other factors. In August 2015, the PBOC implemented changes to the way it calculates the Renminbi's daily mid-point against U.S. dollars to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable, and principal will be made with respect to RMB Notes in Renminbi, save as provided in the terms and conditions in accordance with Note Condition 7(k) (in respect of Notes other than Perpetual Capital Securities) and Perpetual Capital Securities Condition 8(f) (in respect of Perpetual Capital Securities only), as applicable. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the RMB Notes in that foreign currency will decline. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in the RMB Notes entails foreign exchange related risks, including possible significant changes in the value of RMB relative to the currency by reference to which an investor measures its investment returns. Depreciation of the Renminbi against such currency could cause a decrease in the effective yield of the RMB Notes below their stated coupon rates and could result in a loss when the return on the RMB Notes is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in RMB Notes.

Investment in the RMB Notes is subject to currency risk.

If the Relevant Issuer is not able, or it is impracticable for it, to satisfy its obligation to pay interest (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable, and principal on the RMB Notes as a result of Inconvertibility, Non-transferability or Illiquidity (each as defined in the relevant Conditions), the Relevant Issuer shall be entitled, on giving not less than five or more than 30 days' irrevocable notice to the Noteholders prior to the due date for payment, to settle any such payment in U.S. dollars or Singapore dollars, as the case may be, on the due date at the U.S. Dollar Equivalent or the Singapore Dollar Equivalent, respectively, of any such Renminbi denominated amount.

Payments in respect of RMB Notes will only be made to investors in the manner specified in such RMB Notes.

All payments to investors in respect of RMB Notes will be made solely:

- (i) when RMB Notes are represented by global certificates, by transfer to a Renminbi bank account maintained in Hong Kong or Singapore, as the case may be, in accordance with prevailing CMU Rules and procedures or Euroclear rules or Clearstream rules or CDP rules, as the case may be; or
- (ii) when RMB Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong or Singapore in accordance with prevailing rules and regulations.

In the event that a holder of RMB Notes fails to maintain a valid Renminbi account with a bank in Hong Kong or Singapore, as the case may be, and, accordingly, payments are unsuccessful, it is possible that such amounts may be settled in a currency other than Renminbi. The Relevant Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

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.

Singapore Dollars per USD 1.00 Mid-Day Rate				
Fiscal Year/Period	Average	Low	High	Period End
2017	1.3807	1.3366	1.4489	1.3366
2018	1.3491	1.3053	1.3865	1.3648
2019	1.3642	1.3465	1.3940	1.3472
2020	1.3792	1.3221	1.4592	1.3221
2021	1.3439	1.3174	1.3709	1.3517
Two months ended 28 February 2022	1.3488	1.3431	1.3597	1.3597

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.

Singapore Dollars per USD 1.00 Mid-Day Rate				
Month	Average	Low	High	Period End
January 2022.....	1.3506	1.3431	1.3588	1.3557
February 2022	1.3467	1.3431	1.3597	1.3597
March 2022 (up to 3 March 2022).....	1.3570	1.3563	1.3582	1.3563

The above tables illustrate how many Singapore dollars it would take to buy one U.S. dollar for the periods indicated. 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 OTHER THAN THE PERPETUAL CAPITAL SECURITIES

*The following is the text of the terms and conditions (the “**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 and to AMTNs (as defined below). 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 (other than AMTNs). All capitalised terms that are not defined in these Conditions will have the meanings given to them in the applicable Pricing Supplement or the Trust Deed, as the case may be. Those definitions will be endorsed on the Definitive Notes or Certificates, as the case may be. References in the Conditions to “**Notes**” are to (where the Issuer is DBS Bank) the DBS Bank Notes of one Series only or (where the Issuer is a branch of DBS Bank outside Singapore (including, without limitation, DBS Bank Ltd., Australia branch, DBS Bank Ltd., Hong Kong branch, DBS Bank Ltd., London branch and DBS Bank Ltd., Taipei branch)) the Notes issued by such branch of one Series only or (where the Issuer is DBSH) the DBSH Notes of one Series only, not to all Notes that may be issued under the Programme. References in these Conditions to the “**Issuer**” are references to: (i) DBS Bank; (ii) in the case of Senior Notes issued by any branch of DBS Bank outside Singapore, any of its branches outside Singapore (including, without limitation, DBS Bank Ltd., Australia branch, DBS Bank Ltd., Hong Kong branch, DBS Bank Ltd., London branch and DBS Bank Ltd., Taipei branch); and (iii) DBSH, as specified in the applicable Pricing Supplement.*

The Notes (other than Notes denominated in Australian dollars, issued in the Australian domestic capital market and ranking as senior obligations of the Issuer (“**AMTNs**”)) are constituted by an amended and restated trust deed dated on or about 9 March 2022 (the “**Programme Date**”) (as amended or supplemented as at the date of issue of the Notes (the “**Issue Date**”), the “**Trust Deed**”) (and as may be further amended, restated, novated or supplemented) between DBS Bank Ltd. (“**DBS Bank**”), DBS Group Holdings Ltd (“**DBSH**” and, together with DBS Bank and any of its branches outside Singapore, the “**Issuers**” and each an “**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 dated on or about 9 March 2022 (as amended or supplemented as at the Issue Date) among the Issuers and the Trustee]¹ and, where applicable, the Notes which are specified in the applicable Pricing Supplement to be held in and cleared through The Central Depository (Pte) Limited (“**CDP**”) are issued with the benefit of a deed of covenant dated 26 March 2014 as supplemented by a deed of covenant dated 14 April 2016 each relating to the Notes executed by the Relevant Issuer (each as amended, varied or supplemented from time to time (the “**CDP Deed of Covenant**”)). AMTNs will be constituted by a Deed Poll dated 14 April 2016 (as amended and supplemented from time to time, the “**Note (AMTN) Deed Poll**”). The provisions of these Conditions (as defined below) relating to Bearer Notes, Certificates, Receipts, Coupons and Talons do not apply to AMTNs. The Trustee is not appointed in respect of any AMTNs and, accordingly, if the agreement, opinion, approval, consent, satisfaction or any similar action or decision (however described) is specified or required of, from, by or on the part of the Trustee with respect to any Notes or documents in these Conditions, such agreement, opinion, approval, consent, satisfaction or any similar action or decision (however described) of the Trustee shall not be required in respect of any AMTNs, the Note (AMTN) Deed Poll or any other document or agreement in connection with them.

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

¹ Include for Notes governed by Singapore law.

Talons referred to below. An amended and restated agency agreement dated 9 March 2022 (as amended or supplemented as at the Issue Date, the **“Agency Agreement”**) (and as may be further amended, restated, novated or supplemented) has been entered into in relation to the Notes (other than AMTNs) among the Issuers, the Trustee, The Bank of New York Mellon, London Branch as initial issuing and paying agent (except as otherwise described below), The Bank of New York Mellon, Hong Kong Branch as the lodging and paying agent for Notes to be held in the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the **“CMU Service”**), The Bank of New York Mellon, Singapore Branch as paying agent for Notes to be cleared through the computerised system (the **“CDP System”**) operated by CDP, The Bank of New York Mellon as issuing and paying agent for the Notes to be cleared through The Depository Trust Company (**“DTC”**) and the other agents named in it. The issuing and paying agent, the CMU lodging and paying agent, the CDP paying agent, the other paying agents, the registrars, 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 **“CMU Lodging and Paying Agent”**, the **“CDP Paying Agent”**, the **“Paying Agents”** (which expression shall include the Issuing and Paying Agent, the CMU Lodging and Paying Agent and the CDP Paying Agent), the **“Registrar”**, the **“Transfer Agents”** (which expression shall include the Registrars) and the **“Calculation Agent(s)”**. DBS Bank and BTA Institutional Services Australia Limited (ABN 48 002 916 396) (the **“Australian Agent”**) as registrar and issuing and paying agent in Australia have entered into an Agency and Registry Services Agreement (as amended and supplemented from time to time, the **“Australian Agency Agreement”**) dated 14 April 2016 in relation to the AMTNs. For the purposes of these Conditions, all references (other than in relation to the determination of interest and other amounts payable in respect of the Notes) to the Issuing and Paying Agent shall, unless provided otherwise, with respect to a Series of Notes to be held in the CMU Service, be deemed to be a reference to the CMU Lodging and Paying Agent and all such references shall be construed accordingly. References in these conditions to the **“Issuer”** are to the entity named as such in the applicable Pricing Supplement and **“subsidiary”** has the meaning given to this term under the Companies Act 1967 of Singapore. For the purposes of these Conditions, all references to the Issuing and Paying Agent shall, unless provided otherwise, with respect to a Series of Notes to be held in the CDP, be deemed to be a reference to the CDP Paying Agent and all such references shall be construed accordingly. Copies of the Trust Deed, CDP Deed of Covenant 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, London, E14 5AL, United Kingdom) and at the specified offices of the Paying Agents and the Transfer Agent. The Note (AMTN) Deed Poll will be held by the Australian Agent and copies of the Note (AMTN) Deed Poll and the Australian Agency Agreement referred to above are available for inspection free of charge during usual business hours at the principal office of the Australian Agent (presently at Level 2, 1 Bligh Street, Sydney NSW 2000, Australia). If required in connection with any legal proceedings, claims or actions brought by a holder of AMTNs, DBS Bank must procure that the Australian Agent provide a certified copy of the Note (AMTN) Deed Poll and the Australian Agency Agreement to such holder within 14 days of a written request to the Issuer to so provide.

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 instalments of principal (the **“Receipts”**) relating to Bearer Notes of which the principal is payable in instalments (the **“Receiptholders”**) are entitled to the benefit of, are bound by, and are deemed to have notice of, these Conditions, (in respect of the holders of Notes (other than AMTNs)) all the provisions of the Trust Deed, the applicable Pricing Supplement and (in respect of the AMTN holders only) the Note (AMTN) Deed Poll, and are deemed to have notice of those provisions applicable to them of (in respect of the holders of Notes (other than AMTNs)) the Agency Agreement or (in respect of holders of AMTNs only) the Australian 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.

All capitalised terms that are not defined in these Conditions have the meanings given to them in the applicable Pricing Supplement or the Trust Deed, as the case may be.

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. AMTNs and Subordinated Notes (as defined in Condition 3(b)) will only be issued in registered certificated form.

*All Registered Notes shall have the same Specified Denomination. Unless otherwise permitted by the then current laws and regulations, those Registered Notes 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 UK or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000 will have a minimum denomination of GBP 100,000 (or its equivalent in other currencies). Notes sold in reliance on Rule 144A will be in minimum denominations of USD 200,000 (or its equivalent in other currencies) and integral multiples of USD 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 the Singapore Exchange Securities Trading Limited or any successor thereto (the “**SGX-ST**”) will be traded on the SGX-ST in a minimum board lot size of SGD 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 in the UK or offered to the public in a Member State of the European Economic Area or in the UK in circumstances which require the publication of a prospectus under the Prospectus Regulation (as amended or superseded), the minimum Specified Denomination shall be EUR 100,000 or GBP 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 instalments, is issued with one or more Receipts attached.

Registered Notes (other than AMTNs) 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 to 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 relevant Registrar or, in the case of AMTNs, the Australian Agent (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 the Australian Agent 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 capitalised 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.

In the case of AMTNs, the following provisions shall apply in lieu of the foregoing provisions of this Condition 1 in the event of any inconsistency.

AMTNs will be the debt obligations of DBS Bank owing under the Note (AMTN) Deed Poll. The AMTNs will be represented by a certificate (“**AMTN Certificate**”) and will take the form of entries in a Register to be established and maintained by the Australian Agent in Sydney unless otherwise agreed with the Australian Agent (pursuant to the Australian Agency Agreement). The Agency Agreement is not applicable to the AMTNs.

AMTNs will not be serially numbered. Each entry in the Register constitutes a separate and individual acknowledgement to the relevant Noteholder of the indebtedness of DBS Bank to the relevant Noteholder. The obligations of DBS Bank in respect of each AMTN constitute separate and independent obligations which the Noteholder is entitled to enforce in accordance with these Conditions and the Note (AMTN) Deed Poll. Other than an AMTN Certificate, no certificate or other evidence of title will be issued by or on behalf of DBS Bank unless DBS Bank determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

No AMTN will be registered in the name of more than four persons. AMTNs registered in the name of more than one person are held by those persons as joint tenants. AMTNs will be registered by name only, without reference to any trusteeship and an entry in the Register in relation to an AMTN constitutes conclusive evidence that the person so entered is the registered owner of such AMTN, subject to rectification for fraud or error.

Upon a person acquiring title to any AMTNs by virtue of becoming registered as the owner of that AMTN, all rights and entitlements arising by virtue of the Note (AMTN) Deed Poll in respect of that AMTN vest absolutely in the registered owner of the AMTN, such that no person who has previously been registered as the owner of the AMTN has or is entitled to assert against DBS Bank or the Australian Agent or the registered owner of the AMTN for the time being and from time to time any rights, benefits or entitlements in respect of the AMTN.

Each Tranche of AMTNs will be represented by a single AMTN Certificate substantially in the form set out in the Note (AMTN) Deed Poll. DBS Bank shall issue and deliver, and procure the authentication by the Australian Agent of, such number of AMTN Certificates as are required from time to time to represent all of the AMTNs of each Tranche. An AMTN Certificate is neither a negotiable instrument nor a document of title in respect of any AMTNs represented by it. In the event of a conflict between any AMTN Certificate and the Register, the Register shall prevail (subject to correction for fraud or proven error).

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 (other than AMTNs):** This Condition 2(b) does not apply to AMTNs which are specified in the applicable Pricing Supplement as Registered Notes. Subject to Condition

6, 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.

Transfers of interests in the Notes evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.

Transfers of interests in any DBS Bank Subordinated Notes that are the subject of a DBS Bank Trigger Event Notice issued in accordance with Condition 6 or notice of issue of a Bail-in Certificate shall not be permitted during any Suspension Period (as defined in Condition 2(g)).

Transfers of interests in any DBSH Subordinated Notes that are the subject of a DBSH Trigger Event Notice issued in accordance with Condition 6 or notice of issue of a Bail-in Certificate shall not be permitted during any Suspension Period.

- (c) **Exercise of Options or Partial Redemption or Partial Write-off 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 or a partial DBS Bank Write-off or DBSH Write-off (as the case may be) of or cancellation, modification, conversion and/or change in form pursuant to a Bail-in Certificate 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 or Written-off in accordance with Condition 6 or subject to cancellation, modification, conversion and/or change in form pursuant to a Bail-in Certificate, as the case may be. 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 other 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 Condition 2(b) or (c) shall be available for delivery within five business days of receipt of the request for transfer, exercise, redemption or exchange, form of transfer or Exercise Notice (as defined in Condition 5(e)) and surrender of the Certificate for exchange, except (in the case of DBS Bank) for any write-off pursuant to Condition 6(a) or (in the case of DBSH) for any write-off pursuant to Condition 6(b) in which case any new Certificate to be issued shall be available for delivery as soon as reasonably practicable. 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 request for transfer, exercise, redemption or exchange, 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 or the Registrar 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 of AMTNs:** AMTNs may be transferred in whole but not part. Unless lodged in the clearing system operated by Austraclear Ltd, the AMTNs will be transferable by duly completed and (if applicable) stamped transfer and acceptance forms in the form specified by, and obtainable from, the Australian Agent or by any other manner approved by DBS Bank and the Australian Agent. Each transfer and acceptance form must be accompanied by such evidence (if any) as the Australian Agent may require to prove the title of the transferor or the transferor’s right to transfer the AMTNs and be signed by both the transferor and the transferee. The Australian Agent may refuse to register a transfer and acceptance form if it contravenes or fails to comply with the Conditions or the transfer of Notes pursuant to that transfer and acceptance form would result in a contravention of any applicable law.

AMTNs may only be transferred within, to or from Australia if:

- (i) the aggregate consideration payable by the transferee at the time of transfer is at least AUD 500,000 (or its equivalent in any other currency and, in either case, disregarding monies lent by the transferor or its associates) or the offer or invitation giving rise to the transfer otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia (the “**Australian Corporations Act**”);
- (ii) the transfer is not to a “retail client” for the purposes of Section 761G of the Australian Corporations Act;
- (iii) the transfer is in compliance with all applicable laws, regulations or directives (including, without limitation, in the case of a transfer to or from Australia, the laws of the jurisdiction in which the transfer takes place); and
- (iv) in the case of a transfer between persons outside Australia, if a transfer and acceptance form is signed outside Australia. A transfer to an unincorporated association is not permitted.

A person becoming entitled to an AMTN as a consequence of the death or bankruptcy of a Noteholder or of a vesting order or a person administering the estate of a Noteholder may, upon producing such evidence as to that entitlement or status as the Australian Agent considers sufficient, transfer such AMTN or, if so entitled, become registered as the holder of the AMTN.

Where the transferor executes a transfer of less than all of the AMTNs registered in its name, and the specific AMTNs to be transferred are not identified, the Australian Agent may register the transfer in respect of such of the AMTNs registered in the name of the transferor as the Australian Agent thinks fit, provided the aggregate nominal amount of the AMTNs registered as having been transferred equals the aggregate nominal amount of the AMTNs expressed to be transferred in the transfer.

- (f) **Transfers Free of Charge:** Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption or partial write-off shall be effected without charge by or on behalf of the Issuer, the Registrar, the Australian Agent or the Transfer Agents, but upon payment by the relevant Noteholder of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar, the Australian Agent or the relevant Transfer Agent may require).

- (g) **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 Instalment 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 Condition 5(d);
 - (iii) after any such Note has been called for redemption;
 - (iv) during the period of 15 days ending on (and including) any date on which payment is due; or
 - (v) in respect of any Subordinated Notes, during a Suspension Period.

In these Conditions:

“**Suspension Period**” means the period commencing on the business day in Singapore immediately following the date of a DBS Bank Trigger Event Notice, a DBSH Trigger Event Notice or notice of issue of a Bail-in Certificate (as the case may be) and ending on, in the event that a DBS Bank Trigger Event Notice or DBSH Trigger Event Notice is issued, the earlier of the close of business in Singapore on:

- (i) the date on which the Registrar or any other Agent has (A) reflected the relevant DBS Bank Write-off or DBSH Write-off (as the case may be) in the Register or (B) issued a new Certificate (as the case may be) to such Noteholder in respect of the related DBS Bank Write-off or DBSH Write-off (as the case may be); and
- (ii) with respect to the Notes represented by a Global Certificate and cleared through a clearing system, the 10th business day in Singapore immediately following the date of receipt of any such notice by the relevant clearing system(s), or

in the event that a Bail-in Certificate has been issued, when the Bail-in Certificate has been effected.

3 Status

(a) **Status of Senior Notes:**

- (i) *Status of DBS Bank Senior Notes:* The senior notes (being those Notes that specify their status as Senior in the applicable Pricing Supplement (the “**DBS Bank Senior Notes**”)) and the Receipts and the Coupons relating to them constitute direct and unsecured obligations of DBS Bank Ltd. (“**DBS Bank**”) and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of DBS Bank under the DBS Bank Senior Notes and the Receipts and the 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 DBS Bank, respectively, present and future.
- (ii) *Status of DBSH Senior Notes:* The senior notes (being those Notes that specify their status as Senior in the applicable Pricing Supplement) (the “**DBSH Senior Notes**” and, together with the DBS Bank Senior Notes, the “**Senior Notes**”) and the Receipts and the Coupons relating to them constitute direct and unsecured obligations of DBS Group Holdings Ltd (“**DBSH**”) and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of DBSH under the DBSH Senior Notes and the Receipts and the 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 DBSH, respectively, present and future.

(b) **Status of Subordinated Notes:**

- (i) *Status of DBS Bank Subordinated Notes:* The subordinated notes (being those Notes that specify their status as Subordinated in the applicable Pricing Supplement) (the “**DBS Bank Subordinated Notes**”) constitute direct, unsecured and subordinated obligations of DBS Bank. The rights and claims of the Noteholders are subordinated as described below.
- (ii) *Status of DBSH Subordinated Notes:* The subordinated notes (being those Notes that specify their status as Subordinated in the applicable Pricing Supplement) (the “**DBSH Subordinated Notes**” and, together with the DBS Bank Subordinated Notes, the “**Subordinated Notes**”) constitute direct, unsecured and subordinated obligations of DBSH. The rights and claims of the Noteholders are subordinated as described below.

(c) **Subordination:**

- (i) *DBS Bank Subordination:* Upon the occurrence of any winding-up proceedings, the rights of the Noteholders to payment of principal of and interest on the DBS Bank Subordinated Notes and any other obligations in respect of the DBS Bank Subordinated Notes are expressly subordinated and subject in right of payment to the prior payment in full of all claims of DBS Bank Relevant Creditors and will rank senior to all share capital of DBS Bank and the DBS Bank Tier 1 Capital Securities. The DBS Bank Subordinated Notes will rank *pari passu* with all subordinated debt issued by DBS Bank that qualifies as DBS Bank Tier 2 Capital Securities and any instrument or security issued, entered into or guaranteed by DBS Bank that ranks or is expressed to rank, by its terms or operation of law, *pari passu* with a DBS Bank Subordinated Note. In the event that:
 - (A) the Noteholders do not receive payment in full of principal due and payable in respect of the DBS Bank Subordinated Notes plus interest thereon accrued to the date of repayment in any winding-up of DBS Bank; and
 - (B) the winding-up order or resolution passed for the winding-up of DBS Bank or the dissolution of DBS Bank 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 such DBS Bank 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 10(b) and Clause 5 and Clause 7 of the Trust Deed.

The subordination provisions set out in this Condition 3(c) are effective only upon the occurrence of any winding-up proceedings of DBS Bank. In the event that a DBS Bank Trigger Event occurs and/or a Bail-in Certificate is issued, the rights of holders of DBS Bank Subordinated Notes shall be subject to Condition 6. This may not result in the same outcome for DBS Bank Subordinated Noteholders as would otherwise occur under this Condition 3(c) upon the occurrence of any winding-up proceedings of DBS Bank.

- (ii) *DBSH Subordination:* Upon the occurrence of any winding-up proceedings, the rights of the Noteholders to payment of principal of and interest on the DBSH Subordinated Notes and any other obligations in respect of the DBSH Subordinated Notes are expressly subordinated and subject in right of payment to the prior payment in full of all claims of DBSH Relevant Creditors and will rank senior to all share capital of DBSH and the DBSH Tier 1 Capital Securities. The DBSH Subordinated Notes will rank *pari passu* with all subordinated debt issued by DBSH that qualifies as DBSH Tier 2 Capital Securities and any instrument or

security issued, entered into or guaranteed by DBSH that ranks or is expressed to rank, by its terms or operation of law, *pari passu* with a DBSH Subordinated Note. In the event that:

- (A) the Noteholders do not receive payment in full of principal due and payable in respect of the DBSH Subordinated Notes plus interest thereon accrued to the date of repayment in any winding-up of DBSH; and
- (B) the winding-up order or resolution passed for the winding-up of DBSH or the dissolution of DBSH 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 such DBSH 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 10(b) and Clause 5 and Clause 7 of the Trust Deed.

The subordination provisions set out in this Condition 3(c) are effective only upon the occurrence of any winding-up proceedings of DBSH. In the event that a DBSH Trigger Event occurs and/or a Bail-in Certificate is issued, the rights of holders of DBSH Subordinated Notes shall be subject to Condition 6. This may not result in the same outcome for DBSH Subordinated Noteholders as would otherwise occur under this Condition 3(c) upon the occurrence of any winding-up proceedings of DBSH.

The Issuer has agreed, pursuant to the terms of the 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 10(b)(ii) and Clause 7.2 of the Trust Deed.

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

In these Conditions:

“DBS Bank Group” means DBS Bank and its consolidated subsidiaries;

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

“DBS Bank Tier 1 Capital Securities” means:

- (i) any security issued by DBS Bank; or
- (ii) any other similar obligation issued by any subsidiary of DBS Bank that is guaranteed by DBS Bank,

that, in each case, constitutes Tier 1 capital of:

- (x) DBS Bank, on an unconsolidated basis,
- (y) the DBS Bank Group, on a consolidated basis, or
- (z) the DBS Group, on a consolidated basis, pursuant to the relevant requirements set out in:

- (I) (in the case of (x) and (y) above) MAS Notice 637; or
- (II) (in the case of (z) above) (on the basis that DBSH is subject to the application of MAS Notice 637) MAS Notice 637 or any notice issued by the MAS in respect of Designated Financial Holding Companies that is analogous to MAS Notice 637;

“DBS Bank Tier 2 Capital Securities” means any security or other similar obligation issued by DBS Bank that, in each case, constitutes Tier 2 capital of:

- (x) DBS Bank, on an unconsolidated basis,
- (y) the DBS Bank Group, on a consolidated basis, or
- (z) the DBS Group, on a consolidated basis, pursuant to the relevant requirements set out in:
 - (I) (in the case of (x) and (y) above) MAS Notice 637; or
 - (II) (in the case of (z) above) (on the basis that DBSH is subject to the application of MAS Notice 637) MAS Notice 637 or any notice issued by the MAS in respect of Designated Financial Holding Companies that is analogous to MAS Notice 637;

“DBS Group” means DBSH and its consolidated subsidiaries;

“DBSH Relevant Creditors” means creditors of DBSH other than those whose claims are expressed to rank *pari passu* or junior to the claims of the holders of DBSH Subordinated Notes;

“DBSH Tier 1 Capital Securities” means:

- (i) any security issued by DBSH; or
 - (ii) any other similar obligation issued by any subsidiary of DBSH that is guaranteed by DBSH,
- that, in each case, constitutes Tier 1 capital of:

- (x) DBSH, on an unconsolidated basis; or
- (y) the DBS Group, on a consolidated basis, pursuant to the relevant requirements set out in:
 - (A) (on the basis that DBSH is subject to the application of MAS Notice 637) MAS Notice 637; or
 - (B) any notice issued by the MAS in respect of Designated Financial Holding Companies that is analogous to MAS Notice 637;

“DBSH Tier 2 Capital Securities” means

- (i) any security issued by DBSH; or
 - (ii) any other similar obligation issued by any subsidiary of DBSH that is guaranteed by DBSH that, in each case, constitutes Tier 2 capital of:
- (x) DBSH, on an unconsolidated basis; or
 - (y) the DBS Group, on a consolidated basis, pursuant to the relevant requirements set out in:
 - (A) (on the basis that DBSH is subject to the application of MAS Notice 637) MAS Notice 637; or
 - (B) any notice issued by the MAS in respect of Designated Financial Holding Companies that is analogous to MAS Notice 637;

“Designated Financial Holding Companies” shall have the meaning ascribed to it in the Financial Holding Companies Act 2013, as amended, replaced or supplemented from time to time;

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

“MAS Notice 637” means MAS Notice 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; and

“Tier 2 Capital Securities” means both the DBS Bank Tier 2 Capital Securities and the DBSH Tier 2 Capital Securities, as the context may require.

- (d) **Set-off and Payment Void:** No holder of Subordinated 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. Each Noteholder of the Subordinated Notes shall, by acceptance of any Subordinated Note 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 receives payment or benefit of any sum in respect of the Subordinated Notes (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 10(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, by acceptance of such Subordinated Note, 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 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.

4 Interest and other Calculations

The amount payable in respect of the aggregate nominal amount of Notes represented by a Global Certificate or a Global Note (as the case may be) shall be made in accordance with the methods of calculation provided for in the Conditions and the applicable Pricing Supplement, save that the calculation is made in respect of the total aggregate amount of the Notes represented by a Global Certificate or a Global Note (as the case may be), together with such other sums and additional amounts (if any) as may be payable under the Conditions. The amount payable in respect of each AMTN whether or not represented by an AMTN Certificate shall be made in accordance with the methods of calculation provided for in the Conditions and the applicable Pricing Supplement, being the amount payable per Specified Denomination in respect of each AMTN.

- (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 Period or 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 Period or Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this paragraph (A), “**ISDA Rate**” for an Interest Period or 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 Period or Interest Accrual Period unless otherwise specified hereon.

For the purposes of this 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 BBSW, SORA Benchmark, SONIA Benchmark or SOFR Benchmark

(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 Period or Interest Accrual Period will, subject as provided below, be either:

(I) the offered quotation; or

(II) 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. (Brussels time in the case of EURIBOR or Hong Kong time in the case of HIBOR) 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 EURIBOR or HIBOR, 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)(I) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(II) 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 Issuer shall request, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is HIBOR, the principal Hong Kong office of each of the Reference Banks, to provide the Issuer with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is EURIBOR, at approximately 11:00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11:00 a.m. (Hong Kong time) on the Interest Determination Date in question and such rate shall be notified to the Calculation Agent. If two or more of the Reference Banks provide the Issuer with such offered quotations, the Rate of Interest for such Interest Period or 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 Issuer 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 Issuer by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is EURIBOR, at approximately 11:00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11:00 a.m. (Hong Kong 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 EURIBOR,

the Euro-zone interbank market or, if the Reference Rate is HIBOR, the Hong Kong interbank market, as the case may be, or, if fewer than two of the Reference Banks provide the Issuer 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 EURIBOR, at approximately 11:00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11:00 a.m. (Hong Kong 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 Issuer it is quoting to leading banks in, if the Reference Rate is EURIBOR, the Euro-zone interbank market or, if the Reference Rate is HIBOR, the Hong Kong interbank 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 Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period or Interest Accrual Period from that which applied to the last preceding Interest Period or Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period or Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period or Interest Accrual Period).

(C) [Reserved]

(D) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SORA Benchmark

For each Floating Rate Note where the Reference Rate is specified as being SORA Benchmark, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be equal to the relevant SORA Benchmark plus or minus (as indicated in the applicable Pricing Supplement) the Margin.

The “**SORA Benchmark**” will be determined based on Compounded Daily SORA or SORA Index Average, as follows (subject in each case to Condition 4(i)(v)):

(x) If Compounded Daily SORA (“**Compounded Daily SORA**”) is specified in the applicable Pricing Supplement, the SORA Benchmark for each Interest Accrual Period shall be equal to the value of the SORA rates for each day during the relevant Interest Accrual Period (where SORA Lookback or SORA Payment Delay is specified in the applicable Pricing Supplement to determine Compounded Daily SORA) or SORA Observation Period (where SORA Backward Shifted Observation Period is specified in the applicable Pricing Supplement to determine Compounded Daily SORA).

Compounded Daily SORA shall be calculated by the Calculation Agent on the relevant Interest Determination Date in accordance with one of the formulas referenced below depending upon which is specified in the applicable Pricing Supplement:

(i) Where SORA Lookback is specified in the applicable Pricing Supplement:

“Compounded Daily SORA” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Accrual Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SORA_{i-x_{SBD}} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“d” is the number of calendar days in the relevant Interest Accrual Period;

“d_o”, for any Interest Accrual Period, is the number of Singapore Business Days in the relevant Interest Accrual Period;

“i”, for the relevant Interest Accrual Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Accrual Period to, but excluding, the last Singapore Business Day in such Interest Accrual Period;

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date falling one Singapore Business Day after the end of each Observation Period;

“n_i”, for any day “i”, is the number of calendar days from and including such day “i” up to but excluding the following Singapore Business Day;

“Observation Period” means, for the relevant Interest Accrual Period, the period from, and including, the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to the first day of such Interest Accrual Period (and the first Interest Accrual Period shall begin on and include the Interest Commencement Date) and to, but excluding, the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to the Interest Payment Date at the end of such Interest Accrual Period (or the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to such earlier date, if any, on which the Notes become due and payable);

“Singapore Business Days” or **“SBD”** means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“SORA” means, in respect of any Singapore Business Day “i”, a reference rate equal to the daily Singapore Overnight Rate Average provided by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such day “i”; and

“SORA_{i-x SBD}” means, in respect of any Singapore Business Day “i” in the relevant Interest Accrual Period, the reference rate equal to SORA in respect of the Singapore Business Day falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to the relevant Singapore Business Day “i”.

- (ii) Where SORA Backward Shifted Observation Period is specified in the applicable Pricing Supplement:

“**Compounded Daily SORA**” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Accrual Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SORA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“d” is the number of calendar days in the relevant Observation Period;

“d_o”, for any Interest Accrual Period, is the number of Singapore Business Days in the relevant Observation Period;

“i”, for the relevant Interest Accrual Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Observation Period to, but excluding, the last Singapore Business Day in such Observation Period;

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period, the date falling one Singapore Business Day after the end of each Observation Period;

“n_i”, for any day “i”, is the number of calendar days from and including such day “i” up to but excluding the following Singapore Business Day;

“Observation Period” means, for the relevant Interest Accrual Period, the period from, and including, the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to the first day of such Interest Accrual Period (and the first Interest Accrual Period shall begin on and include the Interest Commencement Date) and to, but excluding, the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to the Interest Payment Date at the end of such Interest Accrual Period (or the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to such earlier date, if any, on which the Notes become due and payable);

“Singapore Business Days” or **“SBD”** means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“SORA” means, in respect of any Singapore Business Day “i”, a reference rate equal to the daily Singapore Overnight Rate Average provided by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such day “i”; and

“SORA_i” means, in respect of any Singapore Business Day falling in the relevant Observation Period, the reference rate equal to SORA in respect of that Singapore Business Day.

- (iii) Where SORA Payment Delay is specified in the applicable Pricing Supplement:

“Compounded Daily SORA” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during such Interest Accrual Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SORA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“d” is the number of calendar days in the relevant Interest Accrual Period;

“ d_0 ”, for any Interest Accrual Period, is the number of Singapore Business Days in the relevant Interest Accrual Period;

“ i ”, for the relevant Interest Accrual Period, is a series of whole numbers from one to d_0 , each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Accrual Period to, but excluding, the last Singapore Business Day in such Interest Accrual Period;

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period, the date falling one Singapore Business Day after the end of each Interest Accrual Period, *provided that* the Interest Determination Date with respect to the final Interest Accrual Period will be the SORA Rate Cut-Off Date;

“**Interest Payment Date**” shall be the date falling the number of Business Days equal to the Interest Payment Delay following each Interest Period End Date; *provided that* (i) the Interest Payment Date with respect to the Interest Accrual Period ending on the Maturity Date will be the Maturity Date or (ii) if the Issuer elects to redeem the Notes prior to the Maturity Date, the redemption date;

“**Interest Payment Delay**” means five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement);

“ n_i ”, for any day “ i ”, is the number of calendar days from and including such day “ i ” up to but excluding the following Singapore Business Day;

“**Singapore Business Days**” or “**SBD**” means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“**SORA**” means, in respect of any Singapore Business Day “ i ”, a reference rate equal to the daily Singapore Overnight Rate Average provided by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such day “ i ”;

“**SORA _{i}** ” means, in respect of any Singapore Business Day falling in the relevant Interest Accrual Period, the reference rate equal to SORA in respect of that Singapore Business Day; and

“**SORA Rate Cut-Off Date**” means the date that is a number of Singapore Business Days prior to the end of each Interest Accrual Period, the Maturity Date or the relevant redemption date, as applicable, as specified in the applicable Pricing Supplement.

For the purposes of calculating Compounded Daily SORA with respect to the final Interest Accrual Period ending on the Maturity Date or the redemption date, the level of SORA for each Singapore Business Day in the period from (and including) the SORA Rate Cut-Off Date to (but excluding) the Maturity Date or the relevant redemption date, as

applicable, shall be the level of SORA in respect of such SORA Rate Cut-Off Date.

- (y) For each Floating Rate Note where the Reference Rate is specified as being SORA Index Average (“**SORA Index Average**”), the SORA Benchmark for each Interest Accrual Period shall be equal to the value of the SORA rates for each day during the relevant Interest Accrual Period as calculated by the Calculation Agent on the relevant Interest Determination Date as follows:

$$\left(\frac{SORA Index_{End}}{SORA Index_{Start}} - 1 \right) \times \left(\frac{365}{d_c} \right)$$

and the resulting percentage being rounded if necessary to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards, where:

“**d_c**” means the number of calendar days from (and including) the SORA Index_{Start} to (but excluding) the SORA Index_{End};

“**Singapore Business Days**” means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“**SORA Index**” means, in relation to any Singapore Business Day, the SORA Index as published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) at the SORA Index Determination Time, *provided that* if the SORA Index does not so appear at the SORA Index Determination Time, then:

- (i) if a SORA Index Cessation Event has not occurred, the “SORA Index Average” shall be calculated on any Interest Determination Date with respect to an Interest Accrual Period, in accordance with the Compounded Daily SORA formula described above in Condition 4(b)(iii)(D)(x)(ii), and the Observation Period shall be calculated with reference to the number of Singapore Business Days preceding the first date of the relevant Interest Accrual Period that is used in the definition of SORA Index_{Start} as specified in the applicable Pricing Supplement; or
- (ii) if a SORA Index Cessation Event has occurred, the provisions set forth in Condition 4(i)(v) shall apply;

“**SORA Index_{End}**” means the SORA Index value on the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) preceding the Interest Period End Date relating to such Interest Accrual Period;

“**SORA Index_{Start}**” means the SORA Index value on the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) preceding the first date of the relevant Interest Accrual Period; and

“SORA Index Determination Time” means, in relation to any Singapore Business Day, approximately 3:00 p.m. (Singapore time) on such Singapore Business Day.

- (z) If, subject to Condition 4(i), by 5:00 p.m., Singapore time, on the Singapore Business Day immediately following such day “i”, SORA in respect of such day “i” has not been published and a SORA Index Cessation Event has not occurred, then SORA for that day “i” will be SORA as published in respect of the first preceding Singapore Business Day for which SORA was published.
- (aa) If the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement), subject to Condition 4(i), the Rate of Interest shall be:
 - (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest 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 Rate of Interest or Minimum Rate of Interest (as specified in the applicable Pricing Supplement) relating to the relevant Interest Accrual Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period); or
 - (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Accrual Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Accrual Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period).
- (bb) If the relevant Series of Notes becomes due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable (with corresponding adjustments being deemed to be made to the applicable SORA Benchmark formula) and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.
- (E) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SONIA Benchmark

For each Floating Rate Note where the Reference Rate is specified as being SONIA Benchmark, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be equal to the relevant SONIA Benchmark plus or minus (as indicated in the applicable Pricing Supplement) the Margin.

The **“SONIA Benchmark”** will be determined based on Compounded Daily SONIA or SONIA Index Average, as follows (subject in each case to Condition 4(i)(i)):

- (x) If Compounded Daily SONIA is specified in the applicable Pricing Supplement, Compounded Daily SONIA shall be calculated by the Calculation Agent on the

relevant Interest Determination Date in accordance with the formula referenced below:

“Compounded Daily SONIA” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during the SONIA Observation Period corresponding to such Interest Accrual Period (with the daily Sterling Overnight Index Average (SONIA) as reference rate for the calculation of interest) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{\text{SONIA}_{i-xLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“d” means the number of calendar days in:

- (x) where “SONIA Observation Lag” is specified as the SONIA Observation Method in the applicable Pricing Supplement, the relevant Interest Accrual Period; or
- (y) where “SONIA Observation Shift” is specified as the SONIA Observation Method in the applicable Pricing Supplement, the relevant SONIA Observation Period;

“d_o” means:

- (x) where “SONIA Observation Lag” is specified as the SONIA Observation Method in the applicable Pricing Supplement, the number of London Business Days in the relevant Interest Accrual Period; or
- (y) where “SONIA Observation Shift” is specified as the SONIA Observation Method in the applicable Pricing Supplement, the number of London Business Days in the relevant SONIA Observation Period;

“i” means a series of whole numbers from one to d_o, each representing the relevant London Business Day in chronological order from (and including):

- (x) where “SONIA Observation Lag” is specified as the SONIA Observation Method in the applicable Pricing Supplement, the first London Business Day in the relevant Interest Accrual Period to (and including) the last London Business Day in such Interest Accrual Period; or
- (y) where “SONIA Observation Shift” is specified as the SONIA Observation Method in the applicable Pricing Supplement, the first London Business Day in the relevant SONIA Observation Period to (and including) the last London Business Day in such SONIA Observation Period;

“London Business Day” or **“LBD”** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“n”, for any London Business Day “i”, means the number of calendar days from and including such London Business Day “i” up to but excluding the following London Business Day;

“**SONIA_{i-xLBD}**” means:

- (x) where “SONIA Observation Lag” is specified as the SONIA Observation Method in the applicable Pricing Supplement, in respect of any London Business Day “i”, the SONIA Reference Rate for the London Business Day falling “x” London Business Days prior to such London Business Day “i”; or
- (y) where “SONIA Observation Shift” is specified as the SONIA Observation Method in the applicable Pricing Supplement, in respect of any London Business Day “i”, the SONIA Reference Rate for that day;

“**SONIA Observation Period**” means the period from (and including) the date falling “x” London Business Days prior to the first day of the relevant Interest Accrual Period (and the first Interest Accrual Period shall begin on and include the Interest Commencement Date) and ending on (but excluding) the date falling “x” London Business Days prior to the Interest Period End Date at the end of such Interest Accrual Period (or the date falling “x” London Business Days prior to such earlier date, if any, on which the Notes become due and payable);

“**SONIA Reference Rate**” means, in respect of any London Business Day, a reference rate equal to the daily Sterling Overnight Index Average (SONIA) rate for such London Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (on the London Business Day immediately following such London Business Day); and

“x” means:

- (x) where “SONIA Observation Lag” is specified as the SONIA Observation Method in the applicable Pricing Supplement, five London Business Days (or such other number of London Business Days in the SONIA Observation Period as specified in the applicable Pricing Supplement); or
 - (y) where “SONIA Observation Shift” is specified as the SONIA Observation Method in the applicable Pricing Supplement, five London Business Days (or such other number of London Business Days in the SONIA Observation Period as specified in the applicable Pricing Supplement).
- (y) If SONIA Index Average (“**SONIA Index Average**”) is specified in the applicable Pricing Supplement as the relevant SONIA Benchmark, the SONIA Benchmark for each Interest Accrual Period shall be equal to the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Accrual Period (with the daily Sterling Overnight Index Average (SONIA) as reference rate for the calculation of interest) as will be calculated by the Calculation Agent on the relevant Interest Determination Date as follows, and the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left(\frac{\text{SONIA Compounded Index}_{END}}{\text{SONIA Compounded Index}_{START}} - 1 \right) \times \left(\frac{365}{d} \right)$$

subject to Condition 4(i)(i), if the SONIA Compounded Index Value is not available in relation to any Interest Accrual Period on the Relevant Screen Page for the determination of either SONIA Compounded Index_{START} or SONIA Compounded Index_{END}, the Rate of Interest shall be calculated for such Interest Accrual Period on the basis of Compounded Daily SONIA (as set out in Condition 4(b)(iii)(E)(x)) and where “SONIA Observation Shift” is specified as the SONIA Observation Method.

Where:

“**d**” means the number of calendar days in the relevant SONIA Observation Period;

“**London Business Day**”, means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**p**” means, for any Interest Accrual Period, five London Business Days (or such other number of London Business Days as specified in the applicable Pricing Supplement);

“**SONIA Observation Period**” means, in respect of an Interest Accrual Period, the period from and including the date falling “p” London Business Days prior to the first day of such Interest Accrual Period and ending on (but excluding) the date which is “p” London Business Days prior to the Interest Payment Date for such Interest Accrual Period (or the date falling “p” London Business Days prior to such earlier date, if any, on which the Notes become due and payable);

“**SONIA Compounded Index**” means the index known as the SONIA Compounded Index administered by the Bank of England (or any successor administrator thereof);

“**SONIA Compounded Index_{START}**” means the SONIA Compounded Index Value on the date which is “p” London Business Days preceding the first day of the relevant Interest Accrual Period (or in the first Interest Accrual Period, the Issue Date);

“**SONIA Compounded Index_{END}**” means the SONIA Compounded Index Value on the date which is “p” London Business Days preceding:

- (i) the Interest Payment Date for the relevant Interest Accrual Period,
 - (ii) in the final Interest Accrual Period, the Maturity Date, or
 - (iii) the date on which the relevant Series of Notes becomes due and payable;
- and

“**SONIA Compounded Index Value**” means in relation to any London Business Day, the value of the SONIA Compounded Index as published by authorised distributors on the Relevant Screen Page on such London Business Day or, if the value of the SONIA Compounded Index cannot be obtained from such authorised distributors, as published on the Bank of England’s Website at <https://www.bankofengland.co.uk/boeapps/database/> (or such other page or

website as may replace such page for the purposes of publishing the SONIA Compounded Index) on the next following London Business Day.

- (z) If, subject to Condition 4(i)(i), in respect of any London Business Day in the relevant Observation Period, the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) determines that the SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall be:
- (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at 5:00 p.m. (or, if earlier, close of business) on the relevant London Business Day; plus
 - (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

Notwithstanding the paragraph above, and without prejudice to Condition 4(i)(i), in the event the Bank of England publishes guidance as to:

- (A) how the SONIA Reference Rate is to be determined; or
- (B) any rate that is to replace the SONIA Reference Rate,

the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest as specified in the applicable Pricing Supplement, and in consultation with the Issuer) shall, to the extent that it is reasonably practicable, follow such guidance in order to determine the SONIA Reference Rate for the purpose of the relevant Series of Notes for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors.

- (aa) If the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement), subject to Condition 4(i), the Rate of Interest shall be:
- (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest 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 Rate of Interest or Minimum Rate of Interest (as specified in the applicable Pricing Supplement) relating to the relevant Interest Accrual Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period); or
 - (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Accrual Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Accrual Period but ending on (and excluding) the Interest Commencement Date (but applying the

Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period).

(bb) If the relevant Series of Notes becomes due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable (with corresponding adjustments being deemed to be made to the applicable SONIA Benchmark formula) and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

(F) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SOFR Benchmark

For each Floating Rate Note where the Reference Rate is specified as being SOFR Benchmark, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be equal to the relevant SOFR Benchmark plus or minus (as indicated in the applicable Pricing Supplement) the Margin.

The “**SOFR Benchmark**” will be determined based on Compounded Daily SOFR or SOFR Index Average, as follows (subject in each case to Condition 4(i)):

(x) If Compounded Daily SOFR (“**Compounded Daily SOFR**”) is specified in the applicable Pricing Supplement, the SOFR Benchmark for each Interest Accrual Period shall be equal to the value of the SOFR rates for each day during the relevant Interest Accrual Period (where “SOFR Observation Lag” or “SOFR Payment Delay” is specified in the applicable Pricing Supplement to determine Compounded Daily SOFR) or SOFR Observation Period (where “SOFR Observation Shift” is specified in the applicable Pricing Supplement to determine Compounded Daily SOFR).

Compounded Daily SOFR shall be calculated by the Calculation Agent on the relevant Interest Determination Date in accordance with the relevant formula referenced below (to be specified in the applicable Pricing Supplement):

(i) *SOFR Observation Lag:*

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_{i-xUSBD} \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

and the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards, where:

“**d**” means the number of calendar days in the relevant Interest Accrual Period;

“**d_o**” means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

“**i**” means a series of whole numbers ascending from one to **d_o**, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Accrual Period (each a “**U.S. Government Securities Business Day(i)**”);

“**Lookback Days**” means five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement);

“**n_i**” for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day; and

“**SOFR_{i-xUSBD}**” for any U.S. Government Securities Business Day(i) in the relevant Interest Accrual Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day(i).

(ii) *SOFR Observation Shift:*

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

and the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards, where:

“**d**” means the number of calendar days in the relevant SOFR Observation Period;

“**d_o**” means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

“**i**” means a series of whole numbers ascending from one to d_o, representing each U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period (each a “**U.S. Government Securities Business Day(i)**”);

“**n_i**” for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day;

“**SOFR Observation Period**” means, in respect of an Interest Accrual Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Accrual Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period End Date at the end of such Interest Accrual Period;

“**SOFR Observation Shift Days**” means five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement); and

“**SOFR_i**” for any U.S. Government Securities Business Day(i) in the relevant SOFR Observation Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i).

(iii) *SOFR Payment Delay*:

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

and the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards, where:

“**d**” means the number of calendar days in the relevant Interest Accrual Period;

“**d_o**” means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

“**i**” means a series of whole numbers ascending from one to **d_o**, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Accrual Period (each a “**U.S. Government Securities Business Day(i)**”);

“**Interest Payment Date**” shall be the date falling the number of Business Days equal to the Interest Payment Delay following each Interest Period End Date; *provided that* the Interest Payment Date with respect to the final Interest Accrual Period will be the Maturity Date or, if the Issuer elects to redeem the Notes prior to the Maturity Date, the relevant redemption date;

“**Interest Payment Delay**” means five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement);

“**Interest Determination Date**” means the Interest Period End Date at the end of each Interest Accrual Period, *provided that* the Interest Determination Date with respect to the final Interest Accrual Period will be the SOFR Rate Cut-Off Date;

“**n_i**”, for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day;

“**SOFR_i**” for any U.S. Government Securities Business Day(i) in the relevant Interest Accrual Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i); and

“**SOFR Rate Cut-Off Date**” means the date that is a number of U.S. Government Securities Business Days prior to the end of each Interest Accrual Period, the Maturity Date or the relevant redemption date, as applicable, as specified in the applicable Pricing Supplement.

For the purposes of calculating Compounded Daily SOFR with respect to the final Interest Accrual Period, the level of SOFR for each U.S. Government Securities Business Day in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Maturity Date or the

relevant redemption date of the Notes, as applicable, shall be the level of SOFR in respect of such SOFR Rate Cut-Off Date.

In connection with the SOFR provisions set out in this Condition 4(b)(iii)(F)(x), the following definitions apply:

“**Bloomberg Screen SOFRRATE Page**” means the Bloomberg screen designated “SOFRRATE” or any successor page or service;

“**Reuters Page USDSOFR=**” means the Reuters page designated “USDSOFR=” or any successor page or service;

“**SOFR**” means, with respect to any U.S. Government Securities Business Day, the rate determined by the Calculation Agent in accordance with the following provision:

- (i) the Secured Overnight Financing Rate published at the SOFR Determination Time, as such rate is reported on the Bloomberg Screen SOFRRATE Page, the Secured Overnight Financing Rate published at the SOFR Determination Time, as such rate is reported on the Reuters Page USDSOFR=, or the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator’s Website;
- (ii) if the rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the SOFR published on the SOFR Administrator’s Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator’s Website; or
- (iii) if the rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 4(i)(iii) shall apply;

“**SOFR Determination Time**” means approximately 3:00 p.m. (New York City time) on the immediately following U.S. Government Securities Business Day.

- (y) If SOFR Index Average (“**SOFR Index Average**”) is specified in the applicable Pricing Supplement, the SOFR Benchmark for each Interest Accrual Period shall be equal to the value of the SOFR rates for each day during the relevant Interest Accrual Period as calculated by the Calculation Agent on the relevant Interest Determination Date as follows:

$$\left(\frac{SOFR Index_{End}}{SOFR Index_{Start}} - 1 \right) \times \left(\frac{360}{d_c} \right)$$

and the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards, where:

“**d_c**” means the number of calendar days from (and including) the SOFR Index_{Start} to (but excluding) the SOFR Index_{End};

“**SOFR Index**” means, in relation to any U.S. Government Securities Business Day, the SOFR Index as published by the SOFR Administrator on the SOFR Administrator’s Website at the SOFR Index Determination Time on such U.S. Government Securities Business Day, *provided that* if the SOFR Index does not so appear at the SOFR Index Determination Time, then:

- (i) if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the “SOFR Index Average” shall be calculated on any Interest Determination Date with respect to an Interest Accrual Period, in accordance with the Compounded Daily SOFR formula described above in Condition 4(b)(iii)(F)(x)(ii) “SOFR Observation Shift”, and the term “SOFR Observation Shift Days” shall mean such number of U.S. Government Securities Business Days preceding the first date of a relevant Interest Accrual Period as is used for the purposes of the definition of “SOFR Index_{Start}” and “SOFR Index_{End}”; or
- (ii) if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 4(i)(iii) shall apply;

“**SOFR Index_{End}**” means the SOFR Index value on the date that is five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement) preceding the Interest Period End Date relating to such Interest Accrual Period (or in the final Interest Accrual Period, the Maturity Date);

“**SOFR Index_{Start}**” means the SOFR Index value on the date that is five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement) preceding the first date of the relevant Interest Accrual Period; and

“**SOFR Index Determination Time**” means, in relation to any U.S. Government Securities Business Day, approximately 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day.

“**SOFR Administrator**” means the Federal Reserve Bank of New York (or a successor administrator of SOFR);

“**SOFR Administrator’s Website**” means the website of the Federal Reserve Bank of New York, or any successor source;

“**SOFR Benchmark Replacement Date**” means the Benchmark Replacement Date with respect to the then-current SOFR Benchmark; and

“**SOFR Benchmark Transition Event**” means the occurrence of a Benchmark Event with respect to the then-current SOFR Benchmark.

- (z) If the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement), subject to Condition 4(i), the Rate of Interest shall be:
 - (l) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest 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 Rate of Interest or Minimum Rate of Interest (as specified in the applicable Pricing Supplement) relating to the relevant Interest Accrual Period in place of

the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period); or

- (II) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Accrual Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Accrual Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period).

- (aa) If the relevant Series of Notes becomes due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable (with corresponding adjustments being deemed to be made to the applicable SOFR Benchmark formula) and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

- (G) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being BBSW

For each Floating Rate Note where the Reference Rate is specified as being BBSW, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be equal to the relevant BBSW plus or minus (as indicated in the applicable Pricing Supplement) the Margin.

The “**BBSW**” will be determined by the Calculation Agent on the basis of the following provisions:

- (x) the Calculation Agent will determine the Rate of Interest for such Interest Period which shall be the rate for prime bank eligible securities having a tenor closest to the term of such Interest Period, which is designated as the “AVG MID” on the Refinitiv Screen BBSW Page (or any designation which replaces that designation on that page, or such other replacement page thereof or such other Relevant Screen Page) at approximately 10.30 a.m. (Sydney time) (or such other time at which such rate customarily appears on that page, including, if corrected, as recalculated and republished by the relevant administrator) on the Interest Determination Date in respect of each Interest Period; and
- (y) if such rate does not appear on the Refinitiv Screen BBSW Page (or such other replacement page thereof or such other Relevant Screen Page) by 10.45 a.m. (Sydney time) on that day (or such other time that is 15 minutes after the then prevailing time), or, if it does appear but there is an obvious error on that date or the rate is permanently or indefinitely discontinued, the Rate of Interest for such Interest Period shall be such other successor rate or alternative rate for BBSW-linked floating rate notes at such time determined by the Issuer (acting in good faith and in a commercially reasonable manner) or, an alternate financial institution appointed by the Issuer (in its sole discretion) to assist in determining the rate (in each case, a “**Determining Party**”), which rate is notified in writing to the Calculation Agent (with a copy to the Issuer) if determined by such Determining Party, together with such adjustment spread (which may be a positive or negative value or zero) that is customarily applied to the relevant successor rate or alternative rate (as the case may be) in

international debt capital markets transactions to produce an industry-accepted replacement rate for BBSW-linked floating rate notes at such time (together with such other adjustments to the Business Day Convention, Interest Determination Dates and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such successor rate or alternative rate for BBSW-linked floating rate notes at such time), or, if no such industry standard is recognised or acknowledged, the method for calculating or determining such adjustment spread as determined by such Determining Party (in consultation with the Issuer) to be appropriate. The Rate of Interest for such Interest Period will be expressed as a percentage rate per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001%).

Each Noteholder shall be deemed to acknowledge, accept and agree to be bound by, and consents to, such determination of, substitution for and adjustments made to BBSW, as applicable, in each case as described below (in all cases without the need for any Noteholder consent). Any determination of, substitution for and adjustments made to BBSW, as applicable, in each case described below will be binding on the Issuer, the Noteholder and each Agent.

- (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 Amortisation Yield (as described in Condition 5(b)(i)(B)).
- (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, Instalment 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 Rate of Interest or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment 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 Japanese yen, which shall be rounded down to the nearest Japanese 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 Instalment 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 Instalment 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 Instalment 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 10, 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 4(g) 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 Issuer:** In the case of Notes other than AMTNs, 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, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Issuer shall 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, such agent shall apply the foregoing provisions of this Condition 4(h), 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 such agent pursuant to this Condition 4(h) shall (in the absence of manifest error) be final and binding upon all parties.

(i) **Benchmark Discontinuation**

(i) Benchmark Discontinuation (General)

Where the Pricing Supplement specifies this Condition 4(i)(i) as applicable:

(A) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, or failing which, an Alternative Rate (in accordance with Condition 4(i)(i)(B)) and, in either case, an Adjustment Spread (in accordance with Condition 4(i)(i)(C)) and any Benchmark Amendments (in accordance with Condition 4(i)(i)(D)).

In making such determination, the Independent Adviser appointed pursuant to this Condition 4(i)(i) shall act in good faith as an expert and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Paying Agents or the Noteholders for any determination made by it, pursuant to this Condition 4(i)(i).

If:

- (i) the Issuer is unable to appoint an Independent Adviser; or
- (ii) the Independent Adviser fails to determine a Successor Rate or, failing which, an Alternative Rate, in accordance with this Condition 4(i)(i)(A) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. 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 shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 4(i)(i)(A).

(B) Successor Rate or Alternative Rate

If the Independent Adviser determines that:

- (i) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(i)(i)); or

- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(i)(i)).

(C) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser (in consultation with the Issuer) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread.

(D) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4(i)(i) and the Independent Adviser (in consultation with the Issuer) determines:

- (i) that amendments to these Conditions and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”); and
- (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(i)(i)(E), without any requirement for the consent or approval of Noteholders, the Trustee or the Agents, vary these Conditions and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two authorised signatories of the Issuer pursuant to Condition 4(i)(i)(E), the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed), *provided that* the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

For the avoidance of doubt, the Trustee and the Issuing and Paying Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 4(i)(i)(D). Noteholders' consent shall not be required in connection with the effecting of the Successor Rate or the Alternative Rate (as applicable) or such other changes, including the execution of any documents or any steps by the Trustee or the Issuing and Paying Agent (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations or certifications made by the Issuer or the Independent Adviser with respect to any Successor Rate or

Alternative Rate (as applicable) or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

In connection with any such variation in accordance with this Condition 4(i)(i)(D), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(E) Notices

The occurrence of a Benchmark Event shall be determined by the Issuer and any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(i)(i) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 16, the Noteholders or the Couponholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any. For the avoidance of doubt, neither the Trustee, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

No later than notifying the Noteholders of the same, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer:

(x) confirming

- (i) that a Benchmark Event has occurred;
- (ii) the Successor Rate or, as the case may be, the Alternative Rate;
- (iii) the applicable, Adjustment Spread; and
- (iv) the specific terms of the Benchmark Amendments (if any),

in each case as determined in accordance with the provisions of this Condition 4(i)(i); and

(y) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Trustee shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate, Alternative Rate, the Adjustment Spread or the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate, Alternative Rate, the Adjustment Spread or the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Paying Agents, the Noteholders and Couponholders.

(F) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 4(i)(i)(A), 4(i)(i)(B), 4(i)(i)(C) and 4(i)(i)(D), the Original Reference Rate and the fallback provisions provided for in Condition 4(b)(iii)(B) or (C), as applicable, will continue to apply unless and until a Benchmark Event has occurred.

(G) Definitions

As used in this Condition 4(i)(i):

“Adjustment Spread” means either:

- (i) a spread (which may be positive, negative or zero); or
- (ii) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:
 - (x) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
 - (y) the Independent Adviser determines as being customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Independent Adviser determines that no such spread is customarily applied);
 - (z) the Independent Adviser (in consultation with the Issuer) determines, and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

“Alternative Rate” means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 4(i)(i)(B) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

“Benchmark Amendments” has the meaning given to it in Condition 4(i)(i)(D).

“Benchmark Event” means:

- (i) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or
- (v) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or

- (vi) it has become unlawful for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate,

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

“Independent Adviser” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by and at the expense of the Issuer under Condition 4(i)(i)(A).

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of
 - (w) the central bank for the currency to which the benchmark or screen rate (as applicable) relates;
 - (x) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable);
 - (y) a group of the aforementioned central banks or other supervisory authorities; or
 - (z) the Financial Stability Board or any part thereof.

“Successor Rate” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

- (ii) [Reserved]
- (iii) Benchmark Discontinuation (SOFR)

This Condition 4(i)(iii) shall only apply to U.S. dollar-denominated Notes where so specified in the relevant Pricing Supplement.

Where the Pricing Supplement specifies this Condition 4(i)(iii) as applicable:

- (A) Benchmark Replacement

If the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

(B) Benchmark Replacement Conforming Changes

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time. For the avoidance of doubt, the Trustee and the Issuing and Paying Agent shall, at the direction and expense of the Issuer, but subject to receipt by the Trustee of a certificate signed by two authorised signatories of the Issuer confirming that a Benchmark Event has occurred, be obliged to concur with the Issuer in effecting such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required to give effect to this Condition 4(i)(iii)(B), *provided that* the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way. Noteholders' consent shall not be required in connection with the effecting of any such changes, including the execution of any documents or any steps by the Trustee or the Issuing and Paying Agent (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

(C) Decisions and Determinations

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 4(i)(iii), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection will be conclusive and binding absent manifest error, will be made in the sole discretion of the Issuer or its designee, as applicable and notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

(D) Definitions

As used in this Condition 4(i)(iii):

“**Benchmark**” means, initially, the relevant SOFR Benchmark specified in the applicable Pricing Supplement (or any daily published component used in the calculation thereof); *provided that* if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the SOFR Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then “**Benchmark**” means the applicable Benchmark Replacement;

“**Benchmark Event**” means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, *provided that*, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, *provided that*, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

“Benchmark Replacement” means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (i) the sum of:
 - (x) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof); and
 - (y) the Benchmark Replacement Adjustment;
- (ii) the sum of:
 - (x) the ISDA Fallback Rate; and
 - (y) the Benchmark Replacement Adjustment; or
- (iii) the sum of:
 - (x) the alternate reference rate that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) giving due consideration to any industry-accepted reference rate as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) for U.S. dollar-denominated floating rate notes at such time; and
 - (y) the Benchmark Replacement Adjustment;

“Benchmark Replacement Adjustment” means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (i) in the case of sub-clauses (i) or (ii) of the definition of “Benchmark Event,” the later of:
 - (x) the date of the public statement or publication of information referenced therein; and
 - (y) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (ii) in the case of sub-clause (iii) of the definition of “Benchmark Event,” the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

“designee” means a designee as selected and separately appointed by the Issuer in writing;

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or

supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

“ISDA Fallback Adjustment” means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

“ISDA Fallback Rate” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“Reference Time” with respect to any determination of the Benchmark means:

- (i) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Compounded Daily SOFR is specified as applicable in the applicable Pricing Supplement) or the SOFR Index Determination Time (where SOFR Index Average is specified as applicable in the applicable Pricing Supplement); or
- (ii) if the Benchmark is not the SOFR Benchmark, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes;

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

“Unadjusted Benchmark Replacement” means Benchmark Replacement excluding the Benchmark Replacement Adjustment.

- (iv) [Reserved]
- (v) Benchmark Discontinuation (SORA)

This Condition 4(i)(v) shall only apply to Singapore dollar-denominated Notes where so specified in the relevant Pricing Supplement.

Where the Pricing Supplement specifies this Condition 4(i)(v) as applicable:

- (A) Independent Adviser

Notwithstanding the provisions above in this Condition 4(i), if a SORA Index Cessation Event occurs in relation to an Original Reference Rate prior to the relevant Interest Determination Date when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine the Benchmark Replacement (in accordance with Condition 4(i)(v)(B) and an Adjustment Spread, if any (in accordance with Condition 4(i)(v)(C)), and any Benchmark Amendments (in accordance with Condition 4(i)(v)(D)) by the relevant Interest Determination Date.

An Independent Adviser appointed pursuant to this Condition 4(i)(v) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no

liability whatsoever to the Issuer, the Trustee, the Issuing and Paying Agent, the Noteholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4(i)(v).

If the Issuer is unable to appoint an Independent Adviser after using its reasonable endeavours, or the Independent Adviser fails to determine a Benchmark Replacement prior to the relevant Interest Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine the Benchmark Replacement (in accordance with Condition 4(i)(v)(B)) and an Adjustment Spread if any (in accordance with Condition 4(i)(v)(C)) and any Benchmark Amendments (in accordance with Condition 4(i)(v)(D)).

If the Issuer is unable to determine the Benchmark Replacement prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. 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 shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustments as provided in, the first paragraph of this Condition 4(i)(v)(A).

(B) Benchmark Replacement

The Benchmark Replacement determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(i)(v)(A)) shall (subject to adjustment as provided for in Condition 4(i)(v)(C)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(i)(v)).

(C) Adjustment Spread

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(i)(v)(A)) (as the case may be) determines (i) that an Adjustment Spread is required to be applied to the Benchmark Replacement and (ii) the quantum of, or a formula or methodology for determining such Adjustment Spread, then such Adjustment Spread shall be applied to the Benchmark Replacement.

(D) Benchmark Amendments

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(i)(v)(A)) (as the case may be) determines that (i) Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread, and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(i)(v)(E), without any requirement for the consent or approval of Noteholders, the Trustee or the Agents, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two authorised signatories of the Issuer pursuant to Condition 4(i)(v)(E), the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, inter alia, by the execution of a deed supplemental to or amending the Trust Deed), *provided that* the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

For the avoidance of doubt, the Trustee and the Issuing and Paying Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 4(i)(v)(D). Noteholders' consent shall not be required in connection with the effecting of the Benchmark Replacement or such other changes, including the execution of any documents or any steps by the Trustee the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or the Independent Adviser with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

In connection with any such variation in accordance with this Condition 4(i)(v)(D), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(E) Notices, etc.

The occurrence of a SORA Index Cessation Event shall be determined by the Issuer and any Benchmark Replacement, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(i)(v) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Issuing and Paying Agent and, in accordance with Condition 16, the Noteholders and the Couponholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any. For the avoidance of doubt, neither the Trustee, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer:

- (x) confirming
 - (i) that a SORA Index Cessation Event has occurred;
 - (ii) the Benchmark Replacement; and
 - (iii) where applicable, any Adjustment Spread, and/or the specific terms of the Benchmark Amendments,

in each case as determined in accordance with the provisions of this Condition 4(i)(v); and

- (y) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread.

The Trustee shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Benchmark Replacement (if any), the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Benchmark Replacement (if any), the Adjustment Spread (if any) or the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Paying Agents, the Noteholders and the Couponholders .

(F) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 4(i)(v)(A), 4(i)(v)(B), 4(i)(v)(C) and 4(i)(v)(D), the Original Reference Rate and the fallback provisions provided for in Condition 4(i)(v) will continue to apply unless and until the Calculation Agent has been notified of the Benchmark Replacement, and any applicable Adjustment Spread, and Benchmark Amendments, in accordance with Condition 4(i)(v)(E).

(G) Definitions

As used in this Condition 4(i)(v):

"Adjustment Spread" means either a spread (which may be positive, negative or zero), or a formula or methodology for calculating a spread, in either case, which the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(i)(v)(A)) (as the case may be) determines is required to be applied to the Benchmark Replacement to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Benchmark Replacement and is the spread, formula or methodology which:

- (1) is formally recommended in relation to the replacement of the Original Reference Rate with the applicable Benchmark Replacement by any Relevant Nominating Body;
- (2) if the applicable Benchmark Replacement is the ISDA Fallback Rate, is the ISDA Fallback Adjustment; or
- (3) is determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(i)(v)(A)) (as the case may be) having given due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Original Reference Rate; or with the applicable Benchmark Replacement for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest accrual period;

"Alternative Rate" means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(i)(v)(A)) (as the case may be) determines in accordance with Condition 4(i)(v)(B) has replaced the Original Reference Rate in customary market usage in the international or, if applicable, domestic debt capital markets for the purposes of determining rates of

interest (or the relevant component part thereof) and in the same currency as the Notes (including, but not limited to, Singapore Government Bonds);

“Benchmark Amendments” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors and other administrative matters) that the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(i)(v)(A)) (as the case may be) determines may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(i)(v)(A)) (as the case may be) determines that adoption of any portion of such market practice is not administratively feasible or if the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(i)(v)(A)) (as the case may be) determines that no market practice for use of such Benchmark Replacement exists, in such other manner as the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(i)(v)(A)) (as the case may be)) determines is reasonably necessary;

“Benchmark Replacement” means the first alternative set forth in the order below that can be determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(i)(v)(A)) (as the case may be):

- (i) the Successor Rate;
- (ii) the ISDA Fallback Rate; and
- (iii) the Alternative Rate;

“Independent Adviser” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by and at the expense of the Issuer under Condition 4(i)(v)(A);

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

“ISDA Fallback Adjustment” means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor;

“ISDA Fallback Rate” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“Original Reference Rate” means, initially, SORA (being the originally-specified benchmark rate used to determine SORA Benchmark and the Rate of Interest), *provided that* if a SORA Index Cessation Event has occurred with respect to SORA or the then-current Original Reference Rate, then **“Original Reference Rate”** means the Benchmark Replacement;

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored or endorsed by, chaired or co-chaired by or constituted at the request of:
 - (w) the central bank for the currency to which the benchmark or screen rate (as applicable) relates;
 - (x) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable);
 - (y) a group of the aforementioned central banks or other supervisory authorities; or
 - (z) the Financial Stability Board or any part thereof;

“SORA Index Cessation Event” means the occurrence of one or more of the following events:

- (i) the Original Reference Rate ceasing to be published for a period of at least five Singapore Business Days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased or will, by a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been prohibited from being used or that its use has been subject to restrictions or adverse consequences, or that it will be prohibited from being used or that its use will be subject to restrictions or adverse consequences by a specified date; or
- (v) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative or will, by a specified date, be deemed to be no longer representative; or
- (vi) it has become unlawful for the Issuing and Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate,

provided that the SORA Index Cessation Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed to no longer be) representative and which is specified in the

relevant public statement, and, in each case, not the date of the relevant public statement; and

“Successor Rate” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body as the replacement of the Original Reference Rate (which rate may be produced by the Monetary Authority of Singapore or such other administrator).

(vi) Qualification as Tier 2 Capital

Notwithstanding any other provision of Conditions 4(i)(i)(D), 4(i)(iii)(B), 4(i)(iii)(C), or 4(i)(v)(D) (as applicable), no Successor Rate, Alternative Rate or Benchmark Replacement (as the case may be) will be adopted, nor will the applicable Adjustment Spread or Benchmark Replacement Adjustment (as the case may be) be applied, nor will any Benchmark Amendments or Benchmark Replacement Conforming Changes (as the case may be) be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Tier 2 capital and/or the Notes as eligible liabilities or loss absorbing capacity instruments for the purposes of any applicable loss absorption regulations.

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

“AUD” or **“Australian dollars”** means the lawful currency of the Commonwealth of Australia.

“Business Day” means:

- (i) in the case of Notes denominated in a currency other than Euro, Renminbi or Singapore dollars, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London and in the principal financial centre for such currency; and/or
- (ii) in the case of Notes denominated in Euro, a day on which TARGET2 is operating (a **“TARGET2 Business Day”**) and a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London and the principal financial centre for such currency; and/or
- (iii) in the case of Notes denominated in Renminbi:
 - (A) if cleared through the CMU Service, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong;
 - (B) if cleared through the CDP System, a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Singapore and Hong Kong; and
 - (C) if cleared through Euroclear and Clearstream, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London; and/or
- (iv) in the case of Notes denominated in Singapore dollars:
 - (A) if cleared through the CDP, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore; and

- (B) if cleared through Euroclear and Clearstream, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London; and/or
- (v) in the case of a currency and/or one or more Financial Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Financial Centre(s) or, if no currency is indicated, generally in each of the Financial Centres.

“**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 is 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 is 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 is 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 is 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 is 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 is 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;

(viii) if “**RBA Bond Basis**” is specified in the applicable Pricing Supplement, and means one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the 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)).

“**CNY**” or “**Renminbi**” means the lawful currency of the PRC.

“**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.

“**HKD**” or “**Hong Kong dollars**” means the lawful currency of Hong Kong.

“**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 (and in such case only if the relevant Reference Rate is not SONIA Benchmark), Hong Kong dollars or Renminbi;
- (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 not Sterling, Hong Kong dollars, Euro or Renminbi and if the relevant Reference Rate is not SONIA Benchmark, SOFR Benchmark or SORA Benchmark;
- (iii) the day falling two TARGET2 Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro;
- (iv) (only if the relevant Reference Rate is SONIA Benchmark) the fifth London Business Day (or as otherwise specified in the applicable Pricing Supplement) prior to the last day of each Interest Accrual Period;
- (v) (only if the relevant Reference Rate is SOFR Benchmark and “SOFR Observation Lag” or “SOFR Observation Shift” has been specified as applicable in the applicable Pricing Supplement to determine Compounded Daily SOFR or where SOFR Index Average has been specified as applicable in the applicable Pricing Supplement) the fifth U.S. Government Securities Business Day (or as otherwise specified in the applicable Pricing Supplement) prior to the last day of each Interest Accrual Period;
- (vi) (only if the relevant Reference Rate is SOFR Benchmark and “SOFR Payment Delay” has been specified as applicable in the applicable Pricing Supplement to determine Compounded Daily SOFR) has the meaning given to it in Condition 4(b)(iii)(F)(x)(iii); and
- (vii) (only if the relevant Reference Rate is SORA Benchmark) has the meaning given to it in Conditions 4(b)(iii)(D)(x)(i), 4(b)(iii)(D)(x)(ii) or 4(b)(iii)(D)(x)(iii), as applicable.

“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. or any successor thereto (as may be updated, amended or supplemented from time to time), or any successor definitional booklet for interest rate derivatives published 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:

- (i) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone interbank market; and
- (ii) in the case of a determination of HIBOR, the principal Hong Kong office of four major banks in the Hong Kong interbank market,

in each case selected by the Issuer or as specified hereon.

“Reference Rate” means the rate specified as such hereon or such other page, section, caption, column or other part as may replace it on that information service or such other information service,

in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

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

“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 a.m. 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.

“Sterling” means the lawful currency of the UK.

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

“U.S. Government Securities Business Day” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

- (k) **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 case of Notes (other than AMTNs), in the Trust Deed and, in the case of AMTNs, in the Note (AMTN) Deed Poll). 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, Instalment 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 interbank 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 Instalments and Final Redemption:**
- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment 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 Instalment Date, unless

payment of the Instalment Amount is improperly withheld or refused, in which case such amount shall remain outstanding until the Relevant Date relating to such Instalment 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 Condition 5(a)(i) above, its final Instalment 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 10 shall be the “**Amortised Face Amount**” (calculated as provided below) of such Note unless otherwise specified hereon.
- (B) Subject to the provisions of Condition 5(b)(i)(C) below, the Amortised 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 Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised 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 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in Condition 5(b)(i)(B) above, except that such paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this 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 paragraph (i) above), upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 10, 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)) (together with interest accrued to the date fixed for

redemption and any Additional Amounts (as defined in Condition 8) then due or which will become due on or before the date fixed for redemption), if:

- (A) the Issuer has or will become obliged to pay Additional Amounts as a result of any change in, or amendment to, the laws, treaties or regulations of a Relevant Taxing Jurisdiction (as defined in Condition 8) 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, treaties 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
- (B) 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 (in the case of Senior Notes other than AMTNs) the Trustee, or (in the case of AMTNs) the Australian Agent, 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 recognised 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 paragraph (B) above, in which event it shall be conclusive and binding on Noteholders and Couponholders. The Australian Agent will make such certificate available to the holders of the relevant AMTNs for inspection. Upon expiry of such notice of redemption, the Issuer shall redeem such Senior Notes in accordance with this Condition 5(c)(i).

- (ii) *Subordinated Notes*: Subject to Condition 5(k), 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 at the relevant time a Floating Rate Note) or at any time (if such Subordinated Note is at the relevant time 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)) 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:
 - (A) the Issuer has or will become obliged to pay Additional Amounts (as described under Condition 8); or
 - (B) payments of interest on the Subordinated Notes will or would be treated as “distributions” or dividends within the meaning of the Income Tax Act 1947 of Singapore (the “**Income Tax Act**”) 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 the Relevant Taxing Jurisdiction 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 such 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 recognised 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.

Any redemption of Subordinated Notes by the Issuer is subject to the Issuer obtaining the prior approval of the MAS.

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

- (i) *Senior Notes:* If Call Option is specified hereon, the Issuer may, on giving not less than 10 nor more than 20 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 5(d).

In the case of a partial redemption of Senior Notes other than AMTNs, 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.

In the case of a partial redemption of AMTNs, the AMTNs to be redeemed must be specified in the notice and selected:

- (A) in a fair and reasonable manner; and

- (B) in compliance with any applicable law, directive or requirement of any stock exchange or other relevant authority on which the AMTNs are listed.

(ii) *Subordinated Notes:*

- (A) *DBS Bank Subordinated Notes:* Subject to Condition 5(k), and unless otherwise specified in the Pricing Supplement, if Call Option is specified hereon, DBS Bank may, on giving not less than 10 days' irrevocable notice to the Noteholders, elect to redeem all, but not some only, of the DBS Bank Subordinated Notes on the relevant date(s) specified hereon (which shall not be less than five years from the Issue Date) (the "**DBS Bank Subordinated Notes 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 DBS Bank 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 5(d).

Any redemption of DBS Bank Subordinated Notes by DBS Bank is subject to DBS Bank obtaining the prior approval of the MAS.

- (B) *DBSH Subordinated Notes:* Subject to Condition 5(k), and unless otherwise specified in the Pricing Supplement, if Call Option is specified hereon, DBSH may, on giving not less than 10 days' irrevocable notice to the Noteholders, elect to redeem all, but not some only, of the DBSH Subordinated Notes on the relevant date(s) specified hereon (which shall not be less than five years from the Issue Date) (the "**DBSH Subordinated Notes Optional Redemption Dates**") and together with the Senior Notes Optional Redemption Date and the DBS Bank Subordinated Notes Optional Redemption Dates, 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 DBSH 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 5(d).

Any redemption of DBSH Subordinated Notes by DBSH is subject to DBSH obtaining the prior approval of the MAS.

- (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 other than AMTNs) 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 or (in the case of AMTNs) a duly completed Exercise Notice in the form obtainable from the Registrar 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:**

(i) *Redemption for Change of Qualification Event in respect of DBS Bank Subordinated Notes:* Subject to Condition 5(k), if as a result of a change to the relevant requirements issued by the MAS in relation to:

- (A) the qualification of any DBS Bank Subordinated Notes as DBS Bank Tier 2 Capital Securities; or
- (B) the inclusion of any DBS Bank Subordinated Notes in the calculation of the capital adequacy ratio,

in each case of:

- (x) DBS Bank, on an unconsolidated basis;
- (y) the DBS Bank Group, on a consolidated basis; or
- (z) the DBS Group, on a consolidated basis

(“**DBS Bank Eligible Capital**”), which change or amendment:

- (I) 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 the MAS, if such change is issued by the MAS, on or after the Issue Date,

the relevant DBS Bank Subordinated Notes (in whole or in part) would not qualify as DBS Bank Eligible Capital (a “**DBS Bank Change of Qualification Event**”), then DBS Bank may, having given not less than 30 but not more than 60 days’ prior written notice to the Noteholders in accordance with Condition 16 (which notice shall be irrevocable), redeem in accordance with these Conditions on any Interest Payment Date (if this DBS Bank Subordinated Note is at the relevant time a Floating Rate Note) or at any time (if this DBS Bank Subordinated Note is at the relevant time not a Floating Rate Note) all, but not some only, of the relevant DBS Bank 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), DBS Bank shall deliver to the Trustee a certificate signed by two Directors of DBS Bank stating that a DBS Bank 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, DBS Bank shall redeem the DBS Bank Subordinated Notes in accordance with this Condition 5(f).

Any redemption of DBS Bank Subordinated Notes by DBS Bank is subject to DBS Bank obtaining the prior approval of the MAS.

(ii) *Redemption for Change of Qualification Event in respect of DBSH Subordinated Notes:* Subject to Condition 5(k), if as a result of a change to the relevant requirements issued by the MAS in relation to:

(A) the qualification of any DBSH Subordinated Notes as DBSH Tier 2 Capital Securities; or

(B) the inclusion of any DBSH Subordinated Notes in the calculation of the capital adequacy ratio,

in each case of

(x) DBSH, on an unconsolidated basis, or

(y) the DBS Group, on a consolidated basis

(“**DBSH Eligible Capital**”), which change or amendment:

(I) 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 the MAS, if such change is issued by the MAS, on or after the Issue Date,

the relevant DBSH Subordinated Notes (in whole or in part) would not qualify as DBSH Eligible Capital (a “**DBSH Change of Qualification Event**”), then DBSH may, having given not less than 30 but not more than 60 days’ prior written notice to the Noteholders in accordance with Condition 16 (which notice shall be irrevocable), redeem in accordance with these Conditions on any Interest Payment Date (if this DBSH Subordinated Note is at the relevant time a Floating Rate Note) or at any time (if this DBSH Subordinated Note is at the relevant time not a Floating Rate Note) all, but not some only, of the relevant DBSH 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), DBSH shall deliver to the Trustee a certificate signed by two Directors of DBSH stating that a DBSH 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, DBSH shall redeem the DBSH Subordinated Notes in accordance with this Condition 5(f).

Any redemption of DBSH Subordinated Notes by DBSH is subject to DBSH obtaining the prior approval of the MAS.

(g) **Variation instead of Redemption of Subordinated Notes:**

(i) *Variation instead of Redemption of DBS Bank Subordinated Notes:* Where this Condition 5(g)(i) is specified as being applicable in the Pricing Supplement for the relevant DBS Bank Subordinated Notes and subject to Condition 5(k), DBS Bank may at any time without any requirement for the consent or approval of the Noteholders or the Trustee and having given not less than 30 nor more than 60 days’ notice to the Noteholders in accordance with Condition 16 (which notice shall be irrevocable), vary the terms of those DBS Bank Subordinated Notes so that they remain or, as appropriate, become DBS Bank Qualifying Securities (as defined below) *provided that:*

- (A) such variation does not itself give rise to any right of DBS Bank to redeem the varied securities that are inconsistent with the redemption provisions of those DBS Bank Subordinated Notes;
- (B) neither a Tax Event nor a Capital Event arises as a result of such variation; and
- (C) DBS Bank is in compliance with the rules of any stock exchange on which the DBS Bank Subordinated Notes are for the time being listed or admitted to trading.

If a variation has occurred pursuant to, or otherwise in accordance with, this Condition 5(g)(i), such event will not constitute a Default under these Conditions.

Any variation (to the extent that any variation would affect the eligibility of the DBS Bank Subordinated Notes as DBS Bank Tier 2 Capital Securities) of DBS Bank Subordinated Notes by DBS Bank is subject to DBS Bank obtaining the prior approval of the MAS.

- (ii) *Variation instead of Redemption of DBSH Subordinated Notes:* Where this Condition 5(g)(ii) is specified as being applicable in the Pricing Supplement for the relevant DBSH Subordinated Notes and subject to Condition 5(k), DBSH may at any time without any requirement for the consent or approval of the Noteholders or the Trustee and having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 16 (which notice shall be irrevocable), vary the terms of those DBSH Subordinated Notes so that they remain or, as appropriate, become DBSH Qualifying Securities (as defined below) *provided that:*

- (A) such variation does not itself give rise to any right of DBSH to redeem the varied securities that are inconsistent with the redemption provisions of those DBSH Subordinated Notes;
- (B) neither a Tax Event nor a Capital Event arises as a result of such variation; and
- (C) DBSH is in compliance with the rules of any stock exchange on which the DBSH Subordinated Notes are for the time being listed or admitted to trading.

If a variation has occurred pursuant to, or otherwise in accordance with, this Condition 5(g)(ii), such event will not constitute a Default under these Conditions.

Any variation (to the extent that any variation would affect the eligibility of the DBSH Subordinated Notes as DBSH Tier 2 Capital Securities) of DBSH Subordinated Notes by DBSH is subject to DBSH obtaining the prior approval of the MAS.

In this Condition 5:

"Additional Amounts" means such additional amounts the Issuer shall pay as will result (after withholding or deduction) in receipt by the Noteholders of the sums which would have been receivable (in the absence of such withholding or deduction) from it in respect of their Subordinated Notes;

a **"Capital Event"** will be deemed to have occurred if the Subordinated Notes are not, or cease to be, eligible in their entirety to be treated, in the case of DBS Bank Subordinated Notes, as DBS Bank Tier 2 Capital Securities or, in the case of DBSH Subordinated Notes, as DBSH Tier 2 Capital Securities;

"DBS Bank Qualifying Securities" means securities, whether debt, equity, interests in limited partnerships or otherwise, issued directly or indirectly by DBS Bank that:

- (A)

- (i) qualify (in whole or in part) as Tier 2 Capital Securities; or
- (ii) may be included (in whole or in part) in the calculation of the capital adequacy ratio,

in each case of:

- (x) DBS Bank, on an unconsolidated basis;
- (y) the DBS Bank Group, on a consolidated basis; or
- (z) the DBS Group, on a consolidated basis pursuant to the relevant requirements set out in:
 - (I) (in the case of (x) and (y) above) MAS Notice 637; or
 - (II) (in the case of (z) above) (on the basis that DBSH is subject to the application of MAS Notice 637) MAS Notice 637 or any notice issued by the MAS in respect of Designated Financial Holding Companies that is analogous to MAS Notice 637;

(B)

- (i) include a ranking at least equal to that of the DBS Bank Subordinated Notes;
- (ii) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the DBS Bank Subordinated Notes;
- (iii) have the same redemption rights as the DBS Bank Subordinated Notes;
- (iv) preserve any existing rights under the DBS Bank Subordinated Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of variation; and
- (v) if applicable, are assigned (or maintain) the same or higher credit ratings as were assigned to the DBS Bank Subordinated Notes immediately prior to such variation; and

(C) are listed on a Recognised Stock Exchange if the DBS Bank Subordinated Notes were listed immediately prior to such variation;

“DBSH Qualifying Securities” means securities, whether debt, equity, interests in limited partnerships or otherwise, issued directly or indirectly by DBSH that:

(A)

- (i) qualify (in whole or in part) as Tier 2 Capital Securities; or
- (ii) may be included (in whole or in part) in the calculation of the capital adequacy ratio,

in each case of:

- (x) DBSH, on an unconsolidated basis; or
- (y) the DBS Group, on a consolidated basis pursuant to the relevant requirements set out in (on the basis that DBSH is subject to the application of MAS Notice 637) MAS Notice 637 or any notice issued by the MAS in respect of Designated Financial Holding Companies that is analogous to MAS Notice 637;

(B)

- (i) include a ranking at least equal to that of the DBSH Subordinated Notes;
 - (ii) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the DBSH Subordinated Notes;
 - (iii) have the same redemption rights as the DBSH Subordinated Notes;
 - (iv) preserve any existing rights under the DBSH Subordinated Notes to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of variation; and
 - (v) if applicable, are assigned (or maintain) the same or higher credit ratings as were assigned to the DBSH Subordinated Notes immediately prior to such variation; and
- (C) are listed on a Recognised Stock Exchange if the DBSH Subordinated Notes were listed immediately prior to such variation;

“Recognised Stock Exchange” means such stock exchange as the relevant Subordinated Notes were listed;

a **“Tax Event”** is deemed to have occurred if, in making any payments on the Subordinated Notes, the Issuer has paid or will or would on the next payment date be required to pay any Additional Amounts or payments of interest on the Subordinated Notes will or would be treated as “distributions” or dividends within the meaning of the Income Tax Act 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 under the laws or regulations of a Relevant Taxing Jurisdiction or any political subdivision or authority therein or thereof having the power to tax, including any treaty to which a Relevant Taxing Jurisdiction is a party, or any generally published application or interpretation of such laws, including a decision of any court or tribunal, or the generally published application or interpretation of such laws by any relevant tax authority or any generally published pronouncement by any tax authority, and the Issuer cannot avoid the foregoing by taking measures reasonably available to it.

- (h) **Purchases:** The Issuer and any of its subsidiaries (with the prior approval of the MAS, for so long as the Issuer is required to obtain such approval, in the case of the 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 in accordance with all relevant laws and regulations and, for so long as the Notes are listed, the requirements of the relevant stock exchange. The Relevant Issuer or any such subsidiary may, at its option, retain such purchased Notes for its own account and/or resell or cancel or otherwise deal with them at its discretion.
- (i) **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 (other than AMTNs), 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. Any Subordinated Note that is Written-off in full in accordance with Condition 6 shall be automatically cancelled.

If any AMTN represented by an AMTN Certificate is redeemed or purchased and cancelled in accordance with this Condition 5 then:

- (i) the applicable AMTN Certificate will be deemed to be surrendered and cancelled without any further formality; and
 - (ii) where some, but not all, of the AMTNs represented by that AMTN Certificate are so redeemed or purchased and cancelled, DBS Bank will, promptly and without charge, issue and deliver, and procure the authentication by the Australian Agent of, a new AMTN Certificate in respect of those AMTNs that had been represented by the original AMTN Certificate and which remain outstanding following such redemption or purchase and cancellation.
- (j) **No Obligation to Monitor:** In the case of Notes, the Trustee (or in the case of AMTNs, the Australian Agent) 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, the Receiptholders or the Couponholders for any loss arising from any failure by it to do so. Unless and until the Trustee or the Australian Agent (as applicable) 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.
- (k) **Redemption or Variation Conditions of Subordinated Notes:** Any redemption under Condition 5(c), 5(d) or 5(f) or variation under Condition 5(g) (to the extent that any variation would affect the eligibility of the Subordinated Notes as DBS Bank Tier 2 Capital Securities or DBSH Tier 2 Capital Securities, as the case may be) of the Subordinated Notes by the Issuer is subject to the Issuer obtaining the prior approval of the MAS.

6 Loss Absorption upon a Trigger Event and Bail-in Power in respect of Subordinated Notes

Any Write-off of any Subordinated Notes under this Condition 6 or any cancellation, modification, conversion or change in form of the Subordinated Notes as a result of the exercise of the MAS' powers under Division 4A of Part 4B of the MAS Act with respect to the clearing and/or settlement of any Subordinated Notes is subject to the availability of procedures to effect any such Write-off or such cancellation, modification, conversion or change in form in the relevant clearing system(s). For the avoidance of doubt, however, any Write-off of any Subordinated Notes under this Condition 6, or the giving of effect of a Bail-in Certificate with respect to the Issuer, will be effective upon the date that the Issuer specifies in the Trigger Event Notice (or as may otherwise be notified in writing to Subordinated Noteholders, the Trustee and Agents by the Issuer) or on the date specified in the Bail-in Certificate notwithstanding any inability to operationally effect any such Write-off or any cancellation, modification, conversion or change in form as a result of the exercise of the MAS' powers under Division 4A of Part 4B of the MAS Act in the relevant clearing system(s).

The Trust Deed and Agency Agreement may contain certain protections and disclaimers as applicable to the Trustee and Agents in relation to this Condition 6. Each Noteholder shall be deemed to have authorised, directed and requested the Trustee, the Registrar and the other Agents, as the case may be, to take any and all necessary action to give effect to any DBS Bank Loss Absorption Option or DBSH Loss Absorption Option, as the case may be, and any DBS Bank Write-off or a DBSH Write-off, as the case may be, following the occurrence of the DBS Bank Trigger Event or DBSH Trigger Event, respectively.

- (a) **Loss Absorption upon a DBS Bank Trigger Event in respect of DBS Bank Subordinated Notes:**
- (i) *DBS Bank Write-off on a DBS Bank Trigger Event:*

- (A) If “**Write-off**” is specified as being applicable for the Loss Absorption Option in the applicable Pricing Supplement for any DBS Bank Subordinated Notes and a DBS Bank Trigger Event occurs, DBS Bank shall, upon the issue of a DBS Bank Trigger Event Notice, irrevocably and without the need for the consent of the Trustee or the holders of any DBS Bank Subordinated Notes, reduce the principal amount and cancel any accrued but unpaid interest of each DBS Bank Subordinated Note (in whole or in part) by an amount equal to the DBS Bank Trigger Event Write-off Amount per DBS Bank Subordinated Note (a “**DBS Bank Write-off**”, and “**Written-off**” shall be construed accordingly). Once any principal or interest under a DBS Bank Subordinated Note has been Written-off, it will be extinguished and will not be restored in any circumstances, including where the relevant DBS Bank Trigger Event ceases to continue. No Noteholder may exercise, claim or plead any right to any DBS Bank Trigger Event Write-off Amount, and each Noteholder shall be deemed to have waived all such rights to such DBS Bank Trigger Event Write-off Amount. For the avoidance of doubt, any DBS Bank Write-off in accordance with this Condition 6(a) shall not constitute a Default.
- (B) If a DBS Bank Trigger Event Notice has been given in respect of any DBS Bank Subordinated Notes in accordance with this Condition 6(a), transfers of any such DBS Bank Subordinated Notes that are the subject of such notice shall not be permitted during the Suspension Period (as defined in Condition 2). From the date on which a DBS Bank Trigger Event Notice in respect of any DBS Bank Subordinated Notes in accordance with this Condition 6(a) is issued by DBS Bank to the end of the Suspension Period, the Trustee and the Registrar, if applicable, shall not register any attempted transfer of any DBS Bank Subordinated Notes. As a result, such an attempted transfer will not be effective.
- (C) Any reference in these Conditions to principal in respect of the DBS Bank Subordinated Notes shall refer to the principal amount of the DBS Bank Subordinated Note(s), reduced by any applicable DBS Bank Write-off(s).
- (ii) *Multiple DBS Bank Trigger Events and DBS Bank Write-offs in part:*
- (A) Where only part of the principal and/or interest of DBS Bank Tier 2 Capital Securities is to be Written-off, DBS Bank shall use reasonable endeavours to conduct any DBS Bank Write-off such that:
- (x) holders of any Series of DBS Bank Subordinated Notes are treated ratably and equally; and
- (y) the DBS Bank Write-off of any DBS Bank Subordinated Notes is conducted:
- (I) to the extent that the DBS Bank Trigger Event Write-off Amount (as applicable) exceeds the aggregate nominal amount of all DBS Bank Tier 1 Capital Securities (other than DBS Bank Common Equity Tier 1 Capital) that are capable of being converted or written-down under any applicable laws and/or their terms of issue analogous to these Conditions, so as to write-off DBS Bank Tier 2 Capital Securities (including the DBS Bank Subordinated Notes) in an aggregate nominal amount equal to the amount of that excess; and
- (II) on a *pro rata* and proportionate basis with all other DBS Bank Tier 2 Capital Securities, to the extent that such DBS Bank Tier 2 Capital Securities are capable of being converted or written-off under any

applicable laws and/or their terms of issue analogous to these Conditions.

A write-off or conversion (if applicable) of any DBS Bank Common Equity Tier 1 Capital shall not be required before a DBS Bank Write-off of any DBS Bank Subordinated Notes can be effected in accordance with these Conditions.

(B) Any Series of DBS Bank Subordinated Notes may be subject to one or more DBS Bank Write-offs in part (as the case may be), except where such Series of DBS Bank Subordinated Notes has been Written-off in its entirety.

(iii) *Definitions:*

In this Condition 6(a):

“DBS Bank Common Equity Tier 1 Capital” means:

- (A) any security issued by DBS Bank; or
- (B) any other similar obligation issued by any subsidiary of DBS Bank, that, in each case, constitutes Common Equity Tier 1 Capital of:
 - (x) DBS Bank, on an unconsolidated basis;
 - (y) the DBS Bank Group, on a consolidated basis; or
 - (z) the DBS Group, on a consolidated basis,

pursuant to the relevant requirements set out in (I) (in the case of (x) and (y) above) MAS Notice 637 or (II) (in the case of (z) above) (on the basis that DBSH is subject to the application of MAS Notice 637) MAS Notice 637 or any notice issued by the MAS in respect of Designated Financial Holding Companies that is analogous to MAS Notice 637.

“DBS Bank Loss Absorption Option” means such loss absorption option as may be specified in the applicable Pricing Supplement in respect of any DBS Bank Subordinated Notes;

“DBS Bank Trigger Event” means the earlier of:

- (A) the MAS notifying DBS Bank in writing that it is of the opinion that a write-off or conversion, is necessary, without which the DBS Bank Group or the DBS Group would become non-viable; and
- (B) a decision by the MAS to make a public sector injection of capital, or equivalent support, without which the DBS Bank Group or the DBS Group would have become non-viable, as determined by the MAS;

“DBS Bank Trigger Event Notice” means the notice specifying that a DBS Bank Trigger Event has occurred, which shall be issued by DBS Bank not more than two Business Days after the occurrence of a DBS Bank Trigger Event to the holders of the DBS Bank Subordinated Notes and the Issuing and Paying Agent in accordance with Condition 16 and which shall state with reasonable detail the nature of the relevant DBS Bank Trigger Event and, if applicable, specify the DBS Bank Trigger Event Write-off Amount per DBS Bank Subordinated Note to be Written-off; and

“DBS Bank Trigger Event Write-off Amount” means the amount of interest and/or principal to be Written-off as the MAS may direct, or as DBS Bank shall determine in accordance with the MAS, which is required to be Written-off for the DBS Bank Trigger Event to cease to

continue. For the avoidance of doubt, the write-off will be effected in full even in the event that the amount written-off is not sufficient for the DBS Bank Trigger Event to cease to continue.

(b) **Loss Absorption upon a DBSH Trigger Event in respect of DBSH Subordinated Notes:**

(i) *DBSH Write-off on a DBSH Trigger Event:*

- (A) If “**Write-off**” is specified as being applicable for the Loss Absorption Option in the applicable Pricing Supplement for any DBSH Subordinated Notes and a DBSH Trigger Event occurs, DBSH shall, upon the issue of a DBSH Trigger Event Notice, irrevocably and without the need for the consent of the Trustee or the holders of any DBSH Subordinated Notes, reduce the principal amount and cancel any accrued but unpaid interest of each DBSH Subordinated Note (in whole or in part) by an amount equal to the DBSH Trigger Event Write-off Amount per DBSH Subordinated Note (a “**DBSH Write-off**”, and “**Written-off**” shall be construed accordingly). Once any principal or interest under a DBSH Subordinated Note has been Written-off, it will be extinguished and will not be restored in any circumstances, including where the relevant DBSH Trigger Event ceases to continue. No Noteholder may exercise, claim or plead any right to any DBSH Trigger Event Write-off Amount, and each Noteholder shall be deemed to have waived all such rights to such DBSH Trigger Event Write-off Amount. For the avoidance of doubt, any DBSH Write-off in accordance with this Condition 6(b) shall not constitute a Default.
- (B) If a DBSH Trigger Event Notice has been given in respect of any DBSH Subordinated Notes in accordance with this Condition 6(b), transfers of any such DBSH Subordinated Notes that are the subject of such notice shall not be permitted during the Suspension Period (as defined in Condition 2). From the date on which a DBSH Trigger Event Notice in respect of any DBSH Subordinated Notes in accordance with this Condition 6(b) is issued by DBSH to the end of the Suspension Period, the Trustee and the Registrar, if applicable, shall not register any attempted transfer of any DBSH Subordinated Notes. As a result, such an attempted transfer will not be effective.
- (C) Any reference in these Conditions to principal in respect of the DBSH Subordinated Notes shall refer to the principal amount of the DBSH Subordinated Note(s), reduced by any applicable DBSH Write-off(s).

(ii) *Multiple DBSH Trigger Events and DBSH Write-offs in part:*

- (A) Where only part of the principal and/or interest of DBSH Tier 2 Capital Securities is to be Written-off, DBSH shall use reasonable endeavours to conduct any DBSH Write-off such that:
- (x) holders of any Series of DBSH Subordinated Notes are treated ratably and equally; and
- (y) the DBSH Write-off of any DBSH Subordinated Notes is conducted:
- (l) to the extent that the DBSH Trigger Event Write-off Amount (as applicable) exceeds the aggregate nominal amount of all DBSH Tier 1 Capital Securities (other than DBSH Common Equity Tier 1 Capital) that are capable of being converted or written-down under any applicable laws and/or their terms of issue analogous to these Conditions, so as to write-off DBSH Tier 2 Capital Securities (including the DBSH Subordinated Notes) in an aggregate nominal amount equal to the amount of that excess; and

- (II) on a *pro rata* and proportionate basis with all other DBSH Tier 2 Capital Securities, to the extent that such DBSH Tier 2 Capital Securities are capable of being converted or written-off under any applicable laws and/or their terms of issue analogous to these Conditions.

A write-off or conversion (if applicable) of any DBSH Common Equity Tier 1 Capital shall not be required before a DBSH Write-off of any DBSH Subordinated Notes can be effected in accordance with these Conditions.

- (B) Any Series of DBSH Subordinated Notes may be subject to one or more DBSH Write-offs in part (as the case may be), except where such Series of DBSH Subordinated Notes has been Written-off in its entirety.

(iii) *Definitions:*

In this Condition 6(b):

“DBSH Common Equity Tier 1 Capital” means:

- (A) any security issued by DBSH; or
- (B) any other similar obligation issued by any subsidiary of DBSH, that, in each case, constitutes Common Equity Tier 1 Capital of:
 - (x) DBSH, on an unconsolidated basis;
 - (y) the DBS Group, on a consolidated basis,

pursuant to the relevant requirements set out in (I) (on the basis that DBSH is subject to the application of MAS Notice 637) MAS Notice 637 or (II) any notice issued by the MAS in respect of Designated Financial Holding Companies that is analogous to MAS Notice 637.

“DBSH Loss Absorption Option” means such loss absorption option as may be specified in the applicable Pricing Supplement in respect of any DBSH Subordinated Notes;

“DBSH Trigger Event” means the earlier of:

- (A) the MAS notifying DBSH in writing that it is of the opinion that a write-off or conversion, is necessary, without which DBSH or the DBS Group would become non-viable; and
- (B) a decision by the MAS to make a public sector injection of capital, or equivalent support, without which DBSH or the DBS Group would have become non-viable, as determined by the MAS;

“DBSH Trigger Event Notice” means the notice specifying that a DBSH Trigger Event has occurred, which shall be issued by DBSH not more than two Business Days after the occurrence of a DBSH Trigger Event to the holders of the DBSH Subordinated Notes and the Issuing and Paying Agent in accordance with Condition 16 and which shall state with reasonable detail the nature of the relevant DBSH Trigger Event and, if applicable, specify the DBSH Trigger Event Write-off Amount per DBSH Subordinated Note to be Written-off; and

“DBSH Trigger Event Write-off Amount” means the amount of interest and/or principal to be Written-off as the MAS may direct, or as DBSH shall determine in accordance with the MAS, which is required to be Written-off for the DBSH Trigger Event to cease to continue. For the avoidance of doubt, the write-off will be effected in full even in the event that the amount written-off is not sufficient for the DBSH Trigger Event to cease to continue.

(c) **Bail-in Power in respect of Subordinated Notes**

- (i) Notwithstanding any other term of the Subordinated Notes, including without limitation Condition 6(a) or 6(b), or any other agreement or arrangement, the Subordinated Notes may be subject to cancellation, modification, conversion, change in form, or have the effect as if a right of modification, conversion, or change of form had been exercised by the MAS in the exercise of the MAS' powers under Division 4A of Part 4B of the MAS Act without prior notice. The Trustee (on behalf of the holders of Subordinated Notes) and each holder of a Subordinated Note shall be subject, and shall be deemed to agree, to be bound by and acknowledge that they are each subject to, having the Subordinated Notes being the subject of the exercise of the MAS' powers under Division 4A of Part 4B of the MAS Act. Further, the Trustee (on behalf of the holders of Subordinated Notes) and each holder of a Subordinated Note shall be deemed to agree to be bound by a Bail-in Certificate.

The rights of the holders of Subordinated Notes and the Trustee (on behalf of the holders of Subordinated Notes) under the Subordinated Notes and these Conditions are subject to, and will be amended and varied (if necessary), solely to give effect to, the exercise of the MAS' powers under Division 4A of Part 4B of the MAS Act.

No repayment of any outstanding principal amount of any Subordinated Notes or payment of any interest on any Subordinated Notes shall become due and payable or be paid after the exercise of the MAS' powers under Division 4A of Part 4B of the MAS Act unless, at the time that such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations applicable to the Issuer.

Upon the issue of a Bail-in Certificate with respect to the Subordinated Notes, the Issuer shall provide written notice of such Bail-in Certificate to the holders of Subordinated Notes and the Trustee in accordance with Condition 16 not more than two Business Days after the issue of such Bail-in Certificate.

Neither the cancellation, modification, conversion or change in form of the Subordinated Notes as a result of the exercise of the MAS' powers under Division 4A of Part 4B of the MAS Act with respect to the Issuer or the Subordinated Notes shall constitute a Default under Condition 10(b).

- (ii) Definitions: In this Condition 6(c):

"Bail-in Certificate" means a bail-in certificate issued pursuant to Section 75 of the MAS Act; and

"MAS Act" means the Monetary Authority of Singapore Act 1970 of Singapore, as amended.

7 Payments and Talons

- (a) **Bearer Notes not held in the CMU:** Payments of principal and interest in respect of Bearer Notes not held in the CMU shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and *provided that* the Receipt is presented for payment together with its relevant Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(h)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(h)(ii)), as the case may be:
- (i) in the case of a currency other than Renminbi, 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; and

- (ii) in the case of Renminbi, by transfer to a relevant account maintained by or on behalf of the Noteholder. If a holder does not maintain a relevant account in respect of a payment to be made under the Notes, the Issuer reserves the right, in its sole discretion and upon such terms as it may determine, to make arrangements to pay such amount to that holder by another means, *provided that* the Issuer shall not have any obligation to make any such arrangements.

In this Condition 7(a):

“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 TARGET2.

“relevant account” means the Renminbi account maintained by or on behalf of the Noteholder with: in the case of Notes cleared through the CMU Service, a bank in Hong Kong; or in the case of Notes cleared through the CDP System or Notes in definitive form, a bank in Singapore or Hong Kong.

- (b) **Bearer Notes held in the CMU:** Payments of principal and interest in respect of Bearer Notes held in the CMU will be made to the person(s) for whose account(s) interests in the relevant Bearer Note are credited as being held with the CMU in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time.
- (c) **Registered Notes (other than AMTNs) not held in the CMU:** This Condition 7(c) does not apply to AMTNs.
 - (i) Payments of principal (which for the purposes of this Condition 7(c) shall include final Instalment Amounts but not other Instalment 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 7(c) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business:
 - (A) in the case of a currency other than Renminbi, on the 15th day before the due date for payment thereof; and
 - (B) in the case of Notes denominated in Renminbi, on the fifth business day before the due date for payment (the **“Record Date”**). Payments of interest on each Registered Note shall be made:
 - (x) in the case of a currency other than Renminbi, 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 other 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; and
 - (y) in the case of Renminbi, by transfer to the registered account of the Noteholder. If a holder does not maintain a registered account in respect of a payment to be made under the Notes, the Issuer reserves the right, in its sole discretion and upon such terms as it may determine, to make arrangements to pay such amount to that holder by another means, *provided that* the Issuer shall not have any obligation to make any such arrangements.

In this Condition 7(c):

“registered account” means the Renminbi account maintained by or on behalf of the Noteholder with:

- (i) in the case of Notes cleared through the CMU Service, a bank in Hong Kong; or
- (ii) in the case of Notes cleared through the CDP System or Notes in definitive form, a bank in Singapore or Hong Kong,

details of which appear on the Register at the close of business on the fifth Business Day before the due date for payment.

- (d) **Registered Notes (other than AMTNs) held in the CMU:** This Condition 7(d) does not apply to AMTNs. Payments of principal and interest in respect of Registered Notes held in the CMU will be made to the person(s) for whose account(s) interests in the relevant Registered Note are credited as being held with the CMU in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU in a relevant CMU Instrument Position Report (as defined in the Agency Agreement) or any other relevant notification by the CMU, which notification shall be conclusive evidence of the records of the CMU (save in the case of manifest error) and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

For so long as any of the Notes that are cleared through the CMU are represented by a Global Note or a Global Certificate, payments of interest or principal will be made to the persons for whose account a relevant interest in that Global Note or, as the case may be, that Global Certificate is credited as being held by the operator of the CMU Service at the relevant time, as notified to the CMU Lodging and Paying Agent by the operator of the CMU Service in a relevant CMU Instrument Position Report (as defined in the rules of the CMU) or in any other relevant notification by the operator of the CMU Service. Such payment will discharge the Issuer’s obligations in respect of that payment. Any payments by the CMU participants to indirect participants will be governed by arrangements agreed between the CMU participants and the indirect participants and will continue to depend on the interbank clearing system and traditional payment methods. Such payments will be the sole responsibility of such CMU participants.

- (e) **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.
- (f) **Payments subject to fiscal laws:** Save as provided in Condition 8, payments will be subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws to which the Issuer agrees to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(g) **Appointment of Agents:** The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrars, the Australian Agent, 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 CMU Lodging and Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrar, the Australian Agent, 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, the Australian Agent, the CMU Lodging and Paying Agent, the CDP 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 or Australian Agent (as applicable) in relation to Registered Notes;
- (iii) a Transfer Agent in relation to Registered Notes;
- (iv) a CMU Lodging and Paying Agent in relation to Notes accepted for clearance through the CMU Service;
- (v) a CDP Paying Agent in relation to Notes accepted for clearance through the CDP System;
- (vi) one or more Calculation Agent(s) where the Conditions so require;
- (vii) a Paying Agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Notes are exchanged for Definitive Notes, for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require; and
- (viii) 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.

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 (d) above.

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

(h) **Unmatured Coupons and Receipts and unexchanged Talons:**

- (i) Unless the Notes provide that the relevant 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 unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired 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 9).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unexpired 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 instalments, all Receipts relating to such Note having an Instalment 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 relevant 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.
- (i) **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 9).
 - (j) **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 Centres**” hereon and:
 - (i) (in the case of a payment in a currency other than Euro or Renminbi) 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 TARGET2 Business Day; or
 - (iii) (in the case of Renminbi where the Notes are cleared through the CMU Service) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong;
 - (iv) (in the case of Renminbi where the Notes are cleared through Euroclear or Clearstream) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in London; or
 - (v) (in the case of Renminbi where the Notes are cleared through the CDP System or where the Notes are in definitive form) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Singapore and Hong Kong.

- (k) **Renminbi fallback:** Notwithstanding the foregoing, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not, in its sole and absolute discretion, able to satisfy payments of principal or interest in respect of the Notes when due in Renminbi (in the case of Notes cleared through the CMU Service, Euroclear or Clearstream) in Hong Kong, or (in the case of Notes cleared through the CDP System) in Singapore, the Issuer shall, on giving not less than five nor more than 30 days' irrevocable notice to the Noteholders prior to the due date for payment, settle any such payment (in the case of Notes cleared through the CMU Service, Euroclear or Clearstream) in U.S. dollars, or (in the case of Notes cleared through the CDP System) in Singapore dollars, on the due date at (in the case of Notes cleared through the CMU Service, Euroclear or Clearstream) the U.S. Dollar Equivalent, or (in the case of Notes cleared through the CDP System) the Singapore Dollar Equivalent, of any such Renminbi denominated amount. The due date for payment shall be the originally scheduled due date or such postponed due date as shall be specified in the notice referred to above, which postponed due date may not fall more than 20 days after the originally scheduled due date. Interest on the Notes will continue to accrue up to but excluding any such date for payment of principal.

In such event, payments of the U.S. Dollar Equivalent or the Singapore Dollar Equivalent (as applicable) of the relevant principal or interest in respect of the Notes shall be made by:

- (i) in the case of Notes cleared through the CMU Service, Euroclear or Clearstream, transfer to a U.S. dollar denominated account maintained by the payee with, or by a U.S. dollar denominated cheque drawn on, or, at the option of the holder, by transfer to a U.S. dollar account maintained by the holder with, a bank in New York City; and the definition of "**business day**" for the purpose of this Condition 7(k) shall mean any day on which banks and foreign exchange markets are open for general business in the relevant place of presentation, and New York City; or
- (ii) in the case of Notes cleared through the CDP System, transfer to a Singapore dollar denominated account maintained by the payee with, or by a Singapore dollar denominated cheque drawn on, a bank in Singapore.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 7(k) by the Calculation Agent will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agents and all Noteholders.

In this Condition 7(k):

"Determination Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange):

- (i) in the case of Notes cleared through the CMU Service, Euroclear or Clearstream, in Hong Kong, in Singapore and New York City; or
- (ii) in the case of Notes cleared through the CDP System, in Singapore;

"Determination Date" means the day which:

- (i) in the case of Notes cleared through the CMU Service or Euroclear or Clearstream, is five Determination Business Days before the due date for payment of the relevant amount under these Conditions; or
- (ii) in the case of Notes cleared through the CDP System, is seven Determination Business Days before the due date for payment of the relevant amount under these Conditions;

"Governmental Authority" means:

- (i) in the case of Notes cleared through the CMU Service, Euroclear or Clearstream, any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong; or
- (ii) in the case of Notes cleared through the CDP System, the MAS or any other governmental authority or any other entity (private or public) charged with the regulation of the financial markets of Singapore;

“Illiquidity” means:

- (i) in the case of Notes cleared through the CMU Service, Euroclear or Clearstream, the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest or principal in respect of the Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers; or
- (ii) in the case of Notes cleared through the CDP System, the general Renminbi exchange market in Singapore becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest or principal in respect of the Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers selected by the Issuer;

“Inconvertibility” means the occurrence of any event that makes it impossible (where it had been previously possible) for the Issuer to convert any amount due in respect of the Notes in the general Renminbi exchange market in, in the case of Notes cleared through the CMU Service, Euroclear or Clearstream, Hong Kong, or, in the case of Notes cleared through the CDP System, Singapore, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

“Non-transferability” means the occurrence of any event that makes it impossible for the Issuer to transfer Renminbi between accounts:

- (i) in the case of Notes cleared through the CMU Service, Euroclear or Clearstream, inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation) in Hong Kong and in New York City; or
- (ii) in the case of Notes cleared through the CDP System, inside Singapore or from an account inside Singapore to an account outside Singapore and outside the PRC or from an account outside Singapore and outside the PRC to an account inside Singapore, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

“PRC” means the People’s Republic of China (excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan);

“Renminbi Dealer” means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in:

- (i) in the case of Notes cleared through the CMU Service, Euroclear or Clearstream, in Hong Kong; and
- (ii) in the case of Notes cleared through the CDP System, in Singapore;

“Singapore Dollar Equivalent” means the Renminbi amount converted into Singapore dollars using the relevant Spot Rate for the relevant Determination Date;

“Spot Rate” means:

- (i) in the case of Notes cleared through the CMU Service, Euroclear or Clearstream, the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11:00 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Bloomberg Page <CNH Curncy> or, if no such rate is available, on a non-deliverable basis by reference to Bloomberg Page <CNH Curncy>;

If such rate is not available, the Calculation Agent will determine the Spot Rate at or around 11:00 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Determination Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on Bloomberg Page <RBMUSD Index>. Reference to a Bloomberg page includes such other display page as may replace that page for the purpose of displaying a comparable currency exchange rate; or

- (ii) in the case of Notes cleared through the CDP System, for a Determination Date, means the spot Renminbi/Singapore dollar exchange rate as determined by the Issuer at or around 11:00 a.m. (Singapore time) on such date in good faith and in a reasonable commercial manner, and if a spot rate is not readily available, the Issuer may determine the rate taking into consideration all available information which the Issuer deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Singapore or elsewhere and the PRC domestic foreign exchange market in Singapore.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 7(k) by the Calculation Agent will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Agents and all Noteholders; and

“U.S. Dollar Equivalent” means the Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Determination Date as promptly notified to the Issuer and the Paying Agents.

(l) **AMTNs:**

- (i) The Australian Agent will act (through its office in Sydney) as paying agent for AMTNs pursuant to the Australian Agency Agreement. For the purposes of this Condition 7(l), in relation to AMTNs, **“Business Day”** has the meaning given to such term in the Australian Agency Agreement.
- (ii) Payments of principal and interest will be made in Australia, unless prohibited by law, in Australian dollars to the persons registered at the close of business in Sydney on the relevant Record Date (as defined below) as the holders of such AMTNs, subject in all cases to normal banking practice and all applicable laws and regulations. Payment will be made by the Australian Agent giving in Sydney irrevocable instructions for the effecting of a transfer of the relevant funds to an Australian dollar account in Australia specified by the Noteholder to the

Australian Agent (or in any other manner in Sydney which the Australian Agent and the Noteholder agree).

- (iii) Payment to Noteholders will be made:
 - (A) if the AMTN is held in the Austraclear System, by crediting on the payment date, the amount due to (x) the account of Austraclear (as the Noteholder) in Australia previously notified to the Issuer and the Australian Agent, or (y) if requested by Austraclear, the accounts in Australia of the persons in whose Security Record (as defined in the Austraclear Regulations) an AMTN is recorded as previously notified by Austraclear to the Issuer and the Australian Agent in accordance with the Austraclear Regulations; and
 - (B) if the AMTN is not held in the Austraclear System, by crediting on the payment date, the amount then due under each AMTN to an account in the relevant jurisdiction or financial centre for the currency in which the payment is made previously notified by the Noteholder to the Issuer and the Australian Agent.
- (iv) If a payment in respect of an AMTN is prohibited by law from being made in Australia, such payment will be made in an international financial centre for the account of the relevant payee, and on the basis that the relevant amounts are paid in immediately available funds, freely transferable at the order of the payee.
- (v) In the case of payments made by electronic transfer, payments will for all purposes be taken to be made when the Australian Agent gives irrevocable instructions in Sydney for the making of the relevant payment by electronic transfer, being instructions which would be reasonably expected to result, in the ordinary course of banking business, in the funds transferred reaching the account of the Noteholder on the same day as the day on which the instructions are given.
- (vi) If an electronic transfer for which irrevocable instructions have been given by the Australian Agent is shown, to the satisfaction of the Australian Agent, not to have reached the Noteholder and the Australian Agent is able to recover the relevant funds, the Australian Agent may make such other arrangements as it thinks fit for the effecting of the payment in Sydney.
- (vii) Interest will be calculated in the manner specified in Condition 4 and will be payable to the persons who are registered as Noteholders at the close of business in Sydney on the relevant Record Date, unless instructions to the contrary are given by the Noteholder (or, in the case of joint Noteholders, by all the Noteholders) in such form as may be prescribed by the Australian Agent. Payments of principal will be made to, or to the order of, the persons who are registered as Noteholders at the close of business in Sydney on the relevant Record Date, subject, if so directed by the Australian Agent, to receipt from them of such instructions as the Australian Agent may require.
- (viii) If any day for payment in respect of any AMTN is not a Business Day, such payment shall not be made until the next following day which is a Business Day, and no further interest shall be paid in respect of the delay in such payment.
- (ix) Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto. Neither the Issuer nor the Australian Agent shall be liable to any Noteholder or other person for any commissions, costs, losses or expenses in relation to or resulting from such payments.

In this Condition 7(l) in relation to AMTNs:

“**Austraclear Regulations**” means the regulations known as the “Austraclear Regulations”, together with any instructions or directions, (as amended or replaced from time to time) established by Austraclear to govern the use of the Austraclear System and binding on the participants in that system; and

“**Record Date**” means, in the case of payments of principal or interest, the close of business in Sydney on the date which is the 15th calendar day before the due date of the relevant payment of principal or interest.

8 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 Australia branch of the Issuer, Australia, (iii) solely in the case of Notes issued by the Hong Kong branch of the Issuer, Hong Kong, (iv) solely in the case of Notes issued by the London branch of the Issuer, the UK, and (v) solely in the case of Notes issued by the Taipei branch of the Issuer, the Republic of China, (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 30th such day; or
- (d) **Payment to an associate:** to, or to a third party on behalf of, a holder of a Note issued by DBS Bank through its Australia branch who is an “associate” (as that term is defined in Section 128F(9) of the Income Tax Assessment Act 1936 of Australia) of DBS Bank and such holder is not acting in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Australian Corporations Act; or

- (e) **TFN/ABN withholding tax:** to, or to a third party on behalf of, a holder of a Registered Note issued by DBS Bank through its Australia branch, if that person has not supplied an appropriate Australian tax file number, Australian Business Number or details of an applicable exemption from these requirements; or
- (f) **Garnishee directions by the Australian Commissioner of Taxation:** to, or to a third party on behalf of, a holder of a Note where such withholding or deduction is required to be made pursuant to a notice or direction issued by the Commissioner of Taxation under Section 255 of the Income Tax Assessment Act 1936 of Australia or Section 260-5 of Schedule 1 to the Taxation Administration Act 1953 of Australia or any similar law.

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 relevant 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 Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised 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.

Notwithstanding any other provision of the Conditions, all payments of principal and interest by or on behalf of the Issuers in respect of the Notes, the Receipts and the Coupons will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

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, 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.

9 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.

10 Events of Default

- (a) **Senior Notes:** If any of the following events (“**Events of Default**”) occurs and is continuing,
- (i) in the case of Senior Notes (other than AMTNs), 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 (but in respect of the events in Conditions 10(a)(i)(B) to (E) (inclusive) below, only if the Trustee certifies that the occurrence of such event is materially prejudicial to the interests of the Noteholders of any Series) (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 or
 - (ii) in the case of AMTNs, the holder of an AMTN may give notice to the Australian Agent and DBS Bank that the AMTNs held by that holder are, and they shall immediately become, due and payable at their Early Redemption Amount together (if applicable) with accrued interest:
 - (A) *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;
 - (B) *Breach of Other Obligations:* the Issuer does not perform or comply with any one or more of its other obligations under the Senior Notes, the Trust Deed or the Note (AMTN) Deed Poll, 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 a holder of the relevant AMTNs;
 - (C) *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;
 - (D) *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 in respect of Notes other than AMTNs) 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
 - (E) *Winding-up:* a judicial manager 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, reorganisation, merger or consolidation on terms previously approved by an Extraordinary Resolution (as defined in the Trust Deed).

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

- (i) *Default:* “**Default**”, wherever used in this Condition 10(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 (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.

If a DBS Bank Write-off or a DBSH Write-off (as the case may be) has occurred pursuant to, or otherwise in accordance with, Condition 6, such event will not constitute a Default under these Conditions.

- (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 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 10 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 relevant Subordinated Notes, after the payment in full of all claims of all DBS Bank Relevant Creditors (in the case of DBS Bank) or DBSH Relevant Creditors (in the case of DBSH), but in priority to holders of share capital of the Issuer and Tier 1 Capital Securities of the Relevant Issuer, such amount remaining after the payment in full of all claims of all DBS Bank Relevant Creditors (in the case of DBS Bank) or DBSH Relevant Creditors (in the case of DBSH) up to, but not exceeding, the nominal amount of the relevant 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 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 relevant Subordinated Notes other than a Default specified in Condition 10(b)(i) above, the Trustee and the Noteholders 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 except as provided in this Condition 10 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 relevant Subordinated Notes, 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 10(b)(ii) and Condition 10(b)(iii) 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 relevant 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 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 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 10 and Clause 7 of the Trust Deed, shall be available to the Trustee or any Noteholder whether for the recovery of amounts owing in relation to or arising from the relevant Subordinated Notes 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 relevant Subordinated Notes and/or the Trust Deed.

11 Meetings of Noteholders, Modification and Waiver

Condition 11(a), Condition 11(b) and Condition 11(c) do not apply to AMTNs.

- (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% 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 Instalment 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 Instalment 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 (except as a result of any modification contemplated in Condition 4(i)),
 - (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment 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 Amortised 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%, or at any adjourned meeting not less than 25%, 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% 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.

The consent or approval of the Noteholders shall not be required in the case of amendments to the Conditions pursuant to Condition 4(i) 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 or for any other variation of these Conditions and/or the Agency Agreement required to be made in the circumstances described in Condition 4(i), where the requirements of Condition 4(i) have been satisfied (including the provision of a certificate to the Trustee, where applicable).

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 or to comply with any mandatory provisions of law or as required by CDP and/or the CMU and/or DTC and/or Euroclear and/or Clearstream; and
 - (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of 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 prior approval of the MAS, to the extent that such modification changes or otherwise affects the eligibility of the Subordinated Notes as Tier 2 Capital Securities.]¹ Any such modification, authorisation or waiver shall be binding on the Noteholders, the 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 11) 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.

¹ Include for Subordinated Notes.

- (d) **Meetings of AMTN holders:** The Note (AMTN) Deed Poll contains provisions for convening meetings of holders of AMTNs to consider any matter affecting their interests.

12 Enforcement in respect of Senior Notes

In the case of Senior Notes (that are not AMTNs), 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 (that are not AMTNs) 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. In the case of any AMTN, at any time after such AMTN becomes due and payable, the holder of such AMTN may at its discretion and without further notice, institute such proceeding against DBS Bank as it may think fit to enforce the terms of the Note (AMTN) Deed Poll and such AMTN.

13 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, certificate or advice and such report, confirmation, certificate or advice shall be binding on the Issuer, the Trustee, the Noteholders, the Receiptholders and the Couponholders.

14 Replacement of Notes, Certificates, AMTN 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.

Should any AMTN Certificate be lost, stolen, mutilated, defaced or destroyed, upon written notice of such having been received by DBS Bank and the Australian Agent:

- (a) that AMTN Certificate will be deemed to be cancelled without any further formality; and
- (b) DBS Bank will, promptly and without charge, issue and deliver, and procure the authentication by the Australian Agent of, a new AMTN Certificate to represent the holding of the AMTNs that had been represented by the original AMTN Certificate.

15 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 15 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.

16 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 SGX-ST, published on the website of the SGX-ST <https://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. Notices regarding AMTNs may also be published in a leading daily newspaper of general circulation in Australia (which is expected to be The Australian Financial Review) or, so long as AMTNs are listed on the SGX-ST, published on the website of the SGX-ST <https://www.sgx.com>. Any such notice will be deemed to have been given on the date of such publication.

- (a) 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 16.

So long as the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of:

- (i) CDP, 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 CDP (subject to the agreement of CDP), 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; or

- (ii) the CMU, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the Hong Kong Monetary Authority on the business day preceding the date of despatch of such notice,

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.

- (b) A DBS Bank Trigger Event Notice or a DBSH Trigger Event Notice (as the case may be) or notice of the issue of a Bail-in Certificate to the holders of the relevant Subordinated Notes shall be deemed to have been validly given on the date on which such notice is 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 SGX-ST, published on the website of the SGX-ST <https://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.

17 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.

18 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 2001 of Singapore.]²

¹ Include for Notes governed by English law.

² Include for Notes governed by Singapore law.

19 Governing Law and Jurisdiction

Conditions 19(a), 19(b) and 19(c) do not apply to AMTNs.

- (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 Condition 6(c) and 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]² [Singapore law]³.
- (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[, save that the courts of Singapore shall have exclusive jurisdiction to settle any disputes that arise out of or are in connection with Condition 6(c) and the provisions in relation to subordination, set-off and payment void and default and enforcement]² 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. [Insofar that the Proceedings do not arise out of or are in connection with Condition 6(c) and the provisions in relation to subordination, set-off and payment void and default and enforcement,]² T/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). [Insofar that the Proceedings arise out of or are in connection with Condition 6(c) and the provisions in relation to subordination, set-off and payment void and default and enforcement, all parties irrevocably submit to the exclusive jurisdiction of the courts of Singapore and waive 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.]²¹

[The Courts of Singapore 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 Singapore 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).]⁴

[The Courts of Singapore are to have exclusive 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**”) shall be brought in such courts. All parties irrevocably submit to the exclusive jurisdiction of the courts of Singapore and waive any objection to Proceedings in such courts on the

¹ Include for Notes governed by English law.

² Include for Subordinated Notes governed by English law.

³ Include for Notes governed by Singapore law.

⁴ Include for Senior Notes governed by Singapore law.

ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.]¹

(c) **[Service of Process:**

- (i) DBS Bank has in the Trust Deed agreed that its branch in England shall accept service of process on its behalf in respect of any Proceedings in England. If such branch ceases to be able to accept service of process in England, DBS Bank shall immediately appoint a new agent to accept such service of process in England.
- (ii) DBSH has in the Trust Deed agreed that DBS Bank's branch in England shall accept service of process on its behalf in respect of any proceeding in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such branch ceases to be able to accept service of process in England, DBSH shall immediately appoint a new agent to accept such service of process in England.]²

(d) **AMTNs:**

This Condition 19(d) shall only apply to AMTNs.

- (i) The AMTNs, the Australian Agency Agreement and the Note (AMTN) Deed Poll shall be governed by the laws in force in New South Wales, Australia.
- (ii) The courts of New South Wales, Australia and the courts of appeal from them are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with them and any suit, action or proceedings arising out of or in connection with the AMTNs, the Australian Agency Agreement and the Note (AMTN) Deed Poll (together referred to as "**Australian Proceedings**") may be brought in such courts.
- (iii) For so long as any AMTNs are outstanding, DBS Bank agrees that its Australia branch shall accept service of process on its behalf in New South Wales, Australia in respect of any Australian Proceedings. In the event there is no such branch the Issuer shall immediately appoint another agent to accept such service of process in Australia.

20 Headings

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

¹ Include for Subordinated Notes governed by Singapore law.

² Include for Notes governed by English law.

TERMS AND CONDITIONS OF THE PERPETUAL CAPITAL SECURITIES

*The following is the text of the terms and conditions (the “**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 Perpetual Capital Securities in definitive form (if any) issued in exchange for the Global Certificate(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 the Certificates relating to such Perpetual Capital Securities. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the applicable Pricing Supplement or the Trust Deed, as the case may be. Those definitions will be endorsed on the Certificates. References in the Conditions to “**Perpetual Capital Securities**” are to (where the Issuer is DBS Bank) the DBS Bank Perpetual Capital Securities of one Series only or (where the Issuer is DBSH) the DBSH Perpetual Capital Securities of one Series only, not to all Perpetual Capital Securities that may be issued under the Programme. References in these Conditions to the **Issuer** are references to: (i) DBS Bank; and (ii) DBSH, as specified in the applicable Pricing Supplement.*

The Perpetual Capital Securities are constituted by an amended and restated Trust Deed dated on or about 9 March 2022 (the “**Programme Date**”) (as amended or supplemented as at the date of issue of the Perpetual Capital Securities (the “**Issue Date**”), the “**Trust Deed**”) between DBS Bank Ltd. (“**DBS Bank**”), DBS Group Holdings Ltd (“**DBSH**” and, together with DBS Bank, the “**Issuers**” and each an “**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 Securityholders (as defined below) [as supplemented by the Singapore Supplemental Trust Deed dated on or about 9 March 2022 (as amended or supplemented as at the Issue Date) among the Issuers and the Trustee]¹ and, where applicable, the Perpetual Capital Securities which are specified in the applicable Pricing Supplement to be held in and cleared through The Central Depository (Pte) Limited (“**CDP**”) are issued with the benefit of a deed of covenant dated 14 April 2016 each relating to the Perpetual Capital Securities executed by the Relevant Issuer (each as amended, varied or supplemented from time to time (the “**CDP Deed of Covenant**”)).

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 Perpetual Capital Securities and Certificates referred to below. An amended and restated Agency Agreement (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated 9 March 2022 (and as may be further amended, restated, novated or supplemented) has been entered into in relation to the Perpetual Capital Securities among the Issuers, the Trustee, The Bank of New York Mellon, London Branch as initial issuing and paying agent (except as otherwise described below), The Bank of New York Mellon, Hong Kong Branch as the lodging and paying agent for the Perpetual Capital Securities to be held in the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the “**CMU Service**”), The Bank of New York Mellon, Singapore Branch as paying agent for the Perpetual Capital Securities to be cleared through the computerised system (the “**CDP System**”) operated by the CDP, The Bank of New York Mellon as issuing and paying agent for the Perpetual Capital Securities to be cleared through The Depository Trust Company (“**DTC**”) and the other agents named in it. The issuing and paying agent, the CMU lodging and paying agent, the CDP paying agent, the other paying agents, the registrars, 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 “**CMU Lodging and Paying Agent**”, the “**CDP Paying Agent**”, the “**Paying Agents**” (which expression shall include the Issuing and Paying Agent, the CMU Lodging and Paying Agent and the CDP Paying Agent), the “**Registrar**”, the “**Transfer Agents**” (which expression shall include the

¹ Include for Perpetual Capital Securities governed by Singapore law.

Registrars) and the “**Calculation Agent(s)**”. For the purposes of these Conditions, all references (other than in relation to the determination of Distribution and other amounts payable in respect of the Perpetual Capital Securities) to the Issuing and Paying Agent shall, unless provided otherwise, with respect to a Series of Perpetual Capital Securities to be held in the CMU Service, be deemed to be a reference to the CMU Lodging and Paying Agent and all such references shall be construed accordingly. References in these conditions to the “**Issuer**” are to the entity named as such in the applicable Pricing Supplement and “**subsidiary**” has the meaning given to this term under the Companies Act 1967 of Singapore. For the purposes of these Conditions, all references to the Issuing and Paying Agent shall, unless provided otherwise, with respect to a Series of Perpetual Capital Securities to be held in the CDP, be deemed to be a reference to the CDP Paying Agent and all such references shall be construed accordingly. Copies of the Trust Deed, CDP Deed of Covenant 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, London, E14 5AL, United Kingdom) and at the specified offices of the Paying Agents and the Transfer Agent.

The Securityholders 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 Perpetual Capital Security (or the relevant provisions thereof) is attached to or endorsed on this Perpetual Capital Security. References to “**applicable Pricing Supplement**” are to the Pricing Supplement (or relevant provisions thereof) attached to or endorsed on this Perpetual Capital Security.

All capitalised terms that are not defined in these Conditions will have the meanings given to them in the applicable Pricing Supplement or the Trust Deed, as the case may be.

1 Form, Denomination and Title

The Perpetual Capital Securities are issued in registered form only, in each case in the Specified Denomination(s) shown hereon.

*All Perpetual Capital Securities shall have the same Specified Denomination. Unless otherwise permitted by the then current laws and regulations, Perpetual Capital Securities 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 UK or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000 will have a minimum denomination of GBP 100,000 (or its equivalent in other currencies). Perpetual Capital Securities sold in reliance on Rule 144A will be in minimum denominations of USD 200,000 (or its equivalent in other currencies) and integral multiples of USD 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. Perpetual Capital Securities which are listed on the Singapore Exchange Securities Trading Limited or any successor thereto (the “**SGX-ST**”) will be traded on the SGX-ST in a minimum board lot size of SGD 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 Perpetual Capital Securities which are to be admitted to trading on a regulated market within the European Economic Area or in the UK or offered to the public in a Member State of the European Economic Area or in the UK in circumstances which require the publication of a prospectus under Regulation (EU) 2017/1129 (as amended or superseded), the minimum Specified Denomination shall be EUR 100,000 or GBP 100,000 (or its equivalent in any other currency as at the date of issue of the relevant Perpetual Capital Securities).*

Each Perpetual Capital Security may be a Fixed Rate Perpetual Capital Security or a Floating Rate Perpetual Capital Security, a combination of any of the foregoing or any other kind of Perpetual Capital Security, depending upon the Distribution and Redemption/Payment Basis shown thereon.

Perpetual Capital Securities are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(b), each Certificate shall represent the entire holding of Perpetual Capital Securities by the same holder.

Title to the Perpetual Capital Securities shall pass by registration in the register that the Issuer shall procure to be kept by the relevant 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. In these Conditions, “**Registrar**” includes 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 Perpetual Capital Security 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 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, “**Securityholder**” means the person in whose name a Perpetual Capital Security is registered (as the case may be), “**holder**” (in relation to a Perpetual Capital Security) means the person in whose name a Perpetual Capital Security is registered and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Perpetual Capital Securities.

2 Transfers of Perpetual Capital Securities

- (a) **Transfer of Perpetual Capital Securities:** Subject to Condition 7, one or more Perpetual Capital Securities may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Perpetual Capital Securities 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 Perpetual Capital Securities 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 Perpetual Capital Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Perpetual Capital Securities 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 Securityholder upon request.

Transfers of interests in the Perpetual Capital Securities evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.

Transfers of interests in any DBS Bank Perpetual Capital Securities that are the subject of a DBS Bank Trigger Event Notice issued in accordance with Condition 7 or notice of issue of a Bail-in Certificate shall not be permitted during any Suspension Period (as defined in this Condition 2).

Transfers of interests in any DBSH Perpetual Capital Securities that are the subject of a DBSH Trigger Event Notice issued in accordance with Condition 7 or notice of issue of a Bail-in Certificate shall not be permitted during any Suspension Period.

- (b) **Exercise of Options or Partial Redemption or Partial Write-off in Respect of Perpetual Capital Securities:** In the case of an exercise of an Issuer’s option in respect of, or a partial redemption of or a partial DBS Bank Write-off or DBSH Write-off (as the case may be) of or cancellation, modification, conversion and/or change in form pursuant to a Bail-in Certificate of, a holding of Perpetual Capital Securities 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 or Written-off or subject to cancellation, modification, conversion and/or change in form pursuant to a Bail-in Certificate, as the case may be. In the case of a partial exercise of an option resulting in Perpetual Capital Securities of the same holding having different terms, separate Certificates shall be issued in respect of those Perpetual Capital Securities 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 other Transfer Agent. In the case of a transfer of Perpetual Capital Securities to a person who is already a holder of Perpetual Capital Securities, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

- (c) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(a) or (b) shall be available for delivery within five business days of receipt of the request for transfer, exercise, redemption or exchange, form of transfer and surrender of the Certificate for exchange, except (in the case of DBS Bank) for any write-off pursuant to Condition 7(a) or (in the case of DBSH) for any write-off pursuant to Condition 7(b) in which case any new Certificate to be issued shall be available for delivery as soon as reasonably practicable. 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 request for transfer, exercise, redemption or exchange, 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 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 or the Registrar the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c), “**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).
- (d) **Transfers Free of Charge:** Transfers of Perpetual Capital Securities and Certificates on registration, transfer, exercise of an option or partial redemption or partial write-off shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment by the relevant Securityholder 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).
- (e) **Closed Periods:** No Securityholder may require the transfer of a Perpetual Capital Security to be registered:
- (iv) during the period of 15 days ending on the due date for redemption of that Perpetual Capital Security;
 - (v) during the period of 15 days prior to any date on which Perpetual Capital Securities may be called for redemption by the Issuer at its option pursuant to Condition 6(d);
 - (vi) after any such Perpetual Capital Security has been called for redemption;
 - (vii) during the period of 15 days ending on (and including) any date on which payment is due; or
 - (viii) during a Suspension Period.

In these Conditions:

“**Suspension Period**” means the period commencing on the business day in Singapore immediately following the date of a DBS Bank Trigger Event Notice, a DBSH Trigger Event Notice or notice of issue of a Bail-in Certificate (as the case may be) and ending on, in the event that a

DBS Bank Trigger Event Notice or DBSH Trigger Event Notice is issued, the earlier of the close of business in Singapore on:

- (x) the date on which the Registrar or any other Agent has,
 - (A) reflected the relevant DBS Bank Write-off or DBSH Write-off (as the case may be) in the Register; or
 - (B) issued a new Certificate (as the case may be) to such Securityholder in respect of the related DBS Bank Write-off or DBSH Write-off (as the case may be); and
- (y) with respect to the Perpetual Capital Securities represented by a Global Certificate and cleared through a clearing system, the 10th business day in Singapore immediately following the date of receipt of any such notice by the relevant clearing system(s), or

in the event that a Bail-in Certificate has been issued, when the Bail-in Certificate has been effected.

3 Status

(a) **Status of Perpetual Capital Securities:**

- (i) *Status of DBS Bank Perpetual Capital Securities:* The Perpetual Capital Securities issued by DBS Bank (the “**DBS Bank Perpetual Capital Securities**”) constitute direct, unsecured and subordinated obligations of DBS Bank. The rights and claims of the Securityholders are subordinated as described below.
- (ii) *Status of DBSH Perpetual Capital Securities:* The Perpetual Capital Securities issued by DBSH (the “**DBSH Perpetual Capital Securities**”) constitute direct, unsecured and subordinated obligations of DBSH. The rights and claims of the Securityholders are subordinated as described below.

(b) **Subordination:**

- (i) *DBS Bank Subordination:* Upon the occurrence of any winding-up proceedings, the rights of the Securityholders to payment of principal of and Distributions (as described under Condition 4) on the DBS Bank Perpetual Capital Securities and any other obligations in respect of the DBS Bank Perpetual Capital Securities are expressly subordinated and subject in right of payment to the prior payment in full of all claims of DBS Bank Relevant Creditors and will rank senior to DBS Bank Junior Obligations. The DBS Bank Perpetual Capital Securities will rank *pari passu* with DBS Bank Additional Tier 1 Capital Securities and any instrument or security issued, entered into or guaranteed by DBS Bank that ranks or is expressed to rank, by its terms or operation of law, *pari passu* with a DBS Bank Perpetual Capital Security. In the event that:
 - (C) the Securityholders do not receive payment in full of principal due and payable in respect of the DBS Bank Perpetual Capital Securities plus Distributions thereon accrued to the date of repayment in any winding-up of DBS Bank; and
 - (D) the winding-up order or resolution passed for the winding-up of DBS Bank or the dissolution of DBS Bank is subsequently stayed, discharged, rescinded, avoided, annulled or otherwise rendered inoperative,

then to the extent that such Securityholders did not receive payment in full of such principal of and Distributions on such DBS Bank Perpetual Capital Securities, 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 11 and Clause 5 and Clause 7 of the Trust Deed.

The subordination provisions set out in this Condition 3(b) are effective only upon the occurrence of any winding-up proceedings of DBS Bank. In the event that a DBS Bank Trigger Event occurs and/or a Bail-in Certificate is issued, the rights of holders of DBS Bank Perpetual Capital Securities shall be subject to Condition 7. This may not result in the same outcome for DBS Bank Securityholders as would otherwise occur under this Condition 3(b) upon the occurrence of any winding-up proceedings of DBS Bank.

- (ii) *DBSH Subordination:* Upon the occurrence of any winding-up proceedings, the rights of the Securityholders to payment of principal of and Distributions on the DBSH Perpetual Capital Securities and any other obligations in respect of the DBSH Perpetual Capital Securities are expressly subordinated and subject in right of payment to the prior payment in full of all claims of DBSH Relevant Creditors and will rank senior to DBSH Junior Obligations. The DBSH Perpetual Capital Securities will rank *pari passu* with DBSH Additional Tier 1 Capital Securities and any instrument or security issued, entered into or guaranteed by DBSH that ranks or is expressed to rank, by its terms or operation of law, *pari passu* with a DBSH Perpetual Capital Security. In the event that:
- (A) the Securityholders do not receive payment in full of principal due and payable in respect of the DBSH Perpetual Capital Securities plus Distributions thereon accrued to the date of repayment in any winding-up of DBSH; and
- (B) the winding-up order or resolution passed for the winding-up of DBSH or the dissolution of DBSH is subsequently stayed, discharged, rescinded, avoided, annulled or otherwise rendered inoperative,

then to the extent that such Securityholders did not receive payment in full of such principal of and Distributions on such DBSH Perpetual Capital Securities, 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 11 and Clause 5 and Clause 7 of the Trust Deed.

The subordination provisions set out in this Condition 3(b) are effective only upon the occurrence of any winding-up proceedings of DBSH. In the event that a DBSH Trigger Event occurs and/or a Bail-in Certificate is issued, the rights of holders of DBSH Perpetual Capital Securities shall be subject to Condition 7. This may not result in the same outcome for DBSH Securityholders as would otherwise occur under this Condition 3(b) upon the occurrence of any winding-up proceedings of DBSH.

The Issuer has agreed, pursuant to the terms of the Trust Deed, to indemnify the Securityholders against any loss incurred as a result of any judgment or order being given or made for any amount due under the Perpetual Capital Securities 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 Perpetual Capital Securities and payment thereof shall be subject to the provisions under this Condition 3 and Condition 11(b) and Clause 7.3 of the Trust Deed.

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

In these Conditions:

“Additional Tier 1 Capital Securities” means the DBS Bank Additional Tier 1 Capital Securities and/or the DBSH Additional Tier 1 Capital Securities, as the context may require;

“DBS Bank Additional Tier 1 Capital Securities” means:

- (i) any security issued by DBS Bank; or
- (ii) any other similar obligation issued by any subsidiary of DBS Bank that is guaranteed by DBS Bank,

that, in each case, constitutes Additional Tier 1 capital of

- (x) DBS Bank, on an unconsolidated basis,
- (y) the DBS Bank Group, on a consolidated basis, or
- (z) the DBS Group, on a consolidated basis, pursuant to the relevant requirements set out in
 - (I) (in the case of (x) and (y) above) MAS Notice 637 or
 - (II) (in the case of (z) above) (on the basis that DBSH is subject to the application of MAS Notice 637) MAS Notice 637 or any notice issued by the MAS in respect of Designated Financial Holding Companies that is analogous to MAS Notice 637;

“DBS Bank Group” means DBS Bank and its consolidated subsidiaries;

“DBS Bank Junior Obligations” means:

- (i) any DBS Bank Share; and
- (ii) any class of DBS Bank’s share capital and any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by DBS Bank which ranks or is expressed to rank, by its terms or by operation of law, junior to a DBS Bank Perpetual Capital Security;

“DBS Bank Relevant Creditors” means creditors of DBS Bank (including DBS Bank’s depositors) other than those whose claims are expressed to rank *pari passu* or junior to the claims of the holders of the DBS Bank Perpetual Capital Securities;

“DBS Bank Shares” means the ordinary shares of DBS Bank;

“DBS Group” means DBSH and its consolidated subsidiaries;

“DBSH Additional Tier 1 Capital Securities” means:

- (i) any security issued by DBSH; or
 - (ii) any other similar obligation issued by any subsidiary of DBSH that is guaranteed by DBSH,
- that, in each case, constitutes Additional Tier 1 capital of
- (x) DBSH, on an unconsolidated basis, or
 - (y) the DBS Group, on a consolidated basis, pursuant to the relevant requirements set out in
 - (I) (on the basis that DBSH is subject to the application of MAS Notice 637) MAS Notice 637 or
 - (II) any notice issued by the MAS in respect of Designated Financial Holding Companies that is analogous to MAS Notice 637;

“DBSH Junior Obligations” means:

- (i) any DBSH Share; and
- (ii) any class of DBSH share capital and any instrument or security (including without limitation any preference shares) issued, entered into or guaranteed by DBSH which ranks or is

expressed to rank, by its terms or by operation of law, junior to a DBSH Perpetual Capital Security;

“DBSH Relevant Creditors” means creditors of DBSH other than those whose claims are expressed to rank *pari passu* or junior to the claims of the holders of DBSH Perpetual Capital Securities;

“DBSH Shares” means the ordinary shares of DBSH;

“Designated Financial Holding Companies” shall have the meaning ascribed to it in the Financial Holding Companies Act 2013, as amended, replaced or supplemented from time to time;

“Junior Obligations” means the DBS Bank Junior Obligations and/or the DBSH Junior Obligations, as the context may require;

“MAS” means the Monetary Authority of Singapore or such other governmental authority having primary bank supervisory authority with respect to the Issuers; and

“MAS Notice 637” means MAS Notice 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.

- (c) **Set-off and Payment Void:** No Securityholder 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 Perpetual Capital Securities. Each Securityholder shall, by acceptance of any Perpetual Capital Security 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 Securityholder receives payment or benefit of any sum in respect of the Perpetual Capital Securities (including any benefit received pursuant to any such set-off, counter-claim or retention) other than in accordance with Clause 7.3.2 of the Trust Deed and the second paragraph of Condition 11(b), 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 Securityholder, by acceptance of such Perpetual Capital Security, 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 Securityholder 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 Perpetual Capital Securities.

4 Distributions and other Calculations

*The amount payable in respect of the aggregate nominal amount of Perpetual Capital Security represented by a Global Certificate or a Global Perpetual Capital Securities (as the case may be) shall be made in accordance with the methods of calculation provided for in the Conditions, **save that** the calculation is made in respect of the total aggregate amount of the Perpetual Capital Securities represented by a Global Certificate or a Global Perpetual Capital Security (as the case may be), together with such other sums and additional amounts (if any) as may be payable under the Conditions.*

- (a) **Distribution on Fixed Rate Perpetual Capital Securities:** Subject to Condition 5, each Fixed Rate Perpetual Capital Security confers a right to receive distribution (each a “**Distribution**”) on its outstanding nominal amount from and including the Distribution Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Distribution, such Distribution being payable in arrear on each Distribution Payment Date.

The Rate of Distribution in respect of a Fixed Rate Perpetual Capital Security shall be:

- (i) (if no Reset Date is specified in the applicable Pricing Supplement) the Initial Distribution Rate; or
- (ii) (if a Reset Date is specified in the applicable Pricing Supplement):
 - (A) for the period from, and including, the Distribution Commencement Date to, but excluding, the First Reset Date specified in the applicable Pricing Supplement, the Initial Distribution Rate; and
 - (B) for the period from, and including, the First Reset Date and each Reset Date (as specified in the applicable Pricing Supplement) falling thereafter to, but excluding, the immediately following Reset Date, the Reset Distribution Rate.

The amount of Distribution payable shall be determined in accordance with Condition 4(e).

For the purposes of this Condition 4(a), “**Reset Distribution Rate**” means the Relevant Rate with respect to the relevant Reset Date plus the Initial Spread.

(b) **Distribution on Floating Rate Perpetual Capital Securities:**

- (i) *Distribution Payment Dates:* Subject to Condition 5, each Floating Rate Perpetual Capital Security confers a right to receive distribution (each a “**Distribution**”) on its outstanding nominal amount from and including the Distribution Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Distribution, such Distribution being payable in arrear on each Distribution Payment Date. The amount of Distribution payable shall be determined in accordance with Condition 4(e). Such Distribution Payment Date(s) is/are either shown hereon as Specified Distribution Payment Dates or, if no Specified Distribution Payment Date(s) is/are shown hereon, Distribution Payment Date shall mean each date which falls the number of months or other period shown hereon as the Distribution Period after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution 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 Distribution for Floating Rate Perpetual Capital Securities:* The Rate of Distribution in respect of Floating Rate Perpetual Capital Securities for each Distribution Period or Distribution 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 Perpetual Capital Securities

Where ISDA Determination is specified hereon as the manner in which the Rate of Distribution is to be determined, the Rate of Distribution for each Distribution Period or Distribution Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this paragraph (A), “**ISDA Rate**” for a Distribution Period or Distribution 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 Distribution Period or Distribution Accrual Period unless otherwise specified hereon.

For the purposes of this 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 Perpetual Capital Securities where the Reference Rate is not specified as being , BBSW, SONIA Benchmark, SOFR Benchmark or SORA Benchmark

(x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Distribution is to be determined, the Rate of Distribution for each Distribution Period or Distribution Accrual Period will, subject as provided below, be either:

- (I) the offered quotation; or
- (II) 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. (Brussels time in the case of EURIBOR or Hong Kong time in the case of HIBOR) on the Distribution 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 Perpetual Capital Securities is specified hereon as being other than EURIBOR or HIBOR, the Rate of Distribution in respect of such Perpetual Capital Securities will be determined as provided hereon;

- (y) If the Relevant Screen Page is not available or if, sub-paragraph (x)(I) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (x)(II) 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 Issuer shall request, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is HIBOR, the principal Hong Kong office of each of the Reference Banks, to provide the Issuer with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is EURIBOR, at approximately 11:00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11:00 a.m. (Hong Kong time) on the Distribution Determination Date in question and such rate shall be notified to the Calculation Agent. If two or more of the Reference Banks provide the Issuer with such offered quotations, the Rate of Distribution for such Distribution Period or Distribution 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 Issuer determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Distribution shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Issuer by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is EURIBOR, at approximately 11:00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11:00 a.m. (Hong Kong time) on the relevant Distribution 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 EURIBOR, the Euro-zone interbank market or, if the Reference Rate is HIBOR, the Hong Kong interbank market, as the case may be, or, if fewer than two of the Reference Banks provide the Issuer 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 EURIBOR, at approximately 11:00 a.m. (Brussels time) or, if the Reference Rate is HIBOR, at approximately 11:00 a.m. (Hong Kong time), on the relevant Distribution 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 Issuer it is quoting to leading banks in, if the Reference Rate is EURIBOR, the Euro-zone interbank market or, if the Reference Rate is HIBOR, the Hong Kong interbank market, as the case may be, *provided that*, if the Rate of Distribution cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Distribution shall be determined as at the last preceding Distribution Determination Date (though substituting, where a different Margin or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Distribution Period or Distribution Accrual Period from that which applied to the last preceding Distribution Period or Distribution Accrual Period, the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to the relevant Distribution Period or Distribution Accrual Period, in place of the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Period or Distribution Accrual Period).

(C) [Reserved]

- (D) Screen Rate Determination for Floating Rate Perpetual Capital Securities where the Reference Rate is specified as being SORA Benchmark

For each Floating Rate Perpetual Capital Security where the Reference Rate is specified as being SORA Benchmark, the Rate of Distribution for each Distribution Accrual Period will, subject as provided below, be equal to the relevant SORA Benchmark plus or minus (as indicated in the applicable Pricing Supplement) the Margin.

The “**SORA Benchmark**” will be determined based on Compounded Daily SORA or SORA Index Average, as follows (subject in each case to Condition 4(i)(v)):

- (x) If Compounded Daily SORA (“**Compounded Daily SORA**”) is specified in the applicable Pricing Supplement, the SORA Benchmark for each Distribution Accrual Period shall be equal to the value of the SORA rates for each day during the relevant Distribution Accrual Period (where SORA Lookback or SORA Payment Delay is specified in the applicable Pricing Supplement to determine Compounded Daily SORA) or SORA Observation Period (where SORA Backward Shifted Observation Period is specified in the applicable Pricing Supplement to determine Compounded Daily SORA).

Compounded Daily SORA shall be calculated by the Calculation Agent on the relevant Distribution Determination Date in accordance with one of the formulas referenced below depending upon which is specified in the applicable Pricing Supplement:

- (i) Where SORA Lookback is specified in the applicable Pricing Supplement:

“**Compounded Daily SORA**” means, with respect to an Distribution Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Distribution Accrual Period (with the reference rate for the calculation of distribution being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SORA_{i-x_{SBD}} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d**” is the number of calendar days in the relevant Distribution Accrual Period;

“**d_o**”, for any Distribution Accrual Period, is the number of Singapore Business Days in the relevant Distribution Accrual Period;

“**i**”, for the relevant Distribution Accrual Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore

Business Days in chronological order from, and including, the first Singapore Business Day in such Distribution Accrual Period to, but excluding, the last Singapore Business Day in such Distribution Accrual Period;

“Distribution Determination Date” means, with respect to a Rate of Distribution and Distribution Accrual Period, the date falling one Singapore Business Day after the end of each Observation Period;

“ n_i ”, for any day “ i ”, is the number of calendar days from and including such day “ i ” up to but excluding the following Singapore Business Day;

“Observation Period” means, for the relevant Distribution Accrual Period, the period from, and including, the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to the first day of such Distribution Accrual Period (and the first Distribution Accrual Period shall begin on and include the Distribution Commencement Date) and to, but excluding, the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to the Distribution Payment Date at the end of such Distribution Accrual Period (or the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to such earlier date, if any, on which the Perpetual Capital Securities become due and payable);

“Singapore Business Days” or **“SBD”** means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“SORA” means, in respect of any Singapore Business Day “ i ”, a reference rate equal to the daily Singapore Overnight Rate Average provided by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such day “ i ”; and

“ $SORA_{i-x\text{ SBD}}$ ” means, in respect of any Singapore Business Day “ i ” in the relevant Distribution Accrual Period, the reference rate equal to SORA in respect of the Singapore Business Day falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to the relevant Singapore Business Day “ i ”.

- (ii) Where SORA Backward Shifted Observation Period is specified in the applicable Pricing Supplement:

“Compounded Daily SORA” means, with respect to an Distribution Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Distribution Accrual Period (with the reference rate for the calculation of Distributions being the daily Singapore Overnight Rate Average)

calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SORA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d**” is the number of calendar days in the relevant Observation Period;

“**d_o**”, for any Distribution Accrual Period, is the number of Singapore Business Days in the relevant Observation Period;

“**i**”, for the relevant Distribution Accrual Period, is a series of whole numbers from one to **d_o**, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Observation Period to, but excluding, the last Singapore Business Day in such Observation Period;

“**Distribution Determination Date**” means, with respect to a Rate of Distribution and Distribution Accrual Period, the date falling one Singapore Business Day after the end of each Observation Period;

“**n_i**”, for any day “**i**”, is the number of calendar days from and including such day “**i**” up to but excluding the following Singapore Business Day;

“**Observation Period**” means, for the relevant Distribution Accrual Period, the period from, and including, the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to the first day of such Distribution Accrual Period (and the first Distribution Accrual Period shall begin on and include the Distribution Commencement Date) and to, but excluding, the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to the Distribution Payment Date at the end of such Distribution Accrual Period (or the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) prior to such earlier date, if any, on which the Perpetual Capital Securities become due and payable);

“**Singapore Business Days**” or “**SBD**” means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“**SORA**” means, in respect of any Singapore Business Day “**i**”, a reference rate equal to the daily Singapore Overnight Rate Average provided by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or

any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such day “i”; and

“**SORA_i**” means, in respect of any Singapore Business Day falling in the relevant Observation Period, the reference rate equal to SORA in respect of that Singapore Business Day.

- (iii) Where SORA Payment Delay is specified in the applicable Pricing Supplement:

“**Compounded Daily SORA**” means, with respect to a Distribution Accrual Period, the rate of return of a daily compound interest investment during such Distribution Accrual Period (with the reference rate for the calculation of Distributions being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the Distribution Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards.

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{SORA_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d**” is the number of calendar days in the relevant Distribution Accrual Period;

“**d_o**”, for any Distribution Accrual Period, is the number of Singapore Business Days in the relevant Distribution Accrual Period;

“**i**”, for the relevant Distribution Accrual Period, is a series of whole numbers from one to d_o, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Distribution Accrual Period to, but excluding, the last Singapore Business Day in such Distribution Accrual Period;

“**Distribution Determination Date**” means, with respect to a Rate of Distribution and Distribution Accrual Period, the date falling one Singapore Business Day after the end of each Distribution Accrual Period, *provided that* if the Issuer elects to redeem the Perpetual Capital Securities, the Distribution Determination Date with respect to the final Distribution Accrual Period will be the SORA Rate Cut-Off Date;

“**Distribution Payment Date**” shall be the date falling the number of Business Days equal to the Distribution Payment Delay following each Distribution Period End Date; *provided that* if the Issuer elects to redeem the Perpetual Capital Securities, the Distribution Payment Date with respect to the final Distribution Accrual Period will be the redemption date;

“Distribution Payment Delay” means five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement);

“n_i”, for any day “i”, is the number of calendar days from and including such day “i” up to but excluding the following Singapore Business Day;

“Singapore Business Days” or **“SBD”** means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“SORA” means, in respect of any Singapore Business Day “i”, a reference rate equal to the daily Singapore Overnight Rate Average provided by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such day “i”;

“SORA_i” means, in respect of any Singapore Business Day falling in the relevant Distribution Accrual Period, the reference rate equal to SORA in respect of that Singapore Business Day; and

“SORA Rate Cut-Off Date” means the date that is a number of Singapore Business Days prior to the end of each Distribution Accrual Period or the relevant redemption date, as applicable, as specified in the applicable Pricing Supplement.

For the purposes of calculating Compounded Daily SORA with respect to the final Distribution Accrual Period ending on the redemption date (if the Issuer elects to redeem the Perpetual Capital Securities), the level of SORA for each Singapore Business Day in the period from (and including) the SORA Rate Cut-Off Date to (but excluding) the relevant redemption date, shall be the level of SORA in respect of such SORA Rate Cut-Off Date.

- (y) For each Floating Rate Perpetual Capital Security where the Reference Rate is specified as being SORA Index Average (**“SORA Index Average”**), the SORA Benchmark for each Distribution Accrual Period shall be equal to the value of the SORA rates for each day during the relevant Distribution Accrual Period as calculated by the Calculation Agent on the relevant Distribution Determination Date as follows:

$$\left(\frac{SORA\ Index_{End}}{SORA\ Index_{Start}} - 1 \right) \times \left(\frac{365}{d_c} \right)$$

and the resulting percentage being rounded if necessary to the nearest one ten-thousandth of a percentage point (0.0001%), with 0.00005% being rounded upwards, where:

“d_c” means the number of calendar days from (and including) the SORA Index_{Start} to (but excluding) the SORA Index_{End};

“Singapore Business Days” means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“SORA Index” means, in relation to any Singapore Business Day, the SORA Index as published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <https://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) at the SORA Index Determination Time, *provided that* if the SORA Index does not so appear at the SORA Index Determination Time, then:

- (a) if a SORA Index Cessation Event has not occurred, the “SORA Index Average” shall be calculated on any Distribution Determination Date with respect to an Distribution Accrual Period, in accordance with the Compounded Daily SORA formula described above in Condition 4(b)(iii)(D)(x)(ii), and the Observation Period shall be calculated with reference to the number of Singapore Business Days preceding the first date of the relevant Distribution Accrual Period that is used in the definition of SORA Index_{Start} as specified in the applicable Pricing Supplement; or
- (b) if a SORA Index Cessation Event has occurred, the provisions set forth in Condition 4(i)(v) shall apply;

“SORA Index_{End}” means the SORA Index value on the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) preceding the Distribution Period End Date relating to such Distribution Accrual Period;

“SORA Index_{Start}” means the SORA Index value on the date falling five Singapore Business Days (or such other number of Singapore Business Days as specified in the applicable Pricing Supplement) preceding the first date of the relevant Distribution Accrual Period; and

“SORA Index Determination Time” means, in relation to any Singapore Business Day, approximately 3:00 p.m. (Singapore time) on such Singapore Business Day.

- (z) If, subject to Condition 4(i), by 5:00 p.m., Singapore time, on the Singapore Business Day immediately following such day “i”, SORA in respect of such day “i” has not been published and a SORA Index Cessation Event has not occurred, then SORA for that day “i” will be SORA as published in respect of the first preceding Singapore Business Day for which SORA was published.
- (aa) If the Rate of Distribution cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement), subject to Condition 4(i), the Rate of Distribution shall be:
 - (i) that determined as at the last preceding Distribution Determination Date (though substituting, where a different Margin or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the

relevant Distribution Accrual Period from that which applied to the last preceding Distribution Accrual Period, the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution (as specified in the applicable Pricing Supplement) relating to the relevant Distribution Accrual Period in place of the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Accrual Period); or

- (ii) if there is no such preceding Distribution Determination Date, the initial Rate of Distribution which would have been applicable to such Series of Perpetual Capital Securities for the first Distribution Accrual Period had the Perpetual Capital Securities been in issue for a period equal in duration to the scheduled first Distribution Accrual Period but ending on (and excluding) the Distribution Commencement Date (but applying the Margin and any Maximum Rate of Distribution or Minimum Rate of Distribution applicable to the first Distribution Accrual Period).
- (bb) If the relevant Series of Perpetual Capital Securities becomes due and payable in accordance with Condition 11, the final Distribution Determination Date shall, notwithstanding any Distribution Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Perpetual Capital Securities became due and payable (with corresponding adjustments being deemed to be made to the applicable SORA Benchmark formula) and the Rate of Distribution on such Perpetual Capital Securities shall, for so long as any such Perpetual Capital Security remains outstanding, be that determined on such date.
- (E) Screen Rate Determination for Floating Rate Perpetual Capital Securities where the Reference Rate is specified as being SONIA Benchmark

For each Perpetual Capital Security where the Reference Rate is specified as being SONIA Benchmark, the Rate of Distribution for each Distribution Accrual Period will, subject as provided below, be equal to the relevant SONIA Benchmark plus or minus (as indicated in the applicable Pricing Supplement) the Margin.

The “**SONIA Benchmark**” will be determined based on Compounded Daily SONIA or SONIA Index Average, as follows (subject in each case to Condition 4(i)(i)):

- (x) If Compounded Daily SONIA is specified in the applicable Pricing Supplement, Compounded Daily SONIA shall be calculated by the Calculation Agent on the relevant Distribution Determination Date in accordance with the formula referenced below:

“**Compounded Daily SONIA**” means, with respect to a Distribution Accrual Period, the rate of return of a daily compound distribution investment during the SONIA Observation Period corresponding to such Distribution Accrual Period (with the daily Sterling Overnight Index Average (SONIA) as reference rate for the calculation of distribution) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) on the relevant Distribution Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o} \left(1 + \frac{\text{SONIA}_{i-x\text{LBD}} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d**” means the number of calendar days in:

- (x) where “SONIA Observation Lag” is specified as the SONIA Observation Method in the applicable Pricing Supplement, the relevant Distribution Accrual Period; or
- (y) where “SONIA Observation Shift” is specified as the SONIA Observation Method in the applicable Pricing Supplement, the relevant SONIA Observation Period;

“**d_o**” means:

- (x) where “SONIA Observation Lag” is specified as the SONIA Observation Method in the applicable Pricing Supplement, the number of London Business Days in the relevant Distribution Accrual Period; or
- (y) where “SONIA Observation Shift” is specified as the SONIA Observation Method in the applicable Pricing Supplement, the number of London Business Days in the relevant SONIA Observation Period;

“**i**” means a series of whole numbers from one to **d_o**, each representing the relevant London Business Day in chronological order from (and including):

- (x) where “SONIA Observation Lag” is specified as the SONIA Observation Method in the applicable Pricing Supplement, the first London Business Day in the relevant Distribution Accrual Period to (and including) the last London Business Day in such Distribution Accrual Period; or
- (y) where “SONIA Observation Shift” is specified as the SONIA Observation Method in the applicable Pricing Supplement, the first London Business Day in the relevant SONIA Observation Period to (and including) the last London Business Day in such SONIA Observation Period;

“**London Business Day**” or “**LBD**” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**n_i**”, for any London Business Day “**i**”, means the number of calendar days from and including such London Business Day “**i**” up to but excluding the following London Business Day;

“**SONIA_{i-xLBD}**” means:

- (x) where “SONIA Observation Lag” is specified as the SONIA Observation Method in the applicable Pricing Supplement, in respect of any London Business Day “**i**”, the SONIA Reference Rate for the London Business Day falling “**x**” London Business Days prior to such London Business Day “**i**”; or
- (y) where “SONIA Observation Shift” is specified as the SONIA Observation Method in the applicable Pricing Supplement, in respect of any London Business Day “**i**”, the SONIA Reference Rate for that day;

“**SONIA Observation Period**” means the period from (and including) the date falling “x” London Business Days prior to the first day of the relevant Distribution Accrual Period (and the first Distribution Accrual Period shall begin on and include the Distribution Commencement Date) and ending on (but excluding) the date falling “x” London Business Days prior to the Distribution Period End Date at the end of such Distribution Accrual Period (or the date falling “x” London Business Days prior to such earlier date, if any, on which the Perpetual Capital Securities become due and payable);

“**SONIA Reference Rate**” means, in respect of any London Business Day, a reference rate equal to the daily Sterling Overnight Index Average (SONIA) rate for such London Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (on the London Business Day immediately following such London Business Day); and

“x” means:

- (x) where “SONIA Observation Lag” is specified as the SONIA Observation Method in the applicable Pricing Supplement, five London Business Days (or such other number of London Business Days in the SONIA Observation Period as specified in the applicable Pricing Supplement); or
 - (y) where “SONIA Observation Shift” is specified as the SONIA Observation Method in the applicable Pricing Supplement, five London Business Days (or such other number of London Business Days in the SONIA Observation Period as specified in the applicable Pricing Supplement).
- (y) If SONIA Index Average (“**SONIA Index Average**”) is specified in the applicable Pricing Supplement as the relevant SONIA Benchmark, the SONIA Benchmark for each Distribution Accrual Period shall be equal to the rate of return of a daily compound interest investment during the Observation Period corresponding to such Distribution Accrual Period (with the daily Sterling Overnight Index Average (SONIA) as reference rate for the calculation of distributions) as will be calculated by the Calculation Agent on the relevant Distribution Determination Date as follows, and the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left(\frac{SONIA \text{ Compounded Index}_{END}}{SONIA \text{ Compounded Index}_{START}} - 1 \right) \times \left(\frac{365}{d} \right)$$

subject to Condition 4(i)(i), if the SONIA Compounded Index Value is not available in relation to any Distribution Accrual Period on the Relevant Screen Page for the determination of either SONIA Compounded Index_{START} or SONIA Compounded Index_{END}, the Rate of Distribution shall be calculated for such Distribution Accrual Period on the basis of Compounded Daily SONIA (as set out in Condition 4(b)(iii)(E)(x)) and where “SONIA Observation Shift” is specified as the SONIA Observation Method.

Where:

“d” means the number of calendar days in the relevant SONIA Observation Period;

“**London Business Day**”, means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**p**” means, for any Distribution Accrual Period, five London Business Days (or such other number of London Business Days as specified in the applicable Pricing Supplement);

“**SONIA Observation Period**” means, in respect of a Distribution Accrual Period, the period from and including the date falling “p” London Business Days prior to the first day of such Distribution Accrual Period and ending on (but excluding) the date which is “p” London Business Days prior to the Distribution Payment Date for such Distribution Accrual Period (or the date falling “p” London Business Days prior to such earlier date, if any, on which the Perpetual Capital Securities become due and payable);

“**SONIA Compounded Index**” means the index known as the SONIA Compounded Index administered by the Bank of England (or any successor administrator thereof);

“**SONIA Compounded Index_{START}**” means the SONIA Compounded Index Value on the date which is “p” London Business Days preceding the first day of the relevant Distribution Accrual Period (or in the first Distribution Accrual Period, the Issue Date);

“**SONIA Compounded Index_{END}**” means the SONIA Compounded Index Value on the date which is “p” London Business Days preceding (i) the Distribution Payment Date for the relevant Distribution Accrual Period, or (ii) the date on which the relevant Series of Perpetual Capital Securities becomes due and payable; and

“**SONIA Compounded Index Value**” means in relation to any London Business Day, the value of the SONIA Compounded Index as published by authorised distributors on the Relevant Screen Page on such London Business Day or, if the value of the SONIA Compounded Index cannot be obtained from such authorised distributors, as published on the Bank of England’s Website at <https://www.bankofengland.co.uk/boeapps/database/> (or such other page or website as may replace such page for the purposes of publishing the SONIA Compounded Index) on the next following London Business Day.

- (z) If, subject to Condition 4(i)(i), in respect of any London Business Day in the relevant Observation Period, the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement) determines that the SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall be:
- (i) the Bank of England’s Bank Rate (the “**Bank Rate**”) prevailing at 5:00 p.m. (or, if earlier, close of business) on the relevant London Business Day; plus
 - (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread

(or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

Notwithstanding the paragraph above, and without prejudice to Condition 4(i)(i), in the event the Bank of England publishes guidance as to:

- (A) how the SONIA Reference Rate is to be determined; or
- (B) any rate that is to replace the SONIA Reference Rate,

the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution as specified in the applicable Pricing Supplement, and in consultation with the Issuer) shall, to the extent that it is reasonably practicable, follow such guidance in order to determine the SONIA Reference Rate for the purpose of the relevant Series of Perpetual Capital Securities for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors.

(aa) If the Rate of Distribution cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement), subject to Condition 4(i), the Rate of Distribution shall be:

- (I) that determined as at the last preceding Distribution Determination Date (though substituting, where a different Margin or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Distribution Accrual Period from that which applied to the last preceding Distribution Accrual Period, the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution (as specified in the applicable Pricing Supplement) relating to the relevant Distribution Accrual Period in place of the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Accrual Period); or
- (II) if there is no such preceding Distribution Determination Date, the initial Rate of Distribution which would have been applicable to such Series of Perpetual Capital Securities for the first Distribution Accrual Period had the Perpetual Capital Securities been in issue for a period equal in duration to the scheduled first Distribution Accrual Period but ending on (and excluding) the Distribution Commencement Date (but applying the Margin and any Maximum Rate of Distribution or Minimum Rate of Distribution applicable to the first Distribution Accrual Period).

(bb) If the relevant Series of Perpetual Capital Securities becomes due and payable in accordance with Condition 11, the final Distribution Determination Date shall, notwithstanding any Distribution Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Perpetual Capital Securities became due and payable (with corresponding adjustments being deemed to be made to the applicable SONIA Benchmark formula) and the Rate of Distribution on such Perpetual Capital Securities shall, for so long as any such Perpetual Capital Security remains outstanding, be that determined on such date.

(F) Screen Rate Determination for Floating Rate Perpetual Capital Securities where the Reference Rate is specified as being SOFR Benchmark

For each Floating Rate Perpetual Capital Security where the Reference Rate is specified as being SOFR Benchmark, the Rate of Distribution for each Distribution Accrual Period will, subject as provided below, be equal to the relevant SOFR Benchmark plus or minus (as indicated in the applicable Pricing Supplement) the Margin.

The “**SOFR Benchmark**” will be determined based on Compounded Daily SOFR or SOFR Index Average, as follows (subject in each case to Condition 4(i)(iii)):

- (x) If Compounded Daily SOFR (“**Compounded Daily SOFR**”) is specified in the applicable Pricing Supplement, the SOFR Benchmark for each Distribution Accrual Period shall be equal to the value of the SOFR rates for each day during the relevant Distribution Accrual Period (where “SOFR Observation Lag” or “SOFR Payment Delay” is specified in the applicable Pricing Supplement to determine Compounded Daily SOFR) or SOFR Observation Period (where “SOFR Observation Shift” is specified in the applicable Pricing Supplement to determine Compounded Daily SOFR).

Compounded Daily SOFR shall be calculated by the Calculation Agent on the relevant Distribution Determination Date in accordance with the relevant formula referenced below (to be specified in the applicable Pricing Supplement):

- (i) *SOFR Observation Lag:*

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_{i-\times USBD} \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

and the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards, where:

“**d**” means the number of calendar days in the relevant Distribution Accrual Period;

“**d_o**” means the number of U.S. Government Securities Business Days in the relevant Distribution Accrual Period;

“**i**” means a series of whole numbers ascending from one to **d_o**, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Distribution Accrual Period (each a “**U.S. Government Securities Business Day(i)**”);

“**Lookback Days**” means five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement);

“**n_i**” for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day; and

“**SOFR_{i-\times USBD}**” for any U.S. Government Securities Business Day(i) in the relevant Distribution Accrual Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling

the number of Lookback Days prior to that U.S. Government Securities Business Day(i).

(ii) *SOFR Observation Shift:*

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

and the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards, where:

“**d**” means the number of calendar days in the relevant SOFR Observation Period;

“**d_o**” means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

“**i**” means a series of whole numbers ascending from one to **d_o**, representing each U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period (each a “**U.S. Government Securities Business Day(i)**”);

“**n_i**” for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day;

“**SOFR Observation Period**” means, in respect of a Distribution Accrual Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Distribution Accrual Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Distribution Period End Date at the end of such Distribution Accrual Period;

“**SOFR Observation Shift Days**” means five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement); and

“**SOFR_i**” for any U.S. Government Securities Business Day(i) in the relevant SOFR Observation Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i).

(iii) *SOFR Payment Delay:*

$$\left(\prod_{i=1}^{d_o} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

and the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards, where:

“**d**” means the number of calendar days in the relevant Distribution Accrual Period;

“**d_o**” means the number of U.S. Government Securities Business Days in the relevant Distribution Accrual Period;

“**i**” means a series of whole numbers ascending from one to **d_o**, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Distribution Accrual Period (each a “**U.S. Government Securities Business Day(i)**”);

“**Distribution Payment Date**” shall be the date falling the number of Business Days equal to the Distribution Payment Delay following each Distribution Period End Date; *provided that* if the Issuer elects to redeem the Perpetual Capital Securities, the Distribution Payment Date with respect to the final Distribution Accrual Period will be the relevant redemption date of the Perpetual Capital Securities;

“**Distribution Payment Delay**” means five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement);

“**Distribution Determination Date**” means the Distribution Period End Date at the end of each Distribution Accrual Period, *provided that* if the Issuer elects to redeem the Perpetual Capital Securities, the Distribution Determination Date with respect to the final Distribution Accrual Period will be the SOFR Rate Cut-Off Date;

“**n_i**”, for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day;

“**SOFR_i**” for any U.S. Government Securities Business Day(i) in the relevant Distribution Accrual Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i); and

“**SOFR Rate Cut-Off Date**” means the date that is a number of U.S. Government Securities Business Days prior to the end of each Distribution Accrual Period or the relevant redemption date of the Perpetual Capital Securities, as applicable.

For the purposes of calculating Compounded Daily SOFR with respect to the final Distribution Accrual Period (if the Issuer elects to redeem the Perpetual Capital Securities), the level of SOFR for each U.S. Government Securities Business Day in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the relevant redemption date of the Perpetual Capital Securities, shall be the level of SOFR in respect of such SOFR Rate Cut-Off Date.

In connection with the SOFR provisions set out in this Condition 4(b)(iii)(F)(x), the following definitions apply:

“**Bloomberg Screen SOFRRATE Page**” means the Bloomberg screen designated “SOFRRATE” or any successor page or service;

“**Reuters Page USDSOFR=**” means the Reuters page designated “USDSOFR=” or any successor page or service;

“**SOFR**” means, with respect to any U.S. Government Securities Business Day, the rate determined by the Calculation Agent in accordance with the following provision:

- (i) the Secured Overnight Financing Rate published at the SOFR Determination Time, as such rate is reported on the Bloomberg Screen SOFRRATE Page, the Secured Overnight Financing Rate published at the SOFR Determination Time, as such rate is reported on the Reuters Page USDSOFR=, the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator’s Website;
- (ii) if the rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the SOFR published on the SOFR Administrator’s Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator’s Website; or
- (iii) if the rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 4(i)(iii) shall apply;

“**SOFR Determination Time**” means approximately 3:00 p.m. (New York City time) on the immediately following U.S. Government Securities Business Day.

- (y) If SOFR Index Average (“**SOFR Index Average**”) is specified in the applicable Pricing Supplement, the SOFR Benchmark for each Distribution Accrual Period shall be equal to the value of the SOFR rates for each day during the relevant Distribution Accrual Period as calculated by the Calculation Agent on the relevant Distribution Determination Date as follows:

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1 \right) \times \left(\frac{360}{d_c} \right)$$

and the resulting percentage being rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards, where:

“**d_c**” means the number of calendar days from (and including) the SOFR Index_{Start} to (but excluding) the SOFR Index_{End};

“**SOFR Index**” means, in relation to any U.S. Government Securities Business Day, the SOFR Index as published by the SOFR Administrator on the SOFR Administrator’s Website at the SOFR Index Determination Time on such U.S. Government Securities Business Day, *provided that*, if the SOFR Index does not so appear at the SOFR Index Determination Time, then:

- (i) if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the “SOFR Index Average” shall be calculated on any Distribution Determination Date with respect to an Distribution Accrual Period, in accordance with the Compounded Daily SOFR formula described above in Condition 4(b)(iii)(F)(x)(ii) “SOFR Observation Shift”, and the term “SOFR Observation Shift Days” shall mean such number of U.S. Government Securities Business Days

preceding the first date of a relevant Distribution Accrual Period as is used for the purposes of the definition of “SOFR Index_{Start}” and “SOFR Index_{End}”; or

- (ii) if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 4(i)(iii) shall apply;

“**SOFR Index_{End}**” means the SOFR Index value on the date that is five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement) preceding the Distribution Period End Date relating to such Distribution Accrual Period;

“**SOFR Index_{Start}**” means the SOFR Index value on the date that is five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement) preceding the first date of the relevant Distribution Accrual Period; and

“**SOFR Index Determination Time**” means, in relation to any U.S. Government Securities Business Day, approximately 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day.

“**SOFR Administrator**” means the Federal Reserve Bank of New York (or a successor administrator of SOFR);

“**SOFR Administrator’s Website**” means the website of the Federal Reserve Bank of New York, or any successor source;

“**SOFR Benchmark Replacement Date**” means the Benchmark Replacement Date with respect to the then-current SOFR Benchmark; and

“**SOFR Benchmark Transition Event**” means the occurrence of a Benchmark Event with respect to the then-current SOFR Benchmark.

- (z) If the Rate of Distribution cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Distribution, as specified in the applicable Pricing Supplement), subject to Condition 4(i), the Rate of Distribution shall be:
 - (I) that determined as at the last preceding Distribution Determination Date (though substituting, where a different Margin or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Distribution Accrual Period from that which applied to the last preceding Distribution Accrual Period, the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution (as specified in the applicable Pricing Supplement) relating to the relevant Distribution Accrual Period in place of the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Accrual Period); or
 - (II) if there is no such preceding Distribution Determination Date, the initial Rate of Distribution which would have been applicable to such Series of Perpetual Capital Securities for the first Distribution Accrual Period had the Perpetual Capital Securities been in issue for a period equal in

duration to the scheduled first Distribution Accrual Period but ending on (and excluding) the Distribution Commencement Date (but applying the Margin and any Maximum Rate of Distribution or Minimum Rate of Distribution applicable to the first Distribution Accrual Period).

- (aa) If the relevant Series of Perpetual Capital Securities becomes due and payable in accordance with Condition 11, the final Distribution Determination Date shall, notwithstanding any Distribution Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Perpetual Capital Securities became due and payable (with corresponding adjustments being deemed to be made to the applicable SOFR Benchmark formula) and the Rate of Distribution on such Perpetual Capital Securities shall, for so long as any such Perpetual Capital Security remains outstanding, be that determined on such date.
- (G) Screen Rate Determination for Floating Rate Perpetual Capital Securities where the Reference Rate is specified as being BBSW

For each Floating Rate Perpetual Capital Security where the Reference Rate is specified as being BBSW, the Rate of Distribution for each Distribution Accrual Period will, subject as provided below, be equal to the relevant BBSW plus or minus (as indicated in the applicable Pricing Supplement) the Margin.

The BBSW confers a right to receive Distributions at a floating rate determined by the Calculation Agent on the basis of the following provisions:

- (x) the Calculation Agent will determine the Rate of Distribution for such Distribution Period which shall be the rate for prime bank eligible securities having a tenor closest to the term of such Distribution Period, which is designated as the "AVG MID" on the Refinitiv Screen BBSW Page (or any designation which replaces that designation on that page, or such other replacement page thereof or such other Relevant Screen Page) at approximately 10.30 a.m. (Sydney time) (or such other time at which such rate customarily appears on that page, including, if corrected, as recalculated and republished by the relevant administrator) on the Distribution Determination Date in respect of each Distribution Period; and
- (y) if such rate does not appear on the Refinitiv Screen BBSW Page (or such other replacement page thereof or such other Relevant Screen Page) by 10.45 a.m. (Sydney time) on that day (or such other time that is 15 minutes after the then prevailing time), or, if it does appear but there is an obvious error on that date or the rate is permanently or indefinitely discontinued, the Rate of Distribution for such Distribution Period shall be such other successor rate or alternative rate for BBSW-linked floating rate securities at such time determined by the Issuer (acting in good faith and in a commercially reasonable manner) or, an alternate financial institution appointed by the Issuer (in its sole discretion) to assist in determining the rate (in each case, a "**Determining Party**"), which rate is notified in writing to the Calculation Agent (with a copy to the Issuer) if determined by such Determining Party, together with such adjustment spread (which may be a positive or negative value or zero) that is customarily applied to the relevant successor rate or alternative rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for BBSW-linked floating rate securities at such time (together with such other adjustments to the Business

Day Convention, Distribution Determination Dates and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such successor rate or alternative rate for BBSW-linked floating rate securities at such time), or, if no such industry standard is recognised or acknowledged, the method for calculating or determining such adjustment spread as determined by such Determining Party (in consultation with the Issuer) to be appropriate. The Rate of Distribution for such Distribution Period will be expressed as a percentage rate per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001%).

Each Securityholder shall be deemed to acknowledge, accept and agree to be bound by, and consents to, such determination of, substitution for and adjustments made to BBSW, as applicable, in each case as described below (in all cases without the need for any Securityholder consent). Any determination of, substitution for and adjustments made to BBSW, as applicable, in each case described below will be binding on the Issuer, the Securityholder and each Agent

- (c) **Accrual of Distribution:** Subject to Condition 5, Distribution shall cease to accrue on each Perpetual Capital Security on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event Distribution shall continue to accrue (both before and after judgment) at the Rate of Distribution in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 9).
- (d) **Margin, Maximum/Minimum Rates of Distribution and Redemption Amounts and Rounding:**
- (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Distribution Accrual Periods), an adjustment shall be made to all Rates of Distribution, in the case of (x), or the Rates of Distribution for the specified Distribution 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 Rate of Distribution or Minimum Rate of Distribution or Redemption Amount is specified hereon, then any Rate of Distribution 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 Japanese yen, which shall be rounded down to the nearest Japanese 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.
- (e) **Calculations:** The amount of Distribution payable per calculation amount specified hereon (or, if no such amount is so specified, the Specified Denomination) (the “**Calculation Amount**”) in respect of any Perpetual Capital Security for any Distribution Accrual Period shall be equal to the product of the Rate of Distribution, the Calculation Amount, and the Day Count Fraction for such Distribution Accrual Period, unless a Distribution Amount (or a formula for its calculation) is applicable to such Distribution Accrual Period, in which case the amount of Distribution payable per Calculation Amount in respect of such Perpetual Capital Security for such Distribution Accrual Period shall equal such Distribution Amount (or be calculated in accordance with such formula). Where any Distribution

Period comprises two or more Distribution Accrual Periods, the amount of Distribution payable per Calculation Amount in respect of such Distribution Period shall be the sum of the Distribution Amounts payable in respect of each of those Distribution Accrual Periods. In respect of any other period for which Distributions are required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which Distributions are required to be calculated.

- (f) **Determination and Publication of Reset Distribution Rate:** The Calculation Agent shall, on the second Business Day prior to each Reset Date, calculate the applicable Reset Distribution Rate and cause the Reset Distribution Rate to be notified to the Trustee, the Issuer, each of the Paying Agents, the Securityholders, any other Calculation Agent appointed in respect of the Perpetual Capital Securities that is to make a further calculation upon receipt of such information and, if the Perpetual Capital Securities 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 Distribution Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Distribution and Distribution Amount; or
 - (ii) in all other cases, the fourth Business Day after such determination.

The determination of any rate, 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.

- (g) **Determination and Publication of Rates of Distribution, Distribution Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts:** The Calculation Agent shall, as soon as practicable on each Distribution 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 Distribution Amounts for the relevant Distribution Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Distribution and the Distribution Amounts for each Distribution Accrual Period and the relevant Distribution Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or any Optional Redemption Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Securityholders, any other Calculation Agent appointed in respect of the Perpetual Capital Securities that is to make a further calculation upon receipt of such information and, if the Perpetual Capital Securities 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 Distribution Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Distribution and Distribution Amount, or
 - (ii) in all other cases, the fourth Business Day after such determination. Where any Distribution Payment Date or Distribution Period End Date is subject to adjustment pursuant to Condition 4(b)(ii), the Distribution Amounts and the Distribution 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 Distribution Period. If the Perpetual Capital Securities become due and payable under Condition 9, the accrued Distribution and the Rate of Distribution payable in respect of the Perpetual Capital

Securities shall nevertheless continue to be calculated as previously in accordance with this Condition 4(g) but no publication of the Rate of Distribution or the Distribution 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 Issuer:** If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Distribution for a Distribution Accrual Period or any Distribution Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, the Issuer shall 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, such Agent shall apply the foregoing provisions of this Condition 4(h), 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 such agent pursuant to this Condition 4(h) shall (in the absence of manifest error) be final and binding upon all parties.

(i) **Benchmark Discontinuation**

- (i) Benchmark Discontinuation (General)

Where the Pricing Supplement specifies this Condition 4(i)(i) as applicable:

(A) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Distribution (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, or failing which, an Alternative Rate (in accordance with Condition 4(i)(i)(B)) and, in either case, an Adjustment Spread (in accordance with Condition 4(i)(i)(C)) and any Benchmark Amendments (in accordance with Condition 4(i)(i)(D)).

In making such determination, the Independent Adviser appointed pursuant to this Condition 4(i)(i) shall act in good faith as an expert and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Paying Agents, or the Securityholders for any determination made by it, pursuant to this Condition 4(i)(i).

If

- (i) the Issuer is unable to appoint an Independent Adviser; or
- (ii) the Independent Adviser fails to determine a Successor Rate or, failing which, an Alternative Rate, in accordance with this Condition 4(i)(i)(A) prior to the relevant Distribution Determination Date, the Rate of Distribution applicable to the next succeeding Distribution Accrual Period shall be equal to the Rate of Distribution last determined in relation to the Perpetual Capital Securities in respect of the immediately preceding Distribution Accrual Period. If there has not been a first Distribution Payment Date, the Rate of Distribution shall be the initial Rate of Distribution. Where a different Margin or Maximum or Minimum Rate of Distribution is to be applied to the relevant Distribution Accrual Period from that which applied to the last preceding Distribution Accrual Period, the Margin or Maximum or Minimum Rate of Distribution relating to the relevant Distribution Accrual Period shall be substituted in place of the Margin or

Maximum or Minimum Rate of Distribution relating to that last preceding Distribution Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Distribution Accrual Period only and any subsequent Distribution Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 4(i)(i)(A).

(B) Successor Rate or Alternative Rate

If the Independent Adviser determines that:

- (i) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Distribution (or the relevant component part thereof) for all future payments of distribution on the Perpetual Capital Securities (subject to the operation of this Condition 4(i)(i)); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Distribution (or the relevant component part thereof) for all future payments of distribution on the Perpetual Capital Securities (subject to the operation of this Condition 4(i)(i)).

(C) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser (in consultation with the Issuer) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread.

(D) Benchmark Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 4(i)(i) and the Independent Adviser (in consultation with the Issuer) determines

- (i) that amendments to these Conditions and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "Benchmark Amendments"); and
- (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(i)(i)(E), without any requirement for the consent or approval of Securityholders, the Trustee or the Agents, vary these Conditions and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two authorised signatories of the Issuer pursuant to Condition 4(i)(i)(E), the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Securityholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed), *provided that* the Trustee shall not be

obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

For the avoidance of doubt, the Trustee and the Issuing and Paying Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 4(i)(i)(D). Securityholders' consent shall not be required in connection with the effecting of the Successor Rate or the Alternative Rate (as applicable) or such other changes, including the execution of any documents or any steps by the Trustee or the Issuing and Paying Agent (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations or certifications made by the Issuer or the Independent Adviser with respect to any Successor Rate or Alternative Rate (as applicable) or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

In connection with any such variation in accordance with this Condition 4(i)(i)(D), the Issuer shall comply with the rules of any stock exchange on which the Perpetual Capital Securities are for the time being listed or admitted to trading.

(E) Notices

The occurrence of a Benchmark Event shall be determined by the Issuer and any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(i)(i) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 16, the Securityholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any. For the avoidance of doubt, neither the Trustee, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

No later than notifying the Securityholders of the same, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer:

- (x) confirming
 - (I) that a Benchmark Event has occurred,
 - (II) the Successor Rate or, as the case may be, the Alternative Rate,
 - (III) the applicable Adjustment Spread, and
 - (IV) the specific terms of the Benchmark Amendments (if any),in each case as determined in accordance with the provisions of this Condition 4(i)(i); and
- (y) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Trustee shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate, Alternative Rate, the Adjustment Spread or the Benchmark Amendments (if any) specified in such certificate will (in the

absence of manifest error or bad faith in the determination of the Successor Rate, Alternative Rate, the Adjustment Spread or the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Paying Agents and the Securityholders.

(F) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Condition 4(i)(i)(A), 4(i)(i)(B), 4(i)(i)(C) and 4(i)(i)(D), the Original Reference Rate and the fallback provisions provided for in Condition 4(b)(iii)(B) or (C), as applicable, will continue to apply unless and until a Benchmark Event has occurred.

(G) Definitions:

As used in this Condition 4(i)(i):

"Adjustment Spread" means either

- (i) a spread (which may be positive, negative or zero) or
- (ii) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:
 - (x) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);
 - (y) the Independent Adviser determines, as being customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Independent Adviser determines that no such spread is customarily applied);
 - (z) the Independent Adviser (in consultation with the Issuer) determines, and which is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

"Alternative Rate" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 4(i)(i)(B) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest or distribution (or the relevant component part thereof) in the same Specified Currency as the Perpetual Capital Securities.

"Benchmark Amendments" has the meaning given to it in Condition 4(i)(i)(D).

"Benchmark Event" means:

- (i) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will, cease publishing the Original Reference Rate

permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Perpetual Capital Securities; or
- (v) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or
- (vi) it has become unlawful for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Securityholder using the Original Reference Rate,

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

“Independent Adviser” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by and at the expense of the Issuer under Condition 4(i)(i)(A).

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Distribution (or any component part thereof) on the Perpetual Capital Securities.

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of:
 - (w) the central bank for the currency to which the benchmark or screen rate (as applicable) relates;
 - (x) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable);

- (y) a group of the aforementioned central banks or other supervisory authorities; or
- (z) the Financial Stability Board or any part thereof; and

“**Successor Rate**” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

- (ii) [Reserved]
- (iii) Benchmark Discontinuation (SOFR)

This Condition 4(i)(iii) shall only apply to U.S. dollar-denominated Perpetual Capital Securities where so specified in the relevant Pricing Supplement.

Where the Pricing Supplement specifies this Condition 4(i)(iii) as applicable:

(A) Benchmark Replacement

If the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Perpetual Capital Securities in respect of all determinations on such date and for all determinations on all subsequent dates.

(B) Benchmark Replacement Conforming Changes

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time. For the avoidance of doubt, the Trustee and the Issuing and Paying Agent shall, at the direction and expense of the Issuer, but subject to receipt by the Trustee of a certificate signed by two authorised signatories of the Issuer confirming that a Benchmark Event has occurred, be obliged to concur with the Issuer in effecting such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required to give effect to this Condition 4(i)(iii)(B), *provided that* the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way. Securityholders' consent shall not be required in connection with the effecting of any such changes, including the execution of any documents or any steps by the Trustee or the Issuing and Paying Agent (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

(C) Decisions and Determinations

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 4(i)(iii), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection will be conclusive and binding absent manifest error, will be made in the sole discretion of the Issuer or its designee, as applicable and notwithstanding

anything to the contrary in the documentation relating to the Perpetual Capital Securities, shall become effective without consent from the holders of the Perpetual Capital Securities or any other party.

(D) Definitions

As used in this Condition 4(i)(iii):

“Benchmark” means, initially, the relevant SOFR Benchmark specified in the applicable Pricing Supplement (or any daily published component used in the calculation thereof); *provided that* if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the SOFR Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then **“Benchmark”** means the applicable Benchmark Replacement;

“Benchmark Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, *provided that*, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, *provided that*, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

“Benchmark Replacement” means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (i) the sum of:
 - (x) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof); and
 - (y) the Benchmark Replacement Adjustment;

- (ii) the sum of:
 - (x) the ISDA Fallback Rate; and
 - (y) the Benchmark Replacement Adjustment; or
- (iii) the sum of:
 - (x) the alternate reference rate that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) giving due consideration to any industry-accepted reference rate as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) for U.S. dollar-denominated floating rate securities at such time; and
 - (y) the Benchmark Replacement Adjustment;

“Benchmark Replacement Adjustment” means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate securities at such time;

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of distribution, rounding of amounts or tenors and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (i) in the case of sub-clauses (i) or (ii) of the definition of “Benchmark Event,” the later of:

- (x) the date of the public statement or publication of information referenced therein; and
 - (y) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (ii) in the case of sub-clause (iii) of the definition of “Benchmark Event,” the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

“**designee**” means a designee as selected and separately appointed by the Issuer in writing;

“**ISDA Definitions**” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

“**ISDA Fallback Adjustment**” means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

“**ISDA Fallback Rate**” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“**Reference Time**” with respect to any determination of the Benchmark means:

- (1) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Compounded Daily SOFR is specified as applicable in the applicable Pricing Supplement) or the SOFR Index Determination Time (where SOFR Index Average is specified as applicable in the applicable Pricing Supplement); or
- (2) if the Benchmark is not the SOFR Benchmark, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes;

“**Relevant Governmental Body**” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

“**Unadjusted Benchmark Replacement**” means Benchmark Replacement excluding the Benchmark Replacement Adjustment.

- (iv) [Reserved]
- (v) Benchmark Discontinuation (SORA)

This Condition 4(i)(v) shall only apply to Singapore dollar-denominated Perpetual Capital Securities where so specified in the relevant Pricing Supplement.

Where the Pricing Supplement specifies this Condition 4(i)(v) as applicable:

(A) Independent Adviser

Notwithstanding the provisions above in this Condition 4(i), if a SORA Index Cessation Event occurs in relation to an Original Reference Rate prior to the relevant Distribution Determination Date when any Rate of Distribution (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine the Benchmark Replacement (in accordance with Condition 4(i)(v)(B) and an Adjustment Spread, if any (in accordance with Condition 4(i)(v)(C), and any Benchmark Amendments (in accordance with Condition 4(i)(v)(D)) by the relevant Distribution Determination Date.

An Independent Adviser appointed pursuant to this Condition 4(i)(v) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Issuing and Paying Agent, or the Securityholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4(i)(v).

If the Issuer is unable to appoint an Independent Adviser after using its reasonable endeavours, or the Independent Adviser fails to determine the Benchmark Replacement prior to the relevant Distribution Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine the Benchmark Replacement (in accordance with Condition 4(i)(v)(B) and an Adjustment Spread if any (in accordance with Condition 4(i)(v)(C)) and any Benchmark Amendments (in accordance with Condition 4(i)(v)(D)).

If the Issuer is unable to determine the Benchmark Replacement prior to the relevant Distribution Determination Date, the Rate of Distribution applicable to the next succeeding Distribution Accrual Period shall be equal to the Rate of Distribution last determined in relation to the Perpetual Capital Securities in respect of the immediately preceding Distribution Accrual Period. If there has not been a first Distribution Payment Date, the Rate of Distribution shall be the initial Rate of Distribution. Where a different Margin or Maximum or Minimum Rate of Distribution is to be applied to the relevant Distribution Accrual Period from that which applied to the last preceding Distribution Accrual Period, the Margin or Maximum or Minimum Rate of Distribution relating to the relevant Distribution Accrual Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Distribution relating to that last preceding Distribution Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Distribution Accrual Period only and any subsequent Distribution Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 4(i)(v)(A).

(B) Benchmark Replacement

The Benchmark Replacement determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(i)(v)(A)) shall (subject to adjustment as provided for in Condition 4(i)(v)(C)) subsequently be used in place of the Original Reference Rate to determine the Rate of Distribution (or the relevant component part

thereof) for all future payments of distribution on the Perpetual Capital Securities (subject to the operation of this Condition 4(i)(v)).

(C) Adjustment Spread

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(i)(v)(A)) (as the case may be) determines (i) that an Adjustment Spread is required to be applied to the Benchmark Replacement and (ii) the quantum of, or a formula or methodology for determining such Adjustment Spread, then such Adjustment Spread shall be applied to the Benchmark Replacement.

(D) Benchmark Amendments

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(i)(v)(A)) (as the case may be) determines that (i) Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread, and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(i)(v)(E), without any requirement for the consent or approval of Securityholders, the Trustee or the Agents, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee of a certificate signed by two authorised signatories of the Issuer pursuant to Condition 4(i)(v)(E), the Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Securityholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, inter alia, by the execution of a deed supplemental to or amending the Trust Deed), *provided that* the Trustee shall not be obliged so to concur if in the opinion of the Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

For the avoidance of doubt, the Trustee and the Issuing and Paying Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 4(i)(v)(D). Securityholders' consent shall not be required in connection with the effecting of the Benchmark Replacement or such other changes, including the execution of any documents or any steps by the Trustee the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or the Independent Adviser with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

In connection with any such variation in accordance with this Condition 4(i)(v)(D), the Issuer shall comply with the rules of any stock exchange on which the Perpetual Capital Securities are for the time being listed or admitted to trading.

(E) Notices, etc.

The occurrence of a SORA Index Cessation Event shall be determined by the Issuer and any Benchmark Replacement, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(i)(v) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Issuing and Paying Agent and, in accordance with Condition 16, the Securityholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any. For the avoidance of doubt, neither the Trustee, the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination.

No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer:

- (x) confirming
 - (i) that a SORA Index Cessation Event has occurred;
 - (ii) the Benchmark Replacement; and
 - (iii) where applicable, any Adjustment Spread, and/or the specific terms of the Benchmark Amendments,in each case as determined in accordance with the provisions of this Condition 4(i)(v); and
- (y) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread.

The Trustee shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Benchmark Replacement (if any), the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Benchmark Replacement, the Adjustment Spread (if any) or the Benchmark Amendments (if any) and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Paying Agents and the Securityholders.

(F) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 4(i)(v)(A), 4(i)(v)(B), 4(i)(v)(C) and 4(i)(v)(D), the Original Reference Rate and the fallback provisions provided for in Condition 4(i)(v) will continue to apply unless and until the Calculation Agent has been notified of the Benchmark Replacement, and any applicable Adjustment Spread and Benchmark Amendments, in accordance with Condition 4(i)(v)(E).

(G) Definitions:

As used in this Condition 4(i)(v):

“Adjustment Spread” means either a spread (which may be positive, negative or zero), or a formula or methodology for calculating a spread, in either case, which the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(i)(v)(A)) (as the case may be) determines is required to be applied to the Benchmark Replacement to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to

Securityholders as a result of the replacement of the Original Reference Rate with the Benchmark Replacement and is the spread, formula or methodology which:

- (1) is formally recommended in relation to the replacement of the Original Reference Rate with the applicable Benchmark Replacement by any Relevant Nominating Body;
- (2) if the applicable Benchmark Replacement is the ISDA Fallback Rate, is the ISDA Fallback Adjustment; or
- (3) is determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(i)(v)(A)) (as the case may be) and having given due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Original Reference Rate; or with the applicable Benchmark Replacement for the purposes of determining rates of distribution (or the relevant component part thereof) for the same distribution accrual period and in the same currency as the Perpetual Capital Securities;

“Alternative Rate” means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(i)(v)(A)) (as the case may be) determines in accordance with Condition 4(i)(v)(B) has replaced the Original Reference Rate in customary market usage in the international or, if applicable, domestic debt capital markets for the purposes of determining rates of interest or distribution (or the relevant component part thereof) for the same distribution period and in the same currency as the Perpetual Capital Securities (including, but not limited to, Singapore Government Bonds);

“Benchmark Amendments” means with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of distribution, rounding of amounts or tenors and other administrative matters) that the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(i)(v)(A)) (as the case may be) determines may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(i)(v)(A)) (as the case may be) determines that adoption of any portion of such market practice is not administratively feasible or if the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(i)(v)(A)) (as the case may be) determines that no market practice for use of such Benchmark Replacement exists, in such other manner as the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(i)(v)(A)) (as the case may be) determines is reasonably necessary;

“Benchmark Replacement” means the first alternative set forth in the order below that can be determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(i)(v)(A)) (as the case may be):

- (i) the Successor Rate;
- (ii) the ISDA Fallback Rate; and
- (iii) the Alternative Rate;

“Independent Adviser” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by and at the expense of the Issuer under Condition 4(i)(v)(A);

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

“ISDA Fallback Adjustment” means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor;

“ISDA Fallback Rate” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“Original Reference Rate” means, initially, SORA (being the originally-specified benchmark rate used to determine SORA Benchmark and the Rate of Distribution), *provided that* if a SORA Index Cessation Event has occurred with respect to SORA or the then-current Original Reference Rate, then **“Original Reference Rate”** means the Benchmark Replacement;

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored or endorsed by, chaired or co-chaired by or constituted at the request of:
 - (w) the central bank for the currency to which the benchmark or screen rate (as applicable) relates;
 - (x) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable);
 - (y) a group of the aforementioned central banks or other supervisory authorities; or
 - (z) the Financial Stability Board or any part thereof;

“SORA Index Cessation Event” means the occurrence of one or more of the following events:

- (i) the Original Reference Rate ceasing to be published for a period of at least five Singapore Business Days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased or will, by a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been prohibited from being used or that its use has been subject to restrictions or adverse consequences, or that it will be prohibited from being used or that its use will be subject to restrictions or adverse consequences by a specified date; or
- (v) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative or will, by a specified date, be deemed to be no longer representative; or
- (vi) it has become unlawful for the Issuing and Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Securityholder using the Original Reference Rate,

provided that the SORA Index Cessation Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed to no longer be) representative and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement; and

“Successor Rate” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body as the replacement of the Original Reference Rate (which rate may be produced by the Monetary Authority of Singapore or such other administrator).

- (vi) Qualification as Additional Tier 1 Capital

Notwithstanding any other provision of Conditions 4(i)(i)(D), 4(i)(iii)(B), 4(i)(iii)(C) or 4(i)(v)(D) (as applicable), no Successor Rate, Alternative Rate or Benchmark Replacement (as the case may be) will be adopted, nor will the applicable Adjustment Spread or Benchmark Replacement Adjustment (as the case may be) be applied, nor will any Benchmark Amendments or Benchmark Replacement Conforming Changes (as the case may be) be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Perpetual Capital Securities as Additional Tier 1 capital and/or the Perpetual Capital Securities as eligible liabilities or loss absorbing capacity instruments for the purposes of any applicable loss absorption regulations.

- (j) **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 Perpetual Capital Securities denominated in a currency other than Euro, Renminbi or Singapore dollars, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London and in the principal financial centre for such currency; and/or

- (ii) in the case of Perpetual Capital Securities denominated in Euro, a day on which TARGET2 is operating (a “**TARGET2 Business Day**”) and a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London and the principal financial centre for such currency; and/or
- (iii) in the case of Perpetual Capital Securities denominated in Renminbi:
 - (A) if cleared through the CMU Service, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong;
 - (B) if cleared through the CDP System, a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Singapore and Hong Kong; and
 - (C) if cleared through Euroclear and Clearstream, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London; and/or
- (iv) in the case of Perpetual Capital Securities denominated in Singapore dollars:
 - (A) if cleared through the CDP, a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore; and
 - (B) if cleared through Euroclear and Clearstream, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London; and/or
- (v) in the case of a currency and/or one or more Financial Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Financial Centre(s) or, if no currency is indicated, generally in each of the Financial Centres.

“**Day Count Fraction**” means, in respect of the calculation of an amount of Distribution on any Perpetual Capital Security for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting a Distribution Period or a Distribution 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 is 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 is 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 is 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 is 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 is 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 is 31, in which case D₂ will be 30; and

(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 Distribution 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.

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

“**Distribution Amount**” means:

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

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

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

“Distribution Determination Date” means, with respect to a Rate of Distribution and Distribution Accrual Period, the date specified as such hereon or, if none is so specified:

- (i) the first day of such Distribution Accrual Period if the Specified Currency is Sterling (and in such case only if the relevant Reference Rate is not SONIA Benchmark), Hong Kong dollars or Renminbi, or
- (ii) the day falling two Business Days in the relevant Financial Centre for the Specified Currency prior to the first day of such Distribution Accrual Period if the Specified Currency is not Sterling, Hong Kong dollars, Euro or Renminbi and if the relevant Reference Rate is not SONIA Benchmark, SOFR Benchmark or SORA Benchmark,
- (iii) the day falling two TARGET2 Business Days prior to the first day of such Distribution Accrual Period if the Specified Currency is Euro,
- (iv) (only if the relevant Reference Rate is SONIA Benchmark) the fifth London Business Day (or as otherwise specified in the applicable Pricing Supplement) prior to the last day of each Distribution Accrual Period;
- (v) (only if the relevant Reference Rate is SOFR Benchmark and “SOFR Observation Lag” or “SOFR Observation Shift” has been specified as applicable in the applicable Pricing Supplement to determine Compounded Daily SOFR or where SOFR Index Average has been specified as applicable in the applicable Pricing Supplement) the fifth U.S. Government Securities Business Day (or as otherwise specified in the applicable Pricing Supplement) prior to the last day of each Distribution Accrual Period;
- (vi) (only if the relevant Reference Rate is SOFR Benchmark and “SOFR Payment Delay” has been specified as applicable in the applicable Pricing Supplement to determine Compounded Daily SOFR) has the meaning given to it in Condition 4(b)(iii)(F)(x)(iii); and
- (vii) (only if the relevant Reference Rate is SORA Benchmark) has the meaning given to it in Conditions 4(b)(iii)(D)(x)(i), 4(b)(iii)(D)(x)(ii) or 4(b)(iii)(D)(x)(iii), as applicable.

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

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

“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.

“HKD” or **“Hong Kong dollars”** means the lawful currency of Hong Kong.

“ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. or any successor thereto (as may be updated, amended or supplemented from time to time), or any successor definitional booklet for interest rate derivatives published from time to time, unless otherwise specified hereon.

“Rate of Distribution” means the rate of Distribution payable from time to time in respect of this Perpetual Capital Security and that is either specified or calculated in accordance with the provisions hereon.

“Reference Banks” means

- (i) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone interbank market; and
- (ii) in the case of a determination of HIBOR, the principal Hong Kong office of four major banks in the Hong Kong interbank market, in each case selected by the Issuer or as specified hereon.

“Reference Rate” means the rate specified as such hereon or such other page, section, caption, column or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

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

“Relevant Time” means, with respect to any Distribution 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 a.m. 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.

“Renminbi” or **“CNY”** means the lawful currency of the PRC.

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

“Sterling” means the lawful currency of the UK.

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

“U.S. Government Securities Business Day” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

- (k) **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 Perpetual Capital Security is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Perpetual Capital Securities, 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 Distribution for a Distribution Accrual Period or to calculate any Distribution 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 interbank 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 Distribution Restrictions

- (a) **Distribution Cancellation:** The Issuer may at its sole discretion elect to cancel any Distribution which is otherwise scheduled to be paid on a Distribution Payment Date by giving notice (such notice, a “**Distribution Cancellation Notice**”) of such election to the Securityholders in accordance with Condition 16, the Trustee and the Agents at least 10 Business Days prior to the relevant Distribution Payment Date. The Issuer shall have no obligation to pay any Distribution on any Distribution Payment Date if it validly elects not to do so in accordance with this Condition 5(a) and any failure to pay such Distribution shall not constitute a Default (as described in Condition 11).
- (b) **Distribution Restrictions:** Notwithstanding that a Distribution Cancellation Notice has not been given, the Issuer will not be obliged to pay, and will not pay, any Distribution on the relevant Distribution Payment Date (and such Distribution will not be considered to be due or payable) if:
- (i) the Issuer is prevented by applicable Singapore banking regulations or other requirements of the MAS from making payment of dividends or distributions when due on its Additional Tier 1 Capital Securities;
 - (ii) the Issuer is unable to make such payment of dividends or distributions on its Additional Tier 1 Capital Securities without causing a breach of the MAS’ consolidated or unconsolidated capital adequacy requirements set out in:
 - (A) (where the Issuer is DBS Bank) MAS Notice 637; or
 - (B) (where the Issuer is DBSH);
 - (x) (on the basis that the Issuer is subject to the application of MAS Notice 637) MAS Notice 637; or
 - (y) any notice issued by the MAS in respect of Designated Financial Holding Companies that is analogous to MAS Notice 637, from time to time applicable to the Issuer; or
 - (iii) the aggregate of the amount of the Distribution (if paid in full), together with the sum of any dividends and distributions originally scheduled to be paid (whether or not paid in whole or in part) during the Issuer’s then-current fiscal year on the Perpetual Capital Securities or its other Additional Tier 1 Capital Securities, would exceed the Distributable Reserves as of the Distributable Reserves Determination Date.

The Issuer shall have no obligation to pay any Distribution on any Distribution Payment Date if such non-payment is in accordance with this Condition 5(b) and any failure to pay such Distribution shall not constitute a Default.

For the purpose of these Conditions:

“**Distributable Reserves**” means, at any time, the amounts for the time being available to the Issuer for distribution as a dividend in compliance with Section 403 of the Companies Act 1967 of Singapore, as amended or modified from time to time (“**Available Amounts**”) as of the date of the Issuer’s latest audited balance sheet; *provided that* if the Issuer reasonably believes that the Available Amounts as of any Distributable Reserves Determination Date are lower than the Available Amounts as of the date of the Issuer’s latest audited balance sheet and are insufficient to pay the dividends and distributions on its Additional Tier 1 Capital Securities on the relevant Distribution Payment Date, then an authorised signatory of the Issuer will be required to provide a certificate, on or prior to such Distributable Reserves Determination Date, to the Securityholders accompanied by a certificate of the Issuer’s auditors for the time being of the Available Amounts as of such Distributable Reserves Determination Date (which certificate of the authorised signatory will

be binding absent manifest error) and “**Distributable Reserves**” as of such Distributable Reserves Determination Date for the purposes of such Distribution will mean the Available Amounts as set forth in such certificate; and

“**Distributable Reserves Determination Date**” means, with respect to any Distribution Payment Date, the day falling two business days prior to that Distribution Payment Date.

- (c) **Non-cumulative Distribution:** If a Distribution is not paid in accordance with Condition 5(a) and/or Condition 5(b), the Issuer is not under any obligation to pay that or any other Distributions that have not been paid. Such unpaid Distributions are non-cumulative and do not accrue interest. There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay Distributions pursuant to this Condition 5.
- (d) **Distributable Reserves:** Any Distribution may only be paid out of Distributable Reserves.
- (e) **Distribution Stopper:** If Distribution Stopper is specified as being applicable in the applicable Pricing Supplement and on any Distribution Payment Date, payment of Distributions scheduled to be made on such date is not made by reason of this Condition 5, the Issuer shall not:
 - (i) declare or pay any dividends or distributions in respect of its Junior Obligations (or contribute any monies to a sinking fund for the payment of any dividends or distributions in respect of any such Junior Obligations);
 - (ii) declare or pay, or permit any subsidiary (where relevant) of the Issuer to declare or pay, any dividends or distributions in respect of its Additional Tier 1 Capital Securities the terms of which provide that making payments of dividends or distributions in respect thereof are fully at the discretion of the Issuer (or contribute any monies to a sinking fund for the payment of any dividends or distributions in respect of any such Additional Tier 1 Capital Securities); and
 - (iii) redeem, reduce, cancel, buy-back or acquire any of its Additional Tier 1 Capital Securities or its Junior Obligations or permit any subsidiary (where relevant) of the Issuer to redeem, reduce, cancel, buy-back or acquire any of its Additional Tier 1 Capital Securities or its Junior Obligations (or contribute any monies to a sinking fund for the redemption, capital reduction, buy-back or acquisition of any such Additional Tier 1 Capital Securities or Junior Obligations),in each case, until
 - (w) a redemption of all the outstanding Perpetual Capital Securities has occurred;
 - (x) the outstanding Perpetual Capital Securities has been Written-off in its entirety;
 - (y) the next two scheduled Distributions has been paid in full (or an amount equivalent to the next two scheduled Distribution has been paid, or irrevocably set aside in a separately designated trust account for payment to the Securityholders); or
 - (z) the Issuer is permitted to do so by an Extraordinary Resolution (as defined in the Trust Deed).
- (f) **No Default:** Notwithstanding any other provision in these Conditions, the cancellation or non-payment of any Distribution in accordance with this Condition 5 shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 11) on the part of the Issuer.

6 Redemption, Purchase and Options

- (a) **No Fixed Redemption Date:** The Perpetual Capital Securities are perpetual securities in respect of which there is no fixed redemption date. The Perpetual Capital Securities may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

- (b) **Early Redemption:** The Early Redemption Amount payable in respect of any Perpetual Capital Security, upon redemption of such Perpetual Capital Security pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 11, shall be the Final Redemption Amount unless otherwise specified hereon.
- (c) **Redemption for Taxation Reasons:** Subject to Condition 6(j), the Perpetual Capital Securities may be redeemed at the option of the Issuer in whole, but not in part, on any Distribution Payment Date (if such Security is at the relevant time a Floating Rate Perpetual Capital Security) or at any time (if such Perpetual Capital Security is at the relevant time not a Floating Rate Perpetual Capital Security), on giving not less than 30 but not more than 60 days' notice to the Securityholders (which notice shall be irrevocable) at their Early Redemption Amount (as described in Condition 6(b)) together with Distributions accrued but unpaid (if any) to (but excluding) the date fixed for redemption and any Additional Amounts (as described under Condition 9) 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 Distributions 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:
- (i) the Issuer has or will become obliged to pay Additional Amounts; or
 - (ii) payments of Distribution on the Perpetual Capital Securities will or would be treated as "distributions" or dividends within the meaning of the Income Tax Act 1947 of Singapore (the "**Income Tax Act**") 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 the Relevant Taxing Jurisdiction (as defined in Condition 9) 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 Perpetual Capital Securities, 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 Perpetual Capital Security is a Floating Rate Perpetual Capital Security, 60 days, or (b) if such Perpetual Capital Security is not a Floating Rate Perpetual Capital Security, 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 Perpetual Capital Securities then due.

Before the publication of any notice of redemption pursuant to this Condition 6(c), 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 recognised 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 Securityholders.

Any redemption of Perpetual Capital Securities by the Issuer is subject to the Issuer obtaining the prior approval of the MAS.

- (d) **Redemption at the option of the Issuer:** Subject to Condition 6(j), and unless otherwise specified in the applicable Pricing Supplement, if Call Option is specified hereon, the Issuer may, on giving

not less than 10 days' irrevocable notice to the Securityholders, elect to redeem all, but not some only, of the Perpetual Capital Securities on the relevant date(s) specified hereon (which shall not be less than five years from the Issue Date) at their Optional Redemption Amount specified hereon or, if no Optional Redemption Amount is specified hereon, at their nominal amount together with Distributions accrued but unpaid (if any) to (but excluding) the date fixed for redemption in accordance with these Conditions.

All Perpetual Capital Securities in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6.

Any redemption of Securities by the Issuer is subject to the Issuer obtaining the prior approval of the MAS.

(e) **Redemption for Change of Qualification Event:**

(i) *Redemption for Change of Qualification Event in respect of DBS Bank Perpetual Capital Securities:* Subject to Condition 6(j), if as a result of a change to the relevant requirements issued by the MAS in relation to:

- (A) the qualification of any DBS Bank Perpetual Capital Securities as DBS Bank Additional Tier 1 Capital Securities; or
- (B) the inclusion of any DBS Bank Perpetual Capital Securities in the calculation of the capital adequacy ratio,

in each case of

- (x) DBS Bank, on an unconsolidated basis,
- (y) the DBS Bank Group, on a consolidated basis, or
- (z) the DBS Group, on a consolidated basis

(“**DBS Bank Eligible Capital**”), which change or amendment:

- (i) 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 the MAS, if such change is issued by the MAS, on or after the Issue Date,

the relevant DBS Bank Perpetual Capital Securities (in whole or in part) would not qualify as DBS Bank Eligible Capital (a “**DBS Bank Change of Qualification Event**”), then DBS Bank may, having given not less than 30 but not more than 60 days' prior written notice to the Securityholders in accordance with Condition 16 (which notice shall be irrevocable), redeem in accordance with these Conditions on any Distribution Payment Date (if this DBS Bank Perpetual Capital Security is at the relevant time a Floating Rate Perpetual Capital Security) or at any time (if this DBS Bank Perpetual Capital Security is at the relevant time not a Floating Rate Perpetual Capital Security) all, but not some only, of the relevant DBS Bank Perpetual Capital Securities, at their Early Redemption Amount or, if no Early Redemption Amount is specified hereon, at their nominal amount together with Distributions 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 6(e), DBS Bank shall deliver to the Trustee a certificate signed by two Directors of DBS Bank stating that a DBS Bank 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 Securityholders. Upon expiry of such notice, DBS Bank shall redeem the DBS Bank Perpetual Capital Securities in accordance with this Condition 6(e).

Any redemption of DBS Bank Perpetual Capital Securities by DBS Bank is subject to DBS Bank obtaining the prior approval of the MAS.

(ii) *Redemption for Change of Qualification Event in respect of DBSH Perpetual Capital Securities:* Subject to Condition 6(j), if as a result of a change to the relevant requirements issued by the MAS in relation to:

- (A) the qualification of any DBSH Perpetual Capital Securities as DBSH Additional Tier 1 Capital Securities; or
- (B) the inclusion of any DBSH Perpetual Capital Securities in the calculation of the capital adequacy ratio,

in each case of

- (x) DBSH, on an unconsolidated basis, or
- (y) the DBS Group, on a consolidated basis

(“**DBSH Eligible Capital**”), which change or amendment:

- (I) 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 the MAS, if such change is issued by the MAS, on or after the Issue Date,

the relevant DBSH Perpetual Capital Securities (in whole or in part) would not qualify as DBSH Eligible Capital (a “**DBSH Change of Qualification Event**”), then DBSH may, having given not less than 30 but not more than 60 days’ prior written notice to the Securityholders in accordance with Condition 16 (which notice shall be irrevocable), redeem in accordance with these Conditions on any Distribution Payment Date (if this DBSH Perpetual Capital Security is at the relevant time a Floating Rate Perpetual Capital Security) or at any time (if this DBSH Perpetual Capital Security is at the relevant time not a Floating Rate Perpetual Capital Security) all, but not some only, of the relevant DBSH Perpetual Capital Securities, at their Early Redemption Amount or, if no Early Redemption Amount is specified hereon, at their nominal amount together with Distributions 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 6(e), DBSH shall deliver to the Trustee a certificate signed by two Directors of DBSH stating that a DBSH 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 Securityholders. Upon expiry of such notice, DBSH shall redeem the DBSH Perpetual Capital Securities in accordance with this Condition 6(e).

Any redemption of DBSH Perpetual Capital Securities by DBSH is subject to DBSH obtaining the prior approval of the MAS.

(f) **Variation instead of Redemption of Perpetual Capital Securities:**

(i) *Variation instead of Redemption of DBS Bank Perpetual Capital Securities:* Where this Condition 6(f)(i) is specified as being applicable in the Pricing Supplement for the relevant DBS Bank Perpetual Capital Securities and subject to Condition 6(j), DBS Bank may at any time without any requirement for the consent or approval of the Securityholders or the Trustee

and having given not less than 30 nor more than 60 days' notice to the Securityholders in accordance with Condition 16 (which notice shall be irrevocable), vary the terms of those DBS Bank Perpetual Capital Securities so that they remain or, as appropriate, become DBS Bank Qualifying Securities (as defined below) *provided that*:

- (A) such variation does not itself give rise to any right of DBS Bank to redeem the varied securities that are inconsistent with the redemption provisions of those DBS Bank Perpetual Capital Securities;
- (B) neither a Tax Event nor a Capital Event arises as a result of such variation; and
- (C) DBS Bank is in compliance with the rules of any stock exchange on which the DBS Bank Perpetual Capital Securities are for the time being listed or admitted to trading.

If a variation has occurred pursuant to, or otherwise in accordance with, this Condition 6(f)(i), such event will not constitute a Default under these Conditions.

Any variation (to the extent that any variation would affect the eligibility of the DBS Bank Perpetual Capital Securities as DBS Bank Additional Tier 1 Capital Securities) of DBS Bank Perpetual Capital Securities by DBS Bank is subject to DBS Bank obtaining the prior approval of the MAS.

- (ii) *Variation instead of Redemption of DBSH Perpetual Capital Securities*: Where this Condition 6(f)(ii) is specified as being applicable in the Pricing Supplement for the relevant DBSH Perpetual Capital Securities and subject to Condition 6(j), DBSH may at any time without any requirement for the consent or approval of the Securityholders or the Trustee and having given not less than 30 nor more than 60 days' notice to the Securityholders in accordance with Condition 16 (which notice shall be irrevocable), vary the terms of those DBSH Perpetual Capital Securities so that they remain or, as appropriate, become DBSH Qualifying Securities (as defined below) *provided that*:

- (A) such variation does not itself give rise to any right of DBSH to redeem the varied securities that are inconsistent with the redemption provisions of those DBSH Perpetual Capital Securities;
- (B) neither a Tax Event nor a Capital Event arises as a result of such variation; and
- (C) DBSH is in compliance with the rules of any stock exchange on which the DBSH Perpetual Capital Securities are for the time being listed or admitted to trading.

If a variation has occurred pursuant to, or otherwise in accordance with, this Condition 6(f)(ii), such event will not constitute a Default under these Conditions.

Any variation (to the extent that any variation would affect the eligibility of the DBSH Perpetual Capital Securities as DBSH Additional Tier 1 Capital Securities) of DBSH Perpetual Capital Securities by DBSH is subject to DBSH obtaining the prior approval of the MAS.

In this Condition 6(f):

"Additional Amounts" means such additional amounts the Issuer shall pay as will result (after withholding or deduction) in receipt by the Securityholders of the sums which would have been receivable (in the absence of such withholding or deduction) from it in respect of their Perpetual Capital Securities;

a **"Capital Event"** will be deemed to have occurred if the Perpetual Capital Securities are not, or cease to be, eligible in their entirety to be treated, in the case of DBS Bank Perpetual Capital Securities, as DBS Bank Additional Tier 1 Capital Securities or, in the case of DBSH Perpetual Capital Securities, as DBSH Additional Tier 1 Capital Securities;

“DBS Bank Qualifying Securities” means securities, whether debt, equity, interests in limited partnerships or otherwise, issued directly or indirectly by DBS Bank that:

(A)

- (i) qualify (in whole or in part) as Additional Tier 1 Capital Securities; or
- (ii) may be included (in whole or in part) in the calculation of the capital adequacy ratio,

in each case of

- (x) DBS Bank, on an unconsolidated basis,
- (y) the DBS Bank Group, on a consolidated basis, or
- (z) the DBS Group, on a consolidated basis pursuant to the relevant requirements set out in:
 - (1) (in the case of (x) and (y) above) MAS Notice 637; or
 - (2) (in the case of (z) above) (on the basis that DBSH is subject to the application of MAS Notice 637) MAS Notice 637 or any notice issued by the MAS in respect of Designated Financial Holding Companies that is analogous to MAS Notice 637;

(B)

- (i) include a ranking at least equal to that of the DBS Bank Perpetual Capital Securities;
- (ii) have at least the same Distribution rate and the same Distribution Payment Dates as those from time to time applying to the DBS Bank Perpetual Capital Securities;
- (iii) have the same redemption rights as the DBS Bank Perpetual Capital Securities;
- (iv) preserve any existing rights under the DBS Bank Perpetual Capital Securities to any accrued Distributions which has not been paid in respect of the period from (and including) the Distribution Payment Date last preceding the date of variation; and
- (v) if applicable, are assigned (or maintain) the same or higher credit ratings as were assigned to the DBS Bank Perpetual Capital Securities immediately prior to such variation; and

(C) are listed on a Recognised Stock Exchange if the DBS Bank Perpetual Capital Securities were listed immediately prior to such variation;

“DBSH Qualifying Securities” means securities, whether debt, equity, interests in limited partnerships or otherwise, issued directly or indirectly by DBSH that:

(A)

- (i) qualify (in whole or in part) as Additional Tier 1 Capital Securities; or
- (ii) may be included (in whole or in part) in the calculation of the capital adequacy ratio,

in each case of

- (x) DBSH, on an unconsolidated basis, or
 - (y) the DBS Group, on a consolidated basis pursuant to the relevant requirements set out in:
 - (1) (on the basis that DBSH is subject to the application of MAS Notice 637) MAS Notice 637; or
 - (2) any notice issued by the MAS in respect of Designated Financial Holding Companies that is analogous to MAS Notice 637;
- (B)
- (i) include a ranking at least equal to that of the DBSH Perpetual Capital Securities;
 - (ii) have at least the same Distribution rate and the same Distribution Payment Dates as those from time to time applying to the DBSH Perpetual Capital Securities;
 - (iii) have the same redemption rights as the DBSH Perpetual Capital Securities;
 - (iv) preserve any existing rights under the DBSH Perpetual Capital Securities to any accrued Distributions which has not been paid in respect of the period from (and including) the Distribution Payment Date last preceding the date of variation; and
 - (v) if applicable, are assigned (or maintain) the same or higher credit ratings as were assigned to the DBSH Perpetual Capital Securities immediately prior to such variation; and
- (C) are listed on a Recognised Stock Exchange if the DBSH Perpetual Capital Securities were listed immediately prior to such variation;

“Recognised Stock Exchange” means such stock exchange as the relevant Perpetual Capital Securities were listed; and

a **“Tax Event”** is deemed to have occurred if, in making any payments on the Perpetual Capital Securities, the Issuer has paid or will or would on the next payment date be required to pay any Additional Amounts or payments of Distribution on the Perpetual Capital Securities will or would be treated as “distributions” or dividends within the meaning of the Income Tax Act 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 under the laws or regulations of a Relevant Taxing Jurisdiction or any political subdivision or authority therein or thereof having the power to tax, including any treaty to which a Relevant Taxing Jurisdiction is a party, or any generally published application or interpretation of such laws, including a decision of any court or tribunal, or the generally published application or interpretation of such laws by any relevant tax authority or any generally published pronouncement by any tax authority, and the Issuer cannot avoid the foregoing by taking measures reasonably available to it.

- (g) **Purchases:** The Issuer and any of its subsidiaries (with the prior approval of the MAS, for so long as the Issuer is required to obtain such approval) may at any time purchase the Perpetual Capital Securities in the open market or otherwise at any price in accordance with all relevant laws and regulations and, for so long as the Perpetual Capital Securities are listed, the requirements of the relevant stock exchange. The Relevant Issuer or any such subsidiary may, at its option, retain such

purchased Perpetual Capital Securities for its own account and/or resell or cancel or otherwise deal with them at its discretion.

- (h) **Cancellation:** All Perpetual Capital Securities purchased by or on behalf of the Issuer or any of its subsidiaries may be surrendered for cancellation by surrendering the Certificate representing such Perpetual Capital Securities to the Registrar and, in each case, if so surrendered, shall, together with all Perpetual Capital Securities redeemed by the Issuer, be cancelled forthwith. Any Perpetual Capital Securities so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Perpetual Capital Securities shall be discharged. Any Perpetual Capital Security that is Written-off in full in accordance with Condition 7 shall be automatically cancelled.
- (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 6 and will not be responsible to the Securityholders 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 6, it shall be entitled to assume that no such event or circumstance exists.
- (j) **Redemption or Variation Conditions of Perpetual Capital Securities:** Any redemption under Condition 6(c), 6(d) or 6(e) or variation under Condition 6(f) (to the extent that any variation would affect the eligibility of the Perpetual Capital Securities as DBS Bank Additional Tier 1 Capital Securities or DBSH Additional Tier 1 Capital Securities, as the case may be) of the Perpetual Capital Securities by the Issuer is subject to the Issuer obtaining the prior approval of the MAS.

7 Loss Absorption upon a Trigger Event, Bail-in Power

Any Write-off of any Perpetual Capital Securities under this Condition 7 or any cancellation, modification, conversion or change in form as a result of the exercise of the MAS' powers under Division 4A of Part 4B of the MAS Act with respect to the clearing and/or settlement of any Perpetual Capital Securities is subject to the availability of procedures to effect any such Write-off or such cancellation, modification, conversion or change in form in the relevant clearing system(s). For the avoidance of doubt, however, any Write-off of any Perpetual Capital Securities under this Condition 7, or the giving of effect of a Bail-in Certificate with respect to the Issuer, will be effective upon the date that the Issuer specifies in the Trigger Event Notice (or as may otherwise be notified in writing to Securityholders, the Trustee and Agents by the Issuer) or on the date specified in the Bail-in Certificate notwithstanding any inability to operationally effect any such Write-off or any cancellation, modification, conversion or change in form as a result of the exercise of the MAS' powers under Division 4A of Part 4B of the MAS Act in the relevant clearing system(s).

The Trust Deed and Agency Agreement may contain certain protections and disclaimers as applicable to the Trustee and Agents in relation to Condition 7. Each Securityholder shall be deemed to have authorised, directed and requested the Trustee, the Registrar and the other Agents, as the case may be, to take any and all necessary action to give effect to any DBS Bank Loss Absorption Option or DBSH Loss Absorption Option, as the case may be, and any DBS Bank Write-off or a DBSH Write-off, as the case may be, following the occurrence of the DBS Bank Trigger Event or DBSH Trigger Event, respectively.

- (a) **Loss Absorption upon a DBS Bank Trigger Event:**
 - (i) *DBS Bank Write-off on a DBS Bank Trigger Event:*
 - (A) If "Write-off" is specified as being applicable for the Loss Absorption Option in the applicable Pricing Supplement for any DBS Bank Perpetual Capital Securities and a DBS Bank Trigger Event occurs DBS Bank shall, upon the issue of a DBS Bank Trigger Event Notice, irrevocably and without the need for the consent of the Trustee or the holders of any DBS Bank Perpetual Capital Securities, reduce the principal amount and cancel any accrued but unpaid Distribution of each DBS Bank Perpetual

Capital Security (in whole or in part) by an amount equal to the DBS Bank Trigger Event Write-off Amount per DBS Bank Perpetual Capital Security (a “**DBS Bank Write-off**”, and “**Written-off**” shall be construed accordingly). Once any principal or Distribution under a DBS Bank Perpetual Capital Security has been Written-off, it will be extinguished and will not be restored in any circumstances, including where the relevant DBS Bank Trigger Event ceases to continue. No Securityholder may exercise, claim or plead any right to any DBS Bank Trigger Event Write-off Amount, and each Securityholder shall be deemed to have waived all such rights to such DBS Bank Trigger Event Write-off Amount. For the avoidance of doubt, any DBS Bank Write-off in accordance with this Condition 7(a) shall not constitute a Default.

- (B) If a DBS Bank Trigger Event Notice has been given in respect of any DBS Bank Perpetual Capital Securities in accordance with this Condition 7(a), transfers of any such DBS Bank Perpetual Capital Securities that are the subject of such notice shall not be permitted during the Suspension Period (as defined in Condition 2). From the date on which a DBS Bank Trigger Event Notice in respect of any DBS Bank Perpetual Capital Securities in accordance with this Condition 7(a) is issued by DBS Bank to the end of the Suspension Period, the Trustee and the Registrar, if applicable, shall not register any attempted transfer of any DBS Bank Perpetual Capital Securities. As a result, such an attempted transfer will not be effective.
- (C) Any reference in these Conditions to principal in respect of the DBS Bank Perpetual Capital Securities shall refer to the principal amount of the DBS Bank Perpetual Capital Security(ies), reduced by any applicable DBS Bank Write-off(s).

(ii) *Multiple DBS Bank Trigger Events and DBS Bank Write-offs in part:*

- (A) Where only part of the principal and/or Distribution of DBS Bank Additional Tier 1 Capital Securities is to be Written-off, DBS Bank shall use reasonable endeavors to conduct any DBS Bank Write-off such that:
 - (x) holders of any Series of DBS Bank Perpetual Capital Securities are treated ratably and equally; and
 - (y) the DBS Bank Write-off of any DBS Bank Perpetual Capital Securities is conducted on a *pro rata* and proportionate basis with all other DBS Bank Additional Tier 1 Capital Securities, to the extent that such DBS Bank Additional Tier 1 Capital Securities are capable of being converted or written-off under any applicable laws and/or their terms of issue analogous to these Conditions.

A write-off or conversion (if applicable) of any DBS Bank Common Equity Tier 1 Capital shall not be required before a DBS Bank Write-off of any DBS Bank Perpetual Capital Securities can be effected in accordance with these Conditions.

- (B) Any Series of DBS Bank Perpetual Capital Securities may be subject to one or more DBS Bank Write-offs in part (as the case may be), except where such Series of DBS Bank Perpetual Capital Securities has been Written-off in its entirety.

(iii) *Definitions:*

In this Condition 7(a):

“**DBS Bank Common Equity Tier 1 Capital**” means:

- (A) any security issued by DBS Bank; or

- (B) any other similar obligation issued by any subsidiary of DBS Bank, that, in each case, constitutes Common Equity Tier 1 Capital of:
 - (x) DBS Bank, on an unconsolidated basis;
 - (y) the DBS Bank Group, on a consolidated basis; or
 - (z) the DBS Group, on a consolidated basis,
 pursuant to the relevant requirements set out in
 - (i) (in the case of (x) and (y) above) MAS Notice 637 or
 - (ii) (in the case of (z) above) (on the basis that DBSH is subject to the application of MAS Notice 637) MAS Notice 637 or any notice issued by the MAS in respect of Designated Financial Holding Companies that is analogous to MAS Notice 637;

“DBS Bank Loss Absorption Option” means such loss absorption option as may be specified in the applicable Pricing Supplement in respect of any DBS Bank Perpetual Capital Securities;

“DBS Bank Trigger Event” means the earlier of:

- (A) the MAS notifying DBS Bank in writing that it is of the opinion that a write-off or conversion, is necessary, without which the DBS Bank Group or the DBS Group would become non-viable; and
- (B) a decision by the MAS to make a public-sector injection of capital, or equivalent support, without which the DBS Bank Group or the DBS Group would have become non-viable, as determined by the MAS;

“DBS Bank Trigger Event Notice” means the notice specifying that a DBS Bank Trigger Event has occurred, which shall be issued by DBS Bank not more than two Business Days after the occurrence of a DBS Bank Trigger Event to the holders of the DBS Bank Perpetual Capital Securities in accordance with Condition 16, the Trustee and the Agents and which shall state with reasonable detail the nature of the relevant DBS Bank Trigger Event and, if applicable, specify the DBS Bank Trigger Event Write-off Amount per DBS Bank Perpetual Capital Security to be Written-off; and

“DBS Bank Trigger Event Write-off Amount” means the amount of Distribution and/or principal to be Written-off as the MAS may direct, or as DBS Bank shall determine in accordance with the MAS, which is required to be Written-off for the DBS Bank Trigger Event to cease to continue. For the avoidance of doubt, the write-off will be effected in full even in the event that the amount written-off is not sufficient for the DBS Bank Trigger Event to cease to continue.

(b) **Loss Absorption upon a DBSH Trigger Event in respect of DBSH Perpetual Capital Securities:**

- (i) *DBSH Write-off on a DBSH Trigger Event:*
 - (A) If **“Write-off”** is specified as being applicable for the Loss Absorption Option in the applicable Pricing Supplement for any DBSH Perpetual Capital Securities and a DBSH Trigger Event occurs DBSH shall, upon the issue of a DBSH Trigger Event Notice, irrevocably and without the need for the consent of the Trustee or the holders of any DBSH Perpetual Capital Securities, reduce the principal amount and cancel any accrued but unpaid Distribution of each DBSH Perpetual Capital Security (in whole or

in part) by an amount equal to the DBSH Trigger Event Write-off Amount per DBSH Perpetual Capital Security (a “**DBSH Write-off**”, and “**Written-off**” shall be construed accordingly). Once any principal or Distribution under a DBSH Perpetual Capital Security has been Written-off, it will be extinguished and will not be restored in any circumstances, including where the relevant DBSH Trigger Event ceases to continue. No Securityholder may exercise, claim or plead any right to any DBSH Trigger Event Write-off Amount, and each Securityholder shall be deemed to have waived all such rights to such DBSH Trigger Event Write-off Amount. For the avoidance of doubt, any DBSH Write-off in accordance with this Condition 7(b) shall not constitute a Default.

- (B) If a DBSH Trigger Event Notice has been given in respect of any DBSH Perpetual Capital Securities in accordance with this Condition 7(b), transfers of any such DBSH Perpetual Capital Securities that are the subject of such notice shall not be permitted during the Suspension Period (as defined in Condition 2). From the date on which a DBSH Trigger Event Notice in respect of any DBSH Perpetual Capital Securities in accordance with this Condition 7(b) is issued by DBSH to the end of the Suspension Period, the Trustee and the Registrar, if applicable, shall not register any attempted transfer of any DBSH Perpetual Capital Securities. As a result, such an attempted transfer will not be effective.
- (C) Any reference in these Conditions to principal in respect of the DBSH Perpetual Capital Securities shall refer to the principal amount of the DBSH Perpetual Capital Security(ies), reduced by any applicable DBSH Write-off(s).

(ii) *Multiple DBSH Trigger Events and DBSH Write-offs in part:*

- (A) Where only part of the principal and/or Distribution of DBSH Additional Tier 1 Capital Securities is to be Written-off, DBSH shall use reasonable endeavors to conduct any DBSH Write-off such that:
 - (x) holders of any Series of DBSH Perpetual Capital Securities are treated ratably and equally; and
 - (y) the DBSH Write-off of any DBSH Perpetual Capital Securities is conducted on a *pro rata* and proportionate basis with all other DBSH Additional Tier 1 Capital Securities, to the extent that such DBSH Additional Tier 1 Capital Securities are capable of being converted or written-off under any applicable laws and/or their terms of issue analogous to these Conditions.

A write-off or conversion (if applicable) of any DBSH Common Equity Tier 1 Capital shall not be required before a DBSH Write-off of any DBSH Perpetual Capital Securities can be effected in accordance with these Conditions.

- (B) Any Series of DBSH Perpetual Capital Securities may be subject to one or more DBSH Write-offs in part (as the case may be), except where such Series of DBSH Perpetual Capital Securities has been Written-off in its entirety.

(iii) *Definitions:*

In this Condition 7(b):

“**DBSH Common Equity Tier 1 Capital**” means:

- (A) any security issued by DBSH; or
- (B) any other similar obligation issued by any subsidiary of DBSH, that, in each case, constitutes Common Equity Tier 1 Capital of:

- (x) DBSH, on an unconsolidated basis;
- (y) the DBS Group, on a consolidated basis,
pursuant to the relevant requirements set out in
 - (i) (on the basis that DBSH is subject to the application of MAS Notice 637) MAS Notice 637, or
 - (ii) any notice issued by the MAS in respect of Designated Financial Holding Companies that is analogous to MAS Notice 637;

“DBSH Loss Absorption Option” means such loss absorption option as may be specified in the applicable Pricing Supplement in respect of any DBSH Perpetual Capital Securities;

“DBSH Trigger Event” means the earlier of:

- (A) the MAS notifying DBSH in writing that it is of the opinion that a write-off or conversion, is necessary, without which DBSH or the DBS Group would become non-viable; and
- (B) a decision by the MAS to make a public sector injection of capital, or equivalent support, without which DBSH or the DBS Group would have become non-viable, as determined by the MAS;

“DBSH Trigger Event Notice” means the notice specifying that a DBSH Trigger Event has occurred, which shall be issued by DBSH not more than two Business Days after the occurrence of a DBSH Trigger Event to the holders of the DBSH Perpetual Capital Securities in accordance with Condition 16, the Trustee and the Agents and which shall state with reasonable detail the nature of the relevant DBSH Trigger Event and, if applicable, specify the DBSH Trigger Event Write-off Amount per DBSH Perpetual Capital Security to be Written-off;

“DBSH Trigger Event Write-off Amount” means the amount of Distribution and/or principal to be Written-off as the MAS may direct, or as DBSH shall determine in accordance with the MAS, which is required to be Written-off for the DBSH Trigger Event to cease to continue. For the avoidance of doubt, the write-off will be effected in full even in the event that the amount written-off is not sufficient for the DBSH Trigger Event to cease to continue; and

“Trigger Event” means the DBS Trigger Event and/or the DBSH Trigger Event, as the context may require.

(c) **Bail-in Power**

- (i) Notwithstanding any other term of the Perpetual Capital Securities, including without limitation Condition 7(a) or 7(b), or any other agreement or arrangement, the Perpetual Capital Securities may be subject to cancellation, modification, conversion, change in form, or have the effect as if a right of modification, conversion, or change of form had been exercised by the MAS in the exercise of the MAS’ powers under Division 4A of Part 4B of the MAS Act without prior notice. The Trustee (on behalf of the holders of the Perpetual Capital Securities) and each holder of a Perpetual Capital Security shall be subject, and shall be deemed to agree, to be bound by and acknowledge that they are each subject to having the Perpetual Capital Security being the subject of the exercise of the MAS’ powers under Divisions 4A of Part 4B of the MAS Act. Further, the Trustee (on behalf of the holders of the Perpetual Capital Securities) and each holder of a Perpetual Capital Security shall be deemed to agree to be bound by a Bail-in Certificate.

The rights of the holders of Perpetual Capital Securities and the Trustee (on behalf of the holders of the Perpetual Capital Securities) under the Perpetual Capital Securities and these Conditions are subject to, and will be amended and varied (if necessary), solely to give effect to, the exercise of the MAS' powers under Division 4A of Part 4B of the MAS Act.

No repayment of any principal amount of any Perpetual Capital Securities or payment of Distributions shall become due and payable or be paid after the exercise of the MAS' powers under Division 4A of Part 4B of the MAS Act unless, at the time that such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations applicable to the Issuer.

Upon the issue of a Bail-in Certificate with respect to the Perpetual Capital Securities, the Issuer shall provide written notice of such Bail-in Certificate to the holders of Perpetual Capital Securities and the Trustee in accordance with Condition 16 not more than two Business Days after the issue of such Bail-in Certificate.

Neither the cancellation, modification, conversion or change in form of the Perpetual Capital Securities as a result of the exercise of the MAS' powers under Division 4A of Part 4B of the MAS Act with respect to the Issuer or the Perpetual Capital Securities shall constitute a Default under Condition 11.

(ii) In this Condition 7(c):

“**Bail-in Certificate**” means a bail-in certificate issued pursuant to Section 75 of the MAS Act; and

“**MAS Act**” means the Monetary Authority of Singapore Act 1970 of Singapore, as amended.

8 Payments

(a) **Perpetual Capital Securities not held in the CMU:**

- (i) Payments of principal in respect of Perpetual Capital Securities 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) Distributions on Perpetual Capital Securities shall be paid to the person shown on the Register at the close of business:
 - (A) in the case of a currency other than Renminbi, on the 15th day before the due date for payment thereof; and
 - (B) in the case of Perpetual Capital Securities denominated in Renminbi, on the fifth business day before the due date for payment (the “**Record Date**”). Payments of Distribution on each Perpetual Capital Security shall be made:
 - (C) in the case of a currency other than Renminbi, 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 Perpetual Capital Security at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any other Transfer Agent before the Record Date, such payment of Distribution may be made by transfer to an account in the relevant currency maintained by the payee with a Bank; and
 - (D) in the case of Renminbi, by transfer to the registered account of the Securityholder. If a holder does not maintain a registered account in respect of a payment to be made under the Perpetual Capital Securities, the Issuer reserves the right, in its sole discretion and upon such terms as it may determine, to make arrangements to pay

such amount to that holder by another means, *provided that* the Issuer shall not have any obligation to make any such arrangements.

In this Condition 8(a):

“registered account” means the Renminbi account maintained by or on behalf of the Securityholder with:

- (x) in the case of Perpetual Capital Securities cleared through the CMU Service, a bank in Hong Kong; or
- (y) in the case of Perpetual Capital Securities cleared through the CDP System or Perpetual Capital Securities in definitive form, a bank in Singapore or Hong Kong,

details of which appear on the Register at the close of business on the fifth Business Day before the due date for payment.

- (b) **Perpetual Capital Securities held in the CMU:** Payments of principal and Distributions in respect of Perpetual Capital Securities held in the CMU will be made to the person(s) for whose account(s) interests in the relevant Perpetual Capital Security are credited as being held with the CMU in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU in a relevant CMU Instrument Position Report (as defined in the Agency Agreement) or any other relevant notification by the CMU, which notification shall be conclusive evidence of the records of the CMU (save in the case of manifest error) and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

For so long as any of the Perpetual Capital Securities that are cleared through the CMU are represented by a Global Certificate, payments of Distribution or principal will be made to the persons for whose account a relevant interest in that Global Certificate is credited as being held by the operator of the CMU Service at the relevant time, as notified to the CMU Lodging and Paying Agent by the operator of the CMU Service in a relevant CMU Instrument Position Report (as defined in the rules of the CMU) or in any other relevant notification by the operator of the CMU Service. Such payment will discharge the Issuer’s obligations in respect of that payment. Any payments by the CMU participants to indirect participants will be governed by arrangements agreed between the CMU participants and the indirect participants and will continue to depend on the interbank clearing system and traditional payment methods. Such payments will be the sole responsibility of such CMU participants.

- (c) **Payments subject to fiscal laws:** Save as provided in Condition 9, payments will be subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws to which the Issuer agrees to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements. No commission or expenses shall be charged to the Securityholders in respect of such payments.
- (d) **Appointment of Agents:** The Issuing and Paying Agent, the CMU Lodging and Paying Agent, the CDP Paying Agent, the Paying Agents, the Registrars, 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 CMU Lodging and Paying Agent, the CDP 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 Securityholder. 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, the CMU Lodging and Paying Agent, the CDP 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;
- (iii) a Transfer Agent;
- (iv) a CMU Lodging and Paying Agent in relation to Perpetual Capital Securities accepted for clearance through the CMU Service;
- (v) a CDP Paying Agent in relation to Perpetual Capital Securities accepted for clearance through the CDP System;
- (vi) one or more Calculation Agent(s) where the Conditions so require;
- (vii) a Paying Agent in Singapore, where the Perpetual Capital Securities may be presented or surrendered for payment or redemption, in the event that the Global Certificates are exchanged for Definitive Certificates, for so long as the Perpetual Capital Securities are listed on the SGX-ST and the rules of the SGX-ST so require; and
- (viii) such other agents as may be required by any other stock exchange on which the Perpetual Capital Securities may be listed, in each case as approved by the Trustee.

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

- (e) **Non-Business Days:** If any date for payment in respect of any Perpetual Capital Security is not a business day, the holder shall not be entitled to payment until the next following business day nor to any Distribution 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 Centres**” hereon and:
 - (i) (in the case of a payment in a currency other than Euro or Renminbi) 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 TARGET2 Business Day; or
 - (iii) (in the case of Renminbi where the Perpetual Capital Securities are cleared through the CMU Service) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong; or
 - (iv) (in the case of Renminbi where the Perpetual Capital Securities are cleared through Euroclear or Clearstream) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in London; or
 - (v) (in the case of Renminbi where the Perpetual Capital Securities are cleared through the CDP System or where the Perpetual Capital Securities are in definitive form) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Singapore and Hong Kong.
- (f) **Renminbi fallback:** Notwithstanding the foregoing and subject to Condition 5 and 6(j), if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not, in its sole and absolute discretion, able to satisfy payments of principal or Distribution in respect of the Perpetual Capital

Securities when due in Renminbi (in the case of Perpetual Capital Securities cleared through the CMU Service, Euroclear or Clearstream) in Hong Kong, or (in the case of Perpetual Capital Securities cleared through the CDP System) in Singapore, the Issuer shall, on giving not less than five nor more than 30 days' irrevocable notice to the Securityholders prior to the due date for payment, settle any such payment (in the case of Perpetual Capital Securities cleared through the CMU Service, Euroclear or Clearstream) in U.S. dollars, or (in the case of Perpetual Capital Securities cleared through the CDP System) in Singapore dollars, on the due date at (in the case of Perpetual Capital Securities cleared through the CMU Service, Euroclear or Clearstream) the U.S. Dollar Equivalent, or (in the case of Perpetual Capital Securities cleared through the CDP System) the Singapore Dollar Equivalent, of any such Renminbi denominated amount. The due date for payment shall be the originally scheduled due date or such postponed due date as shall be specified in the notice referred to above, which postponed due date may not fall more than 20 days after the originally scheduled due date. Distributions on the Perpetual Capital Securities will continue to accrue up to but excluding any such date for payment of principal.

In such event, payments of the U.S. Dollar Equivalent or the Singapore Dollar Equivalent (as applicable) of the relevant principal or Distribution in respect of the Perpetual Capital Securities shall be made by:

- (i) in the case of Perpetual Capital Securities cleared through the CMU Service, Euroclear or Clearstream, transfer to a U.S. dollar denominated account maintained by the payee with, or by a U.S. dollar denominated cheque drawn on, or, at the option of the holder, by transfer to a U.S. dollar account maintained by the holder with, a bank in New York City; and the definition of "**business day**" for the purpose of this Condition 8(f) shall mean any day on which banks and foreign exchange markets are open for general business in the relevant place of presentation, and New York City; or
- (ii) in the case of Perpetual Capital Securities cleared through the CDP System, transfer to a Singapore dollar denominated account maintained by the payee with, or by a Singapore dollar denominated cheque drawn on, a bank in Singapore.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 8(f) by the Calculation Agent will (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, the Agents and all Securityholders.

In this Condition 8:

"Determination Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange):

- (i) in the case of Perpetual Capital Securities cleared through the CMU Service, Euroclear or Clearstream, in Hong Kong, in Singapore and New York City; or
- (ii) in the case of Perpetual Capital Securities cleared through the CDP System, in Singapore;

"Determination Date" means the day which:

- (i) in the case of Perpetual Capital Securities cleared through the CMU Service or Euroclear or Clearstream, is five Determination Business Days before the due date for payment of the relevant amount under these Conditions; or
- (i) in the case of Perpetual Capital Securities cleared through the CDP System, is seven Determination Business Days before the due date for payment of the relevant amount under these Conditions;

“Governmental Authority” means:

- (i) in the case of Perpetual Capital Securities cleared through the CMU Service, Euroclear or Clearstream, any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong; or
- (ii) in the case of Perpetual Capital Securities cleared through the CDP System, the MAS or any other governmental authority or any other entity (private or public) charged with the regulation of the financial markets of Singapore;

“Illiquidity” means:

- (i) in the case of Perpetual Capital Securities cleared through the CMU Service, Euroclear or Clearstream, the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay Distribution or principal in respect of the Perpetual Capital Securities as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers; or
- (ii) in the case of Perpetual Capital Securities cleared through the CDP System, the general Renminbi exchange market in Singapore becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay Distribution or principal in respect of the Perpetual Capital Securities as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers selected by the Issuer;

“Inconvertibility” means the occurrence of any event that makes it impossible (where it had been previously possible) for the Issuer to convert any amount due in respect of the Perpetual Capital Securities in the general Renminbi exchange market in, in the case of Perpetual Capital Securities cleared through the CMU Service, Euroclear or Clearstream, Hong Kong, or, in the case of Perpetual Capital Securities cleared through the CDP System, Singapore, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

“Non-transferability” means the occurrence of any event that makes it impossible for the Issuer to transfer Renminbi between accounts:

- (i) in the case of Perpetual Capital Securities cleared through the CMU Service, Euroclear or Clearstream, inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation) in Hong Kong and in New York City; or
- (ii) in the case of Perpetual Capital Securities cleared through the CDP System, inside Singapore or from an account inside Singapore to an account outside Singapore and outside the PRC or from an account outside Singapore and outside the PRC to an account inside Singapore, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such

law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

“**PRC**” means the People’s Republic of China (excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan);

“**Renminbi Dealer**” means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in:

- (i) in the case of Perpetual Capital Securities cleared through the CMU Service, Euroclear or Clearstream, in Hong Kong; and
- (ii) in the case of Perpetual Capital Securities cleared through the CDP System, in Singapore;

“**Singapore Dollar Equivalent**” means the Renminbi amount converted into Singapore dollars using the relevant Spot Rate for the relevant Determination Date;

“**Spot Rate**” means:

- (i) in the case of Perpetual Capital Securities cleared through the CMU Service, Euroclear or Clearstream, the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11:00 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Bloomberg Page <CNH Curncy> or, if no such rate is available, on a non-deliverable basis by reference to Bloomberg Page <CNH Curncy>;

If such rate is not available, the Calculation Agent will determine the Spot Rate at or around 11:00 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Determination Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on Bloomberg Page <RBMUSD Index>. Reference to a Bloomberg page includes such other display page as may replace that page for the purpose of displaying a comparable currency exchange rate;

- (ii) in the case of Perpetual Capital Securities cleared through the CDP System, for a Determination Date, means the spot Renminbi/Singapore dollar exchange rate as determined by the Issuer at or around 11:00 a.m. (Singapore time) on such date in good faith and in a reasonable commercial manner, and if a spot rate is not readily available, the Issuer may determine the rate taking into consideration all available information which the Issuer deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Singapore or elsewhere and the PRC domestic foreign exchange market in Singapore.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 8(f) by the Calculation Agent will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the Agents and all Securityholders; and

“**U.S. Dollar Equivalent**” means the Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Determination Date as promptly notified to the Issuer and the Paying Agents.

9 Taxation

All payments of principal and Distributions by or on behalf of the Issuer in respect of the Perpetual Capital Securities 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 Hong Kong branch of the Issuer, Hong Kong, and (iii) solely in the case of Notes issued by the London branch of the Issuer, the UK, and (iv) solely in the case of Notes issued by the Taipei branch of the Issuer, the Republic of China, (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 Securityholders 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 Perpetual Capital Security:

- (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 Perpetual Capital Security by reason of his having some connection with the Relevant Taxing Jurisdiction other than the holding or ownership of the Perpetual Capital Security 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 Certificate representing the Perpetual Capital Security 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 30th such day.

As used in these Conditions, **Relevant Date** in respect of any Perpetual Capital Security 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 Securityholders that, upon further presentation of the Certificate representing the Perpetual Capital Security 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 Perpetual Capital Securities, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it,
- (ii) “**Distribution**” shall be deemed to include all Distribution Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it, and
- (iii) “**principal**” and/or “**Distribution**” 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.

Notwithstanding any other provision of the Conditions, any amounts to be paid on the Perpetual Capital Securities by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as

amended (the “**Code**”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

Where distribution, discount income, prepayment fee, redemption premium or break cost is derived from any of the Perpetual Capital Securities 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, shall not apply if such person acquires such Perpetual Capital Securities using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose distributions, discount income, prepayment fee, redemption premium or break cost derived from the Perpetual Capital Securities 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.

10 Prescription

Claims against the Issuer for payment in respect of the Perpetual Capital Securities shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of Distribution) from the appropriate Relevant Date in respect of them.

11 Default

- (a) *Default: “**Default**”,* wherever used in this Condition 11, 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 Distribution on any Perpetual Capital Security (which default in the case of principal continues for seven Business Days and in the case of Distribution continues for 14 Business Days) after the due date for such payment.

If a DBS Bank Write-off or a DBSH Write-off (as the case may be) has occurred pursuant to, or otherwise in accordance with, Condition 7, such event will not constitute a Default under these Conditions.

- (b) *Enforcement:* If a Default occurs in relation to the Perpetual Capital Securities 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 Perpetual Capital Security in the case of such Default in payment on such Perpetual Capital Security or a default in the performance of any other covenant of the Issuer in such Perpetual Capital Security or in the Trust Deed except as provided for in this Condition 11 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 relevant Perpetual Capital Securities, after the payment in full of all claims of all DBS Bank Relevant Creditors (in the case of DBS Bank) or DBSH Relevant Creditors (in the case of DBSH), but in priority to holders of Junior Obligations of the Relevant Issuer, such amount remaining after the payment in full of all claims of all DBS Bank Relevant Creditors (in the case of DBS Bank) or DBSH Relevant Creditors (in the case of DBSH) up to, but not exceeding, the nominal amount of the relevant Perpetual Capital Securities together with Distribution accrued to the date of repayment.

- (c) *Rights and Remedies upon Default:* If a Default in respect of the payment of principal of or Distribution on the Perpetual Capital Securities 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 relevant Perpetual Capital Securities other than a Default specified in Condition 11(a) above, the Trustee and the Securityholders 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 Perpetual Capital Security except as provided in this Condition 11 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 relevant Perpetual Capital Securities, 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.
- (d) *Entitlement of the Trustee:* The Trustee shall not be bound to take any of the actions referred to in Condition 11(b) and Condition 11(c) above or Clause 7.3 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 Securityholders or in writing by the holders of at least one-quarter in nominal amount of the relevant Perpetual Capital Securities then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction in its sole discretion.
- (e) *Rights of Holders:* No Securityholder 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 Securityholder 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 11 and Clause 7 of the Trust Deed, shall be available to the Trustee or any Securityholder whether for the recovery of amounts owing in relation to or arising from the relevant Perpetual Capital Securities 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 relevant Perpetual Capital Securities and/or the Trust Deed.

12 Meetings of Securityholders, Modification and Waiver

- (a) **Meetings of Securityholders:** The Trust Deed contains provisions for convening meetings of Securityholders 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 Securityholders holding not less than 10% in nominal amount of the Perpetual Capital Securities 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 Perpetual Capital Securities for the time being outstanding, or at any adjourned meeting two or more persons being or representing Securityholders whatever the nominal amount of the Perpetual Capital Securities held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*,
 - (i) to amend the dates of redemption of the Perpetual Capital Securities or any date for payment of Distribution or Distribution Amounts on the Perpetual Capital Securities,
 - (ii) to reduce or cancel the nominal amount of, or any premium payable on redemption of, the Perpetual Capital Securities,

- (iii) to reduce the rate or rates of Distribution in respect of the Perpetual Capital Securities or to vary the method or basis of calculating the rate or rates or amount of Distribution or the basis for calculating any Distribution Amount in respect of the Perpetual Capital Securities (except as a result of any modification contemplated in Condition 4(i)),
- (iv) if a Minimum Rate of Distribution and/or a Maximum Rate of Distribution, 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,
- (vi) to vary the currency or currencies of payment or denomination of the Perpetual Capital Securities,
- (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 Securityholders or the majority required to pass the Extraordinary Resolution, or
- (ix) to modify Condition 3 in respect of the Perpetual Capital Securities, in which case the necessary quorum shall be two or more persons holding or representing not less than 75%, or at any adjourned meeting not less than 25%, in nominal amount of the Perpetual Capital Securities for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on all Securityholders (whether or not they were present at the meeting at which such resolution was passed).

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90% in nominal amount of the Perpetual Capital Securities outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Securityholders 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 Securityholders.

The consent or approval of the Securityholders shall not be required in the case of amendments to the Conditions pursuant to Condition 4(i) to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Distribution Amount in respect of the Perpetual Capital Securities or for any other variation of these Conditions and/or the Agency Agreement required to be made in the circumstances described in Condition 4(i), where the requirements of Condition 4(i) have been satisfied (including the provision of a certificate to the Trustee, where applicable).

These Conditions may be amended, modified or varied in relation to any Series of Perpetual Capital Securities 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 Securityholders 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 or to comply with mandatory provisions of applicable law or as required by CDP and/or the CMU and/or DTC and/or Euroclear and/or Clearstream; and
 - (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of 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 Securityholders. 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

prior approval of the MAS to the extent that such modification changes or otherwise affects the eligibility of the Perpetual Capital Securities as Additional Tier 1 Capital Securities. Any such modification, authorisation or waiver shall be binding on the Securityholders and, if the Trustee so requires, such waiver or authorisation shall be notified to the Securityholders 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 12) the Trustee shall have regard to the interests of the Securityholders as a class and shall not have regard to the consequences of such exercise for individual Securityholders and the Trustee shall not be entitled to require, nor shall any Securityholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Securityholders.

13 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 Securityholders 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, certificate or advice and such report, confirmation, certificate or advice shall be binding on the Issuer, the Trustee and the Securityholders.

14 Replacement of Certificates

If a Certificate 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 Registrar 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 Securityholders, 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 Certificate is subsequently presented for payment, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Certificates) and otherwise as the Issuer and/or Agent may require in their sole discretion. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

15 Further Issues

The Issuer may from time to time without the consent of the Securityholders create and issue further securities either having the same terms and conditions as the Perpetual Capital Securities in all respects (or in all respects except for the first payment of Distribution 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 Perpetual Capital Securities) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Perpetual Capital Securities include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Perpetual Capital Securities. Any further securities forming a single series with the outstanding securities of any series (including the Perpetual Capital Securities) 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 Securityholders and the holders of securities of other series where the Trustee so decides.

16 Notices

Notices to the holders of Perpetual Capital Securities 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.

- (a) So long as the Perpetual Capital Securities are represented by the Global Certificate and the Global Certificate is held on behalf of:
- (i) CDP, DTC, Euroclear or Clearstream or the Alternative Clearing System (as defined in the form of the Global Certificate), notices to Securityholders shall be given by delivery of the relevant notice to CDP (subject to the agreement of CDP), 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; or
 - (ii) the CMU, notices to the holders of Perpetual Capital Securities of that Series may be given by delivery of the relevant notice to the persons shown in a CMU Instrument Position Report issued by the Hong Kong Monetary Authority on the business day preceding the date of dispatch of such notice,

except that if the Perpetual Capital Securities 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.

- (b) A DBS Bank Trigger Event Notice or a DBSH Trigger Event Notice (as the case may be) or notice of the issue of a Bail-in Certificate to the holders of the relevant Perpetual Capital Securities shall be deemed to have been validly given on the date on which such notice is published in a daily newspaper of general circulation in Singapore (which is expected to be The Business Times) or, so long as Perpetual Capital Securities are listed on the SGX-ST, published on the website of the SGX-ST <https://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.

17 Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Perpetual Capital Security 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 Securityholder 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 Perpetual Capital Security 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 Perpetual Capital Security, 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 Securityholder, 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 Securityholder 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 Perpetual Capital Security or any other judgment or order.

18 Contracts (Rights of Third Parties) Act

[No person shall have any right to enforce any term or condition of the Perpetual Capital Securities under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Perpetual Capital Securities 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 Perpetual Capital Securities under the Contracts (Rights of Third Parties) Act 2001 of Singapore.]²

19 Governing Law and Jurisdiction

(a) **Governing Law:** The Trust Deed, the Perpetual Capital Securities 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, save that Condition 7(c) and 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]¹ [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 Perpetual Capital Securities, save that the courts of Singapore shall have exclusive jurisdiction to settle any disputes that arise out of or are in connection with the provisions in relation to subordination, set-off and payment void and default and enforcement and, accordingly, any legal action or proceedings arising out of or in connection with any Perpetual Capital Securities (“**Proceedings**”) may be brought in such courts. Insofar that the Proceedings do not arise out of or are in connection with Condition 7(c) and the provisions in relation to subordination, set-off and payment void and default and enforcement, 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 Perpetual Capital Securities 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). Insofar as the Proceedings arise out of or are in connection with Condition 7(c) and the provisions in relation to subordination, set-off and payment void and default and enforcement, all parties irrevocably submit to the exclusive jurisdiction of the courts of Singapore and waive any objection to Proceedings in such courts on the ground of venue or on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.]¹

[The courts of Singapore are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Perpetual Capital Securities and accordingly any legal action or proceedings arising out of or in connection with any Perpetual Capital Securities (“**Proceedings**”) shall be brought in such courts. All parties irrevocably submit to the exclusive jurisdiction of the courts of Singapore and waive any objection to Proceedings in such courts on the ground of venue or on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.]²

(c) **[Service of Process:**

(i) DBS Bank has in the Trust Deed agreed that its branch in England shall accept service of process on its behalf in respect of any Proceedings in England. If such branch ceases to be able to accept service of process in England, DBS Bank shall immediately appoint a new agent to accept such service of process in England.

¹ Include for Perpetual Capital Securities governed by English law.

² Include for Perpetual Capital Securities governed by Singapore law.

- (ii) DBSH has in the Trust Deed agreed that DBS Bank's branch in England shall accept service of process on its behalf in respect of any proceeding in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such branch ceases to be able to accept service of process in England, DBSH shall immediately appoint a new agent to accept such service of process in England.]¹

20 Headings

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

¹ Include for Perpetual Capital Securities governed by English law.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The following section does not apply to AMTNs.

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 (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable, and their issue price), 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 (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable, 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 Global Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depositary or CDP.

Upon the initial deposit of a Global Note with a Common Depositary, CDP or a sub-custodian for the HKMA as operator of the CMU or registration of Registered Notes in the name of any nominee for CDP, the HKMA, Euroclear and Clearstream and delivery of the relative Global Certificate to the Common Depositary, CDP or the CMU (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 Depositary may also be credited to the accounts of subscribers with (if indicated in the applicable Pricing Supplement) other clearing systems through direct or indirect accounts with CDP and/or the CMU and/or Euroclear and Clearstream 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 CDP, the CMU, Euroclear, Clearstream or other clearing systems.

While 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 CDP and/or the CMU Lodging and Paying Agent and/or Euroclear and/or Clearstream and (in the case of a Temporary Global Note delivered to a Common Depositary for Euroclear and/or Clearstream) Euroclear and/or Clearstream, as applicable, has given a like certification (based on the certifications it has received) to the Agent or (in the case of Notes cleared through CDP) CDP has given a like certificate (based on the certification it has received) to the CDP Paying Agent.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of CDP, DTC, Euroclear, Clearstream 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 CDP, DTC, Euroclear, Clearstream or any such Alternative Clearing

System (as the case may be) for his share of each payment made by the Relevant 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 DTC, Euroclear, Clearstream or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Relevant 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 Relevant 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.

If a Global Note or Global Certificate is lodged with a sub-custodian for or registered with the CMU, the person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in accordance with the CMU Rules shall be the only person(s) entitled (or, in the case of Registered Notes, directed or deemed by the CMU as entitled) to receive payments in respect of Notes represented by such Global Note or Global Certificate and the Relevant Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in respect of each amount so paid. Each of the persons shown in the records of the CMU as the beneficial holder of a particular nominal amount of Notes represented by such Global Note or Global Certificate must look solely to the CMU Lodging and Paying Agent for his share of each payment so made by the Relevant Issuer in respect of such Global Note or Global Certificate.

Exchange

1 Temporary Global Notes

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

- (a) if the applicable Pricing Supplement indicates that such Global Note is issued in compliance with TEFRA C or in a transaction to which TEFRA is not applicable (as to which, see “*Summary of the Programme – Selling Restrictions*”), in whole, but not in part, for the Definitive Notes defined and described below; and
- (b) 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 applicable Pricing Supplement, for Definitive Notes.

The CMU may require that any such exchange for a Permanent Global Note is made in whole and not in part and, in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report (as defined in the rules of the CMU) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) have so certified.

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 “*Partial Exchange of Permanent Global Notes*”, in part for Definitive Notes:

- (a) if the Permanent Global Note is held on behalf of the CMU, Euroclear or Clearstream 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) if the Permanent Global Note is held on behalf of CDP, (a) an Issuer Event of Default, enforcement event or analogous event entitling an accountholder or the Trustee to declare the Notes due and payable as provided in the relevant Conditions has occurred and is continuing, (b) CDP is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise), (c) CDP announces an intention permanently to cease business and no Alternative Clearing System is available or (d) CDP has notified the Relevant Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties as set out in the terms and conditions for the provision of depository services and no Alternative Clearing System is available; or
- (c) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Issuing and Paying Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging 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 CDP, the CMU, Euroclear or Clearstream.

3 Global Certificates

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 CDP, the CMU, DTC, Euroclear or Clearstream or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system while 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 Note Condition 2(b) and Perpetual Capital Securities Condition 2(a) may be made:

- (a) in whole or in part, if the Unrestricted Global Certificate is held on behalf of the CMU, Euroclear or Clearstream 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) in whole or in part, if the Unrestricted Global Certificate is held on behalf of CDP,
 - (i) an Event of Default or Default, enforcement event or analogous event entitling an accountholder or the Trustee to declare the Notes due and payable as provided in the Conditions has occurred and is continuing,
 - (ii) CDP is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise),
 - (iii) CDP announces an intention permanently to cease business and no Alternative Clearing System is available, or
 - (iv) CDP has notified the Relevant Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties as set out in the terms and conditions for the provision of depository services and no Alternative Clearing System is available; or

- (c) in whole but not in part, if such Notes are held on behalf of a Custodian for DTC and if DTC notifies the Relevant Issuer that it is no longer willing or able to discharge properly its responsibilities as depository with respect to that Unrestricted 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 the Relevant Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC; or
- (d) in whole or in part, with the consent of the Relevant Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph (a) above, the registered holder of the Note (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.

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 Note Condition 2(b) (in respect of Notes other than Perpetual Capital Securities) and Perpetual Capital Securities Condition 2(a) (in respect of Perpetual Capital Securities) 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 Relevant Issuer that it is no longer willing or able to discharge properly its responsibilities as depository 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 the Relevant 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 Relevant 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*”.

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 Note Conditions (which will be set out in the applicable 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 (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent). In exchange for any Global Note, or the part thereof to be exchanged, the Relevant Issuer will:

- (a) 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

- (b) 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 (in respect of Notes other than Perpetual Capital Securities) or Instalment 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 Relevant 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:

(a) Payments

Except in the case of Definitive Notes where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Notes, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Notes (or, if a Note is specified as being partly paid, the aggregate amount paid up); or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

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 TEFRA D 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 (except with respect to a Global Note held through the CMU) 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. 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 Note Condition 7(j) (in respect of Notes other than Perpetual Capital Securities).

All payments made in respect of Notes represented by a Global Certificate held on behalf of Euroclear or Clearstream 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 record date which shall be 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.

All payments made in respect of Notes represented by a Global Certificate held by CDP 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 fifth business day prior to the date of payment.

In respect of a Global Note or Global Certificate representing Notes held through the CMU, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Global Note or Global Certificate are credited (as set out in the records of the CMU) at the close of business on the Clearing System Business Day immediately prior to the date for payment and, save in the case of final payment, no presentation of the relevant bearer Global Note or Global Certificate shall be required for such purpose.

(b) **Suspension of Transfers on Trigger Event or Bail-in**

Subject to the procedures of CDP, the CMU, DTC, Euroclear or Clearstream, as applicable (in the case of Subordinated Notes or Perpetual Capital Securities held and cleared through CDP, the CMU, DTC, Euroclear or Clearstream, as the case may be), transfers of Subordinated Notes represented by the Global Notes or the Global Certificates and transfers of Perpetual Capital Securities represented by Global Certificates shall be suspended during any Suspension Period. As a result, holders will not be able to settle the transfer of any such Subordinated Notes or Perpetual Capital Securities from the commencement of the Suspension Period, and any sale or other transfer of such Subordinated Notes or Perpetual Capital Securities that a holder may have initiated prior to the commencement of the Suspension Period that is scheduled to settle during the Suspension Period will be rejected by CDP, the CMU, DTC, Euroclear or Clearstream, as applicable and will not be settled within CDP, the CMU, DTC, Euroclear or Clearstream, as the case may be.

(c) **Prescription**

Claims against the Relevant 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 10 years (in the case of principal) and five years (in the case of interest (in respect of Notes other than Perpetual Capital Securities)) from the appropriate Relevant Date (as defined in Note Condition 8 (in respect of the Notes other than Perpetual Capital Securities)).

(d) **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.)

(e) **Cancellation**

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

(f) **Purchase**

Notes represented by a Permanent Global Note may, at any time, only be purchased by the Relevant Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest (in respect of Notes other than Perpetual Capital Securities) and Instalment Amounts (if any) thereon.

(g) **Issuers' Option**

Any option of the Relevant Issuer provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note shall be exercised by the Relevant Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Note Conditions, except that the notice shall not be required to contain the serial numbers of Bearer Notes drawn. In the event that any option of the Relevant 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 CDP, the CMU, DTC, Euroclear and/or Clearstream (to be reflected in the records of Euroclear and Clearstream as either a pool factor or a reduction in nominal amount, at their discretion) or any other clearing system (as the case may be).

(h) **Noteholders' Options**

Any option of the Noteholders provided for in the relevant 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 (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent and, in the case of Notes cleared through CDP, the CDP Paying Agent) within the time limits relating to the deposit of Notes with a Paying Agent set out in the relevant 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, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent and, in the case of Notes cleared through CDP, the CDP Paying Agent or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation.

(i) **Trustee's Powers**

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Global Certificate and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

(j) **Direct Rights in respect of Notes cleared through CDP**

If any Issuer Event of Default has occurred and is continuing, the Trustee may state in a notice given to the Issuing and Paying Agent and the Relevant Issuer (the "**default notice**") the nominal amount of Notes (which may be less than the outstanding nominal amount of the Global Note or Global Certificate) which is being declared due and payable. Following the giving of the default notice, the holder of the Notes represented by the Global Note or Global Certificate, as the case may be, cleared through CDP may (subject as provided below) elect that direct rights ("**Direct Rights**") under the provisions of the deeds of covenant executed as a deed by DBS Bank on 26 March 2014 or

DBSH on 26 March 2014, each as amended and supplemented on 14 April 2016, (and as further amended, restated or supplemented from time to time, the “**CDP Deed of Covenant**”) shall come into effect in respect of a nominal amount of Notes up to the aggregate nominal amount in respect of which such default notice has been given. Such election shall be made by notice to the Issuing and Paying Agent and the Registrar in the case of the Global Certificate and presentation of the Global Note or Global Certificate, as the case may be, to or to the order of the Issuing and Paying Agent for reduction of the nominal amount of Notes represented by the Global Note or Global Certificate, as the case may be, by such amount as may be stated in such notice and by endorsement of the appropriate Schedule hereto of the nominal amount of Notes in respect of which Direct Rights have arisen under the relevant CDP Deed of Covenant. Upon each such notice being given, the Global Note or Global Certificate, as the case may be, shall become void to the extent of the nominal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Exchange Date or the date of transfer in respect of a Global Certificate unless the holder elects in such notice that the exchange for such Notes shall no longer take place.

(k) **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 (subject, in the case of the Global Note or Global Certificate held by CDP, to the agreement of CDP, and except for the Global Note or Global Certificate held by the CMU) for communication by it to entitled accountholders in substitution for publication as required by the relevant 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 relevant Conditions.

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 the CMU, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the CMU 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, and any such notice shall be deemed to have been given to the Noteholders on the day on which such notice is delivered to the CMU.

(l) **Partly-paid Notes**

The provisions relating to Partly-paid Notes are not set out in this Offering Circular, but will be contained in the applicable Pricing Supplement and thereby in the Global Notes or the Global Certificate. While any instalments 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 instalment due on any Partly-paid Notes within the time specified, the Issuers may forfeit such Notes and shall have no further obligation to their holder in respect of them.

(m) **Electronic Consent and Written Resolution**

For so long as the Notes are in the form of a Global Note held on behalf of, or a Global Certificate registered in the name of any nominee for, one or more of Euroclear, Clearstream or another clearing system, then, in respect of any resolution proposed by the Relevant Issuer or the Trustee:

- (i) where the terms of the proposed resolution have been notified to the Noteholders through the relevant clearing system(s), each of the Relevant Issuer and the Trustee shall be entitled to rely upon approval of such resolution proposed by the Relevant Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic

communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90% in nominal amount of the Notes outstanding (an “**Electronic Consent**” as defined in the Trust Deed). Neither the Relevant Issuer nor the Trustee shall be liable or responsible for such reliance; and

- (ii) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution has been validly passed, the Relevant Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Relevant Issuer and/or the Trustee, as the case may be, by accountholders in the clearing system with entitlements to such Global Note or Global Certificate or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and *provided that*, in each case, the Relevant Issuer and the Trustee have obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, “**commercially reasonable evidence**” includes any certificate or other document issued by Euroclear, Clearstream or any other relevant clearing system, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Notes. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EUCLID or Clearstream’s CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Relevant Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

A Written Resolution and/or Electronic Consent shall take effect as an Extraordinary Resolution. A Written Resolution and/or Electronic Consent will be binding on all Noteholders and holders of Coupons, Talons and Receipts, whether or not they participated in such Written Resolution and/or Electronic Consent.

USE OF PROCEEDS

The net proceeds from the issue of each Tranche of Notes will be used for:

- (a) the general business purposes of the DBS Group; or
- (b) the finance and treasury activities of DBSH, including the provision of intercompany loans (or other forms of financing) to DBS Bank Group.

CAPITALISATION AND INDEBTEDNESS OF THE DBS GROUP

The following table sets forth the capitalisation and indebtedness of the DBS Group as at 31 December 2021, based on or derived from the audited consolidated financial statements of the DBS Group unless otherwise indicated.

In SGD millions	As at 31 December 2021
<hr/>	
Short-term liabilities	
Customer deposits	501,959
Interbank liabilities	30,209
Other debt securities	38,056
Other liabilities	38,985
Total short-term liabilities	<hr/> 609,209 <hr/>
Long-term liabilities	
Other debt securities	14,514
<hr/>	
Non-controlling interests	
Non-controlling interests in subsidiaries	188
<hr/>	
Loan capital	
Subordinated term debts ⁽¹⁾	4,636
<hr/>	
Shareholders' funds	
Share capital	11,383
Other equity instruments ⁽²⁾	2,392
Other reserves	3,810
Revenue reserves	39,941
Total shareholders' funds	<hr/> 57,526 <hr/>
Total capitalisation ⁽³⁾	686,073
Contingent liabilities	34,079

Notes:

- (1) Includes SGD 250 million 3.80% subordinated notes callable in 2023, JPY 10,000 million 0.918% subordinated notes due 2026, AUD 750 million floating rate subordinated notes callable in 2023, EUR 600 million 1.5% subordinated notes callable in 2023, RMB 950 million 5.25% subordinated notes callable in 2023, USD 750 million 4.52% subordinated notes callable in 2023, JPY 7,300 million 0.85% subordinated notes callable in 2023, AUD 300 million floating rate subordinated notes callable in 2026, RMB 1,600 million 3.70% subordinated notes callable in 2026 and USD 500 million 1.822% subordinated notes callable in 2026. These qualify for Tier 2 capital treatment.
- (2) Comprises SGD 1,000 million 3.98% non-cumulative non-convertible perpetual capital securities first callable in 2025 and USD 1,000 million 3.30% non-cumulative non-convertible perpetual capital securities first callable in 2025. These qualify for Additional Tier 1 capital treatment.
- (3) Includes short-term liabilities, long-term liabilities, non-controlling interests, loan capital, and shareholders' funds.

CAPITALISATION AND INDEBTEDNESS OF THE DBS BANK GROUP

The following table sets forth the capitalisation and indebtedness of the DBS Bank Group as at 31 December 2021, based on or derived from the audited consolidated financial statements of the DBS Bank Group unless otherwise indicated.

In SGD millions	As at 31 December 2021
Short-term liabilities	
Customer deposits	501,959
Interbank liabilities	30,209
Other debt securities	35,937
Other liabilities ⁽¹⁾	49,262
Total short-term liabilities	617,367
Long-term liabilities	
Other debt securities	10,964
Non-controlling interests	
Preference shares and non-controlling interests in subsidiaries ⁽²⁾	1,165
Shareholders' funds	
Share capital	24,452
Other equity instruments ⁽³⁾	2,396
Other reserves	(600)
Revenue reserves	30,987
Total shareholders' funds	57,235
Total capitalisation ⁽⁴⁾	686,731
Contingent liabilities	34,079

Notes:

- (1) Includes amount due to holding company.
- (2) Includes SGD 344 million 1.6% perpetual subordinated loan issued by Heedum Pte Ltd, TWD 8,000 million 2.279% non-cumulative and perpetual preferred shares issued by DBS Bank (Taiwan) Ltd and HKD 1,400 million 3.9% non-cumulative preference shares issued by DBS Bank (Hong Kong) Limited.
- (3) Includes SGD 1,000 million 3.98% non-cumulative, non-convertible perpetual capital securities first callable in 2025 and USD 1,000 million 3.30% non-cumulative non-convertible perpetual capital securities first callable in 2025.
- (4) Includes short-term liabilities, long-term liabilities, non-controlling interests, and shareholders' funds.

DESCRIPTION OF THE BUSINESS OF THE DBS GROUP

The DBS Group is the largest banking group in Southeast Asia by total assets and is engaged in a range of commercial banking and financial services, principally in Asia. As at 31 December 2021, the DBS Group had SGD 686 billion in total assets, SGD 409 billion in customer loans and advances, SGD 502 billion in customer deposits and SGD 58 billion in total shareholders' funds.

The DBS Group is headquartered and listed in Singapore and has a growing presence in the three key Asian axes of growth: Greater China, South Asia and Southeast Asia. In Singapore, the DBS Group has leading positions in consumer banking, wealth management, institutional banking, treasury and capital markets. As at, and for the year ended 31 December 2021, Singapore accounted for 66% and 63% of the DBS Group's assets (excluding goodwill and intangibles) and total income (excluding one-time item).

The DBS Group's Greater China presence is anchored in Hong Kong and also encompasses China and Taiwan, where it operates locally-incorporated subsidiaries. The DBS Group also operates locally-incorporated subsidiaries in Indonesia and India. Its diversification in the Asia Pacific region has resulted in a more balanced geographical distribution of its assets and total operating income.

Substantially all of the assets, liabilities and income of the DBS Group are derived from the DBS Bank Group. As at 31 December 2021, the DBS Bank Group accounted for nearly 100% of the DBS Group's consolidated total assets and net profit. DBSH has long-term issuer ratings of "AA-" from Fitch and "Aa2" from Moody's. DBS Bank is one of the highest rated commercial banks in Asia with long-term issuer ratings of "AA-" from Fitch, "Aa1" from Moody's and "AA-" from Standard & Poor's. DBSH's and DBS Bank's credit ratings have stable outlooks from Fitch, Moody's and Standard & Poor's.

DBS Bank was incorporated in July 1968 by the Singapore government as a financial institution to support Singapore's economic development and industrialisation. 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 21 July 2003, DBS Bank changed its legal name from The Development Bank of Singapore Limited to DBS Bank Ltd.

DBS Bank's parent company, DBSH, is one of the largest listed companies in Singapore, with a market capitalisation of approximately SGD 83.9 billion based on the closing price per ordinary share on the Main Board of the SGX-ST, as at 31 December 2021.

Strengths

Strong credit profile and resilient capital base

The DBS Group has consistently maintained robust capital ratios and as at 31 December 2021, had a Common Equity Tier 1 ("CET1") capital adequacy ratio ("CAR") of 14.4%, a Tier 1 CAR of 15.1% and a Total CAR of 17.0%. The DBS Group's capital position is above the MAS Basel III capital requirements that have been effective from 1 January 2013. The DBS Group has adopted a prudent dividend policy – paying sustainable dividends that grow progressively with earnings – to ensure that strong capital ratios are maintained while it executes its strategy.

The DBS Group has been awarded "Safest Bank in Asia" for 13 consecutive years from 2009 to 2021 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" credit 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, location or business segment. As at 31 December 2021, with the exception of the building and construction industry, which contributed 26% of the DBS Group's gross loans, no single

industry contributed more than 20% of the DBS Group's gross loans and, outside of Singapore, no single location contributed more than 20% of the DBS Group's gross loans. The DBS Group also has a balanced mix between interest and non-interest income, with non-interest income derived from diversified sources such as loan-related activities, transaction services, wealth management and treasury product sales.

In terms of funding, the DBS Group has a strong domestic deposit base and leading market position in low cost Singapore dollars deposits. The DBS Group has also grown its transactional accounts with corporate customers and institutional investors, in line with its strategy. In addition, the DBS Group diversifies its funding sources through the wholesale funding market. In 2015, DBS Bank undertook its inaugural covered bond issuance, making it the first issuer of covered bonds in Singapore.

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 in Southeast Asia by total assets. The DBS Group is anchored in Singapore and Hong Kong and has a growing presence in Greater China, South Asia and Southeast Asia. Over the past decade, the DBS Group has delivered consistent financial performance underpinned by increased strategic clarity and disciplined execution of its strategy. Total income (excluding one-time items) grew at a CAGR of 6% between 2011 and 2021 while profit before allowances (excluding one-time items) recorded a CAGR of 6% over the same period.

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. Its risk management approach is based on

- (i) strong risk governance, with the Board, through the BRMC, setting out the DBS Group's Risk Appetite and overseeing the establishment of enterprise-wide risk management policies and processes, and setting risk limits to guide the DBS Group's risk taking;
- (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 NPL ratio was 1.3%, 1.6% and 1.5% as at 31 December 2021, 2020 and 2019, respectively, and the DBS Group's allowance coverage ratio¹ (defined as total allowances as a percentage of NPAs) was 116%, 110% and 94% as at 31 December 2021, 2020 and 2019, respectively.

Asia-focused Strategy

The DBS Group's strategy is predicated on Asia's megatrends, including the rising middle class, growing intra-regional trade, urbanisation and the rapid adoption of technology that is fuelling new innovations.

The DBS Group seeks to intermediate trade and capital flows as well as support wealth creation in Asia, capitalising on its established and growing presence in Greater China, South Asia and Southeast Asia.

In Singapore, the DBS Group serves all customer segments. Outside Singapore, the DBS Group has extended its reach beyond serving the affluent individuals, corporates and institutional investors segments through leveraging digital technologies to engage individuals and SMEs.

The DBS Group is well underway in its digitalisation journey to transform the bank to be able to respond and innovate quickly to deliver simple, fast and contextual banking in the digital age.

¹ Computation includes regulatory loss allowance reserves ("RLAR") as part of total allowances.

The DBS Group periodically reviews its strategy, taking into account emerging megatrends, its operating environment and its stakeholders' input.

Key Businesses

The DBS Group's key business units are Consumer Banking/Wealth Management, Institutional Banking and Treasury and Markets business units.

Consumer Banking/Wealth Management (“CBGWM”)

The DBS Group serves almost twelve 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, payment services, credit and debit cards, home loans and auto finance, wealth management, investment and insurance products.

CBGWM has built a differentiated wealth proposition across its six key markets with its wealth franchise where dedicated relationship managers and specialists deliver personalised advisory and solutions to affluent and high net-worth individuals (“**HNWIs**”). In Singapore and Hong Kong, the DBS Group provides a differentiated and holistic wealth value proposition across three wealth segments – DBS Treasures (for customers with more than SGD 350,000 AUM), DBS Treasures Private Clients (more than SGD 1.5 million AUM) and DBS Private Bank (more than SGD 5 million AUM) – allowing the DBS Group to grow alongside its clients across every stage of their wealth journey. In 2018, the DBS Treasures Private Clients platform was launched in Indonesia and Taiwan. In 2019, the DBS Group expanded its wealth franchise, leveraging its subsidiary DBS Vickers Securities (Thailand) to become the first to provide Thailand's wealth clients with a fully integrated onshore and offshore wealth proposition. The DBS Group's wealth management business was recognised in 2021 as “Most Innovative Private Bank in the World”, “Best Private Bank for Use of Technology” and “Best Private Bank for Digital Client Solutions” by Global Finance, and “Best Private Bank for Family Offices – Asia” by Professional Wealth Management.

In Singapore, the DBS Group holds leading positions in savings and deposits, investments and insurance distribution. As at 31 December 2021, it had some 5.5 million retail customers in Singapore and more than 52% share of the market in Singapore dollar denominated savings accounts. The bank also has agreements with major merchants island-wide which enables customers to make cash withdrawals at more than 700 merchant touchpoints. The DBS Group also has the leading market share for mortgages in Singapore.

In Hong Kong, the DBS Group provides wealth management services and is also a key player in retail deposits and unsecured loans. As at 31 December 2021, it served almost one million retail customers. In 2018, the DBS Group concluded the integration of ANZ's retail banking and wealth management business across Singapore, Hong Kong, Mainland China, Taiwan and Indonesia, significantly boosting its consumer businesses in Indonesia and Taiwan. The DBS Group has further built up partnerships in China and Taiwan to scale up its consumer finance business. In India and Indonesia, the DBS Group serves retail and emerging affluent clients through “digibank by DBS”, the bank's world-class mobile banking platform, in addition to its branch network. The amalgamation of Lakshmi Vilas Bank (“**LVB**”) in 2020 expands the DBS Group's branch network and enlarges its retail customer base on which to overlay DBS' digital offering. In 2021, the DBS Group's Hong Kong franchise and Postal Savings Bank of China launched a partnership to participate in the Wealth Management Connect scheme. The DBS Group also launched its digital consumer finance platform in China. Additionally, the DBS Group integrated with two major ecosystem platforms and plan to add more strategic partners.

In Taiwan, the DBS Group agreed to acquire Citigroup's Taiwan consumer banking business (Citi Consumer Taiwan). Citi Consumer Taiwan is an incredibly attractive and high-returns franchise, and widely considered to be the best foreign consumer bank in Taiwan. It is expected to accelerate DBS Taiwan's growth by at least 10 years, making it Taiwan's largest foreign bank by assets. The transaction is expected

to be accretive to earnings and return on equity immediately after completion, which is slated for mid-2023, subject to regulatory approvals.

Digital Channels

The DBS Group offers a wide range of digital banking services in its key markets. In Singapore, DBS Bank has the highest number of digital banking customers. Its digital banking platform “digibank” had 3.9 million users, of which 3.5 million were also mobile banking users as at 31 December 2021. Most of the DBS Group’s wealth clients are already online and actively managing their wealth via the bank’s digital wealth management platform DBS iWealth. In 2021, the key awards that DBS Bank received in recognition of its digital and innovation agendas included ‘World’s Best Digital Bank’ from Euromoney - marking its 3rd win of the award - as well as ‘Globally Most Innovative in Digital Banking’ from The Banker and ‘Global Innovator - Silver’ from Efma-Accenture. DBS Group was also awarded ‘Model Bank - Corporate Digital Banking’ by Celent and ‘Outstanding Innovator for Asia-Pacific’ by Global Finance. Asiamoney, Global Finance and The Asset also recognised DBS Bank as the Best Digital Bank in Singapore.

Credit Cards

As at 31 December 2021, the DBS Group had approximately four million credit cards in circulation in Singapore, Hong Kong, Taiwan and Indonesia. 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 is one of leading players for credit cards in Singapore and Hong Kong. In Taiwan and Indonesia, it has one million credit cards in circulation.

Debit Cards

As at 31 December 2021, the DBS Group had approximately four million debit cards in circulation in Singapore. The DBS Group earn fees from international card schemes for use of its debit cards and earns commissions from merchants for transactions processed. The DBS Group is the leading card issuer for debit cards in Singapore.

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 has the largest market share of mortgages.

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.

From 1 January 2016, the DBS Group commenced its bancassurance partnership with Manulife Financial Asia Limited to distribute Manulife’s life insurance products in Singapore, Hong Kong, China and Indonesia. From 1 January 2018, the DBS Group commenced its partnership with Chubb Limited to distribute its general insurance products in Singapore, Hong Kong, China, Taiwan and Indonesia.

Wealth Management

The DBS Group is one of largest wealth managers in Asia (ex-China onshore). Rated the “Safest Bank in Asia” by Global Finance for 13 consecutive years from 2009 to 2021, the DBS Group is recognised for its financial strength and stability. The DBS Group provides a differentiated and holistic wealth value proposition across three wealth segments – DBS Treasures (for customers with more than SGD 350,000 AUM), DBS Treasures Private Clients (more than SGD 1.5 million AUM) and DBS Private Bank (more than SGD 5 million AUM) – allowing it to grow alongside its clients across every stage of their wealth journey. As at 31 December 2021, the DBS Group’s total wealth assets under management was SGD 291 billion. In 2021, DBS iWealth, the bank’s digital wealth management platform, was ranked the ‘Best Digital Portal

for Wealth Clients' globally by Cutter Wealth for the fourth consecutive year. DBS Group was also recognised as 'Best Private Bank - Asia-Pacific' (5th consecutive year) and 'Most Innovative Private Bank in the World' by Global Finance, 'Best Asian Private Bank' by Asiamoney (2nd consecutive year) and 'Best Private Bank for Family Offices in Asia' by Professional Wealth Management. The Group was also ranked as the #1 Private Bank/Wealth Manager for Mass and Super Affluent clients in Asia Pacific and Singapore by Euromoney, Asiamoney, The Asset, FinanceAsia and Professional Wealth Management also recognised DBS Private Bank as the Best Private Bank in Singapore.

Institutional Banking (“IBG”)

The DBS Group serves corporate, institutional and SME clients across Asia and provides a comprehensive selection of products and services, including a full range of credit facilities from short-term working capital financing to specialised 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. The DBS Group utilises its regional network, product expertise and local market knowledge to connect corporate, institutional and SME clients with opportunities in Asia to help them expand across borders.

Lending to corporate, institutional and SME clients

The DBS Group provides financing to corporate, institutional and SME clients. 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 financing needs, including leveraged finance, acquisition finance and project finance. The Syndicated Finance team has been consistently ranked among the top five arrangers in Asia (excluding Japan and Australia) by Refinitiv LPC for the past several years, including 2021. The DBS Group also provides financing to SMEs across the region, in line with its strategy. In Singapore, the DBS Group participates in government programmes to extend loans to small newly-formed companies.

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 realise operational efficiencies. These activities carry high returns on equity and provide a high degree of recurring income.

During 2021, the DBS Group received top awards that recognised its achievements in transaction services, including Overall Best Service for Cash Management, Best ESG Transaction Bank in Asia-Pacific, Best Global and Regional Corporate/Institutional Mobile Banking App, and Best Open Banking APIs in Asia-Pacific, with publications including The Asset, Euromoney and Global Finance.

Capital Markets

Through its Capital Markets unit, the DBS Group advises and enables its corporate clients across the region to raise equity funds through initial public offerings, rights issues and share placements.

In Singapore, the DBS Group has been a leader in managing equity issuances over the past 13 years. For 2021, it lead-managed or joint-lead-managed equity offerings amounting to SGD 9.9 billion, representing over 95% of the total equity funds raised in underwritten public offerings in Singapore during the year.

Strategic Advisory

The Strategic Advisory unit is responsible for advising the DBS Group's corporate clients to originate, structure, price and execute merger and acquisition transactions, including leveraged buy-outs, demergers and divestitures. The DBS Group originates some of these M&A transactions by matching a corporate client in one geography with another client from another geography, by tapping the DBS Group's array of customers based in Southeast Asia, North Asia and West Asia. The Strategic Advisory unit also supports

key corporate clients by rendering advice on corporate strategy, corporate structure, capital structure design and shareholder value creation.

Treasury and Markets (“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 dollars treasury products by volume and is an active market maker in regional currencies. As a 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 dollars 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 dollars and offshore RMB derivatives. T&M works closely with CBGWM and IBG to structure treasury products for corporate and individual customers. T&M also helps customers raise funds through debt issuances.

Fixed Income Group (“FI Group”)

The DBS Group is one of the leading players in the Asian debt capital markets. The DBS Group provides corporates, financial institutions, supranationals and sovereigns with customised debt solutions, 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 a market leader in the Singapore dollar denominated bond market and has consistently led the league tables in this market. In 2021, DBS Bank acted as bookrunner on 51 transactions, representing a 31% share of over SGD 7.84 billion in total market issuances. The DBS Group is also active in the G3 straight investment grade, high yield bond and certificate of deposit markets. The number of Asia ex-Japan G3 bond issues arranged by the DBS Bank increased from 134 transactions in 2019 to 154 transactions in 2021. In 2021, DBS Bank was ranked 9th in the Bloomberg Asia ex-Japan G3 investment grade bond league table.

Others

DBS Vickers Securities

The DBS Group provides brokerage services for individual, corporate and institutional clients through DBS Vickers Securities, which has stockbroking licences in Singapore, Hong Kong, Thailand and Indonesia, as well as sales offices in London and New York. DBS Vickers Securities and DBS Bank work together on equity research to cover 500 listed companies across Asia. In October 2021, DBS Vickers Securities received formal approval from the Monetary Authority of Singapore under the Payment Services Act 2019 to provide digital payment token services, which would enable DBS Vickers Securities, as a member of DBS Digital Exchange, to directly support asset managers and companies to trade in digital payment tokens through DBS Digital Exchange.

DBS Digital Exchange

On 10 December 2020, the DBS Group launched DBS Digital Exchange, a full-service digital asset platform which enables Institutional Investors and Accredited Investors to tap into a fully integrated tokenisation, trading and custody ecosystem for digital assets. With the DBS Digital Exchange, DBS will leverage blockchain technology to provide an ecosystem for fund raising through asset tokenisation and secondary trading of digital assets including security tokens (“**STO**”) and cryptocurrencies. In respect of the trading of STOs, DBS Digital Exchange is recognised by the MAS as a recognised market operator. On 31 May 2021, DBS Group priced an SGD 15 million digital bond (“**DBS Digital Bond**”), marking DBS Digital Exchange’s first STO. The DBS Digital Bond, which was of a six-month tenor and coupon rate of 0.6 per cent per annum, was traded in board lots of S\$10,000. The DBS Digital Bond offering was done by way of private placement.

Partior

On 28 April 2021, the DBS Group, J.P. Morgan and Temasek announced plans to establish a blockchain-based cross-border clearing and settlement provider through a newly-established technology company, Partior. Partior aims to transform the future of payments through enabling more efficient digital clearing and settlement solutions across the banking industry. Partior started operations with pilot launch in October 2021, and is currently engaging with more than 30 financial institutions keen to join the network.

Climate Impact X

On 20 May 2021, the DBS Group, the SGX-ST, Standard Chartered and Temasek announced plans to establish Climate Impact X (“CIX”). The primary purpose of this joint venture is to provide an effective solution for corporates to offset unavoidable carbon emissions in the near term and propel the development of new carbon credit projects worldwide through high-quality carbon credits. CIX plans to be operational in the first quarter of 2022.

Regional Presence

As at 31 December 2021, the DBS Group had a presence in 18 markets. Apart from its six key markets in Singapore, Hong Kong, China, Taiwan, India and Indonesia, the DBS Group also had operations in locations such as Australia, the Middle East, and the UK. The DBS Group had fully-owned subsidiaries in Hong Kong, India, China and Taiwan and a 99%-owned subsidiary in Indonesia. In addition, it had affiliates in China through its 33%-owned Changsheng Fund Management Company and 13%-owned Shenzhen Rural Commercial Bank.

As at 31 December 2021, gross loans booked in overseas branches and subsidiaries accounted for approximately 39% 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, the anchor of the DBS Group’s Greater China franchise, is the largest of the DBS Group’s operations outside Singapore, accounting for approximately 17% of the DBS Group’s earnings in 2021. A large part of the DBS Group’s Hong Kong operations is conducted through DBSHK, a wholly-owned subsidiary of DBS Bank. DBSHK provides a wide range of banking services, including wealth management, investment banking, foreign exchange and treasury services, to corporate, SME and affluent individuals. DBS Bank also operates a branch in Hong Kong. The DBS Group’s Hong Kong operations seek to leverage on innovation and digital technologies to grow its market position across large corporate, SME and wealth segments, and intermediate Greater China investment and capital flows.

As at 31 December 2021, the DBS Group’s Hong Kong operations had total assets (excluding goodwill and intangibles) of SGD 106.2 billion, gross customer loans and advances of SGD 80.1 billion, and customer deposits of SGD 76.9 billion.

China

The DBS Group was the first Singapore bank to incorporate a wholly-owned subsidiary in China, DBS Bank (China) Limited (“**DBS China**”). DBS China was incorporated in May 2007 and is headquartered in Shanghai.

DBS China offers RMB and foreign currency banking products and services to large corporates, SMEs and affluent individuals.

As at 31 December 2021, DBS China had total assets of SGD 28.3 billion, gross customer loans and advances of SGD 15.5 billion and customer deposits of SGD 18.5 billion. The DBS Group also holds a 33% interest in Changsheng Fund Management Company, a sizable fund management company in China, through DBS Bank Ltd.

On 20 April 2021, the DBS Group entered into an agreement with and obtained approvals from MAS and China Banking and Insurance Regulatory Commission, Shenzhen Office (“**Shenzhen CBIRC**”) to subscribe for a 13% stake in Shenzhen Rural Commercial Bank Corporation Limited (“**SZRCB**”). The deal was completed in October 2021. The investment is in line with the DBS Group’s strategy of investing in its core markets and accelerates its expansion in the rapidly growing Greater Bay Area. DBS is the largest shareholder in SZRCB and has representation on SZRCB’s board of directors.

On 7 June 2021, the DBS Group’s majority-owned securities joint venture in China, DBS Securities (China) Limited (“**DBS Securities**”), received its securities business license from the China Securities Regulatory Commission (“**CSRC**”). DBS Securities is an important part of the DBS Group’s strategy in China and provides customers with a full range of onshore and offshore financial services, which include brokerage, securities investment consulting, securities underwriting and sponsorship, as well as proprietary trading.

Taiwan

A large part of the DBS Group’s Taiwan operations is conducted through DBS Bank (Taiwan) Ltd (“**DBS Taiwan**”), a wholly-owned subsidiary of DBS Bank. DBS Taiwan offers a wide range of banking products and services to large corporates, SMEs and affluent individuals. DBS Bank also operates a branch in Taiwan. As at 31 December 2021, the DBS Group’s Taiwan operations had total assets of SGD 29.8 billion, gross customer loans and advances of SGD 22.5 billion and customer deposits of SGD 18.3 billion.

On 28 January 2022, DBS entered into an agreement to acquire the consumer banking business of Citigroup Inc. in Taiwan (“**Citi Consumer Taiwan**”) via a transfer of assets and liabilities where DBS will pay Citigroup Inc. cash for the net assets of Citi Consumer Taiwan plus a premium of SGD 956 million (NTD 19.8 billion).¹ Completion of the proposed acquisition is subject to customary regulatory and migration conditions, and completion and full integration is anticipated in the middle of 2023.

India

From 1 March 2019, the DBS Group operates a locally-incorporated wholly-owned subsidiary in India through DBS Bank India Limited (“**DBS India**”).

The amalgamation of LVB on 27 November 2020 complements the DBS Group’s “digibank” strategy in India with an expanded network of 600 branches and 1,000 ATMs, an additional two million retail and 125,000 non-retail customers, as well as a strengthened deposit franchise. The integration of LVB is overseen by senior management and staff from various business and support units from both the DBS Group and LVB.

As at 31 December 2021, DBS India had total assets of SGD 15.0 billion, gross customer loans and advances of SGD 7.7 billion and customer deposits of SGD 8.2 billion.

Indonesia

As at 31 December 2021, DBS Bank owned 99% of PT Bank DBS Indonesia (“**DBS Indonesia**”). DBS Indonesia offers a wide range of banking products and services to large corporates, SMEs and affluent individuals. DBS Indonesia is a leading foreign bank in trade finance and wealth management. DBS Indonesia also operates “digibank” for retail and emerging affluent customers.

As at 31 December 2021, DBS Indonesia had total assets of SGD 8.3 billion, gross customer loans and advances of SGD 4.8 billion and customer deposits of SGD 6.2 billion.

¹ Based on exchange rate of NTD 20.75 to SGD 1 and will be adjusted according to the performance of Citi Consumer Taiwan at completion.

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

T&O plays an instrumental role in driving the DBS Group’s digitalisation agenda. Its key areas of responsibility include technology strategy, architecture and engineering, technology delivery services, business process reengineering, strategic sourcing, call centre and processing operations for deposit accounts, loans, wealth management, custodial services, payments, cards, treasury and trade. T&O is organised 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 optimisation of processes and resources. It has also been undertaking initiatives to improve agility, enhance security, increase release cadence and build systems designed for application programming interfaces, instrumentation, experimentation and performance.

The DBS Group’s information technology (“IT”) systems are critical to its business operations and are essential to supporting effectively the expansion of its business operations, increasing efficiencies, minimising errors, 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 recognises the need for a strong technology and infrastructure platform.

All of the DBS Group’s IT systems comply with regulatory requirements, stringent business and continuity planning standards and undergo regular 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 licences, are able to compete in the consumer banking segment. In Hong Kong, the DBS Group competes with local and foreign banks in the corporate, SME and affluent retail banking segments.

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 consumer banking segment, the DBS Group is focused on affluent customers 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, India 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 32,833, 33,002 and 28,419 employees¹, as at 31 December 2021, 2020 and 2019, respectively. Underlying staff count, which excluded certain technology functions that were insourced as part of strategic cost management efforts and staff from Lakshmi Vilas Bank amalgamation was 29,244, 25,409 and 25,033 as at 31 December 2021, 2020 and 2019, respectively.

¹ Staff count has been remeasured to be based on full-time equivalent. Comparatives have been restated to align to the new basis.

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 deferred incentives such as share grants.

Insurance

To mitigate losses from specific unexpected and significant event risks, the DBS Group effects group-wide insurance coverage under the DBS Group's insurance programme from third-party insurers. These insurance policies relate to crime and professional indemnity, directors' and officers' liability, cyber risk, property damage and business interruption, general liability and terrorism.

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 DBS BANK'S AUSTRALIA BRANCH

DBS Bank Ltd., Australia branch was established in 2015 and is registered in Australia as a foreign company with Australian Business Number 46 601 105 373. Its registered office is at Suite 1901, Level 19, Chifley Tower, 2 Chifley Square, Sydney NSW 2000. It has been granted authority to carry on banking business in Australia by the Australian Prudential Regulation Authority and is a foreign "authorised deposit-taking institution" as that term is defined under the Banking Act 1959 of the Commonwealth of Australia in the category of a "Branch of a Foreign Bank".

DESCRIPTION OF DBS BANK'S HONG KONG BRANCH

DBS Bank Ltd., Hong Kong branch 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 in Hong Kong at 18th floor, The Center, 99 Queen's Road Central, Hong Kong. DBS Bank Ltd. obtained a licence 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 authorised 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 the DBS Group in Hong Kong.

DESCRIPTION OF DBS BANK'S LONDON BRANCH

DBS Bank Ltd., London branch was established in 1981 and registered as an overseas company at the Companies House in England and Wales with company number FC010036, branch number BR000664. Its registered office in the UK is at 4th Floor, Paternoster House, 65 St. Paul's Churchyard, London EC4M 8AB. It is authorised by the Prudential Regulation Authority to conduct banking and certain regulated activities in the UK, subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority.

DESCRIPTION OF DBS BANK'S TAIPEI BRANCH

DBS Bank Ltd., Taipei branch was established in March 1983 and registered as an overseas company at the Ministry of Economic Affairs in the Republic of China with unified business company number 12429035, unified business branch number 12429035. Its registered office in Taipei is at 15F, No. 32 & 17F, No. 36, Song Ren Rd., Xin Yi District, Taipei City 110, Taiwan (R.O.C.). It is authorised by Financial Supervisory Commission (FSC) to conduct banking and certain regulated activities in Taiwan.

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 as at and for the year ended 31 December 2021, including the notes thereto, which are set forth beginning on page F-2 of this Offering Circular and as at and for the years ended 31 December 2020 and 2019, including the notes thereto, which are incorporated by reference in this Offering Circular. These financial statements have been prepared in accordance with SFRS(I), which differs in certain material respects from U.S. GAAP. Investors should consult their own professional advisers for an understanding of the differences between SFRS(I), U.S. GAAP and the generally accepted accounting principles of other jurisdictions and how those differences might affect the financial information contained in this Offering Circular.

The presentation of certain financial statement line items in this Offering Circular has been aligned to the presentation used by key management personnel to analyse and assess the business performance of the DBS Group from period to period. Such presentation may differ in certain respects from the audited consolidated financial statements of the DBS Group as at and for the year ended 31 December 2021, including the notes thereto, which are set forth beginning on page F-2 of this Offering Circular and as at and for the years ended 31 December 2020 and 2019 incorporated by reference in this Offering Circular and may also differ in certain respects from SFRS(I).

Except as otherwise noted, financial and statistical information presented in this Offering Circular is presented for the DBS Group on a consolidated basis.

Overview

The DBS Group is headquartered and listed in Singapore and has a growing presence in the three key Asian axes of growth: Greater China, South Asia and Southeast Asia. In Singapore, the DBS Group has leading positions in consumer banking, wealth management, institutional banking, treasury and capital markets.

As at 31 December 2021, the DBS Group had SGD 686 billion in total assets, SGD 409 billion in customer loans and advances, SGD 502 billion in customer deposits and SGD 58 billion in total shareholders' funds. As at 31 December 2021, approximately 66% of the DBS Group's total assets (excluding goodwill and intangibles) and 61% of gross customer loans were accounted for in Singapore. As at 31 December 2020 and 2019, 66% and 65%, respectively, of the DBS Group's total assets (excluding goodwill and intangibles) were accounted for in Singapore.

Singapore

The DBS Group is one of the largest banking and financial services providers in Singapore by total assets and is a market leader in Singapore dollar denominated customer loans and advances, housing loans, internet banking services and Singapore dollar denominated customer deposits. As at 31 December 2021, the DBS Group served more than five million retail customers. As at 31 December 2021, the DBS Group in Singapore had total assets (excluding goodwill and intangibles) of SGD 449.5 billion, gross customer loans and advances of SGD 254.0 billion, and customer deposits of SGD 353.3 billion. The DBS Group reported net profit (excluding one-time items) for its Singapore operations of SGD 4.73 billion in 2021, SGD 3.32 billion in 2020, and SGD 4.59 billion in 2019.

Hong Kong

Hong Kong, the anchor of the DBS Group's Greater China franchise, 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. DBS Bank also operates a branch in Hong Kong. As at 31 December 2021, the DBS Group's Hong Kong operations had total assets (excluding

goodwill and intangibles) of SGD 106.2 billion, gross customer loans and advances of SGD 80.1 billion, and customer deposits of SGD 76.9 billion. The DBS Group reported net profit (excluding one-time items) for its Hong Kong operations of SGD 1.19 billion in 2021, SGD 963 million in 2020 and SGD 1.43 billion in 2019.

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. The DBS Group seeks to build its franchises in these growth markets to achieve a more balanced geographic mix. The DBS Group also leverages the growth and network of these locations to drive connectivity, supporting its customers as they expand across Asia.

In 2021, the DBS Group's operations in Rest of Greater China, which includes China and Taiwan, reported net profit (excluding one-time item) of SGD 306 million and total income (excluding one-time item) of SGD 1.23 billion. In 2020, the DBS Group's operations in Rest of Greater China reported net profit of SGD 171 million and total income of SGD 1.11 billion. In 2019, the DBS Group's operations in Rest of Greater China reported net profit of SGD 210 million and total income of SGD 1.06 billion.

In 2021, the DBS Group's operations in South and Southeast Asia reported net profit of SGD 236 million and total income of SGD 1.12 billion. In 2020, the DBS Group's operations in South and Southeast Asia, which includes its India and Indonesia franchises, reported net profit of SGD 104 million and total income of SGD 1.10 billion. In 2019, the DBS Group's operations in South and Southeast Asia, which includes its India and Indonesia franchises, reported net loss of SGD 22 million and total income of SGD 969 million.

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.

According to the Singapore Department of Statistics, Singapore's real GDP grew by 7.6% in 2021, rebounding from the 4.1% contraction recorded in 2020. According to the Ministry of Trade and Industry ("MTI"), the Singapore economy is expected to grow by 3-5% in 2022. According to the Census and Statistics Department of Hong Kong, Hong Kong's real GDP grew by 6.4% in 2021, following a 6.1% contraction in 2020. According to the Office of Government Economist, the Hong Kong economy is expected to grow by 2-3.5% in 2022.

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.

The DBS Group's net interest income accounted for 59%, 62% and 66% of its total income in the years ended 31 December 2021, 2020 and 2019, respectively. Net interest income is principally affected by yields on interest earning assets, costs of interest-bearing liabilities and the volumes of interest earning assets and interest-bearing liabilities. 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 80%, 78% and 77% of the DBS Group's total liabilities were attributable to customer deposits and 5% were attributable to interbank liabilities for 31 December 2021, 2020 and 2019. As at 31 December 2021, 2020 and 2019, the DBS Group had total customer deposits and interbank liabilities of SGD 532 billion, SGD 493 billion and SGD 428 billion respectively, and a loan-to-deposit ratio of 81%, 80% and 89%, respectively. The DBS Group's funding is also supplemented by debt issuances, including medium term notes, commercial papers, certificates of deposit, covered bonds and subordinated term debts. As at 31 December 2021, 2020 and 2019, the DBS Group had total debt issuances of SGD 57.2 billion, SGD 47.2 billion and SGD 60.7 billion respectively representing 9%, 8% and 12% of total liabilities, respectively. The DBS Group's liquidity coverage ratio ("LCR") and net stable funding ratios were kept above the regulatory requirement of 100% throughout 2021.

Critical Accounting Estimates

The DBS Group's accounting policies and use of estimates are integral to the reported amounts in the financial statements. Certain accounting estimates require management's judgment in determining the appropriate methodology for valuation of assets and liabilities. Procedures are in place to ensure that methodologies are reviewed and revised as appropriate. The DBS Group believes its estimates for determining the valuation of its assets and liabilities are appropriate. The following is a brief description of the DBS Group's critical accounting estimates involving management's valuation 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 31 December 2021, which are set forth beginning on page F-2 of this Offering Circular.

Impairment of Financial Assets

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

Expected credit losses ("ECL") are probability-weighted amounts determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessments of future economic conditions, which will necessarily involve the use of judgment.

The COVID-19 pandemic, related measures to control the spread of the virus and governmental support to mitigate the impact of the pandemic had a profound economic impact on the DBS Group's key markets. A significant degree of judgement is thus required in estimating the ECL in the current environment.

Fair Value of Financial Instruments

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 or verified market parameters.

The fair value of financial instruments without an observable market price in an active market may be determined using valuation models. The choice of model requires significant judgment for complex products especially those in the Treasury Markets segment.

Policies and procedures have been established to facilitate the exercise of judgment in determining the risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors used in the valuation process.

Goodwill Impairment

The DBS Group performs an impairment review to ensure that the carrying amount of a cash-generating unit (“CGU”) to which goodwill is allocated does not exceed the recoverable amount of the CGU.

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 several jurisdictions. The DBS Group recognises liabilities for expected tax issues based on reasonable estimate of whether additional tax will be due. Where uncertainty exists around the DBS Group’s tax position, appropriate provisions are provided based on the technical assessment of the cases. Where the final tax outcome of these positions is different from the provision provided, the differences will impact the income tax and deferred tax balances in the period in which the final tax is determined.

Results of Operations for 2021, 2020 and 2019

The DBS Group’s net profit (excluding one-time items) increased by 44% to SGD 6.80 billion in 2021 from SGD 4.72 billion in 2020 and decreased by 26% to SGD 4.72 billion in 2020 from SGD 6.39 billion in 2019.

Return on assets was 1.02%, 0.75% and 1.13% as at 31 December 2021, 2020 and 2019, respectively. The DBS Group’s total capital adequacy ratio (“CAR”) was 17.0%, 16.8% and 16.7% as at 31 December 2021, 2020 and 2019, respectively. The DBS Group’s Tier 1 CAR was 15.1%, 15.0% and 15.0% as at 31 December 2021, 2020 and 2019, respectively.

Net Interest Income and Net Interest Margin

The DBS Group’s net interest income decreased by 7% to SGD 8.44 billion in 2021, from SGD 9.08 billion in 2020 due to a 17 basis point decline in net interest margin to 1.45%. Net interest income represented 59% of total income in 2021 and 62% of total income in 2020.

The DBS Group’s net interest income decreased by 6% to SGD 9.08 billion in 2020 from SGD 9.63 billion in 2019 due to a 27 basis point decrease in net interest margin to 1.62%. Net interest income represented 62% of total income in 2020 and 66% of total income in 2019.

Average Balance Sheets and Interest Rates

The following table sets forth the 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.

In SGD millions, except percentages	Years ended 31 December								
	2019			2020			2021		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
Interest earning assets									
Customer non-trade loans..	306,598	10,247	3.34%	327,703	8,062	2.46%	349,712	6,947	1.99%
Trade assets.....	45,610	1,574	3.45%	46,761	1,017	2.17%	47,264	640	1.36%
Interbank assets.....	49,175	877	1.78%	69,098	645	0.93%	71,106	419	0.59%

In SGD millions, except percentages	Years ended 31 December								
	2019			2020			2021		
	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate	Average Balance	Interest	Average Rate
Securities and others.....	108,223	2,894	2.67%	115,494	2,484	2.15%	114,539	2,179	1.90%
Total	509,606	15,592	3.06%	559,056	12,208	2.18%	582,621	10,185	1.75%
Interest-bearing liabilities									
Customer deposits	397,788	4,129	1.04%	443,324	2,175	0.49%	480,569	1,184	0.25%
Other borrowings.....	84,736	1,838	2.17%	86,537	957	1.11%	83,195	561	0.67%
Total	482,524	5,967	1.24%	529,861	3,132	0.59%	563,764	1,745	0.31%
Net interest income		9,625			9,076			8,440	
Net interest spread ⁽¹⁾			1.82%			1.59%			1.44%
Net interest margin ⁽²⁾			1.89%			1.62%			1.45%

Notes:

- (1) The difference between the rate earned on average interest earning assets and the rate paid/payable on average interest-bearing liabilities.
- (2) 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 2021 compared with 2020, and 2020 compared with 2019. 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 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.

In SGD millions	2020 vs 2019			2021 vs 2020		
	Volume	Rate	Net Change	Volume	Rate	Net Change
Interest Income						
Customer non-trade loans	519	(2,732)	(2,213)	441	(1,534)	(1,093)
Trade assets.....	25	(586)	(561)	7	(380)	(373)
Interbank assets	186	(421)	(235)	12	(236)	(224)
Securities and others	156	(574)	(418)	(17)	(282)	(299)
Total	886	(4,313)	(3,427)	443	(2,432)	(1,989)
Interest expense						
Customer deposits.....	223	(2,190)	(1,967)	93	(1,077)	(984)
Other borrowings	20	(905)	(885)	(23)	(371)	(394)

In SGD millions	2020 vs 2019			2021 vs 2020		
	Volume	Rate	Net Change	Volume	Rate	Net Change
Total	243	(3,095)	(2,852)	70	(1,448)	(1,378)
Net impact on net interest income ..	643	(1,218)	(575)	373	(984)	(611)
Due to change in number of days			26			(25)
Net Interest income			(549)			(636)

Non-Interest Income

The following table shows information with respect to the DBS Group's non-interest income for the periods indicated:

In SGD millions	Years ended 31 December		
	2019	2020	2021
Net fee and commission income	3,052	3,058	3,524
Other non-interest income			
Net trading income ⁽¹⁾	1,459	1,405	1,791
Net income from investment securities	334	963	387
Net gain from fixed assets	1	8	17
Others ⁽²⁾⁽³⁾	73	82	138
Total	4,919	5,516	5,857

Notes:

- (1) Includes income from trading businesses through foreign exchange, interest rates, credit and equities and other businesses and gains or losses from changes in the value of financial assets and financial liabilities designated at fair value.
- (2) Includes rental income, share of profits or losses of associates and others.
- (3) Excludes one-time item.

Total non-interest income increased by 6% to SGD 5.86 billion in 2021 from SGD 5.52 billion in 2020. Total non-interest income increased by 12% to SGD 5.52 billion in 2020 from SGD 4.92 billion in 2019. Total non-interest income accounted for 41%, 38% and 34% of the DBS Group's total income in 2021, 2020 and 2019 respectively. The increase in 2021 was mainly driven by a 15% increase in net fee income. The increase in 2020 was mainly driven by higher gains from investment securities.

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:

In SGD millions	Years ended 31 December		
	2019	2020	2021
Investment banking.....	213	148	218
Transaction services ^{(1), (2)}	826	821	925
Loan-related.....	407	417	413
Cards ⁽³⁾	790	641	715
Wealth management ⁽¹⁾	1,338	1,506	1,786
Fee and commission income.....	3,574	3,533	4,057
Less: Fee commission expense.....	(522)	(475)	(533)
Net fee and commission income⁽⁴⁾.....	3,052	3,058	3,524

Notes:

- (1) The institutional and retail brokerage fees previously presented under brokerage line have been reclassified to transaction services and wealth management lines respectively. Prior year's comparatives have been restated to conform with current year's presentation.
- (2) Include trade and remittances, guarantees and deposit-related fees.
- (3) Card fees are net of interchange fees paid.
- (4) 2021 includes net fee and commission income of SGD 139 million (2020: SGD 136 million; 2019: SGD 113 million), which was derived from the provision of trust and other fiduciary services during the year. Net fee and commission income earned from financial assets or liabilities not at fair value through profit or loss was SGD 895 million (2020: SGD 829 million; 2019: SGD 905 million) during the year.

In 2021, net fee and commission income increased by 15% to SGD 3.52 billion from SGD 3.06 billion in 2020. Fee and commission income growth was broad-based across wealth management, transaction services, cards and investment banking fees.

In 2020, net fee and commission was stable from a year ago, as higher wealth management fees were offset by lower cards and investment banking fees.

Net fee and commission income accounted for 25%, 21% and 21% of the DBS Group's total income in 2021, 2020 and 2019.

Other Non-interest Income

Other non-interest income decreased by 5% to SGD 2.33 billion in 2021 from SGD 2.46 billion in 2020, after a 32% increase in 2020 from SGD 1.87 billion in 2019. Compared to the previous year, the decrease in other non-interest income in 2021 was from a decline in gains from investment securities, which offset record trading income. In 2020, the increase in other non-interest income was due to higher income from investment securities.

Expenses

The following table shows information with respect to the DBS Group's expenses for the periods indicated:

In SGD millions, except percentages	Years ended 31 December		
	2019	2020	2021
Staff ⁽¹⁾	3,514	3,550	3,875
Computerisation.....	1,062	1,093	1,080
Occupancy.....	452	452	416
Revenue-related.....	353	334	376
Others ⁽²⁾	877	729	722
Total	6,258	6,158	6,469
Cost-to-income ratio⁽³⁾	43.0%	42.2%	45.2%

Notes:

- (1) Includes salary and bonus expenses, contributions to defined contribution plans, share-based expenses and other staff-related expenses.
- (2) Excludes one-time item.
- (3) Expenses expressed as a percentage of total income.

In 2021, total expenses increased by 5% to SGD 6.47 billion from SGD 6.16 billion in 2020.

In 2020, total expenses decreased by 2% to SGD 6.16 billion from SGD 6.26 billion in 2019.

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:

In SGD millions	Years ended 31 December		
	2019	2020	2021
General allowances⁽¹⁾	(58)	1,713	(447)
Specific allowances for loans and other credit exposures			
Specific allowances for loans ⁽¹⁾⁽²⁾	698	1,174	471
Singapore.....	336	518	44
Hong Kong.....	59	157	136
Rest of Greater China.....	37	171	62
South and Southeast Asia.....	267	247	221
Rest of the World.....	(1)	81	8
Specific allowances for other credit exposures.....	64	176	27
	762	1,350	498

In SGD millions	Years ended 31 December		
	2019	2020	2021
Specific allowances for securities, properties and others	(1)	3	1
Total	703	3,066	52

Notes:

- (1) General allowances: Expected Credit Loss (“ECL”) Stage 1 and 2; Specific allowances: ECL Stage 3.
- (2) Specific allowances for loans are classified according to the location where the borrower is incorporated.

In 2021, total allowances decreased by 98% to SGD 52 million from SGD 3,066 million in 2020. Specific allowances fell two-thirds to SGD 499 million, while general allowances of SGD 447 million were written back from repayments of weaker exposures, credit upgrades and transfers to NPAs.

In 2020, total allowances more than quadrupled to SGD 3,066 million from SGD 703 million in 2019, mainly due to higher general allowances prudently set aside for asset quality risks.

Profit before Tax (excluding one-time items)

Profit before tax (excluding one-time items) increased by 45% to SGD 7.78 billion in 2021 from SGD 5.37 billion in 2020, after a 29% decrease in 2020 from SGD 7.58 billion in 2019.

Taxation (excluding one-time items)

The DBS Group’s taxation expense was SGD 973 million in 2021, SGD 612 million in 2020 and SGD 1,154 million in 2019. This resulted in effective tax rates (“taxation expenses” divided by “profit before tax” (excluding one-time items)) of 13% in 2021, 11% in 2020 and 15% in 2019. Taxation for the DBS Group is determined on an entity by entity basis. The statutory corporate income tax rate in Singapore was 17% from 2019 to 2021.

Net Profit (excluding one-time items)

The following table shows the reconciliation of management’s view of net profit (excluding one-time items) with the presentation of “net profit for the year attributable to shareholders” in the DBS Group’s audited consolidated financial statements.

In SGD millions	Years ended 31 December		
	2019	2020	2021
Net Profit	6,391	4,721	6,801
One-time items.....	-	-	4
Net Profit for the year attributable to shareholders⁽¹⁾	6,391	4,721	6,805

Note:

- (1) As shown in the DBS Group's audited consolidated income statements. The DBS Group's audited consolidated financial statements as at and for the year ended 31 December 2021 are set forth beginning on page F-2 of this Offering Circular.

The DBS Group's net profit (excluding one-time items) increased by 44% to SGD 6.80 billion in 2021 from SGD 4.72 billion in 2020 as total income decreased by 2% to SGD 14.3 billion from SGD 14.6 billion.

The DBS Group's net profit decreased by 26% to SGD 4.72 billion in 2020 from SGD 6.39 billion in 2019 as total income was up slightly at SGD 14.6 billion from SGD 14.5 billion.

In Singapore, the DBS Group's net profit (excluding one-time items) increased by 42% to SGD 4.73 billion in 2021 from SGD 3.32 billion in 2020. Total income decreased by 4% to SGD 8.95 billion as higher fee income was offset by a decline in net interest income and lower gains from investment securities. Expenses were higher by 3% at SGD 3.72 billion. A general allowance write-back and a 63% decline in specific allowances resulted in a net total allowance write-back of SGD 14 million. In 2020, net profit decreased by 28% to SGD 3.32 billion from SGD 4.59 billion in 2019. Total income increased by 2% to SGD 9.36 billion mainly due to higher investment gains. Total allowances increased by SGD 1.85 billion to SGD 2.07 billion mainly due to higher general allowances prudently set aside for asset quality risks.

In Hong Kong, the DBS Group's net profit increased by 24% to SGD 1.19 billion in 2021 from SGD 963 million in 2020. Total income decreased by 2% to SGD 2.48 billion from SGD 2.53 billion in 2020. Expenses were flat at SGD 1.06 billion. In constant-currency terms, net profit increased by 27% with total income rising by 1% and expenses increasing by 2%. Total allowances amounted to SGD 7 million from a general allowance write-back and lower specific allowances. In 2020, net profit decreased by 33% to SGD 963 million from SGD 1.43 billion in 2019 due to a lower net interest margin and higher total allowances.

Outside of Singapore and Hong Kong, the DBS Group's Rest of Greater China reported a net profit (excluding one-time items) of SGD 306 million in 2021 compared to a net profit of SGD 171 million in 2020. The increase in 2021 was mainly due to higher non-interest income and lower specific allowances. The decrease in 2020 was mainly due to lower non-interest income.

In South and Southeast Asia, the net profit more than doubled to SGD 236 million in 2021, from SGD 104 million in 2020. It recorded a net loss of SGD 22 million in 2019 as a tax charge of SGD 38 million was incorporated due to a revaluation of deferred tax assets resulting from a cut in India's corporate tax rate. Excluding the tax charge, the decline in net profit was mainly due to higher allowances and expense growth which more than offset the increase in operating income.

In the Rest of the World, the net profit doubled to SGD 340 million in 2021 from SGD 166 million in 2020 due to a net total allowance write-back. In 2020, net profit decreased from SGD 186 million in 2019 mainly due to higher allowances.

Financial Condition

Total Assets

The DBS Group's total assets as at 31 December 2021 were SGD 686 billion compared to SGD 650 billion as at 31 December 2020 and SGD 579 billion as at 31 December 2019. The increase in total assets between 31 December 2021 and 31 December 2020 was led by higher customer loans. The increase in total assets between 31 December 2020 and 31 December 2019 was primarily due to higher customer loans as well as higher balances with central banks and other financial institutions.

The following table sets forth the principal components of the DBS Group's total assets as at the dates indicated.

In SGD millions	As at 31 December		
	2019	2020	2021
Cash and balances with central banks	26,362	50,618	56,377
Government securities and treasury bills.....	49,729	51,700	53,262
Due from banks.....	39,336	50,867	51,377
Derivatives.....	17,235	31,108	19,681
Bank and corporate securities.....	63,746	65,456	69,692
Loans and advances to customers	357,884	371,171	408,993
Other assets ⁽¹⁾	15,424	19,495	15,895
Associates and join ventures	835	862	2,172
Properties and other fixed assets	3,225	3,338	3,262
Goodwill and intangibles	5,170	5,323	5,362
Total	578,946	649,938	686,073

Note:

- (1) Include accrued interest receivable, deposits and prepayments, receivable from securities business, cash collateral pledged, deferred tax assets and sundry debtors and others.

Customer Loans

Customer loans are the largest component of the DBS Group's total assets, having accounted for 60%, 57% and 62% of total assets as at 31 December 2021, 2020 and 2019, respectively. The DBS Group's customer loans net of allowances for loan impairment were SGD 409 billion as at 31 December 2021, a 10% increase from SGD 371 billion as at 31 December 2020. The DBS Group's customer loans net of allowances for loan impairment as at 31 December 2020 represented a 4% increase from SGD 358 billion as at 31 December 2019.

The following table sets forth customer loans and advances, net of allowances for loan impairment, as at the dates indicated.

In SGD millions	As at 31 December		
	2019	2020	2021
Gross customer loans	362,427	377,770	415,072
ECL ⁽¹⁾ Stage 3 (SP) ⁽²⁾	(2,305)	(2,692)	(2,545)
ECL ⁽¹⁾ Stage 1 & 2 (GP) ⁽²⁾	(2,238)	(3,907)	(3,534)
Net total customer loans	357,884	371,171	408,993
Gross customer loans by geography⁽³⁾.....			
Singapore.....	168,704	176,402	191,831
Hong Kong	55,062	59,093	70,216

In SGD millions	As at 31 December		
	2019	2020	2021
Rest of Greater China	53,009	53,278	59,150
South and Southeast Asia	29,438	30,362	30,784
Rest of the World	56,214	58,635	63,091
Gross customer loans	362,427	377,770	415,072
Gross customer loans by currency			
Singapore dollar	144,878	151,110	159,305
U.S. dollar	108,106	105,656	121,691
Hong Kong dollar	44,310	42,289	49,685
Renminbi	14,019	16,824	19,203
Others	51,114	61,891	65,188
Gross customer loans	362,427	377,770	415,072

Notes:

- (1) Refers to expected credit loss
- (2) Balances refer to ECL under SFRS(I) 9 (specific allowances: Stage 3 ECL; general allowances: Stage 1 and Stage 2 ECL).
- (3) Based on the location of incorporation of the borrower or the issuing bank in the case of bank backed export financing.

Gross customer loans increased by 10% to SGD 415 billion as at 31 December 2021 from SGD 378 billion as at 31 December 2020 primarily from growth across non-trade corporate loans, trade loans, housing loans and wealth management loans. The increase in customer loans of SGD 15 billion from 31 December 2019 to 31 December 2020 was primarily due to growth in non-trade corporate loans.

Cash and Balances with Central Banks

Cash and cash balances with central banks (excluding cash on hand) was SGD 54.2 billion as at 31 December 2021, a SGD 6.0 billion increase from SGD 48.2 billion as at 31 December 2020. Cash and balances with central banks (excluding cash on hand) was SGD 48.2 billion as at 31 December 2020, a SGD 24.1 billion increase from SGD 24.1 billion as at 31 December 2019. The DBS Group's cash on hand was SGD 2.1 billion as at 31 December 2021, SGD 2.4 billion as at 31 December 2020 and SGD 2.3 billion as at 31 December 2019.

The DBS Group's restricted balances with central banks were SGD 9.7 billion, SGD 8.4 billion and SGD 6.4 billion as at 31 December 2021, 2020 and 2019, respectively. The DBS Group's non-restricted balances with central banks were SGD 44.6 billion, SGD 39.8 billion and SGD 17.6 billion as at 31 December 2021, 2020 and 2019, respectively.

Government securities and treasury bills

As at 31 December 2021, the DBS Group had SGD 53.3 billion in government securities and treasury bills, a 3% increase from SGD 51.7 billion as at 31 December 2020. As at 31 December 2021, SGD 17.9 billion of the DBS Group's government securities and treasury bills were classified as fair value through other

comprehensive income, representing a 3% increase from 2020. SGD 12.7 billion were classified as fair value through profit or loss. SGD 22.7 billion were classified as amortised cost.

As at 31 December 2020, the DBS Group had SGD 51.7 billion in government securities and treasury bills, a 4% increase from SGD 49.7 billion as at 31 December 2019. As at 31 December 2020, SGD 17.4 billion of the DBS Group's government securities and treasury bills were classified as fair value through other comprehensive income, representing a 12% decrease from 2019 and SGD 12.6 billion were classified as fair value through profit or loss, which represented a 27% increase from 2019. SGD 21.7 billion were classified as amortised cost.

Bank and corporate securities

The DBS Group's bank and corporate securities were SGD 69.7 billion, SGD 65.5 billion and SGD 63.7 billion as at 31 December 2021, 2020 and 2019, respectively.

Total Liabilities

The DBS Group's total liabilities as at 31 December 2021 of SGD 628 billion represented a 6% increase from SGD 595 billion as at 31 December 2020. The increase in total liabilities in 2021 was primarily due to higher customer deposits. The DBS Group's total liabilities as at 31 December 2020 of SGD 595 billion represented a 13% increase from SGD 527 billion as at 31 December 2019. The increase in total liabilities in 2020 was primarily due to higher customer deposits.

The following table sets forth the principal components of the DBS Group's total liabilities as at the dates indicated.

In SGD millions	As at 31 December		
	2019	2020	2021
Due to banks.....	23,773	28,220	30,209
Deposits and balances from customers.....	404,289	464,850	501,959
Derivatives.....	17,512	32,904	20,318
Other liabilities ⁽¹⁾	20,907	22,074	18,667
Other debt securities.....	57,128	43,277	52,570
Subordinated term debts.....	3,538	3,970	4,636
Total	527,147	595,295	628,359

Note:

- (1) Include sundry creditors and others, cash collaterals received, lease liabilities, accrued interest payable, current tax liabilities, deferred tax liabilities, provision for loss in respect of off-balance sheet credit exposures, short sale of securities and payable in respect of securities business.

Due to Banks

The DBS Group's due to banks were SGD 30.2 billion, SGD 28.2 billion and SGD 23.8 billion as at 31 December 2021, 2020 and 2019, respectively.

Deposits and balances from customers

Customer deposits were the largest component of the DBS Group's total liabilities, accounting for 80%, 78% and 77% of total liabilities as at 31 December 2021, 2020 and 2019, respectively. The DBS Group's

customer deposits were SGD 502 billion as at 31 December 2021, representing an increase of 8% from SGD 465 billion as at 31 December 2020. This was primarily due to an increase in savings accounts and current accounts. As at 31 December 2020, the DBS Group's customer deposits increased by 15% from SGD 404 billion as at 31 December 2019. The increase was primarily due to an increase in savings accounts and current accounts.

The loan-to-deposit ratio was 81%, 80% and 89% as at 31 December 2021, 2020 and 2019, respectively.

The following table sets forth customer deposits as at the dates indicated.

In SGD millions	As at 31 December		
	2019	2020	2021
Customer deposits	404,289	464,850	501,959
Customer deposits by currency			
Singapore dollar	162,509	204,469	219,838
U.S. dollar	140,769	152,799	174,338
Hong Kong dollar	37,078	38,924	31,067
Renminbi	13,257	16,182	20,995
Others	50,676	52,476	55,721
Customer deposits	404,289	464,850	501,959
Customer deposits by product			
Fixed deposits	162,693	123,583	113,731
Savings accounts	157,343	195,802	221,908
Current accounts	81,014	142,029	159,453
Others	3,239	3,436	6,867
Customer deposits	404,289	464,850	501,959

Other Debt Securities

As at 31 December 2021, the DBS Group's other debt securities, which consisted of negotiable certificates of deposit issued by subsidiaries and other debt securities issued by DBSH and its subsidiaries, totalled SGD 52.6 billion, as compared with SGD 43.3 billion and SGD 57.1 billion as at 31 December 2020 and 2019 respectively. The increase in other debt securities in 2021 was mainly due to higher commercial papers while the decrease in other debt securities in 2020 was mainly due to lower commercial papers and senior medium term notes. Of the DBS Group's other debt securities in issue as at 31 December 2021, 2020 and 2019, SGD 38.1 billion, SGD 31.9 billion and SGD 41.2 billion, respectively, were due within one year.

Subordinated Term Debts

As at 31 December 2021, 2020 and 2019, the DBS Group's subordinated term debts totalled SGD 4.64 billion, SGD 3.97 billion and SGD 3.54 billion, respectively. The subordinated term debts due within one year was nil as at 31 December 2021, 31 December 2020 and 31 December 2019.

Non-controlling Interests

As at 31 December 2021, the non-controlling interests of the DBS Group amounted to SGD 188 million, as compared with SGD 17 million as at 31 December 2020 and SGD 818 million as at 31 December 2019. 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”.

Off-Balance Sheet Items

As at 31 December 2021, the DBS Group’s contingent liabilities, commitments and financial derivatives notional were SGD 34 billion, SGD 332 billion and SGD 2,303 billion respectively, of which commitments that were unconditionally cancellable at any time amounted to SGD 265 billion. As at 31 December 2020 and 2019, the DBS Group’s total contingent liabilities and commitments were SGD 336 billion and SGD 326 billion respectively, of which commitments that were unconditionally cancellable at any time amounted to SGD 251 billion and SGD 248 billion, respectively, and financial derivatives notional of SGD 2,109 billion and SGD 2,185 billion, respectively.

Business Segment Analysis

The following table sets out the DBS Group’s results (excluding one-time items), total assets and total liabilities by business segments for the periods indicated.

In SGD millions	Consumer Banking/ Wealth Management	Institutional Banking	Treasury Markets ⁽¹⁾	Others	Total
As at and for the year ended 31 December 2021					
Net interest income.....	2,548	3,999	783	1,110	8,440
Non-interest income	2,774	1,985	726	372	5,857
Total income.....	5,322	5,984	1,509	1,482	14,297
Total expenses	3,353	2,086	647	383	6,469
Allowances for credit and other losses.....	46	141	(5)	(130)	52
Profit before tax	1,923	3,757	867	1,229	7,776
Total assets before goodwill and intangibles	127,268	313,180	163,554	76,709	680,711
Goodwill and intangibles					5,362
Total assets					686,073
Total liabilities.....	267,870	211,613	88,840	60,036	628,359
As at and for the year ended 31 December 2020					
Net interest income.....	3,339	3,995	840	902	9,076
Non-interest income	2,428	1,750	596	742	5,516
Total income.....	5,767	5,745	1,436	1,644	14,592
Total expenses	3,288	1,987	634	249	6,158
Allowances for credit and other losses.....	456	1,485	14	1,111	3,066
Profit before tax	2,023	2,273	788	284	5,368

In SGD millions	Consumer Banking/ Wealth Management	Institutional Banking	Treasury Markets⁽¹⁾	Others	Total
Total assets before goodwill and intangibles	116,845	292,850	160,638	74,282	644,615
Goodwill and intangibles					5,323
Total assets					649,938
Total liabilities	253,893	223,598	66,593	51,211	595,295
As at and for the year ended 31 December 2019					
Net interest income	4,037	4,309	138	1,141	9,625
Non-interest income	2,262	1,764	794	99	4,919
Total income	6,299	6,073	932	1,240	14,544
Total expenses	3,280	2,015	614	349	6,258
Allowances for credit and other losses	242	327	(5)	139	703
Profit before tax	2,777	3,731	323	752	7,583
Total assets before goodwill and intangibles	117,088	278,336	105,538	72,814	573,776
Goodwill and intangibles					5,170
Total assets					578,946
Total liabilities	223,574	195,114	50,815	57,644	527,147

Note:

- (1) With effect from 1st January 2021, the functional currency of the Treasury Markets trading business in Singapore has been changed prospectively from Singapore dollars to U.S. dollars. The wholesale assets and liabilities have been aligned to the new operating model. The change has no impact to the overall profit or loss and financial position of the DBS Group.

The business segment results are prepared based on the DBS Group's internal management reporting which reflects the organisation 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 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.

Consumer Banking/Wealth Management

Consumer Banking/Wealth Management 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 bank and non-bank financial institutions, government linked companies, large corporates and small and medium-sized businesses. The business focuses on broadening and deepening customer relationships. Products and services comprise the full range of credit facilities from short-term working capital financing to specialised 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.

Treasury Markets

Treasury Markets' activities primarily include structuring, market-making and trading across a broad range of treasury products. Income from sale of treasury products offered to customers of Consumer Banking/Wealth Management and Institutional Banking is not reflected in the Treasury Markets segment, but in the respective customer segments.

Others

Others segment encompasses the results of corporate decisions that are not attributed to business segments as well as the contribution of LVB as its activities have not been aligned with DBS Bank Group's segment definitions. It includes earnings on capital deployed into high quality assets, earnings from non-core asset sales and certain other head office items such as centrally raised allowances. DBS Vickers is also included in this segment.

DBS Bank Group

Substantially all of the assets, liabilities and income of the DBS Group are derived from the DBS Bank Group. As at 31 December 2021, the DBS Bank Group accounted for nearly 100% of the DBS Group's consolidated total assets and net profit.

Capital Management and Planning

The Board of Directors is responsible for setting the DBS Group's capital management objective, which is to maintain a strong capital position consistent with regulatory requirements under MAS Notice 637 and the expectations of various stakeholders, including customers, investors and rating agencies. The Board articulates this objective in the form of capital targets. This objective is pursued while delivering returns to shareholders and ensuring that adequate capital resources are available for business growth and investment opportunities as well as adverse situations, taking into consideration the DBS Group's strategic plans and Risk Appetite. The DBS Group's dividend policy is to pay sustainable dividends that grow progressively with earnings.

Process

The DBS Group's capital management objective is implemented via a capital management and planning process that is overseen by the Capital Committee. The Chief Financial Officer ("CFO") chairs the Capital Committee. The Capital Committee receives regular updates on the DBS Group's current and projected capital position. A key tool for capital planning is the annual Internal Capital Adequacy Assessment Process ("ICAAP") through which the DBS Group projected capital supply and demand relative to regulatory requirements and capital targets. The ICAAP generally has a three-year horizon and covers various scenarios, including stress scenarios of differing scope and severity.

Capital capacity is allocated on two dimensions: by business line and by entity. Capital allocations by business line are set as part of the budget process and monitored during the year. Return on regulatory capital is one of several metrics used to measure business performance. Capital allocations by entity seek to optimise the distribution of capital resources across entities, taking into account the capital adequacy requirements imposed on each subsidiary in its respective jurisdiction. Capital is allocated to ensure that

each subsidiary is able to comply with regulatory requirements as it executes its business strategy in line with the DBS Group strategy. During the course of the year, these subsidiaries did not experience any impediments to the distribution of dividends.

Capital Structure

The DBS Group manages its capital structure in line with its capital management objective and seek to optimise the cost and flexibility offered by various capital resources. In order to achieve this, the DBS Group assesses the need and the opportunity to raise or retire capital.

Capital Adequacy Ratios

As at 31 December 2021, the DBS Group's CET1 was 14.4% which was above the DBS Group's target ratio of around 13.0% \pm 0.5%. The DBS Group's CET1 CAR, as well as Tier 1 and Total CARs, comfortably exceeded the minimum CAR requirements under MAS Notice 637 of 9.0%, 10.5% and 12.5% respectively (this includes the capital conservation buffer but excludes the countercyclical capital buffer).

As at 31 December 2021, the DBS Group's consolidated leverage ratio stood at 6.7%, well above the minimum 3.0% minimum ratio set by the MAS effective 1 January 2018.

The table below sets out the DBS Group's capital resources and capital adequacy ratios.

In SGD millions, except percentages	As at 31 December		
	2019	2020	2021
Common Equity Tier 1 capital	42,870	44,786	49,248
Tier 1 capital	45,460	48,188	51,640
Total capital	50,693	53,937	58,207
Risk-Weighted Assets ("RWA")			
Credit RWA.....	252,402	269,249	294,665
Market RWA	28,696	27,932	23,448
Operational RWA.....	22,673	23,915	24,578
Total RWA	303,771	321,096	342,691
Capital Adequacy Ratio ("CAR") (%)			
Common Equity Tier 1	14.1	13.9	14.4
Tier 1	15.0	15.0	15.1
Total.....	16.7	16.8	17.0
Minimum CAR including Buffer Requirements (%)⁽¹⁾			
Common Equity Tier 1	9.3	9.1	9.1
Tier 1	10.8	10.6	10.6
Total.....	12.8	12.6	12.6
Of which: Buffer Requirements (%)			
Capital Conservation Buffer ("CCB")	2.5	2.5	2.5
Countercyclical Buffer.....	0.3	0.1	0.1

Notes:

(1) Includes minimum Common Equity Tier 1, Tier 1 and Total CAR of 6.5%, 8.0% and 10.0% respectively

Regulatory Change

The minimum CAR requirements based on MAS Notice 637 have been fully phased in from 1 January 2019 and are summarised in the table below.

	From 1 January 2019 and beyond
Minimum CAR (%)	
CET1 (a).....	6.5
Capital Conservation Buffer (“CCB”) (b).....	2.5
CET1 including CCB (a) + (b).....	9.0
Tier 1 including CCB.....	10.5
Total including CCB.....	12.5
Maximum Countercyclical Buffer ⁽¹⁾	2.5

Note:

- (1) The countercyclical buffer is not an ongoing requirement and is only applied as and when specified by the relevant banking supervisors. The applicable magnitude will be a weighted average of the jurisdiction-specific countercyclical buffer requirements that are required by authorities in jurisdictions to which a bank has private sector credit exposures. The Basel Committee expects jurisdictions to implement the countercyclical buffer during periods of excessive credit growth. Of the jurisdictions where the DBS Group has material private sector credit exposures, Hong Kong has applied a countercyclical buffer of 2.5% from 1 January 2019, reducing to 2.0% from 14 October 2019 and 1.0% from 16 March 2020 and remained unchanged thereafter.

The MAS has designated DBS Bank as a D-SIB. Under the MAS’ framework for identifying and supervising D-SIBs, the higher loss absorbency requirement for locally-incorporated D-SIBs is met by the foregoing minimum ratios being two percentage points higher than those established by the Basel Committee. The Basel Committee has developed an indicator-based methodology for identifying global systemically important banks (“G-SIBs”) on which higher loss absorbency requirements will be imposed. While DBS Bank is not a G-SIB, it is required to disclose the set of indicators which are included in the Group’s Pillar 3 disclosures published on DBS website (<https://www.dbs.com/investor/default.page>).

On 7 May 2019, the MAS first released a consultation paper on “Proposed Implementation of the Final Basel III Reforms in Singapore”, seeking feedback on proposed revisions to the capital requirements and leverage ratio requirements for Singapore-incorporated banks to align with the Basel III reforms. On 7 April 2020, the MAS announced that the implementation date of the Basel III reforms had been deferred by one year to 1 January 2023 to enable banks to prioritise their resources in response to COVID-19. On 25 March 2021, the MAS released a consultation paper on “Draft Standards for Credit Risk Capital and Output Floor Requirements for Singapore-incorporated banks” to seek further feedback. The revised standards are expected to take effect from 1 January 2023, with transitional arrangements provided for implementation of the output floor till 1 January 2028. On 13 September 2021, the MAS released a consultation paper on “Draft Standards for Market Risk Capital and Capital Reporting Requirements for Singapore-Incorporated Banks”, seeking feedback on the draft standards. The MAS intends to implement the revised standards for market risk capital for supervisory reporting purposes from 1 January 2023, and for the purposes of compliance with capital adequacy and disclosure requirements from 1 January 2023 or later.

Besides amendments to MAS Notice 637, the MAS announced on 29 July 2020 that it has called on locally-incorporated banks headquartered in Singapore to cap their total dividends per share (“DPS”) for FY2020 at 60% of FY2019’s DPS, and to offer shareholders the option of receiving the dividends to be paid for FY2020 in scrip in lieu of cash. While the MAS recognised that Singapore banks’ capital positions are strong, the dividend restriction is a pre-emptive measure to bolster the banks’ ability to continue to support the credit needs of businesses and consumers in the current business environment. On 28 July 2021, the MAS announced that dividend restrictions on locally-incorporated banks headquartered in Singapore will not be extended.

With effect from 1 July 2021, MAS Notice 637 was amended to specify that the transitional arrangements for the adoption of the standardised approach for counterparty credit risk (“SA-CCR”) and the revised capital requirements for bank exposures to central counterparties will cease on 31 December 2021. It also reflects amendments setting out an alternative treatment for the measurement of derivatives exposures for leverage ratio calculation, using a modified version of SA-CCR as well as other amendments to implement technical revisions to the credit risk framework. Further amendments to MAS Notice 637 were made with effect from 18 August 2021 to implement the framework for the treatment of major stake investments in financial institutions at the Solo level.

With effect from 31 December 2021, MAS Notice 637 was amended to incorporate edits in relation to the insertion of a new charge to be held by the Housing and Development Board (“HDB”) under the Prime Location Public Housing (“PLH”) model. Further amendments effective from 1 January 2022 were also made to MAS Notice 637 to: (a) incorporate clarifications to the SA-CCR framework and the revised capital requirements for bank exposures to central counterparties, (b) implement revisions to the internal ratings-based approach application process and (c) implement technical revisions to the disclosure framework.

On 7 February 2022, the MAS imposed on DBS Bank Ltd. an additional capital requirement arising from the widespread unavailability of DBS Bank’s digital banking services during 23 to 25 November 2021. The MAS has required DBS Bank to apply a multiplier of 1.5 times to its risk-weighted assets for operational risk. This translates to an additional amount of approximately S\$930 million in regulatory capital (based on reported financial statements as at 30 September 2021). The additional capital requirement will be reviewed when the MAS is satisfied that DBS Bank has addressed the identified shortcomings from an independent review of the incident.

Risk Management

Risk Overview

The DBS Group faces the following risks:

- **Business and Strategic Risk** – Overarching risk arising from adverse business and economic changes materially affect the DBS Group’s long-term objectives. This risk is managed separately under other governance processes.
- **Credit Risk** – Risk arising from borrowers or counterparties failing to meet their debt or contractual obligations.
- **Market Risk** – Risk arising from adverse changes in interest rates, foreign exchange rates, equity prices, credit spreads and commodity prices, as well as related factors.
- **Liquidity Risk** – Risk that arises if the DBS Group is unable to meet financial obligations when they are due.
- **Operational Risk** – Risk arising from inadequate or failed internal processes, people or systems, or from external events. This includes legal risk, but excludes strategic and reputational risk.

- **Reputational Risk** – Risk that arises if the DBS Group’s shareholder value (including earnings and capital) is adversely affected by any negative stakeholder perception of the DBS Group’s image. This influences the DBS Group’s ability to establish new relationships or services, service existing relationships, and have continued access to sources of funding. Reputational risk usually occurs when the other risks are poorly managed.

Top and Emerging Risks

The Board and senior management drive a robust process to identify and monitor the DBS Group’s top and emerging risks. In 2021, credit risk continued to be the top risk the DBS Group focused on. The DBS Group closely monitored its customers exiting from COVID-19 debt relief programmes or operating in vulnerable industries such as hospitality and aviation. No material adverse impact for any specific customer segments was identified. The global economy grew but at an uneven pace across countries due to differing vaccination rates and supply chain disruptions arising from the pandemic resurgence. Amid these uncertainties, DBS Group’s portfolios remained resilient and its specific allowances came in lower at SGD 499 million.

Apart from credit risk, DBS Group’s market and liquidity risks continued to be managed well during the year. In relation, its overall business, the DBS Group also looked at:

- new business risks
- technology risks
- environmental, social and governance risks
- financial crime risks
- data governance risks; and
- cyber security and data protection.

Credit risk and portfolio management

The credit risk in the DBS Group’s institutional banking portfolio continued to be manageable. A majority of loan moratoriums in Singapore ended during the year, with low delinquency rates observed. In Hong Kong, while loan moratoriums have been extended into 2022, credit loss is expected to be minimal given the low extension take-up rate. The DBS Group’s loans under moratorium declined from SGD 5 billion at the beginning of 2021 to less than SGD 0.5 billion by the end of 2021.

Portfolio reviews were conducted against the backdrop of the global chip shortage and energy crunch. The global chip shortage situation was partially mitigated by chip users moving from ‘just-in-time’ to stockpile inventory system as well as adjusting their product mix to focus on higher margin products. Many of the energy players were also assessed to be able to pass on the higher energy costs to their customers. While there were no immediate concerns, the DBS Group continued to monitor the potential downstream impact.

From a location perspective, the DBS Group’s exposures to Singapore, Hong Kong and China constituted more than 80% of its Institutional Banking portfolio, and risks were proactively managed.

Headwinds were observed as China launched regulatory crackdowns on its technology sector. A number of Chinese real estate developers also experienced liquidity crunches or defaulted on their debt. While the equity prices of Chinese technology players declined significantly, the major technology players’ underlying business models remained viable with strong cashflow generation capability. The DBS Group’s Chinese technology and real estate portfolios were assessed to be stable as its exposures were mainly to larger and investment-grade names, with the remaining exposure generally well-secured.

In Indonesia and India, the resurgence of COVID-19 cases due to the Omicron strain resulted in restrictions in activities. The DBS Group's portfolio primarily comprised lending to large corporates and remained resilient.

The DBS Group's overall consumer credit quality remained healthy. Residential mortgages in its consumer banking business are primarily in Singapore and Hong Kong, the majority of which are for owner occupation. Overall, its mortgages are mostly well-secured with relatively low loan-to-value ratios. Unsecured consumer credit loans constituted less than 2% of the bank's total loan exposure.

Looking ahead, US-China tensions and the uneven economic recovery across the world are also likely to persist. Given the challenges, the DBS Group will continue to exercise prudence in its client selection and credit underwriting criteria.

Besides actively managing its portfolio risks, the DBS Group enhanced its internal risk management tools to improve the quality of its risk management capabilities. The DBS Group concluded its multi-year credit architecture programme journey which put in place a robust credit risk data infrastructure and workflow management system across the Group, underpinned by modern technology architecture to support its Institutional Banking business. The DBS Group also developed credit underwriting models that enabled the start of its consumer finance business in China as well as pre-emptive lending models to further entrench its digital bank leadership in Singapore. On the risk monitoring front, the DBS Group rolled out early alert models to address specific credit risks arising from COVID-19 relief programmes and introduced tools to automate and identify specific portfolio risks arising from emerging macro risks.

New business risks

During the year, the DBS Group launched Partior (a blockchain-based cross-border clearing and settlement provider) and Climate Impact X (a carbon exchange), in addition to the DBS Digital Exchange ("DDEX") set up in 2020. A risk management and governance framework was put in place to oversee its new businesses. An accountable executive is also identified for each major new business to ensure clarity of accountability and responsibility. Material risks are identified at inception of each business and the appropriate risk committees updated. Where we are the majority shareholder, the risks are reviewed as part of the bank's risk governance framework.

Post amalgamation with LVB in 2020, we strengthened the risk organisation at LVB and folded it in to the overall DBS India Limited ("DBIL") risk framework and oversight. The integration of LVB's operating systems and network into DBIL is well underway and will be completed by Q3 2022.

Technology risks

The DBS Group's technology risk management framework is an integral part of the bank's overall risk management approach. The framework is based on a three-pronged approach of risk evaluation, response and governance. As part of risk evaluation, the DBS Group identify and analyse the risks, define the risk metrics and monitor the issues, risk events and key risk indicators. Responses are made through risk-based decisions taking into account risk control and mitigation measures. Updates on the DBS Group's technology risk profiles are provided regularly to the various risk committees.

In November 2021, the DBS Group encountered a two-day digital disruption in Singapore. In relation to this incident, management initiated remedial measures to improve the resilience of its services and incident response, with due consideration given to regulatory requirements and expectations.

Environmental, social and governance ("ESG") risks

Assessment of ESG risks is embedded into the DBS Group's credit underwriting process with emphasis on climate risk, and is an integral part of its overall credit risk assessment framework. In 2021, the DBS Group strengthened the criteria for underwriting transactions with adverse ESG considerations.

The DBS Group have in place a Group Sustainability Council which oversees sustainability matters, and in 2021, a Climate Steering Committee was established to further strengthen the bank's climate risk management, focusing on governance, client engagement, climate risk policy and underwriting, stress testing and disclosure. The DBS Group also recently established a Board Sustainability Committee to provide greater governance and oversight into climate related risks and opportunities, as well as its broader ESG efforts.

Financial crime risks

The financial crime risk mitigation programme had been enhanced over the years by leveraging technology and data analytics. An array of artificial intelligence and machine learning capabilities is used to supplement rules-based engines to conduct surveillance at different levels such as transaction, customer, and country levels. Customer due diligence was further refined with dynamic analytical reviews based on changes in static data or transactional behaviour. The DBS Group continued to focus on public-private sector collaboration, actively participating in initiatives between financial institutions and law enforcement agencies.

Digital scams in Singapore are becoming more sophisticated and widespread at the national level, with relentless attempts by scammers seeking to exploit unsuspecting victims. The DBS Group have implemented multi-pronged measures to strengthen fraud prevention and recovery measures including real-time blocking capabilities, loss recovery and customer communication/ education. The DBS Group is also collaborating with national agencies to protect its customers.

Data governance risks

The DBS Group recognises that responsible practices around data governance are key for customer and stakeholder trust. The data governance framework was developed along the following three prisms: (a) a baseline prism encompassing data security, data quality, and legal and regulatory compliance, (b) an ethical prism – PURE (Purposeful, Unsurprising, Respectful and Explainable) – for the responsible use of data, and (c) a model governance prism, covering regulated and artificial intelligence models and their performance over time.

Cyber security and data protection

Cyber security risk is an evolving risk as the DBS Group and its customers establish remote workings as the new working norm in the face of the pandemic. The DBS Group continued to invest in its cyber defence capabilities to secure internal assets from emerging cyber threats, and strengthen its ability to detect and respond to the threat actors' modus operandi. The DBS Group stayed vigilant as it broadened its ecosystem partnerships, vendor support, and service provider engagements. Cyber security experts were engaged to validate its control environment against cyber threats and third party risks. The DBS Group believe its people are an integral part of its cyber defence, and have stepped up its efforts to raise the security awareness of its staff on the prevailing cyber threats and scams.

Operational risks amidst COVID-19 disruptions

The DBS Group continued to proactively manage the operational risks which arose from the new or modified processes during the pandemic and as it moved towards a hybrid work arrangement. Risk identification and assessment processes were put in place to identify risks and assess adequacy and sustainability of controls in the new/ modified processes so as to ensure the risks were adequately mitigated. The DBS Group also continued to work with its material outsourced service providers to ensure service delivery was not adversely impacted.

Risk Taking and the DBS Group's Business Segments

As the DBS Group focuses on Asia's markets, it is exposed to concentration risks within the region. The DBS Group manages this by diversifying its risks across industries and individual exposures. In addition,

the DBS Group relies on the specialist knowledge it has of its regional markets and industry segments to effectively assess its risks.

The chart below provides an overview of the risks arising from the DBS Group's business segments. The asset size of each business segment reflects its contribution to the balance sheet, and the risk-weighted assets offer a risk-adjusted perspective.

For more information on the DBS Group's business segments, see Note 48 to the DBS Group's audited consolidated financial statements as at and for the year ended 31 December 2021 which are set forth beginning on page F-2 of this Offering Circular.

As at 31 December 2021

SGD millions	Consumer Banking/ Wealth Management	Institutional Banking	Treasury Markets	Others ⁽¹⁾	Group
Assets ⁽²⁾	127,268	313,180	163,554	76,709	680,711
Risk-weighted assets	50,252	220,012	44,532	27,895	342,691
Credit Risk (% of RWA).....	83%	95%	53%	74%	86%
Market Risk (% of RWA)	0%	0%	42%	18%	7%
Operational Risk (% of RWA).....	17%	5%	5%	8%	7%

Notes:

- (1) Encompasses assets/RWA from capital and balance sheet management, funding and liquidity activities and DBS Vickers Group.
- (2) Before goodwill and intangibles.

Risk Governance

The Board oversees the DBS Group's affairs and provides sound leadership for the Chief Executive Officer ("CEO") and management. Authorised by the Board, various Board committees oversee specific responsibilities based on clearly defined terms of reference.

Under the DBS Group's risk management approach, the Board, through the Board Risk Management Committee ("BRMC"), sets the DBS Group's Risk Appetite, oversees the establishment of enterprise-wide risk management policies and processes, and sets risk appetite limits to guide the DBS Group's risk taking.



Note: The lines reflect possible escalation protocols and are not reporting lines per se

The BRMC also oversees the identification, monitoring, management and reporting of credit, market, liquidity, operational and reputational risks. To facilitate the BRMC’s risk oversight, the following risk management committees have been established.

Risk Management Committees

Risk management committees	
Risk Executive Committee (“Risk EXCO”)	As the overall executive body regarding risk matters, the Risk EXCO oversees the DBS Group’s risk management.

Group Credit Risk Committee (“GCRC”)	Each of the committees reports to the Risk EXCO, and serves as an executive forum to discuss and implement the DBS Group’s risk management.
Group Credit Policy Committee (“GPCC”)	Key responsibilities:
Group Credit Risk Models Committee (“GCRMC”)	<ul style="list-style-type: none"> Assess and approve risk-taking activities Oversee the DBS Group’s risk management infrastructure, which includes frameworks, decision criteria, authorities, people, policies, standards, processes, information and systems
Group Market and Liquidity Risk Committee (“GMLRC”)	<ul style="list-style-type: none"> Approve risk policies such as model governance standards, stress testing scenarios, and the evaluation and endorsement of risk models
Group Operational Risk Committee (“GORC”)	<ul style="list-style-type: none"> Assess and monitor specific credit concentration
Group Scenario and Stress Testing Committee (“GSSTC”)	<ul style="list-style-type: none"> Recommend stress-testing scenarios (including macroeconomic variable projections) and review the results <p>The members in these committees comprise representatives from the Risk Management Group (“RMG”) as well as key business and support units.</p>
Product Approval Committee (“PAC”)	The PAC provides group-wide oversight and direction for the approval of new product and outsourcing initiatives. It evaluates new product and outsourcing initiatives to ensure that they are in line with the Group’s strategy and risk appetite.

Most of the above committees are supported by local risk committees in all major locations, where appropriate. These local risk committees oversee the local risk positions for all businesses and support units, ensuring that they keep within limits set by the DBS Group’s risk committees. They also approve location-specific risk policies.

The Chief Risk Officer (“CRO”), who is a member of the DBS Group’s Executive Committee and reports to the Chairman of the BRMC and the CEO, oversees the risk management function. The CRO is independent of business lines and is actively involved in key decision-making processes. He often engages with regulators to discuss risk matters, enabling a more holistic risk management perspective.

Working closely with the risk and business committees, the CRO is responsible for the following:

- Management of the DBS Group’s risks, including systems and processes to identify, approve, measure, monitor, control and report risks;
- Engagement with senior management about material matters regarding all risk types;
- Development of risk controls and mitigation processes; and
- Ensuring the DBS Group’s risk management is effective, and the Risk Appetite established by the Board is adhered to.

Risk Appetite (“Risk Appetite”)

The DBS Group’s Risk Appetite is set by the Board and governed by the Risk Appetite Policy, which articulates the risks that the DBS Group is willing to accept. It also serves to reinforce the DBS Group’s risk culture by setting a clear message from the ‘tone from the top’. A strong organisational risk culture, complemented with a balanced incentive framework helps to further embed the DBS Group’s Risk Appetite.

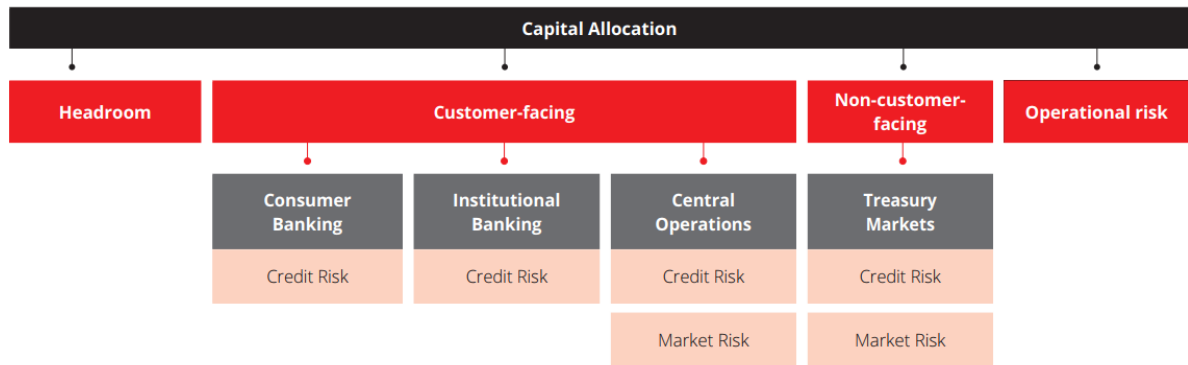
Risk thresholds and economic capital usage

The DBS Group’s Risk Appetite takes into account a spectrum of risk types and is implemented using thresholds, policies, processes and controls.

Threshold structures are essential in making the DBS Group’s Risk Appetite an intrinsic part of its businesses because they help to keep all of the DBS Group’s risks within acceptable levels. Portfolio risk limits for the quantifiable risk types reach all parts of the DBS Group from the top down, and these are implemented using formal frameworks. As for the non-quantifiable risk types, these are controlled using qualitative principles.

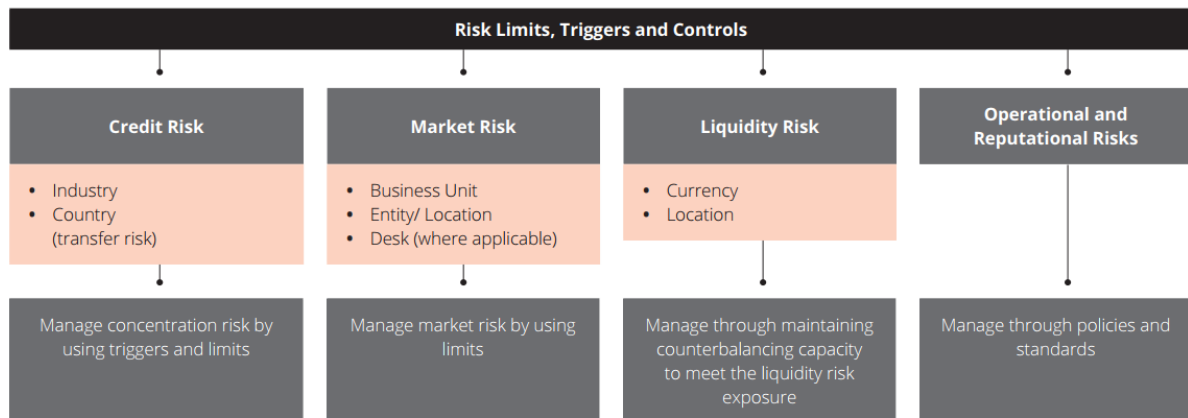
To ensure that the thresholds pertaining to the DBS Group’s Risk Appetite are completely risk sensitive, the DBS Group has adopted both Economic Capital (“EC”) and Regulatory Capital (“RC”) as its risk metrics. Additionally, both EC and RC are assessed as part of the DBS Group’s Internal Capital Adequacy Assessment Process (“ICAAP”).

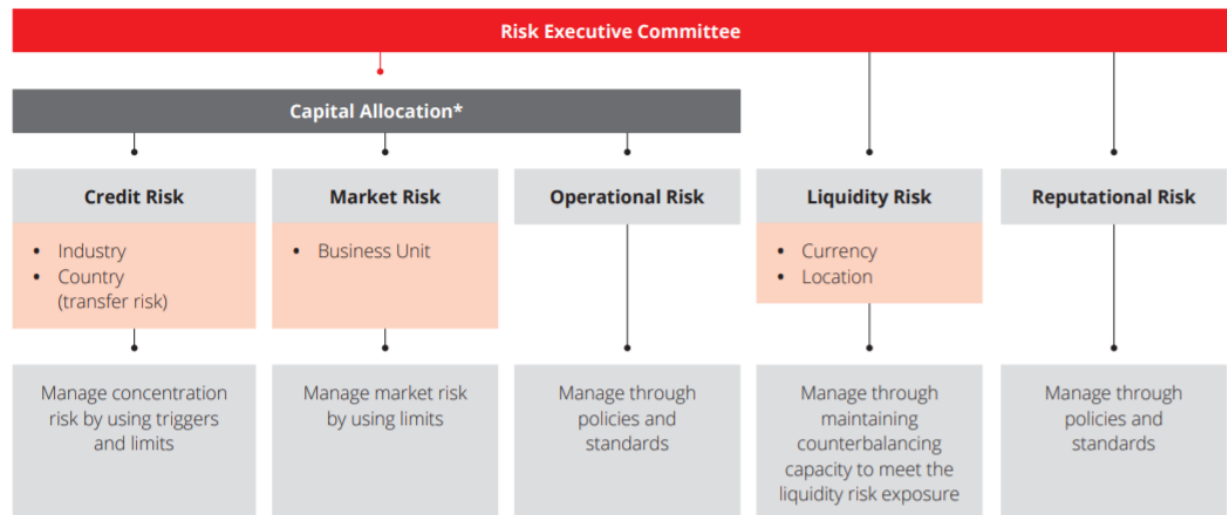
The DBS Group’s capital allocation structure monitors regulatory capital demand at the business unit level, while other quantitative or qualitative controls are used to manage risks at granular levels. The risk types that are managed using capital are credit, market and operational risks. The diagram below shows how risk is managed along the dimensions of customer-facing and non-customer-facing units.



As a commercial bank, the DBS Group allocates more capital to its customer-facing units, as compared to non customer-facing units. A buffer is also maintained for other risks such as country, reputational, model risks, etc.

The following chart provides a broad overview of how the Risk Appetite permeates throughout the DBS Group.





* Refer to Capital allocation diagram above

Stress testing

Stress testing is an integral part of the DBS Group's risk management process. It includes both sensitivity analysis and scenario analysis and is conducted regularly. In particular, the ICAAP (a group wide exercise spanning risk types) is performed annually. In addition, stress tests are carried out in response to microeconomic and macroeconomic conditions, or portfolio developments. Every stress test is documented and the results are reviewed by senior management and/or the BRMC.

Stress testing alerts senior management of the DBS Group to potential vulnerability to exceptional but plausible adverse events. As such, stress testing enables the DBS Group to assess capital adequacy and identify potentially risky portfolio segments as well as inherent systematic risks. This then allows the DBS Group to develop the right contingency plans, exit strategies and mitigating actions beforehand.

The ICAAP ensures the DBS Group's business plans are consistent with its Risk Appetite. This is done by comparing the projected demand for capital to the projected supply of capital under various scenarios, including severe macroeconomic stress.

Credit Risk

The most significant measurable risk the DBS Group faces – credit risk - arises from the daily activities in its various businesses. These activities include lending to retail, corporate and institutional customers. It includes the risk of lending, pre-settlement and settlement risk of foreign exchange, derivatives and debt securities.

For details on the DBS Group's maximum exposure to credit risk, please refer to Note 43.1 to the DBS Group's audited consolidated financial statements as at and for the year ended 31 December 2021 which are set forth beginning on page F-2 of this Offering Circular.

Credit risk management at the DBS Group

The DBS Group's approach to credit risk management comprises the following building blocks: policies, risk methodologies and processes, systems and reports.

Policies

The dimensions of credit risk and the scope of its application are defined in the DBS Group's Credit Risk Management Policy. Senior management sets the overall direction and policy for managing credit risk at the enterprise level.

The Core Credit Risk Policies (“**CCRPs**”) established for Consumer Banking/Wealth Management and Institutional Banking set forth the principles by which the DBS Group conducts its credit risk management and control activities. These policies, supplemented by a number of operational standards and guidelines, ensure consistency in identifying, assessing, underwriting, measuring, reporting and controlling credit risk across the DBS Group, and provide guidance in the formulation of business-specific and/or location-specific credit risk policies and standards.

The operational standards and guidelines are established to provide greater details on the implementation of the credit principles within the DBS Group’s CCRPs and are adapted to reflect different credit environments and portfolio risk profiles. The CCRPs are approved by the GCPC.

Risk methodologies

Credit risk is managed by thoroughly understanding the DBS Group’s corporate customers – the businesses they are in, as well as the economies in which they operate. It is also managed through statistical models and data analytics for retail customers.

The assignment of credit risk ratings and setting of lending limits are integral parts of the DBS Group’s credit risk management process, and the DBS Group uses an array of rating models for its corporate and retail portfolios. Most of these models are built internally using the DBS Group’s loss data, and the limits are driven by the DBS Group’s Risk Appetite Statement and the Target Market and Risk Acceptance Criteria (“**TM-RAC**”).

Wholesale borrowers are assessed individually, and are further reviewed and evaluated by experienced credit risk managers who consider relevant credit risk factors in the final determination of the borrower’s risk. For some portfolios within the SME segment, the DBS Group also uses a programme-based approach to achieve a balanced management of risks and rewards. Retail exposures are assessed using credit score models, credit bureau records as well as internally and externally available customer behaviour records supplemented by its Risk Acceptance Criteria (“**RAC**”). Credit applications are proposed by the business unit, and applications outside the RAC are independently assessed by the credit risk managers.

Please refer to “*Internal Credit Risk Models*” section for further discussion on the DBS Group’s internal credit risk models.

Pre-settlement credit risk for traded products arising from a counterparty potentially defaulting on its obligations is generally quantified by evaluation of the market price plus potential future exposure. This is used to calculate the DBS Group’s regulatory capital and is included within the DBS Group’s overall credit limits to counterparties for internal risk management.

The DBS Group actively monitors and manages its exposure to counterparties for over-the-counter (“**OTC**”) derivative trades to protect its balance sheet in the event of a counterparty default. Counterparty risk exposures that may be adversely affected by market risk events are identified, reviewed and acted upon by management, and highlighted to the appropriate risk committees. Specific wrong-way risk arises when the credit exposure of a counterparty (from the traded product transaction) directly correlates with the probability of default of the counterparty. The DBS Group has a policy to guide the handling of specific wrong-way risk transactions, and its risk measurement metric takes into account the higher risks associated with such transactions.

Issuer default risk that may also arise from derivatives, notes and securities are generally measured based on jump-to-default computations.

Concentration risk management

For credit risk concentration, the DBS Group uses EC as its measurement tool, as it combines the individual risk factors such as the probability of default (“**PD**”), loss given default (“**LGD**”) and exposure at default (“**EAD**”), in addition to industry correlation and portfolio concentration. EC thresholds are set to ensure that the allocated EC stays within the Risk Appetite. Concentration risk for retail is managed at two

levels – product level where exposure limits are set up and segment level to manage the growth of high-risk segments. Governance processes are in place to ensure that these thresholds are monitored regularly, and appropriate actions are taken when the thresholds are breached.

The DBS Group continually examines and reviews how it can enhance the scope of its thresholds and approaches to manage concentration risk.

Environmental, social and governance risk

Responsible financing, covering ESG issues, is a topic of increasing importance that affects investing and lending decisions across the DBS Group. The DBS Group recognises that its financing practices have a substantial impact on society and failure of its customers to appropriately manage ESG issues can directly impact their operations and long-term economic viability, and the communities and environment in which they operate.

The Board approves the DBS Group's overall and specific risk governance frameworks and oversees an independent Group-wide risk management system, including responsible financing.

The DBS Group had established a Group Responsible Financing Standard that documents its overarching approach to responsible financing and additional assessment required when entering into transactions with elevated ESG risks. The requirements of this Standard represent the minimum standards for the DBS Group and it has also sought alignment, where possible, with international standards and best practices. Where significant ESG issues are identified, escalation is required to the relevant Global Industry Specialist and IBG Sustainability Office for further guidance prior to approval by the Credit Approving Authority.

Country risk

Country risk refers to the risk of loss due to events in a specific country (or a group of countries). This includes political, exchange rate, economic, sovereign and transfer risks.

The DBS Group manages country risk through the requirements of the CCRP and the said risk is part of its concentration risk management. The way the DBS Group manages transfer risk is set out in its Country Risk Management Standard. This includes an internal transfer risk and sovereign risk rating system, where assessments are made independently of business decisions. The DBS Group's transfer risk limits are set in accordance with its Risk Appetite Policy.

Transfer risk limits for priority countries are set based on country-specific strategic business considerations as well as the acceptable potential loss according to the Risk Appetite. Management actively evaluates and determines the appropriate level of transfer risk exposures for these countries, taking into account the risks and rewards and whether they are in line with the DBS Group's strategic intent. Limits for all other non-priority countries are set using a model-based approach.

All transfer risk limits are approved by the BRMC.

Credit stress testing

The DBS Group engages in various types of credit stress testing, and these are driven either by regulators or internal requirements and management.

The credit stress tests are performed at the total portfolio or sub-portfolio level, and are generally conducted to assess the impact of changing economic conditions on asset quality, earnings performance, capital adequacy and liquidity. The DBS Group's stress testing programme is comprehensive and covers all major functions and areas of business.

The DBS Group typically performs the following types of credit stress testing at a minimum and others as necessary:

Pillar 1 credit stress testing	The DBS Group conducts Pillar 1 credit stress testing regularly as required by regulators. Under Pillar 1 credit stress testing, the DBS Group assesses the impact of a mild stress scenario (at least two consecutive quarters of zero GDP growth) on Internal Ratings-Based (“ IRB ”) estimates (i.e. PD, LGD and EAD) and the impact on regulatory capital. The purpose of the Pillar 1 credit stress test is to assess the robustness of internal credit risk models and the cushion above minimum regulatory capital.
Pillar 2 credit stress testing	The DBS Group conducts Pillar 2 credit stress testing once a year as part of the ICAAP. Under Pillar 2 credit stress testing, the DBS Group assesses the impact of stress scenarios, with different levels of severity, on asset quality, earnings performance as well as internal and regulatory capital. The results of the credit stress tests form inputs to the capital planning process under ICAAP. The purpose of the Pillar 2 credit stress testing is to examine, in a rigorous and forward-looking manner, the possible events or changes in market conditions that could adversely impact the DBS Group and to develop the appropriate action plan.
Industry-wide stress testing	The DBS Group participates in the annual industry-wide stress test (“ IWST ”) conducted by the MAS to facilitate its ongoing assessment of Singapore’s financial stability. Under the IWST, the DBS Group is required to assess the impact of adverse scenarios, as defined by the regulator, on asset quality, earnings performance and capital adequacy.
Sensitivity and scenario analyses	The DBS Group also conducts multiple independent sensitivity analyses and credit portfolio reviews based on various scenarios. The intent of these analyses and reviews is to identify vulnerabilities for the purpose of developing and executing mitigating actions.

Processes, systems and reports

The DBS Group constantly invests in systems to support risk monitoring and reporting for its Institutional Banking and Consumer Banking/Wealth Management businesses.

The end-to-end credit process is continually being reviewed and improved through various front-to-back initiatives involving business, operations, risk management and other key stakeholders. Day-to-day monitoring of credit exposures, portfolio performance and external environmental factors potentially affecting credit risk profiles is key to the DBS Group’s philosophy of effective credit risk management.

In addition, credit trends, which may include industry analysis, early warning alerts and significant weak credits, are submitted to the various risk committees, allowing key strategies and action plans to be formulated and evaluated. Credit control functions also ensure that any credit risk taken complies with the credit risk policies and standards. These functions ensure that approved limits are activated, credit excesses and policy exceptions are appropriately endorsed, compliance with credit standards is carried out, and covenants established are monitored.

Independent risk management functions that report to the CRO are jointly responsible for developing and maintaining a robust credit stress testing programme. These units oversee the implementation of credit

stress tests as well as the analysis of the results, of which management, various risk committees and regulators are informed.

Non-performing assets (“NPA”)

The DBS Group’s credit facilities are classified as “Performing assets” or “Non-performing assets” (“**NPA**”) in accordance with the MAS Notice to Banks No. 612 “Credit Files, Grading and Provisioning” (“**MAS Notice 612**”).

Credit exposures are categorised into one of the following five categories, according to the DBS Group’s assessment of a borrower’s ability to repay a credit facility from the borrower’s normal sources of income and/or the repayment behaviour of the borrower.

CLASSIFICATION GRADE	DESCRIPTION
Performing Assets	
Pass	Indicates that the timely repayment of the outstanding credit facilities is not in doubt.
Special mention	Indicates that the borrower exhibits potential weaknesses that, if not corrected in a timely manner, may adversely affect future repayments and warrant close attention.
Classified or NPA	
Substandard	Indicates that the borrower exhibits definable weaknesses in its business, cash flow or financial position that may jeopardise repayment on existing terms.
Doubtful	Indicates that the borrower exhibits 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 as yet.
Loss	Indicates that the outstanding credit facility is not collectable, and little or nothing can be done to recover the outstanding amount from any collateral or from the assets of the borrower generally.

A default is considered to have occurred with regard to a particular borrower when either or both of the following events have taken place:

- Subjective default: Borrower is considered to be unlikely to pay its credit obligations in full, without the DBS Group taking action such as realising security (if held)
- Technical default: Borrower is more than 90 days past due on any credit obligation to the DBS Group

For retail borrowers, the categorisation into the respective MAS loan grades is at the facility level and consistent with MAS Notice 612 / MAS Notice 612A.

Credit facilities are classified as restructured assets when the DBS Group grants non-commercial concessions to a borrower because its financial position has deteriorated or is unable to meet the original repayment schedule. A restructured credit facility is classified into the appropriate non-performing grade based on the assessment of the borrower’s financial condition and its ability to repay according to 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 and MAS Notice 612 / MAS Notice 612A. Apart from what has been described, the DBS Group does not grant concessions to borrowers in the normal course of business.

In addition, it is not within the DBS Group's business model to acquire debts that have been restructured at inception (e.g. distressed debts).

For the DBS Group's accounting policies regarding specific and general allowances for credit losses, please refer to Note 2.11 to the DBS Group's audited consolidated financial statements as at and for the year ended 31 December 2021 which are set forth beginning on page F-2 of this Offering Circular.

In general, specific allowances are recognised for defaulting credit exposures rated substandard and below.

The breakdown of the DBS Group's NPAs by loan grading and industry and the related amounts of specific allowances can be found in Note 43.2 to the DBS Group's audited consolidated financial statements as at and for the year ended 31 December 2021 which are set forth beginning on page F-2 of this Offering Circular. A breakdown of the DBS Group's past due loans can also be found in the same note.

When required, the DBS Group will take possession of all collateral and dispose of them as soon as practicable. Realised proceeds are used to reduce outstanding indebtedness.

A breakdown of collateral held for NPA is shown in Note 43.2 to the DBS Group's audited consolidated financial statements as at and for the year ended 31 December 2021 which are set forth beginning on page F-2 of this Offering Circular.

Repossessed collateral is classified in the balance sheet as other assets. The amounts of such other assets for 2020 and 2021 were not material.

Credit risk mitigants

Collateral received

Where possible, the DBS Group takes collateral as a secondary source of repayment. This includes, but is not limited to, cash, marketable securities, real estate, trade receivables, inventory, equipment, and other physical and/or financial collateral. The DBS Group may also take fixed and floating charges on the assets of borrowers.

Policies are in place to determine the eligibility of collateral for credit risk mitigation. The DBS Group's collateral is generally diversified and periodic valuations of collateral are required. Real estate constitutes the bulk of the DBS Group's collateral, while marketable securities and cash are immaterial.

For derivatives, repurchase agreements ("**repo**") and other repo-style transactions with financial market counterparties, collateral arrangements are typically covered under market-standard documentation, such as International Swaps and Derivatives Association ("**ISDA**") Agreements and Master Repurchase Agreements. The collateral received is mark-to-market on a frequency the DBS Group and the counterparties mutually agreed upon. This is governed by internal guidelines with respect to collateral eligibility. In the event of a default, the credit risk exposure is reduced by master-netting arrangements where the DBS Group is allowed to offset what it owes to a counterparty against what is due from that counterparty in a netting-eligible jurisdiction.

For further information on financial assets and liabilities subject to netting agreement but not offset on the balance sheet, please refer to Note 14 to the DBS Group's audited consolidated financial statements as at and for the year ended 31 December 2021 which are set forth beginning on page F-2 of this Offering Circular.

Collateral held against derivatives generally consists of cash in major currencies and highly-rated government or quasi-government bonds. Exceptions may arise in certain countries, where due to domestic capital markets and business conditions, the DBS Group may be required to accept less highly rated or liquid government bonds and currencies. Reverse repo transactions are generally traded with large institutions with reasonably good credit standing. The DBS Group takes haircuts against the underlying collateral of these transactions that commensurate with collateral quality to ensure credit risks are adequately mitigated.

In times of difficulty, the DBS Group will review customers' specific situation and circumstances to assist them in restructuring their financial obligations. However, should the need arise, disposal and recovery processes are in place to dispose of collateral held. The DBS Group also maintains a panel of agents and solicitors to assist in the disposal of non-liquid assets and specialised equipment quickly.

Collateral posted

The DBS Group is required to post additional collateral in the event of a rating downgrade. As at 31 December 2021, for a three-notch downgrade of its Standard & Poor's Ratings Services and Moody's Investors Services ratings, the DBS Bank would have to post additional collateral amounting to SGD 2 million (2020: SGD 11 million).

Other credit risk mitigants

The DBS Group accepts guarantees as credit risk mitigants. Internal requirements for considering the eligibility of guarantors for credit risk mitigation are in place.

Internal credit risk models

The DBS Group adopts rating systems for the different asset classes under the Internal Ratings-Based Approach ("IRBA").

There is a robust governance process for the development, independent validation and approval of any credit risk model. The models go through a rigorous review process before they are endorsed by the GCRMC and the Risk EXCO. They must also be approved by the BRMC before submission for regulatory approval. The key risk measures generated by the internal credit risk rating models to quantify regulatory capital include PD, LGD and EAD. For portfolios under the Foundation IRBA, internal estimates of PD are used while the supervisory LGD and EAD estimates are applied. For portfolios under the Advanced IRBA, internal estimates of PD, LGD and EAD are used. In addition, the ratings from the credit models act as the basis for underwriting credit risk, monitoring portfolio performance and determining business strategies. The performance of the rating systems is monitored regularly and reported to the GCRMC, the Risk EXCO and the BRMC to ensure their ongoing effectiveness.

An independent risk unit conducts formal validations for the respective rating systems annually. The validation processes are also independently reviewed by Group Audit. These serve to highlight material deterioration in the rating systems for management attention.

Retail exposure models

Retail portfolios are categorised into the following asset classes under the Advanced IRBA: residential mortgages, qualifying revolving retail exposures and other retail exposures.

Within each asset class, exposures are managed on a portfolio basis. Each customer or account is assigned to a risk pool, considering factors such as borrower characteristics and collateral type. PD, EAD and LGD estimates are based on internal historical default, utilisation and realised losses within a defined period.

Product-specific credit risk elements such as underwriting criteria, scoring models, approving authorities and asset quality and business strategy reviews, as well as systems, processes and techniques to monitor portfolio performance, are in place. Credit risk models for secured and unsecured portfolios are also used

to update the risk level of each loan on a monthly basis, reflecting the broad usage of risk models in portfolio quality reviews.

Wholesale exposure models

Wholesale exposures are under the Foundation IRBA for capital computation. They include sovereign, bank and corporate. Specialised lending exposures are under the IRBA using supervisory slotting criteria.

Sovereign exposures are risk-rated using internal risk-rating models. Factors related to country-specific macroeconomic risk, political risk, social risk and liquidity risk are included in the sovereign rating models to assess the sovereign credit risk in an objective and systematic manner.

Bank exposures are assessed using the bank-rating model. The model considers both quantitative and qualitative factors such as capital levels and liquidity, asset quality, and management strength.

Large corporate exposures are assessed using internal rating models. Factors considered in the risk assessment process include the counterparty's financial strength and qualitative factors such as industry risk, access to funding, market standing and management strength.

SME credit rating models consider risk factors such as those relating to the counterparty's financial strength, qualitative factors, as well as its account performance.

Credit risk ratings under the IRBA portfolios are, at a minimum, reviewed by designated approvers on an annual basis unless credit conditions require more frequent assessment.

Specialised lending exposures

Specialised lending IRBA portfolios include income-producing real estate, project finance, object finance and commodities finance. These adopt the supervisory slotting criteria specified under Annex 7v of MAS Notice 637, which are used to determine the risk weights to calculate credit risk-weighted exposures.

Securitisation exposures

The DBS Group arranges securitisation transactions for its clients for fees. These transactions do not involve special-purpose entities the DBS Group controls. For transactions that are not underwritten, no securitisation exposures are assumed as a direct consequence of arranging the transactions. Any decision to invest in any of such arranged transactions is subject to independent risk assessment.

Where the DBS Group provides an underwriting commitment, any securitisation exposure that arises will be held in the trading book to be traded or sold down in accordance with its internal policy and risk limits. In addition, the DBS Group does not provide implicit support for any transactions it structures or has invested in.

The DBS Group invests in its clients' securitisation transactions from time to time. These may include securitisation transactions arranged by the DBS Group or other parties. The DBS Group may also act as a liquidity facility provider, working capital facility provider or swap counterparty. Such exposures require the approval of the independent risk function and are subject to regular risk reviews. The DBS Group also has processes in place to monitor the credit risk of its securitisation exposures.

Credit exposures falling outside internal credit risk models

The DBS Group applies the Standardised Approach (“SA”) for portfolios that are expected to transit to IRBA or for portfolios that are immaterial in terms of size and risk profile. These portfolios include:

- (i) IRBA-transitioning retail and wholesale exposures
- (ii) IRBA-exempt retail exposures
- (iii) IRBA-exempt wholesale exposures

Any identified transitioning retail and/or wholesale exposures are expected to adopt Advanced or Foundation IRBA, subject to approval by regulators. Prior to regulatory approval, these portfolios are under SA.

The portfolios under the SA are subject to the DBS Group's overall governance framework and credit risk management practices. The DBS Group continues to monitor the size and risk profile of these portfolios, and will enhance the relevant risk measurement processes if 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 risk in 2021

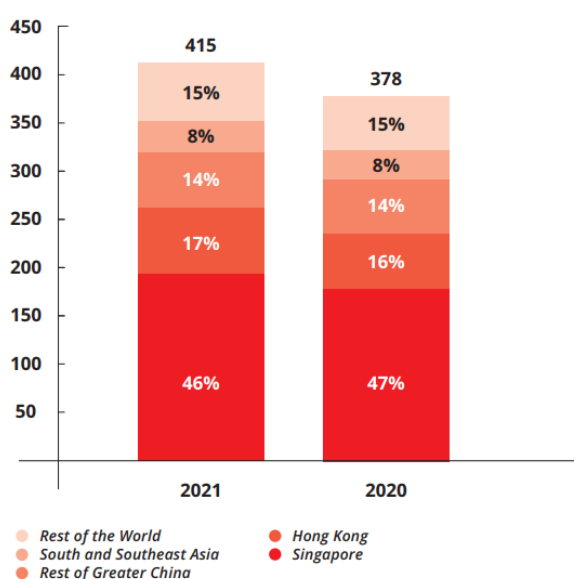
Concentration risk

The DBS Group's geographic distribution of customer loans remains stable.

Singapore, the DBS Group's home market, continues to account for the largest share of its gross loans and advances to customers which contributed to 46% of its total portfolio. Growth was seen mainly in Singapore, Hong Kong and Rest of the World.

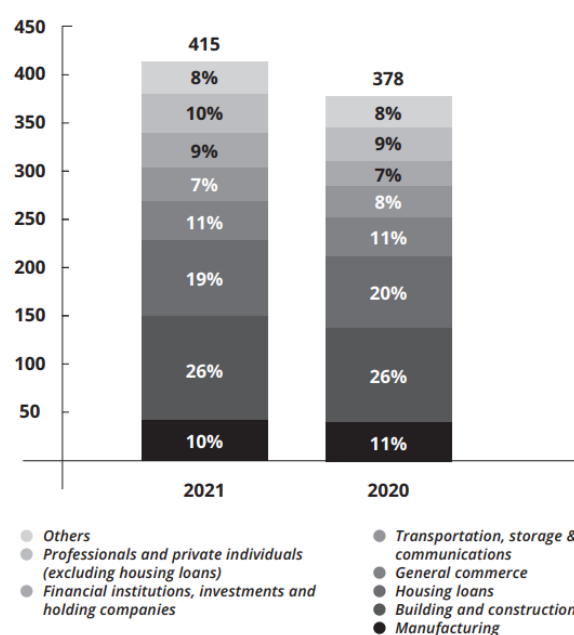
The DBS Group's portfolio is well diversified across industry and business segments. Building and construction, general commerce and manufacturing remain the largest contributors in the wholesale portfolio, accounting for 47% of the total portfolio.

Geographical Concentration (SGD billion)



Above refers to gross loans and advances to customers based on country of incorporation

Industry Concentration (SGD billion)



Above refers to gross loans and advances to customers based on MAS Industry Code

For the DBS Group's breakdown of credit risk concentration, please refer to Note 43 to the DBS Group's audited consolidated financial statements as at and for the year ended 31 December 2021 which are set forth beginning on page F-2 of this Offering Circular.

Non-performing assets

New non-performing asset (“NPA”) formation was offset by recoveries and write-offs. In absolute terms, total NPA decreased by 13% from the previous year to SGD 5.85 billion and non-performing loans (“NPL”) dropped to 1.3% in 2021.

Collateral received

The tables below provide breakdowns by LTV bands for the borrowings secured by real estate and other collateral from the various market segments.

Residential mortgage loans

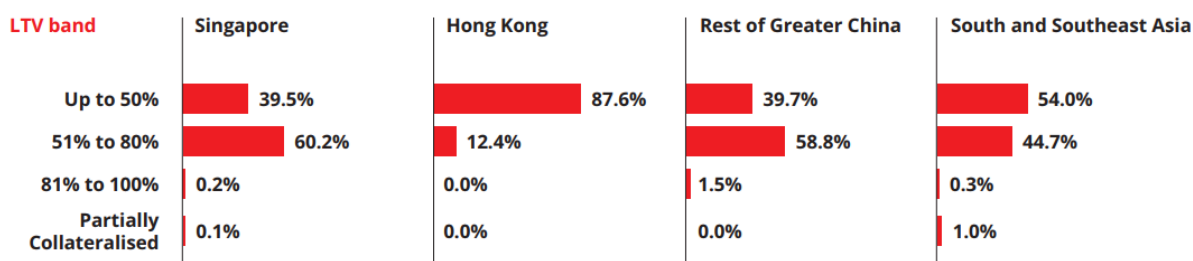
The LTV ratio is calculated using mortgage loans including undrawn commitments divided by the collateral value. Property valuations are determined using a combination of professional appraisals and housing price indices.

For Singapore mortgages, new loans are capped at LTV limits of up to 75% for private residential mortgages, since July 2018. In tandem with the increase in private property price increases by 10.6% year on year, there was an approximate 5.5% shift in the proportion of mortgage exposure from the LTV > 50% to the up-to-50% LTV band.

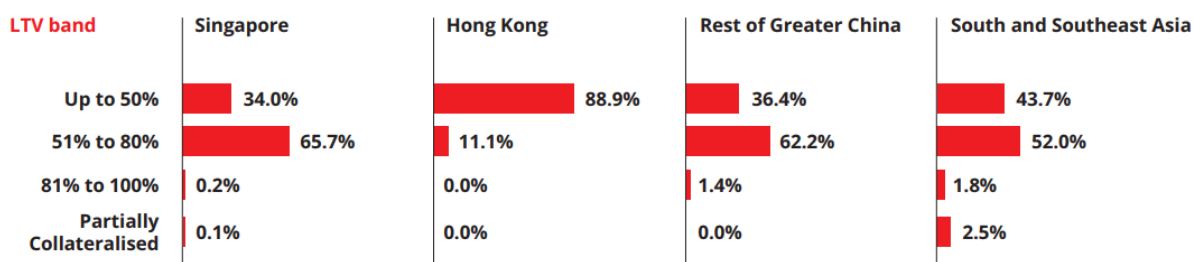
For Hong Kong mortgages, there was an approximate 1.3% increase in the proportion of mortgage exposure in the 51% to 80% LTV band due to higher proportion of matured/closed mortgage accounts in the up to 50% LTV band. Hong Kong property price index increased slightly by 4.2% in 2021.

Percentage of residential mortgage loans (breakdown by LTV band and geography)

As at 31 December 2021



As at 31 December 2020



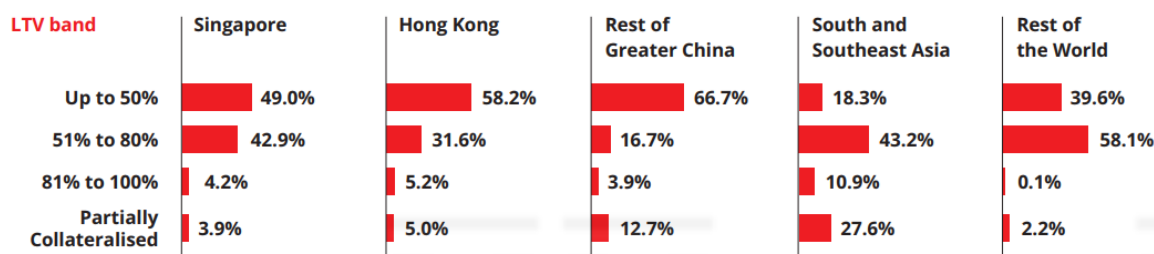
Loans and advances to corporates secured by real estate

These secured loans are extended for the purpose of acquisition and/or development of real estate, as well as for general working capital. More than 90% of such loans were fully collateralised and the majority of these loans have LTV less than 80%. The DBS Group’s property loans are mainly concentrated in Singapore and Hong Kong, which together accounted for 80% of the total property loans.

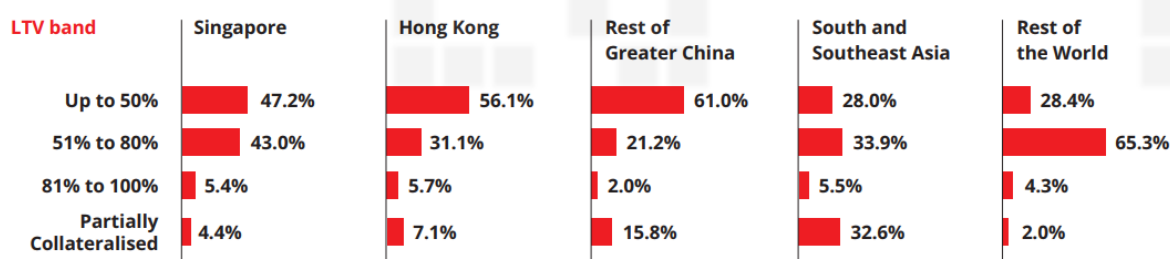
The LTV ratio is calculated as loans and advances divided by the value of collaterals that secure the same facility. Real estate forms a substantial portion of the collaterals; other collateral values such as cash, marketable securities and bank guarantees are also included.

Percentage of loans and advances to corporates secured by real estate (breakdown by LTV band and geography)

As at 31 December 2021



As at 31 December 2020



Loans and advances to banks

In line with market convention, loans and advances to banks are typically unsecured. The DBS Group manages the risk of such exposures by keeping tight control of the exposure tenor and monitoring of their credit quality.

Derivatives counterparty credit risk by markets and settlement methods

The DBS Group continues to manage its derivatives counterparty risk exposures with netting and collateral arrangements, thereby protecting its balance sheet in the event of a counterparty default.

A breakdown of the DBS Group's derivatives counterparty credit risk by markets (OTC versus exchange-traded) and settlement methods (cleared through a central counterparty versus settled bilaterally) can be found below.

Notional OTC and exchange-traded products

In notional terms, SGD millions	As at 31 December 2021
OTC derivatives cleared through a central counterparty	1,234,846
OTC derivatives settled bilaterally	1,034,521
Total OTC derivatives	2,269,367
Exchange-traded derivatives	33,857
Total derivatives	2,303,224

For a breakdown of the derivatives positions held by the DBS Group, please refer to Note 36 to the DBS Group's audited consolidated financial statements as at and for the year ended 31 December 2021 which are set forth beginning on page F-2 of this Offering Circular.

Market Risk

The DBS Group's exposure to market risk is categorised into:

- (a) **Trading portfolios:** Arising from positions taken for:
 - (i) market-making;
 - (ii) client-facilitation; and
 - (iii) benefiting from market opportunities.
- (b) **Non-trading portfolios:** Arising from:
 - (i) Institutional Banking and Consumer Banking/Wealth Management assets and liabilities;
 - (ii) debt securities and equities comprising investments held for yield and/or long-term capital gains;
 - (iii) strategic stakes in entities; and
 - (iv) structural foreign exchange risk arising mainly from the DBS Group's strategic investments which are denominated in currencies other than Singapore dollars.

The DBS Group uses a variety of financial derivatives such as swaps, forwards and futures, and options for trading and hedging against market movements.

Market risk management at the DBS Group

The DBS Group's approach to market risk management comprises the following building blocks: policies, risk methodologies and processes, systems and reports.

Policies

The DBS Group's Market Risk Management Policy sets its overall approach towards market risk management. This policy is supplemented with standards and guides, which facilitate the identification, measurement, control, monitoring and reporting of market risk in a consistent manner. They also set out the overall approach, requirements and controls governing market risk stress testing across the DBS Group.

The criteria for determining the positions to be included in the trading book are stipulated in the Trading Book Policy Statement.

Risk methodologies

The DBS Group utilises Value-at-Risk ("**VaR**"), a statistical risk measure, to estimate the potential loss from market movements. This measure uses historical simulation based on data for the previous 12 months. It assumes that historical changes in market values reflect the distribution of potential outcomes in the immediate future.

The DBS Group limits and monitors market risk exposures using Expected Shortfall ("**ES**") that is VaR calculated with a one-day holding period and an expected tail-loss methodology which approximates a 97.5% confidence interval.

ES is supplemented with other risk control metrics such as sensitivities to risk factors and loss triggers for management action.

The DBS Group conducts backtesting to verify the predictiveness of the VaR model. Backtesting compares VaR calculated for positions at the close of each business day with the profit and loss (“**P&L**”) that arises from those positions on the following business day. The backtesting P&L excludes fees and commissions, revenues from intra-day trading, non-daily valuation adjustments and time effects.

For backtesting, VaR at the 99% confidence interval and over a one-day holding period is used. The DBS Group adopts the standardised approach to compute market risk regulatory capital under MAS Notice 637 for the trading book positions. As such, VaR backtesting does not impact the DBS Group’s regulatory capital for market risk.

There are limitations to VaR models; for example, past changes in market risk factors may not provide accurate predictions of future market movements, and the risk arising from adverse market events may not be considered.

To monitor the DBS Group’s vulnerability to unexpected but plausible extreme market risk-related events, the DBS Group conducts multiple market risk stress tests regularly. These cover trading and non-trading portfolios and follow a combination of historical and hypothetical scenarios depicting risk-factor movement.

Economic Value of Equity (“**EVE**”) and Net Interest Income (“**NII**”) variability are the key risk metrics used to manage the DBS Group’s assets and liabilities. EVE and NII variability measure how the economic value and earnings of the bank change under various stress scenarios. Credit risk arising from loans and receivables is managed under the credit risk management framework. Interest rate risk in the banking book (“**IRRBB**”) arises from mismatches in the interest rate profiles of assets, liabilities and capital instruments. Estimating IRRBB requires the use of behavioural models and assumptions on certain parameters such as loan prepayment, fixed deposits early redemption and the duration of non-maturity deposits. The DBS Group measures IRRBB on a monthly basis.

Processes, systems and reports

Robust internal control processes and systems have been designed and implemented to support the DBS Group’s market risk management approach. The DBS Group reviews these control processes and systems regularly, and these reviews allow senior management to assess their effectiveness.

The RMG Market and Liquidity Risk unit – an independent market risk management function reporting to the CRO – monitors, controls and analyses the DBS Group’s market risk daily. The unit comprises risk control, risk analytics, production and reporting teams.

Market risk in 2021

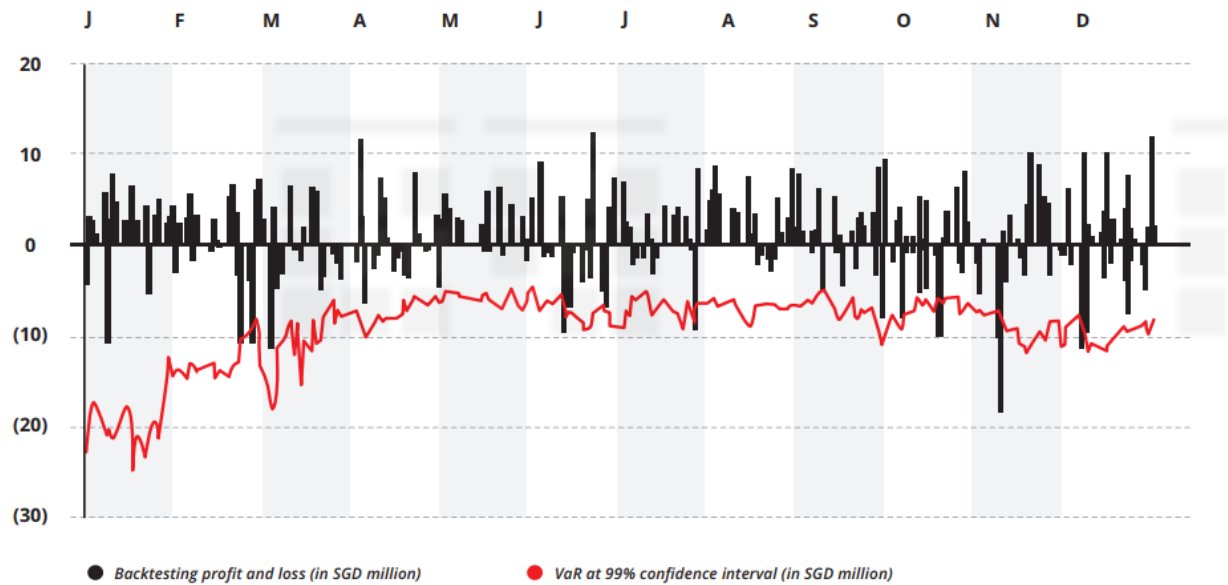
The main risk factors driving the DBS Group’s trading portfolios in 2021 were interest rates, foreign exchange, equities and credit spreads. The following table shows the period-end, average, high and low diversified ES and ES by risk class for its trading portfolios. ES in 2021 was lower given the more benign financial market conditions as compared to the market volatilities witnessed during the onset of the COVID-19 pandemic in 2020.

1 Jan 2021 to 31 Dec 2021				
SGD million	As at 31 Dec 2021	Average	High	Low
Diversified	8	9	21	5
Interest rates	6	9	18	5
Foreign exchange	1	4	9	1
Equity	2	4	9	1
Credit spread	5	7	21	3
Commodity	#	#	1	#

1 Jan 2020 to 31 Dec 2020 ^(a)				
SGD million	As at 31 Dec 2020	Average	High	Low
Diversified	19	13	31	8
Interest rates	12	14	27	7
Foreign exchange	7	4	8	1
Equity	6	3	11	#
Credit spread	14	14	18	5
Commodity	#	#	1	#

The DBS Group's trading portfolios experienced eight backtesting exceptions in 2021 and they occurred in February, June, July, October and November. The backtesting exceptions were mainly due to large movements in interest rates, credit spreads and equity volatilities.

SGD million



In 2021, the key market risk drivers of the DBS Group's non-trading portfolios were interest rates (Singapore dollars and U.S. dollars) and foreign exchange.

The Net Interest Income (“NII”) of the non-trading book is assessed under various rate scenarios to determine the impact of interest rate movements on future earnings. Simulating using a 100 basis points parallel upward or downward shift in yield curves on the DBS Group’s banking book exposures, NII is estimated to increase by SGD 1,802 million and decrease by SGD 788 million respectively.

Foreign exchange risk in the DBS Group’s non-trading portfolios was primarily from structural foreign exchange positions, arising mainly from its strategic investments and retained earnings in overseas branches and subsidiaries.

For details on the DBS Group’s structural foreign exchange positions, please refer to Note 38.3 to the DBS Group’s audited consolidated financial statements as at and for the year ended 31 December 2021 which are set forth beginning on page F-2 of this Offering Circular.

Liquidity Risk

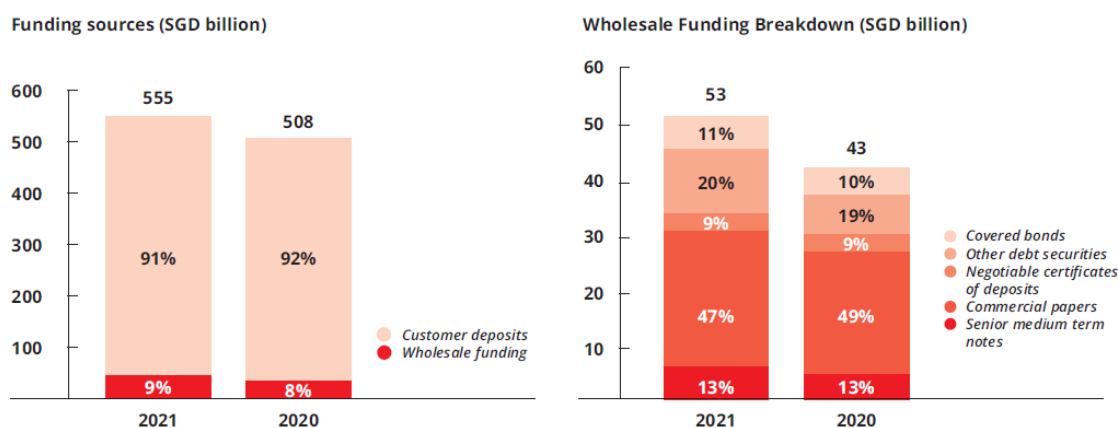
The DBS Group’s liquidity risk arises from its obligations to honour withdrawals of deposits, repayments of borrowed funds at maturity and the DBS Group’s commitments to extend loans to its customers. The DBS Group seeks to manage its liquidity to ensure that its liquidity obligations will continue to be honoured under normal as well as adverse circumstances.

Liquidity risk management

Liquidity management and funding strategy

The DBS Group strives to develop a diversified funding base with access to funding sources across retail and wholesale channels. The DBS Group’s funding strategy is anchored on the strength of its core deposit franchise and is augmented by its established long-term funding capabilities.

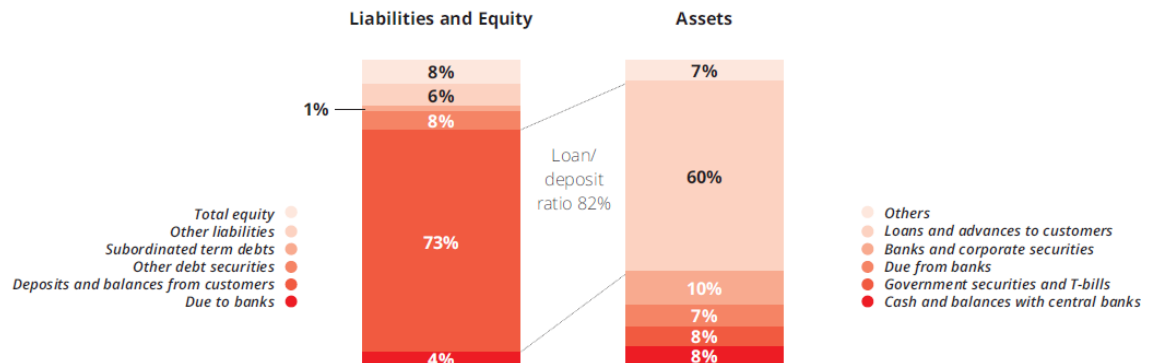
Including Lakshmi Vilas Bank, Current Account Savings Account (“CASA”) as a proportion of customer deposits increased to 76% as at December 2021 from 73% as at December 2020.



The diagram above shows the DBS Group’s funding sources and wholesale funding breakdown as at 31 December 2021.

The DBS Group aims to maintain continuous access to the investor base for capital and senior wholesale funding to support its commercial banking activities. The DBS Group seeks cost efficiencies over the long term and to broaden its investor base through proactive and frequent engagement. Capital instruments are primarily issued from DBSH while covered bonds originate from DBS Bank Ltd. Senior notes are issued from both DBSH and the Bank as required.

The diagram below shows the DBS Group’s asset funding structure as at 31 December 2021.



For the contractual maturity profile of the DBS Group’s assets and liabilities and more details of the DBS Group’s wholesale funding sources, please refer to Note 45.1 and Note 45 respectively, to the DBS Group’s audited consolidated financial statements as at and for the year ended 31 December 2021 which are set forth beginning on page F-2 of this Offering Circular.

Growth in the regional franchise generates price, volume, currency and tenor mismatches between the DBS Group’s assets and liabilities. To this end, where practicable and transferable without loss in value, the DBS Group makes appropriate use of swap markets for relevant currencies, commensurate with the liquidity of each, in the conversion and deployment of surplus funds across locations.

As these swaps typically mature earlier than loans, the DBS Group is exposed to potential cash flow mismatches arising from the risk that counterparties may not roll over maturing swaps to support the DBS Group’s ongoing funding needs. This risk is mitigated by triggers set on the number of swaps transacted with the market and by conservative assumptions on the cash flow behaviour of swaps under the DBS Group’s cash flow maturity gap analysis.

In general, the term borrowing needs are managed centrally by the head office and in consultation with the DBS Group’s overseas locations, subject to relevant regulatory restrictions and to an appropriate level of presence and participation required by the respective local funding markets.

The DBS Group’s Assets and Liabilities Committee and respective Location Assets and Liabilities Committees regularly review the composition and growth trajectories of the relevant balance sheets and refine the DBS Group’s funding strategy according to business momentum, competitive factors and prevailing market conditions.

Approach to liquidity risk management

The DBS Group’s approach to liquidity risk management comprises the following building blocks: Policies, Risk Methodologies and Processes, Systems and Reports.

Policies

The DBS Group’s Liquidity Risk Management Policy sets the DBS Group’s overall approach towards liquidity risk management and describes the range of strategies it employs to manage its liquidity.

These strategies include maintaining an adequate counterbalancing capacity to address potential cash flow shortfalls and having diversified sources of liquidity.

The DBS Group’s counterbalancing capacity includes liquid assets, the capacity to borrow from the money markets (including the issuance of commercial papers and covered bonds), and forms of managerial

interventions that improve liquidity. In the event of a potential or actual crisis, the DBS Group has in place a set of liquidity contingency and recovery plans to ensure that it maintains adequate liquidity.

The DBS Group's Liquidity Risk Management Policy is supported by standards that establish the detailed requirements for liquidity risk identification, measurement, reporting and control within the DBS Group. The set of policies, standards and supporting guides communicate these baseline requirements to ensure consistent application throughout the DBS Group.

Risk methodologies

The primary measure used to manage liquidity within the tolerance defined by the Board is cash flow maturity mismatch analysis.

This form of analysis is performed on a regular basis under normal and adverse scenarios. It assesses the adequacy of the DBS Group's counterbalancing capacity to fund or mitigate any cash flow shortfalls that may occur as forecasted in the cash flow movements across successive time bands. To ensure that liquidity is managed in line with the DBS Group's Risk Appetite, core parameters such as the types of scenarios, the survival period and the minimum level of liquid assets, are pre-specified for monitoring and control on a group-wide basis. Any occurrences of forecasted shortfalls that cannot be covered by the DBS Group's counterbalancing capacity will be escalated to the relevant committees for evaluation and action.

Liquidity risk stress testing is performed regularly using cash flow maturity mismatch analysis, and covers adverse scenarios including general market and idiosyncratic stress scenarios. Stress tests assess the DBS Group's vulnerability when liability run-offs increase, asset rollovers increase and/or liquidity asset buffers decrease. In addition, ad hoc stress tests are performed as part of the DBS Group's recovery planning and ICAAP exercises.

Liquidity risk control measures such as liquidity-related ratios and balance sheet analysis are complementary tools for cash flow maturity mismatch analysis, and they are performed regularly to obtain deeper insights and finer control over the DBS Group's liquidity profile across different locations.

The liquidity risk control measures also include concentration measures regarding top depositors, wholesale borrowing and swapped funds ratios.

Processes, systems and reports

Robust internal control processes and systems support the DBS Group's overall approach in identifying, measuring, aggregating, controlling and monitoring liquidity risk across the DBS Group.

Continuous improvement in data and reporting platforms has allowed most elements of internal liquidity risk reporting to be centralised.

The RMG Market and Liquidity Risk unit manages the day-to-day liquidity risk monitoring, control reporting, and analysis.

Liquidity risk in 2021

The DBS Group actively monitors and manages its liquidity profile through cash flow maturity mismatch analysis.

In forecasting cash flows under the analysis, behavioural profiling is necessary in cases where a product has indeterminate maturity or the contractual maturity does not realistically reflect the expected cash flow.

Two examples are maturity-indeterminate savings and current account deposits, which are generally viewed as sources of stable funding for commercial banks. In fact, they consistently exhibit stability even under historic periods of stress. A conservative view is adopted in the behavioural profiling of assets, liabilities and off-balance sheet commitments that have exhibited cash flow patterns that differ significantly from the contractual maturity profile shown under Note 45.1 to the DBS Group's audited consolidated

financial statements as at and for the year ended 31 December 2021 which are set forth beginning on page F-2 of this Offering Circular.

The table below shows the DBS Group's behavioural net and cumulative maturity mismatch between assets and liabilities over a one-year period, in a normal scenario without incorporating growth projections. The DBS Group's liquidity was observed to remain adequate in the maturity mismatch analysis. In 2021, the liquidity profile improved as excess liquidity from deposit growth is retained in short term funds.

SGD million ^(a)	Less than 1 week	1 week to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year
As at 31 Dec 2021 ^(b) Net liquidity mismatch	37,477	20,619	(6,556)	13,624	7,136
Cumulative mismatch	37,477	58,096	51,540	65,164	72,300
As at 31 Dec 2020 ^{(b) (c)} Net liquidity mismatch	26,191	12,542	6,407	9,742	6,158
Cumulative mismatch	26,191	38,733	45,140	54,882	61,040

(a) Positive indicates a position of liquidity surplus. Negative indicates a liquidity shortfall that has to be funded

(b) As the behavioural assumptions used to determine the maturity mismatch between assets and liabilities are updated from time to time, the liquidity mismatches may not be directly comparable across past balance sheet dates

(c) This excludes the assets and liabilities of Lakshmi Vilas Bank (LVB) that was amalgamated with DBS Bank India Limited on 27 Nov 2020. Impact from LVB's positions was assessed to be insignificant

Liquid assets

Liquid assets are assets that are readily available and can be easily monetised to meet obligations and expenses under times of stress.

Such assets are internally defined under the governance of the relevant oversight committees, taking into account asset class, issuer type and credit rating, among other criteria, before they are reflected as available funds through cash flow maturity mismatch analysis. The DBS Group's Treasury function expects to be able to operationally monetise its pool of liquid assets to meet liquidity shortfalls when the need arises. These liquid assets must be unencumbered and free of any legal, regulatory, contractual or other restrictions.

In practice, liquid assets are maintained in key locations and currencies to ensure that operating entities in such locations possess a degree of self-sufficiency to support business needs and guard against contingencies. The main portion of the DBS Group's liquid assets is centrally maintained in Singapore to support liquidity needs in smaller overseas subsidiaries and branches. Internally, the DBS Group sets a requirement to maintain its pool of liquid assets above a minimum level as a source of contingent funds, taking into account regulatory recommended liquid asset levels as well as internally projected stress shortfalls under its cash flow maturity mismatch analysis.

The table below shows the DBS Group's encumbered and unencumbered liquid assets by instrument and counterparty against other assets in the same category under the balance sheet. The figures are based on the carrying amount at the balance sheet date.

SGD million	Liquid assets			Average ^(c)	Others ^(d)	Total
	Encumbered	Unencumbered	Total[1]		[2]	[1] + [2]
As at 31 Dec 2021						
Cash and balances with central banks ^(a)	10,250	10,558	20,808	19,145	35,569	56,377
Due from banks ^(b)	-	8,366	8,366	12,314	43,011	51,377
Government securities and treasury bills	6,419	46,309	52,728	52,014	534	53,262
Banks and corporate securities	1,449	54,720	56,169	54,696	13,523	69,692
Total	18,118	119,953	138,071	138,169	92,637	230,708

- (a) Unencumbered balances with central banks comprise holdings that are unrestricted and available overnight. The encumbered portion represents the mandatory balances held with central banks, which includes a minimum cash balance (MCB) amount that may be available for use under a liquidity stress situation. The "Others" portion includes term placements with central banks
- (b) Liquid assets comprise nostro accounts and eligible certificates of deposits
- (c) Total liquid assets reflected on an average basis over the four quarters in 2021
- (d) "Others" refer to assets that are not recognised as part of the available pool of liquid assets for liquidity management under stress due to (but not limited to) inadequate or non-rated credit quality, operational challenges in monetisation (e.g. holdings in physical scrips), and other considerations

In addition to the above table, collateral received in reverse repo transactions amounting to SGD 21,343 million were recognised for liquidity management under stress.

Liquidity coverage ratio ("LCR")

Under MAS Notice to Banks No. 649 "Minimum Liquid Assets (MLA) and Liquidity Coverage Ratio (LCR)", DBS Bank, as a Domestic Systemically Important Bank (D-SIB) incorporated and headquartered in Singapore, is required to comply with the LCR standards. The DBS Group LCR has been maintained well above the minimum LCR requirements of 100% for both all-currency and SGD.

The DBS Group's LCR is sensitive to balance sheet movements resulting from commercial loan/ deposit activities, wholesale inter-bank lending/ borrowing, and to the maturity tenor changes of these positions as they fall into or out of the LCR 30-day tenor. In order to meet the LCR requirements, the DBS Group holds a pool of unencumbered High Quality Liquid Assets comprising predominantly cash, balances with central banks and highly rated bonds issued by governments or supranational entities.

Net stable funding ratio ("NSFR")

The DBS Group is subject to the NSFR under MAS Notice to Banks No. 652 "Net Stable Funding Ratio (NSFR)" (MAS Notice 652). The DBS Group's NSFR has been maintained consistently above the minimum regulatory requirement of 100%.

NSFR aims to improve the resiliency of banks by promoting long term funding stability. The DBS Group manages its NSFR by maintaining a stable balance sheet supported by a diversified funding base with access to funding sources across retail and wholesale channels.

Operational Risk

Operational risk is inherent in the DBS Group's business activities and may arise from inadequate or failed internal processes, people, systems or from external events. The DBS Group's objective is to keep operational risk at appropriate levels, taking into account the markets the DBS Group operates in, the characteristics of the businesses as well as its economic and regulatory environment.

Operational Risk Management at the DBS Group

The DBS Group's approach to operational risk management comprises the following building blocks: policies, risk methodologies and processes, systems and reports.

Policies

The DBS Group's Operational Risk Management (“**ORM**”) Policy sets its overall approach to managing operational risk in a structured, systematic and consistent manner.

There are policies, standards, tools and programmes in place to govern ORM practices across the DBS Group. These include corporate operational risk policies and standards that are owned by the respective corporate oversight and control functions. The key policies address risk areas relating to technology, compliance, fraud, money laundering, financing of terrorism and sanctions, new product, outsourcing and ecosystem partnership.

Risk methodologies

The DBS Group adopts the standardised approach to compute operational risk regulatory capital.

To manage and control operational risk, the DBS Group uses various tools, including risk and control self-assessment, operational risk event management and key risk indicator monitoring.

The DBS Group's three lines of defence adopt one common risk taxonomy, and a consistent risk assessment approach to managing operational risk. Risk and control self-assessment is conducted by each business or support unit to identify key operational risk and assess the effectiveness of internal controls. When control issues are identified, the units develop action plans and track the resolution of the issues.

Operational risk events are classified in accordance with Basel standards. Such events, including any significant incidents that may impact the DBS Group's reputation, must 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.

Additional methodologies are in place to address subject-specific risks, including, but not limited to the following:

Technology risk

Information Technology (“**IT**”) risk is managed through an enterprise technology risk management approach. This covers risk identification, assessment, mitigation, monitoring and reporting. In addition, the appropriate governance, IT policies and standards, control processes and risk mitigation programmes are in place to support the risk management approach.

Cyber security risk

Cyber security risk is an important and continuous focus of the bank. The DBS Group devotes significant attention and resources to protect and improve the security of its computer systems, software, networks and other technology assets. Similar to IT risk, cyber security risk is managed through the same enterprise risk management approach, which cuts across all lines of business. The Chief Information Security Officer oversees the cyber security function and the one-stop competency centre for all cyber security related matters, such as operational risks and data protection risks.

Compliance risk

Compliance risk refers to the risk of the DBS Group not being able to successfully conduct its business because of any failure to comply with laws, regulatory requirements, industry codes or standards of business and professional conduct applicable to the financial sector.

This includes, in particular, laws and regulations applicable to the licensing and conducting of banking or other financial businesses, financial crime such as anti-money laundering and countering the financing of terrorism, fraud, and bribery/corruption. The DBS Group maintains a compliance programme designed to identify, assess, measure, mitigate and report on such risks through a combination of policy and relevant systems and controls.

To counter financial crime and sanctions risks, the DBS Group established minimum standards for its business and support units to manage its actual and/ or potential risk exposures. In addition, standards aimed to provide the end-to-end management for fraud and related issues at the unit and geographical levels, were implemented through the Fraud Management Programme. The DBS Group implements surveillance and compliance testing controls where necessary to obtain assurance that the control framework is operating effectively.

The DBS Group also provides relevant training and implements assurance processes. The DBS Group strongly believes in the need to promote a strong compliance culture as well, and this is developed through the leadership of its Board and senior management.

New product, outsourcing and ecosystem partnership risks

Each new product, service, outsourcing arrangement or ecosystem partnership is subject to a risk review and sign-off process, where relevant risks are identified and assessed. Variations of existing products or services and existing outsourcing arrangements and ecosystem partnerships are also subject to a similar process.

Other mitigation programmes

A robust business continuity management programme is in place to ensure that essential banking services can continue in the event of unforeseen events or business disruptions. This includes a crisis management plan to enable quick response to manage incidents. Exercises are conducted annually, simulating different scenarios to test business continuity plans and crisis management protocol. The effectiveness of these exercises as well as the DBS Group's business continuity readiness and its alignment to regulatory guidelines are communicated and attested by senior management to the BRMC annually.

Amid the COVID-19 pandemic, the DBS Group's business continuity plans were put to the test and kept the bank in good stead. The DBS Group was able to quickly adapt and adjust to the pandemic to ensure minimal impact on its customers and assure the health and safety of its employees. The DBS Group dialled up its work-from-home capabilities by leveraging technology and data, and proactively managed the operational risks which arose from new or revised processes as it moved towards a hybrid work arrangement.

To mitigate losses from specific risk events which are unexpected and significant, the DBS Group effects group-wide insurance policies – under the DBS Group's insurance programme. These insurance policies relate to crime and professional indemnity, directors and officers liability, cyber risk, property damage and business interruption, general liability and terrorism.

Processes, systems and reports

Robust internal control processes and systems are integral to identifying, monitoring, managing and reporting operational risk.

All units are responsible for the day-to-day management of operational risk in their products, processes, systems and activities, in accordance with the various frameworks and policies. The RMG Operational Risk unit and other corporate oversight and control functions:

- oversee and monitor the effectiveness of operational risk management;
- assess key operational risk issues with the units, and
- report and/ or escalate key operational risks to risk committees with recommendations on appropriate risk mitigation strategies.

The DBS Group has in place an integrated governance, risk and compliance system with aligned risk assessment methodology, common taxonomy and unified processes for the three lines of defence. The DBS Group has in place an operational risk landscape profile which provides the Board and senior

management with an integrated view of the DBS Group's operational risk profile periodically, across key operational risk areas and business lines.

Operational risk in 2021

The total operational risk losses in 2021 increased to SGD 11 million (0.08% of the DBS Group's total operating income), from SGD 6 million (0.04%) in 2020. The losses may be categorised into the following seven Basel risk event categories:

Basel risk event types	2021		2020	
	SGD million	%	SGD million	%
Execution, delivery and process management (EDPM)	9.58	86%	3.65	61%
External fraud	0.71	7%	1.2	20%
Business disruptions and system failures	0.16	1%	0.48	8%
Clients, products and business practices	0.49	5%	0.58	10%
Damage to physical assets	0.16	1%	0.04	1%
Internal fraud	0.02	0%	0	0%
Employment practices and workplace safety	0	0%	0	0%
Total^(a)	11.1	100%	6.0^(b)	100%

Notes

- (a) Reportable operational risk events are those with net loss greater than SGD 10,000 and are reported based on the date of detection
 (b) This excludes the operational losses of Lakshmi Vilas Bank (LVB) that was amalgamated with DBS Bank India Limited on 27 Nov 2020

EDPM, which comprised mainly processing errors, accounted for the highest share of the DBS Group's total losses in 2021.

Reputational Risk

The DBS Group views reputational risk as an outcome of any failure to manage risks in its day-to-day activities/decisions, and from changes in the operating environment. These risks include:

- (a) Financial risk (credit, market and liquidity risks)
- (b) Inherent risk (operational and business/strategic risks)

Reputational risk management at the DBS Group

The DBS Group's approach to reputational risk management comprises the following buildings blocks: policies, risk methodologies and processes, systems and reports.

Policies

The DBS Group adopts a four-step approach to reputational risk management, which is to prevent, detect, escalate and respond to reputational risk events.

As reputational risk is a consequence of the failure to manage other risk types, the definitions and principles for managing such risks are articulated in the respective risk policies. These are reinforced by sound corporate values that reflect ethical behaviours and practices throughout the DBS Group.

The DBS Group has policies in place to protect the consistency of its brand and to safeguard its corporate identity and reputation.

Risk methodologies

Under the various risk policies, the DBS Group has established a number of mechanisms for ongoing risk monitoring.

These mechanisms take the form of risk limits, key risk indicators and other operating metrics, and includes the periodic risk and control self-assessment process. Apart from observations from internal sources, alerts from external parties/stakeholders also serve as an important source to detect potential reputational risk events. In addition, there are policies relating to media communications, social media and corporate social responsibility to protect the DBS Group's reputation. There are also escalation and response mechanisms in place for managing reputational risk.

While the respective risk policies address the individual risk types, the Reputational Risk Policy focuses specifically on the DBS Group's stakeholders' perception of how well the DBS Group manages its reputational risks. Stakeholders include customers, government agencies and regulators, investors, rating agencies, business alliances, vendors, trade unions, the media, the general public, the Board and senior management and the DBS Group's employees.

The DBS Group recognises that creating a sense of shared value through engagement with key stakeholder groups is imperative for its brand and reputation.

Processes, systems and reports

The DBS Group's units are responsible for the day-to-day management of reputational risk, and ensure that processes and procedures are in place to identify, assess and respond to this risk. This includes social media monitoring to pick up adverse comments on the DBS Group. Events affecting the DBS Group's reputational risk are also included in its reporting of risk profiles to senior management and Board-level committees.

Reputational risk in 2021

The DBS Group's priority is to prevent the occurrence of a reputational risk event, instead of taking mitigating actions when it occurs. In relation to the two-day digital disruption in November 2021 which impacted the DBS Group's reputation, concerted efforts were made to recover the banking services as soon as possible and to keep customers updated on the recovery progress via various communication channels. Following the incident, management has initiated remedial measures to improve the resilience of the DBS Group's services and incident response, with due consideration given to regulatory requirements and expectations.

DESCRIPTION OF THE ASSETS AND LIABILITIES OF THE DBS GROUP

Customer Loan Portfolio

As at 31 December 2021, 2020 and 2019, the DBS Group's loans and advances to customers net of cumulative allowances were SGD 409 billion, SGD 371 billion and SGD 358 billion, respectively, which accounted for approximately 60%, 57% and 62% of total assets for 31 December 2021, 2020 and 2019, respectively. The DBS Group's gross loans and advances to customers were SGD 415 billion, SGD 378 billion and SGD 362 billion as at 31 December 2021, 2020 and 2019, respectively. As at 31 December 2021, 2020 and 2019, approximately 38%, 40% and 40% of customer loans and advances were denominated in Singapore dollars.

From 2019 to 2021, the DBS Group's gross loans and advances to customers grew at a compound annual growth rate of 7% from SGD 362 billion as at 31 December 2019 to SGD 415 billion as at 31 December 2021.

As at 31 December 2021, loans to Singapore borrowers accounted for approximately 46% of the DBS Group's gross customer loans and advances, while loans to Hong Kong borrowers accounted for 17% and other overseas locations accounted for 37% of the DBS Group's gross customer loans and advances.

Customer Loan Concentrations

The DBS Group's top 5 borrower groups (based on outstanding amounts) accounted for 6% of its total customer loans and advances portfolio as at 31 December 2021, while the top 20 borrower groups accounted for 14% of the total customer loans and advances at that date. Of the top 20 borrower groups as at 31 December 2021, none were 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 10%, 26% and 11%, respectively of the DBS Group's total gross customer loans and advances as at 31 December 2021. Housing loans and loans to professionals and private individuals, accounted for 29% of the total gross loans and advances as at 31 December 2021.

The following table sets forth the DBS Group's total gross loans and advances to customers by industry classification as at 31 December 2021, 2020 and 2019:

Customer Loan Concentrations as at 31 December						
	2019		2020		2021	
	<i>In SGD millions, except percentages</i>					
Manufacturing.....	37,635	10.4%	39,802	10.5%	41,831	10.1%
Building and construction.....	85,144	23.5%	96,964	25.7%	107,633	25.9%
Housing loans.....	73,606	20.3%	74,207	19.6%	78,516	18.9%
General commerce	45,664	12.6%	40,669	10.8%	44,642	10.8%
Transportation, storage and communications.....	31,574	8.7%	31,617	8.4%	30,963	7.5%
Financial institutions, investment and holding companies.....	24,660	6.8%	28,449	7.5%	37,289	9.0%
Professionals and private individuals (excluding housing loans).....	34,121	9.4%	33,578	8.9%	40,114	9.7%
Others	30,023	8.3%	32,484	8.6%	34,084	8.1%

Customer Loan Concentrations as at 31 December

	2019		2020		2021	
	<i>In SGD millions, except percentages</i>					
Total	362,427	100%	377,770	100%	415,072	100%

Housing Loans

As at 31 December 2021, the DBS Group's gross housing loans accounted for 19% of its total gross customer loans and advances as compared to 20% as at 31 December 2020 and 20% as at 31 December 2019. 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 amortising loans and priced either on fixed or floating rates. These loans are secured by a mortgage on the underlying property. The loan-to-value limit of housing loans is currently 75% for the first loan, 45% for the second loan and 35% for subsequent loans. The aforesaid loan-to-value limits are lowered to 55%, 25% and 15%, respectively, when the loan tenure exceeds 30 years or extends beyond the borrower's age of 65 years.

In addition, in June 2013, the MAS implemented a Total Debt Servicing Ratio ("TDSR") framework for property loans that aims to promote financial prudence and prevent over-leveraging by property purchasers. Subject to certain exemptions, the TDSR threshold restricts the borrower's monthly total debt obligations to not more than 55% of his gross monthly income. The TDSR framework was fine-tuned in 2016, 2017 and 2021.

Further, additional buyer stamp duties ranging from 5% to 30% were imposed as part of property cooling measures. Only Singapore citizens buying their first property are exempted from these additional stamp duties.

Building and Construction

As at 31 December 2021 gross loans to the building and construction sector accounted for 26% of the DBS Group's total gross loans and advances as compared to 26% as at 31 December 2020 and 23% as at 31 December 2019. 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 follows a set of internal guidelines for determining the suitability of any particular building and construction project. For example, it will typically analyse, 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 31 December 2021, 2020 and 2019, gross loans to the financial institutions, investment and holding companies sectors accounted for 9%, 8% and 7% respectively, of the DBS Group's total gross loans and advances.

Counterparties span across a variety of financial institutions, including but not limited to, central banks, banks, insurance companies, securities companies, clearing houses, supranationals, leasing and finance companies and various traditional/alternative funds. The DBS Group's current lending policy in this sector is to focus on the industry's top tier global institutions, as well as selected local and regional players in its target markets.

Manufacturing

As at 31 December 2021, gross loans to the manufacturing sectors accounted for 10% of the DBS Group's total gross loans and advances, as compared to 11% as at 31 December 2020 and 10% as at 31 December 2019. 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 organisations.

General Commerce

As at 31 December 2021, gross loans to the general commerce sector accounted for 11% of total gross loans and advances, as compared to 11% as at 31 December 2020 and 13% as at 31 December 2019. The DBS Group's general commerce customers include wholesalers and retailers.

Others

Loans to professionals and private individuals (excluding housing loans) accounted for 10%, 9% and 9% of total gross loans and advances as at 31 December 2021, 31 December 2020 and 31 December 2019.

Loans to the transportation, storage and communications sector were 7% of total gross loans and advances portfolio as at 31 December 2021 as compared to 8% as at 31 December 2020 and 9% as at 31 December 2019.

Loans classified as "others" accounted for 8% of total gross loans and advances as at 31 December 2021, as compared 9% as at 31 December 2020 and 8% as at 31 December 2019. 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 provides that a bank in Singapore shall limit its exposure to certain groups of persons, including a substantial shareholder group of the bank, a director group of the bank and the financial group of the bank.

See "*Regulation and Supervision – Regulation and Supervision in Singapore – The Regulatory Environment – Other Key Prudential Provisions*".

Credit Risk by Geography

The exposures set out below are determined based on the location of incorporation of issuer (for debt securities), borrower (for loans) or the issuing bank in the case of bank backed export financing.

	Government securities and treasury bills (Gross)	Due from banks (Gross)	Bank and corporate debt securities (Gross)	Loans and advances to customers (Gross)	Total
<i>In SGD millions</i>					
Assets					
2021					
Singapore.....	11,364	5,221	15,470	191,831	223,886
Hong Kong	4,586	7,889	1,222	70,216	83,913
Rest of Greater China.....	4,734	9,633	7,210	59,150	80,727
South and Southeast Asia	6,225	3,648	4,023	30,784	44,680
Rest of the World.....	26,357	24,993	25,958	63,091	140,399
Total.....	53,266	51,384	53,883	415,072	573,605
2020					
Singapore.....	13,608	1,183	15,292	176,402	206,485
Hong Kong	3,872	2,333	1,212	59,093	66,510
Rest of Greater China.....	4,467	19,051	5,764	53,278	82,560
South and Southeast Asia	6,757	3,819	4,760	30,362	45,698
Rest of the World.....	22,999	24,485	27,128	58,635	133,247
Total.....	51,703	50,871	54,156	377,770	534,500
2019					
Singapore.....	13,650	704	16,577	168,704	199,635
Hong Kong	4,185	523	1,512	55,062	61,282
Rest of Greater China.....	3,458	19,334	3,743	53,009	79,544
South and Southeast Asia	5,469	4,107	5,030	29,438	44,044
Rest of the World.....	22,969	14,675	26,989	56,214	120,847
Total.....	49,731	39,343	53,851	362,427	505,352

Customer Loans and Advances Maturity Profile

As at 31 December 2021, customer loans and advances (net of allowances) repayable on demand and loans and advances maturing in less than seven days constituted 9.7%, loans and advances maturing in between one week and a month constituted 16.3%, loans and advances maturing between one month and three months constituted 9.5% and between three months and one year constituted 15.2%, 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.

The following table sets forth an analysis of the DBS Group's customer loans and advances (net of loss allowances) by maturity:

	Less than 7 days	1 Week to 1 Month	1 to 3 Months	3 to 12 Months	Over 1 Year	Total
	<i>In SGD millions</i>					
2021	39,873	66,763	38,870	62,213	201,274	408,993
2020	30,105	57,867	37,890	51,681	193,628	371,171
2019	28,574	59,955	36,806	46,205	186,344	357,884

Credit Quality Information

Classification of Loans

The DBS Group classifies its loans in accordance with guidelines adopted by the MAS and seeks to use international best practices in its approach where possible and applicable. The 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.

The MAS guidelines require banks to categorise 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 categorised as Pass indicate that timely repayment of an outstanding credit facility is not in doubt. The Special Mention category indicates that the borrower exhibits potential weaknesses that, if not corrected in a timely manner, may adversely affect future repayments and warrant close attention by DBS Group.

Substandard, Doubtful or Loss classifications are appropriate when there are well-defined weakness(es) in a borrower's position that may jeopardise repayment of principal or interest from normal sources.

The following table sets forth the various categories of classified loans:

Classification Grade	Description
Substandard	Indicates that the borrower exhibits definable weaknesses in its business, cash flow or financial position that may jeopardise repayment on existing terms.
Doubtful	Indicates that the borrower exhibits 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 as yet.
Loss	Indicates that the outstanding credit facility is not collectable, and little or nothing can be done to recover the outstanding amount from any collateral or from the assets of the borrower generally.

For rated loans, 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 various key financial ratios, such as asset, capital, profitability, liquidity, and size ratios in its financial assessment. The DBS

Bank's overseas branches and subsidiaries generally adhere to the classification guidelines stipulated by the respective local banking regulations but utilise the internal classification guidelines for the purposes of consolidation at the holding company and/or bank level.

The DBS Group submits regular reports on its classified loans to the MAS. As part of its review, the 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. 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 SGD 5.85 billion as at 31 December 2021, compared with SGD 6.69 billion as at 31 December 2020 and SGD 5.77 billion as at 31 December 2019. Of the total NPAs as at 31 December 2021, 52% were classified as Substandard, 22% were classified as Doubtful and 26% were classified as Loss. Of the total NPAs as at 31 December 2021, SGD 3.22 billion originated in Singapore. Of these, 53% were classified as Substandard. NPAs originated in Hong Kong, Rest of Greater China, South and Southeast Asia and the Rest of the World totalled SGD 689 million, SGD 347 million, SGD 1.34 billion and SGD 248 million, respectively. As at 31 December 2021, approximately 27% 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 SGD 2.68 billion, or 46% of its total NPAs, while 41% of the top 20 NPAs were in the Substandard category as at 31 December 2021.

The ratio of NPLs to total non-bank loans ("**NPL ratio**") fell to 1.3% as at 31 December 2021 compared to 1.6% as at 31 December 2020. NPL ratio was 1.5% as at 31 December 2019. The NPL ratios for Singapore and Hong Kong were 1.5% and 1.0%, as at 31 December 2021 compared with NPL ratios of 2.1% and 1.1%, respectively as at 31 December 2020. The net write-offs for NPLs amounted to SGD 641 million in 2021, SGD 746 million in 2020 and SGD 841 million in 2019, which were 0.2% of total customer loans as at 31 December 2021, 2020 and 2019, respectively.

Loan Loss Provisioning and Reserve, Interest Accrual and Write-off Policies

The DBS Group adopted provisioning policies in accordance with SFRS(I) and provides for expected credit losses ("**ECL**"). ECL are unbiased and probability-weighted estimates of credit losses determined by evaluating a range of possible outcomes, considering past events, current conditions and assessments of future economic conditions at the reporting date. The ECL associated with a financial asset is typically a product of its probability of default ("**PD**"), loss given default ("**LGD**") and exposure at default ("**EAD**") discounted using the original effective interest rate to the reporting date. Any shortfall from the Minimum Regulatory Loss Allowance ("**MRLA**") as defined in MAS Notice 612 is required to be appropriated from retained earnings in equity and held as non-distributable Regulatory Loss Allowance Reserve ("**RLAR**").

Under applicable tax regulations in Singapore first issued by the IRAS on 30 December 2005 and revised on 16 March 2015, banks are allowed to claim deductions on individual and collective impairment loss allowances for assets in revenue accounts (such as loans).

Pursuant to Section 34AA of the Income Tax Act and the IRAS e-Tax Guide on Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments, banks are allowed to claim tax deductions on impairment losses recognised in the P&L in respect of credit-impaired financial instruments (such as debt instruments and loan commitments) that are on revenue account.

The provisions in section 14G of the Income Tax Act apply in relation to a provision made by a bank for an expected credit loss arising from loans or securities that are not credit-impaired, as those provisions apply

in relation to a provision for doubtful debts arising from the bank's loans or for diminution in the value of the bank's investments in securities. The total amount of deductions in respect of the provision for doubtful debts arising from a bank's loans and the provision for diminution in value of its investments in securities made in the basis period for any year of assessment ("YA") shall not exceed the lowest of:

- (i) 25% of the qualifying profits for the basis period for that YA;
- (ii) 0.5% of the prescribed value of the loans and investments in securities in the basis period for that YA; and
- (iii) 3% of the prescribed value of the loans and investments in securities in that basis period for that YA (less the total amount of all deductions previously allowed which have not been deemed to be trading receipts).

Under the current tax rules for ECL, the maximum tax-deductible ECL that could be claimed each year are restricted to the lower of 25% of qualifying profits and 0.5% of the prescribed value of qualifying loans and investments in securities and the cumulative tax deduction claims of up to 3% of the prescribed value of qualifying loans and investments in securities. Where a tax deduction on ECL was claimed under current tax rules, the corresponding write-back or reversal is taxable.

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 31 December 2021⁽¹⁾

	Singapore	Hong Kong	Rest of Greater China	South and Southeast Asia	Rest of the World	Total
	<i>In SGD millions, except percentages</i>					
Non-performing assets	3,222	689	347	1,343	248	5,849
Substandard	1,702	265	242	681	156	3,046
Doubtful	451	244	71	453	92	1,311
Loss	1,069	180	34	209	-	1,492
Customer NPLs as a % of gross customer loans in the respective countries ⁽²⁾	1.5%	1.0%	0.6%	3.7%	0.4%	1.3%
Specific allowances ⁽³⁾	1,762	423	83	597	61	2,926
General allowances ⁽⁴⁾						3,876
Total cumulative loss allowances ...						6,802
Total cumulative loss allowances as a % of:						
Total assets						1.0%
NPAs ⁽⁵⁾						116%
Unsecured NPAs ⁽⁶⁾						214%

Notes:

- (1) Classified according to location where the borrower is incorporated.
- (2) Calculated based on total customer NPLs divided by total gross customer loans.
- (3) Refers to Stage 3 expected credit loss.

- (4) Refers to Stage 1 and Stage 2 expected credit loss.
(5) Calculated based on total cumulative loss allowances divided by NPAs.
(6) Calculated based on total cumulative loss allowances divided by unsecured NPA.

**Non-Performing Assets and Provisioning Data
as at 31 December 2020⁽¹⁾**

	Singapore	Hong Kong	Rest of Greater China	South and Southeast Asia	Rest of the World	Total
<i>In SGD millions, except percentages</i>						
Non-performing assets	3,894	685	426	1,280	401	6,686
Substandard	2,059	295	227	729	193	3,503
Doubtful	921	256	165	330	208	1,880
Loss	914	134	34	221	-	1,303
Customer NPLs as a % of gross customer loans in the respective countries ⁽²⁾	2.1%	1.1%	0.7%	3.6%	0.5%	1.6%
Specific allowances ⁽³⁾	1,929	363	106	550	66	3,014
General allowances ⁽⁴⁾						4,312
Total cumulative loss allowances ...						7,326
Total cumulative loss allowances (including RLAR) as a % of:						
Total assets						1.1%
NPAs ⁽⁵⁾						110%
Unsecured NPAs ⁽⁶⁾						206%

Notes:

- (1) Classified according to location where the borrower is incorporated.
(2) Calculated based on total customer NPLs divided by total gross customer loans.
(3) Refers to Stage 3 expected credit loss.
(4) Refers to Stage 1 and Stage 2 expected credit loss.
(5) Calculated based on total cumulative loss allowances divided by NPAs.
(6) Calculated based on total cumulative loss allowances divided by unsecured NPA.

**Non-Performing Assets and Provisioning Data
as at 31 December 2019⁽¹⁾**

	Singapore	Hong Kong	Rest of Greater China	South and Southeast Asia	Rest of the World	Total
<i>In SGD millions, except percentages</i>						
Non-performing assets	3,880	497	363	953	80	5,773
Substandard	2,459	222	213	460	39	3,393
Doubtful	511	165	115	307	41	1,139
Loss	910	110	35	186	-	1,241

**Non-Performing Assets and Provisioning Data
as at 31 December 2019⁽¹⁾**

	Singapore	Hong Kong	Rest of Greater China	South and Southeast Asia	Rest of the World	Total
	<i>In SGD millions, except percentages</i>					
Customer NPLs as a % of gross customer loans in the respective countries ⁽²⁾	2.2%	0.9%	0.7%	2.6%	0.1%	1.5%
Specific allowances ⁽³⁾	1,546	283	136	509	28	2,502
General allowances ⁽⁴⁾						2,511
Total cumulative loss allowances ...						5,013
Total cumulative loss allowances (including RLAR) as a % of:						
Total assets.....						0.9%
NPAs ⁽⁵⁾						94%
Unsecured NPAs ⁽⁶⁾						191%

Notes:

- (1) Classified according to location where the borrower is incorporated.
- (2) Calculated based on total customer NPLs divided by total gross customer loans.
- (3) Refers to Stage 3 expected credit loss.
- (4) Refers to Stage 1 and Stage 2 expected credit loss.
- (5) Calculated based on total cumulative loss allowances (including RLAR of SGD 404 million) divided by NPAs.
- (6) Calculated based on total cumulative loss allowances (including RLAR of SGD 404 million) divided by unsecured NPA.

Industry Classification of Non-Performing Assets

The DBS Group's NPAs are spread across various industrial sectors, such as manufacturing, building and construction, general 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 31 December					
	2019		2020		2021	
	NPAs	Specific allowances ⁽¹⁾	NPAs	Specific allowances ⁽¹⁾	NPAs	Specific allowances ⁽¹⁾
	<i>In SGD millions</i>					
Manufacturing	551	296	673	269	805	372
Building and construction.....	308	140	352	138	445	149
Housing loans	195	11	222	11	208	15
General commerce	586	313	971	564	911	662
Transportation, storage and communications ..	3,099	1,346	2,648	1,369	1,792	971
Financial institutions, investment and holding companies	65	19	47	23	93	50
Professionals and private individuals (excluding housing loans)	498	138	465	151	419	121

Others	100	42	681	167	617	205
Total NPLs	5,402	2,305	6,059	2,692	5,290	2,545
Debt securities, contingent items	371	197	627	322	559	381
Total	<u>5,773</u>	<u>2,502</u>	<u>6,686</u>	<u>3,014</u>	<u>5,849</u>	<u>2,926</u>

Note:

(1) Refers to Stage 3 expected credit loss.

Aging of Non-Performing Assets

The following table sets forth information with respect to the aging of the DBS Group's NPAs as at the periods indicated:

	Non-Performing Assets				
	Past due				Total
	Not overdue	Over 90 to		Over 180 days	
		Within 90 days	180 days		
	<i>In SGD millions</i>				
2021	1,415	390	209	3,835	5,849
2020	1,148	515	384	4,639	6,686
2019	1,110	589	601	3,473	5,773

Movements in Impairment Allowances

The following table shows changes in the DBS Group's specific and general loan loss allowances for the periods indicated:

	Balance at 1 January 2021	Charge/ (Write back) to income statement	Net write-off during the year	Amalgamation of LVB	Exchange and other movements	Balance at 31 December 2021
	<i>In SGD millions</i>					
Specific allowances ⁽¹⁾						
Manufacturing	269	173	(97)	-	27	372
Building and construction	138	35	(25)	-	1	149
Housing loans	11	5	(1)	-	#	15
General commerce	564	184	(97)	-	11	662
Transportation, storage and communications	1,369	(102)	(273)	-	(23)	971
Financial institutions, investment and holding companies	23	27	-	-	#	50
Professionals and private individuals (excluding housing loans)	151	108	(143)	-	5	121
Others	167	41	(5)	-	2	205
Total specific allowances	2,692	471	(641)	-	23	2,545
Total general allowances ⁽²⁾	3,907	(382)	-	-	9	3,534
Total allowances	6,599	89	(641)	-	32	6,079

	Balance at 1 January 2020	Charge/ (Write back) to income statement	Net write-off during the year	Amalgamation of LVB	Exchange and other movements	Balance at 31 December 2020
	<i>In SGD millions</i>					
Specific allowances ⁽¹⁾						

Specific allowances⁽¹⁾

	Balance at 1 January 2020	Charge/ (Write back) to income statement	Net write- off during the year	Amalgamation of LVB	Exchange and other movements	Balance at 31 December 2020
<i>In SGD millions</i>						
Manufacturing	296	227	(248)	-	(6)	269
Building and construction	140	17	(17)	-	(2)	138
Housing loans	11	8	(8)	-	#	11
General commerce.....	313	322	(54)	-	(17)	564
Transportation, storage and communications.....	1,346	181	(139)	-	(19)	1,369
Financial institutions, investment and holding companies.	19	4	-	-	#	23
Professionals and private individuals (excluding housing loans).....	138	284	(274)	-	3	151
Others	42	131	(6)	-	#	167
Total specific allowances.....	2,305	1,174	(746)	-	(41)	2,692
Total general allowances ⁽²⁾	2,238	1,581	-	95	(7)	3,907
Total allowances	4,543	2,755	(746)	95	(48)	6,599

	Balance at 1 January 2019	Charge/ (Write back) to income statement	Net write- off during the year	Amalgamation of LVB	Exchange and other movements	Balance at 31 December 2019
<i>In SGD millions</i>						
Specific allowances ⁽¹⁾						
Manufacturing	302	47	(50)	-	(3)	296
Building and construction	127	34	(16)	-	(5)	140
Housing loans	10	1	-	-	#	11
General commerce.....	268	166	(120)	-	(1)	313
Transportation, storage and communications.....	1,506	211	(381)	-	10	1,346
Financial institutions, investment and holding companies.	18	(1)	2	-	#	19
Professionals and private individuals (excluding housing loans).....	129	190	(188)	-	7	138
Others	80	50	(88)	-	#	42
Total specific allowances.....	2,440	698	(841)	-	8	2,305
Total general allowances ⁽²⁾	2,202	(17)	-	-	53	2,238
Total allowances	4,642	681	(841)	-	61	4,543

Notes:

Amount under \$500,000

(1) Refers to Stage 3 expected credit loss.

(2) Refers to Stage 1 and Stage 2 expected credit loss.

Securities Portfolio

The DBS Group classifies its securities portfolio in line with the requirements under SFRS(I) 9. Its securities are classified into the following:

- At amortised cost using the effective interest method– These are debt securities with simple cash flows and are in a hold to collect business model;
- Fair value through other comprehensive income – Debt (FVOCI -Debt) – These are debt securities with simple cash flows and are in a hold to collect and sell business model. Unrealised gains or losses on FVOCI debt instruments are recorded in other comprehensive income and accumulated

in FVOCI reserves. When they are sold, the accumulated fair value adjustments in FVOCI are reclassified to the income statement;

- Fair value through other comprehensive income – Equity (FVOCI – Equity) – These are non-trading equity securities that DBS Group has elected to apply FVOCI – Equity accounting treatment. Apart from dividend income, all other gains and losses on FVOCI equity instruments are recorded in other comprehensive income and accumulated in FVOCI reserves, and not reclassified to profit or loss upon derecognition; and
- Fair Value through profit or loss (FVPL) – These are securities that do not have simple cash flows or are not part of a hold to collect or hold to collect and sell business model. Realised and unrealised gains or losses on FVPL financial assets are taken to the income statement in the period they arise.

The DBS Group’s securities are disclosed as follows on its balance sheet:

- Government securities and treasury bills; and
- Bank and corporate securities.

The DBS Group’s total securities portfolio accounted for 18% of total assets as at 31 December 2021, compared with 18% as at 31 December 2020 and 20% as at 31 December 2019. Government securities and treasury bills accounted for 8% of total assets as at 31 December 2021, compared with 8% as at 31 December 2020 and 9% as at 31 December 2019.

The DBS Group’s bank and corporate securities accounted for 10%, 10% and 11% of its total assets as at 31 December 2021, 2020 and 2019, respectively. The following table sets forth book-value data relating to the DBS Group’s securities portfolio, as at the periods indicated:

	As at 31 December		
	2019	2020	2021
	<i>In SGD millions</i>		
Government securities and treasury bills.....	49,729	51,700	53,262
Bank and corporate securities	63,746	65,456	69,692
Total	113,475	117,156	122,954

Funding Sources

The DBS Group’s funding is predominantly composed of deposits from customers. The percentage of total liabilities attributable to customer deposits was 80%, 78% and 77% as at 31 December 2021, 2020 and 2019, respectively. As at 31 December 2021, the DBS Group’s loan-to-deposit ratio of 81% reflects that funding from deposits was in excess of loan requirements.

The DBS Group’s customer deposits are diversified, of which the retail segment comprises a substantial portion of total deposits. Retail segment deposits are generally stable and low cost.

The DBS Group’s funding is supplemented by debt issuances, including, but not limited to, medium term notes, commercial papers, certificates of deposits, covered bonds and subordinated term debts. The DBS Group accesses wholesale funds through public offerings and private placements of debt instruments. Borrowings from commercial banks and other financial institutions account for a relatively minor portion of the DBS Group’s total borrowings.

The DBS Group raises foreign currency funding, mainly in U.S. dollars. Major sources of foreign currency funds include the international markets and the domestic money markets in countries in which the DBS Group operates.

The following table sets forth details as at 31 December 2021 of securities issued to third parties by DBS Group which qualify as capital for regulatory capital for adequacy purposes.

Year of issue	Face value	
	<i>(in millions)</i>	
<i>Issued by DBSH, which qualify for Additional Tier 1 capital treatment</i>		
September 2018	SGD 1,000	3.98% Non-Cumulative, Non-Convertible Perpetual Capital Securities First Callable in 2025
February 2020	USD 1,000	3.30% Non-Cumulative, Non-Convertible Perpetual Capital Securities First Callable in 2025
<i>Issued by DBSH, which qualify for Tier 2 capital treatment</i>		
January 2016	SGD 250	3.80% Subordinated Notes due 2028 Callable in 2023
March 2016	JPY 10,000	0.918% Subordinated Notes due 2026
March 2018	AUD 750	3-month BBSW+1.58% Subordinated Notes due 2028 Callable in 2023
April 2018	EUR 600	1.50% Subordinated Notes due 2028 Callable in 2023
May 2018	CNY 950	5.25% Subordinated Notes due 2028 Callable in 2023
June 2018	USD 750	4.52% Subordinated Notes due 2028 Callable in 2023
June 2018	JPY 7,300	0.85% Subordinated Notes due 2028 Callable in 2023
October 2020	AUD 300	3-month BBSW+1.90% Subordinated Notes due 2031 Callable in 2026
March 2021	CNY 1,600	3.70% Subordinated Notes due 2031 Callable in 2026
March 2021	USD 500	1.822% Subordinated Notes due 2031 Callable in 2026

The following table sets forth a breakdown of the sources of the DBS Group's funding sources at the periods indicated:

In SGD millions	As at 31 December		
	2019	2020	2021
Subordinated term debts.....	3,538	3,970	4,636
Senior medium term notes.....	11,734	5,506	6,540
Commercial papers.....	25,914	21,345	24,865
Negotiable certificates of deposit.....	4,562	3,738	4,865
Covered bonds.....	5,206	4,545	5,689
Other debt securities.....	9,712	8,143	10,611
Total	60,666	47,247	57,206
Due within 1 year	41,174	31,920	38,056
Due after 1 year	19,492	15,327	19,150
Total	60,666	47,247	57,206

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 8% to SGD 502 billion as at 31 December 2021 from SGD 465 billion as at 31 December 2020, with U.S. dollars and Singapore dollars deposits accounting for most of the growth.

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 of the periods indicated:

In SGD millions	Deposits Maturity Profile					Total
	Less than 7 days	1 Week to 1 Month	1 to 3 Months	3 to 12 Months	Over 1 Year	
2021.....	407,760	33,002	35,031	22,995	3,171	501,959
2020.....	363,707	30,737	42,340	24,192	3,874	464,850
2019.....	269,142	47,108	55,002	30,501	2,536	404,289

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 76% of the DBS Group's deposits as at 31 December 2021, 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

The DBS Group is a leading participant in domestic and foreign interbank markets and maintains money market lines with a large number of domestic and foreign banks. The DBS Group is a net provider of Singapore dollars interbank funds. As at 31 December 2021, the DBS Group had total interbank liabilities of SGD 30.2 billion (or 4% of total liabilities and shareholders' funds) and interbank assets of SGD 51.4 billion (or 7% of total assets). As at 31 December 2020, the DBS Group had total interbank liabilities of SGD 28.2 billion (or 4% of total liabilities and shareholders' funds) and interbank assets of SGD 50.9 billion (or 8% of total assets). As at 31 December 2019, the DBS Group had total interbank liabilities of SGD 23.8 billion (or 4% of total liabilities and shareholders' funds) and interbank assets of SGD 39.3 billion (or 7% of total assets).

GOVERNANCE AND MANAGEMENT

Governance Framework

The DBS Group has a clearly defined governance framework that promotes transparency, fairness and accountability.

The Board of Directors believes that corporate governance principles should be embedded in the DBS Group's corporate culture. The DBS Group's corporate culture is anchored on:

- (a) competent leadership;
- (b) effective internal controls;
- (c) a strong risk culture; and
- (d) accountability to stakeholders. Its internal controls cover financial, operational, compliance and information technology, as well as risk management policies and systems.

The DBS Group works closely with its regulators to ensure that its internal governance standards meet their increasing expectations.

Board Composition

The Board has adopted a Board Diversity Policy, which recognises the importance of having an appropriate balance of industry knowledge, skills, experience, professional qualifications, gender and nationalities to build an effective and cohesive board. In particular, the Board has set an objective of having female representation.

Board members have a broad range of experience and deep industry expertise. The Board has a good balance between continuity and fresh perspectives. Six out of 10 Directors are Independent Directors. The size and composition of the Board is appropriate given the current size and geographic footprint of the DBS Bank Group's operations. Two out of ten Directors are female (representing 20% of the Board).

The key features of DBSH's Board include:

- (a) Separation of the role of Chairman and CEO;
- (b) Other than the CEO, none of the other Directors is a former or current employee of DBSH or its subsidiaries;
- (c) Remuneration of Non-Executive Directors (including the Chairman) does not include any variable component; and
- (d) To stimulate fresh thinking, external experts are regularly invited to the annual Board strategy offsite and to conduct Directors' training sessions.

The following table sets out the members of the Board of Directors of DBSH.

Name	Title
Mr. Peter Seah Lim Huat.....	Chairman
Mr. Piyush Gupta	CEO
Mr. Olivier Lim Tse Ghow.....	Lead Independent Director
Mr. Chng Kai Fong	Director
Dr. Bonghan Cho	Director

Mr. Ho Tian Yee	Director
Ms. Punita Lal	Director
Ms. Judy Lee	Director
Mr. Anthony Lim Weng Kin	Director
Mr. Tham Sai Choy	Director

Peter Seah Lim Huat

Non-Executive Chairman

Mr. Seah joined the Board of Directors of DBSH and DBS Bank on 16 November 2009 and assumed the role of Chairman on 1 May 2010. He is Chairman of the Executive Committee, as well as a member of the Audit Committee, Board Risk Management Committee, Compensation and Management Development Committee and Nominating Committee. In addition, he is Chairman of DBS Bank (Hong Kong) Limited.

Mr. Seah is the present Chairman of Singapore Airlines Limited and LaSalle College of the Arts Limited. Mr. Seah was a banker for 33 years before retiring as Vice Chairman and CEO of the former Overseas Union Bank in 2001.

He also serves on the boards of GIC Private Limited, Fullerton Financial Holdings Pte Ltd and STT Communications Ltd. He is a member of the Council of Presidential Advisers.

Mr. Seah received the Public Service Medal (Pingat Bakti Masyarakat) in the 1995 National Day Awards in recognition of his contribution to social and community services. He was awarded the Public Service Star (Bintang Bakti Masyarakat) in the 1999 National Day Awards for his role as Chairman of the Sub-Committee on Finance and Banking, Committee on Singapore's Competitiveness. Mr. Seah was also awarded the Distinguished Service Order in the 2012 National Day Awards. He was bestowed the Order of Nila Utama (Distinction), one of Singapore's highest honours, for his contributions to the nation in the 2021 National Day Awards.

Piyush Gupta

Chief Executive Officer

Mr. Gupta has been appointed CEO and Director of the DBS Group since 2009. He is also Chairman of the Board Sustainability Committee.

Prior to joining DBS, Mr. Gupta had a 27 year career at Citigroup, where his last position was Chief Executive Officer for South East Asia, Australia and New Zealand.

Mr. Gupta is Vice Chairman of the Institute of International Finance, Washington, The Association of Banks in Singapore, and the World Business Council for Sustainable Development (WBCSD) Executive Committee, Switzerland. In addition, he is a council member of The Institute of Banking & Finance, Singapore's Advisory Council on the Ethical Use of AI and Data, and Singapore's Council for Board Diversity, as well as a member of the Bretton Woods Committee – Advisory Council. He also sits on the boards of Enterprise Singapore and Singapore's National Research Foundation, and the board of trustees of Singapore Management University. Mr. Gupta is also a term trustee of the Singapore Indian Development Association (SINDA).

Mr. Gupta has a Bachelor of Arts (Honours) Degree in Economics from St. Stephen's College, Delhi University, India and a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad, India.

Mr. Gupta was named one of the world's top 100 best-performing chief executives in the Harvard Business Review – 2019 edition of "The CEO 100". In 2020, he was awarded the Public Service Star by the President of Singapore for his meritorious services to the nation. He was named the Global Indian of the Year by the Economic Times in 2021, Singapore Business Awards' Outstanding Chief Executive of the Year in 2016, and Singapore Business Leader of the Year by CNBC in 2014. In his personal capacity, he takes a keen interest in nature, and is a Co-Chairman of the BirdLife International Advisory Group.

Olivier Lim Tse Ghow

Lead Independent Director

Mr. Lim was appointed to the Board of Directors of DBSH and DBS Bank on 7 November 2017. He is Chairman of the Board Risk Management Committee, as well as a member of each of the Executive Committee and the Nominating Committee. In addition, he is a director of DBS Foundation Ltd, a not-for-profit company established to strengthen DBS' corporate social responsibility efforts across Asia.

Mr. Lim was previously with CapitaLand Limited from 2003 to 2014 and served as Group Deputy Chief Executive Officer, Group Chief Investment Officer and Group Chief Financial Officer ("CFO") during his career there. He was named CFO of the Year in the Business Times Singapore Corporate Awards 2007. Between 1989 and 2003, he worked at Citibank Singapore in various roles in the corporate and investment banking units and was Head of the Real Estate Unit in his ultimate role.

Currently, Mr. Lim is non-executive Chairman of Certis CISCO Security Pte. Ltd. and PropertyGuru Pte. Ltd.. He is a Director of Raffles Medical Group Ltd, and also serves as a member of the Board of JTC Corporation.

Mr. Lim is a civil engineer by training, and holds a First Class Honours degree in Civil Engineering from Imperial College, London.

Chng Kai Fong

Non-Executive Director

Mr. Chng Kai Fong was appointed to the Board of Directors of DBSH and DBS Bank on 31 March 2021. He is a member of each of the Audit Committee, the Nominating Committee and the Board Sustainability Committee.

Mr. Chng is currently the Second Permanent Secretary of The Smart Nation and Digital Government Group (SNDGG).

Prior to joining SNDGG, Mr. Chng was the Managing Director of Singapore Economic Development Board (EDB) for four years before he stepped down when his term ended in early October 2021. Before EDB, he was the Principal Private Secretary to the Prime Minister of Singapore. He had also served in the Ministry of Trade and Industry, Civil Service College, Ministry of Home Affairs, and the Ministry of Communications and Information. As part of the Public Service's development programme, he was also seconded for two years to Shell Eastern Petroleum.

Mr. Chng currently serves on the boards of Singapore Symphonia Company Limited and The Government Technology Agency of Singapore (GovTech). He is also an Advisory Board Member of Shell Gas & Power Development B.V.'s New Energies Advisory Board. In addition, he serves as a member of the Board of Trustees of Singapore University of Technology and Design.

Mr. Chng graduated from the University of Cambridge with a Bachelor of Arts (1st Class Honours) and a Master in Engineering in 2001. He also graduated from Stanford University's Graduate School of Business Sloan Masters Programme with a Master of Science in Management in 2012.

Bonghan Cho

Independent Director

Dr. Bonghan Cho was appointed to the Board of Directors of DBSH and DBS Bank on 26 April 2018. He is a member of the Nominating Committee, the Audit Committee and the Compensation and Management Development Committee.

Dr. Cho is the founder and the CEO of Equalkey Corp., Korea. Equalkey Corp's vision is to transform mathematics and number education using an innovative curriculum and systematic approach, enabled by artificial intelligence ("AI"). He serves as member of the advisory board of AMO Labs Pte. Ltd.

Dr. Cho's previous appointments include the following senior positions based in Seoul: Executive Vice President and Chief Innovation Officer for Samsung Fire & Marine Insurance, Group Deputy CEO and Chief Information Officer ("CIO") in Hana Financial Holdings, and President & CEO of Hana INS.

Dr. Cho holds a Ph.D and MS in Computer Science specialising in AI. He attended the University of Southern California ("USC"), USA after completing his undergraduate studies at the Seoul National University, South Korea. He is the recipient of a Silver-Medal Award in 1996 AAI Robotics Competition, a World Championship Award in RoboCup-97 (the First Robot World Cup Soccer Games) and a Meritorious Service Award at USC in 1997.

Dr. Cho has also received recognition for his outstanding contributions in the advancement of the software industry, and has won the Republic of Korea President award in this field.

Ho Tian Yee

Non-Executive Director

Mr. Ho was appointed to the Board of Directors of DBSH and DBS Bank on 29 April 2011. He is a member of the Board Risk Management Committee.

Mr. Ho has over 30 years' experience in managing and investing in global financial markets. He was the principal shareholder and Managing Director of Pacific Asset Management (S) Pte Ltd who oversaw the management of the company and assumed 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 is the Chairman of Fullerton Fund Management Co. Ltd, Mount Alvernia Hospital and FFMC Holdings Pte. Ltd. and Fullerton Investment Management (Shanghai) Co., Ltd.. Mr. Ho is an investment adviser to Blue Edge Advisors Pte. Ltd. He is also a Director of Pavilion Capital Holdings Pte. Ltd. and Seviora Holdings Pte. Ltd.. He holds a degree in Economics from Portsmouth University (Hons), UK, and a Master of Business Administration from the University of Chicago.

Punita Lal

Independent Director

Ms. Punita Lal was appointed to the Board of Directors of DBSH and DBS Bank on 1 April 2020. She is a member of each of the Audit Committee, the Compensation and Management Development Committee and the Nominating Committee.

Ms. Lal has over 30 years of experience in Strategy, Marketing and Leadership in the consumer-packaged goods industry. Her prior experience includes working for Coca Cola in China, and PepsiCo in India. Her last held executive role was MD & CEO for NourishCo, a strategic joint venture between Tata Global Beverages and PepsiCo, from 2010 to 2012.

Ms. Lal is currently an independent director of Cipla Limited (a company listed in India). She is also a director of Life Style International Private Limited. In addition, she is an advisor of Capillary Technologies International Pte. Ltd. as well as an observer on the global supervisory board of Carlsberg A/S.

Ms. Lal holds a Bachelor of Arts, Economics (Honours) degree from St. Stephen's College, Delhi, and a Master of Business Administration from the Indian Institute of Management, Calcutta.

Judy Lee

Independent Director

Ms. Judy Lee was appointed to the Board of Directors of DBSH and DBS Bank on 4 August 2021. She is a member of each of the Audit Committee, the Board Risk Management Committee, the Compensation and Management Development Committee and the Board Sustainability Committee.

Ms. Lee is currently the Managing Director of Dragonfly LLC, an international risk advisory firm based in New York. Concurrently, she is CEO of Dragonfly Capital Ventures LLC.

Prior to Dragonfly, Ms Lee was a partner at Capco, a global financial services solutions firm and earlier at Capital Market Risk Advisors, a strategy and risk management consulting firm. Before that she was a principal at Bankers Trust New York.

Ms. Lee is currently a director of Commercial Bank of Ceylon PLC, SMRT Corporation Ltd and Temasek Lifesciences Accelerator Pte. Ltd. She also served as a member of the Executive Board of the Stern School of Business, New York University. Ms. Lee previously served as Board Director of Solar Frontier, a renewable energy subsidiary of Showa Shell Sekiyu, now Idemitsu.

Ms. Lee holds a Bachelor of Science in Finance & International Business from NYU Stern Business School, and a Master of Business Administration from The Wharton School of the University of Pennsylvania. She also attended the Advanced Management Program as well as the Women on Boards Program at the Harvard Business School.

Anthony Lim Weng Kin

Independent Director

Mr. Anthony Lim was appointed to the Board of Directors of DBSH and DBS Bank on 1 April 2020. He is Chairman of the Compensation and Management Development Committee, as well as a member of each of the Board Risk Management Committee and the Executive Committee.

Mr. Lim spent 19 years with GIC Pte Ltd (GIC) before he retired in 2017. He joined GIC as its president of the London office in 1998 and was appointed in 2009 as its president (Americas) based in New York. Prior to joining GIC, Mr. Lim was a senior managing director at Bankers Trust Company, where he held various management and trading positions in the global markets' division in Singapore and London from 1987 to 1998. Before Bankers Trust, he was with the Monetary Authority of Singapore (MAS), where he spent three years in their New York Office. His last position at the MAS was as Head of the Foreign Exchange, Gold, and Liquidity Division.

Mr. Lim currently serves on the boards of CapitaLand Investment Limited and CapitaLand Hope Foundation. He is a member of the Institute of International Education, Scholar Rescue Fund Selection Committee. Mr. Lim is also a Non-Resident Ambassador to the Republic of Colombia of the Ministry of Foreign Affairs. Mr. Lim previously served as an independent director of CapitaLand Limited and Vista Oil & Gas S.A.B. de C.V..

Mr. Lim holds a Bachelor of Science degree from National University of Singapore, and attended the Advanced Management Program conducted by Harvard Business School.

Tham Sai Choy

Independent Director

Mr. Tham Sai Choy was appointed to the Board of Directors of DBSH and DBS Bank on 3 September 2018. He is Chairman of each of the Audit Committee and Nominating Committee as well as a member of the Board Risk Management Committee and the Board Sustainability Committee. In addition, he is a director of DBS Bank (China) Limited and also chairs its Audit Committee and Board Compensation Committee. He is also a director of DBS Foundation Ltd, a not-for-profit company established to strengthen DBS's corporate social responsibility efforts across Asia.

Until his retirement in 2017 as the chairman of KPMG in Asia Pacific, Mr. Tham was a member of KPMG's global board. At various times, he was leading or participating in its committees charged with board nominations, executive compensation and risk management. As a member of the executive committee responsible for KPMG's global strategies and planning, he played a key role in the firm's investment in and development of its capabilities in cybersecurity, data analytics and digital transformation. In his 36 years of practice, he worked with many of Singapore's listed companies in their audits and on a wide range of their other needs. This has included assisting them with the raising of capital in Singapore and the US, acquisitions of a variety of businesses, investigations into major corporate failures and restructuring of complex business operations.

Mr. Tham currently serves on the boards of Keppel Corporation Limited, Keppel Offshore & Marine Ltd, Nanyang Polytechnic, Singapore International Arbitration Centre and Mount Alvernia Hospital. He is also the Chairman of E M Services Private Limited.

Mr. Tham holds a Bachelor of Arts (Honours) Degree in Economics, University of Leeds, UK. He is a Fellow of the Institute of Singapore Chartered Accountants, the Institute of Chartered Accountants in England and Wales, and the Singapore Institute of Directors.

Board Responsibility

The Board is committed to helping the DBS Group achieve long-term success. The Board provides direction to management by setting the DBS Group's strategy and overseeing its implementation. It ensures risks and rewards are appropriately balanced. The Board bears ultimate responsibility for the DBS Group's governance, strategy, risk management and financial performance.

Role of the Board

The Board's key areas of focus include:

- (a) Set the DBS Group's strategic direction and long-term goals of the DBS Group and ensure that adequate resources are available to meet these objectives.
- (b) Monitor the responsibilities delegated to the Board committees to ensure proper and effective oversight and control of the DBS Group's activities.
- (c) Establish a framework for risks to be assessed and managed.
- (d) Review management performance.
- (e) Determine the DBS Group's values and standards (including ethical standards) and ensure that obligations to its stakeholders are understood and met.
- (f) Ensure that corporate responsibility and ethical standards underpin the conduct of the DBS Group's business.
- (g) Develop succession plans for the Board and the CEO.
- (h) Consider sustainability issues (including environmental and social factors) as part of the DBS Group's strategy.

Board Committees

The Board has delegated authority to various Board committees to enable them to oversee certain specific responsibilities based on their terms of reference. Any change to the terms of reference for any Board committee requires Board approval.

The Board of Directors has established six Board committees to increase its effectiveness. The Board committees have been constituted in accordance with the Banking (Corporate Governance) Regulations 2005, of Singapore (the “**Banking (CG) Regulations**”), other than the Board Sustainability Committee in respect of which there are currently no specific composition requirements prescribed under the Banking (CG) Regulations. The terms of reference of each Board committee set out the responsibilities of the Board committee, conduct of meetings including quorum, voting requirements and qualifications for Board committee membership. All the DBS Group’s Board committees, other than the Board Sustainability Committee, comprise Non-Executive Directors only.

Nominating Committee

The Nominating Committee (the “**NC**”) is chaired by Mr. Tham Sai Choy and its members are Mr. Olivier Lim, Dr. Bonghan Cho, Ms. Punita Lal, Mr. Peter Seah and Mr. Chng Kai Fong. In accordance with the requirements of the Banking (CG) Regulations, a majority (four out of six members of the NC, including the NC Chairperson) are Non-Executive and Independent Directors (“**INED**”). The lead independent director is a member of the NC. All NC members are required to be re-appointed by the Board annually. Under the Banking (CG) Regulations, every NC member shall hold office until the next annual general meeting following that member’s appointment and shall be eligible for re-appointment. The appointment and re-appointment of NC members require the prior approval of the MAS.

The NC’s responsibilities include:

- (a) Regularly reviews the composition of the Board and Board committees, and independence of Directors;
- (b) Identifies, reviews and recommends Board appointments for approval by the Board, taking into account the industry knowledge, skills, background, experience, professional qualifications, age and gender of the candidate and the needs of the Board;
- (c) Conducts an annual evaluation of the performance of the Board, the Board committees and the Directors;
- (d) Implements the Board Diversity Policy and reviews its effectiveness;
- (e) Exercises oversight of the induction programme and continuous development programme for Directors, and ensures that first-time directors with no prior experience as a director of a listed company in Singapore undergo relevant training;
- (f) Reviews and recommends to the Board the re-appointment of each Director having regard to his/her performance, commitment and ability to contribute to the Board as well as his/her age and skillset;
- (g) Assesses annually whether each Director has sufficient time to discharge his/her responsibilities; and
- (h) Reviews the Board’s succession plans for Directors.

Board Executive Committee

The Board Executive Committee (the “**EXCO**”) is chaired by Mr. Peter Seah and its members are Mr. Olivier Lim and Mr. Anthony Lim. In accordance with the requirements of the Banking (CG) Regulations, a majority (two out of three members of the EXCO) are INEDs.

The EXCO's responsibilities include:

- (i) Approves certain matters specifically delegated by the Board such as acquisitions and divestments up to a certain material limit, credit transactions, investments, capital expenditure and expenses that exceed the limits that can be authorised by the CEO;
- (ii) Reviews weak credit cases on a quarterly basis;
- (iii) Oversees the governance of strategic risks such as technology, artificial intelligence and data (including data privacy and appropriate use of data); and
- (iv) Reviews and provides recommendations on matters that will require Board approval, including acquisitions and divestments exceeding certain material limits.

Audit Committee

The Audit Committee (the “**AC**”) is chaired by Mr. Tham Sai Choy and its members are Dr. Bonghan Cho, Ms. Punita Lal, Ms. Judy Lee, Mr. Peter Seah and Mr. Chng Kai Fong. In accordance with the requirements of the Banking (CG) Regulations, a majority (four out of six members of the AC, including the AC Chairperson) are INEDs. Mr. Tham possesses an accounting qualification and was formerly the managing partner and Head of Audit of KPMG, Singapore. All members of the AC are Non-Executive Directors, and have recent and relevant accounting or related financial management expertise or experience.

The AC's responsibilities in relation to **Financial reporting and disclosure matters** include:

- (i) Monitors the financial reporting process, significant financial reporting issues and judgements to ensure the integrity of the DBS Group's consolidated financial statements;
- (ii) Reviews the DBS Group's consolidated financial statements, other financial disclosures (including Basel Pillar 3 disclosures) and any announcements relating to the DBS Group's financial performance prior to submission to the Board; and
- (iii) Provides oversight of external disclosure governance.

The AC's responsibilities in relation to **Internal Controls** include:

- (i) Reviews (in parallel with the Board Risk Management Committee) the adequacy and effectiveness of internal controls, such as financial, operational, compliance and information technology controls, as well as risk management systems;
- (ii) Receives updates on significant incidents of non-compliance with laws and regulations, and reviews management's investigations of such incidents;
- (iii) Reviews and monitors remedial action plans to address significant internal control deficiencies identified by management, the DBS Group's internal audit function (“**Group Audit**”), the external auditor and/ or regulators;
- (iv) Ensures that there are policies and arrangements in place by which the DBS Group's staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensures that arrangements are also in place for such concerns to be independently investigated and for appropriate follow-up action to be taken;
- (v) Reviews the significant matters raised through the whistle-blowing channel; and
- (vi) Reviews all material related party transactions (including interested person transactions) and keeps the Board informed of such transactions, and the findings and conclusions from its review.

The AC's responsibilities in relation to the **Internal Audit** include:

- (i) Reviews at least annually, the independence, adequacy and effectiveness of the DBS Group's internal audit function (Group Audit) and processes, and ensures that Group Audit is adequately resourced and set up to carry out its functions, including approving its budget;
- (ii) Reviews Group Audit's audit plans, the proposed areas of audit focus, and results of audits;
- (iii) Ensures that an internal quality assurance review (QAR) of Group Audit is conducted annually, and that an independent QAR is conducted at least once every five years; and
- (iv) Approves the hiring, removal, resignation, evaluation and compensation of the Head of Group Audit.

The AC's responsibilities in relation to the **External Auditor** include:

- (i) Determines the criteria for selecting, monitoring and assessing the external auditor, and makes recommendations to the Board on the appointment, re-appointment and removal of the external auditor;
- (ii) Approves the remuneration and terms of engagement of the external auditor;
- (iii) Reviews and discusses the key audit matters (identified by the external auditor pursuant to auditing standards) with the external auditor and management, and ascertains if these matters are presented appropriately;
- (iv) Reviews the scope and results of the external audits and the independence, adequacy and objectivity of the external auditor;
- (v) Ensures that the external auditor promptly communicates to the AC any information regarding internal control weaknesses or deficiencies, and that significant findings and observations regarding weaknesses are promptly rectified; and
- (vi) Reviews the assistance given by management to the external auditor.

Board Risk Management Committee

The Board Management Risk Committee (the "**BRMC**") is chaired by Mr. Oliver Lim and its members are Mr. Tham Sai Choy, Mr. Anthony Lim, Ms. Judy Lee, Mr. Peter Seah and Mr. Ho Tian Yee. All BRMC members are Non-Executive Directors, which exceeds the requirements of the Banking (CG) Regulations. All BRMC members are appropriately qualified to discharge their responsibilities, and have the relevant technical financial expertise in risk disciplines or businesses.

The BRMC's responsibilities include:

- (i) Supports the Board and management in setting the tone from the top so as to embed and maintain appropriate risk culture;
- (ii) Guides the development of, and recommends for Board's approval, the risk appetite for various types of risk and exercises oversight on how this is operationalised into individual risk appetite limits;
- (iii) Approves the DBS Group's overall and specific risk governance frameworks;
- (iv) Has direct oversight of the CRO (jointly with the CEO);
- (v) Oversees the risk assessment framework established to manage the DBS Group's financial crime, cybersecurity, fair dealing and regulatory risks;
- (vi) Oversees an independent risk management system and adequacy of resources to identify and evaluate risks;
- (vii) Reviews the risks rising from new business activities, and the associated risk management and governance approach;

- (viii) Reviews (in parallel with the Audit Committee) the adequacy and effectiveness of the DBS Group's internal controls framework;
- (ix) Monitors market developments, such as macro-economic and country risks, financial and operational risks, risk concentrations, and stress tests related to these developments;
- (x) Monitors risk exposures and profile against relevant risk thresholds, and risk strategy in accordance with approved risk appetite and/ or guidelines;
- (xi) Discusses risk reporting requirements and reviews the risk dashboard to keep track of major risk positions and risk developments;
- (xii) Monitors the quarterly portfolio reviews of total exposures as well as large exposures and asset quality;
- (xiii) Discusses large risk events and subsequent remedial action plans;
- (xiv) Oversees the risk models governance approach, including approving risk models used for capital computation and monitoring the performance of previously approved models;
- (xv) Exercises oversight of the Internal Capital Adequacy Assessment Process (ICAAP) including approval of stress scenarios and commensurate results for capital, risk-weighted assets, profit and loss and liquidity;
- (xvi) Approves the Business Continuity Management attestation and Group Recovery Plan; and
- (xvii) Exercises oversight of regulatory requirements relating to risk management.

Compensation and Management Development Committee

The Compensation and Management Development Committee (the "CMDC") is chaired by Mr. Anthony Lim and its members are Dr. Bonghan Cho, Ms. Punita Lal, Ms. Judy Lee and Mr. Peter Seah. In accordance with the requirements of the Banking (CG) Regulations, a majority (four out of five members of the CMDC, including the CMDC Chairperson) are INEDs.

The CMDC's responsibilities include:

- (i) Exercises supervisory oversight of the overall principles, parameters and governance of the DBS Bank Group's remuneration policy and ensures the alignment of compensation with prudent risk taking to build a long-term sustainable business;
- (ii) Oversees the remuneration of senior executives and directors, including making recommendations to the Board the remuneration of executive directors; and
- (iii) Exercises oversight on management development and succession planning of the DBS Bank Group and ensures that robust plans are in place to deepen core competencies and bench strength as well as strengthen leadership capabilities and talent pipeline for the continued success of the DBS Bank Group.

Board Sustainability Committee

The Board Sustainability Committee (the "BSC") is chaired by Mr. Piyush Gupta and its members are Mr. Tham Sai Choy, Ms. Judy Lee and Mr. Chng Kai Fong. There are currently no specific composition requirements prescribed under the Banking (CG) Regulations. The BSC was established to better focus on sustainability matters and to enhance the governance process in relation to climate impact as well as broader environmental, social and governance matters centred on the DBS Group's sustainability pillars.

Management

The Group Executive Committee and the Group Management Committee are responsible for setting the strategy and direction of the DBS Group, driving business performance and achieving organisational synergies and thereafter facilitating the execution of these decisions to deliver on planned outcomes and results. The Group Management Committee is also responsible for protecting and enhancing the DBS Group's brand and corporate reputation. Other committees include:

- (i) the DBS Group's Risk Executive Committee;
- (ii) the DBS Group's Asset and Liability Committee;
- (iii) the DBS Group's Capital Committee;
- (iv) the DBS Group's Disclosure Committee;
- (v) the DBS Group's Fair Dealing and Conduct Committee; and
- (vi) the DBS Group's Human Capital Committee, among others.

Each committee comprises senior managers from across the DBS 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 Group

The following table sets forth the senior management who are members of the Group Executive Committee and Group Management Committee of the DBS Group.

Name	Responsibility
Mr. Piyush Gupta ⁽¹⁾	Chief Executive Officer
Mrs. Chng Sok Hui ⁽¹⁾	Chief Financial Officer
Ms. Eng-Kwok Seat Moey.....	Capital Markets
Mr. Philip Fernandez.....	Corporate Treasurer
Mr. Neil Ge.....	China
Mr. Derrick Goh.....	Audit
Mr. Han Kwee Juan ⁽¹⁾	Strategy & Planning
Mr. Lam Chee Kin	Legal, Compliance & Secretariat
Ms. Lee Yan Hong	Human Resources
Mr. Lim Him Chuan	Taiwan
Mr. Sim S Lim ⁽¹⁾	Consumer Banking/ Wealth Management
Mr. Andrew Ng ⁽¹⁾	Treasury & Markets
Mr. Jimmy Ng ⁽¹⁾	Chief Information Officer
Ms. Karen Ngui	Strategic Marketing & Communications
Mr. Sebastian Paredes ⁽¹⁾	Hong Kong
Mr. Sanjoy Sen	Consumer Banking
Mr. Shee Tse Koon ⁽¹⁾	Singapore
Mr. Soh Kian Tiong ⁽¹⁾	Chief Risk Officer
Mr. Surojit Shome	India
Mr. Paulus Sutisna.....	Indonesia

Name	Responsibility
Ms. Tan Su Shan ⁽¹⁾	Institutional Banking

Note:

(1) Members of DBS' Group Executive Committee.

Mr. Piyush Gupta

Piyush has been the Chief Executive Officer and Director of DBS Group since 2009. Prior to joining DBS, Piyush had a 27-year career at Citigroup, where his last position was Chief Executive Officer for Southeast Asia, Australia and New Zealand. Piyush is Vice-Chairman of the Institute of International Finance, Washington, and the World Business Council for Sustainable Development (WBCSD) Executive Committee. In addition, he is a member of Singapore's Advisory Council on the Ethical Use of AI and Data, Singapore Management University's Board of Trustees, and Bretton Woods Committee's Advisory Council.

Piyush sits on the boards of Enterprise Singapore, National Research Foundation Singapore, and the Council for Board Diversity established by Singapore's Ministry of Social and Family Development. He is a term trustee of the Singapore Indian Development Association. Previously, he was a member of the Singapore Emerging Stronger Taskforce, aimed at defining Singapore's future in a post-Covid world, the UN Secretary General's Task Force on Digital Financing of the Sustainable Development Goals, and the McKinsey Advisory Council.

Piyush was named one of the world's top 100 best-performing chief executives in Harvard Business Review's 2019 edition of "The CEO 100". In 2020, he was awarded the Public Service Star by the President of Singapore for his meritorious service to the nation. He was named Global Indian of the Year by the Economic Times in 2021, Outstanding Chief Executive of the Year by Singapore Business Awards in 2016, and Singapore Business Leader of the Year by CNBC in 2014.

Mrs. Chng Sok Hui

Sok Hui is the Chief Financial Officer of the DBS Group. Prior to this appointment in October 2008, she was Group Head of Risk Management for six years. She is the Chairman of the DBS Bank India Board, a board member of the Singapore Exchange (Chair of Risk Committee) as well as Changi Airport Group (Chair of Audit Committee). Additionally, she serves as a member on the CareShield Life Council.

Sok Hui previously served, for six years each, on the boards of the Inland Revenue Authority of Singapore, Housing & Development Board, and the Accounting Standards Council. She was also the Supervisor of DBS China Board for 10 years and a past board member of the Bank of the Philippine Islands.

Sok Hui is a Chartered Financial Analyst, a Certified Financial Risk Manager, an IBF Distinguished Fellow and a Fellow Chartered Accountant of Singapore. She was the recipient of several awards including AsiaRisk's Risk Manager of the Year (2002), Asian Banker's Inaugural Risk Manager of the Year (2012), "Best CFO" at the Singapore Corporate Awards (2013) and "Accountant of the Year" at the inaugural Singapore Accountancy Awards (2014). She is a member of the International Women's Forum (Singapore).

Ms. Eng-Kwok Seat Moey

Seat Moey is Group Head of Capital Markets. With more than 30 years of experience in investment banking, she oversees and supervises several teams on advisory and corporate finance, as well as structuring and execution of all equity transactions including corporate equity fund raising, REITs/ Business Trusts and IPOs. Seat Moey's extensive experience also includes structuring and originating debt and equity-linked debt issues and structured finance. She is the Chair of the DBS Digital Exchange which offers

trading services for various digital assets, including security tokens and cryptocurrencies. She also has oversight of the bank's award-winning securities business, DBS Vickers Securities.

Seat Moey was instrumental in the development of the REITs industry in Singapore and the region, having advised on numerous industry-first structures. She also played an integral role in growing DBS' capital markets franchise beyond Singapore through a number of regional landmark transactions. Under her leadership, DBS continues to lead the market in Singapore and Asia ex-Japan, ranking first in regional and Singapore league tables.

Mr. Philip Fernandez

Philip is Group Corporate Treasurer, responsible for DBS' balance sheet, capital, wholesale funding, duration management and structural FX globally. He leads DBS Group's IBOR transition programme and chairs the corresponding ABS industry workgroup for corporate loans. He became Corporate Treasurer 13 years ago and in total has more than 30 years of experience in financial services in Singapore and London.

Philip was awarded the Institute of Banking and Finance's Distinguished Fellow award for Financial Markets in 2021 and was previously named "Bank Treasurer of the Year" by The Asset. Prior to heading Corporate Treasury, he was DBS' co-head of Market Risk for five years. Philip is a Singaporean who holds an M.A. from Cambridge University where he studied Engineering and Management under a DBS scholarship. Previously, he was also an adjunct associate professor at the Singapore Management University for six years, where he specialised in quantitative finance.

Mr. Neil Ge

Neil is Chief Executive Officer of DBS Bank (China) Limited. A seasoned banker, he has more than 30 years of experience in corporate and investment banking, equities, fixed income and derivatives. He also has a breadth of international experience, having worked in a myriad of markets including Shanghai, Beijing, Hong Kong, Tokyo and New York. Prior to DBS, Neil was the Managing Director of Credit Suisse's Shanghai office.

Mr. Derrick Goh

Derrick is the Group Head of Audit, responsible for strengthening the bank's controls, risks and governance. Previously, Derrick led the Treasures and Treasures Private Client Wealth Management business regionally. He also led POSB where he helped to deepen its community outreach. His other previous roles at DBS include Regional Chief Operating Officer and Chief Financial Officer of Institutional Banking Group and Head of Finance, Group Planning and Analytics.

Derrick has 30 years of experience in finance and banking. Before DBS, he spent 11 years at American Express in senior finance roles in Paris, London, New York and Singapore. He currently serves the community as a Member of Parliament for Nee Soon GRC and on the Boards of GovTech Singapore and HomeTeamNS.

Mr. Han Kwee Juan

Kwee Juan is Group Head of Strategy and Planning. In this role, he works with the Group CEO and Group Management Committee to develop strategies to drive growth and valuation for shareholders. He also oversees strategic reviews and execution of these strategies across the Group.

Kwee Juan leads the bank's transformation agenda. He develops change management programmes to deliver transformation outcomes across the Group in data and artificial intelligence, managing through journeys, customer experience, innovation and future of work.

His portfolio also encompasses responsibility for developing and driving new business models through ecosystems partnerships for corporate and retail customers; identifying and creating new joint ventures to develop new revenue streams through banking solutions; and ultimately to grow value in the Group's joint venture investments.

Mr. Lam Chee Kin

Chee Kin oversees the legal and regulatory risk of DBS across legal entities, segments and geographies. A lawyer by profession, he has particular expertise in financial services regulation, and financial markets product and business structuring. Chee Kin has held legal and compliance portfolios in Standard Chartered, J.P. Morgan, Rajah & Tann, and Allen & Gledhill. He also had a stint as Chief Operating Officer for Southeast Asia at J.P. Morgan.

Chee Kin currently serves on the Advisory Board to the Singapore Management University School of Law and the Advisory Panel to the NUS Centre for Banking and Finance Law.

Ms. Lee Yan Hong

Yan Hong is Head of Group Human Resources at DBS Bank. Her human capital management experience spans over 30 years, across a spectrum of industries, specialisations, coverage and geographies. At DBS, Yan Hong drives the overall strategic people agenda of the Group and is recognised for taking a proactive approach in building best practices in human resources, setting the direction for various functions and spearheading various initiatives to further the organisational growth of the bank.

Under her leadership, DBS has won a number of global and regional accolades, including being certified by Kincentric as Regional Best Employer in Asia Pacific, as well as Country Best Employer in Singapore and other markets for several years. For the fifth year running, DBS has been named to the Bloomberg Gender-Equality Index. In addition, DBS has also been awarded by the Singapore Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) for fair and progressive employment practices as well as empowering employees to achieve work-life excellence. Yan Hong was a steering committee member for Applied Study in Polytechnics and ITE Review (ASPIRE) looking to enhance career and progression prospects for tertiary students in Singapore. She currently serves as committee member at the Human Resource Skills Council for Workforce Singapore and Human Capital Leadership Institute CHRO Advisory Panel.

Mr. Lim Him Chuan

Him Chuan is Chief Executive Officer of DBS Bank Taiwan. Prior to this, he was the Group Head of Product Management for DBS' Global Transaction Services, responsible for the bank's cash management and trade finance businesses. Under his leadership, the business registered robust growth with a strong focus on product digitalisation and significant improvements in the Greenwich Customer Satisfaction survey.

Prior to that, he was Chief Operating Officer for DBS' Institutional Banking Group and International Markets, leading various strategic business, customer and employee journey change programmes. He was also Head of Group Audit where he successfully transformed Group Audit into a multi-disciplinary professional services team, which won the "Singapore Internal Audit Excellence Award" in 2012. In recognition of his contributions to the Singapore financial services industry as well his industry thought leadership, Him Chuan was conferred the title of Singapore Institute of Banking and Finance Fellow in 2014.

Mr. Sim S Lim

Sim is Group Head of Consumer Banking and Wealth Management. Previously, he was DBS' first country head with dedicated oversight of Singapore for eight years. In the role, he focused on delivering greater synergy and value across the bank's Singapore franchise. Sim has been in the industry for over 38 years and has assumed career responsibilities in Asia, North America and the Middle East.

Before DBS, Sim was President and CEO of Nikko Citigroup Limited. During this time, Sim was also a board member of Nikko Citi Holdings Inc, and oversaw all corporate and investment banking, institutional brokerage, as well as fixed income and equity trading for Citigroup in Japan. In his time abroad, Sim also served as Chairman of Citibank Hong Kong, and non-executive Chairman of Citibank Berhad Malaysia.

He currently chairs DBS Vickers Securities, and was also appointed Chairman of Singapore's Building & Construction Authority in April 2021. He also sits on the boards of DBS Securities (Japan) Ltd and ST

Engineering. In March 2018, he was appointed Singapore (Non-Resident) High Commissioner to Republic of Nigeria.

Mr. Andrew Ng

Andrew is Head of Treasury and Markets. He is also the Chairman and Director of DBS Bank Taiwan, and Director of DBS China. Andrew's experience in the treasury business spans over 34 years, comprising senior positions in Asia and Western markets. Since 2006, Andrew has been instrumental in leading 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 currencies derivative capability for the bank. He has also expanded DBS' capabilities in generic and exotic derivatives.

Prior to joining DBS, he was 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. He was also previously North Asia Head of Trading at Chase Manhattan Bank N.A. and Treasurer of Chase Manhattan Bank Taipei.

Mr. Jimmy Ng

Jimmy is Group Chief Information Officer and Head of Group Technology & Operations at DBS Bank. Managing more than 10,000 technology and 5,000 operations professionals globally, he plays a leading role in the development and execution of the bank's digital strategy.

Prior to this, Jimmy was Deputy Head of Group Technology & Operations, where he oversaw the bank's first technology development centre outside Singapore – DBS Asia Hub 2 in Hyderabad. He also oversaw DBS' Middle Office Technology and Enterprise Architecture/ Site Reliability Engineering. Jimmy was also previously DBS' Group Head of Audit, and before that, Head of Singapore Consumer Banking Operations where he harnessed state of-the-art data analytics and machine-learning techniques to develop and implement new auditing approaches, and overhauled DBS' ATM/ Self Service Banking management.

Ms. Karen Ngui

Karen is Head of Group Strategic Marketing and Communications, and Board member of DBS Foundation. She is responsible for corporate communications, brand management, strategic marketing, internal communications and sponsorships. She also oversees the bank's sustainability efforts in corporate volunteerism and champions social enterprises through the DBS Foundation. She leads media and issues management efforts across the DBS Group. In addition, she is responsible for managing and enhancing the bank's brand positioning across all businesses and markets, including Singapore, Greater China, South and Southeast Asia.

She has over 30 years of experience in corporate branding, marketing and communications for financial institutions, and joined DBS from Standard Chartered Bank where she was Global Head, Brand Management and Strategic Marketing.

Mr. Sebastian Paredes

Sebastian is Chief Executive Officer of DBS Bank (Hong Kong) and Non-Executive Director of DBS Bank (China) Limited. With over 30 years of experience in the industry, Sebastian has found much success in building franchises across various markets. His experience in laying the groundwork across regions has led him to manage complex situations during times of economic volatility. Formerly President Director of P.T Bank Danamon, Indonesia, Sebastian solidified the bank's position in retail, SME and commercial banking and created opportunities for new businesses in consumer finance and micro lending. Sebastian also spent 20 years at Citigroup as Country Head of Ecuador, Honduras, Turkey and Israel, and was also the Chief Executive Officer of Sub-Saharan Africa.

Mr. Sanjoy Sen

Sanjoy is Group Head of Consumer Bank. He oversees the Group's consumer banking franchise across the region, including its digital banking initiatives. With the successful amalgamation of Lakshmi Vilas Bank, and the recent acquisition of Citi Consumer Taiwan, he will expand the bank's regional footprint in Asia, which includes further bolstering DBS' offerings in China's consumer finance space through ecosystem partners.

Sanjoy has over 30 years of extensive international consumer banking experience. He spent the first 22 years of his career in Citibank, where he led diverse consumer and wealth businesses in Asia Pacific, Middle East & Africa. In 2012, he joined Australia and New Zealand Banking Group Limited (ANZ) to run their Retail, Private Banking and Wealth businesses in Asia, and served as a board director on ANZ's JVs/subsidiaries in Philippines, Cambodia and Vietnam.

He then joined DBS Bank in 2018 as Head of Strategy and Finance for the Consumer Banking and Wealth Management Group, following the successful integration of ANZ's retail and wealth business.

Sanjoy currently serves on several advisory boards and committees of non-profit organisations in a pro-bono capacity. These include the International Relations Committee for Singapore Institute of Directors, the Digital Committee for National Volunteer & Philanthropy Centre (NVPC), and Visa's Senior Client Council for Asia Pacific. He also served on the Techskills Accelerator (TESA) Finance Sector Committee from 2016 to 2021, which aims to build and develop a skilled workforce for Singapore's digital economy by offering programmes for professionals to upgrade and acquire new skills and domain knowledge that are in demand. In 2019, he was conferred the IBF Fellow award for Consumer Banking.

Mr. Shee Tse Koon

Tse Koon is Country Head of DBS Singapore. Prior to this, he was Group Head of Strategy and Planning where he oversaw regional strategy across the bank. Tse Koon has close to 30 years of experience in the banking industry. He started his career at Standard Chartered and has held senior positions in a diverse range of roles across various front and back office functions. He has worked in several countries in Asia, the Middle East and the United Kingdom. Prior to joining DBS, he was the CEO of Standard Chartered in Indonesia. Before that, he was Head of Governance (Europe, Middle East, Africa & Americas) and also Senior Executive Officer (Standard Chartered, Dubai International Financial Centre), based in the United Arab Emirates; as well as Chief Information Officer and Head of Technology and Operations for Standard Chartered in Singapore. He has also held the position of Regional Head of Trade, based in Singapore, and the role of Executive Assistant to one of Standard Chartered's Group Executive Directors, based in the UK.

Tse Koon had also served as non-executive director on the boards of Standard Chartered Bank Zimbabwe and Standard Chartered Capital Saudi Arabia.

Tse Koon has been a member of the Board of Commissioners for PT Bank DBS Indonesia since May 2020. In addition, he currently serves as a member of the Board of Directors for NETS Pte Ltd as well as the Board of Governors for the Singapore International Foundation and Nanyang Polytechnic.

Mr. Soh Kian Tiong

Kian Tiong is the Chief Risk Officer of DBS Group and has more than 25 years of experience in the banking and finance industry. He was previously DBS' Chief Credit Officer for the bank's Greater China operations where he oversaw credit and risk functions in Hong Kong, Mainland China and Taiwan.

Prior to this, he was Group Head of DBS' Financial Institutions Group, responsible for relationships with banks and non-bank financial institutions, comprising insurance companies, funds, securities companies, supranationals and central banks, spanning US, Europe and most parts of Asia. He also oversaw the relationship coverage of Singapore government-related entities such as GIC, Temasek and Singapore universities, among others.

In recognition of his leadership and commitment in developing the financial industry, Kian Tiong was conferred the IBF Fellow award in 2017 by the Institute of Banking and Finance Singapore.

Mr. Surojit Shome

Surojit is the Chief Executive Officer of DBS Bank India Limited. Surojit has over 30 years of banking experience across corporate and investment banking, capital markets and consumer banking. Before he joined DBS, he was Chief Executive Officer of Rabobank in India. Prior to that, he worked for over 19 years at Citibank in various roles across consumer and wholesale banking. He subsequently headed the investment banking division at Lehman Brothers in India.

Surojit holds a post-graduate management degree in marketing and finance from Xavier School of Management (XLRI), Jamshedpur, and a Bachelor of Science degree in Economics, Mathematics and Statistics from Presidency College, Kolkata. Surojit has also attended the Executive Development Program at The Wharton School in 2004 and the Rabobank Senior Leadership Program at the Harvard Business School in 2011.

Mr. Paulus Sutisna

Paulus is President Director of PT Bank DBS Indonesia with more than 30 years of banking experience. He is responsible for driving business growth in Indonesia. Previously, he was Head of Client Management of Global Banking at HSBC Indonesia. Prior to that, he was at Citibank for 24 years in various roles, including Managing Director and Head of the Multinational Franchise in Indonesia. He also worked in Citi Amsterdam from 1999 to 2002.

Paulus completed his studies in Computer Science from University of Technology Sydney, Australia. He received SWA Magazine's "Best CEO Award" and Infobank Magazine's "Indonesia's Top 100 Bankers Award" in 2017. In 2019 and 2021, Warta Ekonomi named him one of "Indonesia's Most Admired CEOs". In 2020, he was also named by one of the leading business publications, Warta Ekonomi as "Indonesia Financial Top Leader". Infobank, a leading banking publication in Indonesia, named him "Banker of the Year 2021".

Ms. Tan Su Shan

Su Shan is Group Head of Institutional Banking at DBS and President Commissioner for PT Bank DBS Indonesia. She was previously Group Head of Consumer Banking and Wealth Management at DBS for almost a decade.

In 2019, The Asset named Su Shan as one of six women in Asia likely to influence and feature prominently in shaping the banking and associated financial services industry in Asia. In 2018, she was nominated by Forbes Magazine as a "Top 25 emergent Asian Woman Business leader". In 2014, she became the first Singaporean to be recognised as the world's "Best Leader in Private Banking" by The Banker/ Private Wealth Management, a wealth publication by the Financial Times Group. She has also served as a Nominated Member of Parliament in Singapore.

Su Shan is an independent board director of Mapletree North Asia Commercial Trust and Aetos Holdings, both Temasek Linked entities, as well as a board member of Central Provident Fund Board (CPF Board). On the education front, she is an advisor to Hwa Chong Institution and Lincoln College at Oxford University. She was also the Founder President of the Financial Women's Association in Singapore, a non-profit organisation she founded and pioneered in 2001, to help develop and mentor women in the financial industry.

Remuneration

The DBS Group's remuneration policy, which is applicable to DBS Bank and all its subsidiaries and overseas offices, seeks to ensure that the DBS Group is able to attract, motivate and retain employees to

deliver long-term shareholder returns, taking into consideration risk management principles and standards set out by the Financial Stability Board and the Code of Corporate Governance.

When formulating the remuneration strategy, consideration was given to aligning the DBS Group's remuneration approach with "DBS PRIDE!" values in order to drive desired behaviours and achieve the objectives set out in the balanced scorecard.

The following shows the three main thrusts of the DBS Group's remuneration strategy and how they are implemented within the DBS Group:

Main thrusts	How
Pay for performance as measured against the balanced scorecard	<ul style="list-style-type: none"> • Instil and drive a pay-for-performance culture • Ensure close linkage between total compensation and the DBS Group's annual and long-term business objectives as measured by the balanced scorecard • Calibrate mix of fixed and variable pay to drive sustainable performance that is aligned to DBS PRIDE! values, taking into account both "what" and "how" key performance indicators are achieved
Provide market competitive pay	<ul style="list-style-type: none"> • Benchmark DBS Group's total compensation against other organisations of similar size and standing in the markets it operates in • Drive performance differentiation by benchmarking total compensation for top performing employees against the upper quartile or higher in each market
Guard against excessive risk-taking	<ul style="list-style-type: none"> • Focus on achieving risk-adjusted returns that are consistent with prudent risk and capital management, as well as emphasis on long-term sustainable outcomes • Design payout structure to align incentive payments with the long-term performance of the DBS Group through deferral and clawback arrangements • Design sales incentives plans to encourage the right sales behaviour

Summary of current total compensation elements

The table below provides a description of total compensation elements, their purpose and implementation:

Elements	Purpose	Details
Salary	<ul style="list-style-type: none"> • Attract and retain talent by ensuring the DBS Group's fixed pay is competitive against comparable institutions 	<ul style="list-style-type: none"> • Set at an appropriate level taking into account market dynamics as well as skills, experience, responsibilities, competencies and performance of the employee • Typically reviewed annually
Cash bonus and deferred awards	<ul style="list-style-type: none"> • Provide a portion of total compensation that is performance-linked 	<ul style="list-style-type: none"> • Based on overall group, business or support unit, and individual performance

Elements	Purpose	Details
	<ul style="list-style-type: none"> Focus employees on the achievement of objectives which are aligned to value creation for DBS Group's shareholders and multiple stakeholders Align to time horizon of risk 	<ul style="list-style-type: none"> Measured against a balanced scorecard which is agreed to at the start of the year Awards in excess of a certain threshold are subject to a tiered deferral rate that ranges from 20% to 60% with a minimum deferred quantum

Country variations to the threshold and the form of deferrals may apply to address statutory requirements.

Remuneration of Non-Executive Directors

The Board of Directors of DBS Bank and DBSH are comprised of the same persons. The Non-Executive Directors receive fees for acting as Directors of DBSH; no additional fees are payable to the Directors for acting as Directors of DBS Bank.

The CMDC reviews and recommends a framework to the Board for determining the remuneration of all Non-Executive Directors. The remuneration of Non-Executive Directors, including the Chairman, has been benchmarked against global and local financial institutions. Unless otherwise determined by the Board, Non-Executive Directors receive 70% of their fees in cash and the remaining 30% in share awards. The share awards are not subject to a vesting period, but are subject to a selling moratorium whereby each Non-Executive Director is required to hold the equivalent of one year's basic retainer fees for his or her tenure as a Director and for one year after the date he or she steps down. The fair value of share grants to the Non-Executive Directors are based on the volume-weighted average price of the ordinary shares of DBSH over the 10 trading days immediately prior to (and excluding) the date of the Annual General Meeting. The actual number of ordinary shares to be awarded are rounded down to the nearest share, and any residual balance will be paid in cash. Other than these share awards, the Non-Executive Directors do not receive any other share incentives or securities under the DBSH share plans.

The table below sets out the remuneration of each Non-Executive Director for 2021. The remuneration of Non-Executive Directors (including the Chairman) does not include any variable components. Shareholders are entitled to vote on the remuneration of Non-Executive Directors at the Annual General Meeting of DBSH scheduled to be held on 31 March 2022 (the "2022 AGM").

Name of Director	Directors' Fees ⁽¹⁾	Share-based Remuneration ⁽²⁾	Others ⁽³⁾	Total
		(SGD)		
Mr Peter Seah	1,321,250	566,250	47,073	1,934,573
Dr Bonghan Cho	173,950	74,550	-	248,500
Ms Euleen Goh ⁽⁴⁾	69,863	-	963	70,826
Mr Ho Tian Yee	141,400	60,600	-	202,000
Mr Olivier Lim ⁽⁵⁾	292,729.50	125,455.50	-	418,185
Mr Andre Sekulic ⁽⁶⁾	59,363	-	-	59,363
Mrs Ow Foong Pheng ⁽⁷⁾	61,329	-	-	61,329
Mr Tham Sai Choy	248,500	106,500	-	355,000
Ms Punita Lal ⁽⁸⁾	188,559	80,811	-	269,370

Mr Anthony Lim ⁽⁹⁾	232,855.70	99,795.30	-	332,651
Mr Chng Kai Fong ⁽¹⁰⁾	179,171	-	-	179,171
Ms Judy Lee ⁽¹¹⁾	94,707.20	40,588.80	-	135,296

Notes:

- (1) Fees payable in cash, in 2022, for being a Director in 2021. This is 70% of each Director's total remuneration and is subject to shareholder's approval at the 2022 AGM.
- (2) This is 30% of each Director's total remuneration and shall be granted in the form of DBSH's ordinary shares. The actual number of DBSH's ordinary shares to be awarded will be rounded down to the nearest share, and any residual balance will be paid in cash. This is subject to shareholders' approval at the 2022 AGM.
- (3) Represents non-cash component and comprises (i) for Mr Peter Seah: car and driver, and (ii) for Ms Euleen Goh: season carpark fees.
- (4) Ms Euleen Goh, who stepped down as non-executive director, chairperson of BRMC and member of CMDC on 30 March 2021 will receive all of her Director's remuneration in cash.
- (5) Mr Olivier Lim was appointed as chairman of BRMC on 31 March 2021.
- (6) Mr Andre Sekulic, who stepped down as non-executive Director, Chairman of CMDC and member of AC on 30 March 2021 will receive all of his Director's remuneration in cash.
- (7) Director's remuneration payable to Mrs Ow Foong Pheng will be paid fully in cash to a government agency, the Directorship and Consultancy Appointments Council. Mrs Ow stepped down as non-executive Director and member of each of the AC and NC on 30 March 2021.
- (8) Ms Punita Lal was appointed as member of AC on 31 March 2021. Ms Lal attended all AC meetings after her appointment.
- (9) Mr Anthony Lim was appointment as chairman of CMDC on 31 March 2021. Mr Lim attended all CMDC meetings after his appointment.
- (10) Mr Chng Kai Fong was appointment as non-executive and non-independent Director and member of AC and NC on 31 March 2021. Mr Chng attended all the Board, AC and NC meetings following his appointment. Mr Chng attended the 2021 AGM as an invitee. His Director's remuneration will be paid fully in cash to DCAC.
- (11) Ms Judy Lee was appointed as non-executive and Independent Director and member of AC, BRMC and CMDC on 4 August 2021. Ms Lee attended all the Board, AC, BRMC and CMDC meetings following her appointment.

(Note: Directors are also paid attendance fees for Board and Board Committee meetings, as well as for attending the AGM and the annual Board offsite.)

Remuneration of Executive Director

Since becoming CEO in November 2009, Piyush Gupta has transformed the DBS Group into a leading bank with multiple engines of growth, solid digital leadership, and a dynamic culture that embraces innovation.

This led the DBS Group to deliver its best year ever in 2021, not only in terms of financial performance but also across a range of key scorecard goals. For the year, the DBS Group had record net profit of SGD 6.80 billion, up 44%. Return on equity at 12.5% was the second-highest in more than a decade. This achievement was all the more remarkable given ongoing challenges in the operating environment. With COVID-19 in the second year, global interest rates remained at rock-bottom levels. China idiosyncratic risks also increased, following moves by the government to temper exuberance in the property market. Against this backdrop, the DBS Group's sterling financial performance underlined the strength of its board-based franchise and the success of multi-year transformation efforts. Over the past year, the DBS Group executed several inorganic transactions, including acquiring the consumer banking business of Citigroup in Taiwan and investing in Shenzhen Rural Commercial Bank. These initiatives will strengthen its franchise, and enable DBS Group to ride the crest of a structurally rising Asia. The DBS Group also launched several

new businesses such as DBS Digital Exchange, Partior and Climate Impact X, which harness emerging technologies, and will position it for the future.

Given the DBS Group's belief that the successful organisation of the future will have to operate very differently, it launched new ways of working. This included having some of its people working horizontally across functions to better serve customers and being more data-driven. Recognising that DBS Group's employees want greater flexibility, it also introduced hybrid work models and flexi-work arrangements. Employee engagement scores improved to 86%, outperforming the Kincentric benchmark for the APAC Financial Services Industry.

During the year, the DBS Group also continued to advance the sustainability agenda, both in terms of tackling climate change and addressing the growing social issues in its midst.

The DBS Group's efforts were well-recognised, with not one but two global publications naming DBS as best in the world.

In recognition of Mr Gupta's 2021 performance, his present-year remuneration is as outlined below:

Breakdown of remuneration for performance year 2021 (1 January – 31 December)

	Salary remuneration	Cash bonus⁽¹⁾	Share Plan ⁽²⁾	Others⁽³⁾	Total⁽⁴⁾
			(SGD)		
Mr. Piyush Gupta.....	1,200,000	5,165,000	7,135,000	75,462	13,575,462

Notes:

- (1) The amount has been accrued in 2021 financial statements.
- (2) At the DBS Group, ordinary dividends on unvested shares do not accrue to employees. For better comparability with other listed companies, this figure excludes the estimated value of retention shares amounting to SGD 1,427,000, which serve as a retention tool and compensate staff for the time value of deferral. This is also similar in nature to practices in those companies which provide accrual of dividends for deferred awards.
- (3) Represents non-cash component and comprises club, car and driver.
- (4) Refers to current year performance remuneration – includes fixed pay in current year, cash bonus received in following year and DBSH ordinary shares granted in following year.

Key executives' remuneration

While corporate governance guidelines recommend that at least the top five key executives' remuneration be disclosed, the Board believes that it would be disadvantageous to do so because of the constant battle of talent in a highly competitive industry. This is consistent with banking industry practice in the local market. The aggregate total remuneration for the DBS Group's Senior Management (including the CEO) in 2021 amounted to SGD 79.4 million.

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 register of members and depository register as at 10 February 2022.

Name of Shareholder	Shares Held	Shares
Citibank Nominees Singapore Pte Ltd	503,322,111	19.60%
Maju Holdings Pte. Ltd. ⁽¹⁾	458,899,869	17.87%
DBSN Services Pte Ltd	301,674,375	11.75%
Temasek Holdings (Private) Limited ⁽²⁾	284,145,301	11.06%
HSBC (Singapore) Nominees Pte Ltd	233,416,826	9.09%
Raffles Nominees (Pte) Limited	232,438,443	9.05%

Notes:

- (1) Wholly-owned subsidiary of Temasek Holdings (Private) Limited.
- (2) Wholly-owned company of the Singapore government through the Minister for Finance.

Based on the interests of substantial shareholders as provided by the substantial shareholders as at 10 February 2022, Temasek Holdings (Private) Limited has a direct and deemed interest in approximately 29.63% of the ordinary shares of DBSH.

REGULATION AND SUPERVISION

Regulation and Supervision in Singapore

Introduction

Singapore licensed banks come within the ambit of the Banking Act and the 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, circulars and guidelines issued by the MAS from time to time.

A licensed 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 licence under the Securities and Futures Act 2001 of Singapore (the "**SFA**") and from holding a financial adviser's licence under the Financial Advisers Act 2001 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, circulars, guidelines, practice notes and codes issued by the MAS from time to time, as may be applicable to it in respect of these regulated activities, and its conduct of any other activities that fall within the ambit of the SFA and FAA.

The holding company of a Singapore licensed bank could also be subject to regulation if required to be approved as a financial holding company under Section 28 of the MAS Act. The requirements pertaining to financial holding companies will be enhanced when the Financial Holding Companies Act 2013 of Singapore ("**FHC Act**") becomes effective. The FHC Act was published in the Government Gazette on 11 April 2014. The FHC Act was introduced to establish the regulatory framework for designated Singapore-incorporated financial holding companies with one or more Singapore-incorporated bank or insurance subsidiaries. The salient provisions in the FHC Act relate to:

- (a) a requirement to provide the MAS with information requested by the MAS for supervision purposes;
- (b) restrictions on the use of the name, logo and trademark of a designated financial holding company;
- (c) restrictions on the activities of a designated financial holding company;
- (d) restrictions on the shareholding and control of a designated financial holding company;
- (e) limits on exposures and investments;
- (f) minimum asset requirements;
- (g) minimum capital and capital adequacy requirements;
- (h) leverage ratio requirements;
- (i) supervision and reporting requirements; and
- (j) approval requirements for the appointment of directors and chief executives.

Some of these requirements remain to be specified in subsidiary legislation or notices to be issued by the MAS, for instance, minimum liquid assets, capital adequacy and leverage ratio.

The FHC Act provides for transition periods for designated financial holding companies to comply with various provisions in the specific provisions and a general power for the Minister to prescribe by regulations, for a period of two years from the commencement of operation of any provision, transitional provisions consequent on the enactment of that provision.

The Monetary Authority of Singapore

The MAS is banker and financial agent to the Singapore government and is the central bank of Singapore. Following its merger with the Board of Commissioners of Currency, Singapore on 1 October 2002, the MAS has also assumed the functions of currency issuance. The MAS' functions include:

- (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

COVID-19 Temporary Measures

On 7 April 2020, the MAS announced that it would adjust selected regulatory requirements and supervisory programmes to enable financial institutions to focus on dealing with issues related to the COVID-19 pandemic and supporting their customers during this difficult period. The MAS will take the following regulatory and supervisory measures:

- adjust banks' capital and liquidity requirements, to help sustain their lending activities;
- allow financial institutions to take into account the government's fiscal assistance and bank's relief measures in setting more realistic accounting loan loss allowances;
- defer institutions' implementation of the final set of Basel III reforms, margin requirements for non-centrally cleared derivatives, and other new regulations and policies, to ease a financial institution's operational burden;
- provide financial institutions with more latitude on submission timelines for regulatory reports and defer non-urgent industry projects; and
- suspend regular onsite inspections and supervisory visits till further notice.

For example, MAS Notice 637 has been amended to allow the full recognition of balances maintained in regulatory loss allowance reserve accounts as Tier 2 Capital between 31 March 2020 and 30 September 2021 (both dates inclusive) and MAS Notice 652 has been amended to:

- lower the required stable funding factors for all loans from a D-SIB to non-financial corporates, retail customers and small business customers, that have a residual maturity of less than six months, from 50% to 25% for the period between 8 April 2020 and 30 September 2021 (both dates inclusive); and
- gradually phase back the required stable funding factors referred to above from 25% to 50% by 1 April 2022.

MAS Notice 612A has also been introduced to set out the credit grading treatment for credit facilities granted support measures by banks in response to the COVID-19 outbreak for the period beginning on 1 January 2021 and ending on 31 December 2021 (both dates inclusive).

The COVID-19 (Temporary Measures) Act 2020 of Singapore (the "**Act**") passed on 7 April 2020 introduced various temporary relief measures for individuals and businesses in financial distress. The measures are in place for six months from the relevant commencement date of the COVID-19 (Temporary Measures) Act 2020 of Singapore i.e. 20 April 2020 to 19 October 2020, and may be subsequently

extended. For example, small and medium enterprises (namely businesses that are at least 30% owned by Singapore citizens and/or permanent residents, where the turnover of the enterprise group does not exceed S\$100 million) are given temporary relief from legal action over loan facilities that are secured against commercial or industrial immovable property, plant, machinery or other equipment used for business purposes in Singapore. A bank or finance company would be prohibited from instituting, among other things, court and insolvency proceedings and enforcing its security over such immovable property or movable property for the period prescribed under the Act. The prescribed period for loans by banks and finance companies to Singapore SMEs was extended from 19 October 2020 to 19 November 2020.

Other Special Financial Relief Programmes

On 31 March 2020, the Association of Banks in Singapore (“**ABS**”) issued an announcement introducing a Special Financial Relief Programme for individuals. Amongst other measures, this allows individuals with residential property loans to apply to their bank to defer either:

- principal payment; or
- both principal and interest payments,

up to 31 December 2020, with interest accruing only on the deferred principal amount. In order to be eligible for such relief, the individual must not have been in arrears for more than 90 days as at 6 April 2020. Further measures were provided for on 30 April 2020 and allow individuals with commercial and industrial property loans to apply to their bank to defer principal payments up to 31 December 2020, and individuals with mortgage equity withdrawal loans that were granted on or after 6 April 2020 to apply to their bank to defer either principal payment or both principal and interest payments up to 31 December 2020.

On 24 June 2021, the MAS, ABS and Finance Houses Association of Singapore announced an extension of support measures for individuals and SMEs, in certain sectors that continue to face financial difficulties due to the COVID-19 pandemic. This is expected to be the final extension of the industry-wide support measures.

Individuals with residential, commercial and industrial property loans who are unable to resume making full loan repayments from 1 January 2021 may apply to their respective bank or finance company to make reduced instalment payments pegged at 60% of their monthly instalment, for a period of up to 9 months but not exceeding 31 December 2021. Also, individuals with renovation and student loans may apply to their respective bank to extend their loan tenures by up to 3 years. The application window for these support measures was extended to 30 September 2021.

SMEs can seek relief under the Extended Support Scheme – Standardised (ESS-S), under which SMEs in certain sectors may opt to defer 80% of principal payments on their secured loans granted by banks or finance companies, as well as loans granted under Enterprise Singapore’s Enhanced Working Capital Loan Scheme and Temporary Bridging Loan Programme until 30 September 2021. In addition, the Extended Support Scheme - Customised (ESS-C), an industry programme to help SMEs with more than one lender restructure their credit facilities across multiple banks and finance companies, was launched on 1 November 2020. The application window for the ESS-C was extended to 31 December 2021.

In connection with these, MAS has released updates to certain MAS Notices to take into account such loans that have been deferred at the option of the borrower.

The special financial relief programmes which have expired over the course of 2021 are not expected to be extended.

Moderation of FY2020 Dividends

The MAS announced on 29 July 2020 that it has called on locally-incorporated banks headquartered in Singapore to cap their total dividends per share (“**DPS**”) for FY2020 at 60% of FY2019’s DPS, and offer shareholders the option of receiving the dividends to be paid for FY2020 in scrip in lieu of cash.

The dividend restriction is a pre-emptive measure to bolster the banks' ability to continue to support the credit needs of businesses and consumers in the current business environment.

On 28 July 2021, the MAS announced that the dividend restrictions on locally-incorporated banks and finance companies headquartered in Singapore would not be extended.

Enhancing access to SGD and USD funding

On 3 September 2020, the MAS announced measures to enhance the banking system's access to SGD and USD funding, which are intended to strengthen banking sector resilience, promote more stable SGD and USD funding conditions, and support credit intermediation amid continued economic headwinds from the COVID-19 pandemic.

A new MAS SGD Term Facility was launched in the week of 28 September 2020, to provide banks and finance companies an additional channel to borrow SGD funds at longer tenors and with more forms of collateral. The MAS SGD Term Facility will offer SGD funds in the 1-month and 3-month tenors, complementing the existing overnight MAS Standing Facility. In line with the MAS SGD Term Facility's objective to serve as a liquidity backstop, pricing will be set above prevailing market rates. A wider range of collateral comprising cash and marketable securities in SGD and major currencies will be accepted. In particular, D-SIBs that are incorporated in Singapore will be able to pledge eligible residential property loans as collateral at the MAS SGD Term Facility.

Likewise, the range of collateral that banks in Singapore can use to access USD liquidity from the MAS USD Facility will also be expanded. Presently, banks in Singapore can borrow USD by pledging eligible SGD-denominated collateral. From 28 September 2020, banks are able to obtain USD liquidity by pledging a wider pool of cash and marketable securities, in line with what is accepted at the MAS SGD Term Facility.

The MAS also indicated that it will raise the asset encumbrance limit imposed on locally-incorporated banks under the Banking Act. The asset encumbrance limit will be increased to 10% of a locally-incorporated bank's total assets, up from the current limit of 4%. This increase will give the locally-incorporated banks greater leeway to pledge residential property loans as collateral to access funding, so that they can support the financial needs of individuals and businesses that are affected by the COVID-19 pandemic.

The MAS announced on 5 July 2021 that it would extend the MAS SGD Facility for ESG Loans from 1 October 2021 to 31 March 2022. This Facility provides low-cost funding for banks and finance companies to grant loans under Enterprise Singapore's Enterprise Financing Scheme - SME Working Capital Loan and Temporary Bridging Loan Programme. It was announced on 17 June 2021 that the MAS USD Facility would also be extended to 31 December 2021. On 18 February 2022, the MAS announced that it will further extend the MAS SGD Facility for ESG Loans from 1 April 2022 to 30 September 2022. A revised interest rate of 0.5 per cent. per annum will apply for funding provided from the May 2022 application window onwards to better reflect interest rates in Singapore.

Financial Holding Company

DBSH is approved as a financial holding company under Section 28 of the MAS Act and is subject to requirements imposed by the MAS. The FHC Act will be applicable to DBSH when it comes into operation.

Domestic Systemically Important Banks

The framework for D-SIBs is set out in the MAS' monograph on the MAS' Framework for Impact and Risk Assessment of Financial Institutions (revised in September 2015), and is aligned with the principles set out by the Basel Committee for determining banks that are of domestic systemic importance. D-SIBs are, *inter alia*, subject to more intensive supervision by the MAS, and liquidity coverage ratio ("LCR") and higher loss absorbency requirements, than banks which are not so designated. The applicable capital and liquidity requirements are incorporated under MAS Notice 637 and MAS Notice 649. DBS Bank was designated as a D-SIB by the MAS on 30 April 2015.

Capital Adequacy Ratios (“CAR”)

The DBS Group is required to comply with MAS Notice 637 which implements the Basel III capital standards for Singapore-incorporated banks. The Notice sets out the capital adequacy ratio requirements and the range of approaches that banks could adopt, based on the complexity and sophistication of their businesses and operations, for calculating its RWA. MAS Notice 637 also sets out the expectations of the MAS in respect of the internal capital adequacy assessment process, the disclosure requirements in relation to capital adequacy and leverage ratio, and the submission and disclosure requirements for assessing G-SIBs.

Pursuant to MAS Notice 637, the MAS imposes CAR requirements on a Singapore-incorporated bank at two levels:

- (a) the bank standalone (“**Solo**”) level CAR requirements, which measure the capital adequacy of a Singapore-incorporated bank based on its standalone capital strength and risk profile; and
- (b) the consolidated (“**Group**”) level CAR requirements, which measure the capital adequacy of a Singapore-incorporated bank based on its capital strength and risk profile after consolidating the assets and liabilities of its subsidiaries and any other entities which are treated as part of the bank’s group of entities according to SFRS(I) (collectively called banking group entities), taking into account any exclusions of certain banking group entities or any adjustments pursuant to securitisation required under MAS Notice 637.

Under MAS Notice 637, Singapore-incorporated banks which are designated by the MAS as D-SIBs are required to comply with a minimum Common Equity Tier 1 (“**CET1**”) CAR of 6.5%, Tier 1 CAR of 8% and Total CAR of 10%. These minimum ratios are two percentage points higher than those established by the Basel Committee, and are aimed to reduce the probability of failure of D-SIBs by increasing their going-concern loss absorbency.

In line with Basel III, the MAS has incorporated in MAS Notice 637 a capital conservation buffer (“**CCB**”) of 2.5% and a countercyclical buffer of up to 2.5%, both to be met fully with CET1 capital. These buffers have been fully phased in from 1 January 2019.

The countercyclical buffer is not an ongoing requirement and is only applied as and when specified by the relevant banking supervisors. The applicable magnitude is the weighted average of the jurisdiction-specific countercyclical buffer requirements that are required by authorities in jurisdictions to which a bank has private sector credit exposures. The Basel Committee expects jurisdictions to implement the countercyclical buffer during periods of excessive credit growth.

The table below summarises the capital requirements under MAS Notice 637 for D-SIBs.

	From 1 January 2019 and beyond
Minimum CAR (%)	
CET1 (a).....	6.5
CCB (b)	2.5
CET1 including CCB (a) + (b).....	9.0
Tier 1 including CCB.....	10.5
Total including CCB.....	12.5
Maximum Countercyclical Buffer	2.5

Under MAS Notice 637, Singapore-incorporated banks are also required to maintain, at both the Solo and Group levels, a minimum leverage ratio of 3% at all times.

On 7 May 2019, the MAS released a consultation paper on “Proposed Implementation of the Final Basel III Reforms in Singapore”, seeking feedback on proposed revisions to the risk-based capital requirements and leverage ratio requirements for Singapore-incorporated banks to align with the Basel III reforms, and to implement these revisions from 1 January 2022. On 7 April 2020, the MAS announced that the implementation date of the Basel III reforms had been deferred by one year to 1 January 2023 to enable banks to prioritise their resources in response to COVID-19. On 17 December 2020, the MAS released its “Response to Feedback Received on the Proposed Implementation of the Final Basel III Reforms in Singapore – Operational Risk Capital and Leverage Ratio Requirements”. On 25 March 2021, the MAS released its “Response to Feedback Received on the Proposed Implementation of the Final Basel III Reforms in Singapore – Credit Risk Capital and Output Floor Requirements”. On the same day, the MAS also released a consultation paper on “Draft Standards for Credit Risk Capital and Output Floor Requirements for Singapore-incorporated Banks”, seeking feedback on proposed amendments to MAS Notice 637 in respect of credit risk capital and output floor requirements which take into account this Response. The revised standards are expected to take effect from 1 January 2023, with transitional arrangements provided for implementation of the output floor till 1 January 2028. On 13 September 2021, the MAS published its “Response to Feedback Received on the Proposed Implementation of the Final Basel III Reforms in Singapore – Market Risk Capital Requirements”. On the same day, the MAS also released a consultation paper on “Draft Standards for Market Risk Capital and Capital Reporting Requirements for Singapore-incorporated Banks” seeking feedback on draft standards relating to market risk capital and capital reporting requirements for Singapore-incorporated banks. Under this consultation paper, amendments have been proposed to MAS Notice 637 to take into account the aforementioned response as well as standards relating to market risk capital requirements in the consolidated Basel Framework published by the Basel Committee on Banking Supervision. The MAS intends to implement the revised standards for market risk capital for supervisory reporting purposes from 1 January 2023, and for the purposes of compliance with capital adequacy and disclosure requirements from 1 January 2023 or later.

On 31 March 2020, in light of the COVID-19 pandemic, MAS Notice 637 was amended to allow the full recognition of balances maintained in regulatory loss allowance reserve accounts as Tier 2 Capital between 31 March 2020 and 30 September 2021 (both dates inclusive). Further technical revisions to MAS Notice 637 were implemented with effect from 1 October 2020, including the capital treatment of public sector entities.

With effect from 1 July 2021, MAS Notice 637 was amended to specify that the transitional arrangements for the adoption of the standardised approach for counterparty credit risk (SA-CCR) and the revised capital requirements for bank exposures to central counterparties will cease on 31 December 2021. It also reflects amendments setting out an alternative treatment for the measurement of derivatives exposures for leverage ratio calculation, using a modified version of SA-CCR as well as other amendments to implement technical revisions to the credit risk framework. Further amendments to MAS Notice 637 were made with effect from 18 August 2021 to implement the framework for the treatment of major stake investments in financial institutions at the Solo level.

With effect from 31 December 2021, MAS Notice 637 was amended to incorporate edits in relation to the insertion of a new charge to be held by the Housing and Development Board (“HDB”) under the Prime Location Public Housing (“PLH”) model. Further amendments effective from 1 January 2022 were also made to MAS Notice 637 to: (a) incorporate clarifications to the SA-CCR framework and the revised capital requirements for bank exposures to central counterparties, (b) implement revisions to the internal ratings-based approach application process and (c) implement technical revisions to the disclosure framework.

On 7 February 2022, the MAS imposed on DBS Bank Ltd. an additional capital requirement arising from the widespread unavailability of DBS Bank’s digital banking services during 23 to 25 November 2021. The MAS has required DBS Bank to apply a multiplier of 1.5 times to its risk-weighted assets for operational risk. This translates to an additional amount of approximately S\$930 million in regulatory capital (based on

reported financial statements as at 30 September 2021). The MAS has directed DBS Bank to appoint an independent expert to conduct a comprehensive review of the incident, including DBS Bank's recovery actions. The independent review is also required to assess how a similar incident can be prevented in future. DBS Bank is required to rectify all shortcomings identified from the review and implement measures to ensure that any future disruption to its digital banking services is resolved quickly and adequately. The additional capital requirement will be reviewed when the MAS is satisfied that DBS Bank has addressed the identified shortcomings.

Other Key Prudential Provisions

Liquidity Standards

MAS Notice 649 (as last revised on 27 September 2021) implements the Basel III LCR rules. Under MAS Notice 649, a D-SIB that is incorporated in Singapore and whose head office or parent bank is incorporated in Singapore must maintain at all times, a Singapore dollars LCR requirement of at least 100% and an all-currency LCR requirement of at least 100%.

MAS Notice 652 implements the Basel Committee's standards on the Basel III Liquidity Rules - Net Stable Funding Ratio ("**NSFR**"). A D-SIB that is incorporated in Singapore and whose head office or parent bank is incorporated in Singapore must maintain a consolidated all-currency Group NSFR of at least 100% at all times.

MAS Notice 651 and MAS Notice 653 implement disclosure requirements for D-SIBs incorporated in Singapore and whose head office or parent bank is incorporated in Singapore or internationally active banks that are consistent with the Basel Committee's revised standards on Pillar 3 disclosures under the Basel III framework. In particular, they concern disclosures of quantitative and qualitative information about LCR and NSFR respectively.

Maintenance of Cash

Under Section 39 of the Banking Act and MAS Notice 758 on Minimum Cash Balance ("**MAS Notice 758**"), a bank is also required to maintain, during a maintenance period, in its current account and custody cash account an aggregate minimum cash balance with the MAS of at least an average of 3% of its average Qualifying Liabilities (as defined in MAS Notice 613 on Minimum Liquid Assets ("**MAS Notice 613**") computed during the relevant two-week period beginning on a Thursday and ending on a Wednesday. The MAS had stated in November 2014 that MAS Notice 758 would be amended to include the definition of Qualifying Liabilities under MAS Notice 649 instead of referencing MAS Notice 613, which would be cancelled with effect from 1 January 2016. To-date, the MAS has neither amended the definition of Qualifying Liabilities in MAS Notice 758 nor cancelled MAS Notice 613 (as last revised on 27 September 2021).

Credit Losses and Provisioning

MAS Notice 612 on Credit Files, Grading and Provisioning concerns the recognition and measurement of allowance for credit losses introduced in FRS 109. Banks are required to measure and recognise loss allowances for expected credit losses in accordance with the requirements of FRS 109. In addition, Singapore-incorporated banks which are designated by the MAS as D-SIBs are to maintain a minimum level of loss allowances for their non-credit-impaired exposures, of 1% of the Minimum Regulatory Loss Allowance. Where the accounting loss allowance falls below the Minimum Regulatory Loss Allowance, a D-SIB is required to recognise the additional loss allowance by establishing a non-distributable regulatory loss allowance reserve account through an appropriation of its retained earnings.

Every bank in Singapore is required to make adequate provisions for bad and doubtful debts and before any profit or loss is declared, ensure that the provision is adequate.

Exposure limits

Under Section 29 of the Banking Act, the MAS may, by notice in writing to any bank in Singapore, or any class of banks in Singapore, impose such requirements as may be necessary or expedient for the purposes of:

- (a) identifying any person or class of persons, where exposure of the bank, or a bank within the class of banks, to the person or class of persons may result in concentration risk to the bank; or
- (b) limiting the exposure of the bank, or a bank within the class of banks, to any person or class of persons, where the exposure may result in concentration risk to the bank.

For the purposes of this paragraph, “exposure” means the maximum loss that a bank may incur as a result of the failure of a counterparty to meet any of its obligations.

On 3 January 2018, the MAS released a Consultation Paper on Proposed Revisions to the Regulatory Framework for Large Exposures of Singapore-incorporated Banks. The proposed revisions take into account relevant aspects of the “Supervisory framework for measuring and controlling large exposures” published by the Basel Committee in April 2014, and will apply only to Singapore-incorporated banks. The MAS released the Response to Feedback Received – Proposed Revisions to the Large Exposures Framework for Singapore-Incorporated Banks on 31 August 2018 and will, among other things, tighten the large exposures limit from 25% of eligible total capital to 25% of Tier 1 capital.

On 14 August 2019, the MAS issued MAS Notice 656 on Exposures to Single Counterparty Groups for Banks Incorporated in Singapore (“**MAS Notice 656**”) implementing the revised requirements MAS Notice 656 provides that, among other things, a bank incorporated in Singapore must not permit: (a) at the Solo level, the aggregate of its exposures to any single counterparty group to exceed 25% of its Tier 1 capital; and (b) at the Group level, the aggregate of the exposures of the banking group to any counterparty, any director group, any substantial shareholder group or any connected counterparty group to exceed 25% of the Tier 1 capital of the banking group. On 1 July 2021, MAS Notice 656 was amended to, amongst others, reflect that the transitional arrangements for the adoption of the standardised approach for credit risk under MAS Notice 637 will cease on 31 December 2021 and to clarify the treatment for an exempt exposure that is secured by eligible financial collateral or eligible credit protection.

On 1 July 2021, a new Section 29A to the Banking Act intended to enhance the monitoring and control of the risk of conflict between the interests of a bank in Singapore and the interests of certain persons, branches or head offices that are related to the bank took effect. The new Section 29A provides that the MAS may, by written notice, impose requirements that are reasonably necessary for the purposes of identifying credit facilities from, exposures of and transactions of, the bank, to or with certain persons, branches, entities or head offices that may give rise to any conflict of interest, and for monitoring, limiting and restricting such credit facilities, exposures and transactions. Among other things, the notice may prohibit the bank from granting any credit facility, creating any exposure or entering into any transaction to or with such a person, branch, entity or head office.

The MAS has issued MAS Notice 643 on Transactions with Related Parties (“**MAS Notice 643**”) pursuant to the new Section 29A(1) of the Banking Act. MAS Notice 643, which took effect on 1 July 2021, sets out requirements relating to transactions of banks in Singapore with related parties and the responsibilities of banks in relation to transactions of branches or entities in the bank’s group with related parties, which seek to minimise the risk of abuse arising from conflicts of interest in such transactions.

Anti-Commingling Framework

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 authorised by the MAS or if carried on in Singapore, would be regulated or authorised by the MAS under any written law;
- (c) business which is incidental to (a) or (b);
- (d) business or a class of business prescribed by the MAS; or
- (e) any other business approved by the MAS (Section 30 of the Banking Act).

On 29 September 2017, the MAS released a Consultation Paper on the Review of Anti-Commingling Framework for Banks which proposes to refine the anti-commingling framework for banks in two key aspects, including streamlining the conditions and requirements under regulation 23G of the Banking Regulations so as to make it easier for banks to conduct or invest in permissible non-financial businesses that are related or complementary to their core financial businesses, and allowing banks to engage in the operation of digital platforms that match buyers and sellers of consumer goods or services, as well as the online sale of such goods or services. In this connection, the MAS has also proposed amendments to regulations 23F and 23G of the Banking Regulations in the Consultation Paper on Proposed Amendments to Regulations, Notices and Guidelines Arising from the Banking (Amendment) Act 2020 and Other Changes published on 2 December 2020. Among other things, the MAS has prescribed a list of permissible non-financial businesses which banks may carry on if the business is related or complementary to any of the core financial business which is carried on by the bank, subject to conditions such as the requirement for the bank to put in place risk management and governance policies and procedures that are commensurate with the risks posed by such business, and obtain the approval of the board of directors (or an authorised person, in the case of a bank incorporated outside Singapore and its head office has carried on the business before) for such policies and procedures.

On 30 November 2020, the MAS issued Responses to Feedback Received on the Review of Anti-Commingling Framework for Banks. The responses reflect the MAS' sustained intention of streamlining conditions and requirements under regulation 23G of the Banking Regulations, such as allowing banks individual discretion with regards to the determination of appropriate risk management and governance arrangements.

The revised anti-commingling policy measures and the amendments to regulations 23F and 23G of the Banking Regulations have been effected by way of the Banking (Amendment) Regulations 2021 which took effect on 1 July 2021.

Major stake and investment restrictions

A bank incorporated in Singapore cannot hold or acquire, directly or indirectly, a major stake in any entity (including unincorporated bodies) without first obtaining the approval of the MAS (Section 32 of the Banking Act). A "major stake" means:

- (a) any beneficial interest exceeding 10% of the total number of issued shares or such other measure corresponding to shares in a company as may be prescribed by the MAS;
- (b) control of over more than 10% of the voting power or such other measure corresponding to voting power in a company as may be prescribed by the MAS; or
- (c) any interest in the entity, by reason of which the management of the entity is 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 entity.

A bank incorporated in Singapore, either directly or through any subsidiary of the bank or any other company in the bank group, can hold any beneficial interest in the share capital of a company (and such other investment, interest or right as may be prescribed by the 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. In addition, any major stake approved by the MAS under Section 32 of the Banking Act and any equity investment in a single company acquired or held by a bank when acting as a stabilising manager in relation to an offer of securities issued by the company will not be subject to the restrictions on equity investment described above.

No bank incorporated in Singapore shall hold or acquire, directly or through a subsidiary of the bank or any other company in the banking group, 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 the MAS may prescribe (Section 33 of the Banking Act). 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 incorporated in Singapore such as DBS Bank is permitted to carry on property management and property enhancement services in relation to investment properties that are owned by any entity in its bank group, foreclosed properties that have been acquired or held by any entity in its bank group and buildings (the whole or any part of which is) occupied and used by any entity in its bank group for the carrying on of that entity's business. For this purpose, "**bank group**", in relation to a bank incorporated in Singapore, refers to the group of entities comprising (a) the bank; (b) every subsidiary of the bank; (c) every branch of the bank; and (d) every other entity that is treated as part of the bank's group of entities for accounting purposes according to the Accounting Standards (as defined in the Banking Regulations).

Designation of DBS Bank as a D-SIB

DBS Bank was designated as a D-SIB on 30 April 2015. The framework for D-SIBs is set out in the MAS' monograph on the MAS' Framework for Impact and Risk Assessment of Financial Institutions (revised in September 2015), which builds on the proposals set out in the MAS Consultation Paper on the Proposed Framework for Systemically Important Banks in Singapore dated 25 June 2014. The MAS has not published any further detailed requirements applicable to D-SIBs. Broadly, D-SIBs will be subject to more intensive supervision by the MAS than banks which are not so designated, and in particular certain higher loss absorbency (HLA) requirements and LCR requirements. However, designation as a D-SIB should not affect DBS Bank's HLA and LCR requirements. The proposed HLA and LCR requirements in respect of D-SIBs (which include the requirement to maintain minimum CET1 CAR requirements that are two percentage points higher than those already established by the Basel Committee) are already incorporated in existing capital and liquidity requirements applicable to Singapore-incorporated banks under MAS Notice 637 and MAS Notice 649. Accordingly, DBS Bank is already subject to these requirements.

Corporate Governance Regulations and Guidelines

The Banking (CG) Regulations 2005, as amended by the Banking (Corporate Governance) (Amendment) Regulations 2007 and as further amended by the Banking (Corporate Governance) (Amendment) Regulations 2010 and Banking (Corporate Governance) (Amendment) Regulations 2019, 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, Audit Committee, Risk Management Committee and Board Executive Committee.

The Guidelines on Corporate Governance for Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are Incorporated in Singapore (dated 3 April 2013) (the "**2013 Guidelines**") comprise the Code of Corporate Governance 2012 for companies listed on the SGX-ST and supplementary principles and guidelines from the MAS, to take into account the unique characteristics of the business of banking and insurance, given the diverse and complex risks undertaken by these financial

institutions and their responsibilities to depositors and policyholders. For example, the 2013 Guidelines set out the principle that the board of directors of a bank should ensure that the bank's related party transactions are undertaken on an arm's length basis.

The Code of Corporate Governance 2012 was revised on 6 August 2018. The revised Code of Corporate Governance 2018 sets out, *inter alia*, the principles that there should be a clear division of responsibilities between the leadership of the board of directors and the management of the company, and no one individual has unfettered powers of decision making, and that there is an appropriate level of independence and diversity of thought and background in the composition of the board of directors of the company to enable it to make decisions in the best interests of the company. In addition, the Code of Corporate Governance 2018 sets the shareholding threshold in determining a director's independence at 5%, to align with the definition of "substantial shareholders" in the SFA. The Code of Corporate Governance 2018 also requires the separation of the roles of Chairman and CEO.

On 9 November 2021, the MAS published the Guidelines on Corporate Governance for Designated Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers which are incorporated in Singapore (the "**2021 Guidelines**"), which supersedes and replaces the 2013 Guidelines. The revisions take into account international standards and industry good practices. The MAS has incorporated the Code of Corporate Governance 2018 into the 2021 Guidelines. The 2021 Guidelines also include additional guidelines added by the MAS to take into account the unique characteristics of the business of banking in light of the diverse and complex risks undertaken by financial institutions conducting banking business and the responsibilities to depositors and other customers. The guidelines that relate to disclosures are effective from 1 January 2022 and will apply to the annual reports covering financial years commencing from that date, with the bulk of the other guidelines becoming effective from 1 April 2022.

To further enhance the corporate governance of banks, the Banking Act:

- (a) requires a Singapore-incorporated bank to seek the MAS' approval before it appoints certain key appointment holders (including directors and chief executive officers), and in doing so, the MAS has the power to prescribe the duties of the appointment holders and to specify the maximum term of each appointment;
- (b) empowers the MAS to remove key appointment holders of banks if they are found to be not fit and proper. The grounds for removal of such key appointment holders will be aligned with the criteria for approving their appointment. A Singapore-incorporated bank must also immediately inform the MAS if a key appointment holder is (in accordance with the Guidelines on Fit and Proper Criteria (last revised on 1 July 2021)) no longer a fit and proper person to hold the appointment;
- (c) provides a provision to protect banks' external auditors who disclose, in good faith, information to the MAS in the course of their duties from any liability that may arise from such disclosure;
- (d) empowers the MAS to direct banks to remove their external auditors if they have not discharged their statutory duties satisfactorily; and
- (e) empowers the MAS to prohibit, restrict or direct a bank to terminate any transaction that the bank enters into with its related parties if it is deemed to be detrimental to depositors' interests.

Under MAS Notice 643, a bank in Singapore is also required to obtain the approval of a special majority of three-fourths of its board and ensure that every branch or entity in its bank group obtains the approval of a special majority of three-fourths of the entity's board before entering into related party transactions that pose material risks to the bank (unless otherwise exempt), or write off any of its exposure to any of the bank's related parties, in order to provide more effective oversight over banks' related party transactions. MAS Notice 643 (dated 28 June 2021) took effect on 1 July 2021.

Other Requirements

Licensing

The MAS issues licences under the Banking Act to banks to transact banking business in Singapore. Such licences may be revoked if the MAS is satisfied, that the bank holding that licence:

- (a) has ceased to transact banking business in Singapore;
- (b) has furnished information or documents to the MAS in connection with its application for a licence which is or are false or misleading in a material particular;
- (c) if it is a bank incorporated outside Singapore, has had its bank licence or authority to operate withdrawn by the supervisory authority which is responsible, under the laws of the country or territory where the bank is incorporated, formed or established, for supervising the bank;
- (d) proposes to make, or has made, any composition or arrangement with its creditors or has gone into liquidation or has been wound up or otherwise dissolved;
- (e) 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;
- (f) is contravening or has contravened any provision of the Banking Act;
- (g) 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;
- (h) is contravening or has contravened any provision of the Deposit Insurance and Policy Owners' Protection Schemes Act 2011 of Singapore (the "**Deposit Insurance and Policy Owners' Protection Schemes Act**") or any Rules issued by the deposit insurance and policy owners' protection fund agency under the Deposit Insurance and Policy Owners' Protection Schemes Act; or
- (i) is contravening or has contravened any provision of the MAS Act, or any direction issued by the MAS under the MAS Act.

The MAS may also revoke an existing licence if, upon the MAS exercising any power under Section 49(2) of the Banking Act or the Minister exercising any power under Division 2, 3, 4 or 4A of Part 4B of the MAS Act in relation to the bank, the MAS considers that it is in the public interest to revoke the licence.

Priority of liabilities in winding up

In the event of the winding up of a bank, Section 62 of the Banking Act provides that the following 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;
- (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 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 which are incurred (i) in Singapore dollars; or (ii) on terms under which the deposit liabilities may be discharged by the bank in Singapore dollars;
- (d) fourthly, deposit liabilities incurred by the bank with non-bank customers other than liabilities referred to in paragraphs (b) and (c) above; and

- (e) fifthly, any sum claimed by the trustee of a resolution fund (within the meaning of Section 98 of the MAS Act) from the bank under Section 103, 104, 105 or 106 of the MAS Act.

As between liabilities of the same class referred to in each of the paragraphs (a) to (e) 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 203 of the Insolvency, Restructuring and Dissolution Act 2018 of Singapore.

Privacy of customer information

Unless otherwise expressly provided in the Banking Act, a bank in Singapore and its officers may not disclose customer information to any other person without the written consent of the customer. On 29 June 2021, the MAS published MAS Notice 657 Privacy of Customer Information – Conditions for Disclosure of Customer Information by Auditors (“**MAS Notice 657**”) which applies to all banks and their external auditors. MAS Notice 657 sets out the conditions which an auditor must comply with before disclosing any customer information to an employee of the Accounting and Corporate Regulatory Authority referred to in the Third Schedule of the Banking Act.

Removal of Domestic Banking Unit and Asian Currency Unit

Banks in Singapore previously had to maintain separate accounting units for their domestic banking unit (“**DBU**”) and their Asian currency unit (“**ACU**”). On 4 November 2019, the Banking (Amendment) Bill (B35/2019) was introduced in Parliament to (among other things) remove the DBU-ACU divide, and make consequential amendments to regulatory requirements following the removal of the DBU-ACU divide.

The MAS has previously noted that the removal of the DBU-ACU divide would require significant amendments to changes in banks’ regulatory reporting systems. In this regard, the MAS issued an updated MAS Notice 610 on Submission of Statistics and Returns (“**MAS Notice 610**”) on 17 May 2018 that was intended to take effect from 1 October 2020. However, the MAS Notice 610 dated 17 May 2018 was cancelled and superseded by a new MAS Notice 610 issued on 16 July 2019 (last revised on 18 August 2020) which took effect from 1 July 2021.

Resolution Powers

Under the MAS Act and the Banking Act, the MAS has resolution powers in respect of Singapore licensed banks. Broadly speaking, the MAS has powers to (amongst other things) assume control of a bank, impose moratoriums, temporarily stay termination rights of counterparties, order compulsory transfers of business or shares and impose requirements relating to recovery and resolution planning.

Under Division 4A of Part 4B of the MAS Act, the MAS has statutory bail-in powers to write down or convert a financial institution’s debt into equity. The entities subject to the statutory bail-in powers of the MAS are presently limited to Singapore-incorporated banks and Singapore-incorporated bank holding companies (each a “**Division 4A financial institution**”). The classes of instruments subject to the statutory bail-in powers of the MAS are provided under regulation 23 of the Monetary Authority of Singapore (Resolution of Financial Institutions) Regulations 2018 (the “**RFI Regulations**”) and include:

- (i) any equity instrument or other instrument that confers or represents a legal or beneficial ownership in the Division 4A financial institution, except an ordinary share;
- (ii) any unsecured liability or other unsecured debt instrument that is subordinated to unsecured creditors’ claims of the Division 4A financial institution that are not so subordinated; and
- (iii) any instrument that provides for a right for the instrument to be written down, cancelled, modified, changed in form or converted into shares or another instrument of ownership, when a specified event occurs,

but do not include any instrument issued before 29 November 2018 or a derivatives contract as defined in regulation 9(2) of the RFI Regulations.

In the event of bail-in, all shareholders' voting rights on matters which require shareholders' approval will be suspended until the Minister has published a notice in the Gazette that the moratorium ceases to apply. In respect of any person who becomes a significant shareholder (i.e. if they have reached the relevant shareholding thresholds) as a result of the bail-in, the Minister may serve a written notice on that person if:

- (a) the MAS is not satisfied that:
 - (i) the person is, in accordance with the Guidelines on Fit and Proper Criteria, a fit and proper person to be a significant shareholder; and
 - (ii) having regard to the likely influence of the person on it, the Division 4A financial institution or an entity established or incorporated to do one or both of the following: (A) temporarily hold and manage the assets and liabilities of the Division 4A financial institution; and/or (B) do any act for the orderly resolution of the Division 4A financial institution ("**resulting financial institution**") will or will continue to conduct its business prudently and comply with the provisions of the MAS Act and the relevant Act applicable to it; or
- (b) the Minister is not satisfied that:
 - (i) in a case where the Division 4A financial institution or resulting financial institution is a bank incorporated in Singapore, it is in the national interest for the person to remain a significant shareholder of the Division 4A financial institution or resulting financial institution, as the case may be; or
 - (ii) in any other case, it is in the public interest for the person to remain a significant shareholder of the Division 4A financial institution or resulting financial institution, as the case may be.

Where the Minister has served such a notice, then, until the person has disposed of or transferred the shares specified in the notice and in accordance with the notice:

- (i) no voting rights are exercisable in respect of the specified shares except with the permission of the Minister, whether or not a notice under Section 77(2) is published that the provision has ceased to apply;
- (ii) no shares of the Division 4A financial institution or resulting financial institution (as the case may be) may be issued or offered (whether by way of rights, bonus or otherwise) in respect of the specified shares except with the permission of the Minister; and
- (iii) except in a liquidation of the Division 4A financial institution or resulting financial institution (as the case may be), the Division 4A financial institution or resulting financial institution may not make any payment (whether by way of dividends or otherwise) in respect of the specified shares except with the permission of the Minister.

This will ensure that only fit and proper persons can exercise voting rights attached to significant stakes in the financial institution. When exercising its bail-in powers, the MAS must have regard to the desirability of giving each pre-resolution creditor or pre-resolution shareholder of the Division 4A financial institution the priority and treatment the pre-resolution creditor or pre-resolution shareholder would have enjoyed had the Division 4A financial institution been wound up.

In addition, a Division 4A financial institution is required to insert contractual bail-in clauses into instruments which fall within the scope of the MAS' statutory bail-in powers but which are governed by foreign laws, to the effect that the parties to the contract agree that the instrument may be the subject of the MAS' bail-in powers.

On 1 November 2021, a new regulation 27A of the RFI Regulations took effect. Under regulation 27A of the RFI Regulations, a "qualifying pertinent financial institution" ("**QPFI**") and its subsidiaries will be required

to include enforceable provisions in financial contracts governed by foreign law which contain termination rights to ensure that the exercise of the termination rights for such contracts will be subject to MAS' temporary stay powers under sections 83 and 84 of the MAS Act. A QPFI is defined as a bank that is incorporated in Singapore and to which a direction has been issued under section 43(1) of the MAS Act. A three-year transitional period has been provided from 1 November 2021 for QPFIs to implement the contractual recognition requirement.

Existing RFI regulations that safeguard set-off and netting arrangements in the event of a compulsory transfer of business during resolution, were also extended to reverse and onward transfers of business.

Examinations and Reporting Arrangements for Banks

The MAS conducts on-site examinations of banks. Banks are also subject to annual audit by an external auditor approved by the MAS, who, aside from the annual balance sheet and profit and loss account, must report to the MAS immediately if in the course of the performance of his duties as an auditor of the bank, 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 offence involving fraud or dishonesty has been committed;
- (b) in the case of a bank incorporated in Singapore – losses have been incurred which reduce the capital funds of the bank by at least 50%;
- (c) serious irregularities have occurred, including irregularities that jeopardise the security of the creditors of the bank;
- (d) the auditor is unable to confirm that the claims of creditors of the bank are still covered by the assets;
or
- (e) any development has occurred or is likely to occur which has materially and adversely affected, or is likely to materially and adversely affect, the financial soundness of the bank.

In the 7 February 2019 Banking Act Consultation Paper, as a consequence of the impending removal of the DBU-ACU divide, the MAS has proposed to introduce a new reporting benchmark wherein the auditor must report to the MAS immediately if he becomes aware of any development that has occurred or is likely to occur which he has reasonable grounds to believe has materially affected adversely, or is likely to materially affect adversely, the financial soundness of the bank. With the new reporting benchmark, limb (b) above would no longer apply to all banks, but only to banks incorporated in Singapore.

The MAS has discontinued the mandatory audit firm rotation policy for local banks. On 17 July 2018, the MAS issued MAS Notice 615 on Appointment of Auditors pursuant to which banks incorporated and headquartered in Singapore will have to conduct a public tender for the reappointment of an auditor who has been appointed for a period of 10 or more consecutive financial years following the last conduct of a public tender. The implementation timeline will be the financial year ending 31 December 2020 for banks with incumbent auditors for more than ten consecutive years; and the financial year ending 31 December 2022 or ten years after the commencement of the audit engagement, whichever is later, for banks with incumbent auditors for up to ten consecutive years as of 31 December 2017. Under Section 58 of the Banking Act the MAS is empowered to direct banks to remove their external auditors if the MAS is not satisfied with the performance of any duty by the auditors of those banks.

All banks in Singapore are required to submit periodic statistical returns, financial reports and auditors' reports to the MAS, including returns covering minimum cash balances and liquidity returns, statements of assets and liabilities, and total foreign exchange business transacted.

The MAS may also require ad hoc reports to be submitted.

Inspection and Investigative Powers

The MAS' inspection and investigative powers are set out under Section 43 to Section 44A of the Banking Act which allow the MAS to, under conditions of secrecy: (a) inspect the books of each bank in Singapore and of any branch, agency or office outside Singapore opened by a bank incorporated in Singapore; (b) inspect the books of each subsidiary incorporated in Singapore of a bank incorporated in Singapore, where the subsidiary is not regulated or licensed by the MAS under any other Act; and (c) investigate the books of any bank in Singapore if the MAS has reason to believe that the bank is carrying on its business in a manner likely to be detrimental to the interests of its depositors and other creditors, has insufficient assets to cover its liabilities to the public or is contravening the provisions of the Banking Act.

On 2 July 2021, the MAS published the Consultation Paper on Proposed Amendments to MAS' Investigative and Other Powers under the Various Acts proposing amendments under the Financial Institutions (Miscellaneous Amendments) Bill to various pieces of legislation including the Banking Act. The proposals aim to enhance the MAS' evidence-gathering powers and to facilitate greater inter-agency coordination. Amongst the proposed amendments to the Banking Act include according the MAS the power to require any person to provide information for the purposes of investigation, requiring any person to appear for examination, allowing the MAS to enter premises without warrant and be able to transfer evidence between the MAS and other agencies.

On 14 February 2022, MAS introduced a new Financial Services and Markets Bill ("**FSM Bill**") in the Singapore Parliament as a new omnibus Act for the financial sector aimed at enhancing MAS' agility and effectiveness in addressing financial sector-wide risks. The FSM Bill will, amongst others, introduce a harmonised and expanded power for the MAS to issue prohibition orders against persons who are not fit and proper from engaging in financial activities regulated by the MAS or performing any key roles of functions in the financial industry that are prescribed, in order to protect a financial institution's customers, investors or the financial sector. This broadens the categories of persons who may be subject to prohibition orders and will allow the MAS to apply a consistent sector-wide approach when taking enforcement action against misconduct. These powers will apply to persons working in banks once passed.

Directors and Executive Officers of Banks

A bank incorporated in Singapore must not permit a person who is subject to certain circumstances set out in Section 54(1) of the Banking Act (for example where the person is an undischarged bankrupt, whether in Singapore or elsewhere) to act as its executive officer or director without the prior written consent of the MAS. The MAS may also direct the removal of a director of a bank in Singapore which is incorporated in Singapore or executive officer of a bank in Singapore if the MAS is satisfied that the director or executive officer (as the case may be) is not a fit and proper person under Section 54(2) of the Banking Act – this has been aligned with the criteria for approving their appointment. Banks are required under Section 53A of the Banking Act to notify the MAS of any development that could affect the fitness and propriety of their key appointment holders. Similar provisions apply to financial holding companies by virtue of the MAS Act where the MAS may direct the removal of a director of a financial holding company which is established or incorporated in Singapore or executive officer a financial holding company on the basis of three grounds set out in Section 40(2) of the MAS Act, (one of which is where the MAS is satisfied that the executive officer or director wilfully contravened or wilfully caused the bank to contravene any provision of the MAS Act) where the MAS thinks that such removal is necessary in the public interest or for the protection of persons that the MAS has prescribed for the purposes of Section 40(2) of the MAS Act.

Financial Benchmarks

The SFA regulates financial benchmarks by:

- (a) setting out specific criminal and civil sanctions for manipulation of any financial benchmark (including SIBOR and Singapore Dollar Swap Offer Rate) and

- (b) subjecting the setting of key financial benchmarks to regulatory oversight. The MAS regulates administrators and submitters of key financial benchmarks and such persons subject to regulatory requirements. To the extent SIBOR or SOR are subject to additional MAS or industry regulations which adversely affect the volatility or level of such benchmarks, Floating Rate Notes calculated with reference to such benchmarks could be adversely affected.

Security of Digital Banking

The MAS and the Association of Banking in Singapore introduced a set of additional measures to bolster the security of digital banking following a spate of SMS-phishing scams targeting bank customers. Banks were expected to put in place more stringent measures related to digital security, including but not limited to the removal of clickable links in emails or SMSes sent to retail customers, notification to existing mobile number or email address registered with the bank whenever there is a request to change a customer's mobile number or email address and the setting up of dedicated and well-resourced customer assistance teams to deal with feedback on potential fraud cases on a priority basis. DBS Bank has implemented these additional measures.

On 4 February 2022, the MAS announced that they will be developing a framework for equitable share of losses arising from scams. Under the framework, financial institutions and customers will have responsibilities to be vigilant and to take precautions against scams. It is proposed that under the framework, the proportion of losses each party bears will depend on whether and how the party has fallen short of its responsibilities. The MAS has said that it expects financial institutions to treat their customers fairly and bear an appropriate proportion of losses arising from scams. The MAS aims to publish the framework for public consultation in the second quarter of 2022.

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 (“**HKMA**”), DBS Indonesia is supervised by the Financial Services Authority of Indonesia (“**OJK**”), DBS India is supervised by the Reserve Bank of India (“**RBI**”), DBS China is supervised by the China Banking and Insurance Regulatory Commission (“**CBIRC**”), DBS Taiwan is supervised by the Financial Supervisory Commission (“**FSC**”) and DBS Bank, Australia branch is supervised by the Australian Prudential Regulation Authority (“**APRA**”).

Apart from being supervised by the MAS, DBS Vickers Securities (Singapore) Pte Ltd, the Singapore stockbroking and futures trading arm of the DBS Bank Group, is also required to comply with various rules issued by the Singapore Exchange Securities Trading Limited, The Central Depository (Pte) Limited, the Singapore Exchange Derivatives Trading Limited and the Singapore Exchange Derivatives Clearing Limited.

RELATED PARTY TRANSACTIONS

The DBS Group conducts banking transactions with a number of related parties. Related parties of the DBS Group as defined under SFRS(I) include associated companies, joint venture companies, Directors and management personnel of the DBS Group. Related party transactions include deposit taking, loans and credit card facilities. All of the related party transactions undertaken by the DBS 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 the DBS Group's most recent annual consolidated financial statements which are set forth beginning on page F-2 of this Offering Circular.

TAXATION

The following summary of certain United States, Singapore, the UK, Hong Kong and Australian income tax consequences of the purchase, ownership and disposition of the Notes is based on 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 advisers concerning the application of United States, Singapore, the UK, Hong Kong and Australian income tax laws 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

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by, in the case of the section titled “U.S. Holders”, a U.S. Holder (as defined below) and, in the case of the section titled “All Holders”, by all holders. This summary does not address the U.S. federal income tax consequences of every type of Note which may be issued under the Programme, and the applicable Pricing Supplement may contain additional or modified disclosure concerning certain U.S. federal income tax consequences relevant to such type of Note as appropriate. This summary deals only with initial purchasers of the Notes that are U.S. Holders and 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 (including consequences under the alternative minimum tax or Medicare tax on net investment income), and does not address state, local, non-U.S. or other federal tax laws (e.g. estate or gift tax). In particular, this summary does not address tax considerations applicable to investors that own (directly, indirectly or by attribution) 5% or more of the stock of DBSH (by vote or value), 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, individual retirement accounts and other tax-deferred accounts, entities or arrangements treated as a partnership for U.S. federal income tax purposes or other pass-through entities, tax-exempt organisations, 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, investors that are required to take certain amounts into income no later than the time such amounts are reflected on an applicable financial statement, investors who have ceased to be U.S. citizens or lawful permanent residents, investors holding the Notes in connection with a trade or business conducted outside of the United States, U.S. citizens or lawful permanent residents living abroad 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 created or organised under the laws of the United States or any state thereof, including the District of Columbia;
- (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 validly 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 an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax adviser concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Notes by the partnership.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended (the “**Code**”), its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof 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 Code.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY AND DOES NOT ADDRESS THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF EVERY TYPE OF NOTE 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, NON-U.S. AND OTHER FEDERAL TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

U.S. Holders

Characterisation of the Notes

The characterisation of a Series and/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 characterisation 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 and/or Tranche of Notes, the Notes may not be characterised as debt for U.S. federal income tax purposes despite the form of the Notes as debt instruments. For example, Notes of a Series and/or Tranche may be more properly characterised as notional principal contracts, collateralised put options, prepaid forward contracts, or some other type of financial instrument. Alternatively, the Notes may be characterised as equity, or as representing an undivided proportionate ownership interest in the assets of, and share of the liabilities of the Issuers. Additional alternative characterisations may also be possible. Further possible characterisations, if applicable, may be discussed in the applicable Pricing Supplement.

Additionally, there is no direct legal authority as to the proper U.S. federal income tax treatment of a perpetual instrument that is denominated as a debt instrument and has significant debt features, but is subject to conversion or write-off in the case of a Trigger Event, such as the Perpetual Capital Securities. As a consequence, it is unclear whether the Perpetual Capital Securities should be properly characterised as debt or equity for U.S. federal income tax purposes. To the extent the Issuers are required to take a position, they intend to take the position that the Perpetual Capital Securities are properly characterised as equity for U.S. federal income tax purposes. This position will be binding on a U.S. Holder unless the

U.S. Holder expressly discloses that it is adopting a contrary position on its income tax return. However, the Issuers' position is not binding on the U.S. Internal Revenue Service (the "IRS") or the courts and there can be no assurance that this characterisation will be accepted by the IRS or a court. If the Perpetual Capital Securities are properly characterised as debt for U.S. federal income tax purposes, then the U.S. federal income tax consequences of acquisition, ownership and disposition of Perpetual Capital Securities by a U.S. Holder would be the same as the consequences described below under "*Notes Treated as Debt*".

No rulings will be sought from the IRS regarding the characterisation 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 characterisation of the Notes for U.S. federal income tax purposes, and the consequences to the U.S. Holder of acquiring, owning or disposing of the Notes.

The following summary assumes that

- (i) the Notes other than Perpetual Capital Securities are properly treated as debt and
- (ii) Perpetual Capital Securities are properly treated as equity, in each case, for U.S. federal income tax purposes.

Notes Treated as Debt

For the avoidance of doubt, references to "**Notes**" in this section "*Notes Treated as Debt*" do not include Perpetual Capital Securities.

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 such holder's method of accounting for U.S. federal income tax purposes, reduced by the allocable amount of amortisable bond premium, subject to the discussion below. Interest paid by the Issuers on the Notes and OID, if any, accrued with respect to the Notes (see "*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 OID.

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 "**instalment 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 organisations 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 Issuers 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

- (iii) 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
- (iv) 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

- (i) the amount of accrued OID for each prior accrual period and decreased by
- (ii) 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 realised 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 realised.

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 instalment 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 recognised on the sale or retirement of a Market Discount Note (including any payment on a Note that is not qualified stated interest) generally 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 may 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 during the taxable year 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 amortisable 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
 - (iii) one or more qualified floating rates;
 - (iv) a single fixed rate and one or more qualified floating rates;
 - (v) a single objective rate; or
 - (vi) 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.

Under recently finalised U.S. Treasury regulations, Notes referencing a benchmark rate that are treated as having a qualified floating rate for purposes of the above will not fail to be so treated merely because the terms of the Notes provide for a replacement of the benchmark rate in the case of discontinuation or disapplication of such rate. In particular, under the regulations, the benchmark referencing rate and the replacement rate are treated as a single qualified 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 Issuers (or a related party) or that is unique to the circumstances of the Issuers (or a related party), such as dividends, profits or the value of the Issuers’ stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuers). 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 Issuers) 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) equal to or 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. See “*Contingent Payment Debt Instruments*” for a discussion of the U.S. federal income tax treatment of such Notes.

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 “amortisable 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 amortisable bond premium allocable (based on the Note’s yield to maturity) to that year.

Any election to amortise 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*”.

Contingent Payment Debt Instruments

Certain Series and/or Tranches of Notes may be treated as “contingent payment debt instruments” for U.S. federal income tax purposes (“**Contingent Notes**”). Under applicable U.S. Treasury regulations, interest on Contingent Notes will be treated as OID, and must be accrued on a constant-yield basis based on a yield to maturity that reflects the rate at which the Relevant Issuer would issue a comparable fixed-rate non-exchangeable instrument (the “**comparable yield**”), in accordance with a projected payment schedule. This projected payment schedule must include each non-contingent payment on the Contingent Notes and an estimated amount for each contingent payment, and must produce the comparable yield.

The Issuers are required to provide to holders, solely for U.S. federal income tax purposes, a schedule of the projected amounts of payments on Contingent Notes. This schedule must produce the comparable yield.

THE COMPARABLE YIELD AND PROJECTED PAYMENT SCHEDULE WILL NOT BE DETERMINED FOR ANY PURPOSE OTHER THAN FOR THE DETERMINATION OF INTEREST ACCRUALS AND ADJUSTMENTS THEREOF IN RESPECT OF CONTINGENT NOTES FOR UNITED STATES FEDERAL INCOME TAX PURPOSES AND WILL NOT CONSTITUTE A PROJECTION OR REPRESENTATION REGARDING THE ACTUAL AMOUNTS PAYABLE TO THE HOLDERS OF THE NOTES.

The use of the comparable yield and the calculation of the projected payment schedule will be based on a number of assumptions and estimates and will not be a prediction, representation or guarantee of the actual amounts of interest that may be paid to a U.S. Holder or the actual yield of the Contingent Notes. A U.S. Holder will generally be bound by the comparable yield and the projected payment schedule determined by the Issuers, unless the U.S. Holder determines its own comparable yield and projected payment schedule and explicitly discloses such schedule to the IRS, and explains to the IRS the reason for preparing its own schedule. The Issuers' determination, however, is not binding on the IRS, and it is possible that the IRS could conclude that some other comparable yield or projected payment schedule should be used instead.

A U.S. Holder of a Contingent Note will generally be required to include OID in income pursuant to the rules discussed in the third paragraph under "*Original Issue Discount – General*", applied to the projected payment schedule. The "adjusted issue price" of a Contingent Note at the beginning of any accrual period is the issue price of the Note increased by the amount of accrued OID for each prior accrual period, and decreased by the projected amount of any payments on the Note. No additional income will be recognised upon the receipt of payments of stated interest in amounts equal to the annual payments included in the projected payment schedule described above. Any differences between actual payments received by the U.S. Holder on the Note in a taxable year and the projected amount of those payments will be accounted for as additional interest (in the case of a positive adjustment) or as an offset to interest income in respect of the Note (in the case of a negative adjustment), for the taxable year in which the actual payment is made. If the negative adjustment for any taxable year exceeds the amount of OID on the Contingent Notes for that year, the excess will be treated as an ordinary loss, but only to the extent the U.S. Holder's total OID inclusions on the Contingent Notes exceed the total amount of any ordinary loss in respect of the Contingent Notes claimed by the U.S. Holder under this rule in prior taxable years. Any negative adjustment that is not allowed as an ordinary loss for the taxable year is carried forward to the next taxable year, and is taken into account in determining whether the U.S. Holder has a net positive or negative adjustment for that year. However, any negative adjustment that is carried forward to a taxable year in which the Contingent Note is sold, exchanged or retired, to the extent not applied to OID accrued for such year, reduces the U.S. Holder's amount realised on the sale, exchange or retirement.

Sale and Retirement of Notes

Notes other than Contingent Notes

A U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and the U.S. Holder's adjusted tax basis of the Note. A U.S. Holder's adjusted 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 amortisable bond premium applied to reduce interest on the Note.

The amount realised does not include the amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income. 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 recognised 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 realised 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.

Contingent Notes

Gain from the sale or retirement of a Contingent Note will be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the U.S. Holder's total interest inclusions to the date of sale or retirement exceed the total net negative adjustments that the U.S. Holder took into account as ordinary loss, and any further loss will be capital loss. Gain or loss realised by a U.S. Holder on the sale or retirement of a Contingent Note will generally be foreign source.

A U.S. Holder's tax basis in a Contingent Note will generally be equal to its cost, increased by the amount of interest previously accrued with respect to the Note (determined without regard to any positive or negative adjustments reflecting the difference between actual payments and projected payments), increased or decreased by the amount of any positive or negative adjustment that the U.S. Holder is required to make to account for the difference between the U.S. Holder's purchase price for the Note and the adjusted issue price of the Note at the time of the purchase, and decreased by the amount of any projected payments scheduled to be made on the Note to the U.S. Holder through such date (without regard to the actual amount paid).

Foreign Currency Notes

Interest

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised 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 recognised 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 accrual basis U.S. Holder may recognise 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 recognise 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 recognise 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 recognise, upon the sale or retirement 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 (or OID) in units of the foreign currency. On the date bond premium offsets interest income (or OID), a U.S. Holder may recognise 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 generally will recognise a market loss when the Note matures.

Foreign Currency Contingent Note

Special rules apply to determine the accrual of OID, and the amount, timing, source and character of any gain or loss on a Contingent Note that is denominated in, or determined by reference to, a foreign currency (a "**Foreign Currency Contingent Note**"). The rules applicable to Foreign Currency Contingent Notes are complex, and U.S. Holders are urged to consult their tax advisers concerning the application of these rules.

Under these rules, a U.S. Holder of a Foreign Currency Contingent Note will generally be required to accrue OID in the foreign currency in which the Foreign Currency Contingent Note is denominated (i) at a yield at which the Relevant Issuer would issue a fixed rate debt instrument denominated in the same foreign currency with terms and conditions similar to those of the Foreign Currency Contingent Note, and (ii) in accordance with a projected payment schedule determined by the Relevant Issuer, under rules similar to those described above under "*Contingent Payment Debt Instruments*". The amount of OID on a Foreign Currency Contingent Note that accrues in any accrual period will be the product of the comparable yield of the Foreign Currency Contingent Note (adjusted to reflect the length of the accrual period) and the adjusted issue price of the Foreign Currency Contingent Note. The adjusted issue price of a Foreign Currency Contingent Note will generally be determined under the rules described above, and will be denominated in the foreign currency of the Foreign Currency Contingent Note.

OID on a Foreign Currency Contingent Note will be translated into U.S. dollars under translation rules similar to those described above under "*Foreign Currency – Interest*". Any positive adjustment (i.e. the

excess of actual payments over projected payments) in respect of a Foreign Currency Contingent Note for a taxable year will be translated into U.S. dollars at the spot rate on the last day of the taxable year in which the adjustment is taken into account or, if earlier, the date on which the Foreign Currency Contingent Note is disposed of. The amount of any negative adjustment on a Foreign Currency Contingent Note (i.e. the excess of projected payments over actual payments) that is offset against accrued but unpaid OID will be translated into U.S. dollars at the same rate at which the OID was accrued. To the extent a net negative adjustment exceeds the amount of accrued but unpaid OID, the negative adjustment will be treated as offsetting OID that has accrued and been paid on the Foreign Currency Contingent Note, and will be translated into U.S. dollars at the spot rate on the date the Foreign Currency Contingent Note was issued. Any net negative adjustment carry forward will be carried forward in the relevant foreign currency.

Sale or Retirement of Foreign Currency Notes other than Foreign Currency Contingent Notes

As discussed above under “*Purchase, Sale and Retirement of Notes*”, a U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised 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 realised 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 recognise U.S. source exchange 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 (as adjusted for amortised bond premium, if any) (i) on the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange gain or loss will be realised only to the extent of total gain or loss realised on the sale or retirement (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest).

Sale or Retirement of Foreign Currency Contingent Notes

Upon a sale, exchange or retirement of a Foreign Currency Contingent Note, a U.S. Holder will generally recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange or retirement and the U.S. Holder’s tax basis in the Foreign Currency Contingent Note, both translated into U.S. dollars as described below. A U.S. Holder’s tax basis in a Foreign Currency Contingent Note will equal

- (i) the cost thereof (translated into U.S. dollars at the spot rate on the issue date),
- (ii) increased by the amount of OID previously accrued on the Foreign Currency Contingent Note (disregarding any positive or negative adjustments and translated into U.S. dollars using the exchange rate applicable to such OID) and
- (iii) decreased by the projected amount of all prior payments in respect of the Foreign Currency Contingent Note.

The U.S. dollar amount of the projected payments described in clause (iii) of the preceding sentence is determined by

- (i) first allocating the payments to the most recently accrued OID to which prior amounts have not already been allocated and translating those amounts into U.S. dollars at the rate at which the OID was accrued and
- (ii) then allocating any remaining amount to principal and translating such amount into U.S. dollars at the spot rate on the date the Foreign Currency Contingent Note was acquired by the U.S. Holder.

For this purpose, any accrued OID reduced by a negative adjustment carry forward will be treated as principal.

The amount realised by a U.S. Holder upon the sale, exchange or retirement of a Foreign Currency Contingent Note will equal the amount of cash and the fair market value (determined in foreign currency) of any property received. If a U.S. Holder holds a Foreign Currency Contingent Note until its scheduled maturity, the U.S. dollar equivalent of the amount realised will be determined by separating such amount realised into principal and one or more OID components, based on the principal and OID comprising the U.S. Holder's basis, with the amount realised allocated first to OID (and allocated to the most recently accrued amounts first) and any remaining amounts allocated to principal. The U.S. dollar equivalent of the amount realised upon a sale, exchange or unscheduled retirement of a Foreign Currency Contingent Note will be determined in a similar manner, but will first be allocated to principal and then any accrued OID (and will be allocated to the earliest accrued amounts first). Each component of the amount realised will be translated into U.S. dollars using the exchange rate used with respect to the corresponding principal or accrued OID. The amount of any gain realised upon a sale, exchange or unscheduled retirement of a Foreign Currency Contingent Note will be equal to the excess of the amount realised over the holder's tax basis, both expressed in foreign currency, and will be translated into U.S. dollars using the spot rate on the payment date. Gain from the sale or retirement of a Foreign Currency Contingent Note will generally be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the U.S. Holder's total OID inclusions to the date of sale or retirement exceed the total net negative adjustments that the U.S. Holder took into account as ordinary loss, and any further loss will be capital loss. Gain or loss realised by a U.S. Holder on the sale or retirement of a Foreign Currency Contingent Note will generally be foreign source. Prospective purchasers should consult their tax advisers as to the foreign tax credit implications of the sale or retirement of Foreign Currency Contingent Notes.

A U.S. Holder will also recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) on the receipt of foreign currency in respect of a Foreign Currency Contingent Note if the exchange rate in effect on the date the payment is received differs from the rate applicable to the principal or accrued OID to which such payment relates.

Disposition of Foreign Currency

Foreign currency received as interest 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 recognised 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.

Perpetual Capital Securities

Distributions

General.

Distributions on Perpetual Capital Securities by the Issuers, before reduction for any withholding tax paid by the Issuers with respect thereto (and including any additional amounts paid in respect of such withholding), generally will be taxable to a U.S. Holder as dividend income to the extent of the Issuers' current or accumulated earnings and profits (as determined for U.S. federal income tax purposes), and will

not be eligible for the dividends received deduction allowed to corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Perpetual Capital Securities and thereafter as capital gain. However, the Issuers do not maintain calculations of their earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any Distributions by the Issuers with respect to Perpetual Capital Securities will be reported as ordinary dividend income. U.S. Holders should consult their own tax advisers with respect to the appropriate U.S. federal income tax treatment of any Distributions on Perpetual Capital Securities received from the Issuers.

Foreign Currency Distributions

Distributions paid in a foreign currency generally will be translated into U.S. dollars by reference to the exchange rate in effect on the day the distributions are received by the U.S. Holder, regardless of whether the foreign currency is converted into U.S. dollars at that time. If Distributions received in a foreign currency are converted into U.S. dollars at the exchange rate in effect on the day they are received, the U.S. Holder generally will not be required to recognise foreign currency gain or loss in respect of the Distribution.

Effect of Singaporean Withholding Taxes.

As discussed under "*Perpetual Capital Securities — Distributions — General*", the amount of Distribution income on the Perpetual Capital Securities will include amounts, if any, withheld in respect of Singaporean taxes. For more information on Singaporean withholding taxes, please see the discussion under "*Taxation — Singapore Taxation*". Distributions that the Issuers pay with respect to the Perpetual Capital Securities will be considered foreign-source income to U.S. Holders. Subject to applicable limitations, some of which vary depending upon the U.S. Holder's circumstances, Singaporean income taxes withheld from interest payments on the Perpetual Capital Securities to a U.S. Holder not eligible for an exemption from Singaporean withholding tax will be creditable against the U.S. Holder's U.S. federal income tax liability.

The foreign tax credit rules are complex. Prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of the payment of Singaporean (or other non-U.S.) taxes.

Sale, redemption, maturity or Write-off

For U.S. federal income tax purposes, gain or loss realised on the sale, redemption, maturity or Write-off of the Perpetual Capital Securities will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder held the Perpetual Capital Securities for more than one year. The amount of the gain or loss will equal the difference between the U.S. Holder's adjusted tax basis in the Perpetual Capital Securities disposed of and the amount realised on the disposition, in each case as determined in U.S. dollars. A U.S. Holder's adjusted tax basis in a Perpetual Capital Security will generally be its U.S. dollar cost. Such gain or loss will generally be U.S.-source gain or loss for foreign tax credit purposes. The deductibility of capital losses is subject to limitations.

A U.S. Holder that receives a payment in a currency other than U.S. dollars on the sale, exchange, redemption or Write-off of the Perpetual Capital Securities generally will realise an amount equal to the U.S. dollar value of the currency received at the spot rate on the date of disposition (or, if the Perpetual Capital Securities are traded on an established securities market and the U.S. Holder is a cash-basis or electing accrual-basis taxpayer, at the spot rate on the settlement date). A U.S. Holder that realises gain or loss on the date of disposition of the Perpetual Capital Securities will also recognise foreign currency gain or loss based on the difference in the foreign currency spot rate on the date of disposition and the settlement date. A U.S. Holder will have a tax basis in the foreign currency received equal to its U.S. dollar value at the spot rate on the settlement date. Any currency gain or loss realised in the sale, exchange, redemption or other disposition of the Perpetual Capital Securities or on a subsequent conversion or other disposition of the foreign currency for a different U.S. dollar amount generally will be treated as U.S. source ordinary income or loss.

Passive foreign investment company considerations (“PFIC”)

A foreign corporation will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable “look-through rules”, either

- (i) at least 75% of its gross income is “passive income” or
- (ii) at least 50% of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income.

Although interest income generally is passive income, a special rule allows banks to treat their banking business income as non-passive. To qualify for this rule, a bank must satisfy certain requirements regarding its licensing and activities. Each Issuer believes that it currently meets these requirements and that it was not a PFIC for its most recent taxable year, and does not expect to be a PFIC for its current taxable year or in the foreseeable future. However, each Issuer’s possible status as a PFIC must be determined annually and may be subject to change if the Relevant Issuer fails to qualify under this special rule for any year in which a U.S. Holder holds Perpetual Capital Securities.

If an Issuer were to be treated as a PFIC in any year, U.S. Holders would be required

- (i) to pay a special U.S. addition to tax on certain distributions and gains on sale of the Perpetual Capital Securities of the Relevant Issuer and
- (ii) to pay tax on any gain from the sale of the Perpetual Capital Securities of the Relevant Issuer at ordinary income (rather than capital gains) rates in addition to paying the special addition to tax on this gain.

A U.S. Holder who owns, or who is treated as owning, PFIC stock during any taxable year in which the Relevant Issuer is classified as a PFIC may be required to file IRS Form 8621. Prospective purchasers should consult their tax advisers regarding the requirement to file IRS Form 8621 and the potential application of the PFIC regime to the Issuers.

Backup Withholding and Information Reporting

In general, payments of principal and interest and accruals of OID on, and the proceeds of a sale, redemption or other disposition of, the Notes 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 accrued OID, if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or otherwise fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers about these rules and any other reporting obligations that may apply to the ownership or disposition of the Notes, including requirements related to the holding of certain foreign financial assets.

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 USD 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 IRS Form 8886 with the IRS.

A penalty in the amount of USD 10,000 in the case of a natural person and USD 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.

All Holders

FATCA Withholding

Pursuant to certain provisions of the Code, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuers are foreign financial institutions for these purposes. A number of jurisdictions (including Singapore) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, is not clear at this time. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining “foreign passthru payments” are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Notes that are not treated as equity for U.S. federal income tax purposes and that have a fixed term issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under “*Terms and Conditions — Further Issues*”) that are not distinguishable from grandfathered Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all the Notes in the series, including grandfathered Notes, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, none of the Issuers, the Joint Arrangers, Dealers or any other persons involved in the Programme will be required to pay additional amounts as a result of the withholding.

Singapore Taxation

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the MAS in force as at the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, 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 or exhaustive 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. Prospective holders of the Notes are advised to consult their own tax advisers 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 emphasised that none of the Issuers, the Joint Arrangers and 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.

The disclosure below is on the assumption that the IRAS regards

- (a) Subordinated Notes containing non-viability loss absorption provisions as debt securities for the purposes of the Income Tax Act and eligible for the qualifying debt securities scheme; and
- (b) Notes constituting Perpetual Capital Securities as “AT1 instruments” within the meaning of Section 10I(2) of the Income Tax Act.

If any tranche of the Subordinated Notes is not regarded as debt securities for the purposes of the Income Tax Act or any tranche of Notes constituting Perpetual Capital Securities is not regarded as “AT1 instruments” within the meaning of Section 10I(2) of the Income Tax Act, and/or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of any tranche of such Notes should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Notes.

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act 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 currently 17%. The applicable rate for non-resident individuals is currently 22%, and is proposed to be increased to 24% from the year of assessment 2024 pursuant to the Singapore Budget Statement 2022. 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.

Withholding Tax Exemption on Qualifying Payments by Specified Entities

Pursuant to Section 45I of the Income Tax Act, payments of income which are deemed under Section 12(6) of the Income Tax Act to be derived from Singapore and which are made by a specified entity shall be exempt from withholding tax if such payments are liable to be made by such specified entity for the purpose of its trade or business under a debt security which is issued within the period from 17 February 2012 to 31 December 2026. Notwithstanding the above, permanent establishments in Singapore of non-resident persons are required to declare such payments in their annual income tax returns and will be assessed to tax on such payments (unless specifically exempt from tax).

A specified entity includes a bank licensed under the Banking Act 1970 of Singapore or a merchant bank approved under the MAS Act.

Qualifying Debt Securities Scheme

As the Programme as a whole is arranged by Financial Sector Incentive (Bond Market) Companies (as defined in the Income Tax Act) prior to 1 January 2014 and by Financial Sector Incentive (Bond Market), Financial Sector Incentive (Standard Tier) or Financial Sector Incentive (Capital Market) Companies (as defined in the Income Tax Act) from 1 January 2014, any tranche of the Notes ("**Relevant Notes**") which are debt securities issued under the Programme from the date of this Offering Circular to 31 December 2023 would be qualifying debt securities ("**QDS**") for the purposes of the Income Tax Act, to which the following treatment shall apply:

- (a) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Relevant Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require and the inclusion by the Relevant 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 QDS 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 paid by the Relevant Issuer and derived by a holder who is not resident in Singapore and who:
 - (i) does not have any permanent establishment in Singapore; or
 - (ii) 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 Relevant Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require), Qualifying Income paid by the Relevant Issuer and derived by any company or a body of persons (as defined in the Income Tax Act) 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

- (c) subject to:
- (i) the Relevant 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 Income Tax Act; and
 - (ii) the furnishing by the Relevant Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,

payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Relevant Issuer.

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 Relevant Issuer, such Relevant Notes would not qualify as QDS; and
- (b) even though a particular tranche of Relevant Notes is QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50% or more of such Relevant Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Relevant Issuer, Qualifying Income derived from such Relevant Notes held by:
 - (i) any related party of the Relevant 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 Relevant 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 (A), means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by A, or where A 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 Income Tax Act as follows:

- (a) “**break cost**”, in relation to debt securities and QDS, 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;
- (b) “**prepayment fee**”, in relation to debt securities and QDS, 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
- (c) “**redemption premium**”, in relation to debt securities and QDS, 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 Income Tax Act.

Where interest, discount income, prepayment fee, redemption premium and break cost (i.e. the Qualifying Income) is derived from any of the Relevant 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 QDS under the Income Tax Act (as mentioned above) shall not apply if such person acquires such Relevant Notes using 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 (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax (including for the reasons described above) is required to include such income in a return of income made under the Income Tax Act.

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 apply or who are required to apply Singapore Financial Reporting Standard ("FRS") 39, FRS 109 or Singapore Financial Reporting Standard (International) 9 (Financial Instruments) ("SFRS(I) 9") (as the case may be) for Singapore income tax purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) for tax purposes in accordance with the provisions of FRS 39, FRS 109 or SFRS(I) 9 (as the case may be) even though no sale or disposal of the Notes is made. See also "Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes".

Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes

Section 34A of the Income Tax Act provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement".

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the Income Tax Act requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Notes who may be subject to the tax treatment under Sections 34A or 34AA of the Income Tax Act 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 15 February 2008.

Stamp Duty

Singapore stamp duty is not chargeable upon the transfer of any Notes through the book-entry settlement system of CDP.

United Kingdom Taxation

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 (which may not be binding on HM Revenue & Customs). They relate only to the UK withholding tax treatment of payments of interest in respect of the Notes, and are not intended to be exhaustive. They assume that there will be no substitution of the Issuer

and do not address the consequences of any such substitution (notwithstanding that such substitution may be permitted by the terms and conditions of the Notes). References in this part to “**interest**” shall mean amounts that are treated as interest for the purposes of UK taxation. References in this part to “**London Notes**” shall mean Notes (excluding Perpetual Capital Securities) issued from DBS Bank’s London branch and “**Other Notes**” shall mean Notes issued by DBS Bank other than from its London branch or by DBSH.

Any Noteholders who are in doubt as to their own tax position should consult their professional advisers. In particular, Noteholders should be aware that the tax legislation of any jurisdiction where a Noteholder is resident or otherwise subject to taxation (as well as the jurisdictions discussed herein) may have an impact on the tax consequences of an investment in the Notes including in respect of any income received from the Notes.

UK Withholding Tax on Interest Payments

Assuming that interest on the Other Notes does not have a UK source, payments of interest on Other Notes may be made by the Relevant Issuer without withholding or deduction for or on account of UK income tax.

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 with the intention, or under arrangements the effect of which is, to render such 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%), subject to certain exceptions (in particular, to the exceptions listed below) and the availability of other reliefs under domestic law or to any direction to the contrary from HM Revenue & Customs in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to UK withholding tax as outlined above.

Bank Interest Exemption

To the extent that, at the time any Yearly Interest is paid on a London Note issued by DBS Bank, DBS Bank is a bank as defined in Section 991 of the UK Income Tax Act 2007 and that Yearly Interest is paid in the ordinary course of DBS Bank’s business, within the meaning of Section 878 of the UK Income Tax Act 2007, that Yearly Interest may be paid without deduction of or withholding on account of UK income tax.

Quoted Eurobond Exemption

Where the London Notes are and continue to be listed on a recognised stock exchange, within the meaning of Section 1005 of the UK Income Tax Act 2007, payments of interest by the Issuer may be made without withholding or deduction for or on account of United Kingdom income tax. 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 or Bond Market 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.

Information Reporting

Information relating to the Notes, their holders and beneficial owners may be required to be provided to tax authorities in certain circumstances pursuant to domestic or international reporting and transparency regimes. This may include (but is not limited to) information relating to the value of the Notes, amounts paid or credited with respect to the Notes, details of the holders or beneficial owners of the Notes and information and documents in connection with transactions relating to the Notes. In certain circumstances, the information obtained by a tax authority may be provided to tax authorities in other countries.

Hong Kong Taxation

The statements herein regarding taxation are based on the laws of Hong Kong in force as at the date of this Offering Circular 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 (excluding Notes which are “regulatory capital securities” under the Inland Revenue Ordinance (Cap.112) of Hong Kong (the “**Inland Revenue Ordinance**”)) issued by DBS Bank’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).

Interest on the 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:

- (a) interest on the Hong Kong Notes is derived from Hong Kong and is received by or accrues to a corporation, other than a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the “**IRO**”)), carrying on a trade, profession or business in Hong Kong;
- (b) interest on the Hong Kong Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (c) interest on the Hong Kong Notes is received by or accrues to a financial institution (as defined in the IRO) and arises through or from the carrying on by the financial institution (as defined in the IRO) of its business in Hong Kong; or
- (d) interest on the Hong Kong Notes is received by or accrues to a corporation, other than a financial institution (as defined in the IRO), and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of Section 16(3) of the IRO).

Pursuant to the Exemption from Profits Tax (Interest Income) Order, interest income accruing to a person other than a financial institution (as defined in the IRO), on deposits (denominated in any currency and whether or not the deposit is evidenced by a certificate of deposit) placed with, *inter alia*, an authorised institution in Hong Kong (within the meaning of Section 2 of the Banking Ordinance (Cap. 155) of Hong Kong) is exempt from the payment of Hong Kong profits tax. This exemption does not apply, however, to deposits that are used to secure or guarantee money borrowed in certain circumstances. Provided no prospectus involving the issue of the Hong Kong Notes is registered under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, the issue of the Hong Kong Notes is expected to constitute a deposit to which the above exemption from payment will apply.

Sums received by or accrued to a financial institution (as defined in the IRO) by way of gains or profits arising through or from the carrying on by the financial institution (as defined in the IRO) of its business in Hong Kong from the sale, disposal and redemption of Hong Kong Notes will be subject to Hong Kong profits tax.

Sums received by or accrued to a corporation, other than a financial institution (as defined in the IRO), by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of Section 16(3) of the IRO) from the sale, disposal or other redemption of Hong Kong Notes will be subject to Hong Kong 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 (as defined in the IRO), who carries on a trade, profession or business in Hong Kong and the sum forms part of the revenue or profits of that trade, profession or business and has a Hong Kong source unless otherwise exempted. 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 of, including where such activities were undertaken.

In certain circumstances, Hong Kong profits tax preferential treatment (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisers to ascertain the applicability of any preferential treatment to their individual position.

Stamp Duty

Stamp duty will not be payable on the issue of Hong Kong Notes which are Bearer Notes by the Relevant Issuer, provided either:

- (a) 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
- (b) 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 Relevant Issuer on the issue of Hong Kong Notes which are Bearer Notes at a rate of 3 per cent. 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 Relevant Issuer if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfers of Hong Kong Notes which are Registered Notes, *provided that* either:

- (a) 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
- (b) the Registered Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong).

If stamp duty is payable in respect of the transfer of Registered Notes it will be payable at the rate of 0.26 per cent. (of which 0.13 per cent. is payable by the seller and 0.13 per cent. is payable by the purchaser) normally by reference to the value of the consideration or to the value on the contract notes for such sale, whichever is higher. In addition, stamp duty is payable at the fixed rate of HKD 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.

Australia Taxation

Notes issued by DBSH or by DBS Bank other than through its Australia branch

*The following is a summary of the Australian withholding tax treatment under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, "**Australian Tax Act**"), at the date of this Offering Circular,*

of payments of interest on the Notes to be issued by DBSH or by DBS Bank (other than through its Australia branch) (each a “**non-Australian Issuer**”) under the Programme and certain other tax matters. It is not exhaustive and, in particular, does not deal with the position of certain classes of holders (including, dealers in securities, custodians or other third parties who hold Notes on behalf of other persons).

The summary is not intended to be, nor should it be construed as, legal or tax advice to any particular holders. It is a general guide only and should be treated with appropriate caution. Prospective holders who are in any doubt as to their tax position should consult their professional advisers on the tax implications of an investment in the Notes for their particular circumstances.

Interest withholding tax

So long as a non-Australian Issuer continues to be a non-resident of Australia and the Notes issued by it are not attributable to a permanent establishment of that non-Australian Issuer in Australia, payments of principal and interest (and in the case of Perpetual Capital Securities, Distributions) made under Notes issued by it should not be subject to Australian interest withholding tax.

Other tax matters

Under Australian laws as presently in effect:

- (c) *death duties* - no Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;
- (d) *stamp duty and other taxes* - no *ad valorem* stamp, issue, registration or similar taxes are payable in Australia on the issue or transfer of any Notes (and in the case of Perpetual Capital Securities *provided that* no person either alone or together with associates acquires Perpetual Capital Securities which would entitle them to a distribution of 50% or more of the property of the Issuer);
- (e) *other withholding taxes on payments in respect of Notes* - so long as a non-Australian Issuer continues to be a non-resident of Australia and does not issue Notes in carrying on a business at or through a permanent establishment in Australia, the tax file number requirements of Part VA of the Australian Tax Act and Section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia (“**Taxation Administration Act**”) should not apply to the non-Australian Issuer in connection with Notes issued by that non-Australian Issuer;
- (f) *supply withholding tax* - payments in respect of the Notes can be made free and clear of the “supply withholding tax” imposed under Section 12-190 of Schedule 1 to the Taxation Administration Act, *provided that* a non-Australian Issuer does not issue the Notes, use the proceeds of Notes issued or make payments on the Notes in the course or furtherance of an enterprise carried on in Australia; and
- (g) *goods and services tax (“GST”)* - neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or (in the case of an offshore subscriber) a supply which is outside the scope of the GST law. Furthermore, neither the payment of principal or interest by that non-Australian Issuer nor the disposal of the Notes, would give rise to any GST liability in Australia.

Notes issued by the Australia branch of DBS Bank

The following is a summary of the Australian withholding tax treatment under the Australian Tax Act, at the date of this Offering Circular, of payments of interest (as defined in the Australian Tax Act) on Senior Notes (the “**Australian Notes**”) to be issued by the Australia branch of DBS Bank (the “**Australian Issuer**”) under the Programme and certain other tax matters. It is not exhaustive and, in particular, does not deal with the position of certain classes of holders of Australian Notes (including, dealers in securities, custodians or other third parties who hold Australian Notes on behalf of other persons). This summary does not deal with the tax consequences of holding Perpetual Capital Securities or Subordinated Notes.

Prospective holders of Australian Notes should also be aware that particular terms of issue of any Series of Australian Notes may affect the tax treatment of that and other Series of Australian Notes.

This summary is not intended to be, nor should it be construed as, legal or tax advice to any particular holder of Australian Notes. It is a general guide only and should be treated with appropriate caution. Prospective holders of Australian Notes who are in any doubt as to their tax position should consult their professional advisers on the tax implications of an investment in the Australian Notes for their particular circumstances.

Debt interests

The Australian Tax Act characterises securities as either “debt interests” (for all entities) or “equity interests” (for companies), including for the purposes of Australian interest withholding tax imposed under Division 11A of Part III of the Australian Tax Act (“IWT”) and dividend withholding tax. For IWT purposes, “interest” is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts. The Australian Issuer intends to issue Australian Notes which are to be characterised as “debt interests” for the purposes of the tests contained in Division 974 and the returns paid on the Australian Note are to be “interest” for the purpose of Section 128F of the Australian Tax Act.

Australian holders

Payments of interest in respect of the Australian Notes to holders that are residents of Australia that do not hold their Australian Notes in carrying on a business at or through a permanent establishment outside of Australia, and non-residents of Australia for tax purposes that hold their Australian Notes in carrying on a business at or through a permanent establishment in Australia will not be subject to Australian IWT.

Offshore holders

Interest (which for the purposes of withholding tax is defined in Section 128A(1AB) of the Australian Tax Act to include amounts in the nature of, or in substitution for, interest and certain other amounts, including premiums on redemption or, for an Australian Note issued at a discount, the difference between the amount repaid and the issue price) on the Australian Notes will be subject to IWT, at a current rate of 10%, where the interest is paid to a non-resident of Australia and is not derived in carrying on business at or through an Australian permanent establishment, or to an Australian resident who derived the interest in carrying on business at or through a permanent establishment outside Australia.

Public offer exemption

An exemption from Australian interest withholding tax may be available under Section 128F of the Australian Tax Act in respect of interest on any Australian Notes where the Australian Notes are issued, and the interest paid, by the Australian Issuer in a manner which satisfies the “public offer test”.

There are five principal methods of satisfying the public offer test. The Issuer must satisfy at least one of them. The five methods are:

- (a) offers to 10 or more unrelated persons carrying on a business of providing finance, or investing or dealing in securities, in the course of operating in financial markets;
- (b) offers to 100 or more investors of a certain type;
- (c) offers of listed Australian Notes;
- (d) offers via publicly available information sources; and
- (e) offers to a dealer, manager or underwriter who offers to sell those Australian Notes within 30 days by one of the preceding methods.

The public offer test will not be satisfied in respect of an issue of a series of Notes if, at the time of issue, the Australian Issuer knew, or had reasonable grounds to suspect, at the time of issue that any of the

Australian Notes, or an interest in any of the Australian Notes, would be acquired either directly or indirectly by an Offshore Associate (as defined below) of the Australian Issuer, other than in the capacity of a dealer, manager or underwriter in relation to the placement of the Australian Notes, or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme.

Accordingly, the Australian Notes should not be acquired by any Offshore Associate of the Issuer, subject to the exceptions referred to above.

Even if the public offer test is initially satisfied in respect of a series of Australian Notes, if such Australian Notes later come to be held by an Offshore Associate of the Australian Issuer, and at the time of payment of interest on those Australian Notes, the Australian Issuer knows or has reasonable grounds to suspect that such person is an Offshore Associate of the Issuer, the exemption under Section 128F does not apply to interest paid by the Australian Issuer to such Offshore Associate in respect of those Australian Notes, unless the Offshore Associate receives the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme.

For the purposes of this section, an “**Offshore Associate**” is an “associate” of the Australian Issuer as defined in Subsection (9) of Section 128F, who is:

- (a) a non-resident of Australia that does not acquire the Australian Notes or an interest in the Australian Notes in carrying on a business in Australia at or through a permanent establishment of the associate in Australia; or
- (b) a resident of Australia that acquires the Australian Notes or an interest in the Australian Notes in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country.

The definition of “associate” includes, among other things, persons who have a majority voting interest in the Australian Issuer, or who are able to influence or control the Australian Issuer, and persons in whom the Australian Issuer has a majority voting interest, or whom the Australian Issuer is able to influence or control (however this is not a complete statement of the definition).

Unless otherwise provided, the Australian Issuer proposes to issue any Australian Notes in a manner which will satisfy the requirements of section 128F.

Exemptions under recent tax treaties

The Australian government has signed or amended double tax conventions (“**New Treaties**”) with a number of countries (each a “**Specified Country**”) which contain certain exemptions from IWT.

In broad terms, the New Treaties effectively prevent IWT applying to interest derived by:

- (a) the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; or
- (b) a “financial institution” which is a resident of a “Specified Country” and which is unrelated to and dealing wholly independently with the Australian Issuer. The term “**financial institution**” refers to either a bank or other enterprise which substantially derives its profits by carrying on a business of raising and providing finance. However, interest under a back-to-back loan or an economically equivalent arrangement will not qualify for this exemption.

The Australian Federal Treasury maintains a listing of Australia’s double tax conventions which provides details of country, status, withholding tax rate limits and Australia’s domestic implementation which is available to the public at the Federal Treasury’s Department’s website.

Payment of additional amounts

As set out in more detail in the terms and conditions for the Australian Notes, if the Australian Issuer is at any time required by law to deduct or withhold an amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia in respect of the Australian Notes, the Australian Issuer must, subject to certain exceptions, pay such additional amounts as shall result in receipt by the holders of those Australian Notes of such amounts as would have been received by them had no such deduction or withholding been required. If the Australian Issuer is required, as a result of any change in, or amendment to, any law to pay any additional amounts, the Australian Issuer will have the option to redeem those Australian Notes in accordance with the Note Conditions.

Garnishee notices

The Australian tax authorities have the power to require any person who owes, or who may later owe, money to a taxpayer who has a tax-related liability, to pay to the authority the money owed to the taxpayer. If the Issuer is served with such a notice in respect of a holder of the Australian Notes, then the Issuer would be required to comply with that notice.

Bearer debenture tax

Section 126 of the Income Tax Assessment Act 1936 (Cth) imposes a type of withholding tax, currently at the rate of 45%, on the payment of interest on notes in bearer form if the Issuer fails to disclose the names and addresses of the holders to the Australian Taxation Office. Section 126 is effectively limited in its application to persons in possession of notes in bearer form who are residents of Australia or non-residents who are engaged in carrying on business in Australia at or through a permanent establishment in Australia. The Australian Taxation Office has ruled that the holder of a bearer note for these purposes is the person in possession of the note, e.g. where notes are held through a clearing house, the relevant clearing house is the holder (refer TD 2001/19).

Additional withholdings from payments to non-residents

There are certain obligations to withhold an amount in respect of certain payments and non-cash benefits that are made to non-residents as prescribed by regulations.

Regulations introduced to date will not affect the payments of interest on the Australian Notes. This is consistent with the non-resident withholding provisions which provide that the regulations will not apply to interest and other payments which are already subject to the current withholding tax rules.

Taxation of interest on Notes

Australian holders

Holders of Notes who are Australian tax residents, or who are non-residents that hold the Notes in carrying on business at or through a permanent establishment in Australia, will be taxable by assessment in respect of any interest income derived in respect of the Notes. Such holders will generally be required to lodge an Australian income tax return. The timing of assessment of the interest (e.g. a cash receipts or accruals basis) will depend upon the tax status of the particular holder, the terms and conditions of the Notes and the potential application of the "Taxation of Financial Arrangements" provisions of the Income Tax Assessment Act 1997 (Cth).

Tax at the highest marginal income tax rate plus the Medicare levy (in aggregate, currently 47%) may be deducted from payments on the Notes if the holder does not provide a tax file number ("TFN") or an Australian Business Number ("ABN") (where applicable), or proof of a relevant exemption from quoting such numbers.

Taxation of gains on disposal or redemption

Australian holders

Holders of Notes who are Australian tax residents, or who are non-residents that hold Australian Notes in carrying on business at or through a permanent establishment in Australia, will be required to include any gain or loss on disposal or redemption of the Australian Notes in their assessable income.

The determination of the amount and timing of any gain or loss on disposition or redemption of the Australian Notes may be affected by the “Taxation of Financial Arrangements” provisions of the Income Tax Assessment Act 1936 (Cth), which provide for a specialised regime for the taxation of financial instruments, and, where the Australian Notes are denominated in a currency other than Australian dollars, the foreign currency rules. Prospective holders should obtain their own independent tax advice in relation to the determination of any gain or loss on disposal or redemption of the Australian Notes.

Offshore holders

A holder of Notes who is a non-resident of Australia and who has never held the Australian Notes through a permanent establishment in Australia will not be subject to Australian income tax on gains realised on the disposal or redemption of the Australian Notes, provided such gains do not have an Australian source. A gain arising on the sale of the Australian Notes by a non-Australian resident holder to another non-Australian resident where the Australian Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia, should generally not be regarded as having an Australian source.

Stamp duty

No *ad valorem* stamp, issue, registration or similar taxes are payable in Australia on the issue, transfer or redemption of the Australian Notes.

Goods and Services Tax

Neither the issue nor receipt of the Australian Notes will give rise to a liability for GST in Australia on the basis that the supply of Australian Notes will comprise either an input taxed financial supply or (in the case of an offshore non-resident subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest on the Australian Notes would give rise to a GST liability.

Supply withholding tax

Payments in respect of the Australian Notes can be made free and clear of the “supply withholding tax” imposed under Section 12-190 of Schedule 1 to the Taxation Administration Act.

ERISA AND CERTAIN OTHER CONSIDERATIONS

Section 406 of the U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”) and Section 4975 of the Code prohibit certain transactions involving the assets of employee benefit plans, other plans subject to such provisions, including collective investment funds and separate accounts whose underlying assets include the assets of such plans, and entities whose underlying assets are deemed for purposes of ERISA or Section 4975 of the Code to include “plan assets” by reason of an employee benefit plan’s or plan’s investment in the entity (collectively, the “**Plans**”) and persons (referred to as “**parties in interest**” within the meaning of Section 3(14) of ERISA or “**disqualified persons**” within the meaning of Section 4975 of the Code (collectively, “**Parties in Interest**”) having certain relationships to such Plans, unless a statutory or administrative exemption applies to the transaction. A Party in Interest who engages in a non-exempt prohibited transaction may be subject to excise taxes or other penalties and liabilities under ERISA or Section 4975 of the Code.

Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may apply depending in part on the type of Plan fiduciary making the decision to acquire a Note and the circumstances under which such decision is made. Included among these exemptions are (but are not limited to) Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to transactions with certain service providers) and Prohibited Transaction Class Exemption (“**PTCE**”) 95-60 (relating to investments by insurance company general accounts), PTCE 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a “qualified professional asset manager”), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by an in-house asset manager). There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving the Notes or that, if an exemption is available, it will cover all aspects of any particular transaction. Accordingly, each original or subsequent purchaser or transferee of a Note that is or may become a Plan is responsible for determining that its purchase, holding and disposition of such Note will not constitute or result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

The U.S. Department of Labor (the “**DOL**”) has promulgated a regulation at 29 C.F.R. § 2510.3-101 describing what constitutes the assets of a Plan for purposes of ERISA and Section 4975 of the Code (as modified by Section 3(42) of ERISA, the “**Plan Asset Regulation**”). Pursuant to a look-through rule under the Plan Asset Regulation, if a Plan invests in an “equity interest” of an entity, then the Plan’s assets include both the equity interest and an undivided interest in each of the entity’s underlying assets, unless an exception applies. If the underlying assets of the entity are deemed to be assets of a Plan, the fiduciary responsibility and prohibited transaction provisions of ERISA or Section 4975 of the Code may apply to the underlying assets and activities of the entity, and there may be an increase in the exposure to liability under ERISA and Section 4975 of the Code of various providers of fiduciary or other services to the entity, and the activities of the entity may be restricted or limited. There is an exception, among others, to the look-through rule under the Plan Asset Regulation applicable to an “**operating company**” which the Plan Asset Regulation defines as an entity that is primarily engaged in the production or sale of products or services (other than the investment of capital) directly or through majority-owned subsidiaries. Each of the Issuers considers itself to qualify as an operating company, but no assurances are provided as to such qualification.

For purposes of the Plan Asset Regulation, an equity interest includes any interest in an entity other than an instrument that is treated as indebtedness under applicable local law and which has no substantial equity features. Unless otherwise provided in the applicable Pricing Supplement, the Issuers will proceed based on the position that the Notes should not be considered at the time of issuance to be “equity interests” of the Issuers and that the relevant Issuer qualifies as an operating company, in each case for purposes of the Title I of ERISA or Section 4975 of the Code (see “*Taxation — U.S. Holders — Characterisation of the Notes*”) and subject to the requirements discussed herein, the Notes may generally

be purchased and held by Plans. Each purchaser or transferee of a Note (or any interest therein) will be deemed to have represented and agreed that either:

- (a) it is not a Plan or a governmental, church, non-U.S. or other employee benefit plan that is subject to any U.S. federal, state or local law, or non-U.S. law, that is substantially similar to Section 406 of ERISA or Section 4975 of the Code (“**Similar Law**”); or
- (b) its purchase, holding and disposition of a Note (or any interest therein) 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 employee benefit plan, a violation of any applicable 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*.

ERISA imposes certain requirements on Plans, and on those persons who are fiduciaries with respect to Plans. Investments by Plans are subject to ERISA’s general fiduciary requirements, including, but not limited to, the requirement of investment prudence and diversification and the requirement that a Plan’s investments be made in accordance with the documents governing the Plan.

This Offering Circular is not directed to any particular prospective investor, nor does it address the needs of any particular prospective investor. None of the Issuers, the Trustee, the Agents, the Joint Arrangers, the Dealers or their respective affiliates (the “**Transaction Parties**”) has undertaken to provide any investment advice, or to give advice in a fiduciary capacity, and none of the Transaction Parties has or shall provide any advice or recommendation with respect to the management of any interest in a Note or the advisability of acquiring, holding, disposing or exchanging of any such interest. Any Plan that purchases or acquires a Note shall, by its purchase and holding of the Note (or any interest therein), be deemed to represent that the fiduciary making the decision to invest in the Note (or any interest therein) is an independent fiduciary with financial expertise and the authority to purchase such Note (or interest therein) and has received and understands the disclosure contained in this Offering Circular and related materials.

THE PRECEDING DISCUSSION IS ONLY A SUMMARY OF CERTAIN ERISA AND OTHER U.S. IMPLICATIONS OF AN INVESTMENT IN THE SECURITIES AND DOES NOT PURPORT TO BE COMPLETE. PROSPECTIVE INVESTORS SHOULD CONSULT WITH THEIR OWN LEGAL, TAX, FINANCIAL AND OTHER ADVISERS PRIOR TO INVESTING TO REVIEW THESE IMPLICATIONS IN LIGHT OF SUCH INVESTOR’S PARTICULAR CIRCUMSTANCES.

SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated on or about 9 March 2022 (the “**Dealer Agreement**”) among the Issuers, the Programme Dealers and the Joint Arrangers, the Notes will be offered on a continuous basis by the Issuers to the Programme Dealers. However, the Issuers have 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 Issuers through Dealers, acting as agents of the Issuers. 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 Issuers will pay each relevant Dealer a commission as agreed between the Relevant Issuer and the Dealer in respect of Notes subscribed by it. The Issuers have 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 Relevant Issuer may also from time to time agree with the relevant Dealer(s) that it may pay certain third parties commissions (including, without limitation, rebates to private banks).

The Issuers have 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 Issuers.

In order to facilitate the offering of any Tranche of the Notes, one or more Dealers named as Stabilisation Coordinators (or persons acting on behalf of any Stabilisation Coordinator) in the applicable Pricing Supplement, to the extent permitted by applicable laws and regulations, may engage in transactions that stabilise, 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 Issuers. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilise 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 stabilisation transactions or otherwise. The effect of these transactions may be to stabilise 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 stabilisation activities will take place at all or the magnitude or effect of any such stabilising or other transactions. Such transactions, if commenced, may be discontinued at any time. Stabilisation activities are subject to certain prescribed time limits in certain jurisdictions. Any stabilisation 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 Trades 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 Issuers*” or in any such list being updated in writing by the Issuers and delivered to the Dealers in accordance with the Dealer Agreement.

Related Parties of the Issuers

Set out below is a list of the related parties of DBSH and DBS Bank Ltd. as at 31 January 2022 for the purposes of the Qualifying Debt Securities Scheme under Singapore tax regulations. See “*Taxation – Singapore Taxation – Qualifying Debt Securities Scheme*”. Set out below is also a list of Offshore Associates of DBS Bank Ltd., Australia branch as at 31 January 2022 for the purposes of Australian tax legislation. See “*Taxation – Australia Taxation*”. Such list shall be superseded and replaced by any subsequent list issued by the Issuers to each of the Dealers in accordance with the terms of the Dealer Agreement (as may be amended, updated or superseded from time to time).

Entities which are both related parties of DBS Group Holdings Ltd and DBS Bank Ltd. and Offshore Associates of DBS Bank Ltd., Australia branch (as Issuer)

- 1 AXS Pte. Ltd.
- 2 Carrollton Pte. Ltd.
- 3 Dao Heng Finance Limited
- 4 DBS Asia Capital Limited
- 5 DBS Asia Hub 2 Private Limited
- 6 DBS Bank (China) Limited
- 7 DBS Bank (Hong Kong) Limited
- 8 DBS Bank (Taiwan) Ltd
- 9 DBS Bank India Limited
- 10 DBS Capital Investments Ltd
- 11 DBS Diamond Holdings Ltd.
- 12 DBS Digital Exchange Pte. Ltd.
- 13 DBS Finnovation Pte. Ltd.
- 14 DBS Group Holdings Ltd
- 15 DBS Kwong On (Nominees) Limited
- 16 DBS Nominees (Private) Limited
- 17 DBS Securities (China) Co., Ltd.
- 18 DBS Securities (Japan) Company Limited
- 19 DBS Trustee (Hong Kong) Limited
- 20 DBS Trustee Limited
- 21 DBS Vickers (Hong Kong) Limited
- 22 DBS Vickers Securities (Hong Kong) Limited
- 23 DBS Vickers Securities (Singapore) Pte Ltd
- 24 DBS Vickers Securities (Thailand) Co., Ltd.
- 25 DBS Vickers Securities (UK) Limited
- 26 DBS Vickers Securities (USA) Inc.
- 27 DBS Vickers Securities (Philippines) Inc.
- 28 DBS Vickers Securities Holdings Pte Ltd
- 29 DBS Vickers Securities Nominees (Hong Kong) Limited
- 30 DBS Vickers Securities Nominees (Singapore) Pte Ltd

31	DBSN Services Pte. Ltd.
32	Ganges I Pte. Ltd.
33	Ganges II Pte. Ltd.
34	Ganges III Pte. Ltd.
35	Ganges IV Pte. Ltd.
36	Ganges V Pte. Ltd.
37	Hang Lung Bank (Nominee) Limited
38	Heedum Pte. Ltd.
39	Kendrick Services Limited
40	Lushington Investments Limited
41	Miclyn Express Offshore Limited
42	Overseas Trust Bank Nominees Limited
43	Primefield Company Pte Ltd
44	PT Bank DBS Indonesia
45	PT DBS Vickers Sekuritas Indonesia
46	Quickway Limited
47	Rising Phoenix Ltd.
48	Rising Phoenix II Ltd.
49	The Islamic Bank of Asia Limited
50	Ting Hong Nominees Limited
51	Vector Fund VCC
52	Vickers Ballas Consultancy Services Limited
53	Vickers Ballas Investment Management Limited
54	AllianceDBS Research Sdn Bhd
55	Central Boulevard Development Pte. Ltd.
56	Century Horse Group Limited
57	Changsheng Fund Management Company Limited
58	Clearing and Payment Services Pte Ltd
59	EvolutionX Debt Capital Pte. Ltd.
60	EvolutionX Debt Capital FMC Pte. Ltd.
61	EvolutionX Debt Capital Fund 1 GP Pte. Ltd.
62	EvolutionX Debt Capital Master Fund 1 Pte. Ltd.
63	EvolutionX Debt Capital Fund 1 LP
64	ICCP Capital Markets Limited
65	Investment and Capital Corporation of the Philippines
66	Network for Electronic Transfers (Singapore) Pte Ltd
67	Orix Leasing Singapore Limited
68	Partior Pte. Ltd.
69	Raffles Fund 1 Limited

- 70 The Asian Entrepreneur Legacy One, L.P.
- 71 PSBC Consumer Finance Company Limited
- 72 Heveaconnect Pte. Ltd.
- 73 Shenzhen Rural Commercial Bank Corporation Limited
- 74 Muzinich Asia Pacific Private Debt Fund
- 75 Verified Impact Exchange Holdings Pte. Ltd.
- 76 Climate Impact X Pte. Ltd.

Additional entities which are Offshore Associates of DBS Bank, Australia branch (as Issuer):

- 77 Maju Holdings Pte. Ltd.
- 78 Temasek Holdings (Private) Limited

Declaration of Interest

DBS Bank Ltd. is one of the Issuers and is also acting as a Joint Arranger and a Programme Dealer in respect of the Programme.

All 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 (including hedging services) for the Issuers, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, all 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 Issuers. Certain of the Programme Dealers may from time to time also enter into swap and other derivative transactions with the either of the Issuers and their respective affiliates. 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.

Selling Restrictions

United States

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 not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or in the case of Bearer Notes, deliver 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 certified to each relevant Dealer by the Issuing and Paying Agent or the lead manager(s) of a syndicated issue of Notes, as the case may be, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Rule 144A. 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 (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:

- (a) as part of their distribution at any time; or
- (b) otherwise until the expiration of 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, as determined and certified by the relevant Dealers, 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 under the Securities Act.”

Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of an identifiable Tranche of Notes, an offer or sale of Notes within the United States by any dealer that is not participating in the offering of such Tranche of Notes may violate the registration requirements of the Securities Act.

Notes in bearer form are subject to U.S. tax law requirements. In addition, unless the Pricing Supplement or subscription agreement relating to one or more Tranches specifies that the applicable TEFRA exemption is either “**TEFRA C**” or “not applicable”, each Dealer has represented in relation to each Tranche of Notes in bearer form that:

- (a) except to the extent permitted under U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (“**TEFRA D**”);
 - (i) 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;
- (b) 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 are aware that such Notes 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 TEFRA D;
- (c) 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 issue and if it retains Notes for its own account, it will only do so in

accordance with the requirements of U.S. Treas. Reg. §1.163-5(c)(2)(i)(D)(6) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code);

- (d) 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 (i) repeats and confirms the representations contained in (a), (b) and (c) above on behalf of such affiliate or (ii) agrees that it will obtain from such affiliate for the benefit of the Issuers the representations and agreements contained in (a), (b), (c), (d) above; and
- (e) it has not and agrees that it will not enter into any written contract (as defined in U.S. Treas. Reg. §1.163-5(c)(2)(i)(D)(4)) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (other than a confirmation or other notice of the transaction) 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 Issuers and the relevant Dealers, the representations contained in, and that party's agreement to comply with, the provisions of (a), (b), (c) and (d) above.

Terms used in this paragraph have the meanings given to them by the Code and regulations promulgated thereunder, including TEFRA D.

Notes in bearer form that have an original maturity of more than one year issued pursuant to TEFRA D (other than Temporary Global Notes) and any receipts, coupons or talons 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 addition, to the extent that the Pricing Supplement or the subscription agreement relating to one or more tranches of the Notes in bearer form specifies that the applicable TEFRA exemption is TEFRA C, 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 Code and U.S. Treasury regulations promulgated thereunder, including U.S. Treas. Reg. §1.163-5(c)(2)(1)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) ("**TEFRA C**"). 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:

- (a) 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;

- (b) 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;
- (c) 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;
- (d) no sale of the Notes in the United States to any one purchaser will be for less than USD 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 USD 200,000 (or its foreign currency equivalent) principal amount of the Notes; and
- (e) 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, and that any resale or other transfer of such Note or any interest therein may be made only:
 - (i) to the Issuers or any subsidiary thereof;
 - (ii) to a qualified institutional buyer in a transaction which meets the requirements of Rule 144A;
 - (iii) outside the United States to a non-U.S. person pursuant to Regulation S under the Securities Act;
 - (iv) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available); or
 - (v) 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.

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 above shall not be recognised by the Issuers or any agent of the Issuers 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 Issuers 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 or subscription agreement, as the case may be. The relevant Dealer agrees that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

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

- (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Prohibition of Sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
 - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA
- (b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Notes which have a maturity of less than one year;
 - (a) 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
 - (b) 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 Issuers;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuers; 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 any Notes in, from or otherwise involving the UK.

Hong Kong

In relation to each Tranche of Notes issued by the relevant Issuer, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”), other than (a) to “professional investors” as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; 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 SFO and any rules made under the SFO.

Japan

The Notes have not been and will not be registered for a public offering in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “**Financial Instruments and Exchange Act**”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell the Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) 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 relevant laws and regulations of Japan.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, 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

- (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA,
- (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275, of the SFA, and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018; or
- (c) 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:

- (a) a corporation (which is not an accredited investor (as defined in 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
- (b) 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,

the securities or securities-based derivatives contracts (each as defined in Section 2(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:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA; or
- (2) where no consideration is or will be given for the transfer; or
- (3) where the transfer is by operation of law; or
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Indonesia

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that the Notes do not constitute and shall not be deemed 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, and each further Dealer appointed under the Programme will be required to represent and agree that, in any offering of Notes, the Dealers in aggregate will not, directly or indirectly, expressly or implicitly:

- (iii) deliver this Offering Circular or offer Notes to more than 100, or sell Notes to more than 50, persons in Indonesia and/or citizens of Indonesia (wherever they are domiciled or located); or
- (iv) 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 (wherever they are domiciled or located).

Taiwan

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes may be made available outside Taiwan for purchase outside Taiwan by investors resident or domiciled in Taiwan but are not permitted to be offered or sold in Taiwan. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no person or entity in Taiwan has been authorised to offer or sell the Notes in Taiwan.

Australia

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the "**Australian Corporations Act**") in relation to the

Programme or any Notes has been or will be lodged with the Australian Securities and Investments Commission (“**ASIC**”) or the securities exchange operated by ASX Limited (ABN 98 008 624 691) (“**ASX Limited**”). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it:

- (a) has not offered, and will not offer for issue or sale and has not invited, and will not invite applications, for issue, or offers to purchase, the Notes in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any draft, preliminary or definitive information memorandum, advertisement or other offering material relating to the Notes in Australia,

unless:

- (i) the aggregate consideration payable by each offeree or invitee is at least AUD 500,000 (or its equivalent in other currencies, but disregarding monies lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to the investors in accordance with Part 6D.2 or Chapter 7 of the Australian Corporations Act;
- (ii) the offer does not constitute an offer to a “retail client” for the purposes of Section 761G of the Australian Corporations Act;
- (iii) such action complies with all applicable laws, regulations and directives; and
- (iv) such action does not require any document to be lodged with ASIC or ASX Limited.

In addition, in the event that the Australia branch of DBS Bank (the “**Australian Issuer**”) issues the Notes (the “**Australian Notes**”), each Dealer has represented, warranted and agreed that it will:

- (a) use reasonable endeavours to assist the Australian Issuer in ensuring that the Australian Notes are offered for sale in a manner which will allow payments of interest (as defined in Section 128A(1AB) of the Australian Tax Act) on the Australian Notes to be exempt from withholding tax under Section 128F of the Australian Tax Act and, in particular, will, within 30 days of any Australian Note being issued to it, offer that Australian Note:
 - (i) to at least 10 persons, each of whom the employees of the Dealer involved in the sale do not know or suspect to be an “associate” (as defined in Section 128F(9) of the Australian Tax Act) of any of the other offerees, and each of whom carries on a business of providing finance, or investing or dealing in securities in the course of operating in financial markets; or
 - (ii) as a result of negotiations being initiated publicly in electronic form, or another form, that is used in financial markets for dealing in debentures which are similar to the Australian Notes;
- (b) provide such information:
 - (i) which is specified in any additional documentation negotiated and agreed in relation to a specific issue of the Australian Notes; or
 - (ii) which each Dealer is reasonably able to provide to enable the Australian Issuer to demonstrate the manner in which the Australian Notes were issued; and
- (c) otherwise provide, so far as it is reasonably able to do so, any other information relating to the issuance and distribution of the Australian Notes as may reasonably be required by the Australian Issuer in order to establish that payments of interest are exempt from withholding tax under Section 128F of the Australian Tax Act,

provided that in no circumstances shall each Dealer be obligated to disclose:

- (a) the identity of any offeree or purchaser of any Australian Note or any information from which such identity would be capable of being ascertained, or
- (b) any information, the disclosure of which would be contrary to, or prohibited by, any relevant law, regulation or directive or confidentiality agreement or undertaking binding on each Dealer.

In addition, each Dealer has agreed that, in connection with the primary distribution of the Australian Notes, it will not sell the Australian Notes to any person if, at the time of such sale, the employees of the Dealer involved in the sale knew or had reasonable grounds to suspect that, as a result of such sale, any Australian Note or an interest in any Australian Note was being, or would later be, acquired (directly or indirectly) by an Offshore Associate of the Australian Issuer (other than an Offshore Associate acting in the capacity of a dealer, manager or underwriter in relation to the placement of those Australian Notes or a clearing house, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Australian Corporations Act). For the avoidance of doubt, if any employee of each Dealer making the offer, effecting the sale or otherwise directly involved in the sale of the Australian Notes, does not know, or does not have reasonable grounds to suspect, that a person is an Offshore Associate of the Australian Issuer, nothing in this paragraph obliges each Dealer to make positive enquiries of that person to confirm that person is not an Offshore Associate of the Australian Issuer.

“**Offshore Associate**” means an “associate” (as defined in Section 128F(9) of the Australian Tax Act) that is either:

- (a) a non-resident of Australia that does not acquire the Australian Notes in carrying on a business at or through a permanent establishment in Australia; or
- (b) a resident of Australia that acquires the Australian Notes in carrying on a business at or through a permanent establishment outside Australia.

United Arab Emirates (excluding DIFC)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

DIFC

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to be issued under the Programme to any person in the DIFC unless such offer is:

- (a) an “Exempt Offer” in accordance with the Markets Rules (MKT Module) of the Dubai Financial Services Authority (the “**DFSA**”) rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business module of the DFSA rulebook.

Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the Offering Circular (including any amendment or supplement thereto) contains a misrepresentation, *provided that* the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal adviser.

General

These selling restrictions may be supplemented or modified by the agreement of the Issuers and any Dealers, following a change in a relevant 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.

No representation is made that any action has been or will be taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Offering Circular or any other offering material or any supplemental Offering Circular or Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge and belief, comply with all relevant securities laws, regulations and directives 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 Issuers nor any other Dealer shall have responsibility therefor.

None of the Issuers nor 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.

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 Issuers in such jurisdiction.

**FORM OF PRICING SUPPLEMENT RELATING TO NOTES OTHER THAN PERPETUAL
CAPITAL SECURITIES**

Pricing Supplement dated [●]

[DBS BANK LTD.

[(acting through its [registered office in Singapore/[●] branch]]]

[DBS GROUP HOLDINGS LTD]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the USD 30,000,000,000 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 (as defined below) set forth in the Offering Circular dated on or about 9 March 2022 [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]. [This Pricing Supplement, together with the information set out in Schedule [●] to this Pricing Supplement, supplements the Offering Circular and supersedes the information in the Offering Circular to the extent inconsistent with the information included therein.]

[The Notes have not been registered under the Securities Act, or under the securities laws of any state or other jurisdiction of the United States. The Notes may not be offered, sold, pledged or otherwise transferred within the United States to, or for the account or benefit of, any U.S. person (as defined in Regulation S) unless the offer or sale would qualify for a registration exemption from, or would not be subject to the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Notes are being offered and sold only [(1) to qualified institutional buyers (as defined in Rule 144A under the Securities Act) and (2)] outside the United States to non-U.S. persons as defined in, and in compliance with, Regulation S. See “Subscription and Sale” and “Transfer Restrictions” in the Offering Circular for information about eligible offerees and transfer restrictions.]

[The following language applies if any tranche of the Notes is intended to be “qualifying debt securities” (as defined in the Income Tax Act 1947 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 1947 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.]

[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 Note Conditions (the “**Conditions**”) set forth in the Offering Circular dated on or about [●]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated on or about [●] [and the supplemental Offering Circular dated [●]], save in respect of the Conditions which are extracted from the Offering Circular dated on or about [●] and are attached hereto.]

[Insert the following language for an issue of AMTNs:

The Notes will be constituted by a deed poll ("**Note (AMTN) Deed Poll**") dated 14 April 2016 executed by DBS Bank and will be issued in certificated registered form by inscription on a register. The Notes are "AMTNs" for the purposes of the Offering Circular dated 9 March 2022 and the relevant Conditions.

Notes will be offered in Australia only in the wholesale capital markets and on the basis that no disclosure to investors is required under Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia.]

[Pursuant to the Monetary Authority of Singapore Act 1970 of Singapore (the "**MAS Act**") and the Monetary Authority of Singapore (Resolution of Financial Institutions) Regulations 2018 (the "**MAS Regulations**"), Subordinated Notes and Perpetual Capital Securities would be eligible instruments (as defined in the MAS Regulations). Accordingly, should a Bail-in Certificate (as defined in the MAS Act) be issued, Subordinated Notes and Perpetual Capital Securities may be subject to cancellation, modification, conversion and/or change in form, as set out in such Bail-in Certificate.]¹

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 subparagraphs. Italics denote directions for completing the Pricing Supplement.

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in the UK MiFIR; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required

¹ To be included on the cover page of the Pricing Supplement when Subordinated Notes are issued.

by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement IDD, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE NOTIFICATION - The Notes are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

- | | | |
|---|---|---|
| 1 | Issuer: | [DBS Bank Ltd. [(acting through its [registered office in Singapore/[●] branch)]]/
[DBS Group Holdings Ltd] |
| 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) Estimated Net Proceeds: | [[●] (Required only for 144A issues)] |
| 6 | (i) Specified Denominations: | [●]

<i>If the Specified Denomination is expressed to be EUR 100,000 or its equivalent and multiples of a lower nominal amount (for example EUR 1,000), insert the following:</i> |

“EUR 100,000 and integral multiples of [EUR 1,000] in excess thereof up to and including [EUR 199,000]. No Notes in definitive form will be issued with a denomination above [EUR 199,000]”.

Notes (including Notes denominated in pounds sterling) in respect of which the issue proceeds are to be accepted by the issuer in the UK or whose issue otherwise constitutes a contravention of Section 19 of the FSMA and which have a maturity of less than one year must have a minimum redemption value of GBP 100,000 (or its equivalent in other currencies).

- (ii) Calculation Amount: [●], subject to adjustment following the occurrence of a Trigger Event or the issue of a Bail-in Certificate]¹
- 7 (i) Trade Date: [●]
- 8 (ii) Issue Date: [●]
- (iii) Interest Commencement Date: [Specify/Issue Date/Not Applicable]
- 9 Maturity Date: [specify date or (for Floating Rate Notes) Interest Payment Date falling on or nearest to the relevant month and year/None]
- Note that for Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to specify the Interest Payment Date falling in or nearest to the relevant month and year.
- 10 Interest Basis: [[●]% Fixed Rate [from [●] to [●]]]
[[specify reference rate] +/- [●]% Floating Rate]
[from [●] to [●]]
[Zero Coupon]
[Other (specify)]
(further particulars specified below)
- 11 Redemption/Payment Basis: [Redemption at par]
[Partly-Paid]
[Instalment]
[Other (specify)]
- 12 Change of Interest or Redemption: [Specify details of any Payment Basis: provision for convertibility of Notes into another interest or redemption/payment basis]
- 13 Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
- 14 Status of the Notes: [Senior/Subordinated]

¹ Only relevant for Subordinated Notes

- 15 Listing: [SGX-ST/(specify)/None]
 16 Method of Distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 17 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 17)
- (i) Rate(s) of Interest: [●]% per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Period: [Each period from and including the [Issue Date]/[Interest Payment Date falling on [●]] to (but excluding) the [subsequent Interest Payment Date falling on [●]/[Maturity Date]], except that the first Interest Period will commence on (and include) the [Issue Date]/[the Interest Payment Date falling on [●]] and the final Interest Period shall end (but exclude) the [Interest Payment Date falling on [●]]/[Maturity Date].]
- (iii) Interest Payment Date(s): [●] in each [month]/[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 Financial Centre(s) for the definition of "Business Day"]/not adjusted]
- (iv) Business Day Convention: [Not Applicable/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)/not adjusted]
- (v) Fixed Coupon Amount[(s)]: [●] per Calculation Amount[, subject to adjustment following the occurrence of a Trigger Event or the issue of a Bail-in Certificate]¹
For Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification, the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure, in the case of Renminbi denominated Fixed Rate Notes, to the nearest CNY 0.01, CNY 0.005 being rounded upwards or, in the case of Hong Kong dollar denominated Fixed Rate Notes, to the nearest HKD 0.01, HKD 0.005 being rounded upwards."

¹ Only relevant for Subordinated Notes.

- (vi) Broken Amount(s): [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph 17.)
 [[●] per Calculation Amount, subject to adjustment following the occurrence of a Trigger Event or the issue of a Bail-in Certificate, payable on the Interest Payment Date falling [in/on] [●]]
- (vii) Day Count Fraction: [30/360/Actual/Actual (ICMA/ISDA)/other]
- (viii) Determination Dates: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph 17.)
 [[●] 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))]
- (ix) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
- 18 Floating Rate Note Provisions: [Applicable/Not Applicable/Applicable from and including the [Issue Date/Interest Payment Date falling on or nearest to [●]] to but excluding the [Interest Payment Date falling on or nearest to [●]/Maturity Date]]
(If not applicable, delete the remaining subparagraphs of this paragraph 18.)
- (i) Interest Period(s): [Each period from and including the [Issue Date]/[Interest Payment Date falling on or nearest to [●]] to (but excluding) the [subsequent Interest Payment Date falling on [●]/[Maturity Date]], except that the first Interest Period will commence on (and include) the [Issue Date]/[the Interest Payment Date falling on [●]] and the final Interest Period shall end (but exclude) the [Interest Payment Date falling on or nearest to [●]]/[Maturity Date].]
- (ii) Interest Payment Date(s): [●] in each [month]/[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 Financial Centre(s) for the definition of "Business Day"]/not adjusted]
- (iii) Interest Period End Date (if not the Interest Payment Date): [●]
(Not applicable unless different from Interest Payment Date, and will be applicable in the case of SORA Payment Delay or SOFR Payment Delay)

- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)/not adjusted]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Calculation Agent]): [●]
- (vii) Screen Rate Determination:
- Reference Bank: [●]
 - Reference Rate: [EURIBOR/HIBOR/ BBSW/SONIA Benchmark/SOFR Benchmark/SORA Benchmark /Other (give details)]
 - Interest Determination Date(s): [●]
 - Relevant Screen Page: [●]
 - Party responsible for calculation of Rate of Interest: [●] (*Specify where this is not the Calculation Agent*)
 - SONIA: [Applicable/Not Applicable]
 - SONIA Benchmark: [Compounded Daily SONIA/SONIA Index Average]
 - SONIA Observation Method: [Not Applicable/SONIA Observation Lag/SONIA Observation Shift] (*Only applicable where the Reference Rate is Compounded Daily SONIA*)
 - SONIA Observation Period: [Not Applicable/[●] London Business Days]
 - SONIA Compounded Index_{START}: [Not Applicable/[●] London Business Day(s)] (*Only applicable in the case of SONIA Index Average*)
 - SONIA Compounded Index_{End}: [Not Applicable/[●] London Business Day(s)] (*Only applicable in the case of SONIA Index Average*)
 - SOFR: [Applicable/Not Applicable]
 - SOFR Benchmark: [Compounded Daily SOFR/SOFR Index Average]
 - Calculation method for Compounded Daily SOFR: [Not Applicable/SOFR Observation Lag/SOFR Observation Shift/SOFR Payment Delay] (*Only applicable where the Reference Rate is Compounded Daily SOFR*)
 - SOFR [Lookback Days]/[Observation Shift Days]/[Interest Payment Delay]: [Not Applicable/[●] U.S. Government Securities Business Day(s)] (*Only applicable where the Reference Rate is Compounded Daily SOFR*)

- SOFR Rate Cut-Off Date: [Not Applicable/The day that is the U.S. Government Securities Business Day prior to the Interest Payment Date in relation to the relevant Interest Accrual Period]
(Only applicable in the case of SOFR Payment Delay)
- SOFR Index_{Start}: [Not Applicable/ U.S. Government Securities Business Day(s)]
(Only applicable in the case of SOFR Index Average)
- SOFR Index_{End}: [Not Applicable/ U.S. Government Securities Business Day(s)]
(Only applicable in the case of SOFR Index Average)
- SORA: [Applicable/Not Applicable]
 - SORA Benchmark: [Compounded Daily SORA/SORA Index Average]
(Only applicable where the Reference Rate is SORA)
 - Calculation method for Compounded Daily SORA: [Not Applicable/SORA Lookback/SORA Backward Shifted Observation Period/SORA Payment Delay]
(Only applicable where the Reference Rate is Compounded Daily SORA)
 - SORA [Observation Period]/[Interest Payment Delay]: [Not Applicable/ Singapore Business Day(s)]
(Only applicable where the Reference Rate is Compounded Daily SORA)
 - SORA Rate Cut-Off Date: [Not Applicable/The day that is Singapore Business Day(s) prior to the Interest Payment Date in relation to the relevant Interest Accrual Period]
(Only applicable in the case of SORA Payment Delay)
 - SORA Index_{Start}: [Not Applicable/ Singapore Business Day(s)]
(Only applicable in the case of SORA Index Average)
 - SORA Index_{End}: [Not Applicable/ Singapore Business Day(s)]
(Only applicable in the case of SORA Index Average)
- (viii) ISDA Determination:
 - Floating Rate Option:
 - Designated Maturity:
 - Reset Date:
- (ix) Margin(s): % per annum
- (x) Minimum Rate of Interest: % per annum
- (xi) Maximum Rate of Interest: % per annum
- (xii) Day Count Fraction:

	(xiii) 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:	[●]
	(xiv) Fall back provisions	[Benchmark Discontinuation (General) (Condition 4(i)(i))/Benchmark Discontinuation (SOFR) (Condition 4(i)(iii))/Benchmark Discontinuation (SORA) (Condition 4(i)(v))/specify other if different from those set out in the Conditions] [To specify additional provisions for BBSW (if any)]
19	Zero Coupon Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph 19)</i>
	(i) Amortisation Yield:	[●]% per annum
	(ii) Any other formula/basis of determining amount payable:	[●]
	PROVISIONS RELATING TO REDEMPTION	
20	Call Option:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph 20)</i>
	(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[, subject to adjustment following the occurrence of a Trigger Event or the issue of a Bail-in Certificate]
	(iii) If redeemable in part:	
	– Minimum Redemption Amount:	[●] per Calculation Amount
	– Maximum Redemption Amount:	[●] per Calculation Amount
	(iv) Notice period:	[●]
21	Put Option:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph 21)</i>
	(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:	[●]
22	Variation instead of Redemption (Condition 5(g)):	[Applicable/Not Applicable] <i>(Only relevant for Subordinated Notes)</i>
23	Final Redemption Amount of each Note:	[●] per Calculation Amount[, subject to adjustment following the occurrence of a Trigger Event or the issue of a Bail-in Certificate]

- 24 Early Redemption Amount: [●], subject to adjustment following the occurrence of a Trigger Event or the issue of a Bail-in Certificate]
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons, on redemption for Change of Qualification Event 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):

PROVISIONS RELATING TO LOSS ABSORPTION

- 25 Loss Absorption Option: [Write-off Applicable/Not Applicable]
 [DBS Bank Write-off on a Trigger Event (Condition 6(a))]/[DBSH Write-off on a Trigger Event (Condition 6(b))]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 26 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 above includes language substantially to the following effect: "EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 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 (USD/EUR [●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream]]
 [Rule 144A Global Note (USD [●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream]]
[Registered Notes]:
[If the Notes are AMTNs insert the following:

- The Notes are AMTNs as referred to in the Offering Circular and will be issued in registered certificated form, constituted by the Note (AMTN) Deed Poll and take the form of entries on a register to be maintained by the Australian Agent (as defined below). Copies of the Note (AMTN) Deed Poll are available from the Australian Agent at its principal office in Sydney.]*
- 27 Financial Centre(s) or other special provisions relating to Payment Dates: Not Applicable/give details. *Note that this paragraph 27 relates to the date and place of payment (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)*
- 28 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Applicable/Not Applicable. *If Applicable, give details*]
- 29 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: [Applicable/Not Applicable. *If Applicable, give details*]
- 30 Details relating to Instalment Notes: amount of each instalment (Instalment Amount), date on which each payment is to be made (Instalment Date): [Applicable/Not Applicable. *If Applicable, give details*]
- 31 Other terms or special conditions: [Applicable/Not Applicable. *If Applicable, give details, including if any conversion loss absorption option to be set out in Appendix to Pricing Supplement*]

DISTRIBUTION

- 32 (i) If syndicated, names of Managers: [Not Applicable/give names]
[The Issuer or any of its broker-dealers or other affiliates may engage in market-making transactions involving the Notes after their initial sale as permitted by applicable law, but none of the Issuer, any of its broker-dealer or its affiliates is obligated to do so or to make a market for the Notes]
- (ii) Stabilisation Coordinator (if any): [Not Applicable/give name]
- 33 If non-syndicated, name of Dealer: [Not Applicable/give name]
[The Issuer or any of its broker-dealers or other affiliates may engage in market-making transactions involving the Notes after their initial sale as permitted

		by applicable law, but none of the Issuer, any of its broker-dealer or its affiliates is obligated to do so or to make a market for the Notes]
34	Whether TEFRA D or TEFRA C was applicable or TEFRA rules not applicable:	[TEFRA D/TEFRA C/TEFRA Not Applicable] <i>(TEFRA not applicable for Bearer Notes with a maturity of one year or less or Registered Notes)</i> <i>(Where TEFRA D is applicable, a Bearer Note must be issued in the form of a Temporary Note exchangeable upon a U.S. tax certification for a Permanent Global Note or a Definitive Note)</i>
35	Additional selling restrictions:	[Not Applicable/give details]
	OPERATIONAL INFORMATION	
36	ISIN Code:	[•]
37	Common Code:	[•]
38	CUSIP:	[•]
39	CMU Instrument Number:	[•]
40	Legal Entity Identifier (LEI):	[ATUEL7OJR5057F2PV266 <i>(in the case of DBS Bank Ltd., acting through its registered office in Singapore)</i>]/ [5493007FKT78NKPM5V55 <i>(in the case of DBSH)</i>]/[•]
41	Any clearing system(s) other than The Central Depository (Pte) Limited, The CMU Service, Euroclear Bank SA/NV and Clearstream Banking S.A., The Depository Trust Company and/or Austraclear Ltd and the relevant identification number(s):	[Not Applicable/give name(s) and number(s)]
42	Delivery:	Delivery [against/free of] payment
43	Additional Paying Agent(s) (if any):	[•] <i>If the Notes are AMTNs insert the following: BTA Institutional Services Australia Limited (ABN 48 002 916 396) has been appointed under the Agency and Registry Services Agreement dated 14 April 2016 as issuing and paying agent and registrar (the “Australian Agent”) in respect of the Notes. The Australian Agent’s address is Level 2, 1 Bligh Street, Sydney NSW 2000, Australia.</i>
	GENERAL	
44	Applicable Governing Document:	[Amended and Restated Trust Deed dated on or about 9 March 2022] [Singapore Supplemental Trust Deed dated on or about 9 March 2022]
45	Governing Law:	[English law/Laws of New South Wales, Australia] [save that Condition 6(c) and 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]

[It is expected that delivery of Notes will be made against payment therefor on the Issue Date, which will 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 two business days (T+2), 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+2, 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 Issue Date should consult their own adviser.]

[PURPOSE OF THE PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue [if listed], and admission to trading on the Singapore Exchange Securities Trading Limited] of the Notes described herein pursuant to the USD 30,000,000,000 Global Medium Term Note Programme of DBS Bank Ltd. and DBS Group Holdings Ltd]

RESPONSIBILITY

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

Signed on behalf of [DBS Bank Ltd. acting through its [registered office in Singapore/[●] branch]]/[DBS Group Holdings Ltd]:

By:

Duly authorised

FORM OF PRICING SUPPLEMENT RELATING TO PERPETUAL CAPITAL SECURITIES

Pricing Supplement dated [●]

[DBS BANK LTD.]

[DBS GROUP HOLDINGS LTD]

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Perpetual Capital Securities]
under the USD 30,000,000,000 Global Medium Term Note Programme**

This document constitutes the Pricing Supplement relating to the issue of Perpetual Capital Securities described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Perpetual Capital Securities Conditions (the “**Conditions**”) set forth in the Offering Circular dated on or about 9 March 2022 [and the supplemental Offering Circular dated [●]]. This Pricing Supplement contains the final terms of the Perpetual Capital Securities and must be read in conjunction with such Offering Circular [as so supplemented]. [This Pricing Supplement, together with the information set out in Schedule [●] to this Pricing Supplement, supplements the Offering Circular and supersedes the information in the Offering Circular to the extent inconsistent with the information included therein.]

[The Perpetual Capital Securities have not been registered under the Securities Act, or under the securities laws of any state or other jurisdiction of the United States. The Perpetual Capital Securities may not be offered, sold, pledged or otherwise transferred within the United States to, or for the account or benefit of, any U.S. person (as defined in Regulation S) unless the offer or sale would qualify for a registration exemption from, or would not be subject to the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Perpetual Capital Securities are being offered and sold only [(1) to qualified institutional buyers (as defined in Rule 144A under the Securities Act) and (2)] outside the United States to non-U.S. persons as defined in, and in compliance with, Regulation S. See “*Subscription and Sale*” and “*Transfer Restrictions*” in the Offering Circular for information about eligible offerees and transfer restrictions.]

[The following language applies if any tranche of the Perpetual Capital Securities is intended to be “qualifying debt securities” (as defined in the Income Tax Act 1947 of Singapore):

Where interest, distribution, discount income, prepayment fee, redemption premium or break cost is derived from any of the Perpetual Capital Securities 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 1947 of Singapore (the “**Income Tax Act**”), shall not apply if such person acquires such Perpetual Capital Securities using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, distribution, discount income, prepayment fee, redemption premium or break cost derived from the Perpetual Capital Securities 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.]

[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 Perpetual Capital Securities Conditions (the “**Conditions**”) set forth in the Offering Circular dated on or about [●]. This Pricing Supplement contains the final terms of the Perpetual Capital Securities and must be read in conjunction with the Offering Circular dated on or about [●] [and the supplemental Offering Circular dated [●]], save in

respect of the Conditions which are extracted from the Offering Circular dated on or about [●] and are attached hereto.]

[Pursuant to the Monetary Authority of Singapore Act 1970 of Singapore (the “**MAS Act**”) and the Monetary Authority of Singapore (Resolution of Financial Institutions) Regulations 2018 (the “**MAS Regulations**”), Subordinated Notes and Perpetual Capital Securities would be eligible instruments (as defined in the MAS Regulations). Accordingly, should a Bail-in Certificate (as defined in the MAS Act) be issued, Subordinated Notes and Perpetual Capital Securities may be subject to cancellation, modification, conversion and/or change in form, as set out in such Bail-in Certificate.]¹

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 subparagraphs. Italics denote directions for completing the Pricing Supplement.

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Perpetual Capital Securities has led to the conclusion that: (i) the target market for the Perpetual Capital Securities is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Perpetual Capital Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Perpetual Capital Securities (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Perpetual Capital Securities (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Perpetual Capital Securities has led to the conclusion that: (i) the target market for the Perpetual Capital Securities is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in the UK MiFIR; and (ii) all channels for distribution of the Perpetual Capital Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Perpetual Capital Securities (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Perpetual Capital Securities (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

PRIIPs REGULATION - PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Perpetual Capital Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Perpetual Capital Securities or otherwise making them available to retail investors

¹ To be included on the cover page of the Pricing Supplement when Perpetual Capital Securities are issued.

in the EEA has been prepared and therefore offering or selling the Perpetual Capital Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Perpetual Capital Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement IDD, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Perpetual Capital Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Perpetual Capital Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE NOTIFICATION - The Perpetual Capital Securities are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]¹

- | | | |
|---|--|--|
| 1 | Issuer: | [DBS Bank Ltd.]
[DBS Group Holdings Ltd] |
| 2 | (i) Series Number: | [•] |
| | (ii) Tranche Number: | [•] |
| | [(If fungible with an existing Series, details of that Series, including the date on which the Perpetual Capital Securities 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 Distributions from [insert date] (in the case of fungible issues only, if applicable)] |
| | (ii) Estimated Net Proceeds: | [[•] (Required only for listed issues)] |
| 6 | (i) Specified Denominations: | [•] |
| | | <i>If the Specified Denomination is expressed to be EUR 100,000 or its equivalent and multiples of a lower nominal amount (for example EUR 1,000), insert the following:</i> |

¹ To be amended if Perpetual Capital Securities are not “prescribed capital markets products”.

“EUR 100,000 and integral multiples of [EUR 1,000] in excess thereof up to and including [EUR 199,000]. No Perpetual Capital Securities in definitive form will be issued with a denomination above [EUR 199,000]”.

Perpetual Capital Securities (including Perpetual Capital Securities denominated in pounds sterling) in respect of which the issue proceeds are to be accepted by the issuer in the UK or whose issue otherwise constitutes a contravention of Section 19 of the FSMA and which have a maturity of less than one year must have a minimum redemption value of GBP 100,000 (or its equivalent in other currencies).

- (ii) Calculation Amount: [●], subject to adjustment following the occurrence of a Trigger Event or the issue of a Bail-in Certificate
- 7 (i) Trade Date: [●]
- 8 (ii) Issue Date: [●]
- (iii) Distribution Commencement Date: [Specify/Issue date/Not Applicable]
- 9 Distribution
- (i) Distribution Basis: [[●]% Fixed Rate [from [●] to [●]]]
[[specify reference rate] +/- [●]% Floating Rate] [from [●] to [●]]
[Other (specify)]
(further particulars specified below)
- (ii) Distribution Stopper (Condition 5(e)): [Applicable/Not Applicable]
- 10 Redemption/Payment Basis: [Redemption at par]
[Other (specify)]
- 11 Change of Distribution or Redemption: [Specify details of any Payment Basis: provision for convertibility of Perpetual Capital Securities into another Distribution or redemption/payment basis]
- 12 Call Options: [Issuer Call]
[(further particulars specified below)]
- 13 Listing: [SGX-ST/(specify)/None]
- 14 Method of Distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO DISTRIBUTION PAYABLE

- 15 Fixed Rate Perpetual Capital Security Provisions: [Applicable/Not Applicable/Applicable from and including the [Issue Date/Distribution Payment Date falling on [●]] to but excluding the [Distribution Payment Date falling on [●]]
(If not applicable, delete the remaining sub-paragraphs of this paragraph 15)
- (i) Rate(s) of Distribution:
- (a) Initial Distribution Rate: [●]% per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (b) Reset: [Applicable/Not Applicable]

- (A) First Reset Date: [●]
- (B) Reset Date[s]: The First Reset Date and each date falling every [●] after the First Reset Date
- (C) Relevant Rate: [●]
- (D) Initial Spread: [●]
- (ii) Distribution Period: [Each period from and including the [Issue Date]/ [Distribution Payment Date falling on [●]] to (but excluding) the [subsequent Distribution Payment Date falling on [●]], except that the first Distribution Period will commence on (and include) the [Issue Date]/ [Distribution Payment Date falling on [●]] and the final Distribution Period shall end (but exclude) the [Distribution Payment Date falling on [●]].]
- (iii) Distribution Date(s): Payment [●] in each year [commencing on the [Issue Date/Distribution Payment Date falling on [●]] and ending on the [Distribution Payment Date falling on [●]]] [adjusted in accordance with [specify Business Day Convention and any applicable Financial Centre(s) (which are set out in paragraph 23 below) for the definition of “Business Day”]/not adjusted]
- (iv) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (v) Fixed Distribution Amount[(s)]: [From (and including) the Distribution Commencement Date to (but excluding) the First Reset Date, [●] per Calculation Amount, subject to adjustment following the occurrence of a [DBSH]/[DBS Bank] Trigger Event or the issue of a Bail-in Certificate
From (and including) the First Reset Date, the respective amounts to be determined pursuant to paragraph 15(i)(b) above, subject to adjustment following the occurrence of a [DBSH]/[DBS Bank] Trigger Event] or the issue of a Bail-in Certificate
For Renminbi or Hong Kong dollar denominated Fixed Rate Perpetual Capital Securities where the Distribution Payment Dates are subject to modification, the following alternative wording is appropriate: “Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Distribution and the Calculation Amount by the Day Count Fraction and rounding the resultant figure, in the case of Renminbi denominated Fixed Rate Perpetual Capital Securities, to the nearest CNY 0.01, CNY 0.005 being rounded upwards or, in the case of Hong Kong dollar denominated Fixed Rate Perpetual Capital Securities, to the nearest HKD 0.01, HKD 0.005 being rounded upwards.”
- (vi) Broken Amount(s): [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph 15.)

- [[•]] per Calculation Amount, subject to adjustment following the occurrence of a Trigger Event or the issue of a Bail-in Certificate, payable on the Distribution Payment Date falling [in/on] [•]]
- (vii) Day Count Fraction: [30/360/Actual/Actual (ICMA/ISDA)/other]
- (viii) Determination Dates: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph 15.)
 [[•]] in each year (insert regular Distribution 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))
- (ix) Other terms relating to the method of calculating Distribution for Fixed Rate Perpetual Capital Securities: [Not Applicable/give details]
- 16 Floating Rate Perpetual Capital Security Provisions: [Applicable/Not Applicable/Applicable from and including the [Issue Date/Distribution Payment Date falling on [•]] to but excluding the [Distribution Payment Date falling on or nearest to [•]]]
(If not applicable, delete the remaining sub-paragraphs of this paragraph 16.)
- (i) Distribution Period(s): [Each period from and including the [Issue Date]/[Distribution Payment Date falling on [•]] to (but excluding) the [subsequent Distribution Payment Date falling on [•]], except that the first Distribution Period will commence on (and include) the [Issue Date]/[the Distribution Payment Date falling on [•]] and the final Distribution Period shall end (but exclude) the [Distribution Payment Date falling on or nearest to [•]].]
- (ii) Distribution Payment Date(s): [•] in each year [commencing on the [Issue Date/Distribution Payment Date falling on or nearest to [•]] and ending on the [Distribution Payment Date falling on or nearest to [•]] [adjusted in accordance with [specify Business Day Convention and any applicable Financial Centre(s) (which are set out in paragraph 23 below) for the definition of "Business Day"]/not adjusted]
- (iii) Distribution Period End Date (if not the Distribution Payment Date): [•]
(Not applicable unless different from Distribution Payment Date, and will be applicable in the case of SORA Payment Delay or SOFR Payment Delay)
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)/not adjusted]
- (v) Manner in which the Rate(s) of Distribution is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]

- (vi) Party responsible for calculating the Rate(s) of Distribution and Distribution Amount(s) (if not the [Calculation Agent]): [●]
- (vii) Screen Rate Determination:
- Reference Bank: [●]
 - Reference Rate: [EURIBOR/HIBOR/BBSW/ SONIA Benchmark/SOFR Benchmark/SORA Benchmark/Other (give details)]
 - Distribution Determination Date(s): [●]
 - Relevant Screen Page: [●]
 - Party responsible for calculation of Rate of Distribution: [●] (*Specify where this is not the Calculation Agent*)
 - SONIA: [Applicable/Not Applicable]
 - SONIA Benchmark: [Compounded Daily SONIA/SONIA Index Average]
 - SONIA Observation Method: [Not Applicable/SONIA Observation Lag/SONIA Observation Shift] (*Only applicable where the Reference Rate is Compounded Daily SONIA*)
 - SONIA Observation Period: [Not Applicable/[●] London Business Days]
 - SONIA Compounded Index_{Start}: [Not Applicable/[●] London Business Day(s)] (*Only applicable in the case of SONIA Index Average*)
 - SONIA Compounded Index_{End}: [Not Applicable/[●] London Business Day(s)] (*Only applicable in the case of SONIA Index Average*)
 - SOFR: [Applicable/Not Applicable]
 - SOFR Benchmark: [Compounded Daily SOFR/SOFR Index Average]
 - Calculation method for Compounded Daily SOFR: [Not Applicable/SOFR Observation Lag/SOFR Observation Shift/SOFR Payment Delay] (*Only applicable where the Reference Rate is Compounded Daily SOFR*)
 - SOFR [Lookback Days]/[Observation Shift Days]/[Interest Payment Delay]: [Not Applicable/[●] U.S. Government Securities Business Day(s)] (*Only applicable where the Reference Rate is Compounded Daily SOFR*)
 - SOFR Rate Cut-Off Date: [Not Applicable/The day that is the [[●]] U.S. Government Securities Business Day prior to the Distribution Payment Date in relation to the relevant Distribution Accrual Period] (*Only applicable in the case of SOFR Payment Delay*)

- SOFR Index_{Start}: [Not Applicable/[●] U.S. Government Securities Business Day(s)]
(Only applicable in the case of SOFR Index Average)
- SOFR Index_{End}: [Not Applicable/[●] U.S. Government Securities Business Day(s)]
(Only applicable in the case of SOFR Index Average)
- SORA: [Applicable/Not Applicable]
 - SORA Benchmark: [Compounded Daily SORA/SORA Index Average]
 - Calculation method for Compounded Daily SORA: [Not Applicable/SORA Lookback/SORA Backward Shifted Observation Period/SORA Payment Delay] (Only applicable where the Reference Rate is Compounded Daily SORA)
 - SORA [Observation Period]/[Distribution Payment Delay]: [Not Applicable/[●] Singapore Business Day(s)]
(Only applicable where the Reference Rate is Compounded Daily SORA)
 - SORA Rate Cut-Off Date: [Not Applicable/The day that is [●] Singapore Business Day(s) prior to the Distribution Payment Date in relation to the relevant Distribution Accrual Period] (Only applicable in the case of SORA Payment Delay)
 - SORA Index_{START}: [Not Applicable/[●] Singapore Business Day(s)] (Only applicable in the case of SORA Index Average)
 - SORA Index_{END}: [Not Applicable/[●] Singapore Business Day(s)] (Only applicable in the case of SORA Index Average)

(viii) ISDA Determination:

- Floating Rate Option: [●]
- Designated Maturity: [●]
- Reset Date: [●]

(ix) Margin(s): [+/-][●]% per annum¹

(x) Minimum Rate of Distribution: [●]% per annum

(xi) Maximum Rate of Distribution: [●]% per annum

(xii) Day Count Fraction: [●]

(xiii) Rounding provisions, denominator and any other terms relating to the method of calculating Distribution on Floating Rate Perpetual Capital Securities, if different from those set out in the Conditions: [●]

¹ Where there are different margins for different Distribution Accrual Periods, no step-up in the Rate of Distribution shall be permitted.

- (xiv) Fall back provisions [Benchmark Discontinuation (General) (Condition 4(i)(i))/ Benchmark Discontinuation (SOFR) (Condition 4(i)(iii))/ Benchmark Discontinuation (SORA) (Condition 4(i)(v))/*specify other if different from those set out in the Conditions*] [To specify additional provisions for BBSW (if any)]

PROVISIONS RELATING TO REDEMPTION

- 17 Call Option: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph 17)
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Perpetual Capital Security and specified denomination method, if any, of calculation of such amount(s): [●] per Calculation Amount, subject to adjustment following the occurrence of a Trigger Event or the issue of a Bail-in Certificate
- (iii) If redeemable in part:
- Minimum Redemption Amount: [●] per Calculation Amount
 - Maximum Redemption Amount: [●] per Calculation Amount
- (iv) Notice period: [●]
- 18 Variation instead of Redemption (Condition 6(f)): [Applicable/Not Applicable]
- 19 Final Redemption Amount of each Perpetual Capital Security: [●] per Calculation Amount, subject to adjustment following the occurrence of a Trigger Event or the issue of a Bail-in Certificate
- 20 Early Redemption Amount:
Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons, on redemption for Change of Qualification Event 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): [●], subject to adjustment following the occurrence of a Trigger Event or the issue of a Bail-in Certificate

PROVISIONS RELATING TO LOSS ABSORPTION

- 21 Loss Absorption Option: [Write-off Applicable /Not Applicable]
[DBS Bank Write-off on a Trigger Event (Condition 7(a))]/[DBSH Write-off on a Trigger Event (Condition 7(b))]

GENERAL PROVISIONS APPLICABLE TO THE PERPETUAL CAPITAL SECURITIES

- 22 Form of Perpetual Capital Securities: [Regulation S Global Note (USD/EUR [●] nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream]]
[Rule 144A Global Note (USD [●] nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream]]
- 23 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] (insert New York City for U.S. dollar denominated Perpetual Capital Securities to be held through DTC and for non-U.S. dollar denominated Perpetual Capital Securities where exchange into U.S. dollars is contemplated for DTC participants holding through Euroclear and Clearstream)
- 24 Other terms or special conditions: [Not Applicable/give details, including if any conversion loss absorption option to be set out in Appendix to Pricing Supplement]

DISTRIBUTION

- 25 (i) If syndicated, names of Managers: [Not Applicable/give names]
[The Issuer or any of its broker-dealers or other affiliates may engage in market-making transactions involving the Perpetual Capital Securities after their initial sale as permitted by applicable law, but none of the Issuer, any of its broker-dealer or its affiliates is obligated to do so or to make a market for the Perpetual Capital Securities]
- (ii) Stabilisation Coordinator (if any): [Not Applicable/give name]
- 26 If non-syndicated, name of Dealer: [Not Applicable/give name]
[The Issuer or any of its broker-dealers or other affiliates may engage in market-making transactions involving the Perpetual Capital Securities after their initial sale as permitted by applicable law, but none of the Issuer, any of its broker-dealer or its affiliates is obligated to do so or to make a market for the Perpetual Capital Securities]
- 27 Whether TEFRA D or TEFRA C was applicable or TEFRA rules not applicable: TEFRA Not Applicable
- 28 Additional selling restrictions: [Not Applicable/give details]

OPERATIONAL INFORMATION

- 29 ISIN Code: [●]
- 30 Common Code: [●]
- 31 CUSIP: [●]
- 32 CMU Instrument Number: [●]
- 33 Legal Entity Identifier (LEI): [ATUEL7OJR5057F2PV266 (in the case of DBS Bank Ltd., acting through its registered office in Singapore)] / [5493007FKT78NKPM5V55 (in the case of DBSH)] / [●]

- 34 Any clearing system(s) other than The Central Depository (Pte) Limited, The Central Moneymarkets Unit Service, Euroclear Bank SA/NV and Clearstream Banking S.A., The Depository Trust Company and/or Austraclear Ltd and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- 35 Delivery: Delivery [against/free of] payment
- 36 Additional Paying Agent(s) (if any): [•]
- GENERAL**
- 37 Applicable Governing Document: [Amended and Restated Trust Deed dated on or about 9 March 2022]
[Singapore Supplemental Trust Deed dated on or about 9 March 2022]
- 38 Governing Law: [English law, save that Condition 7(c) and the provisions 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]

[It is expected that delivery of Perpetual Capital Securities will be made against payment therefor on the Issue Date, which will 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 two business days (T+2), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Perpetual Capital Securities 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 Perpetual Capital Securities initially will settle beyond T+2, 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 Perpetual Capital Securities may be affected by such local settlement practices and purchasers of Notes who wish to trade Perpetual Capital Securities between the date of pricing and the Issue Date should consult their own adviser.]

[PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue *[[if listed]*, and admission to trading on the Singapore Exchange Securities Trading Limited] of the Perpetual Capital Securities described herein pursuant to the USD 30,000,000,000 Global Medium Term Note Programme of DBS Bank Ltd. and DBS Group Holdings Ltd]

RESPONSIBILITY

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

Signed on behalf of [DBS Bank Ltd.]/[DBS Group Holdings Ltd]:

By:

Duly authorised

CLEARING AND SETTLEMENT

The following is a summary of the rules and procedures of CDP, the CMU, DTC, Euroclear, Clearstream and the Austraclear System (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 Issuers, 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 Issuers that it is a limited-purpose trust company organised under the New York Banking Law, a “banking organisation” within the meaning of the New York Banking Law, a member of the U.S. Federal Reserve System, 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 and provides asset servicing 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 computerised 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 organisations. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations 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 (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable, 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 Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co, or such other nominee as may be requested by an authorised representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any 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 Direct and Indirect 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 DTC. 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. (nor any other DTC nominee) will consent or vote with respect to DTC Notes unless authorised by a Direct Participant in accordance with DTC's Money Market Instrument Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Relevant 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). Payments of principal and interest (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable, 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 Issuers, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest (in respect of Notes other than Perpetual Capital Securities) or Distributions (in respect of Perpetual Capital Securities only), as applicable, to DTC is the responsibility of the Issuers, 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 or a Default, 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 Beneficial 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

Euroclear and Clearstream each holds securities for participating organisations 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 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 participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear and Clearstream 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 participant, either directly or indirectly. Euroclear and Clearstream 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 will be credited, to the extent received by the Paying Agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant system's rules and procedures.

The CMU

The CMU is a central depository service provided by the Central Moneymarkets Unit of the HKMA for the safe custody and electronic trading between the members of this service ("**CMU Members**") of Exchange Fund Bills and Notes Clearing and Settlement Service securities and capital markets instruments (together, "**CMU Instruments**") which are specified in the CMU Reference Manual as capable of being held within the CMU.

The CMU is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU is open to all financial institutions regulated by the Hong Kong Monetary Authority, Securities and Futures Commission, Insurance Authority or Mandatory Provident Fund Schemes Authority. For further details on the full range of the CMU's custodial services, please refer to the CMU Reference Manual..

The CMU has an income distribution service which is a service offered by the CMU to facilitate the distribution of interest, coupon or redemption proceeds (collectively, the "**income proceeds**") by CMU Members who are paying agents to the legal title holders of CMU Instruments via the CMU system. Furthermore, the CMU has a corporate action platform which allows an issuer (or its agent) to make an announcement/notification of a corporate action and noteholders to submit the relevant certification. For further details, please refer to the CMU Reference Manual. An investor holding an interest through an account with either Euroclear or Clearstream, Luxembourg, in any Notes held in the CMU will hold that interest through the respective accounts which Euroclear and Clearstream, Luxembourg, each have with the CMU.

CDP

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note for persons holding the Notes in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors.

Settlement of over-the-counter trades in the Notes through the Depository System may be effected through securities sub-accounts held with corporate depositors ("**Depository Agents**"). Depositors holding the

Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between the Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest or distribution, as applicable, and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuers, the Issuing and Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Book-Entry Ownership

This section does not apply to AMTNs.

Bearer Notes

The Issuers will make applications to Euroclear and Clearstream for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. The Issuers may also apply to have Bearer Notes accepted for clearance through CDP and the CMU. 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 Euroclear and Clearstream and/or a sub-custodian for the CMU or CDP. 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 CDP, the CMU, Euroclear and Clearstream. Each Global Note will have an ISIN and a Common Code or, if lodged with a sub-custodian for the CMU, will have a CMU Instrument Number.

Registered Notes

The Issuers may make applications to Euroclear and Clearstream and the Issuers may also make applications to CDP and the CMU, 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 or, if lodged with a sub-custodian for the CMU, will have a CMU Instrument Number.

The Issuers may 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 accepted for clearance in DTC 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 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. 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 Issuers expect 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 Issuers also expect 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 Issuers 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 USD 200,000 (or its equivalent in other currencies), or higher integral multiples of USD 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 Euroclear and Clearstream or a sub-custodian for CDP or the CMU or DTC will not be permitted unless (i) in the case of Restricted Notes, DTC notifies the Relevant 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 Relevant Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC, or (ii) in the case of Unrestricted Notes, Euroclear or Clearstream is or a sub-custodian for the CMU 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 or, if such Global Certificate is held on behalf of CDP, and there shall have occurred and be continuing an Event of Default or Default or CDP is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise), or CDP announces an intention permanently to cease business and no Alternative Clearing System is available or CDP has notified the Relevant Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties under the Master Depository Services Agreement and no Alternative Clearing System is available. In such circumstances, the Relevant 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 Relevant 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 CDP, the CMU, DTC, Euroclear and Clearstream 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 CDP, Euroclear or Clearstream. 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 Regulation S) 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, 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 Euroclear or Clearstream 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, 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 Euroclear or Clearstream, 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 Euroclear and Clearstream 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 Euroclear or Clearstream and DTC participants will need to have an agreed settlement date among the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, 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 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, Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Certificates among participants and accountholders of DTC, Euroclear and Clearstream, 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 Issuers or any Agent will have any responsibility for the performance by DTC, Euroclear, Clearstream 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, Euroclear or Clearstream.

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.

The Austraclear System

Each Tranche of AMTNs will be represented by a single AMTN Certificate substantially in the form set out in the Note (AMTN) Deed Poll. DBS Bank shall issue and deliver, and procure the authentication by the Australian Agent of, such number of AMTNs Certificates as are required from time to time to represent all of the AMTNs of each Series. An AMTN Certificate is not a negotiable instrument nor is it a document of title in respect of any AMTNs it represents. In the event of a conflict between any AMTN Certificate and the Register, the Register shall prevail (subject to correction for fraud or proven error).

On issue of any AMTNs, DBS Bank will (unless otherwise specified in the applicable Pricing Supplement) procure that the AMTNs are lodged with the Austraclear System. On lodgement, Austraclear will become the sole registered holder and legal owner of the AMTNs. Subject to the Austraclear System Regulations, Accountholders may acquire rights against Austraclear in relation to those AMTNs as beneficial owners and Austraclear is required to deal with the AMTNs in accordance with the directions and instructions of the Accountholders. Any potential investors who are not Accountholders would need to hold their interest

in the relevant AMTNs through a nominee who is an Accountholder. All payments by DBS Bank in respect of AMTNs entered in the Austraclear System will be made directly to an account agreed with Austraclear or as it directs in accordance with the Austraclear System Regulations.

Holding of AMTNs through Euroclear and Clearstream

Once lodged with the Austraclear System, interests in the AMTNs may be held through Euroclear or Clearstream. In these circumstances, entitlements in respect of holdings of interests in the AMTNs in Euroclear would be held in the Austraclear System by HSBC Custody Nominees (Australia) Limited as nominee of Euroclear, while entitlements in respect of holdings of interests in the AMTNs in Clearstream would be held in the Austraclear System by J.P. Morgan Nominees Australia Pty Limited as nominee of Clearstream.

The rights of a holder of interests in AMTNs held through Euroclear or Clearstream are subject to the respective rules and regulations of Euroclear and Clearstream, the arrangements between Euroclear and Clearstream and their respective nominees and the Austraclear System Regulations.

Transfers

Any transfer of AMTNs will be subject to the Australian Corporations Act and the other requirements set out in the terms and conditions of the AMTNs and, where the AMTNs are entered in the Austraclear System, the Austraclear System Regulations.

Secondary market sales of AMTNs settled in the Austraclear System will be settled in accordance with the Austraclear System Regulations.

Relationship of Accountholders with Austraclear System

Accountholders who acquire an interest in AMTNs lodged with the Austraclear System must look solely to Austraclear for their rights in relation to such AMTNs and will have no claim directly against the Issuer in respect of such AMTNs although under the Austraclear System Regulations, Austraclear may direct the Issuer to make payments direct to the relevant Accountholders.

Where Austraclear is registered as the holder of any AMTN that is lodged with the Austraclear System, Austraclear may, where specified in the Austraclear System Regulations, transfer the AMTNs to the person in whose Security Record (as defined in the Austraclear System Regulations) those AMTNs are recorded and, as a consequence, remove those AMTNs from the Austraclear System.

Potential investors in AMTNs should inform themselves of, and satisfy themselves with, the Austraclear System Regulations and (where applicable) the rules of Euroclear and Clearstream and the arrangements among them and their nominees in the Austraclear System.

AMTNs lodged with the Austraclear System will be transferable only in accordance with the rules and regulations (in force from time to time) of the Austraclear System. The transferor of an AMTN is deemed to remain the holder of such AMTN until the name of the transferee is entered in the Register in respect of such AMTN.

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:

- (a) it is
 - (i) a QIB,
 - (ii) acquiring such Restricted Notes for its own account or for the account of a QIB and
 - (iii) aware, and each beneficial owner of such Restricted Notes has been advised, that the sale of such Restricted Notes to it may be being made in reliance on Rule 144A;
- (b) it understands that the Restricted Notes have not been and will not be registered under the Securities Act and any other applicable U.S. state securities laws and
 - (i) 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;
 - (ii) the purchaser will, and each subsequent purchaser is required to, notify any subsequent purchaser of such Restricted 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 Restricted 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 Restricted Notes, it will do so only:
 - (I) to the Issuers or any of its respective affiliates;
 - (II) inside the United States to a QIB in compliance with Rule 144A;
 - (III) outside the United States in compliance with Rules 903 or 904 under the Securities Act;
 - (IV) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available); or
 - (V) pursuant to an effective registration statement under the Securities Act;
- (c) it understands that such Restricted Notes, unless the Relevant Issuer determines otherwise in compliance with applicable law, will bear a legend to the following effect:

THIS NOTE REPRESENTED BY THIS CERTIFICATE 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 OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS 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;

- (d) it understands that any Restricted Notes, unless the Relevant Issuer determines otherwise in compliance with applicable law or as otherwise provided in the applicable Pricing Supplement, 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 (OR ANY INTEREST HEREIN), EITHER (1) IT IS NOT (X) AN EMPLOYEE BENEFIT PLAN OR OTHER PLAN, ACCOUNT OR ARRANGEMENT SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“**ERISA**”), OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “**CODE**”), INCLUDING ANY ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED FOR PURPOSES OF ERISA OR SECTION 4975 OF THE CODE TO INCLUDE “PLAN ASSETS” BY REASON OF INVESTMENT BY ANY SUCH PLAN, ACCOUNT OR ARRANGEMENT IN THE ENTITY, OR (Y) A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN THAT IS SUBJECT TO ANY U.S. FEDERAL, STATE OR LOCAL LAW, OR NON-U.S. LAW, THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (“**SIMILAR LAW**”); OR (2) ITS PURCHASE, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST HEREIN) 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 VIOLATION OF ANY APPLICABLE SIMILAR LAW). ANY PURPORTED TRANSFER OF THIS NOTE (OR ANY INTEREST HEREIN) 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*;

- (e) unless the Issuer determines otherwise in compliance with applicable law or as otherwise provided in the applicable Pricing Supplement, either:
- (1) it is not a Plan or a governmental, church, non-U.S. or other plan that is subject to any Similar Law; or
 - (2) its purchase, holding and disposition of a Note (or any interest therein) 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 violation of any applicable Similar Law);
- (f) 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*;
- (g) 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

- (h) it acknowledges that the Issuers, 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 Registered Notes.

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 Regulation S), by accepting delivery of this Offering Circular and the Unrestricted Notes, will be deemed to have represented, agreed and acknowledged that:

- (a) it is, or at the time the Unrestricted Notes are purchased will be, the beneficial owner of such Unrestricted Notes and:
 - (i) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S); and
 - (ii) it is not an affiliate of the Issuers or a person acting on behalf of such an affiliate;
- (b) 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:
 - (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 the account of a QIB; or
 - (ii) 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;
- (c) it understands that the Unrestricted Notes, unless otherwise determined by the Relevant 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;

- (d) it understands that any Notes, unless the Relevant Issuer determines otherwise in compliance with applicable law or as otherwise provided in the applicable Pricing Supplement, 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 (OR ANY INTEREST HEREIN), EITHER: (1) IT IS NOT (X) AN EMPLOYEE BENEFIT PLAN OR OTHER PLAN, ACCOUNT OR ARRANGEMENT SUBJECT TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”), INCLUDING ANY ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED FOR PURPOSES OF ERISA OR SECTION 4975 OF THE CODE TO INCLUDE “PLAN ASSETS” BY REASON OF INVESTMENT BY ANY SUCH PLAN, ACCOUNT OR ARRANGEMENT IN THE ENTITY, OR (Y) A GOVERNMENTAL, CHURCH, NON-U.S. OR OTHER PLAN THAT IS SUBJECT TO ANY U.S. FEDERAL, STATE OR LOCAL LAW, OR NON-U.S. LAW, THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (“SIMILAR LAW”); OR (2) ITS PURCHASE, HOLDING AND DISPOSITION OF THIS NOTE (OR ANY INTEREST HEREIN) 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 VIOLATION OF ANY APPLICABLE SIMILAR LAW). ANY PURPORTED TRANSFER OF THIS NOTE (OR ANY INTEREST HEREIN) 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*;

- (e) unless the Issuer determines otherwise in compliance with applicable law or as otherwise provided in the applicable Pricing Supplement, either
 - (1) it is not a Plan or a governmental, church, non-U.S. or other plan that is subject to any Similar Law; or
 - (2) its purchase, holding and disposition of a Note (or any interest therein) 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 violation of any applicable Similar Law);
- (f) 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*;
- (g) 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
- (h) the Issuers, 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 the Issuers

- (a) by Allen & Gledhill LLP, legal adviser to the Issuers, with respect to certain matters of Singapore law;
- (b) by Linklaters Singapore Pte. Ltd., legal adviser to the Issuers, with respect to certain matters of English law and the federal laws of the United States; and
- (c) by King & Wood Mallesons, legal adviser to DBS Bank, with respect to certain matters of Australian law.

The Joint Arrangers are being represented by Clifford Chance Pte. Ltd. as to certain matters of English law and the federal securities laws of the United States.

INDEPENDENT AUDITORS

The consolidated financial statements of the DBS Group as at and for

- (a) the years ended 31 December 2020 and 2019 incorporated by reference in this Offering Circular; and
- (b) the year ended 31 December 2021 which are set forth beginning on page F-2 of this Offering Circular

have been audited by PricewaterhouseCoopers LLP, independent auditors, as stated in their report for the year ended 31 December 2021 included on page F-8 and their reports for the years ended 31 December 2020 and 2019 incorporated by reference herein, respectively.

The consolidated financial statements of the DBS Bank Group as at and for

- (a) the years ended 31 December 2020 and 2019 incorporated by reference in this Offering Circular and
- (b) the year ended 31 December 2021 which are set forth beginning on page F-100 of this Offering Circular

have been audited by PricewaterhouseCoopers LLP, independent auditors, as stated in their report for the year ended 31 December 2021 included on page F-106 and their reports for the years ended 31 December 2020 and 2019 incorporated by reference herein, respectively.

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 Issuers have obtained all necessary consents, approvals and authorisations in Singapore in connection with the issue and performance of the Notes to be issued by it. The update of the Programme was approved by the CEO of DBSH and DBS Bank on 9 March 2022 pursuant to the authority granted under the Group Approving Authority of DBSH and DBS Bank.
3. There has been no material adverse change in the financial position of the DBS Group since 31 December 2021.
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 as of the date of this Offering Circular, the DBS Group is not aware of any such litigation or arbitration either 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 systems (which are entities in charge of keeping the records). The Relevant Issuer may also apply to have Notes accepted for clearance through the CMU, CDP and the Austraclear System. The relevant CMU Instrument Number will be set out in the applicable Pricing Supplement. The Common Code and the International Securities Identification Number ("**ISIN**") for each Series of Notes will be set out in the applicable Pricing Supplement. In addition, the Relevant 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 applicable Pricing Supplement.
7. The Legal Entity Identifier (LEI) of each of DBS Bank Ltd., acting through its registered office in Singapore, and DBSH are ATUEL7OJR5057F2PV266 and 5493007FKT78NKPM5V55, respectively, or as otherwise specified for a Relevant Issuer as set out in the applicable Pricing Supplement.
8. The issue price and the amount of the relevant Notes will be determined based on then prevailing market conditions before filing of the applicable Pricing Supplement of each Tranche with the SGX-ST (with respect to Notes listed on the SGX-ST). The Issuers do not intend to provide any post-issuance information in relation to any issues of Notes.
9. 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 Issuers and at the office of the Trustee:
 - (i) the Trust Deed in respect of the Notes;
 - (ii) the Singapore Supplemental Trust Deed in respect of the Notes;
 - (iii) the Agency Agreement in respect of the Notes;

- (iv) the Australian Agency Agreement in respect of the AMTNs;
 - (v) the audited consolidated financial statements of the DBS Group for the years ended 31 December 2021, 31 December 2020 and 31 December 2019;
 - (vi) the audited consolidated financial statements of the DBS Bank Group for the years ended 31 December 2021, 31 December 2020 and 31 December 2019;
 - (vii) any audited consolidated financial statements of the DBS Group or the DBS Bank Group which are published after the date of this Offering Circular;
 - (viii) 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
 - (ix) a copy of this Offering Circular or any further Offering Circular and any supplementary Offering Circular.
10. Copies of the Note (AMTN) Deed Poll and the Australian Agency Agreement in respect of AMTNs will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Australian Agent, so long as any of the Notes is outstanding.
11. 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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DBS GROUP HOLDINGS LTD
(Incorporated in Singapore. Registration Number: 199901152M)
AND ITS SUBSIDIARIES

FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

Financial Statements

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DBS Group Holdings Ltd and its Subsidiaries

Directors' Statement

for the financial year ended 31 December 2021

The Directors are pleased to present their statement to the Members, together with the audited balance sheet of DBS Group Holdings Ltd (the Company or DBSH) and the consolidated financial statements of the Company and its subsidiaries (the Group) for the financial year ended 31 December 2021. These have been prepared in accordance with the provisions of the Companies Act 1967 (the Companies Act) and the Singapore Financial Reporting Standards (International).

In the opinion of the Directors:

- (a) the balance sheet of the Company and the consolidated financial statements of the Group, together with the notes thereon as set out on pages 1 to 83, are drawn up so as to give a true and fair view of the financial position of the Company and the Group as at 31 December 2021, and the performance, changes in equity and cash flows of the Group for the financial year ended on that date; and
- (b) as at the date of this statement, there are reasonable grounds to believe that the Company and the Group will be able to pay their debts as and when they fall due.

Board of Directors

The Directors in office at the date of this statement are:

Mr Peter Seah (*Chairman*)
Mr Olivier Lim (*Lead Independent Director*)
Mr Piyush Gupta (*Chief Executive Officer*)
Dr Bonghan Cho
Mr Chng Kai Fong (Appointed 31 March 2021)
Mr Ho Tian Yee
Ms Punita Lal
Ms Judy Lee (Appointed 4 August 2021)
Mr Anthony Lim
Mr Tham Sai Choy

Mr Olivier Lim, Dr Bonghan Cho and Mr Tham Sai Choy will retire by rotation in accordance with Article 99 of the Company's Constitution at the forthcoming annual general meeting (AGM) and, being eligible, will offer themselves for re-election at the AGM.

Mr Chng Kai Fong and Ms Judy Lee will retire in accordance with Article 105 of the Company's Constitution at the forthcoming AGM and, being eligible, will offer themselves for re-election at the AGM.

Directors' interests in shares or debentures

Each of the following Directors who held office at the end of the financial year had, according to the register of directors' shareholdings required to be kept under Section 164 of the Companies Act, an interest in shares of the Company and related corporations as stated below:

	Holdings in which Directors have a direct interest		Holdings in which Directors are deemed to have an interest	
	As at 31 Dec 2021	As at 1 Jan 2021	As at 31 Dec 2021	As at 1 Jan 2021
DBSH ordinary shares				
Mr Peter Seah	296,008	274,186	-	-
Mr Olivier Lim	143,122	137,707	-	-
Mr Piyush Gupta	-	-	2,023,773	2,217,307
Dr Bonghan Cho	8,575	6,098	-	-
Mr Ho Tian Yee	59,109	55,611	-	-
Ms Punita Lal	1,542	-	-	-
Mr Anthony Lim	2,048	-	-	-
Mr Tham Sai Choy	99,464	95,419	-	-
Share awards (unvested) granted under the DBSH Share Plan				
Mr Piyush Gupta ⁽¹⁾	889,442	971,288	-	-

⁽¹⁾ Mr Piyush Gupta's share awards form part of his remuneration. Details of the DBSH Share Plan are set out in Note 39 of the Notes to the 2021 Company's financial statements

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2022.

DBSH Share Plan

At the Annual General Meeting held on 25 April 2019, the DBSH Share Plan (which was first adopted on 18 September 1999) was extended for another ten years, from 18 September 2019 to 17 September 2029 (both dates inclusive). The DBSH Share Plan is administered by the Compensation and Management Development Committee (CMDC). As at the date of this statement, the members of the CMDC are Mr Anthony Lim (Chairman), Mr Peter Seah, Dr Bonghan Cho, Ms Punita Lal and Ms Judy Lee.

Under the terms of the DBSH Share Plan:

- Awards over DBSH's ordinary shares may be granted to Group executives who hold such rank as may be determined by the CMDC from time to time. Awards may also be granted to (amongst others) executives of associated companies of DBSH who hold such rank as may be determined by the CMDC from time to time, and non-executive Directors of DBSH;
- Where time-based awards are granted, participants are awarded ordinary shares of DBSH or, at the CMDC's discretion, their equivalent cash value or a combination of both as part of their deferred bonus, at the end of the prescribed vesting periods. Awards are granted under the DBSH Share Plan at the absolute discretion of the CMDC. Dividends on unvested shares do not accrue to employees;
- Awards under the DBSH Share Plan may be granted at any time in the course of a financial year, and may lapse by reason of cessation of employment or misconduct of the participant, except in cases such as retirement, redundancy, ill health, injury, disability, death, bankruptcy of the participant, or by reason of the participant, being a non-executive Director, ceasing to be a Director, or in the event of a take-over, winding up or reconstruction of DBSH;
- Subject to the prevailing legislation and the rules of the Singapore Exchange, DBSH will have the flexibility to deliver ordinary shares of DBSH to participants upon vesting of their awards by way of an issue of new ordinary shares and/or the transfer of existing ordinary shares (which may include ordinary shares held by the Company in treasury); and

- (e) The class and/or number of ordinary shares of DBSH comprised in an award to the extent not yet vested, and/or which may be granted to participants, are subject to adjustment by reason of any variation in the ordinary share capital of DBSH (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation, or distribution) or if DBSH makes a capital distribution or a declaration of a special dividend (whether in cash or in specie), upon the written confirmation of the auditor of DBSH that such adjustment (other than in the case of a capitalisation issue) is fair and reasonable.

During the financial year, time-based awards in respect of an aggregate of 5,344,115 ordinary shares were granted pursuant to the DBSH Share Plan to selected employees of the Group. In addition, during the financial year, certain non-executive Directors received an aggregate of 34,017 share awards which vested immediately upon grant. These share awards formed part of their directors' fees for 2020, which had been approved by the shareholders at DBSH's annual general meeting held on 30 March 2021.

Details of the share awards granted under the DBSH Share Plan to Directors of DBSH are as follows:

Directors of the Company	Share awards granted during the financial year under review	Share awards vested during the financial year under review
Mr Peter Seah	18,211	18,211
Mr Olivier Lim	3,669	3,669
Mr Piyush Gupta	208,993 ⁽¹⁾	290,839
Dr Bonghan Cho	2,372	2,372
Mr Ho Tian Yee	2,776	2,776
Ms Punita Lal	1,523	1,523
Mr Anthony Lim	2,023	2,023
Mr Tham Sai Choy	3,443	3,443

⁽¹⁾ The share awards granted to Mr Piyush Gupta are time-based awards which will vest over a 4-year period. The 208,993 share awards were granted in February 2021 and formed part of his remuneration for 2020.

Arrangements to enable Directors to acquire shares or debentures

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement, the object of which is to enable the Directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate, save as disclosed in this statement.

Audit Committee

The Audit Committee comprises non-executive Directors Mr Tham Sai Choy (Chairman), Mr Peter Seah, Dr Bonghan Cho, Ms Punita Lal, Mr Chng Kai Fong and Ms Judy Lee.

The Audit Committee performed its functions in accordance with the Companies Act, the SGX-ST Listing Manual, the Banking (Corporate Governance) Regulations 2005, the MAS Guidelines for Corporate Governance issued on 9 November 2021 and the Code of Corporate Governance 2018, which include, *inter alia*, the following:

- (i) Review, with the external auditor, its audit plan, audit report, evaluation of the internal accounting controls of the Group and assistance given by the management to the external auditor;
- (ii) Review the internal auditor's plans and the scope and results of audits;
- (iii) Review the Group's consolidated financial statements and financial announcements prior to submission to the Board;
- (iv) Review the adequacy, independence and effectiveness of the internal audit function;
- (v) Review the adequacy, effectiveness, independence and objectivity of the external auditor; and
- (vi) Review the assurance given by CEO and other key management personnel regarding the adequacy and effectiveness of the Group's internal controls.

Please refer to the Corporate Governance Report for further details on the activities of the Audit Committee during the financial year ended 31 December 2021.

The Audit Committee has considered the financial, business and professional relationships between PricewaterhouseCoopers (PwC) and the Group. It is of the view that these relationships would not affect the independence of PwC.

The Audit Committee has recommended, to the Board of Directors, the re-appointment of PwC as independent external auditor at the forthcoming AGM of the Company on 31 March 2022.

Independent Auditor

PricewaterhouseCoopers LLP has expressed its willingness to accept re-appointment as independent external auditor.

On behalf of the Directors

Mr Peter Seah

Mr Piyush Gupta

11 February 2022
Singapore

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DBS GROUP HOLDINGS LTD

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying consolidated financial statements of DBS Group Holdings Ltd (the "Company") and its subsidiaries (the "Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Company and the consolidated financial position of the Group as at 31 December 2021 and of the consolidated financial performance, the consolidated changes in equity and the consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated income statement of the Group for the year ended 31 December 2021;
- the consolidated statement of comprehensive income of the Group for the year ended 31 December 2021;
- the balance sheets of the Group and of the Company as at 31 December 2021;
- the consolidated statement of changes in equity of the Group for the year then ended;
- the consolidated cash flow statement of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

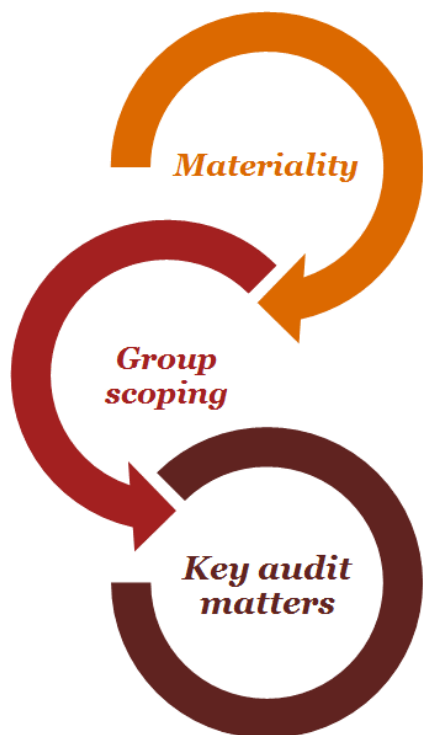
Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DBS GROUP HOLDINGS LTD (continued)**

Our audit approach

Overview



Materiality

- We determined the overall Group materiality based on 5% of the Group's profit before tax.

Group scoping

- Full scope audit procedures were performed over the Singapore Operations of DBS Bank Ltd. and DBS Bank (Hong Kong) Limited ("significant components").
- We identified DBS Bank Ltd. Hong Kong, Taipei and Seoul Branches, DBS Bank (China) Limited, PT Bank DBS Indonesia, DBS Bank (Taiwan) Ltd and DBS Bank India Limited as component entities where certain account balances were considered to be significant in size in relation to the Group ("other components"). Consequently, audit and specified procedures for the significant account balances of these components were performed to obtain sufficient and appropriate audit evidence.

Key audit matters

- Specific allowances for loans and advances to customers
- General allowances for credit losses (Stage 1 and 2 Expected Credit Loss)
- Goodwill
- Valuation of financial instruments held at fair value

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole, as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF
DBS GROUP HOLDINGS LTD (continued)**

How we determined overall Group materiality 5% of the Group’s profit before tax

- Rationale for benchmark applied*
- We chose ‘profit before tax’ as, in our view, it is the benchmark against which performance of the Group is most commonly measured.
 - We selected 5% based on our professional judgement, noting that it is also within the range of commonly accepted profit-related thresholds.
-

In performing our audit, we allocated materiality levels to the significant components and other components of the Group. These are less than the overall Group materiality.

How we developed the audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates. The Group’s financial reporting process is dependent on its Information Technology (“IT”) systems. Our audit scope included testing the operating effectiveness of the controls over the integrity of key financial data processed through the IT systems that are relevant to financial reporting.

In establishing the overall Group audit approach, we determined the extent of audit procedures that were needed to be performed across the Group by us or by other PwC network firms, operating under our instruction, who are familiar with the local laws and regulations in each respective territory, (the “component auditors”). Where the work was performed by component auditors, we determined the level of involvement we needed to have in the procedures to be able to conclude whether sufficient and appropriate audit evidence had been obtained as a basis for our opinion on the financial statements as a whole.

**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF
DBS GROUP HOLDINGS LTD (continued)**

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Specific allowances for loans and advances to customers</p> <p>As at 31 December 2021, the specific allowances for loans and advances to customers of the Group was \$2,545 million, the majority of which related to Institutional Banking Group (“IBG”) customers. Specific allowances refer to loss allowances for credit-impaired exposures (i.e. Stage 3, per SFRS (I) 9). Expected Credit Losses (“ECL”) on non-impaired exposures (i.e. Stage 1 and Stage 2) are set out under the ‘General allowances for credit losses’ key audit matter.</p> <p>We focused on this area because of the subjective judgements used by management in determining the necessity for, and estimating the size of, allowances against loans and advances.</p> <p>In particular, we focused on specific allowances for loans and advances to IBG customers because any assessment of impairment can be inherently subjective and involves significant judgement over both the timing of recognition of any impairment and the estimation of the size of such impairment. This includes:</p> <ul style="list-style-type: none"> • the principal assumptions underlying the calculation of specific allowances for loans and advances to IBG customers where there is evidence of impairment losses (including the future profitability of the borrowers and the expected realisable value of collateral held); and • the classification of loans and advances in line with MAS Notice 612 (“MAS 612”) and 612A (“MAS 612A”). 	<p>We assessed the design and evaluated the operating effectiveness of the controls over the specific allowances for loans and advances to IBG customers. These controls included:</p> <ul style="list-style-type: none"> • oversight of credit risk by the Group Credit Risk Committee; • timely management review of credit risk; • the watchlist identification and monitoring process; • timely identification of impairment events; • classification of loans and advances in line with MAS 612 and MAS612A; and • the collateral monitoring and valuation processes. <p>We determined that we could rely on these controls for the purposes of our audit.</p> <p>We inspected a sample of loans and advances to IBG customers to assess whether the classification of the loans and advances was in line with MAS 612 and MAS 612A and, where there was evidence of an impairment loss, whether it had been identified in a timely manner. This included, where relevant, how forbearance had been considered, with particular focus on the impact of COVID-19.</p> <p>Where impairment had been identified, for a sample of loans and advances, our work included:</p> <ul style="list-style-type: none"> • considering the latest developments in relation to the borrower; • examining the forecasts of future cash flows prepared by management, including key assumptions in relation to the amount and timing of recoveries; • comparing the collateral valuation and other sources of repayment to support the calculation of the impairment against external evidence, where available, including independent valuation reports; • challenging management’s assumptions; and • testing the calculations.

**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF
DBS GROUP HOLDINGS LTD (continued)**

Key audit matter	How our audit addressed the key audit matter
<p>We applied judgement in selecting samples focused on borrowers with exposures to certain sectors in view of continued heightened credit risks and the effects of the COVID-19 pandemic impacting the portfolio.</p> <p>(Refer also to Notes 3 and 18 to the financial statements.)</p>	<p>For a sample of performing loans and advances to IBG customers which had not been identified by management as potentially impaired, considering the latest developments in relation to the borrower, we challenged management’s assumptions on whether their classification was appropriate, using external evidence where available in respect of the relevant borrower.</p> <p>Based on procedures performed, we have assessed that the aggregate specific allowance for loans and advances is appropriate.</p>
<p>General allowances for credit losses (Stage 1 and 2 Expected Credit Loss)</p> <p>SFRS(I) 9 <i>Financial Instruments</i> (“SFRS(I) 9”) requires an ECL impairment model which takes into account forward-looking information to reflect potential future economic events. In estimating ECL over future time periods, significant judgement is required. Further, the COVID-19 pandemic has meant assumptions regarding economic outlook, and the consequent impact on the Group’s customers, are uncertain, increasing the degree of judgement required.</p> <p>We focused on the Group’s measurement of general allowances on non-impaired exposures (\$3,876 million). This covers both ‘Stage 1’ exposures (where there has not been a significant increase in credit risk), and ‘Stage 2’ exposures (where a significant increase in credit risk has been observed). The ECL framework implemented by the Group involves significant judgement and assumptions that relate to, amongst others:</p> <ul style="list-style-type: none"> • adjustments to the Group’s Basel credit models and parameters; • use of forward-looking and macro-economic information; • estimates for the expected lifetime of revolving credit facilities; • assessment of significant increase in credit risk; and • post model adjustments to account for limitations in the ECL models, for example the risk to the credit 	<p>We critically assessed management’s assumptions and estimates relating to Stage 1 and Stage 2 ECL for retail and non-retail portfolios as at 31 December 2021. This included assessing refinements in methodologies made during the year.</p> <p>We tested the design and operating effectiveness of key controls focusing on:</p> <ul style="list-style-type: none"> • involvement of governance committees, in reviewing and approving certain forward-looking macroeconomic assumptions, including post model adjustments which reflect the unprecedented and higher uncertainty in credit outlook as a result of COVID-19; • completeness and accuracy of external and internal data inputs into the ECL calculations; and • accuracy and timeliness of allocation of exposures into Stage 1 and Stage 2 based on quantitative and qualitative triggers. <p>The Group’s internal experts continue to perform independent model validation of selected aspects of the Group’s ECL methodologies and assumptions each year. We reviewed their results as part of our work.</p> <p>We also involved specialists to review the ECL of selected credit portfolios to assess if the methodologies and estimates are appropriate.</p> <p>Through the course of our work, we challenged the rationale and calculation basis of post model adjustments. We also assessed the reasonableness of certain forward-looking economic inputs, as well as the overall ECL output, in light of credit conditions that may be expected to arise from the impact of COVID-19.</p> <p>Overall, we concluded that the Group’s ECL on non-impaired exposures is appropriate.</p>

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DBS GROUP HOLDINGS LTD (continued)**

Key audit matter	How our audit addressed the key audit matter
<p>portfolio from the current COVID-19 pandemic.</p> <p>(Refer also to Notes 3 and 11 to the financial statements.)</p>	
<p>Goodwill</p> <p>As at 31 December 2021, the Group had \$5,362 million of goodwill as a result of acquisitions.</p> <p>We focused on this area as management makes significant judgements in estimating future cash flows when undertaking its annual goodwill impairment assessment.</p> <p>The key assumptions used in the discounted cash flow analyses relate to:</p> <ul style="list-style-type: none"> • cash flow forecasts; • discount rate; and • long-term growth rate. <p>(Refer also to Notes 3 and 27 to the financial statements.)</p>	<p>We assessed the appropriateness of management's identification of the Group's cash generating units and the process by which indicators of impairment were identified.</p> <p>During the year, the Group refined its goodwill calculation for its acquisition of Lakshmi Vilas Bank. We have reviewed and assessed the basis of calculating the goodwill amount, and reviewed management's goodwill impairment assessment as at 31 December 2021.</p> <p>For DBS Bank (Hong Kong) Limited's franchise (goodwill of \$4,631 million as at 31 December 2021), we evaluated management's cash flow forecasts and the process by which they were developed. Together with valuation specialists in our team, we assessed discount rate and growth rate assumptions against the Group's own historical performance and available external industry and economic indicators.</p> <p>We reviewed management's sensitivity analysis over the key assumptions to determine whether any reasonably possible change in these assumptions would result in an impairment, and also performed our own stress analysis based on the circumstances in Hong Kong and considering the market outlook given the ongoing COVID-19 pandemic.</p> <p>We concur with management's assessment that goodwill balances are not impaired as at 31 December 2021.</p>
<p>Valuation of financial instruments held at fair value</p> <p>Financial instruments held by the Group at fair value include derivative assets and liabilities, trading securities, certain debt instruments and other assets and liabilities designated at fair value.</p> <p>The Group's financial instruments are predominantly valued using quoted market prices ('Level 1') or market observable prices ('Level 2'). The valuations of 'Level 3' instruments rely on significant unobservable inputs.</p>	<p>We assessed the design and tested the operating effectiveness of the controls over the Group's financial instruments valuation processes. These included the controls over:</p> <ul style="list-style-type: none"> • management's testing and approval of new models and revalidation of existing models; • the completeness and accuracy of pricing data inputs into valuation models; • monitoring of collateral disputes; and • governance mechanisms and monitoring over the valuation processes (including derivative valuation adjustments) by the Group Market and Liquidity Risk Committee and the Group Valuation Committee.

**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF
DBS GROUP HOLDINGS LTD (continued)**

Key audit matter	How our audit addressed the key audit matter
<p>We considered the overall valuation of financial instruments (Level 1, 2 and 3) to be a key audit matter given the financial significance to the Group, the nature of the underlying products and the estimation involved to determine fair value.</p> <p>In determining fair value, management also make adjustments to recognise credit risk, funding costs, bid-offer spreads and, in some cases, parameter and model risk limitations. This is broadly consistent with the banking industry, albeit the methodology to calculate some of these adjustments is continuing to evolve.</p> <p>(Refer also to Notes 3 and 41 to the financial statements.)</p>	<p>We determined that we could rely on the controls for the purposes of our audit. In addition, we:</p> <ul style="list-style-type: none"> • engaged our own specialists to use their own models and input sources to determine an independent estimate of fair value for a sample of the Group's Level 1 and Level 2 financial instruments. We compared these to the Group’s calculations of fair value to assess individual material valuation differences or systemic bias; • assessed the reasonableness of the methodologies used and the assumptions made for a sample of financial instrument valuations with significant unobservable valuation inputs (Level 3 instruments); • performed procedures on collateral disputes to identify possible indicators of inappropriate valuations; • performed tests of inputs and assessed the methodology over fair value adjustments, in light of available market data and industry trends; and • considered the implications of global reforms to Interest Reference Rates (“IBOR Reform”) in our assessment of fair value. <p>Overall, we considered that the valuation of financial instruments held at fair value was within a reasonable range of outcomes.</p>

Other Information

Management is responsible for the other information. The other information comprises the Directors’ Statement (but does not include the financial statements and our auditor’s report thereon), which we obtained prior to the date of this auditor’s report, and the other sections of the Annual Report (“the Other Sections”) which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DBS GROUP HOLDINGS LTD (continued)

Responsibilities of Management and Directors 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 Act and SFRS(I)s, 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DBS GROUP HOLDINGS LTD (continued)**

We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 subsidiary corporations incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Antony Eldridge.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 11 February 2022

DBS Group Holdings Ltd and its subsidiaries
Consolidated Income Statement
For the Year Ended 31 December 2021

In \$ millions	Note	2021	2020
Interest income		10,185	12,208
Interest expense		1,745	3,132
Net interest income	4	8,440	9,076
Net fee and commission income	5	3,524	3,058
Net trading income	6	1,791	1,405
Net income from investment securities	7	387	963
Other income	8	259	90
Non-interest income		5,961	5,516
Total income		14,401	14,592
Employee benefits	9	3,875	3,550
Other expenses	10	2,694	2,608
Total expenses		6,569	6,158
Profit before allowances		7,832	8,434
Allowances for credit and other losses	11	52	3,066
Profit before tax		7,780	5,368
Income tax expense	12	973	612
Net profit		6,807	4,756
Attributable to:			
Shareholders		6,805	4,721
Non-controlling interests		2	35
		6,807	4,756
Basic and diluted earnings per ordinary share (\$)	13	2.61	1.81

(see notes on page 6 to 83 which form part of these financial statements)

DBS Group Holdings Ltd and its subsidiaries
Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2021

In \$ millions	2021	2020
Net profit	6,807	4,756
Other comprehensive income:		
Items that may be reclassified subsequently to income statement:		
Translation differences for foreign operations	361	(65)
Other comprehensive income of associates	12	(11)
Gains/(losses) on debt instruments classified at fair value through other comprehensive income and cash flow hedge movements		
Net valuation taken to equity	(757)	1,215
Transferred to income statement	(390)	(636)
Taxation relating to components of other comprehensive income	88	(41)
Items that will not be reclassified to income statement:		
Gains/(losses) on equity instruments classified at fair value through other comprehensive income (net of tax)	122	(225)
Fair value change from own credit risk on financial liabilities designated at fair value (net of tax)	(32)	25
Defined benefit plans remeasurements (net of tax)	(11)	-
Other comprehensive income, net of tax	(607)	262
Total comprehensive income	6,200	5,018
Attributable to:		
Shareholders	6,194	4,983
Non-controlling interests	6	35
	6,200	5,018

(see notes on page 6 to 83 which form part of these financial statements)

DBS Group Holdings Ltd and its subsidiaries
Balance Sheets as at 31 December 2021

In \$ millions	Note	The Group		The Company	
		2021	2020	2021	2020
Assets					
Cash and balances with central banks	15	56,377	50,618	-	-
Government securities and treasury bills	16	53,262	51,700	-	-
Due from banks		51,377	50,867	85	51
Derivatives	36	19,681	31,108	98	184
Bank and corporate securities	17	69,692	65,456	-	-
Loans and advances to customers	18	408,993	371,171	-	-
Other assets	20	15,895	19,495	1	-
Associates and joint ventures	23	2,172	862	-	-
Subsidiaries	22	-	-	31,344	30,337
Properties and other fixed assets	26	3,262	3,338	-	-
Goodwill and intangibles	27	5,362	5,323	-	-
Total assets		686,073	649,938	31,528	30,572
Liabilities					
Due to banks		30,209	28,220	-	-
Deposits and balances from customers	28	501,959	464,850	-	-
Derivatives	36	20,318	32,904	29	12
Other liabilities	29	18,667	22,074	75	87
Due to subsidiaries		-	-	719	947
Other debt securities	30	52,570	43,277	5,670	4,048
Subordinated term debts	31	4,636	3,970	4,636	3,970
Total liabilities		628,359	595,295	11,129	9,064
Net assets		57,714	54,643	20,399	21,508
Equity					
Share capital	32	11,383	10,942	11,425	10,968
Other equity instruments	33	2,392	3,401	2,392	3,401
Other reserves	34	3,810	4,397	131	157
Revenue reserves	34	39,941	35,886	6,451	6,982
Shareholders' funds		57,526	54,626	20,399	21,508
Non-controlling interests		188	17	-	-
Total equity		57,714	54,643	20,399	21,508

(see notes on pages 6 to 83 which form part of these financial statements)

DBS Group Holdings Ltd and its subsidiaries
Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2021

In \$ millions	Attributable to shareholders of the Company						Total equity
	Share capital	Other equity instruments	Other reserves	Revenue reserves	Shareholders' funds	Non-controlling interests	
2021							
Balance at 1 January	10,942	3,401	4,397	35,886	54,626	17	54,643
Purchase of treasury shares	(16)	-	-	-	(16)	-	(16)
Draw-down of reserves upon vesting of performance shares	115	-	(117)	-	(2)	-	(2)
Redemption of perpetual capital securities	-	(1,009)	-	1	(1,008)	-	(1,008)
Cost of share-based payments	-	-	134	-	134	-	134
Issue of shares pursuant to Scrip Dividend Scheme	342	-	-	(342)	-	-	-
Dividends paid to shareholders ^(a)	-	-	-	(2,392)	(2,392)	-	(2,392)
Capital contribution from non-controlling interests	-	-	3	-	3	152	155
Other movements	-	-	-	(13)	(13)	13	-
Total comprehensive income	-	-	(607)	6,801	6,194	6	6,200
Balance at 31 December	11,383	2,392	3,810	39,941	57,526	188	57,714
2020							
Balance at 1 January	10,948	2,009	4,102	33,922	50,981	818	51,799
Purchase of treasury shares	(447)	-	-	-	(447)	-	(447)
Draw-down of reserves upon vesting of performance shares	162	-	(164)	-	(2)	-	(2)
Issue of perpetual capital securities	-	1,392	-	-	1,392	-	1,392
Redemption of preference shares issued by a subsidiary	-	-	-	(1)	(1)	(799)	(800)
Cost of share-based payments	-	-	131	-	131	-	131
Issue of shares pursuant to Scrip Dividend Scheme	279	-	-	(279)	-	-	-
Dividends paid to shareholders ^(a)	-	-	-	(2,411)	(2,411)	-	(2,411)
Dividends paid to non-controlling interests	-	-	-	-	-	(38)	(38)
Capital contribution from non-controlling interests	-	-	-	-	-	1	1
Total comprehensive income	-	-	328	4,655	4,983	35	5,018
Balance at 31 December	10,942	3,401	4,397	35,886	54,626	17	54,643

(a) Includes distributions paid on capital securities classified as equity (2021: \$121 million; 2020: \$100 million)

(see notes on pages 6 to 83 which form part of these financial statements)

DBS Group Holdings Ltd and its subsidiaries
Consolidated Cash Flow Statement
For the Year Ended 31 December 2021

In \$ millions	2021	2020
Cash flows from operating activities		
Profit before tax	7,780	5,368
Adjustments for non-cash and other items:		
Allowances for credit and other losses	52	3,066
Depreciation of properties and other fixed assets	669	648
Share of profits or losses of associates	(213)	(61)
Net gain on disposal, net of write-off of properties and other fixed assets	13	38
Net income from investment securities	(387)	(963)
Cost of share-based payments	134	131
Interest expense on subordinated term debts	76	64
Interest expense on lease liabilities	30	28
Profit before changes in operating assets and liabilities	<u>8,154</u>	<u>8,319</u>
Increase/(Decrease) in:		
Due to banks	598	4,246
Deposits and balances from customers	33,162	57,164
Other liabilities	(16,913)	16,160
Other debt securities and borrowings	9,149	(14,250)
(Increase)/Decrease in:		
Restricted balances with central banks	(1,189)	(1,818)
Government securities and treasury bills	(1,168)	(379)
Due from banks	232	(11,465)
Bank and corporate securities	(3,277)	(1,340)
Loans and advances to customers	(35,518)	(13,460)
Other assets	15,199	(17,108)
Tax paid	(698)	(1,188)
Net cash generated from operating activities (1)	<u>7,731</u>	<u>24,881</u>
Cash flows from investing activities		
Dividends from associates	42	31
Capital distribution from an associate	10	-
Acquisition of interests in associates and joint ventures	(1,108)	-
Proceeds from disposal of properties and other fixed assets	22	8
Purchase of properties and other fixed assets	(567)	(547)
Cash and cash equivalents acquired from Lakshmi Vilas Bank (LVB)	-	93
Net cash used in investing activities (2)	<u>(1,601)</u>	<u>(415)</u>
Cash flows from financing activities		
Issue of perpetual capital securities	-	1,392
Redemption of perpetual capital securities	(1,008)	-
Issue of subordinated term debts	1,000	-
Redemption of subordinated term debts	(257)	-
Interest paid on subordinated term debts	(64)	(66)
Redemption of preference shares issued by a subsidiary	-	(800)
Purchase of treasury shares	(16)	(447)
Dividends paid to non-controlling interests	-	(38)
Dividends paid to shareholders of the Company, net of scrip dividends ^(a)	(2,392)	(2,411)
Capital contribution by non-controlling interests	155	1
Net cash used in financing activities (3)	<u>(2,582)</u>	<u>(2,369)</u>
Exchange translation adjustments (4)	940	170
Net change in cash and cash equivalents (1)+(2)+(3)+(4)	<u>4,488</u>	<u>22,267</u>
Cash and cash equivalents at 1 January	<u>42,202</u>	<u>19,935</u>
Cash and cash equivalents at 31 December (Note 15)	<u>46,690</u>	<u>42,202</u>

(a) Includes distributions paid on capital securities classified as equity

(see notes on pages 6 to 83 which form part of these financial statements)

**DBS Group Holdings Ltd and its subsidiaries
Notes to the financial statements
Year ended 31 December 2021**

These Notes are integral to the financial statements.

The consolidated financial statements for the year ended 31 December 2021 were authorised for issue by the Directors on 11 February 2022.

1. Domicile and Activities

The Company, DBS Group Holdings Ltd, is incorporated and domiciled in the Republic of Singapore and has its registered office at 12 Marina Boulevard, Marina Bay Financial Centre Tower Three, Singapore 018982.

The Company is listed on the Singapore Exchange.

The Company is an investment holding, treasury and funding vehicle for the group. Its main subsidiary is DBS Bank Ltd. (the Bank), which is wholly owned and engaged in a range of commercial banking and financial services, principally in Asia.

The financial statements relate to the Company and its subsidiaries (the Group) and the Group's interests in associates and joint ventures.

2. Summary of Significant Accounting Policies

2.1 Basis of preparation

Compliance with Singapore Financial Reporting Standards (International) (SFRS(I))

The financial statements of the Company and the consolidated financial statements of the Group are prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)). As permitted by Section 201(10)(b) of the Companies Act (the Act), the Company's income statement has not been included in these financial statements.

The financial statements are presented in Singapore dollars and rounded to the nearest million, unless otherwise stated.

2.2 Significant estimates and judgement

The preparation of financial statements requires management to exercise judgement, use estimates and make assumptions in the application of policies and in reporting the amounts in the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from these estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement and complexity, are disclosed in Note 3.

2.3 New or amended SFRS(I) and Interpretations effective for 2021 year-end

On 1 January 2021, the Group adopted 'Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: Interest Rate Benchmark Reform – Phase 2'. These amendments represent the second phase of SFRS(I) amendments ('Phase 2' amendments), which were issued due to global reform of interest rate

benchmarks, such as Interbank Offered Rates (IBORs), including replacing them with Alternative Reference Rates (ARRs). In accordance with the transitional provisions, the amendments have been adopted retrospectively. There is no material impact to the Group's financial statements.

Further information is included in Note 37.

2.4 New SFRS(I) and Interpretations effective for future periods

The amendments and interpretations effective for future periods do not have a significant impact on the Group's financial statements.

A) General Accounting Policies

A summary of the significant group accounting policies is described further below starting with those relating to the entire financial statements, followed by those relating to the income statement, the balance sheet and other specific topics. This does not reflect the relative importance of these policies to the Group.

2.5 Group Accounting

Subsidiaries

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date control is transferred to the Group to the date control ceases.

The acquisition method is used to account for business combinations. Please refer to Note 2.13 for the Group's accounting policy on goodwill.

All intra-group transactions and balances are eliminated on consolidation.

Associates and Joint Ventures

Associates are entities over which the Group has significant influence but no control, where the Group generally holds a shareholding of between and including 20% and 50% of the voting rights.

Joint ventures are entities which the Group has joint control and rights to the net assets of the entity.

Investments in associates and joint ventures are initially recognised at cost. On acquisition, when the Group's share of the fair value of the identifiable net assets of the investment exceeds the cost of acquisition paid by the Group, the excess is recognised in profit and loss as part of the share of profit from associates and joint ventures.

Investments in associates and joint ventures are accounted for using the equity method. Under the equity method of accounting, these investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of post-acquisition profits or losses and the Group's share of other comprehensive income. Dividends received or receivable from the associates and

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joint ventures are recognised as a reduction of the carrying amount of the investments.

2.6 Foreign currency treatment

Functional and presentation currency

Items in the financial statements are measured using the functional currency of each entity in the Group, this being the currency of the primary economic environment in which the entity operates. The Group's financial statements are presented in Singapore dollars, which is the functional currency of the Company.

With effect from 1 January 2021, the functional currency of the Treasury Markets trading business in Singapore ("TM Singapore") changed prospectively from Singapore dollars to US dollars (USD).

The transition to the new USD functional currency on 1 January 2021 had no impact on the income statement or equity on transition date. The change in functional currency better reflects the increasing dominance of the USD in the business activities of TM Singapore.

Foreign currency transactions and balances

Transactions in foreign currencies are measured using the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the entity undertaking the transaction at the exchange rates at the balance sheet date. Foreign exchange differences arising from this translation are recognised in the income statement within "Net trading income".

Non-monetary assets and liabilities measured at cost in a foreign currency are translated using the exchange rates at the date of the transaction.

Non-monetary assets and liabilities measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined, which is generally the balance sheet date.

Unrealised foreign exchange differences arising from non-monetary financial assets and liabilities classified as fair value through profit or loss (FVPL) are recognised in the income statement as trading income.

Non-monetary financial assets that are classified at fair value through other comprehensive income (FVOCI) relates mainly to FVOCI equities. Please refer to Note 2.9 for the accounting treatment of FVOCI equities.

Subsidiaries and branches

The results and financial position of subsidiaries and branches whose functional currency is not Singapore dollars ("foreign operations") are translated into Singapore dollars in the following manner:

- Assets and liabilities are translated at the exchange rates at the balance sheet date;
- Income and expenses in the income statement are translated at exchange rates prevailing at each month-end, approximating the exchange rates at the dates of the transactions; and

- All resulting exchange differences are recognised in other comprehensive income and accumulated under capital reserves in equity. When a foreign operation is partially or fully disposed of, or when it is liquidated, such exchange differences are recognised in the income statement as part of the gain or loss.

For acquisitions prior to 1 January 2005, the foreign exchange rates at the respective dates of acquisition were used. Please refer to Note 27 for an overview of goodwill recorded. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.7 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to management.

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.

Please refer to Note 48 for further details on business and geographical segment reporting.

B) Income Statement

2.8 Income recognition

Interest income and interest expense

Interest is accrued on all interest-bearing financial assets and financial liabilities, regardless of their classification and measurement, except for limited transactions measured at FVPL where the economics are better reflected in "Net trading income".

Interest income and interest expense are recognised on a time-proportionate basis using the effective interest method. The calculation includes significant fees and transaction costs that are integral to the effective interest rate, as well as premiums or discounts.

Fee and commission income

The Group earns fee and commission income from a diverse range of products and services provided to its customers. Fee and commission income are recognised when the Group has satisfied its performance obligation in providing the promised products and services to the customer, and are recognised based on contractual rates agreed with customers, net of expected waivers based on historical experience, and net of expenses directly related to it. The Group generally satisfies its performance obligation and recognises the fee and commission income on the following basis:

- Transaction-based fee and commission income is recognised on the completion of the transaction. Such fees include underwriting fees, brokerage fees, bancassurance sales commission and variable

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service fees, and fees related to the completion of corporate finance transactions.

- For a service that is provided over a period of time, fee and commission income is generally recognised on equal proportion basis over the period during which the related service is provided or credit risk is undertaken. This basis of recognition most appropriately reflects the nature and pattern of provision of these services to the customers over time. Fees for these services can be billed to customers in advance or periodically over time. Such fees include the income from issuance of financial guarantees and bancassurance fixed service fees.

The Group does not provide any significant credit terms to customers for the above products and services.

Directly related expenses typically include brokerage fees paid, card-related expenses and sales commissions, but do not include expenses for services delivered over a period (such as service contracts) and other expenses that are not specifically related to fee and commission income transactions.

Dividend income

Dividend income is recognised when the right to receive payment is established. This is generally the ex-dividend date for listed equity securities, and the date when shareholders approve the dividend for unlisted equity securities. Dividend income arising from financial assets classified as FVPL is recognised in “Net trading income”, while those arising from FVOCI financial assets is recognised in “Net income from investment securities”.

Allowances for credit and other losses

Please refer to Note 2.11 for the accounting policy on impairment of financial assets.

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C) Balance Sheet

2.9 Financial assets

Initial recognition

Purchases and sales of all financial assets are recognised on the date that the Group enters into the contractual arrangements with counterparties. When the Group acts as a trustee or in a fiduciary capacity for assets it does not directly control or benefit from, the assets and the corresponding income belonging to a customer are excluded from the financial statements.

Financial assets are initially recognised at fair value, which is generally the transaction price.

Classification and subsequent measurement

SFRS(I) 9 categorises debt-like financial assets based on the business model within which the assets are managed, and whether the assets constitute a “basic lending arrangement” where their contractual cash flows represent solely payments of principal and interest (SPPI). Interest is defined as consideration for the time value of money, credit risk, other basic lending risks and may include a profit margin.

The classification of the financial assets and the associated accounting treatment are as follows:

- Debt instruments are measured at **amortised cost** when they are in a “hold to collect” (HTC) business model and have contractual cash flows that are SPPI in nature. The objective of a HTC business model is to collect contractual principal and interest cash flows. Sales are incidental to the objective and expected to be either insignificant or infrequent. These assets consist primarily of loans in the “Consumer Banking/Wealth Management” and “Institutional Banking” segments as well as debt securities from the “Others” segment.
- Debt instruments are measured at **fair value through other comprehensive income** (FVOCI) when they are in a “hold to collect & sell” (HTC & S) business model and have cash flows that are SPPI in nature. Both the collection of contractual cash flows and sales are integral to achieving the objective of the HTC & S business model. Assets measured at FVOCI comprise mainly of debt securities from “Treasury Markets” and the “Others” segment.

Unrealised gains or losses on FVOCI debt instruments are recorded in other comprehensive income and accumulated in FVOCI revaluation reserves. When they are sold, the accumulated fair value adjustments in FVOCI are reclassified to the income statement as “Net income from investment securities”.

- Debt instruments are measured at **fair value through profit or loss** (FVPL) when:
 - i) the assets are not SPPI in nature;
 - ii) the assets are not part of a “HTC” or “HTC & S” business model; or
 - iii) the assets are designated at FVPL to eliminate or significantly reduce the

measurement or recognition inconsistencies that would otherwise arise from measuring assets or liabilities on different bases.

Assets measured at FVPL are mainly recorded in the “Treasury Markets” segment. Realised and unrealised gains or losses on FVPL financial assets are taken to the income statement in the period they arise.

- Subsequent changes in fair value of non-trading equity can be taken through profit or loss or comprehensive income, as elected. The Group generally elects its non-trading equity instruments to be classified as FVOCI. Other than dividend income, gains and losses on FVOCI equity instruments are recorded in other comprehensive income and accumulated in FVOCI revaluation reserves, and not reclassified to profit or loss upon derecognition.
- Derivatives (including derivatives embedded in financial liabilities but separated for accounting purposes) are also classified as held for trading unless they are designated as hedging instruments. Derivatives are classified as assets when the fair value is positive and as liabilities when the fair value is negative. Changes in the fair value of derivatives other than those designated as hedging instruments in cash flow or net investment hedges are included in “Net trading income”.

Reclassification

Reclassification of financial assets are prohibited unless the Group changes its business model for managing financial assets. In practice, this is expected to be infrequent.

Determination of fair value

The fair value of financial assets is the price that would be received if the asset is sold in an orderly transaction between market participants at the measurement date. Fair value is generally estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. Where applicable, a valuation reserve or pricing adjustment is applied to arrive at the fair value. The determination of fair value is considered a significant accounting policy for the Group and further details are disclosed in Note 41.

Offsetting

Financial assets and liabilities are presented net when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle them on a net basis, or realise the asset and settle the liability simultaneously.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or when they have been transferred together with substantially all the risks and rewards of ownership.

The Group enters into certain transactions where it transfers financial assets recognised on its balance sheet but retains either all or a portion of the risks and rewards of the transferred financial assets. In such cases, the transferred financial assets are not derecognised from the balance sheet. Such transactions include repurchase

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agreements described in Note 2.12. They also include transactions where control over the financial asset is retained, for example, by a simultaneous transaction (such as options) with the same counterparty to which the asset is transferred. These are mainly transacted in the “Treasury Markets” segment. In such cases, the Group continues to recognise the asset to the extent of its continuing involvement which is the extent to which it is exposed to changes in the value of the transferred asset.

Please refer to Note 19 for disclosures on transferred financial assets.

2.10 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and non-restricted balances with central banks which are readily convertible into cash.

2.11 Impairment of financial assets at amortised cost and FVOCI

Expected Credit Losses (ECL)

ECL are recognised for all financial assets held at amortised cost, debt instruments measured at FVOCI, guarantees and undrawn credit commitments. It represents the present value of expected cash shortfalls over the residual term of a financial asset, guarantee or undrawn commitment.

At initial recognition, allowance is required for ECL resulting from possible default events that may occur within the next 12 months (‘12-month ECL’). In the event of a significant increase in credit risk, allowance is required for ECL resulting from possible default events over the expected life of the instrument (‘lifetime ECL’).

The ECL recognised follows the three-stage model: financial instruments where 12-month ECL is recognised are considered Stage 1; financial instruments which experience a significant increase in credit risk are in Stage 2; and financial instruments with objective evidence of default or credit-impaired are in Stage 3.

- **Stage 1** – Financial instruments are classified as Stage 1 at initial recognition and will remain under Stage 1 unless they experience a significant increase in credit risk or become credit-impaired. 12-month ECL is recognised for these instruments.
- **Stage 2** – Financial instruments which experience a significant increase in credit risk (SICR) subsequent to initial recognition, but are not yet credit-impaired, will migrate from Stage 1 to Stage 2. Lifetime ECL is recognised for these instruments.

Significant increase in credit risk (SICR): SICR is assessed by comparing the risk of default at reporting date to the risk of default at origination using a range of qualitative and quantitative factors.

For wholesale exposures, a financial instrument is deemed to have experienced a significant increase in credit risk when:

- the observed change in its probability of default (PD), as observed by downgrades in the Group’s internal credit risk rating for this instrument between origination and reporting dates, is more than pre-specified thresholds; or
- it is placed on internal credit watchlists for closer scrutiny of developing credit issues.

For retail exposures, days past due is the main driver, supplemented with a PD-based criterion. In any event, all retail and wholesale exposures that are more than 30 days past due are presumed to have experienced a significant increase in credit risk, unless assessed otherwise, and are classified as Stage 2.

Instruments in Stage 2 that no longer exhibit a significant increase in credit risk will be transferred back to Stage 1.

- **Stage 3** – Financial instruments that become credit-impaired with evidence of default, i.e. non-performing assets, are transferred to Stage 3. Please refer to Note 43 for the definition of non-performing assets.

Lifetime ECL is recognised for these assets. ECL for Stage 3 assets are also known as specific allowances.

A Stage 3 exposure that is restructured can be upgraded to Stage 2 if there are reasonable grounds to conclude that the obligor is able to service future principal and interest payments in accordance with the restructured terms. Stage 3 financial assets are written-off, in whole or in part, when the Group has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of future recoveries.

Measurement of ECL

ECL are unbiased and probability-weighted estimates of credit losses determined by evaluating a range of possible outcomes, considering past events, current conditions and assessments of future economic conditions at the reporting date. The ECL associated with a financial instrument is typically a product of its probability of default (PD), loss given default (LGD) and exposure at default (EAD) discounted using the original effective interest rate to the reporting date.

Component	Description
PD	Point-in-time (based on current conditions, adjusted to take into account estimates of future conditions that will impact PD) estimate of the likelihood of default.
LGD	Estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including recoveries from collaterals.
EAD	Estimate of the expected credit exposure at time of default, taking into

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	account repayments of principal and interest as well as expected drawdowns on undrawn credit commitments and potential pay-outs on guarantees issued.
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The 12-month ECL is calculated by multiplying the 12-month PD, LGD and EAD. Lifetime ECL is calculated using the lifetime PD. The 12-month and lifetime PDs represent the probability of default occurring over the next 12 months and the remaining maturity of the instrument respectively.

In most instances, expected remaining maturity is the same as the remaining contractual life which represents the maximum contractual period over which the Group is exposed to the credit risk of the borrower. However, for some revolving products (e.g. credit cards), the expected remaining maturity may exceed the contractual maturity. In such instances, behavioural expected remaining life will be used.

ECL Modelling - Point-in-Time and Forward-Looking Adjustments

The Group leverages the models and parameters implemented under the Basel II Internal Ratings-Based (IRB) framework where possible, with appropriate modifications to meet SFRS(I) 9 requirements.

Other relevant historical information, loss experience or proxies will be utilised for portfolios without appropriate Basel models and parameters, with a view to maximise the use of available information that is reliable and supportable.

For the wholesale portfolios, credit cycle indices (CCIs) have been developed for the key industries and geographies. CCIs are summary measures that depict broad-based, sector-wide changes in credit risk, which are constructed by comparing the median expected default frequency of firms within each segment against a long-run average. Expected default frequency is in turn a market-based point-in-time default risk measure driven by the market value of firms' assets, asset volatility and leverage. CCIs are then used as inputs to convert the generally more through-the-cycle PDs derived from Basel models/parameters into the point-in-time equivalents by adding the unaccounted portion of cyclical variations, as well as to incorporate forward-looking information. LGDs are determined using historical loss data, which are adjusted for both the latest and forecasted recovery experience.

The Group relies on a Monte Carlo simulation approach to consider over 100 probability-weighted forward-looking scenarios in estimating ECL. This involves simulations of many alternative CCI scenarios to arrive at an unbiased ECL estimate that are meant to cover all possible good and bad scenarios based on known estimates.

For retail portfolios, historical loss experience is used in conjunction with the forecast loss rates which take into account relevant macroeconomic variables, such as property prices and unemployment rates.

Expert credit judgement and post model adjustments

The measurement of ECL requires the application of expert credit judgement and post model adjustments. These include:

- assignment of credit risk ratings and determination of whether exposures should be placed on credit watchlists;
- assessment of whether a significant increase in credit risk has occurred;
- selecting and calibrating the ECL models such as CCIs;
- determining the expected remaining maturity of revolving products (e.g. overdrafts and credit cards);
- determination of the forecast loss rates; and
- application of thematic overlays based on emerging risk themes where potential risks may not be fully captured in the underlying modelled ECL. Such top-down additional modelled ECL was quantified by means of applying conditional probabilities on more severe scenarios materialising from emerging risk themes.

The Group has two thematic overlays as at 31 December 2021.

In addition to the base scenarios generated by the model, the Group has incorporated a stress scenario and assigned probabilities to the scenarios, in line with management's judgement of the likelihood of each scenario. The stress scenario assumes Covid-19 recovery being derailed by higher global inflation which triggers rate hikes and causes financial market dislocation.

An additional thematic overlay was introduced in 2021 to address pricing pressures and risks of asset stranding that the conventional energy sector could face as a result of a transition to a low-carbon economy. Probabilities were assigned to the scenarios in-line with management's judgement of the likelihood of each scenario.

Governance framework

The measurement of ECL is subject to a robust governance framework as described below.

- The Group ECL Review Committee (Review Committee) is the overarching committee for ECL related matters and comprises senior management and representatives from functions across the Group. Significant changes to ECL models and methodologies and the application of thematic overlays are subject to the oversight and approval of the Review Committee.
- The Review Committee is supported by the Group ECL Operating Committee (Operating Committee) which comprises cross functional representatives and subject matter experts. The Operating Committee recommends changes to ECL models, methodologies and thematic overlays to the Review Committee; provides oversight over system design, infrastructure and development; and establishes principles and significant policies pertaining to ECL. Group Credit Risk Models Committee oversees ECL models and credit risk models used by the Group.

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- Location ECL committees are established for key overseas subsidiaries to govern and manage location-specific ECL reporting.
- ECL models are subject to independent validation by the Risk Management Group (RMG) as well as independent reviews by internal and external auditors. The validation and assurance processes cover the review of the underlying ECL methodology including its logic and conceptual soundness.

2.12 Repurchase agreements

Repurchase agreements (Repos) are arrangements where the Group sold the securities but are subject to a commitment to repurchase or redeem the securities at a pre-determined price. The securities are retained on the balance sheet as Group retains substantially all the risk and rewards of ownership and these securities are disclosed within “Financial assets pledged or transferred” (Note 19). The consideration received is recorded as financial liabilities in either “due to banks” or “deposits and balances from customers”. Short-dated repos transacted as part of Treasury Markets activities are measured at FVPL.

Reverse repurchase agreements (Reverse repos) are arrangements where the Group purchased the securities but are subject to a commitment to resell or return the securities at a pre-determined price. The risk and rewards of ownership of the collateral are not acquired by the Group and are reflected as collateral received and recorded off-balance sheet. The consideration paid is recorded as financial assets as “cash and balances with central banks”, “due from banks” or “loans and advances to customers”. Short-dated reverse repos transacted as part of Treasury Markets activities are measured at FVPL.

2.13 Goodwill

Goodwill arising from business combinations generally represents the excess of the acquisition cost over the fair value of identifiable assets acquired and liabilities and contingent liabilities assumed on the acquisition date. Goodwill is stated at cost less impairment losses and is tested at least annually for impairment.

At the acquisition date, any goodwill acquired is allocated to each of the cash-generating units (CGU) or group of CGUs expected to benefit from the combination’s synergies.

An impairment loss is recognised when the carrying amount of a CGU, or group of CGUs, including the goodwill, exceeds the applicable recoverable amount. The recoverable amount of a CGU or CGU group is the higher of the CGU’s or CGU group’s fair value less cost to sell and its value-in-use. An impairment loss on goodwill is recognised in the income statement and cannot be reversed in subsequent periods.

2.14 Properties and other fixed assets

Owned properties and other fixed assets
 Properties (including investment properties) and other fixed assets are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated using the straight-line method to write down the costs of the assets to their estimated residual values over the estimated useful lives of the assets. No depreciation is recognised when the residual value is higher than the carrying amount.

Generally, the useful lives are as follows:

Leasehold land	100 years or over the remaining lease period, whichever is shorter. Leasehold land where the unexpired lease period is more than 100 years is not depreciated.
Buildings	30 to 50 years or over the remaining lease period, whichever is shorter.
Computer software	3 to 5 years
Office equipment, furniture and fittings	5 to 10 years
Leasehold improvements	Up to 20 years

Leased properties and other fixed assets

Lease liabilities are initially measured at the present value of lease payments to be made over the lease term at the lease commencement date. The associated right-of-use assets are measured at the amount that approximates the lease liability.

Lease liabilities are subsequently measured at amortised cost using the effective interest method. The right-of-use assets are depreciated over the lease term on a straight-line basis.

Extension options and termination options are included in the assessment of the lease term if the options are reasonably certain to be exercised or not exercised accordingly. If the Group changes its initial assessment, adjustments are made to the carrying amounts of the lease liabilities and right-of-use assets prospectively.

The recognition exceptions for short-term leases and leases of low-value assets are applied.

Please refer to Note 26 for the details of owned and leased properties and other fixed assets.

2.15 Financial liabilities

Initial recognition, classification and subsequent measurement

Financial liabilities are initially recognised at fair value. The Group generally classifies and measures its financial liabilities in accordance with the purpose for which the financial liabilities are incurred and managed. Accordingly:

- Financial liabilities are classified as **financial liabilities at fair value through profit or loss** if they are incurred for the purpose of repurchasing in the near term (“**held for trading**”), and this may include

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debt securities issued and short positions in securities for the purpose of ongoing market-making or trading. Financial liabilities at fair value through profit or loss can also be designated by management on initial recognition (“**designated at fair value through profit or loss**”) if doing so eliminates or significantly reduces measurement or recognition inconsistencies that would otherwise arise, or if the financial liability contains an embedded derivative that would otherwise need to be separately recorded, or if a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis. Financial liabilities in this classification are usually within the “Treasury Markets” segment.

Realised or unrealised gains or losses on financial liabilities held for trading and financial liabilities designated under the fair value option, except interest expense, are taken to “Net trading income” in the income statement in the period they arise.

The changes to the fair value of financial liabilities designated under the fair value option that are attributable to a reporting entity’s own credit risk are taken to revenue reserves through other comprehensive income. These amounts are not transferred to the income statement even when realised.

- Derivative liabilities are treated consistently with derivative assets. Please refer to Note 2.9 for the accounting policy on derivatives.
- Other financial liabilities are carried at **amortised cost** using the effective interest method. These comprise predominantly the Group’s “Deposits and balances from customers”, “Due to banks” and “Other debt securities”.

Where the classification and measurement of financial liabilities do not reflect the management of the financial liabilities, the Group may apply hedge accounting where permissible and relevant to better reflect the management of the financial liabilities. Please refer to Note 2.19 for details on hedging and hedge accounting.

Please refer to Note 14 for further details on the types of financial liabilities classified and measured as above.

Determination of fair value

The fair value of financial liabilities is the price that would be paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Please refer to Note 41 for further fair value disclosures.

Derecognition

A financial liability is derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

2.16 Loan commitments, letters of credit and financial guarantees

Loan commitments

Loan commitments are not recognised on the balance sheet and are disclosed in Note 35. Upon a loan draw-down, the amount of the loan is generally recognised as “Loans and advances to customers” on the Group’s balance sheet.

Letters of credit

Letters of credit are recorded off-balance sheet as contingent liabilities upon issuance, and the corresponding payables to the beneficiaries and receivables from the applicants are recognised on the balance sheet upon acceptance of the underlying documents.

Financial guarantees

Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantees are given.

Financial guarantees are subsequently measured at the higher of:

- the amount of the ECL (Note 2.11); and
- the unamortised portion of the fees that were received on initial recognition.

Please refer to Note 2.8 for the principles for recognising the fees.

Off-balance sheet credit exposures are managed for credit risk in the same manner as financial assets.

Please refer to Note 2.11 on the Group’s accounting policies on allowances for credit losses.

2.17 Provisions and other liabilities

Provisions for other liabilities of uncertain timing and amounts are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

2.18 Share capital and other instruments classified as equity

Ordinary shares, preference shares and other instruments which do not result in the Group having a contractual obligation to deliver cash or another financial asset, or to exchange financial assets or financial liabilities with the holder under conditions that are potentially unfavourable to the Group, are classified as equity. Distributions arising from such instruments are recognised in equity as there is no contractual obligation to pay distributions on these instruments. Incremental external costs directly attributable to the issuance of such instruments are accounted for as a deduction from equity.

When any entity within the Group purchases the Company’s ordinary shares (“treasury shares”), the consideration paid, including any directly attributable

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incremental cost is presented as a component within equity, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of the treasury shares is deducted against either the share capital account or retained earnings. When treasury shares are subsequently sold or reissued, any realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in other reserves.

For ordinary and preference shares, interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded during the financial year in which the dividends are approved by the shareholders at the Annual General Meeting.

D) Other Specific Topics

2.19 Hedging and hedge accounting

As part of the overall risk management of the Group, derivatives and other instruments are used to manage exposures to interest rate and foreign currency risks, including exposures arising from forecast transactions.

Where hedge accounting is not applied, the derivatives are treated in the same way as derivatives held for trading purposes, i.e. realised and unrealised gains and losses are recognised in "Net trading income". The Group applies hedge accounting for economic hedge relationships that meet the hedge accounting criteria. To qualify for hedge accounting, at the inception of each hedging relationship, the Group designates and documents the relationship between the hedging instrument and the hedged item; the risk management objective for undertaking the hedge transaction; and the methods used to assess the effectiveness of the hedge. At inception and on an on-going basis, the Group also assesses and measures the effectiveness of the hedging relationship between the hedging instrument and the hedged item.

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between hedging instrument and the hedged item. The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations as described below.

- **Fair value hedge**

For a qualifying fair value hedge, the changes in the fair value of the hedging instruments are recorded in the income statement, together with any changes in the fair value of the hedged item attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item is amortised, using the effective interest method, to the income statement over its remaining maturity.

However, where the hedged item is an equity instrument classified as FVOCI, changes in the fair value of the hedging instrument and the hedged

item are both recorded in other comprehensive income and accumulated in FVOCI revaluation reserves. The amounts recorded in FVOCI revaluation reserves are not subsequently reclassified to the income statement.

- **Cash flow hedge**

The effective portion of changes in the fair value of a derivative designated and qualifying as a cash flow hedge is recognised in other comprehensive income and accumulated under the cash flow hedge reserves in equity. This amount is reclassified to the income statement in the periods when the hedged forecast cash flows affect the income statement. The ineffective portion of the gain or loss is recognised immediately in the income statement under "Net trading income".

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in the cash flow hedge reserves remains until the forecast transaction is recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss in the cash flow hedge reserves is reclassified from equity to the income statement.

- **Net investment hedge**

Hedges of net investments in the Group's foreign operations are accounted for in a manner similar to cash flow hedges. On disposal of the foreign operations, the cumulative gain or loss in the capital reserves is reclassified to the income statement as part of the gain or loss on disposal.

When designating the hedging instrument, the Group may elect to exclude the valuation components of currency basis spreads and forward points from the hedge relationship on a hedge-by-hedge basis.

The forward points and currency basis spreads which are excluded and recorded in other comprehensive income are:

- reclassified to the income statement when the forecast transaction occurs; or
- amortised to the income statement over the hedging tenor for time-period hedges. The amounts recorded in other comprehensive income are not subsequently reclassified to the income statement for hedges of FVOCI equities.

The Group has elected to apply the SFRS(I) 9 hedge accounting rules in full.

Please refer to Note 38 for further details relating to hedge accounting, including fair value, cash flow and net investment hedges.

2.20 Employee benefits

Employee benefits, which include base pay, cash bonuses, share-based compensation, contribution to defined contribution plans such as the Central Provident Fund and other staff-related allowances, are recognised in the income statement when incurred.

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For defined contribution plans, contributions are made to publicly or privately administered funds on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Group has no further payment obligations.

Employee entitlement to annual leave is recognised when they accrue to employees. A provision is made for the estimated liability for annual unutilised leave as a result of services rendered by employees up to the balance sheet date.

2.21 Share-based compensation

Employee benefits also include share-based compensation, namely the DBSH Share Plan, the DBSH Employee Share Plan and the DBSH Employee Share Purchase Plan (the Plans). The details of the Plans are described in Note 39.

Equity instruments granted and ultimately vested under the Plans are recognised in the income statement based on the fair value of the equity instrument at the date of grant. The expense is amortised over the vesting period of each award, with a corresponding adjustment to the share plan reserves.

A trust has been set up for each share plan. The employee trust funds are consolidated and the DBSH shares held by the trust funds are accounted for as "treasury shares", which is presented as a deduction within equity. The trust deeds for DBSH Share Plan and DBSH Employee Share Plan expired on 27 January 2021, following which the Company directly undertakes the administration of these Plans.

2.22 Current and deferred taxes

Current income tax for current and prior periods is recognised as the amount expected to be paid or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Group considers uncertain tax positions generally at the level of the total tax liability to each tax authority for each period. The liability is determined based on the total amount of current tax expected to be paid, taking into account all tax uncertainties, using either an expected value approach or a single best estimate of the most likely outcome.

Tax assets and liabilities of the same type (current or deferred) are offset when a legal right of offset exists and settlement in this manner is intended. This applies generally when they arise from the same tax reporting group and relate to the same tax authority.

Deferred income tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted by the balance sheet date.

The amount of deferred tax assets recognised takes into account the likelihood the amount that can be used to offset payable taxes on future profits.

Deferred tax related to fair value re-measurement of FVOCI investments, which are recognised outside profit or loss, is also recognised outside profit or loss, i.e. in other comprehensive income and accumulated in the FVOCI revaluation reserves.

3. Critical Accounting Estimates

The Group's accounting policies and use of estimates are integral to the reported amounts in the financial statements. Certain accounting estimates require management's judgement in determining the appropriate methodology for valuation of assets and liabilities. Procedures are in place to ensure that methodologies are reviewed and revised as appropriate. The Group believes its estimates for determining the valuation of its assets and liabilities are appropriate.

The following is a brief description of the Group's critical accounting estimates that involve management's valuation judgement.

3.1 Impairment of financial assets

It is the Group's policy to recognise, through charges against profit, allowances in respect of estimated and inherent credit losses in its portfolio as described in Note 2.11.

ECLs are probability-weighted amounts determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessments of future economic conditions, which will necessarily involve the use of judgement.

The Covid-19 pandemic, related measures to control the spread of the virus and governmental support to mitigate the impact of the pandemic had a profound economic impact on the Group's key markets. A significant degree of judgement is thus required in estimating the ECLs in the current environment. Please refer to Note 2.11 for more details.

Please refer to Note 43 for a further description of the Group's credit risk management framework, policies and procedures.

3.2 Fair value of financial instruments

The majority of the 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 or verified market parameters.

The fair value of financial instruments without an observable market price in an active market may be determined using valuation models. The choice of model requires significant judgement for complex products especially those in the "Treasury Markets" segment.

Policies and procedures have been established to facilitate the exercise of judgement in determining the risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors used in the valuation process.

Please refer to Note 41 for further details on fair valuation and fair value hierarchy of the Group's financial instruments measured at fair value.

3.3 Goodwill impairment

The Group performs an impairment review to ensure that the carrying amount of a CGU to which goodwill is allocated does not exceed the recoverable amount of the CGU. Note 27 provides details of goodwill at the reporting date.

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 judgement in estimating the future cash flows, growth rate and discount rate.

3.4 Income taxes

The Group has exposure to income taxes in several jurisdictions. The Group recognises liabilities for expected tax issues based on reasonable estimate of whether additional tax will be due. Where uncertainty exists around the Group's tax position, appropriate provisions are provided based on the technical assessment of the cases. Where the final tax outcome of these positions is different from the provision provided, the differences will impact the income tax and deferred tax balances in the period in which the final tax is determined. Note 21 provides details of the Group's deferred tax assets/liabilities.

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4. Net Interest Income

In \$ millions	The Group	
	2021	2020
Cash and balances with central banks and Due from banks	419	645
Customer non-trade loans	6,947	8,062
Trade assets	640	1,017
Securities and others	2,179	2,484
Total interest income	10,185	12,208
Deposits and balances from customers	1,184	2,175
Other borrowings	561	957
Total interest expense	1,745	3,132
Net interest income	8,440	9,076
Comprising:		
Interest income from financial assets at FVPL	547	784
Interest income from financial assets at FVOCI	457	503
Interest income from financial assets at amortised cost	9,181	10,921
Interest expense from financial liabilities at FVPL	(194)	(229)
Interest expense from financial liabilities not at FVPL ^(a)	(1,551)	(2,903)
Total	8,440	9,076

(a) Includes interest expense of \$30 million (2020: \$28 million) on lease liabilities

5. Net Fee and Commission Income

In \$ millions	The Group	
	2021	2020
Investment banking	218	148
Transaction services ^{(a)(b)}	925	821
Loan-related	413	417
Cards ^(c)	715	641
Wealth management ^(a)	1,786	1,506
Fee and commission income	4,057	3,533
Less: fee and commission expense	533	475
Net fee and commission income^(d)	3,524	3,058

(a) The institutional and retail brokerage fees previously presented under brokerage line have been reclassified to transaction services and wealth management lines respectively. Prior year's comparatives have been restated to conform with current year's presentation

(b) Includes trade & remittances, guarantees and deposit-related fees

(c) Card fees are net of interchange fees paid

(d) Includes net fee and commission income of \$139 million (2020: \$136 million), which was derived from the provision of trust and other fiduciary services during the year. Net fee and commission income earned from financial assets or liabilities not at fair value through profit or loss was \$895 million (2020: \$829 million) during the year

6. Net Trading Income

In \$ millions	The Group	
	2021	2020
Net trading income ^(a)		
- Foreign exchange	1,202	852
- Interest rates, credit, equities and others ^(b)	191	1,226
Net (loss)/gain from financial assets designated at fair value	(7)	8
Net gain/(loss) from financial liabilities designated at fair value	405	(681)
Total	1,791	1,405

(a) Includes income from assets that are mandatorily classified at FVPL

(b) Includes dividend income of \$300 million (2020: \$231 million)

7. Net Income from Investment Securities

In \$ millions	The Group	
	2021	2020
Debt securities		
- FVOCI	140	428
- Amortised cost	98	411
Equity securities at FVOCI ^(a)	149	124
Total^(b)	387	963
Of which: net gains transferred from FVOCI revaluation reserves	163	476

(a) Dividend income

(b) Includes fair value impact of hedges for investment securities

8. Other Income

In \$ millions	The Group	
	2021	2020
Net gain on disposal of properties and other fixed assets	17	8
Share of profits or losses of associates ^(a)	213	61
Others ^(b)	29	21
Total	259	90

(a) 2021 includes a gain of \$104 million recognised on completion of the Shenzhen Rural Commercial Bank Corporation Limited transaction (Note 25.2)

(b) Includes net gains and losses from sale of loans carried at amortised cost and rental income from operating leases

9. Employee Benefits

In \$ millions	The Group	
	2021	2020
Salaries and bonuses ^(a)	3,251	2,890
Contributions to defined contribution plans	192	181
Share-based expenses	130	128
Others	302	351
Total	3,875	3,550

(a) 2021 includes \$25 million (2020: \$172 million) of government grants recognised (deducted against salaries and bonuses)

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10. Other Expenses

In \$ millions	The Group	
	2021	2020
Computerisation expenses ^(a)	1,080	1,093
Occupancy expenses ^(b)	416	452
Revenue-related expenses	376	334
Others ^{(c)(d)}	822	729
Total	2,694	2,608

(a) Includes hire, depreciation and maintenance costs of computer hardware and software

(b) Includes depreciation of leased office and branch premises of \$205 million (2020: \$202 million) and amounts incurred in the maintenance of buildings

(c) Includes office administration expenses (e.g. printing, stationery, telecommunications, etc.), and legal and professional fees

(d) 2021 includes a \$100 million Corporate Social Responsibility commitment to DBS Foundation and other charitable causes

In \$ millions	The Group	
	2021	2020
Depreciation expenses		
- owned properties and other fixed assets	431	415
- leased properties and other fixed assets	238	233
Hire and maintenance costs of fixed assets, including building-related expenses	379	397
Audit fees ^(a) payable to external auditors ^(b) :		
- Auditors of the Company	5	4
- Associated firms of auditors of the Company	5	5
Non-audit related fees payable to external auditors ^(b) :		
- Auditors of the Company	#	1
- Associated firms of auditors of the Company	1	1

Amount under \$500,000

(a) Includes audit related assurance fees

(b) PricewaterhouseCoopers network firms

11. Allowances for Credit and Other Losses

In \$ millions	The Group	
	2021	2020
Specific allowances^{(a)(b)}		
Loans and advances to customers (Note 18)	471	1,174
Investment securities (amortised cost)	#	-
Off-balance sheet credit exposures	8	39
Others	20	140
General allowances^(c)	(447)	1,713
Total	52	3,066

Amount under \$500,000

(a) Includes Stage 3 ECL

(b) Includes charge for non-credit exposures (2021: \$1 million; 2020: \$3 million)

(c) Refers to Stage 1 and 2 ECL

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The table below shows the movements in specific and general allowances during the year for the Group.

In \$ millions	The Group					
	Balance at 1 January	Charge/ (Write-back) to income statement	Net write-off during the year	Amalgamation of LVB	Exchange and other movements	Balance at 31 December
2021						
Specific allowances						
Loans and advances to customers (Note 18)	2,692	471	(641)	-	23	2,545
Investment securities	15	#	-	-	62	77
Properties and other fixed assets	19	-	-	-	1	20
Off-balance sheet credit exposures	96	8	-	-	(24)	80
Others	219	20	(18)	-	6	227
Total specific allowances	3,041	499	(659)	-	68	2,949
Total general allowances for credit losses	4,312	(447)	-	-	11	3,876
Total allowances	7,353	52	(659)	-	79	6,825
2020						
Specific allowances						
Loans and advances to customers (Note 18)	2,305	1,174	(746)	-	(41)	2,692
Investment securities	15	-	-	-	#	15
Properties and other fixed assets	19	-	-	-	#	19
Off-balance sheet credit exposures	111	39	-	-	(54)	96
Others	80	140	(36)	-	35	219
Total specific allowances	2,530	1,353	(782)	-	(60)	3,041
Total general allowances for credit losses	2,511	1,713	-	96	(8)	4,312
Total allowances	5,041	3,066	(782)	96	(68)	7,353

Amount under \$500,000

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The following tables outline the changes in ECL under SFRS(I) 9 in 2021 and 2020 which are attributable to the following factors:

- Transfers between stages.
- Net portfolio changes, which are determined on an obligor basis i.e. originations with new obligors net of derecognitions of former obligors.
- Remeasurements, which include the impact of changes in model inputs or assumptions, partial repayments, additional drawdowns on existing facilities and changes in ECL following a transfer between stages.

In \$ millions	The Group			Total
	General allowances (Non-impaired)		Specific allowances (Impaired)	
	Stage 1	Stage 2	Stage 3	
2021				
Balance at 1 January	2,507	1,805	3,014	7,326
Changes in allowances recognised in opening balance that were transferred to/(from)	34	(191)	157	-
-Stage 1	(40)	40	-	-
-Stage 2	144	(144)	-	-
-Stage 3	(70)	(87)	157	-
Net portfolio changes	88	(63)	-	25
Remeasurements	(403)	88	341	26
Net write-offs ^(a)	-	-	(655)	(655)
Exchange and other movements	5	6	69	80
Balance at 31 December	2,231	1,645	2,926	6,802
Charge in the income statement	(281)	(166)	498	51
2020				
Balance at 1 January	1,090	1,421	2,502	5,013
Changes in allowances recognised in opening balance that were transferred to/(from)	106	(288)	182	-
-Stage 1	(38)	38	-	-
-Stage 2	163	(163)	-	-
-Stage 3	(19)	(163)	182	-
Net portfolio changes	68	(90)	-	(22)
Remeasurements	1,151	766	1,168	3,085
Net write-offs ^(a)	-	-	(777)	(777)
Amalgamation of LVB	96	-	-	96
Exchange and other movements	(4)	(4)	(61)	(69)
Balance at 31 December	2,507	1,805	3,014	7,326
Charge in the income statement	1,325	388	1,350	3,063

(a) Write-offs net of recoveries

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The following table provides additional information on the financial instruments that are subject to ECL as at 31 December 2021 and 2020. FVPL assets and FVOCI equity instruments are not subject to ECL and therefore not reflected in the tables.

In \$ millions	The Group							
	Gross carrying value ^(c)				ECL balances			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
2021								
Assets								
Loans and advances to customers								
- Retail	122,964	724	651	124,339	528	125	144	797
- Wholesale and others	260,763	23,814	4,639	289,216	1,508	1,373	2,401	5,282
Investment securities								
- Government securities and treasury bills ^(a)	40,582	-	-	40,582	7	-	-	7
- Bank and corporate debt securities ^(a)	42,811	1,131	97	44,039	29	11	77	117
Others ^(b)	105,406	55	229	105,690	29	2	224	255
Liabilities								
ECL on guarantees and other off-balance sheet exposures								
	-	-	-	-	130	134	80	344
Total ECL					2,231	1,645	2,926	6,802
2020								
Assets								
Loans and advances to customers								
- Retail	112,274	773	676	113,723	575	195	166	936
- Wholesale and others	236,914	20,280	5,383	262,577	1,727	1,410	2,526	5,663
Investment securities								
- Government securities and treasury bills ^(a)	39,062	-	-	39,062	9	-	-	9
- Bank and corporate debt securities ^(a)	44,593	1,170	38	45,801	28	23	15	66
Others ^(b)	105,810	120	226	106,156	28	3	211	242
Liabilities								
ECL on guarantees and other off-balance sheet exposures								
	-	-	-	-	140	174	96	410
Total ECL					2,507	1,805	3,014	7,326

- (a) Includes loss allowances of \$25 million (2020: \$25 million) for debt securities that are classified as FVOCI
(b) Comprise of amounts in "Cash and balances with central banks", "Due from Banks" and "Other assets" that are subject to ECL
(c) Balances exclude off-balance sheet exposures

The table below shows the portfolio mix of the Loans and advances to customers – Wholesale and others presented in the gross carrying value table above by internal counterparty risk rating (CRR) and probability of default (PD) range:

In \$ millions	The Group		
	PD range (based on Basel 12-month PDs) ^(a)	Stage 1 exposures	Stage 2 exposures
2021			
Loans and advances to customers		260,763	23,814
- Wholesale and others			
Of which (in percentage terms):			
CRR 1 – 6B	0.01% - 0.99%	88%	38%
CRR 7A – 7B	1.26% - 2.30%	8%	22%
CRR 8A – 9	2.57% - 28.83%	2%	39%
Others (not rated)	NA	2%	1%
Total		100%	100%

- (a) Basel 12-month PDs are transformed to Point-in-Time and forward-looking PDs. Stage 2 exposures are also measured on lifetime basis

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Sensitivity of ECL

The Group assessed ECL sensitivity for the wholesale and retail portfolios to changes in the allocation of exposures between Stages 1 and 2. ECL is estimated to reduce by \$1,187 million (2020: \$1,300 million) should all the exposures in Stage 2 return to Stage 1 and were assigned a lower 12-month ECL instead of lifetime ECL. The impact also reflects the higher PDs ascribed to Stage 2 exposures in addition to the recognition of lifetime instead of 12-month ECL.

As ECL estimation relies on multiple variables, no single analysis can fully demonstrate the sensitivity of the ECL to changes in macroeconomic variables.

Relief measures offered to customers

In response to the impact of Covid-19, various forms of relief measures, such as payment deferrals, had been offered to eligible retail and corporate customers. Payment deferrals were considered to be non-substantial modifications and accounted for as a continuation of the existing loan agreements.

In line with regulatory guidelines, customers' utilisation of relief measures does not automatically result in significant increase in credit risk and a transfer to Stage 2. The assessment of customer's risk of default continues to be performed comprehensively, taking into account the customer's ability to make payments based on the rescheduled payments and their creditworthiness in the long term.

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12. Income Tax Expense

In \$ millions	The Group	
	2021	2020
Current tax expense		
- Current year	1,009	730
- Prior years' provision	(96)	3
Deferred tax expense		
- Prior years' provision	8	3
- Origination/(Reversal) of temporary differences	52	(124)
Total	973	612

The deferred tax expense/(credit) in the income statement comprises the following temporary differences:

In \$ millions	The Group	
	2021	2020
Accelerated tax depreciation	19	4
Allowances for credit and other losses	66	(106)
Other temporary differences	(25)	(19)
Deferred tax expense/(credit) charged to income statement	60	(121)

The tax on the Group's profit before tax differs from the theoretical amount computed using the Singapore basic tax rate due to:

In \$ millions	The Group	
	2021	2020
Profit before tax	7,780	5,368
Prima facie tax calculated at a tax rate of 17% (2020: 17%)	1,322	913
Effect of different tax rates in other countries	48	19
Effect of change in country's tax rate ^(a)	-	11
Net income not subject to tax	(43)	(111)
Net income taxed at concessionary rate	(293)	(287)
Expenses not deductible for tax	26	13
Others	(87)	54
Income tax expense charged to income statement	973	612

(a) 2020 relates to impact from revaluation of net deferred tax asset due to a cut in Indonesia's corporate tax rate

Deferred income tax relating to FVOCI financial assets and cash flow hedges of \$82 million was credited (2020: \$31 million debited) and own credit risk of \$2 million was credited (2020: \$2 million debited) directly to equity.

Please refer to Note 21 for further information on deferred tax assets/liabilities.

13. Earnings Per Ordinary Share

Number of shares ('000)	The Group	
	2021	2020
Weighted average number of ordinary shares in issue (basic and diluted)	(a) 2,562,334	2,543,231

In \$ millions	The Group	
	2021	2020
Profit attributable to shareholders	6,805	4,721
Less: Dividends on other equity instruments	(109)	(115)
Adjusted profit	(b) 6,696	4,606

Earnings per ordinary share (\$)		
Basic and diluted	(b)/(a)	2.61
		1.81

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14. Classification of Financial Instruments

In \$ millions	The Group						Total
	Mandatorily at FVPL ^(c)	FVPL designated	Amortised cost	FVOCI- Debt	FVOCI- Equity	Hedging derivatives	
2021							
Assets							
Cash and balances with central banks	-	-	52,475	3,902	-	-	56,377
Government securities and treasury bills	12,587	97	22,653	17,925	-	-	53,262
Due from banks	15,447	-	34,633	1,297	-	-	51,377
Derivatives	18,821	-	-	-	-	860	19,681
Bank and corporate securities	22,813	-	26,963	16,981	2,935	-	69,692
Loans and advances to customers	1,492	25	407,476	-	-	-	408,993
Other financial assets	-	-	15,268	-	-	-	15,268
Total financial assets	71,160	122	559,468	40,105	2,935	860	674,650
Other asset items outside the scope of SFRS(I) 9 ^(a)							11,423
Total assets							686,073
Liabilities							
Due to banks	5,429	-	24,780	-	-	-	30,209
Deposits and balances from customers	-	229	501,730	-	-	-	501,959
Derivatives	19,079	-	-	-	-	1,239	20,318
Other financial liabilities	2,695	-	14,927	-	-	-	17,622
Other debt securities	126	10,600	41,844	-	-	-	52,570
Subordinated term debts	-	-	4,636	-	-	-	4,636
Total financial liabilities	27,329	10,829	587,917	-	-	1,239	627,314
Other liability items outside the scope of SFRS(I) 9 ^(b)							1,045
Total liabilities							628,359
2020							
Assets							
Cash and balances with central banks	699	-	46,482	3,437	-	-	50,618
Government securities and treasury bills	12,596	45	21,689	17,370	-	-	51,700
Due from banks	11,332	-	38,288	1,247	-	-	50,867
Derivatives	30,576	-	-	-	-	532	31,108
Bank and corporate securities	17,348	-	26,674	19,080	2,354	-	65,456
Loans and advances to customers	1,120	350	369,701	-	-	-	371,171
Other financial assets	-	-	18,871	-	-	-	18,871
Total financial assets	73,671	395	521,705	41,134	2,354	532	639,791
Other asset items outside the scope of SFRS(I) 9 ^(a)							10,147
Total assets							649,938
Liabilities							
Due to banks	1,823	-	26,397	-	-	-	28,220
Deposits and balances from customers	-	623	464,227	-	-	-	464,850
Derivatives	31,561	-	-	-	-	1,343	32,904
Other financial liabilities	1,525	-	19,699	-	-	-	21,224
Other debt securities	203	8,130	34,944	-	-	-	43,277
Subordinated term debts	-	-	3,970	-	-	-	3,970
Total financial liabilities	35,112	8,753	549,237	-	-	1,343	594,445
Other liability items outside the scope of SFRS(I) 9 ^(b)							850
Total liabilities							595,295

(a) Includes associates and joint ventures, goodwill and intangibles, properties and other fixed assets, and deferred tax assets

(b) Includes current tax liabilities and deferred tax liabilities

(c) Includes assets and liabilities that are held for trading and debt-type financial assets that are not SPPI in nature

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Financial assets and liabilities are presented net when there is a legally enforceable right to offset the recognised amounts, and there is intention to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets and liabilities offset on the balance sheet

As at 31 December 2021, “Loans and advances to customers” of \$18 million (2020: \$24 million) were set off against “Deposits and balances from customers” of \$18 million (2020: \$24 million) because contractually the Group has a legally enforceable right to set off these amounts, and intends to settle the loans and the deposits simultaneously at maturity or termination dates.

Financial assets and liabilities subject to netting agreements but not offset on the balance sheet

The Group enters into master netting arrangements with counterparties where it is appropriate and feasible to do so to mitigate counterparty risk. The credit risk associated with favourable 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. Master netting arrangements do not result in an offset of financial assets and liabilities on the balance sheet, as the legal right to offset the transactions is conditional upon default.

These agreements include derivative master agreements (including the International Swaps and Derivatives Association (ISDA) Master Agreement), global master repurchase agreements and global securities lending agreements. The collaterals received and pledged under these agreements are generally conducted under terms that are in accordance with normal market practice. The agreements may allow rehypothecation of collateral received and there may be ongoing margin requirements to mitigate counterparty risk.

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The disclosures set out in the tables below pertain to financial assets and liabilities that are not offset in the Group's balance sheet but are subject to master netting arrangements or similar agreements that cover similar financial instruments. The disclosures enable the understanding of both the gross and net amounts, as well as provide additional information on how such credit risk is mitigated.

In \$ millions	The Group					
	Carrying amounts on balance sheet	Not subject to enforceable netting agreement	Net amounts	Related amounts not offset on balance sheet		Net amounts
				Financial instruments	Financial collateral received/pledged	
2021						
Financial Assets						
Derivatives	19,681	4,656 ^(a)	15,025	12,932 ^(a)	1,035	1,058
Reverse repurchase agreements	29,466 ^(b)	-	29,466	-	29,444	22
Securities borrowings	64 ^(c)	-	64	-	61	3
Total	49,211	4,656	44,555	12,932	30,540	1,083
Financial Liabilities						
Derivatives	20,318	5,601 ^(a)	14,717	12,932 ^(a)	1,038	747
Repurchase agreements	5,666 ^(d)	-	5,666	-	5,665	1
Securities lendings	41 ^(e)	-	41	-	41	-
Short sale of securities	2,695 ^(f)	2,176	519	-	519	-
Total	28,720	7,777	20,943	12,932	7,263	748
2020						
Financial Assets						
Derivatives	31,108	9,503 ^(a)	21,605	19,623 ^(a)	1,156	826
Reverse repurchase agreements	17,809 ^(b)	-	17,809	-	17,807	2
Securities borrowings	570 ^(c)	-	570	-	550	20
Total	49,487	9,503	39,984	19,623	19,513	848
Financial Liabilities						
Derivatives	32,904	7,674 ^(a)	25,230	19,623 ^(a)	4,648	959
Repurchase agreements	8,148 ^(d)	-	8,148	-	8,147	1
Securities lendings	59 ^(e)	-	59	-	53	6
Short sale of securities	1,525 ^(f)	1,338	187	-	187	-
Total	42,636	9,012	33,624	19,623	13,035	966

- (a) Related amounts under "Financial instruments" are prepared on the same basis as netting arrangements recognised for computation of Capital Adequacy Ratio (CAR) as set out under MAS Notice 637 (unaudited), which incorporates a conservative stance on enforceable netting. Accordingly, the amounts shown under "Not subject to enforceable netting agreement" are those where either no netting agreements exist or where the netting agreements have not been recognised for computation of CAR
- (b) Reverse repurchase agreements are presented under separate line items on the balance sheet, namely "Cash and balances with central banks", "Due from banks" and "Loans and advances to customers"
- (c) Cash collateral pledged under securities borrowings are presented under "Other assets" on the balance sheet
- (d) Repurchase agreements are presented under separate line items on the balance sheet, namely "Due to banks" and "Deposits and balances from customers"
- (e) Cash collateral received under securities lendings are presented under "Other liabilities" on the balance sheet
- (f) Short sale of securities are presented under "Other liabilities" on the balance sheet

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15. Cash and Balances with Central Banks

In \$ millions	The Group	
	2021	2020
Cash on hand	2,140	2,411
Non-restricted balances with central banks	44,550	39,791
Cash and cash equivalents	46,690	42,202
Restricted balances with central banks ^(a)	9,687	8,416
Total ^{(b)(c)}	56,377	50,618

(a) Mandatory balances with central banks

(b) Includes financial assets (certificates of deposit) pledged or transferred of \$563 million (2020: \$542 million) (See Note 19)

(c) Balances are net of ECL

16. Government Securities and Treasury Bills

In \$ millions	The Group				
	Mandatorily at FVPL	FVPL designated	FVOCI	Amortised cost	Total
2021					
Singapore Government securities and treasury bills (Gross) ^(a)	4,609	-	1,025	5,730	11,364
Other government securities and treasury bills (Gross) ^(b)	7,978	97	16,900	16,927	41,902
Less: ECL ^(c)	-	-	-	4	4
Total	12,587	97	17,925	22,653	53,262
2020					
Singapore Government securities and treasury bills (Gross) ^(a)	5,070	-	1,646	6,892	13,608
Other government securities and treasury bills (Gross) ^(b)	7,526	45	15,724	14,800	38,095
Less: ECL ^(c)	-	-	-	3	3
Total	12,596	45	17,370	21,689	51,700

(a) Includes financial assets pledged or transferred of \$2,092 million (2020: \$1,360 million) (See Note 19)

(b) Includes financial assets pledged or transferred of \$4,327 million (2020: \$8,642 million) (See Note 19)

(c) ECL for FVOCI securities amounting to \$3 million (2020: \$6 million) are not shown in the table, as these securities are recorded at fair value

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17. Bank and Corporate Securities

In \$ millions	Mandatorily at FVPL	The Group		Total
		FVOCI	Amortised	
2021				
Bank and corporate debt securities (Gross) ^(a)	9,844	16,981	27,058	53,883
Less: ECL ^(c)	-	-	95	95
Bank and corporate debt securities	9,844	16,981	26,963	53,788
Equity securities ^(b)	12,969	2,935	-	15,904
Total	22,813	19,916	26,963	69,692
2020				
Bank and corporate debt securities (Gross) ^(a)	8,355	19,080	26,721	54,156
Less: ECL ^(c)	-	-	47	47
Bank and corporate debt securities	8,355	19,080	26,674	54,109
Equity securities ^(b)	8,993	2,354	-	11,347
Total	17,348	21,434	26,674	65,456

(a) Includes financial assets pledged or transferred of \$1,407 million (2020: \$3,305 million) (See Note 19)

(b) Includes financial assets pledged or transferred of \$42 million (2020: Nil) (See Note 19)

(c) ECL for FVOCI securities amounting to \$22 million (2020: \$19 million) are not shown in the table, as these securities are recorded at fair value

18. Loans and Advances to Customers

In \$ millions	The Group	
	2021	2020
Gross	415,072	377,770
Less: Specific allowances ^(a)	2,545	2,692
General allowances ^(a)	3,534	3,907
Net total	408,993	371,171
Analysed by product		
Long-term loans	188,483	177,174
Short-term facilities	105,593	88,472
Housing loans	78,516	74,207
Trade loans	42,480	37,917
Gross loans	415,072	377,770
Analysed by currency		
Singapore dollar	159,305	151,110
Hong Kong dollar	49,685	42,289
US dollar	121,691	105,656
Chinese yuan	19,203	16,824
Others	65,188	61,891
Gross loans	415,072	377,770

(a) Balances refer to ECL under SFRS(I) 9 (Specific allowances: Stage 3 ECL; General allowances: Stage 1 and Stage 2 ECL)

Please refer to Note 43.4 for a breakdown of loans and advances to customers by geography and by industry.

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The table below shows the movements in specific and general allowances for loans and advances to customers during the year.

In \$ millions	The Group					
	Balance at 1 January	Charge/ (Write-back) to income statement	Net write-off during the year	Amalgamation of LVB	Exchange and other movements	Balance at 31 December
2021						
Specific allowances						
Manufacturing	269	173	(97)	-	27	372
Building and construction	138	35	(25)	-	1	149
Housing loans	11	5	(1)	-	#	15
General commerce	564	184	(97)	-	11	662
Transportation, storage and communications	1,369	(102)	(273)	-	(23)	971
Financial institutions, investment and holding companies	23	27	-	-	#	50
Professionals and private individuals (excluding housing loans)	151	108	(143)	-	5	121
Others	167	41	(5)	-	2	205
Total specific allowances	2,692	471	(641)	-	23	2,545
Total general allowances	3,907	(382)	-	-	9	3,534
Total allowances	6,599	89	(641)	-	32	6,079
2020						
Specific allowances						
Manufacturing	296	227	(248)	-	(6)	269
Building and construction	140	17	(17)	-	(2)	138
Housing loans	11	8	(8)	-	#	11
General commerce	313	322	(54)	-	(17)	564
Transportation, storage and communications	1,346	181	(139)	-	(19)	1,369
Financial institutions, investment and holding companies	19	4	-	-	#	23
Professionals and private individuals (excluding housing loans)	138	284	(274)	-	3	151
Others	42	131	(6)	-	#	167
Total specific allowances	2,305	1,174	(746)	-	(41)	2,692
Total general allowances	2,238	1,581	-	95	(7)	3,907
Total allowances	4,543	2,755	(746)	95	(48)	6,599

Amount under \$500,000

Included in loans and advances to customers are loans designated at fair value, as follows:

In \$ millions	The Group	
	2021	2020
Fair value designated loans and advances and related credit derivatives		
Maximum credit exposure	25	350
Credit derivatives – protection bought	(25)	(350)
Cumulative change in fair value arising from changes in credit risk	(1)	(8)
Cumulative change in fair value of related credit derivatives	1	8

Changes in fair value arising from changes in credit risk are determined as the amount of change in fair value that is not attributable to changes in market conditions that give rise to market risk. These changes in market conditions include changes in a benchmark interest rate, foreign exchange rate or index of prices or rates.

During the year, the amount of change in the fair value of the loans and advances attributable to credit risk was a gain of \$7 million (2020: gain of \$16 million). During the year, the amount of change in the fair value of the related credit derivatives was a loss of \$7 million (2020: loss of \$16 million).

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19. Financial Assets Pledged or Transferred

The Group pledges or transfers financial assets to third parties in the ordinary course of business. Transferred assets continue to be recognised in the Group's financial statements when the Group retains substantially all their risks and rewards. Among these, as set out below, are securities pledged or transferred pursuant to repurchase or securities lending or collateral swap agreements and for derivative transactions under credit support agreements.

Derecognised assets that were subject to the Group's partial continuing involvement were not material in 2021 and 2020.

Securities and Certificates of deposit

Securities transferred under repurchase, securities lending and collateral swap arrangements are generally conducted under terms in line with normal market practice. The counterparty is typically allowed to sell or re-pledge the securities but has an obligation to return them at maturity. If the securities decrease in value, the Group may, in certain circumstances, be required to place additional collateral.

For repurchase agreements, the securities pledged or transferred continue to be recorded on the balance sheet while cash received in exchange is recorded as a financial liability. The Group also pledges assets to secure its short position in securities and to facilitate settlement operations. The fair value of the associated liabilities approximates their carrying amount of \$4,488 million (2020: \$5,184 million), which are recorded under "Due to banks", "Deposits and balances from customers" and "Other liabilities" on the balance sheet.

For securities lending and collateral swap transactions, the securities lent continue to be recorded on the balance sheet. As the Group mainly receives other financial assets in exchange, the associated liabilities are not recorded on the balance sheet.

In addition, the Group also pledges securities for derivative transactions under credit support agreements. These assets continue to be recorded on the balance sheet. As the related derivative assets and liabilities are managed on a portfolio basis, there is no direct relationship between the securities pledged and the associated liabilities. As such, the associated liabilities are not disclosed.

In \$ millions	The Group	
	2021	2020
Financial assets pledged or transferred		
Singapore Government securities and treasury bills	2,092	1,360
Other government securities and treasury bills	4,327	8,642
Bank and corporate debt securities	1,407	3,305
Equity securities	42	-
Certificates of deposit	563	542
Total	8,431	13,849

Covered bonds

Pursuant to the Bank's Global Covered Bond Programme, selected pools of residential mortgages originated by the Bank have been assigned to a bankruptcy-remote structured entity, Bayfront Covered Bonds Pte Ltd (see Notes 22.2 and 30.4). These residential mortgages continue to be recognised on the Bank's balance sheet as the Bank remains exposed to the risks and rewards associated with them.

As at 31 December 2021, the carrying value of the covered bonds in issue was \$5,689 million (2020: \$4,545 million), while the carrying value of assets assigned was \$9,237 million (2020: \$11,498 million). The difference in values is attributable to an intended over-collateralisation required to maintain the credit ratings of the covered bonds in issue, and additional assets assigned to facilitate future issuances.

Other financial assets

The Group also enters into structured funding transactions where it retains the contractual rights to receive cash flows of financial assets extended to third parties but assumes a contractual obligation to pay these cash flows under the issued notes. The carrying amounts and fair values of these financial assets and liabilities both amounted to \$25 million (2020: \$350 million).

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20. Other Assets

In \$ millions	The Group	
	2021	2020
Accrued interest receivable	1,274	1,310
Deposits and prepayments	584	643
Receivables from securities business	480	602
Sundry debtors and others	9,748	10,645
Cash collateral pledged ^(a)	3,182	5,671
Deferred tax assets (Note 21)	627	624
Total^(b)	15,895	19,495

(a) Mainly relates to cash collateral pledged in respect of derivative portfolios

(b) Balances are net of specific and general allowances

21. Deferred Tax Assets/Liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority. The deferred tax assets and liabilities are determined after appropriate offsetting, as shown in "Other assets" (Note 20) and "Other liabilities" (Note 29) respectively.

Deferred tax assets and liabilities comprise the following temporary differences:

In \$ millions	The Group	
	2021	2020
Deferred income tax assets		
Allowances for credit and other losses	449	484
FVOCI financial assets and cash flow hedges	26	12
Own credit risk	3	1
Other temporary differences	382	321
Sub-total	860	818
Amounts offset against deferred tax liabilities	(233)	(194)
Total	627	624
Deferred income tax liabilities		
Allowances for credit and other losses	62	35
Accelerated tax depreciation	158	138
FVOCI financial assets and cash flow hedges	13	81
Other temporary differences	81	50
Sub-total	314	304
Amounts offset against deferred tax assets	(233)	(194)
Total	81	110
Net deferred tax assets	546	514

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22. Subsidiaries and Consolidated Structured Entities

In \$ millions	The Company	
	2021	2020
Investment in subsidiaries ^(a)		
Ordinary shares	17,682	17,682
Additional Tier 1 instruments	3,025	4,812
Other equity instruments	344	344
	21,051	22,838
Due from subsidiaries		
Subordinated term debts	6,398	5,411
Other debt securities	735	763
Other receivables	3,160	1,325
	10,293	7,499
Total	31,344	30,337

(a) The carrying amounts of certain investments which are designated as hedged items in a fair value hedge are adjusted for fair value changes attributable to the hedged risks

22.1 Main operating subsidiaries

The main operating subsidiaries within the Group are listed below.

Name of subsidiary	Incorporated in	The Group	
		Effective shareholding % 2021	2020
Commercial Banking			
DBS Bank Ltd.	Singapore	100	100
DBS Bank (Hong Kong) Limited*	Hong Kong	100	100
DBS Bank (China) Limited*	China	100	100
DBS Bank (Taiwan) Limited*	Taiwan	100	100
PT Bank DBS Indonesia*	Indonesia	99	99
DBS Bank India Limited*	India	100	100
Other Financial Services			
DBS Vickers Securities Holdings Pte Ltd	Singapore	100	100
DBS Digital Exchange Pte. Ltd. ^(a)	Singapore	90	100
DBS Securities (China) Co. Ltd*	China	51	-

* Audited by PricewaterhouseCoopers network firms outside Singapore

(a) Subsidiary held by DBS Finnovation Pte. Ltd., an investment holding company under DBS Bank Ltd.

The Group's main subsidiaries are regulated banks and non-bank financial institutions. Statutory, contractual or regulatory requirements as well as protective rights of non-controlling interests may restrict the ability of the Company to access and transfer assets freely to or from other entities within the Group and to settle liabilities of the Group. Since the Group did not have any material non-controlling interests as at the balance sheet dates, any protective rights associated with these did not give rise to significant restrictions in 2020 and 2021.

22.2 Consolidated structured entity

The structured entity consolidated by the Group is listed below.

Name of entity	Purpose of consolidated structured entity	Incorporated in
Bayfront Covered Bonds Pte Ltd	Covered bond guarantor	Singapore

Bayfront Covered Bonds Pte Ltd is a bankruptcy-remote structured entity established in conjunction with the Bank's USD 10 billion Global Covered Bond Programme (see Note 30.4). As part of the contractual structures that are integral to this programme, the Bank provides funding and hedging facilities to it.

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23. Associates and Joint Ventures

In \$ millions	The Group	
	2021	2020
Unquoted equity securities	1,932	835
Share of post-acquisition reserves	240	27
Total	2,172	862

The Group's share of income and expenses, assets and liabilities and off-balance sheet items of the associates and joint ventures at 31 December are as follows:

In \$ millions	The Group	
	2021	2020
Income statement		
Share of income	502	325
Share of expenses	(289)	(264)
Balance sheet		
Share of total assets	4,233	2,554
Share of total liabilities	2,061	1,692
Off-balance sheet		
Share of contingent liabilities and commitments	2,435	#

Amount under \$500,000

23.1 Main associates

The main associates of the Group are listed below.

Name of associate	Incorporated in	The Group Effective shareholding %	
		2021	2020
Unquoted			
Central Boulevard Development Pte Ltd**	Singapore	33.3	33.3
Shenzhen Rural Commercial Bank Corporation Limited* (a) (Note 25.2)	China	13.0	-

* Audited by PricewaterhouseCoopers network firms outside Singapore

** Audited by other auditors

(a) The Group is able to exercise significant influence over the financial and operating policy decision through board representation

As of 31 December 2021 and 31 December 2020, no associate and joint venture was individually material to the Group. As a non-controlling shareholder, the Group's ability to receive dividends is subject to agreement with other shareholders. The associates and joint ventures may also be subject to statutory, contractual or regulatory requirements restricting dividend payments or to repay loans or advances made.

The Group's share of commitments and contingent liabilities of the associates and joint ventures as well as its commitments to finance or otherwise provide resources to them are not material.

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24. Unconsolidated Structured Entities

“Unconsolidated structured entities” are structured entities, as defined by SFRS(I) 12, that are not controlled by the Group. In the normal course of business, the Group enters into transactions with these structured entities to facilitate customer transactions and for specific investment opportunities.

While the economic exposures may be the same as those to other type of entities, SFRS(I) 12 specifically requires companies to disclose such exposures arising from transactions with unconsolidated structured entities. The table below reflects exposures to third party securitisation structures where the Group holds an interest in the normal course of business.

As is the case with other types of counterparties, the carrying amount from transactions with unconsolidated structured entities have been included in the Group’s financial statements.

The risks arising from such transactions are subject to the Group’s risk management practices.

The table below represents the Group’s maximum exposure to loss which for on-balance sheet assets and liabilities is represented by the carrying amount, and does not reflect mitigating effects from the availability of netting arrangements and financial instruments that the Group may utilise to economically hedge the risks inherent in third party structured entities, or risk-reducing effects of collateral or other credit enhancements.

In \$ millions	2021	The Group	2020
Derivatives	6		142
Corporate securities	3,704		3,627
Loans and advances to customers	9		14
Other assets	2		3
Total assets	3,721		3,786
Commitments	549		306
Maximum exposure to loss	4,270		4,092
Derivatives	108		10
Total liabilities	108		10

SFRS(I) 12 also requires additional disclosures where the Group acts as a sponsor to unconsolidated structured entities. The Group is deemed a sponsor of a structured entity if it plays a key role in establishing the entity, and has an on-going involvement with the structured entity or if the Group’s name appears in the structured entity’s name.

There are certain investment funds where the Group is the fund manager and the investors have no or limited removal rights over the fund manager. These funds are primarily subscribed by the investors. As of 31 December 2021, the Group did not hold any investment in these investment funds. The table below summarises the Group’s involvement in the funds.

In \$ millions	2021	The Group	2020
Total assets of the sponsored structured entities	452		-
Fee income earned from the sponsored structured entities	4		-

25. Acquisitions

25.1 Lakshmi Vilas Bank (LVB)

LVB has been amalgamated with DBS Bank India Limited (DBIL) with effect from 27 November 2020. The scheme of amalgamation is under the special powers of the Government of India and Reserve Bank of India under Section 45 of the Banking Regulation Act, 1949, India. The amalgamation provides stability to LVB's depositors, customers and employees following a period of uncertainty. It complements the Group's digibank strategy with an expanded network of 600 branches and 1,000 ATMs, an additional two million retail and 125,000 non-retail customers, as well as a strengthened deposit franchise.

The provisional goodwill from amalgamation of LVB was finalised at \$190 million (2020: \$153 million) in November 2021, being the difference between the fair value of its assets and liabilities of \$3.89 billion (2020: \$3.89 billion) and \$4.08 billion (2020: \$4.04 billion) respectively. The \$37 million increase reflects the increase in fair values of pension and gratuity liabilities as of the acquisition date based on the updated actuary report. As at 26 November 2020, total loans transferred amounted to \$2.12 billion, including net non-performing loans of \$212 million and total deposits transferred amounted to \$3.60 billion.

25.2 Shenzhen Rural Commercial Bank Corporation Limited

The Group announced on 20 April 2021 that it had entered into an agreement and have obtained approvals from Monetary Authority of Singapore and China Banking and Insurance Regulatory Commission, Shenzhen Office to subscribe for a 13% stake in Shenzhen Rural Commercial Bank Corporation Limited ("SZRCB") for CNY5.3 billion (\$1.1 billion) ("the Investment"). The purchase consideration was adjusted to CNY5.2 billion (\$1.1 billion) following the dividend distribution of CNY10 cents per share by SZRCB in May 2021.

The Investment is classified as an associate and applies the equity method of accounting. The Group is able to exercise significant influence over the financial and operating policy decision through board representation.

The transaction was completed in October 2021 and a gain of \$104 million was recognised, being the excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of investment. The gain is included in share of profits or losses of associates during the year. The Investment is in line with the Group's strategy of investing in its core markets and accelerates its expansion in the rapidly growing Greater Bay Area.

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26. Properties and Other Fixed Assets

In \$ millions	The Group	
	2021	2020
Owned properties and other fixed assets		
Investment properties	40	42
Owner-occupied properties	423	429
Software ^(a)	1,042	916
Other fixed assets	380	392
	1,885	1,779
Right-of-use assets		
Properties	1,261	1,425
Other fixed assets	116	134
	1,377	1,559
Total	3,262	3,338

(a) During the year, the additions to software were \$399 million (2020: \$377 million), disposals/write-offs were \$21 million (2020: \$44 million) and depreciation expenses were \$261 million (2020: \$236 million)

27. Goodwill and Intangibles

The carrying amounts of the Group's goodwill and intangibles arising from business acquisitions are as follows:

In \$ millions	The Group	
	2021	2020
DBS Bank (Hong Kong) Limited	4,631	4,631
Others ^(a)	731	692
Total	5,362	5,323

(a) 2021 includes goodwill relating to LVB of \$192 million (2020: \$153 million) following the amalgamation with DBS Bank India Limited

The carrying amounts of the CGUs are reviewed at least once a year to determine if the goodwill associated with them should be impaired. If a CGU's carrying amount exceeds its recoverable value, a goodwill impairment charge is recognised in the income statement.

The recoverable value is determined based on a value-in-use calculation. The CGU's five-year projected free cash flows, after taking into account the maintenance of capital adequacy requirements at target levels, are discounted by its cost of capital to derive its present value. To derive the value beyond the fifth year, a long-term growth rate is imputed to the fifth-year cash flow and then discounted by the cost of capital to derive the terminal value. The long-term growth rate used does not exceed the historical long-term growth rate of the market the CGU operates in. The recoverable value is the sum of the present value of the five-year cash flows and the terminal value.

A growth rate of 3.5% (2020: 3.5%) and discount rate of 9.0% (2020: 9.0%) were assumed in the value-in-use calculation for DBS Bank (Hong Kong) Limited's franchise.

The process of evaluating goodwill impairment involves management judgement and prudent estimates of various factors including future cash flows as well as the cost of capital and long-term growth rates. The results can be highly sensitive to the assumptions used. Key assumptions used to determine the recoverable amounts of the CGU, including growth rate and discount rate, are tested for sensitivity by applying a reasonably possible change to those assumptions. The reasonably possible changes in key assumptions did not result in an impairment of goodwill at 31 December 2021.

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28. Deposits and Balances from Customers

In \$ millions	The Group	
	2021	2020
Analysed by currency		
Singapore dollar	219,838	204,469
US dollar	174,338	152,799
Hong Kong dollar	31,067	38,924
Chinese yuan	20,995	16,182
Others	55,721	52,476
Total	501,959	464,850
Analysed by product		
Savings accounts	221,908	195,802
Current accounts	159,453	142,029
Fixed deposits	113,731	123,583
Other deposits	6,867	3,436
Total	501,959	464,850

29. Other Liabilities

In \$ millions	The Group	
	2021	2020
Cash collateral received ^(a)	1,951	2,976
Accrued interest payable	286	396
Provision for loss in respect of off-balance sheet credit exposures	344	410
Payable in respect of securities business	365	487
Sundry creditors and others ^(b)	10,459	13,726
Lease liabilities ^(c)	1,522	1,704
Current tax liabilities	964	740
Short sale of securities	2,695	1,525
Deferred tax liabilities (Note 21)	81	110
Total	18,667	22,074

(a) Mainly relates to cash collateral received in respect of derivative portfolios

(b) Includes income received in advance of \$960 million (2020: \$1,066 million) arising from a 15-year regional distribution agreement entered with Manulife Financial Asia Limited, to be amortised on a straight-line basis. \$107 million (2020: \$107 million) of the Manulife income received in advance was recognised as fee income during the year. The regional distribution agreement was extended for one more year to 2031 via a contract addendum in 2021. The revised amortisation amounting to \$96 million per annum arising from the change will take effect from 2022

(c) Total lease payments made during the year amounted to \$261 million (2020: \$258 million)

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30. Other Debt Securities

In \$ millions	Note	The Group		The Company	
		2021	2020	2021	2020
Negotiable certificates of deposit	30.1	4,865	3,738	-	-
Senior medium term notes	30.2	6,540	5,506	5,400	3,454
Commercial papers	30.3	24,865	21,345	270	594
Covered bonds	30.4	5,689	4,545	-	-
Other debt securities	30.5	10,611	8,143	-	-
Total		52,570	43,277	5,670	4,048
Due within 1 year		38,056	31,920	2,119	1,306
Due after 1 year ^(a)		14,514	11,357	3,551	2,742
Total		52,570	43,277	5,670	4,048

(a) Includes instruments in perpetuity

30.1 Negotiable certificates of deposit issued and outstanding are as follows:

In \$ millions	Interest Rate and Interest Frequency	The Group	
Currency		2021	2020
Issued by the Bank and other subsidiaries			
AUD	0.03% to 0.33%, payable on maturity	3,119	3,209
CNY	2.42% to 2.84%, payable on maturity	1,648	79
HKD	3.80% to 3.83%, payable annually	-	37
HKD	Zero-coupon, payable on maturity	-	341
INR	Zero-coupon, payable on maturity	-	72
TWD	0.42%, payable on maturity	98	-
Total		4,865	3,738

The outstanding negotiable certificates of deposit as at 31 December 2021 were issued between 5 July 2021 and 30 December 2021 (2020: 16 March 2011 and 30 December 2020) and mature between 4 January 2022 and 20 October 2022 (2020: 4 January 2021 and 25 June 2021).

30.2 Senior medium term notes issued and outstanding as at 31 December are as follows:

In \$ millions	Interest Rate and Interest Frequency	The Group		The Company	
Currency		2021	2020	2021	2020
Issued by the Company					
AUD	0.85%, payable semi-annually	292	305	294	305
AUD	Floating rate note, payable quarterly	441	458	441	458
HKD	2.78% to 2.8%, payable annually	156	157	156	157
HKD	1.074%, payable semi-annually	243	-	243	-
SGD	2.78%, payable semi-annually	-	481	-	481
USD	1.169% to 3.422%, payable semi-annually	3,184	1,161	3,185	1,161
USD	Floating rate note, payable quarterly	1,081	892	1,081	892
Issued by the Bank and other subsidiaries					
AUD	Floating rate note, payable quarterly	686	1,425	-	-
CNY	4.55% to 4.7%, payable annually	174	607	-	-
SGD	Floating rate note, payable quarterly	-	20	-	-
USD	1.49%, payable semi-annually	283	-	-	-
Total		6,540	5,506	5,400	3,454

The outstanding senior medium term notes as at 31 December 2021 were issued between 13 January 2017 and 22 November 2021 (2020: 11 January 2016 and 17 July 2020) and mature between 13 January 2022 and 15 March 2027 (2020: 11 January 2021 and 24 January 2024).

30.3 The commercial papers were issued by the Bank under its USD 5 billion Euro Commercial Paper Programme and USD 20 billion US Commercial Paper Programme and by the Company under its USD 5 billion US Commercial Paper Programme. These are mainly zero-coupon papers. The outstanding notes as at 31 December 2021 were issued between 6 July 2021 and 31 December 2021 (2020: 11 June 2020 and 22 December 2020) and mature between 5 January 2022 and 9 September 2022 (2020: 4 January 2021 and 7 September 2021).

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30.4 The covered bonds were issued by the Bank under its USD 10 billion Global Covered Bond Programme. A covered bond is a senior obligation of the Bank backed by a cover pool comprising assets that have been ring-fenced via contractual structures in a bankruptcy-remote structured entity, Bayfront Covered Bonds Pte Ltd. Bayfront Covered Bonds Pte Ltd provides an unconditional and irrevocable guarantee, which is secured by the cover pool, to the covered bond holders. Please refer to Note 19 for further details on the covered bonds.

The outstanding covered bonds as at 31 December 2021 were issued between 23 January 2017 and 17 November 2021 (2020: 23 January 2017 and 25 October 2019) and mature between 25 October 2022 and 26 October 2026 (2020: 27 November 2021 and 21 November 2024).

30.5 Other debt securities issued and outstanding as at 31 December are as follows:

In \$ millions	The Group	
	2021	2020
Issued by the Bank and other subsidiaries		
Equity linked notes	4,929	2,641
Credit linked notes	2,826	2,550
Interest linked notes	2,809	2,891
Foreign exchange linked notes	38	52
Fixed rate bonds	9	9
Total	10,611	8,143

The outstanding securities (excluding perpetual securities) as at 31 December 2021 were issued between 1 March 2013 and 31 December 2021 (2020: 10 February 2012 and 31 December 2020) and mature between 3 January 2022 and 31 March 2061 (2020: 4 January 2021 and 28 October 2060).

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31. Subordinated Term Debts

The following subordinated term debts issued by the Company are classified as liabilities. These term debt instruments have a junior or lower priority claim on the issuing entity's assets in the event of a default or liquidation.

The subordinated term debts issued by the Company include provisions for them to be written-off if and when the Monetary Authority of Singapore notifies the Company that a write-off of the instruments, or a public sector injection of capital (or equivalent support), is necessary, without which the Company or the Group would become non-viable. These instruments qualify as Tier 2 capital under the Monetary Authority of Singapore Notice on Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore (MAS Notice 637), on the basis that the Company is subject to the application of MAS Notice 637.

In \$ millions	Note	Issue Date	Maturity Date	Interest Payment	The Group and The Company	
					2021	2020
Issued by the Company						
SGD 250m 3.80% Subordinated Notes due 2028 Callable in 2023	31.1	20 Jan 2016	20 Jan 2028	Jan/Jul	256	263
JPY 10,000m 0.918% Subordinated Notes due 2026	31.2	8 Mar 2016	8 Mar 2026	Mar/Sep	118	129
HKD 1,500m 3.24% Subordinated Notes due 2026 Callable in 2021	31.3	19 Apr 2016	19 Apr 2026	Jan/Apr/Jul/Oct	-	257
AUD 750m 3-month BBSW+1.58% Subordinated Notes due 2028 Callable in 2023	31.4	16 Mar 2018	16 Mar 2028	Mar/Jun/Sep/Dec	735	763
EUR 600m 1.50% Subordinated Notes due 2028 Callable in 2023	31.5	11 Apr 2018	11 Apr 2028	Apr	917	974
CNY 950m 5.25% Subordinated Notes due 2028 Callable in 2023	31.6	15 May 2018	15 May 2028	May/Nov	201	193
USD 750m 4.52% Subordinated Notes due 2028 Callable in 2023	31.7	11 Jun 2018	11 Dec 2028	Jun/Dec	1,014	992
JPY 7,300m 0.85% Subordinated Notes due 2028 Callable in 2023	31.8	25 Jun 2018	25 Jun 2028	Jun/Dec	86	94
AUD 300m 3-month BBSW+1.90% Subordinated Notes due 2031 Callable in 2026	31.9	8 Oct 2020	8 Apr 2031	Jan/Apr/Jul/Oct	294	305
CNY 1,600m 3.70% Subordinated Notes due 2031 Callable in 2026	31.10	3 Mar 2021	3 Mar 2031	Mar/Sep	339	-
USD 500m 1.822% Subordinated Notes due 2031 Callable in 2026	31.11	10 Mar 2021	10 Mar 2031	Mar/Sep	676	-
Total					4,636	3,970
Due within 1 year					-	-
Due after 1 year					4,636	3,970
Total					4,636	3,970

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31.1 Interest on the notes is payable at 3.80% per annum up to 20 January 2023. Thereafter, the interest rate resets to the then-prevailing five-year Singapore Dollar Swap Offer Rate plus 1.10% per annum. Interest is paid semi-annually on 20 January and 20 July each year. The notes are redeemable on 20 January 2023 or on any interest payment date thereafter. Swaps have been entered into to exchange the fixed rate payments on the notes to floating rate payments.

31.2 Interest on the notes is payable semi-annually at 0.918% per annum on 8 March and 8 September each year. Swaps have been entered into to exchange the fixed rate payments on the notes to floating rate payments.

31.3 Interest on the notes is payable at 3.24% per annum up to 19 April 2021. Thereafter, the interest rate resets to the then-prevailing five-year Hong Kong Dollar Swap Rate plus 1.90% per annum. Interest is paid quarterly on 19 January, 19 April, 19 July and 19 October each year. Swaps have been entered into to exchange the fixed rate payments on the notes to floating rate payments. The notes were fully redeemed on 19 April 2021.

31.4 Interest on the notes is payable quarterly at 3-month Bank Bill Swap Rate (BBSW) plus 1.58% per annum on 16 March, 16 June, 16 September and 16 December each year. The notes are redeemable on 16 March 2023 or on any interest payment date thereafter.

31.5 Interest on the notes is payable at 1.50% per annum up to 11 April 2023. Thereafter, the interest rate resets to the then-prevailing five-year Euro Mid-Swap Rate plus 1.20% per annum. Interest is paid annually on 11 April each year. The notes are redeemable on 11 April 2023 or on any interest payment date thereafter.

31.6 Interest on the notes is payable semi-annually at 5.25% per annum on 15 May and 15 November each year. The notes are redeemable on 15 May 2023 or on any interest payment date thereafter.

31.7 Interest on the notes is payable at 4.52% per annum up to 11 December 2023. Thereafter, the interest rate resets to the then-prevailing five-year US Dollar Mid-Swap Rate plus 1.59% per annum. Interest is paid semi-annually on 11 June and 11 December each year. The notes are redeemable on 11 December 2023 or on any interest payment date thereafter.

31.8 Interest on the notes is payable at 0.85% per annum up to 25 June 2023. Thereafter, the interest rate resets to the then-prevailing six-month JPY London Interbank Offered Rate plus 0.74375% per annum. Interest is paid semi-annually on 25 June and 25 December each year. The notes are redeemable on 25 June 2023 or on any interest payment date thereafter. Swaps have been entered into to exchange the fixed rate payments on the notes to floating rate payments.

31.9 Interest on the notes is payable quarterly at 3-month Bank Bill Swap Rate (BBSW) plus 1.90% per annum on 8 January, 8 April, 8 July and 8 October each year. The notes are redeemable on 8 April 2026 or on any interest payment date thereafter.

31.10 Interest on the notes is payable semi-annually at 3.70% per annum on 3 March and 3 September each year. The notes are redeemable on 3 March 2026 or on any interest payment date thereafter.

31.11 Interest on the notes is payable at 1.822% per annum up to 10 March 2026. Thereafter, the interest rate resets to the then-prevailing five-year US Dollar Treasury Rate plus 1.10% per annum. Interest is paid semi-annually on 10 March and 10 September each year. The notes are redeemable on 10 March 2026 or on any interest payment date thereafter.

For more information on each instrument, please refer to the "Capital Disclosures" section (unaudited) published on DBS website (<https://www.dbs.com/investors/fixed-income/capital-instruments>).

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32. Share Capital

The Scrip Dividend Scheme (“Scheme”) was re-introduced from the second-quarter interim dividend of financial year 2020. With the lifting of regulatory restrictions on 28 July 2021, the Scheme was not applied to the second and third-quarter interim dividend, as well as the final dividend of financial year 2021.

As at 31 December 2021, the number of treasury shares held by the Group is 20,872,531 (2020: 25,874,461), which is 0.81% (2020: 1.01%) of the total number of issued shares net of treasury shares.

Movements in the number of shares and carrying amount of share capital are as follows:

	The Group				The Company			
	Shares ('000)		In \$ millions		Shares ('000)		In \$ millions	
	2021	2020	2021	2020	2021	2020	2021	2020
Ordinary shares								
Balance at 1 January	2,575,864	2,563,936	11,484	11,205	2,575,864	2,563,936	11,484	11,205
Shares issued pursuant to Scrip Dividend Scheme	11,754	11,928	342	279	11,754	11,928	342	279
Balance at 31 December	2,587,618	2,575,864	11,826	11,484	2,587,618	2,575,864	11,826	11,484
Treasury shares								
Balance at 1 January	(25,874)	(10,331)	(542)	(257)	(24,796)	(9,815)	(516)	(244)
Purchase of treasury shares	(534)	(22,105)	(16)	(447)	-	(21,400)	-	(431)
Draw-down of reserves upon vesting of performance shares	5,535	6,562	115	162	-	-	-	-
Transfer of treasury shares	-	-	-	-	5,520	6,419	115	159
Balance at 31 December	(20,873)	(25,874)	(443)	(542)	(19,276)	(24,796)	(401)	(516)
Issued share capital at 31 December			11,383	10,942			11,425	10,968

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33. Other Equity Instruments

The following perpetual capital securities issued by the Company are classified as other equity instruments. These instruments are subordinated to all liabilities of the Company and senior only to ordinary shareholders of the Company. Their terms require them to be written-off if and when the Monetary Authority of Singapore notifies the Company that a write-off of the instruments, or a public sector injection of capital (or equivalent support), is necessary, without which the Company or the Group would become non-viable. These instruments qualify as Additional Tier 1 capital under MAS Notice 637, on the basis that the Company is subject to the application of MAS Notice 637.

In \$ millions	Note	Issue Date	Distribution Payment	The Group and The Company	
				2021	2020
Issued by the Company					
USD 750m 3.60% Non-Cumulative, Non-Convertible Perpetual Capital Securities First Callable in 2021	33.1	7 Sep 2016	Mar/Sep	-	1,009
SGD 1,000m 3.98% Non-Cumulative, Non-Convertible Perpetual Capital Securities First Callable in 2025	33.2	12 Sep 2018	Mar/Sep	1,000	1,000
USD 1,000m 3.30% Non-Cumulative, Non-Convertible Perpetual Capital Securities First Callable in 2025	33.3	27 Feb 2020	Feb/Aug	1,392	1,392
Total				2,392	3,401

33.1 Distributions are payable at 3.60% per annum up to 7 September 2021. Thereafter, the distribution rate resets every 5 years to the then-prevailing five-year US Dollar Swap Rate plus 2.39% per annum. Distributions are paid semi-annually on 7 March and 7 September each year, unless cancelled by the Company. The capital securities were fully redeemed on 7 September 2021.

33.2 Distributions are payable at 3.98% per annum up to 12 September 2025. Thereafter, the distribution rate resets every 7 years to the then-prevailing seven-year Singapore Dollar Swap Offer Rate plus 1.65% per annum. Distributions are paid semi-annually on 12 March and 12 September each year, unless cancelled by the Company. The capital securities are redeemable on 12 September 2025 or on any distribution payment date thereafter.

33.3 Distributions are payable at 3.30% per annum up to 27 February 2025. Thereafter, the distribution rate resets every 5 years to the then-prevailing five-year US Dollar Treasury Rate plus 1.915% per annum. Distributions are paid semi-annually on 27 February and 27 August each year, unless cancelled by the Company. The capital securities are redeemable on 27 February 2025 or on any distribution payment date thereafter.

For more information on each instrument, please refer to the "Capital Disclosures" section (unaudited) published on DBS website (<https://www.dbs.com/investors/fixed-income/capital-instruments>).

34. Other Reserves and Revenue Reserves

34.1 Other reserves

In \$ millions	The Group		The Company	
	2021	2020	2021	2020
FVOCI revaluation reserves (bonds)	(68)	385	-	-
FVOCI revaluation reserves (equities)	(56)	(141)	-	-
Cash flow hedge reserves	(210)	386	25	68
General reserves	95	95	-	-
Capital reserves	(331)	(688)	-	-
Share plan reserves	106	89	106	89
Others	4,274	4,271	-	-
Total	3,810	4,397	131	157

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Movements in other reserves during the year are as follows:

In \$ millions	The Group							Total
	FVOCI revaluation reserves (bonds)	FVOCI revaluation reserves (equities)	Cash flow hedge reserves	General reserves	Capital reserves ^(a)	Share plan reserves	Other reserves ^(b)	
2021								
Balance at 1 January	385	(141)	386	95	(688)	89	4,271	4,397
Net exchange translation adjustments	-	-	-	-	357	-	-	357
Share of associates' reserves	-	2	10	-	-	-	-	12
Cost of share-based payments	-	-	-	-	-	134	-	134
Draw-down of reserves upon vesting of performance shares	-	-	-	-	-	(117)	-	(117)
FVOCI financial assets and cash flow hedge movements:								
- net valuation taken to equity	(313)	128	(444)	-	-	-	-	(629)
- transferred to income statement	(163)	-	(227)	-	-	-	-	(390)
- taxation relating to components of other comprehensive income	23	(6)	65	-	-	-	-	82
Transfer to revenue reserves upon disposal of FVOCI equities	-	(39)	-	-	-	-	-	(39)
Capital contribution from non-controlling interests	-	-	-	-	-	-	3	3
Balance at 31 December	(68)	(56)	(210)	95	(331)	106	4,274	3,810
2020								
Balance at 1 January	88	(7)	156	95	(623)	122	4,271	4,102
Net exchange translation adjustments	-	-	-	-	(65)	-	-	(65)
Share of associates' reserves	-	-	(11)	-	-	-	-	(11)
Cost of share-based payments	-	-	-	-	-	131	-	131
Draw-down of reserves upon vesting of performance shares	-	-	-	-	-	(164)	-	(164)
FVOCI financial assets and cash flow hedge movements:								
- net valuation taken to equity	788	(235)	427	-	-	-	-	980
- transferred to income statement	(476)	-	(160)	-	-	-	-	(636)
- taxation relating to components of other comprehensive income	(15)	10	(26)	-	-	-	-	(31)
Transfer to revenue reserves upon disposal of FVOCI equities	-	91	-	-	-	-	-	91
Balance at 31 December	385	(141)	386	95	(688)	89	4,271	4,397

(a) Capital reserves include net exchange translation adjustments arising from translation differences on net investments in foreign subsidiaries, associates, joint ventures and branches or units with non-SGD functional currency, and the related foreign currency financial instruments designated as a hedge

(b) Other reserves mainly relate to share premium of the Bank prior to the restructuring of the Bank under the Company pursuant to a scheme of arrangement under Section 210 of the Singapore Companies Act on 26 June 1999

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In \$ millions	The Company		
	Cash flow hedge reserves	Share plan reserves	Total
2021			
Balance at 1 January	68	89	157
Cost of share-based payments	-	134	134
Draw-down of reserves upon vesting of performance shares	-	(117)	(117)
Cash flow hedge movements:			
- net valuation taken to equity	(22)	-	(22)
- transferred to income statement	(43)	-	(43)
- taxation relating to components of other comprehensive income	22	-	22
Balance at 31 December	25	106	131
2020			
Balance at 1 January	51	122	173
Cost of share-based payments	-	131	131
Draw-down of reserves upon vesting of performance shares	-	(164)	(164)
Cash flow hedge movements:			
- net valuation taken to equity	54	-	54
- transferred to income statement	(21)	-	(21)
- taxation relating to components of other comprehensive income	(16)	-	(16)
Balance at 31 December	68	89	157

34.2 Revenue reserves

In \$ millions	2021	The Group 2020
Balance at 1 January	35,886	33,922
Net profit attributable to shareholders	6,805	4,721
Other comprehensive income attributable to shareholders		
- Fair value change from own credit risk on financial liabilities designated at fair value (net of tax)	(32)	25
- Defined benefit plans remeasurements (net of tax)	(11)	-
- Transfer from FVOCI revaluation reserves upon disposal of FVOCI equities	39	(91)
Other movements	(13)	-
Sub-total	42,674	38,577
Less: Redemption of preference shares issued by a subsidiary	-	1
Less: Redemption of perpetual capital securities	(1)	-
Less: Final dividends on ordinary shares of \$0.18 paid for the previous financial year (2020: \$0.33 one-tier tax-exempt)	459	838
Interim dividends on ordinary shares of \$0.84 paid for the current financial year (2020: \$0.69 one-tier tax-exempt)	2,154	1,752
Dividends on other equity instruments	121	100
Balance at 31 December ^(a)	39,941	35,886

(a) Singapore banks are required to maintain a Minimum Regulatory Loss Allowance (MRLA) of at least 1% of the gross carrying amount of selected credit exposures net of collaterals per MAS Notice 612. For periods where Stage 1 and 2 ECL fall below MRLA, the shortfall is appropriated from retained earnings in the shareholders' funds into a non-distributable Regulatory Loss Allowance Reserve (RLAR) account (2021: Nil, 2020: Nil)

34.3 Proposed dividends

Proposed final one-tier tax-exempt dividends on ordinary shares of \$0.36 per share has not been accounted for in the financial statements for the year ended 31 December 2021. This is to be approved at the Annual General Meeting on 31 March 2022.

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35. Contingent Liabilities and Commitments

The Group issues guarantees, performance bonds and indemnities in the ordinary course of business. 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 the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amount.

In \$ millions	The Group	
	2021	2020
Guarantees on account of customers	22,855	18,530
Letters of credit and other obligations on account of customers	11,224	10,786
Undrawn credit commitments ^(a)	330,914	305,141
Forward starting transactions	501	1,691
Undisbursed and underwriting commitments in securities	537	3
Sub-total	366,031	336,151
Capital commitments	72	15
Total	366,103	336,166
Analysed by industry (excluding capital commitments)		
Manufacturing	56,053	50,508
Building and construction	30,096	27,232
Housing loans	8,541	6,852
General commerce	55,336	50,592
Transportation, storage and communications	19,892	17,630
Financial institutions, investment and holding companies	40,027	34,284
Professionals and private individuals (excluding housing loans)	123,249	116,951
Others	32,837	32,102
Total	366,031	336,151
Analysed by geography^(b) (excluding capital commitments)		
Singapore	145,379	136,737
Hong Kong	62,373	55,399
Rest of Greater China	47,738	38,228
South and Southeast Asia	29,963	31,442
Rest of the World	80,578	74,345
Total	366,031	336,151

(a) Includes commitments that are unconditionally cancellable at any time by the Group (2021: \$264,953 million; 2020: \$251,200 million)

(b) Based on the location of incorporation of the counterparty or borrower

36. Financial Derivatives

Financial derivatives are financial instruments whose characteristics are derived from the underlying assets, or from interest and exchange rates or indices. These include forwards, swaps, futures and options. The following sections outline the nature and terms of the most common types of derivatives used by the Group.

Interest rate derivatives

Forward rate agreements give the buyer the ability to determine the underlying rate of interest for a specified period commencing on a specified future date (the settlement date). There is no exchange of principal and settlement is effected on the settlement date. The settlement amount is the difference between the contracted rate and the market rate prevailing on the settlement date.

Interest rate swaps involve the exchange of interest obligations with a counterparty for a specified period without exchanging the underlying (or notional) principal.

Interest rate futures are exchange-traded agreements to buy or sell a standard amount of a specified fixed income security or time deposit at an agreed interest rate on a standard future date.

Interest rate options give the buyer, on payment of a premium, the right but not the obligation, to fix the rate of interest on a future deposit or loan, for a specified period and commencing on a specified future date.

Interest rate caps and floors give the buyer the ability to fix the maximum or minimum rate of interest. There is no facility to deposit or draw down funds, instead the writer pays to the buyer the amount by which the market rate exceeds or is less than the cap rate or the floor rate respectively. This category includes combinations of interest rate caps and floors, which are known as interest rate collars.

Foreign exchange derivatives

Forward foreign exchange contracts are agreements to buy or sell fixed amounts of currency at agreed rates of exchange on a specified future date.

Cross currency swaps are agreements to exchange, and on termination of the swap, re-exchange principal amounts denominated in different currencies. Cross currency swaps may involve the exchange of interest payments in one specified currency for interest payments in another specified currency for a specified period.

Currency options give the buyer, on payment of a premium, the right but not the obligation, to buy or sell specified amounts of currency at agreed rates of exchange on or before a specified future date.

Equity derivatives

Equity options give the buyer, on payment of a premium, the right but not the obligation, either to purchase or sell a specified stock or stock index at a specified price or level on or before a specified date.

Equity swaps involve the exchange of a set of payments whereby one of these payments is based on an equity-linked return while the other is typically based on an interest reference rate.

Credit derivatives

Credit default swaps involve the transfer of credit risk of a reference asset from the protection buyer to the protection seller. The protection buyer makes one or more payments to the seller in exchange for an undertaking by the seller to make a payment to the buyer upon the occurrence of a predefined credit event.

Commodity derivatives

Commodity contracts are agreements between two parties to exchange cash flows which are dependent on the price of the underlying physical assets.

Commodity futures are exchange-traded agreements to buy or sell a standard amount of a commodity at an agreed price on a standard future date.

Commodity options give the buyer, on payment of a premium, the right but not the obligation, to buy or sell a specific amount of commodity at an agreed contract price on or before a specified date.

36.1 Trading derivatives

Most of the Group's derivatives relate to sales and trading activities. Sales activities include the structuring and marketing of derivatives to customers to enable them to take, transfer, modify or reduce current or expected risks. Trading activities are entered into principally for dealer's margin or for the purpose of generating a profit from short-term fluctuations in price.

Trading includes mainly market-making and warehousing to facilitate customer orders. Market-making involves quoting bid and offer prices to other market participants with the intention of generating revenues based on spread and volume. Warehousing involves holding on to positions in order to liquidate in an orderly fashion with timing of unwinding determined by market conditions and traders' views of markets as they evolve.

36.2 Hedging derivatives

The accounting treatment of the hedge derivative transactions varies according to the nature of the hedge and whether the hedge meets the specified criteria to qualify for hedge accounting. Derivatives transacted as economic hedges but do not qualify for hedge accounting are treated in the same way as derivative instruments held for trading purposes.

Please refer to Note 38 for more details on derivatives used for hedging.

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The following table summarises the contractual or underlying principal amounts of derivative financial instruments held or issued for trading and hedging purposes outstanding at balance sheet date. They do not represent amounts at risk.

In the financial statements, trading derivative financial instruments are revalued on a gross position basis and the unrealised gains or losses are reflected as derivative assets or derivative liabilities. Derivative assets and liabilities arising from different transactions are only offset if the transactions are done with the same counterparty, a legal right of offset exists, and the parties intend to settle the cash flows on a net basis. There were no offset of derivative assets and liabilities in 2021 and 2020.

In \$ millions	The Group					
	2021			2020		
	Underlying notional	Assets	Liabilities	Underlying notional	Assets	Liabilities
Derivatives held for trading						
Interest rate derivatives						
Forward rate agreements	11,938	63	69	28,403	13	21
Interest rate swaps	1,298,345	9,072	8,978	1,040,404	14,599	13,936
Interest rate futures	20,306	15	3	2,872	#	49
Interest rate options	10,029	190	172	9,570	153	255
Interest rate caps/floors	37,985	800	1,147	37,614	832	1,294
Sub-total	1,378,603	10,140	10,369	1,118,863	15,597	15,555
Foreign exchange (FX) derivatives						
FX contracts	508,961	3,403	3,554	573,763	7,274	8,480
Currency swaps	222,593	3,840	3,357	233,437	6,366	5,742
Currency options	72,669	237	288	92,783	606	772
Sub-total	804,223	7,480	7,199	899,983	14,246	14,994
Equity derivatives						
Equity options and others	16,451	350	1,106	7,732	143	282
Equity swaps	5,776	445	137	4,723	122	248
Sub-total	22,227	795	1,243	12,455	265	530
Credit derivatives						
Credit default swaps and others	24,265	351	222	29,133	240	394
Sub-total	24,265	351	222	29,133	240	394
Commodity derivatives						
Commodity contracts	1,406	29	23	2,094	183	38
Commodity futures	1,721	21	16	956	34	35
Commodity options	703	5	7	1,447	11	15
Sub-total	3,830	55	46	4,497	228	88
Total derivatives held for trading	2,233,148	18,821	19,079	2,064,931	30,576	31,561
Derivatives held for hedging						
Interest rate swaps held for fair value hedge	13,156	94	255	15,666	135	555
Interest rate swaps held for cash flow hedge	17,329	9	223	85	4	-
FX contracts held for cash flow hedge	6,743	69	44	5,645	107	55
FX contracts held for hedge of net investment	7,217	43	11	659	8	8
Currency swaps held for fair value hedge	425	1	17	1,080	4	70
Currency swaps held for cash flow hedge	23,151	635	689	18,616	274	648
Currency swaps held for hedge of net investment	2,055	9	-	2,022	-	7
Total derivatives held for hedging	70,076	860	1,239	43,773	532	1,343
Total derivatives	2,303,224	19,681	20,318	2,108,704	31,108	32,904
Impact of netting arrangements recognised for computation of Capital Adequacy Ratio (CAR) (unaudited)						
		(12,932)	(12,932)		(19,623)	(19,623)
		6,749	7,386		11,485	13,281

Amount under \$500,000

The derivative financial instruments are mainly booked in Singapore. The Group manages its credit exposures by entering into master netting agreements and collateral agreements with most of these counterparties. For those arrangements that comply with the regulatory requirements as set out in MAS Notice 637, the Group recognises the netting arrangements in the computation of its Capital Adequacy Ratios.

37. Interest Rate Benchmark Reform

In March 2021, the UK Financial Conduct Authority (FCA) announced the dates on which LIBOR would be discontinued. All GBP, CHF, EUR, JPY London Interbank Offered Rate (LIBOR) settings and the one-week and two-month USD LIBOR settings would lose representativeness or discontinue after 31 December 2021. The remaining USD LIBOR settings would lose representativeness or discontinue after 30 June 2023. In Singapore, as announced by the Steering Committee for SOR & SIBOR Transition to SORA (SC-STs) on 31 March 2021, Singapore Swap Offer Rate (SOR), which relies on USD LIBOR in its computation, would similarly be discontinued immediately after 30 June 2023 across all settings. The Singapore Interbank Offered Rate (SIBOR) would discontinue by end-2024, with 6-month SIBOR being discontinued immediately after 31 March 2022.

The Group's main interest rate benchmark exposures are USD LIBOR, SOR and SIBOR. USD LIBOR will be replaced by USD Secured Overnight Financing Rate (SOFR) while the replacement benchmark rate for SOR and SIBOR is Singapore Overnight Rate Average (SORA).

Changes in contractual cash flows of financial instruments

As described in Note 2.3, the Group adopted 'Phase 2' amendments on 1 January 2021. The 'Phase 2' amendments provide practical expedients that require changes in the contractual cash flows of financial instruments that result solely from IBOR reform and are economically equivalent to be accounted for by updating the effective interest rate, rather than recognising an immediate gain or loss in the income statement.

Hedge accounting

The SFRS(I) 9 requirements in respect of hedge accounting were amended in two phases. The first set of amendments ('Phase 1' amendments), which was adopted by the Group in 2020, provided temporary exceptions that allowed the continuation of hedge accounting for existing hedge relationships under the assumption that IBOR-based hedged cash flows are not altered as a result of uncertainty arising from IBOR reform. The uncertainty ends when the key terms of transition have been finalised i.e. the timing of the transition and adjustment spreads between an IBOR and its ARR have been finalised for affected contracts. As at 31 December 2021, the Group continues to apply these temporary exceptions for USD and SGD denominated hedging relationships.

The key assumption made when performing hedge accounting is that both the hedged item and hedging instrument will be amended from existing IBORs to new ARRs at the same time. Where actual differences between those dates arise, hedge ineffectiveness will be recorded in the income statement.

Significant judgement is also required to determine when uncertainty arising from IBOR reform ends and, hence, 'Phase 1' amendments cease to apply. Thereafter, 'Phase 2' amendments, adopted by the Group, require the Group to continue hedge accounting when changes to the hedging instrument, hedged item and hedged risk arise solely from IBOR reform. Hedge ineffectiveness (e.g. arising from mismatches of timing, or cash flows) continue to be recorded in the income statement.

How the Group is managing the transition to ARRs

A Group steering committee was established in 2019 to manage the impact of IBOR reform on the Group. The committee comprises senior representatives from Institutional Banking Group, Consumer Banking Group, Treasury Markets, Finance, Risk Management Group, Technology & Operations, Legal and Compliance and Group Strategic Marketing and Communications and is chaired by the Corporate Treasurer. The Terms of Reference of the committee are to review transition plans related to LIBOR and SOR discontinuation, SIBOR reform and other interest rate benchmark reform, to assess the Group's key risks across different scenarios, and to develop strategies to manage existing and new business in the context of these risks. Oversight of IBOR reform is provided by the Group Executive Committee and the Board Risk Management Committee.

As at 31 December 2021, changes required to systems, processes and models have been identified and have been substantially implemented. Substantially all contracts with interest rates that are pegged to GBP, CHF, EUR, JPY LIBOR or one-week and two-month tenors for USD LIBOR have been remediated. For contracts referencing SOR, SIBOR or the remaining USD LIBOR settings, the Group has begun its communication with relevant counterparties and contract remediation is ongoing.

The Group has identified that the risks arising from IBOR reform are:

- Risk of contractual disputes arising from the lack of legal clauses catering for the discontinuation of an interest rate benchmark, and its replacement with an ARR, or such clauses failing to operate as expected; and
- Risk of reputational harm due to poor customer management related to interest rate benchmark discontinuation, leading to loss of customer business.

These risks are mitigated through robust oversight by the Group steering committee. The Group will continue to identify and assess risks associated with IBOR reform.

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Exposures impacted by IBOR reform

The table below provides an overview of significant IBOR-related exposure by interest rate benchmarks.

- The exposures disclosed are for positions with contractual maturities after the announced IBOR cessation dates^(a).
- Non-derivative financial instruments are presented on the basis of their gross carrying amounts.
- Derivative financial instruments are presented by using their notional contract amounts and where derivatives have both pay and receive legs with exposure to IBOR reform, such as cross currency swaps, the notional contract amount is disclosed for both legs. As at 31 December 2021, there was \$13,513 million of cross currency swaps where both the pay and receive legs are impacted by IBOR reform.

The Group	SGD SOR	SGD SIBOR	USD LIBOR	Total
In \$ millions				
2021				
Non-derivative financial assets ^(b)	20,606	8,234	25,272	54,112
Non-derivative financial liabilities ^(c)	256	-	1,018	1,274
Derivatives (notional)	51,312	-	376,816	428,128
Of which: hedging derivatives ^(d)	125	-	3,791	3,916

(a) The expected cessation date for USD LIBOR and SOR is 30 June 2023. 1-month and 3-month SIBOR will be discontinued by end of 2024 while 6-month SIBOR will be discontinued on 31 March 2022

(b) Relates mainly to "bank and corporates securities" and "loans and advances to customers"

(c) Relates mainly to "other debt securities" and "subordinated term debts"

(d) Relates to derivatives that are designated for hedge accounting. The extent of the hedged risk exposure is reflected in the notional amounts of the derivatives

38. Hedge Accounting

The Group enters into hedging transactions to manage exposures to interest rate and foreign currency risks. Hedge accounting is applied to minimise volatility in earnings arising from changes in interest rate and foreign exchange rates.

Please refer to Note 44 for more information on market risk and the Group's risk management practices and Note 2.19 for the Group's accounting policy for hedge accounting.

38.1 Fair value hedge

In accordance with the risk management strategy in place, the Group enters into interest rate swaps to mitigate the risk of changes in interest rates on the fair value of the following:

- issued fixed rate debt;
- a portion of purchased fixed rate bonds; and
- some large exposures to corporate loans.

In such instances, the Group hedges the benchmark interest rate risk component which is an observable and reliably measurable component of interest rate risk. Specifically, the Group has designated fair value hedge relationships, on a hedge-by-hedge basis, to hedge against movements in the benchmark interest rate. This effectively results in the recognition of interest expense (for fixed rate liabilities), or interest income (for fixed rate assets) at floating rates. The Group also uses cross currency swaps when there is a need to hedge both interest rate and foreign exchange risks.

The Group manages all other risks arising from these exposures, such as credit risk, but hedge accounting is not applied for those risks.

The Group assesses prospective hedge effectiveness by comparing the changes in fair value of the hedged item resulting from movements in the benchmark interest rate with the changes in fair value of the interest rate swaps used to hedge the exposure. The Group determines the hedge ratio by comparing the notional of the derivative with the principal of the debt issued or the bond asset purchased, or the loan granted.

For all interest rate swaps used for hedging purposes, critical terms match or nearly match those of the underlying hedged items.

The Group has identified the following possible sources of ineffectiveness:

- the use of derivatives as a protection against interest rate risk creates an exposure to the derivative counterparty's credit risk which is not offset by the hedged item. This risk is minimised by entering into derivatives with high credit quality counterparties;
- the use of different discounting curves when measuring the fair value of the hedged items and hedging instruments. For derivatives the discounting curve used depends on collateralisation and the type of collateral used; and
- difference in the timing of settlement of hedging instruments and hedged items.

No other significant sources of ineffectiveness were identified in these hedge relationships.

The Group typically uses foreign currency denominated borrowings/deposits to fund its investments in non-SGD denominated FVOCI equity instruments. To reduce the accounting mismatch on the borrowings/deposits and FVOCI equity instruments because of foreign exchange rate movements, the Group designates the borrowings/deposits as the hedging instruments in fair value hedges of the FVOCI equity instruments. The hedge ratio is determined by comparing the principal of the borrowings/deposits with the investment costs of the FVOCI equity instruments. A potential source of ineffectiveness is a decrease in the fair value of the equity instruments below their investment costs.

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The following table sets out the maturity profile of the hedging instruments used in fair value hedges. The amounts shown in the table reflect the notional amounts of derivatives and the carrying amounts of borrowings and deposits. Please refer to Note 36 for the carrying values of the derivatives.

In \$ millions	Type of risk hedged	The Group			Total
		Less than 1 year	1 to 5 years	More than 5 years	
2021					
Derivatives (notional)					
Interest rate swaps	Interest rate	1,815	10,957	384	13,156
Currency swaps	Interest rate & Foreign exchange	94	331	-	425
Total derivatives		1,909	11,288	384	13,581
Non-derivative instruments (e.g. borrowings, deposits)	Foreign exchange	1,875	-	-	1,875
Total non-derivative instruments		1,875	-	-	1,875
2020					
Derivatives (notional)					
Interest rate swaps	Interest rate	3,987	10,880	799	15,666
Currency swaps	Interest rate & Foreign exchange	917	163	-	1,080
Total derivatives		4,904	11,043	799	16,746
Non-derivative instruments (e.g. borrowings, deposits)	Foreign exchange	1,550	-	-	1,550
Total non-derivative instruments		1,550	-	-	1,550

The table below provides information on hedged items relating to fair value hedges.

The Group	2021		2020	
	Carrying amounts (including hedge adjustments)	Fair value hedge adjustments included in carrying amounts	Carrying amounts (including hedge adjustments)	Fair value hedge adjustments included in carrying amounts
In \$ millions				
Assets				
Loans and advances to customers	1,066	(1)	1,561	6
Government securities and treasury bills ^(a)	892	4	2,384	15
Bank and corporate securities ^(a)	7,531	(4)	8,462	7
Liabilities				
Subordinated term debts	460	7	743	16
Other debt securities	5,815	28	5,751	142

(a) The carrying amounts of debt and equity instruments at fair value through other comprehensive income do not include fair value hedge adjustments as the hedged assets are measured at fair value. The accounting for the hedge relationship results in a transfer from other comprehensive income to the income statement for debt instruments

For the year ended 31 December 2021, the net gains on hedging instruments used to calculate hedge effectiveness was \$167 million (2020: net losses of \$312 million). The net losses on hedged items attributable to the hedged risk amounted to \$166 million (2020: net gains of \$307 million).

38.2 Cash flow hedge

The Group is predominantly exposed to variability in future cash flows due to interest rate movements and foreign currency fluctuations from the following:

- assets subject to repricing, reinvestment or refinancing risk;
- forecasted interest earnings denominated in foreign currency;
- issued floating or fixed rate foreign currency debt; and
- a portion of purchased floating or fixed rate foreign currency bonds.

In accordance with the Group risk management strategy, the Group enters into interest rate swaps, forward contracts or cross currency swaps to protect against the variability of cash flows due to changes in interest rates and/or foreign currency exchange rates.

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In such instances, cash flow hedge relationships are designated. These are applied on a hedge-by-hedge basis, except for cash flows from assets subject to repricing, reinvestment or refinancing risk, for which a portfolio cash flow hedge relationship is designated using interest rate swaps. A dynamic process is applied for this hedge as the portfolio composition can change e.g. due to maturities and new originations. The portfolio cash flow hedge relationships effectively extend the duration of the assets, such that the interest cash flows are transformed from a floating rate basis to a fixed rate basis.

The Group enters into forward contracts to hedge against variability in future cash flows arising from USD-denominated interest income.

The Group also enters into cross currency swaps to mitigate the risk of fluctuation of coupon and principal cash flows due to changes in foreign currency rates of issued foreign currency debt and a portion of purchased foreign currency bonds. Critical terms of the cross-currency swaps match or nearly match that of the issued foreign currency debt or purchased foreign currency bonds.

The Group manages all other risks derived by these exposures, such as credit risk, but they do not apply hedge accounting for these risks.

The Group assesses hedge effectiveness by comparing the changes in fair value of a hypothetical derivative reflecting the terms of the hedged item due to movements in the hedged risk with the changes in fair value of the derivatives used to hedge the exposure.

The Group determines the hedge ratio by comparing the notional of the derivatives with the assets subject to repricing/reinvestment/refinancing risk or amount of forecast earnings denominated in foreign currency or the principal of the debt securities issued or purchased foreign currency bonds.

The Group has identified the following possible sources of ineffectiveness in its cash flow hedge relationships:

- the use of derivatives as a protection against currency and interest rate risk creates an exposure to the derivative counterparty's credit risk which is not offset by the hedged item. This risk is minimised by entering into derivatives with high credit quality counterparties;
- difference in tenor of hedged items and hedging instruments;
- difference in timing of settlement of the hedging instrument and hedged item; and
- designation of off-market hedging instruments.

The following table sets out the maturity profile of the hedging instruments used in cash flow hedges. The amounts shown in the table reflect the notional amounts of derivatives. Please refer to Note 36 for the carrying values of the derivatives.

		The Group			
In \$ millions	Type of risk hedged	Less than 1 year	1 to 5 years	More than 5 years	Total
2021					
Derivatives (notional)					
Interest rate swaps	Interest rate	-	16,314	1,015	17,329
Currency swaps	Interest rate & Foreign exchange	4,005	18,056	1,090	23,151
FX contracts	Foreign exchange	6,423	320	-	6,743
Total		10,428	34,690	2,105	47,223
2020					
Derivatives (notional)					
Interest rate swaps	Interest rate	-	85	-	85
Currency swaps	Interest rate & Foreign exchange	1,669	16,267	680	18,616
FX contracts	Foreign exchange	5,387	258	-	5,645
Total		7,056	16,610	680	24,346

The hedge ineffectiveness arising from these hedges was insignificant.

Please refer to Note 34 for information on the cash flow hedge reserves.

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38.3 Net investment hedges

The Group manages currency risk of its net investment in foreign operations (or structural foreign exchange risk) using foreign currency borrowings, FX forwards, FX swaps and cross currency swaps.

Structural foreign exchange exposures are managed with the primary aim of ensuring that consolidated capital ratios are largely protected from the effect of fluctuations in foreign exchange rates against SGD.

Under the Group's hedging strategy, the carrying amount of these investments could be fully hedged, partially hedged or not hedged at all. The Group regularly reviews its hedging strategy, taking into account the long-term outlook of currency fundamentals and the impact of fluctuations in foreign exchange rates on capital adequacy ratios.

The table below analyses the currency exposure of the Group by functional currency.

The Group	Net investments in foreign operations^(a)	Financial instruments which hedge the net investments	Remaining unhedged currency exposures
In \$ millions			
2021			
Hong Kong dollar	9,934	2,298	7,636
US dollar	9,829	6,150	3,679
Chinese yuan	4,424	296	4,128
Taiwan dollar	2,190	684	1,506
Others	4,276	-	4,276
Total	30,653	9,428	21,225
2020			
Hong Kong dollar	11,772	2,261	9,511
US dollar	2,990	-	2,990
Chinese yuan	2,730	283	2,447
Taiwan dollar	2,046	376	1,670
Others	4,011	-	4,011
Total	23,549	2,920	20,629

(a) Refers to net tangible assets of entities (e.g. subsidiaries, associates, joint ventures and overseas branches) or units with non-SGD functional currency

Please refer to Note 34 for information on the capital reserves. Capital reserves include the effect of translation differences on net investments in foreign entities (e.g. subsidiaries, associates, joint ventures and branches) or units with non-SGD functional currency and the related foreign currency financial instruments designated for hedge accounting.

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39. Share-based Compensation Plans

As part of the Group's remuneration policy, the Group provides various share-based compensation plans to foster a culture that aligns employees' interests with shareholders', enable employees to share in the Bank's performance and enhance talent retention.

Main Scheme/Plan	Note
DBSH Share Plan (Share Plan)	
<ul style="list-style-type: none"> • The Share Plan is granted to Group executives as determined by the Committee appointed to administer the Share Plan from time to time. • Participants are awarded shares of the Company or, at the Committee's discretion, their equivalent cash value or a combination. • Awards consist of main award and retention award (20%/15% of main award) for employees on bonus/sales incentive plans respectively. Dividends on unvested shares do not accrue to employees. • For employees on bonus plan, the main award vests from 2 to 4 years after grant i.e. 33% will vest 2 years after grant; another 33% will vest on the third year and the remaining 34% plus the retention award will vest 4 years after grant. • For employees on sales incentive plans, the main award vests from 1 to 3 years after grant; i.e. 33% will vest 1 year after grant, another 33% will vest on the second year and the remaining 34% plus the retention award will vest 3 years after grant. • There are no additional retention awards for shares granted to top performers and key employees as part of talent retention. • The awards will lapse immediately upon termination of employment, except in the event of ill health, injury, disability, redundancy, retirement or death. • The market price of shares on the grant date is used to estimate the fair value of the shares awarded. The fair value of the shares granted includes an adjustment to exclude the present value of future expected dividends to be paid during the vesting period. • Vested and unvested shares are subject to clawback/malus. Conditions that trigger such clawback/malus are in the Remuneration Report section of the Annual Report. • Shares are awarded to non-executive directors as part of director's remuneration. Details of these awards are disclosed in the Corporate Governance section of the Annual Report. 	39.1
DBSH Employee Share Plan (ESP)	
<ul style="list-style-type: none"> • The Committee has ceased granting shares under the ESP effective from financial year 2018 remuneration. Shares granted from prior years continue to be outstanding until the shares are fully vested. 	39.1
DBSH Employee Share Purchase Plan (ESPP)	
<ul style="list-style-type: none"> • The ESPP was implemented in 2019 in selective markets across the Group. All permanent employees who hold the rank of Vice President and below are eligible to participate in the scheme. • The ESPP is a share ownership plan for eligible employees to own DBSH shares through monthly contributions via deductions from payroll or designated bank accounts. • Participants contribute up to 10% of month salary (minimum S\$50, capped at S\$1,000) and the Group will match 25% of the participant's contributions to buy DBSH ordinary shares for a period of 12 months during each plan year. • The matching shares bought from the Group's contribution will vest 24 months after the last contribution month for each plan year. • The matching shares will lapse immediately upon termination of employment, except in the event of ill health, injury, disability, redundancy, retirement or death. 	39.2

39.1 DBSH Share Plan and DBSH Employee Share Plan

The following table sets out the movements of the awards during the year.

Number of shares	The Group			
	2021	2020	2021	2020
	Share Plan	ESP	Share Plan	ESP
Balance at 1 January	17,248,786	526,003	17,146,260	1,189,400
Granted	5,378,132	-	6,423,721	-
Vested	(5,209,973)	(362,363)	(5,992,525)	(627,270)
Forfeited/others	(311,653)	(17,836)	(328,670)	(36,127)
Balance at 31 December	17,105,292	145,804	17,248,786	526,003
Weighted average fair value of the shares granted during the year	\$22.07	-	\$21.32	-

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39.2 DBSH Employee Share Purchase Plan

The following table sets out the movements of the shares during the year.

Number of shares	The Group	
	2021	2020
Balance at 1 January	1,015,478	388,686
Granted	534,378	678,428
Vested ^(a)	(15,238)	(4,569)
Forfeited	(131,178)	(47,067)
Balance at 31 December	1,403,440	1,015,478
Weighted average fair value of the shares granted during the year	\$26.05	\$18.60

(a) Excludes shares vested but temporarily withheld under the regulatory requirement as of the reporting date. Such shares will be reported as vested in the period the shares being released to the employees

40. Related Party Transactions

40.1 Transactions between the Company and its subsidiaries, including consolidated structured entities, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this Note.

40.2 During the financial year, the Group had banking transactions with related parties, consisting of associates and joint ventures and key management personnel of the Group. These included the taking of deposits and extension of credit card and other loan facilities. These transactions were made in the ordinary course of business and carried out at arms-length commercial terms, and were not material.

In addition, key management personnel received remuneration for services rendered during the financial year. Non-cash benefits including performance shares were also granted.

40.3 Total compensation and fees to key management personnel^(a) are as follows:

In \$ millions	The Group	
	2021	2020
Short-term benefits ^(b)	51	45
Share-based payments ^(c)	28	29
Total	79	74
Of which: Company Directors' remuneration and fees	17	16

(a) Includes Company Directors and members of the Management Committee who have authority and responsibility in planning the activities and direction of the Group. The composition and number of Directors and Management Committee members may differ from year to year

(b) Includes cash bonus based on amount accrued during the year, to be paid in the following year

(c) Share-based payments are expensed over the vesting period in accordance with SFRS(I) 2

41. Fair Value of Financial Instruments

41.1 Valuation Process

The valuation processes within the Group are governed by the Valuation Policy, which is approved by the Board Audit Committee.

The Valuation Policy applies to all financial assets and liabilities that are measured at fair value, covering both market prices as well as model inputs. Financial assets and liabilities are marked directly using reliable and independent quoted market prices where available or by using reliable and independent market parameters (as model inputs) in conjunction with a valuation model.

Valuation models go through an assurance process carried out by the Risk Management Group (RMG), independent of the model developers. This assurance process covers the review of the underlying methodology including its logic and conceptual soundness together with the model inputs and outputs. Model assurances are conducted prior to implementation and subject to regular review or when there are significant changes arising from market or portfolio changes. Where necessary, the Group also imposes model reserves and other adjustments in determining fair value. Models are approved by the Group Market and Liquidity Risk Committee.

A process of independent price verification (IPV) is in place to establish the accuracy of the market parameters used when the marking is performed by the Front Office. The IPV process entails independent checks to compare traders' marks to independent sources such as broker/dealer quotes or market consensus providers.

Where market parameters are sourced independently for the marking of financial assets and liabilities, or used as inputs into a valuation model, these are checked for reliability and accuracy, for example by reviewing large daily movements or by referencing other similar sources, or transactions.

Valuation adjustments and reserves are taken to account for close-out costs, model and market parameter uncertainty, and any other factor that may affect valuations. Valuation adjustment and reserve methodologies are approved by the Group Market and Liquidity Risk Committee and governed by the Valuation Policy.

The valuation adjustments and reserves include but are not limited to:

Model and Parameter Uncertainty Adjustments

Valuation uncertainties may occur during fair value measurement either due to uncertainties in the required input parameters or uncertainties in the modelling methods used in the valuation process. In such situations, adjustments may be necessary to take these factors into account.

For example, where market data such as prices or rates for an instrument are no longer observable after an extended period of time, these inputs used to value

the financial instruments may no longer be relevant in the current market conditions. In such situations, adjustments may be necessary to address the pricing uncertainty arising from the use of stale market data inputs.

Credit Valuation Adjustments

Credit valuation adjustments are taken to reflect the impact on fair value of counterparty credit risk. Credit valuation adjustments are based upon the creditworthiness of the counterparties, magnitude of the current or potential exposure on the underlying transactions, netting and collateral arrangements, and the maturity of the underlying transactions.

Funding Valuation Adjustments

Funding valuation adjustments represent an estimate of the adjustment to fair value that a market participant would make in incorporating funding costs and benefits that arise in relation to uncollateralised derivatives positions.

Day 1 Profit or Loss (P&L) Reserve

In situations where the market for an instrument is not active and its fair value is established using a valuation model based on significant unobservable market parameters, the Day 1 P&L arising from the difference in transacted price and end-of-day model valuation is set aside as reserves. A market parameter is defined as being significant when its impact on the Day 1 P&L is greater than an internally determined threshold. The Day 1 P&L reserve is released to the income statement when the parameters become observable or when the transaction is closed out or amortised over the duration of the transaction. At year end, the unamortised Day 1 P&L was not material.

Bid-Offer Adjustments

The Group often holds, at varying points in time, both long or short positions in financial instruments which are valued using mid-market levels. Bid-offer adjustments are then made to account for close-out costs.

IBOR Transition Related Reserves

Fixings for most of the major currency IBORs would fall back to the respective Alternative Reference Rates (ARRs) plus a spread. Spread derivation details have been made known for most currencies. Valuation reserves have been set aside where derivation details are not known, and this leads to uncertainty in the forward rate estimation curves used for valuations.

41.2 Fair Value Hierarchy

The fair value hierarchy accords the highest level to observable inputs such as unadjusted quoted prices in active markets for identical assets or liabilities and the lowest level to unobservable inputs. The fair value measurement of each financial instrument is categorised in accordance with the same level of the fair value hierarchy as the input with the lowest level that is significant to the entire measurement. If unobservable inputs are deemed significant, the financial instrument will be categorised as Level 3.

Financial instruments that are valued using quoted prices in active markets are classified as Level 1 within

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the fair value hierarchy. These would include government and sovereign securities, listed equities and corporate debt securities which are actively traded. Derivatives contracts which are traded in an active exchange market are also classified as Level 1 of the valuation hierarchy.

Where fair value is determined using quoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group will determine the fair value based on valuation techniques that use market parameters as inputs including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data so that reliability of the fair value measurement is high. These would include

corporate debt securities, repurchase, reverse repurchase agreements and most of the Group's OTC derivatives.

The Group classifies financial instruments as Level 3 when there is reliance on unobservable market parameters whether used directly to value a financial asset or liability, or used as inputs to a valuation model, attributing to a significant contribution to the instrument value. These would include all input parameters which are derived from historical data, for example, asset correlations or certain volatilities. Level 3 instruments also include unquoted equity securities which are measured based on the net asset value of the investments. In addition, Level 3 inputs include all stale quoted security prices and other approximations (e.g. bonds valued using credit default swap spreads).

The following tables present assets and liabilities measured at fair value, classified by level within the fair value hierarchy.

In \$ millions	The Group			Total
	Level 1	Level 2	Level 3	
2021				
Assets				
Financial assets at FVPL				
- Government securities and treasury bills	8,425	4,259	-	12,684
- Bank and corporate securities	18,816	3,636	361 ^(a)	22,813
- Other financial assets	-	16,964	-	16,964
FVOCI financial assets				
- Government securities and treasury bills	15,811	2,114	-	17,925
- Bank and corporate securities	17,251	2,235	430 ^(b)	19,916
- Other financial assets	2	5,197	-	5,199
Derivatives	39	19,509	133 ^(c)	19,681
Liabilities				
Financial liabilities at FVPL				
- Other debt securities	-	10,726	-	10,726
- Other financial liabilities	2,626	5,726	1	8,353
Derivatives	21	20,296	1 ^(d)	20,318

(a) Decrease in Level 3 balance was mainly due to maturity of a note which was priced using proxy valuation

(b) Increase in Level 3 balance was due to a new note which was priced using proxy valuation

(c) Increase in Level 3 balance was due to a total return swap whose underlying became illiquid

(d) Decrease in Level 3 balance was due to maturity of a total return swap whose underlying was priced using proxy valuation

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In \$ millions	The Group			Total
	Level 1	Level 2	Level 3	
2020				
Assets				
Financial assets at FVPL				
- Government securities and treasury bills	8,901	3,740	-	12,641
- Bank and corporate securities	12,451	4,182	715	17,348
- Other financial assets	-	13,501	-	13,501
FVOCI financial assets				
- Government securities and treasury bills	15,223	2,147	-	17,370
- Bank and corporate securities	18,518	2,648	268	21,434
- Other financial assets	-	4,684	-	4,684
Derivatives	40	31,067	1	31,108
Liabilities				
Financial liabilities at FVPL				
- Other debt securities	-	8,333	-	8,333
- Other financial liabilities	1,483	2,488	-	3,971
Derivatives	103	32,712	89	32,904

The bank and corporate securities classified as Level 3 at 31 December 2021 comprised mainly securities which were marked using approximations and unquoted equity securities valued based on net asset value of the investments.

41.3 Own credit adjustments on financial liabilities designated at fair value through profit or loss

Changes in the fair value of financial liabilities designated at fair value through profit or loss related to the Group's own credit risk are recognised in other comprehensive income. As the Group does not hedge changes in own credit risk arising from financial liabilities, presenting the own credit movements within other comprehensive income does not create or increase an accounting mismatch in the income statement.

The change in fair value attributable to changes in own credit risk has been determined as the amount of change in fair value that is attributable to changes in funding spreads above benchmark interest rates. Fair value changes arising from factors other than the Group's own credit risk are insignificant.

The cumulative amounts attributable to changes in own credit risk for these financial liabilities as at 31 December 2021 was a loss of \$49 million (2020: loss of \$25 million).

Realised losses attributable to changes in own credit risk as at 31 December 2021 was a loss of \$22 million (2020: loss of \$15 million).

41.4 Financial assets & liabilities not carried at fair value

For financial assets and liabilities not carried at fair value in the financial statements, the Group has ascertained that their fair values were not materially different from their carrying amounts at year-end.

For cash and balances with central banks, due from banks, loans and advances to customers, as well as due to banks and deposits and balances from customers, the basis of arriving at fair values is by discounting cash flows using the relevant market interest rates for the respective currencies.

For investment debt securities, subordinated term debts and other debts issued, fair values are determined based on independent market quotes, where available. Where market prices are not available, fair values are estimated using discounted cash flow method.

The fair value of variable interest-bearing as well as short-term financial instruments accounted for at amortised cost is assumed to be approximated by their carrying amounts.

42. Risk Governance

The Board oversees the Group's affairs and provides sound leadership for the CEO and management. Authorised by the Board, various Board committees oversee specific responsibilities based on clearly defined terms of reference.

Under the Group's risk management approach, the Board, through the Board Risk Management Committee (BRMC), sets the Group's risk appetite, oversees the establishment of enterprise-wide risk management policies and processes, and establishes risk appetite limits to guide risk-taking within the Group.

The BRMC also oversees the identification, monitoring, management and reporting of credit, market, liquidity, operational and reputational risks. To facilitate the BRMC's risk oversight, the following risk management committees have been established:

1. Risk Executive Committee (Risk EXCO);
2. Group Credit Risk Committee (GCRC);
3. Group Credit Policy Committee (GCPC);
4. Group Credit Risk Models Committee (GCRMC);
5. Group Market and Liquidity Risk Committee (GMLRC);
6. Group Operational Risk Committee (GORC);
7. Group Scenario and Stress Testing Committee (GSSTC); and
8. Product Approval Committee (PAC)

As the overall executive body regarding risk matters, the Risk EXCO oversees the Group's risk management.

Each of the committees reports to the Risk EXCO, and serves as an executive forum to discuss and implement the Group's risk management.

Key responsibilities:

- Assess and approve risk-taking activities;
- Oversee the Group's risk management infrastructure, which includes frameworks, decision criteria, authorities, people, policies, standards, processes, information and systems;
- Approve risk policies such as model governance standards, stress testing scenarios, and the evaluation and endorsement of risk models;
- Assess and monitor specific credit concentration; and
- Recommend stress-testing scenarios (including macroeconomic variable projections) and review the results.

The members in these committees comprise representatives from the Risk Management Group (RMG) as well as key business and support units.

The PAC provides group-wide oversight and direction for the approval of new product and outsourcing initiatives. It evaluates new product and outsourcing initiatives to ensure that they are in line with the Group's strategy and risk appetite.

Most of the above committees are supported by local risk committees in all major locations, where appropriate. These local risk committees oversee the local risk positions for all businesses and support units, ensuring that they keep within limits set by the Group risk committees. They also approve location-specific risk policies.

The Chief Risk Officer (CRO), who is a member of the Group Executive Committee and reports to the Chairman of the BRMC and the CEO, oversees the risk management function. The CRO is independent of business lines and is actively involved in key decision-making processes. He often engages with regulators to discuss risk matters, enabling a more holistic risk management perspective.

Working closely with the risk and business committees, the CRO is responsible for the following:

- Management of the Group's risks, including systems and processes to identify, approve, measure, monitor, control and report risks;
- Engagement with senior management about material matters regarding all risk types;
- Development of risk controls and mitigation processes; and
- Ensuring the Group's risk management is effective and the Risk Appetite established by the Board is adhered to.

43. Credit Risk

The most significant measurable risk the Group faces – credit risk – arises from the Group's daily activities in various businesses. These activities include lending to retail, corporate and institutional customers. It includes the risk of lending, pre-settlement and settlement risk of foreign exchange, derivatives and debt securities.

Credit Risk Management

The Group's approach to credit risk management comprises the following building blocks:

- **Policies**

The dimensions of credit risk and the scope of its application are defined in the Group Credit Risk Management Policy. Senior management sets the overall direction and policy for managing credit risk at the enterprise level.

The Group Core Credit Risk Policies (CCRPs) established for Consumer Banking/ Wealth Management and Institutional Banking set forth the principles by which the Group conducts its credit risk management and control activities. These policies, supplemented by a number of operational standards and guides, ensure consistency in identifying, assessing, underwriting, measuring, reporting and controlling credit risk across the Group, and provide guidance in the formulation of business-specific and/or location-specific credit risk policies and standards.

The operational standards and guides are established to provide greater details on the implementation of the credit principles within the Group CCRPs and are adapted to reflect different credit environments and portfolio risk profiles. The CCRPs are approved by the GCPC.

- **Risk Methodologies**

Credit risk is managed by thoroughly understanding the Group's corporate customers – the businesses they are in, as well as the economies in which they operate. It is also managed through statistical models and data analytics for retail customers.

The assignment of credit risk ratings and setting of lending limits are integral parts of the Group's credit risk management process, and it uses an array of rating models for its corporate and retail portfolios. Most of these models are built internally using the Group's loss data, and the limits are driven by the Group's Risk Appetite Statement and the Target Market and Risk Acceptance Criteria (TM-RAC).

Wholesale borrowers are assessed individually, and further reviewed and evaluated by experienced credit risk managers who consider relevant credit risk factors in the final determination of the borrower's risk. For some portfolios within the small and medium-sized enterprises (SME) segment, the Group also uses a programme-based approach to achieve a balanced management of risks and rewards. Retail exposures are assessed using credit score models, credit bureau records, as well as internally and externally available customer

behaviour records supplemented by the Group's Risk Acceptance Criteria (RAC). Credit applications are proposed by the business units, and applications outside the RAC are independently assessed by the credit risk managers.

Pre-settlement credit risk for traded products arising from a counterparty potentially defaulting on its obligations is generally quantified by evaluation of the market price plus potential future exposure. This is used to calculate the Group's regulatory capital and is included within the Group's overall credit limits to counterparties for internal risk management.

The Group actively monitors and manages its exposure to counterparties for over-the-counter (OTC) derivative trades to protect its balance sheet in the event of a counterparty default. Counterparty risk exposures that may be adversely affected by market risk events are identified, reviewed and acted upon by management, and highlighted to the appropriate risk committees. Specific wrong-way risk arises when the credit exposure of a counterparty (from the traded product transaction) directly correlates with the probability of default of the counterparty. The Group has processes in place to guide the handling of specific wrong-way risk transactions, and its risk measurement metric takes into account the higher risks associated with such transactions.

Issuer default risk that may also arise from derivatives, notes and securities are generally measured based on jump-to-default computations.

Concentration Risk Management

For credit risk concentration, the Group uses Economic Capital (EC) as its measurement tool as it combines the individual risk factors such as the probability of default (PD), loss given default (LGD) and exposure at default (EAD), in addition to industry correlation and portfolio concentration. EC thresholds are set to ensure that the allocated EC stays within the Group's Risk Appetite. Concentration risk for retail is managed at two levels – product level where exposure limits are set up and segment level to manage the growth of high-risk segments. Governance processes are in place to ensure that these thresholds are monitored regularly, and appropriate actions are taken when the thresholds are breached.

The Group continually examines and reviews how it can enhance the scope of its thresholds and approaches to manage concentration risk.

Environment, Social and Governance Risks

Responsible financing, covering environmental, social and governance (ESG) issues, is a topic of increasing importance that affects investing and lending decisions across the Group. The Group recognises that its financing practices have a substantial impact on society and failure of its customers to appropriately manage ESG issues can directly impact their operations and long-term economic viability, and the communities and environment in which they operate.

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The Board approves the Group's overall and specific risk governance frameworks and oversees an independent Group-wide risk management system, including responsible financing. The Group had established a Group Responsible Financing Standard that documents its overarching approach to responsible financing and additional assessment required when entering into transactions with elevated ESG risks. The requirements of this Standard represent the minimum standards for the Group and it has also sought alignment, where possible, with international standards and best practices. Where significant ESG issues are identified, escalation is required to the relevant Global Industry Specialist and IBG Sustainability for further guidance prior to approval by the Credit Approving Authority.

Country Risk

Country risk refers to the risk of loss due to events in a specific country (or a group of countries). This includes political, exchange rate, economic, sovereign and transfer risks.

The Group manages country risk through the requirements of the Group CCRP and the said risk is part of its concentration risk management. The way the Group manages transfer risk is set out in its Country Risk Management Standard. This includes an internal transfer risk and sovereign risk rating system, where assessments are made independently of business decisions. The Group's transfer risk limits are set in accordance with the Group Risk Appetite Policy.

Transfer risk limits for priority countries are set based on country-specific strategic business considerations as well as the acceptable potential loss according to the Group's Risk Appetite. Management actively evaluates and determines the appropriate level of transfer risk exposures for these countries taking into account the risks and rewards and whether they are in line with the Group's strategic intent. Limits for all other non-priority countries are set using a model-based approach.

All transfer risk limits are approved by the BRMC.

Credit stress testing

The Group engages in various types of credit stress testing, and these are driven either by regulators or internal requirements and management.

The Group's credit stress tests are performed at the total portfolio or sub-portfolio level, and are generally conducted to assess the impact of changing economic conditions on asset quality, earnings performance, capital adequacy and liquidity. The Group's stress testing programme is comprehensive and covers a range of risks and business areas.

The Group typically performs the following types of credit stress testing at a minimum and others as necessary:

Pillar 1 credit stress testing	The Group conducts Pillar 1 credit stress testing regularly as required by regulators. Under Pillar 1 credit stress testing, the Group assesses the impact of a mild stress scenario (at least two consecutive quarters of zero GDP growth) on Internal Ratings-Based (IRB) estimates (i.e. PD, LGD and EAD) and the impact on regulatory capital. The purpose of the Pillar 1 credit stress test is to assess the robustness of internal credit risk models and the cushion above minimum regulatory capital.
Pillar 2 credit stress testing	The Group conducts Pillar 2 credit stress testing once a year as part of the Internal Capital Adequacy Assessment Process (ICAAP). Under Pillar 2 credit stress testing, the Group assesses the impact of stress scenarios, with different levels of severity, on asset quality, earnings performance, as well as internal and regulatory capital. The results of the credit stress test form inputs to the capital planning process under ICAAP. The purpose of the Pillar 2 credit stress testing is to examine, in a rigorous and forward-looking manner, the possible events or changes in market conditions that could adversely impact the Group and to develop the appropriate action plan.
Industry-wide stress testing	The Group participates in the annual industry-wide stress test (IWST) conducted by the Monetary Authority of Singapore (MAS) to facilitate the ongoing assessment of Singapore's financial stability. Under the IWST, the Group is required to assess the impact of adverse scenarios, as defined by the regulator, on asset quality, earnings performance and capital adequacy.
Sensitivity and scenario analyses	The Group also conducts multiple independent sensitivity analyses and credit portfolio reviews based on various scenarios. The intent of these analyses and reviews is to identify vulnerabilities for the purpose of developing and executing mitigating actions.

• **Processes, Systems and Reports**

The Group constantly invests in systems to support risk monitoring and reporting for its Institutional Banking and Consumer Banking/Wealth Management businesses.

The end-to-end credit process is continually being reviewed and improved through various front-to-

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back initiatives involving business, operations, risk management and other key stakeholders. Day-to-day monitoring of credit exposures, portfolio performance and external environmental factors potentially affecting credit risk profiles is key to its philosophy of effective credit risk management.

In addition, credit trends, which may include industry analysis, early warning alerts and significant weak credits, are submitted to the various risk committees, allowing key strategies and action plans to be formulated and evaluated. Credit control functions also ensure that any credit risk taken complies with the credit risk policies and standards. These functions ensure that approved limits are activated, credit excesses and policy exceptions are appropriately endorsed, compliance with credit standards is carried out, and covenants established are monitored.

Independent risk management functions that report to the CRO are jointly responsible for developing and maintaining a robust credit stress testing programme. These units oversee the implementation of credit stress tests as well as the analysis of the results, of which management, various risk committees and regulators are informed.

Non-performing assets

The Group's credit facilities are classified as "Performing assets" or "Non-performing assets" (NPA), in accordance with the MAS Notice to Banks No. 612 "Credit Files, Grading and Provisioning" (MAS Notice 612/MAS Notice 612A).

Credit exposures are categorised into one of the following five categories, according to the Group's assessment of a borrower's ability to repay a credit facility from its normal sources of income and/or the repayment behaviour of the borrower.

Classification Grade	Description
Performing Assets	
Pass	Indicates that the timely repayment of the outstanding credit facilities is not in doubt.
Special mention	Indicates that the borrower exhibits potential weaknesses that, if not corrected in a timely manner, may adversely affect future repayments and warrant close attention by the Group.
Classified or NPA	
Substandard	Indicates that the borrower exhibits definable weaknesses in its business, cash flow or financial position that may jeopardise repayment on existing terms.
Doubtful	Indicates that the borrower exhibits 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 as yet.

Loss	Indicates that the outstanding credit facility is not collectable, and little or nothing can be done to recover the outstanding amount from any collateral or from the assets of the borrower generally.
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A default is considered to have occurred with regard to a particular borrower when either or both of the following events have taken place:

- Subjective default: Borrower is considered to be unlikely to pay its credit obligations in full, without the Group taking action such as realising security (if held)
- Technical default: Borrower is more than 90 days past due on any credit obligation to the Group

For retail borrowers, the categorisation into the respective MAS loan grades is at the facility level and consistent with MAS Notice 612/MAS Notice 612A.

Credit facilities are classified as restructured assets when the Group grants non-commercial concessions to a borrower because its financial position has deteriorated or is unable to meet the original repayment schedule. A restructured credit facility is classified into the appropriate non-performing grade based on the assessment of the borrower's financial condition and its ability to repay according to 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 and MAS Notice 612/MAS Notice 612A. Apart from what has been described, the Group does not grant concessions to borrowers in the normal course of business.

In addition, it is not within the Group's business model to acquire debts that have been restructured at inception (e.g. distressed debts).

Please refer to Note 2.11 for the Group's accounting policies regarding specific and general allowances for credit losses.

In general, specific allowances are recognised for defaulting credit exposures rated substandard and below.

The breakdown of the Group's NPA by loan grading and industry and the related amounts of specific allowances can be found in Note 43.2. A breakdown of past due loans can also be found in the same note.

When required, the Group will take possession of all collateral and dispose them as soon as practicable. Realised proceeds are used to reduce outstanding indebtedness. A breakdown of collateral held for NPA is shown in Note 43.2.

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Repossessed collateral is classified in the balance sheet as other assets. The amounts of such other assets for 2020 and 2021 were not material.

Credit Risk Mitigants

Collateral received

Where possible, the Group takes collateral as a secondary source of repayment. This includes, but is not limited to, cash, marketable securities, real estate, trade receivables, inventory, equipment, and other physical and/or financial collateral. The Group may also take fixed and floating charges on the assets of borrowers.

Policies are in place to determine the eligibility of collateral for credit risk mitigation. Collateral is generally diversified and periodic valuations of collateral are required. Real estate constitutes the bulk of the Group's collateral, while marketable securities and cash are immaterial.

For derivatives, repurchase agreements (repo) and other repo-style transactions with financial market counterparties, collateral arrangements are typically covered under market-standard documentation, such as International Swaps & Derivatives Association (ISDA) Agreements and Master Repurchase Agreements.

The collateral received is marked-to-market on a frequency that the Group and the counterparties have mutually agreed upon. This is governed by internal guidelines with respect to collateral eligibility. In the event of a default, the credit risk exposure is reduced by

master-netting arrangements where the Group is allowed to offset what it owes a counterparty against what is due from that counterparty in a netting-eligible jurisdiction.

Collateral held against derivatives generally consists of cash in major currencies and highly rated government or quasi-government bonds. Exceptions may arise in certain countries, where due to domestic capital markets and business conditions, the Group may be required to accept less highly rated or liquid government bonds and currencies. Reverse repo-transactions are generally traded with large institutions with reasonably good credit standing. The Group takes haircuts against the underlying collateral of these transactions that commensurate with collateral quality to ensure credit risks are adequately mitigated.

In times of difficulty, the Group will review the customers' specific situation and circumstances to assist them in restructuring their financial obligations.

However, should the need arise, disposal and recovery processes are in place to dispose the collateral held. The Group maintains a panel of agents and solicitors to assist in the disposal of non-liquid assets and specialised equipment quickly.

Other credit risk mitigants

The Group accepts guarantees as credit risk mitigants. Internal requirements for considering the eligibility of guarantors for credit risk mitigation are in place.

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43.1 Maximum exposure to credit risk

The following table shows the exposure to credit risk of on-balance sheet and off-balance sheet financial instruments, before taking into account any collateral held, other credit enhancements and netting arrangements. For on-balance sheet financial assets, the maximum credit exposure is the carrying amounts. For contingent liabilities, the maximum exposure to credit risk is the amount the Group would have to pay if the instrument is called upon. For undrawn facilities, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers.

In \$ millions	2021	The Group 2020
On-balance sheet		
Cash and balances with central banks (excluding cash on hand)	54,237	48,207
Government securities and treasury bills	53,262	51,700
Due from banks	51,377	50,867
Derivatives	19,681	31,108
Bank and corporate debt securities	53,788	54,109
Loans and advances to customers	408,993	371,171
Other assets (excluding deferred tax assets)	15,268	18,871
	656,606	626,033
Off-balance sheet		
Contingent liabilities and commitments (excluding capital commitments)	366,031	336,151
Total	1,022,637	962,184

The Group's exposures to credit risk, measured using the expected gross credit exposures that will arise upon a default of the end obligor are as shown in the Group's Pillar 3 Disclosures (unaudited). These exposures, which include both on-balance sheet and off-balance sheet financial instruments, are shown without taking into account any collateral held or netting arrangements.

Analysis of Collateral

Whilst the Group's maximum exposure to credit risk is the carrying amount of the assets or, in the case of off-balance sheet instruments, the amount guaranteed, committed, accepted or endorsed, the likely exposure may be lower due to offsetting collateral, credit guarantees and other actions taken to mitigate the Group's exposure.

The description of collateral for each class of financial asset is set out below.

Balances with central banks, Government securities and treasury bills, Due from banks and Bank and corporate debt securities

Collateral is generally not sought for these assets.

Derivatives

The Group maintains collateral agreements and enters into master netting agreements with most of the counterparties for derivative transactions. Please refer to Note 36 for the impact of netting arrangements recognised for the computation of Capital Adequacy Ratio (CAR).

Loans and advances to customers, Contingent liabilities and commitments

Certain loans and advances to customers, contingent liabilities and commitments are typically collateralised to a substantial extent. In particular, residential mortgage exposures are generally fully secured by residential properties. Income-producing real estate, which is a sub-set of the Specialised Lending exposure, is fully secured by the underlying assets financed.

The extent to which credit exposures are covered by Basel eligible collateral, besides real estate, after the application of the requisite regulatory haircuts, is shown in the Group's Pillar 3 Disclosures (unaudited). The amounts are a sub-set of the actual collateral arrangements entered by the Group as Basel imposes strict legal and operational standards before collateral can be admitted as credit risk mitigants. As a result, certain collateral arrangements which do not meet its criteria will not be included. Certain collateral types which are not permitted as credit risk mitigants for credit exposures under the Standardised Approach are also excluded.

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43.2 Loans and advances to customers

In \$ millions	The Group	
	2021	2020
Loans and advances to customers		
Performing Loans		
- Neither past due nor impaired (i)	408,018	369,783
Pass	404,050	365,354
Special Mention	3,968	4,429
- Past due but not impaired (ii)	1,764	1,928
Non-Performing Loans		
- Impaired (iii)	5,290	6,059
Total gross loans	415,072	377,770

(i) Neither past due nor impaired loans by grading and industry

The credit quality of the portfolio of loans and advances that are neither past due nor impaired can be assessed by reference to the loan gradings in MAS Notice 612/MAS Notice 612A.

In \$ millions	The Group		
	Pass	Special Mention	Total
2021			
Manufacturing	40,600	369	40,969
Building and construction	106,343	768	107,111
Housing loans	77,869	-	77,869
General commerce	42,977	619	43,596
Transportation, storage and communications	28,744	354	29,098
Financial institutions, investment and holding companies	36,910	36	36,946
Professionals and private individuals (excluding housing loans)	39,049	58	39,107
Others	31,558	1,764	33,322
Total	404,050	3,968	408,018
2020			
Manufacturing	38,414	576	38,990
Building and construction	96,099	424	96,523
Housing loans	73,535	-	73,535
General commerce	38,876	690	39,566
Transportation, storage and communications	27,829	934	28,763
Financial institutions, investment and holding companies	28,094	161	28,255
Professionals and private individuals (excluding housing loans)	32,665	79	32,744
Others	29,842	1,565	31,407
Total	365,354	4,429	369,783

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(ii) Past due but not impaired loans by past due period and industry

In \$ millions	The Group			Total
	Less than 30 days past due	30 to 59 days past due	60 to 90 days past due	
2021				
Manufacturing	42	10	5	57
Building and construction	40	34	3	77
Housing loans	373	47	19	439
General commerce	103	27	5	135
Transportation, storage and communications	40	32	1	73
Financial institutions, investment and holding companies	190	59	1	250
Professionals and private individuals (excluding housing loans)	494	53	41	588
Others	134	5	6	145
Total	1,416	267	81	1,764
2020				
Manufacturing	118	16	5	139
Building and construction	67	14	8	89
Housing loans	370	53	27	450
General commerce	115	12	5	132
Transportation, storage and communications	80	3	123	206
Financial institutions, investment and holding companies	99	-	48	147
Professionals and private individuals (excluding housing loans)	261	61	47	369
Others	73	36	287	396
Total	1,183	195	550	1,928

(iii) Non-performing assets (NPAs)

In \$ millions	The Group	
	2021	2020
Balance at 1 January	6,686	5,773
Institutional Banking & Others		
- New NPAs	1,006	1,945
- Upgrades	(7)	(24)
- Net repayments	(1,338)	(556)
- Write-offs	(533)	(573)
Consumer Banking/Wealth Management (net movement)	(47)	(24)
Amalgamation of LVB	-	212
Exchange differences	82	(67)
Balance at 31 December	5,849	6,686

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Non-performing assets by grading and industry

In \$ millions	NPAs			The Group				
	Sub-standard	Doubtful	Loss	Total	Sub-standard	Doubtful	Loss	Total
2021								
Manufacturing	326	364	115	805	61	196	115	372
Building and construction	309	50	86	445	40	23	86	149
Housing loans	192	3	13	208	1	1	13	15
General commerce	268	269	374	911	45	243	374	662
Transportation, storage and communications	1,006	217	569	1,792	225	177	569	971
Financial institutions, investment and holding companies	32	37	24	93	6	20	24	50
Professional and private individuals (excluding housing loans)	376	29	14	419	80	27	14	121
Others	339	223	55	617	27	123	55	205
Total non-performing loans	2,848	1,192	1,250	5,290	485	810	1,250	2,545
Debt securities, contingent liabilities and others	198	119	242	559	37	102	242	381
Total	3,046	1,311	1,492	5,849	522	912	1,492	2,926
Of which: restructured assets	953	473	146	1,572	245	265	146	656
2020								
Manufacturing	308	326	39	673	58	172	39	269
Building and construction	242	12	98	352	28	12	98	138
Housing loans	194	17	11	222	-	-	11	11
General commerce	363	514	94	971	31	439	94	564
Transportation, storage and communications	1,346	400	902	2,648	145	322	902	1,369
Financial institutions, investment and holding companies	21	19	7	47	7	9	7	23
Professional and private individuals (excluding housing loans)	403	45	17	465	93	41	17	151
Others	388	256	37	681	15	115	37	167
Total non-performing loans	3,265	1,589	1,205	6,059	377	1,110	1,205	2,692
Debt securities, contingent liabilities and others	238	291	98	627	20	204	98	322
Total	3,503	1,880	1,303	6,686	397	1,314	1,303	3,014
Of which: restructured assets	918	438	207	1,563	220	253	207	680

Non-performing assets by geography^(a)

In \$ millions	The Group	
	NPAs	Specific allowances
2021		
Singapore	2,873	1,434
Hong Kong	686	421
Rest of Greater China	343	78
South and Southeast Asia	1,151	555
Rest of the World	237	57
Total non-performing loans	5,290	2,545
Debt securities, contingent liabilities and others	559	381
Total	5,849	2,926

(a) Based on the location of incorporation of the borrower

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In \$ millions	The Group	
	NPAs	Specific allowances
2020		
Singapore	3,624	1,681
Hong Kong	678	358
Rest of Greater China	381	82
South and Southeast Asia	1,092	511
Rest of the World	284	60
Total non-performing loans	6,059	2,692
Debt securities, contingent liabilities and others	627	322
Total	6,686	3,014

Non-performing assets by past due period

In \$ millions	The Group	
	2021	2020
Not overdue	1,415	1,148
Within 90 days	390	515
Over 90 to 180 days	209	384
Over 180 days	3,835	4,639
Total past due assets	4,434	5,538
Total	5,849	6,686

Secured non-performing assets by collateral type

In \$ millions	The Group	
	2021	2020
Properties	1,112	1,373
Shares and debentures	42	143
Cash deposits	9	8
Others	1,507	1,598
Total	2,670	3,122

Past due non-performing assets by industry

In \$ millions	The Group	
	2021	2020
Manufacturing	646	545
Building and construction	378	289
Housing loans	169	182
General commerce	873	940
Transportation, storage and communications	1,323	2,497
Financial institutions, investment and holding companies	90	46
Professional and private individuals (excluding housing loans)	162	188
Others	472	524
Total non-performing loans	4,113	5,211
Debt securities, contingent liabilities and others	321	327
Total	4,434	5,538

Past due non-performing assets by geography^(a)

In \$ millions	The Group	
	2021	2020
Singapore	2,182	3,234
Hong Kong	589	612
Rest of Greater China	229	289
South and Southeast Asia	1,041	1,027
Rest of the World	72	49
Total non-performing loans	4,113	5,211
Debt securities, contingent liabilities and others	321	327
Total	4,434	5,538

(a) Based on the location of incorporation of the borrower

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43.3 Credit quality of Government securities and treasury bills and Bank and corporate debt securities

The table below presents an analysis of Government securities and treasury bills and Bank and corporate debt securities for the Group by external rating bands.

Analysed by external ratings	The Group		
	Singapore Government securities and treasury bills (Gross)	Other government securities and treasury bills (Gross)	Bank and corporate debt securities (Gross)
In \$ millions			
2021			
AAA	11,364	8,580	16,893
AA- to AA+	-	11,631	4,859
A- to A+	-	15,466	11,356
Lower than A-	-	6,225	8,363
Unrated	-	-	12,412
Total	11,364	41,902	53,883
2020			
AAA	13,608	5,986	19,953
AA- to AA+	-	11,097	4,541
A- to A+	-	14,257	9,061
Lower than A-	-	6,755	7,174
Unrated	-	-	13,427
Total	13,608	38,095	54,156

43.4 Credit risk by geography and industry

Analysed by geography ^(a)	The Group					Total
	Government securities and treasury bills (Gross)	Due from banks (Gross)	Derivatives	Bank and corporate debt securities (Gross)	Loans and advances to customers (Gross)	
In \$ millions						
2021						
Singapore	11,364	5,221	1,370	15,470	191,831	225,256
Hong Kong	4,586	7,889	1,168	1,222	70,216	85,081
Rest of Greater China	4,734	9,633	1,740	7,210	59,150	82,467
South and Southeast Asia	6,225	3,648	950	4,023	30,784	45,630
Rest of the World	26,357	24,993	14,453	25,958	63,091	154,852
Total	53,266	51,384	19,681	53,883	415,072	593,286
2020						
Singapore	13,608	1,183	3,048	15,292	176,402	209,533
Hong Kong	3,872	2,333	1,763	1,212	59,093	68,273
Rest of Greater China	4,467	19,051	3,672	5,764	53,278	86,232
South and Southeast Asia	6,757	3,819	1,456	4,760	30,362	47,154
Rest of the World	22,999	24,485	21,169	27,128	58,635	154,416
Total	51,703	50,871	31,108	54,156	377,770	565,608

(a) Based on the location of incorporation of the issuer (for debt securities), counterparty (for derivatives), borrower (for loans) or the issuing bank in the case of bank backed export financing

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Analysed by industry	The Group					Total
	Government securities and treasury bills (Gross)	Due from banks (Gross)	Derivatives	Bank and corporate debt securities (Gross)	Loans and advances to customers (Gross)	
In \$ millions						
2021						
Manufacturing	-	-	341	3,604	41,831	45,776
Building and construction	-	-	645	5,366	107,633	113,644
Housing loans	-	-	-	-	78,516	78,516
General commerce	-	-	112	2,066	44,642	46,820
Transportation, storage and communications	-	-	310	4,379	30,963	35,652
Financial institutions, investment and holding companies	-	51,384	16,608	23,860	37,289	129,141
Government	53,266	-	-	-	-	53,266
Professionals and private individuals (excluding housing loans)	-	-	350	-	40,114	40,464
Others	-	-	1,315	14,608	34,084	50,007
Total	53,266	51,384	19,681	53,883	415,072	593,286
2020						
Manufacturing	-	-	494	3,136	39,802	43,432
Building and construction	-	-	1,363	5,400	96,964	103,727
Housing loans	-	-	-	-	74,207	74,207
General commerce	-	-	266	2,438	40,669	43,373
Transportation, storage and communications	-	-	754	3,688	31,617	36,059
Financial institutions, investment and holding companies	-	50,871	26,372	25,657	28,449	131,349
Government	51,703	-	-	-	-	51,703
Professionals and private individuals (excluding housing loans)	-	-	528	-	33,578	34,106
Others	-	-	1,331	13,837	32,484	47,652
Total	51,703	50,871	31,108	54,156	377,770	565,608

44. Market Risk

The Group's exposure to market risk is categorised into:

- **Trading portfolios:** Arising from positions taken for (i) market-making, (ii) client facilitation, and (iii) benefiting from market opportunities.
- **Non-trading portfolios:** Arising from (i) the Group's Institutional Banking and Consumer Banking/Wealth Management assets and liabilities, (ii) debt securities and equities comprising investments held for yield and/or long-term capital gains, (iii) strategic stakes in entities, and (iv) structural foreign exchange risk arising mainly from the Group's strategic investments, which are denominated in currencies other than the Singapore Dollar.

The Group uses a variety of financial derivatives such as swaps, forwards and futures, and options for trading and hedging against market movements.

Market Risk Management

The Group's approach to market risk management comprises the following building blocks:

- **Policies**
The Group Market Risk Management Policy sets the Group's overall approach towards market risk management. This policy is supplemented with standards and guides, which facilitate the identification, measurement, control, monitoring and reporting of market risk in a consistent manner. They also set out the overall approach, requirements and controls governing market risk stress testing across the Group.

The criteria for determining the positions to be included in the trading book are stipulated in the Trading Book Policy Statement.

- **Risk Methodologies**
The Group utilises Value-at-Risk (VaR), a statistical risk measure, to estimate the potential loss from market movements. This measure uses historical simulation based on data for the previous 12 months. It assumes that historical changes in market values reflect the distribution of potential outcomes in the immediate future.

The Group limits and monitors market risk exposures using Expected Shortfall (ES) that is VaR calculated with a one-day holding period and an expected tail-loss methodology which approximates a 97.5% confidence interval.

ES is supplemented with other risk control metrics such as sensitivities to risk factors and loss triggers for management action.

The Group conducts backtesting to verify the predictiveness of the VaR model. Backtesting compares VaR calculated for positions at the close of each business day with the profit and loss (P&L) that arises from those positions on the following business day. The backtesting P&L excludes fees and commissions, revenues from intra-day trading, non-daily valuation adjustments and time effects.

For backtesting, VaR at the 99% confidence interval and over a one-day holding period is used. The Group adopts the standardised approach to compute market risk regulatory capital under MAS Notice 637 for the trading book positions. As such, VaR backtesting does not impact the Group's regulatory capital for market risk.

There are limitations to VaR models; for example, past changes in market risk factors may not provide accurate predictions of future market movements, and the risk arising from adverse market events may not be considered.

To monitor the Group's vulnerability to unexpected but plausible extreme market risk-related events, it conducts multiple market risk stress tests regularly. These cover trading and non-trading portfolios and follow a combination of historical and hypothetical scenarios depicting risk-factor movement.

Economic Value of Equity (EVE) and Net Interest Income (NII) variability are the key risk metrics used to manage the Group's assets and liabilities. EVE and NII variability measure how the economic value and earnings of the Group change under various stress scenarios. Credit risk arising from loans and receivables is managed under the credit risk management framework.

Interest rate risk in the banking book (IRRBB) arises from mismatches in the interest rate profiles of assets, liabilities and capital instruments. Estimating IRRBB requires the use of behavioural models and assumptions on certain parameters such as loan prepayment, fixed deposits early redemption and the duration of the non-maturity deposits. The Group measures IRRBB on a monthly basis.

- **Processes, Systems and Reports**
Robust internal control processes and systems have been designed and implemented to support the Group's market risk management approach. The Group reviews these control processes and systems regularly, and these reviews allow senior management to assess their effectiveness.

The RMG Market and Liquidity Risk unit – an independent market risk management function reporting to the CRO – monitors, controls and analyses the Group's market risk daily. The unit comprises risk control, risk analytics, production and reporting teams.

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Market Risk

The main risk factors driving the Group's trading portfolios in 2021 were interest rates, foreign exchange, equities and credit spreads. The following table shows the period-end, average, high and low diversified ES, and ES by risk class for the Group's trading portfolios. ES in 2021 was lower given the more benign financial market conditions as compared to the market volatilities witnessed during the onset of the Covid-19 pandemic in 2020.

In \$ millions	The Group			
	1 Jan 2021 to 31 Dec 2021			
	As at 31 Dec 2021	Average	High	Low
Diversified	8	9	21	5
Interest Rates	6	9	18	5
Foreign Exchange	1	4	9	1
Equity	2	4	9	1
Credit Spread	5	7	21	3
Commodity	#	#	1	#

In \$ millions	1 Jan 2020 to 31 Dec 2020 ^(a)			
	As at 31 Dec 2020	Average	High	Low
Diversified	19	13	31	8
Interest Rates	12	14	27	7
Foreign Exchange	7	4	8	1
Equity	6	3	11	#
Credit Spread	14	14	18	5
Commodity	#	#	1	#

Amount under \$500,000

(a) This excludes the positions from LVB that was amalgamated with DBS Bank India Limited on 27 Nov 2020. Impact from LVB's positions to the Group's trading book was assessed to be insignificant

The Group's trading portfolios experienced 8 backtesting exceptions in 2021 and they occurred in February, June, July, October and November. The backtesting exceptions were mainly due to large movements in interest rates, credit spreads and equity volatilities.

In 2021, the key market risk drivers of the Group's non-trading portfolios were interest rates (Singapore Dollar and US Dollar) and foreign exchange.

The Net Interest Income (NII) of the non-trading book is assessed under various rate scenarios to determine the impact of interest rate movements on future earnings. Simulating using a 100 basis points parallel upward or downward shift in yield curves on the Group's banking book exposures, NII is estimated to increase by \$1,802 million and decrease by \$778 million respectively.

Foreign exchange risk in the Group's non-trading portfolios was primarily from structural foreign exchange positions, arising mainly from the Group's strategic investments and retained earnings in overseas branches and subsidiaries.

Please refer to Note 38.3 for more information on the Group's structural foreign exchange positions.

45. Liquidity Risk

The Group's liquidity risk arises from its obligations to honour withdrawals of deposits, repayments of borrowed funds at maturity, and its commitments to extend loans to its customers. The Group seeks to manage its liquidity to ensure that its liquidity obligations will continue to be honoured under normal as well as adverse circumstances.

Liquidity Risk Management

Liquidity Management and Funding Strategy

The Group strives to develop a diversified funding base with access to funding sources across retail and wholesale channels. The Group's funding strategy is anchored on the strength of its core deposit franchise and is augmented by its established long-term funding capabilities.

Growth in the regional franchise generates price, volume, currency and tenor mismatches between the Group's assets and liabilities. To this end, where practicable and transferable without loss in value, the Group makes appropriate use of swap markets for relevant currencies, commensurate with the liquidity of each, in the conversion and deployment of surplus funds across locations.

As these swaps typically mature earlier than loans, the Group is exposed to potential cash flow mismatches arising from the risk that counterparties may not roll over maturing swaps to support the Group's ongoing funding needs. This risk is mitigated by triggers set on the number of swaps transacted with the market and by conservative assumptions on the cash flow behaviour of swaps under its cash flow maturity gap analysis.

In general, the term borrowing needs are managed centrally by the head office in consultation with the Group's overseas locations, subject to relevant regulatory restrictions and to an appropriate level of presence and participation required by the respective local funding markets.

The Group Asset and Liability Committee and respective Location Asset and Liability Committees regularly review the composition and growth trajectories of the relevant balance sheets and refine the Group's funding strategy according to business momentum, competitive factors and prevailing market conditions.

Approach to Liquidity Risk Management

The Group's approach to liquidity risk management comprises the following building blocks:

- **Policies**

The Group Liquidity Risk Management Policy sets its overall approach towards liquidity risk management and describes the range of strategies the Group employs to manage its liquidity.

These strategies include maintaining an adequate counterbalancing capacity to address potential cash flow shortfalls and having diversified sources of liquidity.

The Group's counterbalancing capacity includes liquid assets, the capacity to borrow from the money markets (including the issuance of commercial papers and covered bonds), and forms of managerial interventions that improve liquidity. In the event of a potential or actual crisis, the Group has in place a set of liquidity contingency and recovery plans to ensure that it maintains adequate liquidity.

The Group Liquidity Risk Management Policy is supported by standards that establish the detailed requirements for liquidity risk identification, measurement, reporting and control within the Group. The set of policies, standards and supporting guides communicate these baseline requirements to ensure a consistent application throughout the Group.

- **Risk Methodologies**

The primary measure used to manage liquidity within the tolerance defined by the Board is cash flow maturity mismatch analysis.

This form of analysis is performed on a regular basis under normal and adverse scenarios. It assesses the adequacy of the Group's counterbalancing capacity to fund or mitigate any cash flow shortfalls that may occur as forecasted in the cash flow movements across successive time bands. To ensure that liquidity is managed in line with the Group's Risk Appetite, core parameters such as the types of scenarios, the survival period and the minimum level of liquid assets, are pre-specified for monitoring and control on a group-wide basis. Any occurrences of forecasted shortfalls that cannot be covered by the Group's counterbalancing capacity will be escalated to the relevant committees for evaluation and action.

Liquidity risk stress testing is performed regularly using cash flow maturity mismatch analysis, and covers adverse scenarios including general market and idiosyncratic stress scenarios. Stress tests assess the Group's vulnerability when liability run-offs increase, asset rollovers increase and/or liquid asset buffers decrease. In addition, ad hoc stress tests are performed as part of the Group's recovery planning and ICAAP exercises.

Liquidity risk control measures such as liquidity-related ratios and balance sheet analysis are complementary tools for cash flow maturity mismatch analysis, and they are performed regularly to obtain deeper insights and finer control over the Group's liquidity profile across different locations.

The liquidity risk control measures also include concentration measures regarding top depositors, wholesale borrowing and swapped funds ratios.

- **Processes, systems and reports**

Robust internal control processes and systems support the Group's overall approach in identifying, measuring, aggregating, controlling

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and monitoring liquidity risk across the Group. Continuous improvement in data and reporting platforms has allowed most elements of internal liquidity risk reporting to be centralised.

The RMG Market and Liquidity Risk unit manages the day-to-day liquidity risk monitoring, control reporting and analysis.

Liquidity risk in 2021

The Group actively monitors and manages its liquidity profile through cash flow maturity mismatch analysis.

In forecasting cash flow under the analysis, behavioural profiling is necessary in cases where a product has indeterminate maturity or the contractual maturity does not realistically reflect the expected cash flow.

Two examples are maturity-indeterminate savings and current account deposits, which are generally viewed as sources of stable funding for commercial banks. In fact, they consistently exhibit stability even under historic periods of stress. A conservative view is adopted in the behavioural profiling of assets, liabilities and off-balance sheet commitments that have exhibited cash flow patterns that differ significantly from the contractual maturity profile shown under Note 45.1.

The table below shows the Group's behavioural net and cumulative maturity mismatch between assets and liabilities over a one-year period, in a normal scenario without incorporating growth projections. The Group's liquidity was observed to remain adequate in the maturity mismatch analysis. In 2021, the liquidity profile improved as excess liquidity from deposit growth is retained in short term funds.

In \$ millions ^(a)	The Group				
	Less than 1 week	1 week to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year
2021^(b)					
Net liquidity mismatch	37,477	20,619	(6,556)	13,624	7,136
Cumulative mismatch	37,477	58,096	51,540	65,164	72,300
2020^{(b)(c)}					
Net liquidity mismatch	26,191	12,542	6,407	9,742	6,158
Cumulative mismatch	26,191	38,733	45,140	54,882	61,040

(a) Positive indicates a position of liquidity surplus. Negative indicates a liquidity shortfall that has to be funded

(b) As the behavioural assumptions used to determine the maturity mismatch between assets and liabilities are updated from time to time, the liquidity mismatches may not be directly comparable across past balance sheet dates

(c) This excludes the assets and liabilities of LVB that was amalgamated with DBS Bank India Limited on 27 Nov 2020. Impact from LVB's positions was assessed to be insignificant

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45.1 Contractual maturity profile of assets and liabilities

The table below analyses assets and liabilities of the Group as at 31 December based on the remaining period as at balance sheet date to the contractual maturity date.

In \$ millions	The Group								Total
	Less than 7 days	1 week to 1 month	1 to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	No specific maturity	
2021									
Cash and balances with central banks	18,190	17,173	17,904	1,973	1,137	-	-	-	56,377
Government securities and treasury bills	823	2,416	5,252	6,575	12,445	8,259	17,492	-	53,262
Due from banks	23,025	9,950	8,200	9,613	589	-	-	-	51,377
Derivatives ^(a)	19,681	-	-	-	-	-	-	-	19,681
Bank and corporate securities	-	885	2,161	7,989	17,097	11,247	14,409	15,904	69,692
Loans and advances to customers	39,873	66,763	38,870	62,213	80,655	49,279	71,340	-	408,993
Other assets	10,206	718	1,371	2,082	135	22	23	1,338	15,895
Associates and joint ventures	-	-	-	-	-	-	-	2,172	2,172
Properties and other fixed assets	-	-	-	-	-	-	-	3,262	3,262
Goodwill and intangibles	-	-	-	-	-	-	-	5,362	5,362
Total assets	111,798	97,905	73,758	90,445	112,058	68,807	103,264	28,038	686,073
Due to banks	12,093	7,523	3,670	2,155	4,767	1	-	-	30,209
Deposits and balances from customers	407,760	33,002	35,031	22,995	1,616	769	786	-	501,959
Derivatives ^(a)	20,318	-	-	-	-	-	-	-	20,318
Other liabilities	8,137	1,136	2,443	2,831	379	143	312	3,286	18,667
Other debt securities	1,277	6,648	15,840	14,291	5,090	3,795	3,406	2,223	52,570
Subordinated term debts	-	-	-	-	-	118	4,518	-	4,636
Total liabilities	449,585	48,309	56,984	42,272	11,852	4,826	9,022	5,509	628,359
Non-controlling interests	-	-	-	-	-	-	-	188	188
Shareholders' funds	-	-	-	-	-	-	-	57,526	57,526
Total equity	-	-	-	-	-	-	-	57,714	57,714
2020									
Cash and balances with central banks	19,214	11,620	17,494	1,719	571	-	-	-	50,618
Government securities and treasury bills	292	2,771	4,324	6,505	13,111	6,888	17,809	-	51,700
Due from banks	20,497	5,859	10,238	13,322	901	50	-	-	50,867
Derivatives ^(a)	31,108	-	-	-	-	-	-	-	31,108
Bank and corporate securities	-	570	2,648	8,453	19,985	10,071	12,382	11,347	65,456
Loans and advances to customers	30,105	57,867	37,890	51,681	77,472	46,539	69,617	-	371,171
Other assets	13,232	1,216	1,413	2,338	94	17	16	1,169	19,495
Associates and joint ventures	-	-	-	-	-	-	-	862	862
Properties and other fixed assets	-	-	-	-	-	-	-	3,338	3,338
Goodwill and intangibles	-	-	-	-	-	-	-	5,323	5,323
Total assets	114,448	79,903	74,007	84,018	112,134	63,565	99,824	22,039	649,938
Due to banks	16,780	6,423	2,350	237	2,430	-	-	-	28,220
Deposits and balances from customers	363,707	30,737	42,340	24,192	2,174	311	1,389	-	464,850
Derivatives ^(a)	32,904	-	-	-	-	-	-	-	32,904
Other liabilities	12,435	1,087	2,111	2,077	532	331	788	2,713	22,074
Other debt securities	1,801	4,920	11,341	13,858	4,869	2,333	2,637	1,518	43,277
Subordinated term debts	-	-	-	-	-	-	3,970	-	3,970
Total liabilities	427,627	43,167	58,142	40,364	10,005	2,975	8,784	4,231	595,295
Non-controlling interests	-	-	-	-	-	-	-	17	17
Shareholders' funds	-	-	-	-	-	-	-	54,626	54,626
Total equity	-	-	-	-	-	-	-	54,643	54,643

(a) Derivative financial assets and liabilities are included in the "Less than 7 days" bucket as they are mainly held for trading. Please refer to the tables in Note 38 for the maturity profile of hedging derivatives

The above table includes disclosure of the contractual maturity of financial liabilities, which approximates the same analysis on an undiscounted basis, as total future interest payments are not material relative to the principal amounts. Assets and liabilities (including non-maturing savings/current deposits) are represented on a contractual basis or in a period when it can legally be withdrawn. The cash flows of assets and liabilities may behave differently from their contractual terms.

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45.2 Contingent liabilities and commitments

The table below shows the Group's contingent liabilities and commitments based on the remaining period as at the balance sheet date to contractual expiry date.

In \$ millions	The Group				Total
	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	
2021					
Guarantees, letters of credit and other contingent liabilities	34,079	-	-	-	34,079
Undrawn credit commitments ^(a) and other facilities	288,383	21,699	18,224	3,646	331,952
Capital commitments	16	37	19	-	72
Total	322,478	21,736	18,243	3,646	366,103
2020					
Guarantees, letters of credit and other contingent liabilities	29,316	-	-	-	29,316
Undrawn credit commitments ^(a) and other facilities	269,568	18,547	15,296	3,424	306,835
Capital commitments	14	1	-	-	15
Total	298,898	18,548	15,296	3,424	336,166

(a) Includes commitments that are unconditionally cancellable at any time by the Group

The Group expects that not all of the contingent liabilities will be called upon and not all of the undrawn credit commitments will be drawn before expiry.

46. Operational Risk

Operational risk is inherent in the Group's business activities and may arise from inadequate or failed internal processes, people, systems, or from external events. The Group's objective is to keep operational risk at appropriate levels, taking into account the markets it operates in, the characteristics of the businesses as well as its economic and regulatory environment.

Operational Risk Management

The Group's approach to operational risk management comprises the following building blocks:

- **Policies**

The Group Operational Risk Management (ORM) Policy sets its overall approach for managing operational risk in a structured, systematic and consistent manner.

There are policies, standards, tools and programmes in place to govern ORM practices across the Group. These include corporate operational risk policies and standards that are owned by the respective corporate oversight and control functions. The key policies address risk areas relating to technology, compliance, fraud, money laundering, financing of terrorism and sanctions, new product, outsourcing and ecosystem partnership.

- **Risk Methodologies**

The Group adopts the standardised approach to compute operational risk regulatory capital.

To manage and control operational risk, the Group uses various tools, including risk and control self-assessment, operational risk event management and key risk indicator monitoring.

The Group's three lines of defence adopt one common risk taxonomy, and a consistent risk assessment approach to managing operational risk. Risk and control self-assessment is conducted by each business or support unit to identify key operational risk and assess the effectiveness of internal controls. When control issues are identified, the units develop action plans and track the resolution of the issues.

Operational risk events are classified in accordance with Basel standards. Such events, including any significant incidents that may impact the Group's reputation, must 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.

Additional methodologies are in place to address subject-specific risks, including, but not limited to, the following:

Technology risk

Information Technology (IT) risk is managed through an enterprise technology risk management approach. This covers risk identification, assessment, mitigation, monitoring and reporting. In addition, the appropriate governance, IT policies and standards, control processes and risk mitigation programmes are in place to support the risk management approach.

Cyber security risk

Cyber security risk is an important and continuous focus of the Group. The Group devotes significant attention and resources to protect and improve the security of its computer systems, software, networks and other technology assets against the emerging and evolving landscape. The Group manages cyber security risk, which cuts across all lines of business. The Chief Information Security Officer (CISO) oversees the cyber security function and the one-stop competency centre for all cyber security related matters, such as operational risks and data protection risks.

Compliance risk

Compliance risk refers to the risk of the Group not being able to successfully conduct its business because of any failure to comply with laws, regulatory requirements, industry codes or standards of business and professional conduct applicable to the financial sector.

This includes, in particular, laws and regulations applicable to the licensing and conducting of banking or other financial businesses, financial crime such as anti-money laundering (AML) and countering the financing of terrorism (CFT), fraud and bribery/corruption. The Group maintains a compliance programme designed to identify, assess, measure, mitigate and report on such risks through a combination of policy and relevant systems and controls.

To counter financial crime and sanctions risks, The Group established minimum standards for the Group's business and support units to manage the Group's actual and/or potential risk exposures. In addition, standards aimed to provide the end-to-end management for fraud and related issues at the unit and geographical levels, were implemented through the Fraud Management Programme. The Group implement surveillance and compliance testing controls where necessary to obtain assurance that the control framework is operating effectively.

The Group also provides relevant training and implements assurance processes. The Group strongly believes in the need to promote a strong compliance culture as well, and this is developed through the leadership of its Board and senior management.

New product, outsourcing and ecosystem partnership risks

Each new product, service, outsourcing arrangement or ecosystem partnership is subject to a risk review and sign-off process, where

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relevant risks are identified and assessed. Variations of existing products or services and existing outsourcing arrangements and ecosystem partnerships are also subject to a similar process.

Other mitigation programmes

A robust business continuity management programme is in place to ensure that essential banking services can continue in the event of unforeseen events or business disruptions. This includes a crisis management plan to enable quick response to manage incidents. Exercises are conducted annually, simulating different scenarios to test business continuity plans and crisis management protocol. The effectiveness of these exercises as well as the Group's business continuity readiness and its alignment to regulatory guidelines are communicated and attested by senior management to the BRMC annually.

Amid the Covid-19 pandemic, the Group's business continuity plans were put to the test and kept the Group in good stead. The Group was able to quickly adapt and adjust to the pandemic to ensure minimal impact on the Group's customers and assure the health and safety of the Group's employees. The Group dialled up the work-from-home capabilities by leveraging technology and data, and proactively managed the operational risks which arose from new or revised processes as the Group moved towards a hybrid work arrangement.

To mitigate losses from specific risk events which are unexpected and significant, the Group effects group-wide insurance coverage under the Group Insurance Programme. These insurance policies relate to crime and professional indemnity, directors and officers liability, cyber risk, property damage and business interruption, general liability and terrorism.

• **Processes, Systems and Reports**

Robust internal control processes and systems are integral to identifying, assessing, monitoring, managing and reporting operational risk.

The Group's units are responsible for the day-to-day management of operational risk in their products, processes, systems and activities, in accordance with the various frameworks and policies. The RMG Operational Risk unit and other corporate oversight and control functions:

- Oversee and monitor the effectiveness of operational risk management;
- Assess key operational risk issues with the units; and
- Report and/or escalate key operational risks to risk committees with recommendations on appropriate risk mitigation strategies.

The Group has in place an integrated governance, risk and compliance system with aligned risk assessment methodology, common taxonomy, and unified processes for the three lines of defence. The Group has in place an operational risk landscape profile which provides the Board and

senior management with an integrated view of the Group's operational risk profile periodically, across key operational risk areas and business lines.

47. Capital Management

The Board is responsible for setting the Group's capital management objective, which is to maintain a strong capital position consistent with regulatory requirements under the MAS Notice 637 and the expectations of various stakeholders, including customers, investors and rating agencies. The Board articulates this objective in the form of capital targets. This objective is pursued while delivering returns to shareholders and ensuring that adequate capital resources are available for business growth and investment opportunities as well as adverse situations, taking into consideration the Group's strategic plans and risk appetite.

The Group's capital management objective is implemented via a capital management and planning process that is overseen by the Capital Committee. The Chief Financial Officer chairs the Capital Committee. The Capital Committee receives regular updates on the Group's current and projected capital positions. A key tool for capital planning is the annual Internal Capital Adequacy Assessment Process (ICAAP) through which the Group assesses its forecast capital supply and demand relative to regulatory requirements and internal capital targets. The ICAAP generally has a three-year horizon and covers various scenarios, including stress scenarios of differing scope and severity.

The Group is subject to and has complied with the capital adequacy requirements set out in the MAS Notice 637, which effects the Basel Committee on Banking Supervision's capital adequacy framework in Singapore, throughout the year. The Group's capital adequacy ratios as at 31 December 2021 and 2020 have been subject to an external limited assurance review, pursuant to the MAS Notice 609 "Auditor's Report and Additional Information to be submitted with Annual Accounts".

For more information, please refer to the Group's Pillar 3 disclosures published on DBS website (<https://www.dbs.com/investors/default.page>).

48. Segment Reporting

48.1 Business segment reporting

The business segment results are prepared based on the Group's internal management reporting which reflects the organisation's 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 Group's various business segments are described below.

Consumer Banking/Wealth Management

Consumer Banking/Wealth Management 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 bank and non-bank financial institutions, government-linked companies, large corporates and small and medium-sized businesses. The business focuses on broadening and deepening customer relationships. Products and services comprise the full range of credit facilities from short-term working capital financing to specialised 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.

Treasury Markets

Treasury Markets' activities primarily include structuring, market-making and trading across a broad range of treasury products.

Income from sale of treasury products offered to customers of Consumer Banking/Wealth Management and Institutional Banking is not reflected in the Treasury Markets segment, but in the respective customer segments.

Others

The Others segment encompasses the results of corporate decisions that are not attributed to business segments as well as the contribution of LVB as its activities have not been aligned with the Group's segment definitions. It includes earnings on capital deployed into high quality assets, earnings from non-core asset sales and certain other head office items such as centrally raised allowances. DBS Vickers Securities is also included in this segment.

DBS Group Holdings Ltd and its subsidiaries
Notes to the financial statements
Year ended 31 December 2021

The following table analyses the results, total assets and total liabilities of the Group by business segment.

In \$ millions	The Group				Total
	Consumer Banking/Wealth Management	Institutional Banking	Treasury Markets ^(a)	Others	
2021					
Net interest income	2,548	3,999	783	1,110	8,440
Net fee and commission income	2,186	1,282	-	56	3,524
Other non-interest income	588	703	726	420	2,437
Total income	5,322	5,984	1,509	1,586	14,401
Total expenses	3,353	2,086	647	483	6,569
Allowances for credit and other losses	46	141	(5)	(130)	52
Profit before tax	1,923	3,757	867	1,233	7,780
Income tax expense and non-controlling interest					975
Net profit attributable to shareholders					6,805
2020					
Total assets before goodwill and intangibles	127,268	313,180	163,554	76,709	680,711
Goodwill and intangibles					5,362
Total assets					686,073
Total liabilities	267,870	211,613	88,840	60,036	628,359
Capital expenditure	125	23	19	400	567
Depreciation	42	7	3	617	669
2020					
Net interest income	3,339	3,995	840	902	9,076
Net fee and commission income	1,869	1,160	-	29	3,058
Other non-interest income	559	590	596	713	2,458
Total income	5,767	5,745	1,436	1,644	14,592
Total expenses	3,288	1,987	634	249	6,158
Allowances for credit and other losses	456	1,485	14	1,111	3,066
Profit before tax	2,023	2,273	788	284	5,368
Income tax expense and non-controlling interest					647
Net profit attributable to shareholders					4,721
Total assets before goodwill and intangibles	116,845	292,850	160,638	74,282	644,615
Goodwill and intangibles					5,323
Total assets					649,938
Total liabilities	253,893	223,598	66,593	51,211	595,295
Capital expenditure	108	26	19	394	547
Depreciation	47	10	3	588	648

(a) With effect from 1 January 2021, the functional currency of the Treasury Markets trading business in Singapore has been changed prospectively from Singapore dollars to US dollars. The wholesale assets and liabilities have been aligned to the new operating model. The change has no impact to the overall profit or loss and financial position of the Group

DBS Group Holdings Ltd and its subsidiaries
Notes to the financial statements
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48.2 Geographical segment reporting

The performance by geography is classified based on the location in which income and assets are recorded; with head office items such as centrally raised credit allowances reflected in Singapore. Hong Kong comprises mainly DBS Bank (HK) Limited and DBS HK branch. Rest of Greater China comprises mainly DBS Bank (China) Ltd, DBS Bank (Taiwan) Ltd and DBS Taipei branch. South and Southeast Asia comprises mainly PT Bank DBS Indonesia, DBS Bank India Limited (including LVB balances post-amalgamation) and DBS Labuan branch. All results are prepared in accordance with SFRS(I).

In \$ millions	The Group					Total
	Singapore	Hong Kong	Rest of Greater China	South and Southeast Asia	Rest of the World	
2021						
Net interest income	5,159	1,392	755	704	430	8,440
Net fee and commission income	2,228	776	202	241	77	3,524
Other non-interest income	1,558	312	381	178	8	2,437
Total income	8,945	2,480	1,338	1,123	515	14,401
Total expenses	3,823	1,057	822	747	120	6,569
Allowances for credit and other losses	(14)	7	59	80	(80)	52
Profit before tax	5,136	1,416	457	296	475	7,780
Income tax expense and non-controlling interest	507	226	47	60	135	975
Net profit attributable to shareholders	4,629	1,190	410	236	340	6,805
Total assets before goodwill and intangibles	449,547	106,187	58,926	26,645	39,406	680,711
Goodwill and intangibles	5,133	29	-	200	-	5,362
Total assets	454,680	106,216	58,926	26,845	39,406	686,073
Non-current assets ^(a)	3,818	688	498	403	27	5,434
2020						
Net interest income	5,751	1,607	721	677	320	9,076
Net fee and commission income	1,935	661	188	205	69	3,058
Other non-interest income	1,673	266	200	219	100	2,458
Total income	9,359	2,534	1,109	1,101	489	14,592
Total expenses	3,604	1,059	738	646	111	6,158
Allowances for credit and other losses	2,074	332	179	308	173	3,066
Profit before tax	3,681	1,143	192	147	205	5,368
Income tax expense and non-controlling interest	364	180	21	43	39	647
Net profit attributable to shareholders	3,317	963	171	104	166	4,721
Total assets before goodwill and intangibles	424,727	99,406	55,734	25,371	39,377	644,615
Goodwill and intangibles	5,133	29	-	161	-	5,323
Total assets	429,860	99,435	55,734	25,532	39,377	649,938
Non-current assets ^(a)	2,682	723	323	446	26	4,200

(a) Includes investments in associates and joint ventures, properties and other fixed assets

49. Subsequent Events

49.1 Acquisition of consumer banking business of Citigroup Inc in Taiwan

The Group announced on 28 January 2022 that it has agreed to acquire the consumer banking business of Citigroup Inc (Citi) in Taiwan (Citi Consumer Taiwan) via a transfer of assets and liabilities, and will pay Citi cash for the net assets of Citi Consumer Taiwan plus a premium of \$956 million (TWD 19.8 billion). The acquisition is in line with the Group's strategy to scale up its investment and accelerates its expansion in Taiwan.

49.2 Operational risk penalty for digital disruption

On 7 February 2022, an operational risk penalty associated with the digital disruption in November 2021 was imposed on the main subsidiary of the Company, DBS Bank Ltd ("the Bank"). MAS has required the Bank to apply a multiplier of 1.5 times to its risk-weighted assets for operational risk which translates to an additional \$930 million in regulatory capital.

The additional capital requirement will be reviewed when MAS is satisfied that the Bank has addressed the identified shortcomings.

DBS BANK LTD.
(Incorporated in Singapore. Registration Number: 196800306E)
AND ITS SUBSIDIARIES

FINANCIAL STATEMENTS
For the financial year ended 31 December 2021

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DBS Bank Ltd. and its Subsidiaries

Directors' Statement

for the financial year ended 31 December 2021

The Directors are pleased to present their statement to the Member, together with the audited consolidated financial statements of DBS Bank Ltd. (the Bank) and its subsidiaries (the Bank Group) and the financial statements of the Bank for the financial year ended 31 December 2021. These have been prepared in accordance with the provisions of the Companies Act 1967 (the Companies Act) and the Singapore Financial Reporting Standards (International).

In the opinion of the Directors:

- (a) the consolidated financial statements of the Bank Group, consisting of the Bank and its subsidiaries, and the financial statements of the Bank, together with the notes thereon, as set out on pages 1 to 90, are drawn up so as to give a true and fair view of the financial position of the Bank and Bank Group, as at 31 December 2021, and the performance and changes in equity of the Bank and Bank Group, and cash flow statement of the Bank Group for the financial year ended on that date; and
- (b) as at the date of this statement, there are reasonable grounds to believe that the Bank and the Bank Group will be able to pay their debts as and when they fall due.

Board of Directors

The Directors in office at the date of this statement are:

Mr Peter Seah (*Chairman*)
Mr Olivier Lim (*Lead Independent Director*)
Mr Piyush Gupta (*Chief Executive Officer*)
Dr Bonghan Cho
Mr Chng Kai Fong (Appointed 31 March 2021)
Mr Ho Tian Yee
Ms Punita Lal
Ms Judy Lee (Appointed 4 August 2021)
Mr Anthony Lim
Mr Tham Sai Choy

Mr Olivier Lim, Dr Bonghan Cho and Mr Tham Sai Choy will retire by rotation in accordance with Article 95 of the Bank's Constitution at the forthcoming annual general meeting (AGM) and, being eligible, will offer themselves for re-election at the AGM.

Mr Chng Kai Fong and Ms Judy Lee will retire in accordance with Article 74(b) of the Bank's Constitution at the forthcoming AGM and, being eligible, will offer themselves for re-election at the AGM.

Directors' interests in shares or debentures

Each of the following Directors, who held office at the end of the financial year had, according to the register of directors' shareholdings required to be kept under Section 164 of the Companies Act, an interest in shares of the Bank and related corporations as stated below:

	Holdings in which Directors have a direct interest		Holdings in which Directors are deemed to have an interest	
	As at 31 Dec 2021	As at 1 Jan 2021	As at 31 Dec 2021	As at 1 Jan 2021
DBS Group Holdings Ltd ("DBSH") ordinary shares				
Mr Peter Seah	296,008	274,186	-	-
Mr Olivier Lim	143,122	137,707	-	-
Mr Piyush Gupta	-	-	2,023,773	2,217,307
Dr Bonghan Cho	8,575	6,098	-	-
Mr Ho Tian Yee	59,109	55,611	-	-
Ms Punita Lal	1,542	-	-	-
Mr Anthony Lim	2,048	-	-	-
Mr Tham Sai Choy	99,464	95,419	-	-
Share awards (unvested) granted under the DBSH Share Plan				
Mr Piyush Gupta ⁽¹⁾	889,442	971,288	-	-

⁽¹⁾ Mr Piyush Gupta's share awards form part of his remuneration. Details of the DBSH Share Plan are set out in Note 38 of the Notes to the 2021 Bank Group's financial statements.

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2022.

DBSH Share Plan

At the Annual General Meeting of DBSH held on 25 April 2019, the DBSH Share Plan (which was first adopted on 18 September 1999) was extended for another ten years, from 18 September 2019 to 17 September 2029 (both dates inclusive). The DBSH Share Plan is administered by the Compensation and Management Development Committee (CMDC). As at the date of this statement, the members of the CMDC are Mr Anthony Lim (Chairman), Mr Peter Seah, Dr Bonghan Cho, Ms Punita Lal and Ms Judy Lee.

Under the terms of the DBSH Share Plan:

- (a) Awards over DBSH's ordinary shares may be granted to Bank Group executives who hold such rank as may be determined by the CMDC from time to time. Awards may also be granted to (amongst others) executives of associated companies of the Bank who hold such rank as may be determined by the CMDC from time to time, and non-executive Directors of DBSH;
- (b) Where time-based awards are granted, participants are awarded ordinary shares of DBSH or, at the CMDC's discretion, their equivalent cash value or a combination of both as part of their deferred bonus, at the end of the prescribed vesting periods. Awards are granted under the DBSH Share Plan at the absolute discretion of the CMDC. Dividends on unvested shares do not accrue to employees;
- (c) Awards under the DBSH Share Plan may be granted at any time in the course of a financial year, and may lapse by reason of cessation of employment or misconduct of the participant, except in cases such as retirement, redundancy, ill health, injury, disability, death, bankruptcy of the participant, or by reason of the participant, being a non-executive Director, ceasing to be a Director, or in the event of a take-over, winding up or reconstruction of DBSH;
- (d) Subject to the prevailing legislation and the rules of the Singapore Exchange, DBSH will have the flexibility to deliver ordinary shares of DBSH to participants upon vesting of their awards by way of an issue of new ordinary shares and/ or the transfer of existing ordinary shares (which may include ordinary shares held by DBSH in treasury); and
- (e) The class and/ or number of ordinary shares of DBSH comprised in an award to the extent not yet vested, and/ or which may be granted to participants, are subject to adjustment by reason of any variation in the ordinary share capital of DBSH (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation, or distribution) or if DBSH makes a capital distribution or a declaration of a special dividend (whether in cash or in specie), upon the written confirmation of the auditor of DBSH that such adjustment (other than in the case of a capitalisation issue) is fair and reasonable.

During the financial year, time-based awards in respect of an aggregate of 5,344,115 ordinary shares were granted pursuant to the DBSH Share Plan to selected employees of the Bank Group. In addition, during the financial year, certain non-executive Directors received an aggregate of 34,017 share awards which vested immediately upon grant. These share awards formed part of their directors' fees for acting as Directors of DBSH in 2020.

Details of the share awards granted under the DBSH Share Plan to Directors of the Bank are as follows:

Directors of the Bank	Share awards granted during the financial year under review	Share awards vested during the financial year under review
Mr Peter Seah	18,211	18,211
Mr Olivier Lim	3,669	3,669
Mr Piyush Gupta	208,993 ⁽¹⁾	290,839
Dr Bonghan Cho	2,372	2,372
Mr Ho Tian Yee	2,776	2,776
Ms Punita Lal	1,523	1,523
Mr Anthony Lim	2,023	2,023
Mr Tham Sai Choy	3,443	3,443

⁽¹⁾ The share awards granted to Mr Piyush Gupta are time-based awards which will vest over a 4-year period. The 208,993 share awards were granted in February 2021 and formed part of his remuneration for 2020.

Arrangements to enable Directors to acquire shares or debentures

Neither at the end of, nor at any time during the financial year, was the Bank a party to any arrangement, the object of which is to enable the Directors to acquire benefits through the acquisition of shares in, or debentures of, the Bank or any other body corporate, save as disclosed in this statement.

Independent Auditor

PricewaterhouseCoopers LLP has expressed its willingness to accept re-appointment as independent external auditor.

On behalf of the Directors

Mr Peter Seah

Mr Piyush Gupta

11 February 2022
Singapore

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF DBS BANK LTD.

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying consolidated financial statements of DBS Bank Ltd. (the “Bank”) and its subsidiaries (the “Bank Group”) and the balance sheet, income statement, statement of comprehensive income and statement of changes in equity of the Bank are properly drawn up in accordance with the provisions of the Companies Act 1967 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to give a true and fair view of the consolidated financial position of the Bank Group and the financial position of the Bank as at 31 December 2021 and of the consolidated financial performance, the consolidated changes in equity and the consolidated cash flows of the Bank Group, and of the financial performance and changes in equity of the Bank for the financial year ended on that date.

What we have audited

The financial statements of the Bank Group and the Bank comprise:

- the income statements of the Bank Group and the Bank for the year ended 31 December 2021;
- the statements of comprehensive income of the Bank Group and the Bank for the year ended 31 December 2021;
- the balance sheets of the Bank Group and of the Bank as at 31 December 2021;
- the consolidated statement of changes in equity of the Bank Group for the year then ended;
- the statement of changes in equity of the Bank for the year then ended;
- the consolidated cash flow statement of the Bank Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report.

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

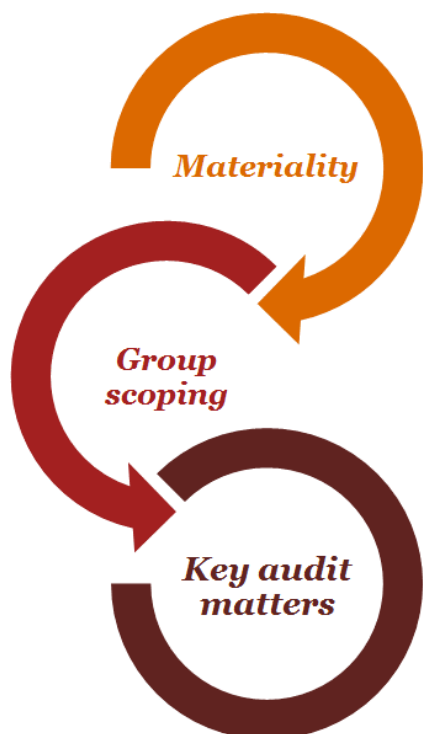
Independence

We are independent of the Bank Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DBS BANK LTD. (continued)

Our audit approach

Overview



Materiality

- We determined the overall Bank Group materiality based on 5% of the Bank Group's profit before tax.

Group scoping

- Full scope audit procedures were performed over the Singapore Operations of DBS Bank Ltd. and DBS Bank (Hong Kong) Limited ("significant components").
- We identified DBS Bank Ltd. Hong Kong, Taipei and Seoul Branches, DBS Bank (China) Limited, PT Bank DBS Indonesia, DBS Bank (Taiwan) Ltd and DBS Bank India Limited as component entities where certain account balances were considered to be significant in size in relation to the Bank Group ("other components"). Consequently, audit and specified procedures for the significant account balances of these components were performed to obtain sufficient and appropriate audit evidence.

Key audit matters

- Specific allowances for loans and advances to customers
- General allowances for credit losses (Stage 1 and 2 Expected Credit Loss)
- Goodwill
- Valuation of financial instruments held at fair value

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Bank Group materiality for the consolidated financial statements as a whole, as set out in the table below. These, together with qualitative considerations, helped us to determine the

**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF
DBS BANK LTD. (continued)**

scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

How we determined overall Bank Group materiality 5% of the Bank Group’s profit before tax

Rationale for benchmark applied

- We chose ‘profit before tax’ as, in our view, it is the benchmark against which performance of the Bank Group is most commonly measured.
- We selected 5% based on our professional judgement, noting that it is also within the range of commonly accepted profit-related thresholds.

In performing our audit, we allocated materiality levels to the significant components and other components of the Bank Group. These are less than the overall Bank Group materiality.

How we developed the audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Bank Group, the accounting processes and controls, and the industry in which the Bank Group operates. The Bank Group’s financial reporting process is dependent on its Information Technology (“IT”) systems. Our audit scope included testing the operating effectiveness of the controls over the integrity of key financial data processed through the IT systems that are relevant to financial reporting.

In establishing the overall Bank Group audit approach, we determined the extent of audit procedures that were needed to be performed across the Bank Group by us or by other PwC network firms, operating under our instruction, who are familiar with the local laws and regulations in each respective territory, (the “component auditors”). Where the work was performed by component auditors, we determined the level of involvement we needed to have in the procedures to be able to conclude whether sufficient and appropriate audit evidence had been obtained as a basis for our opinion on the financial statements as a whole.

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF DBS BANK LTD. (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Specific allowances for loans and advances to customers</p> <p>As at 31 December 2021, the specific allowances for loans and advances to customers of the Bank Group was \$2,545 million, the majority of which related to Institutional Banking Group (“IBG”) customers. Specific allowances refer to loss allowances for credit-impaired exposures (i.e. Stage 3, per SFRS (I) 9). Expected Credit Losses (“ECL”) on non-impaired exposures (i.e. Stage 1 and Stage 2) are set out under the ‘General allowances for credit losses’ key audit matter.</p> <p>We focused on this area because of the subjective judgements used by management in determining the necessity for, and estimating the size of, allowances against loans and advances.</p> <p>In particular, we focused on specific allowances for loans and advances to IBG customers because any assessment of impairment can be inherently subjective and involves significant judgement over both the timing of recognition of any impairment and the estimation of the size of such impairment. This includes:</p> <ul style="list-style-type: none"> • the principal assumptions underlying the calculation of specific allowances for loans and advances to IBG customers where there is evidence of impairment losses (including the future profitability of the borrowers and the expected realisable value of collateral held); and • the classification of loans and advances in line with MAS Notice 612 (“MAS 612”) and 612A (“MAS 	<p>We assessed the design and evaluated the operating effectiveness of the controls over the specific allowances for loans and advances to IBG customers. These controls included:</p> <ul style="list-style-type: none"> • oversight of credit risk by the Group Credit Risk Committee; • timely management review of credit risk; • the watchlist identification and monitoring process; • timely identification of impairment events; • classification of loans and advances in line with MAS 612 and MAS612A; and • the collateral monitoring and valuation processes. <p>We determined that we could rely on these controls for the purposes of our audit.</p> <p>We inspected a sample of loans and advances to IBG customers to assess whether the classification of the loans and advances was in line with MAS 612 and MAS 612A and, where there was evidence of an impairment loss, whether it had been identified in a timely manner. This included, where relevant, how forbearance had been considered, with particular focus on the impact of COVID-19.</p> <p>Where impairment had been identified, for a sample of loans and advances, our work included:</p> <ul style="list-style-type: none"> • considering the latest developments in relation to the borrower; • examining the forecasts of future cash flows prepared by management, including key assumptions in relation to the amount and timing of recoveries; • comparing the collateral valuation and other sources of repayment to support the calculation of the impairment against external evidence, where available, including independent valuation reports; • challenging management’s assumptions; and • testing the calculations.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DBS BANK LTD. (continued)**

Key audit matter	How our audit addressed the key audit matter
<p>612A”).</p> <p>We applied judgement in selecting samples focused on borrowers with exposures to certain sectors in view of continued heightened credit risks and the effects of the COVID-19 pandemic impacting the portfolio.</p> <p>(Refer also to Notes 3 and 17 to the financial statements.)</p>	<p>For a sample of performing loans and advances to IBG customers which had not been identified by management as potentially impaired, considering the latest developments in relation to the borrower, we challenged management’s assumptions on whether their classification was appropriate, using external evidence where available in respect of the relevant borrower.</p> <p>Based on procedures performed, we have assessed that the aggregate specific allowance for loans and advances is appropriate.</p>
<p>General allowances for credit losses (Stage 1 and 2 Expected Credit Loss)</p> <p>SFRS(I) 9 <i>Financial Instruments</i> (“SFRS(I) 9”) requires an ECL impairment model which takes into account forward-looking information to reflect potential future economic events. In estimating ECL over future time periods, significant judgement is required. Further, the COVID-19 pandemic has meant assumptions regarding economic outlook, and the consequent impact on the Bank Group’s customers, are uncertain, increasing the degree of judgement required.</p> <p>We focused on the Bank Group’s measurement of general allowances on non-impaired exposures (\$3,876 million). This covers both ‘Stage 1’ exposures (where there has not been a significant increase in credit risk), and ‘Stage 2’ exposures (where a significant increase in credit risk has been observed). The ECL framework implemented by the Bank Group involves significant judgement and assumptions that relate to, amongst others:</p> <ul style="list-style-type: none"> • adjustments to the Bank Group’s Basel credit models and parameters; • use of forward-looking and macro-economic information; • estimates for the expected lifetime of revolving credit facilities; 	<p>We critically assessed management’s assumptions and estimates relating to Stage 1 and Stage 2 ECL for retail and non-retail portfolios as at 31 December 2021. This included assessing refinements in methodologies made during the year.</p> <p>We tested the design and operating effectiveness of key controls focusing on:</p> <ul style="list-style-type: none"> • involvement of governance committees, in reviewing and approving certain forward-looking macroeconomic assumptions, including post model adjustments which reflect the unprecedented and higher uncertainty in credit outlook as a result of COVID-19; • completeness and accuracy of external and internal data inputs into the ECL calculations; and • accuracy and timeliness of allocation of exposures into Stage 1 and Stage 2 based on quantitative and qualitative triggers. <p>The Bank Group’s internal experts continue to perform independent model validation of selected aspects of the Bank Group’s ECL methodologies and assumptions each year. We reviewed their results as part of our work.</p> <p>We also involved specialists to review the ECL of selected credit portfolios to assess if the methodologies and estimates are appropriate.</p> <p>Through the course of our work, we challenged the rationale and calculation basis of post model adjustments. We also assessed the reasonableness of certain forward-looking economic inputs, as well as the overall ECL output, in light of credit conditions that may be expected to arise from the impact of COVID-19.</p>

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DBS BANK LTD. (continued)**

Key audit matter	How our audit addressed the key audit matter
<ul style="list-style-type: none"> assessment of significant increase in credit risk; and post model adjustments to account for limitations in the ECL models, for example the risk to the credit portfolio from the current COVID-19 pandemic. <p>(Refer also to Notes 3 and 11 to the financial statements.)</p>	<p>Overall, we concluded that the Bank Group's ECL on non-impaired exposures is appropriate.</p>
<p>Goodwill</p> <p>As at 31 December 2021, the Bank Group had \$5,362 million of goodwill as a result of acquisitions.</p> <p>We focused on this area as management makes significant judgements in estimating future cash flows when undertaking its annual goodwill impairment assessment.</p> <p>The key assumptions used in the discounted cash flow analyses relate to:</p> <ul style="list-style-type: none"> cash flow forecasts; discount rate; and long-term growth rate. <p>(Refer also to Notes 3 and 26 to the financial statements.)</p>	<p>We assessed the appropriateness of management's identification of the Bank Group's cash generating units and the process by which indicators of impairment were identified.</p> <p>During the year, the Bank Group refined its goodwill calculation for its acquisition of Lakshmi Vilas Bank. We have reviewed and assessed the basis of calculating the goodwill amount, and reviewed management's goodwill impairment assessment as at 31 December 2021.</p> <p>For DBS Bank (Hong Kong) Limited's franchise (goodwill of \$4,631 million as at 31 December 2021), we evaluated management's cash flow forecasts and the process by which they were developed. Together with valuation specialists in our team, we assessed discount rate and growth rate assumptions against the Bank Group's own historical performance and available external industry and economic indicators.</p> <p>We reviewed management's sensitivity analysis over the key assumptions to determine whether any reasonably possible change in these assumptions would result in an impairment, and also performed our own stress analysis based on the circumstances in Hong Kong and considering the market outlook given the ongoing COVID-19 pandemic.</p> <p>We concur with management's assessment that goodwill balances are not impaired as at 31 December 2021.</p>
<p>Valuation of financial instruments held at fair value</p> <p>Financial instruments held by the Bank Group at fair value include derivative assets and liabilities, trading securities, certain debt instruments and other assets and liabilities designated at fair value.</p>	<p>We assessed the design and tested the operating effectiveness of the controls over the Bank Group's financial instruments valuation processes. These included the controls over:</p> <ul style="list-style-type: none"> management's testing and approval of new models and revalidation of existing models; the completeness and accuracy of pricing data inputs into valuation models;

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DBS BANK LTD. (continued)**

Key audit matter	How our audit addressed the key audit matter
<p>The Bank Group's financial instruments are predominantly valued using quoted market prices ('Level 1') or market observable prices ('Level 2'). The valuations of 'Level 3' instruments rely on significant unobservable inputs.</p> <p>We considered the overall valuation of financial instruments (Level 1, 2 and 3) to be a key audit matter given the financial significance to the Bank Group, the nature of the underlying products and the estimation involved to determine fair value.</p> <p>In determining fair value, management also make adjustments to recognise credit risk, funding costs, bid-offer spreads and, in some cases, parameter and model risk limitations. This is broadly consistent with the banking industry, albeit the methodology to calculate some of these adjustments is continuing to evolve.</p> <p>(Refer also to Notes 3 and 40 to the financial statements.)</p>	<ul style="list-style-type: none"> • monitoring of collateral disputes; and • governance mechanisms and monitoring over the valuation processes (including derivative valuation adjustments) by the Group Market and Liquidity Risk Committee and the Group Valuation Committee. <p>We determined that we could rely on the controls for the purposes of our audit. In addition, we:</p> <ul style="list-style-type: none"> • engaged our own specialists to use their own models and input sources to determine an independent estimate of fair value for a sample of the Bank Group's Level 1 and Level 2 financial instruments. We compared these to the Bank Group's calculations of fair value to assess individual material valuation differences or systemic bias; • assessed the reasonableness of the methodologies used and the assumptions made for a sample of financial instrument valuations with significant unobservable valuation inputs (Level 3 instruments); • performed procedures on collateral disputes to identify possible indicators of inappropriate valuations; • performed tests of inputs and assessed the methodology over fair value adjustments, in light of available market data and industry trends; and • considered the implications of global reforms to Interest Reference Rates ("IBOR Reform") in our assessment of fair value. <p>Overall, we considered that the valuation of financial instruments held at fair value was within a reasonable range of outcomes.</p>

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DBS BANK LTD. (continued)

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors 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 Act and SFRS(I)s, 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Bank Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Bank Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Bank Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DBS BANK LTD. (continued)**

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Bank Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Bank Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Antony Eldridge.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 11 February 2022

DBS Bank Ltd. and its subsidiaries
Income Statements
For the Year Ended 31 December 2021

In \$ millions	Note	The Group		Bank	
		2021	2020	2021	2020
Interest income		10,190	12,210	7,117	9,201
Interest expense		1,755	3,109	1,109	2,761
Net interest income	4	8,435	9,101	6,008	6,440
Net fee and commission income	5	3,526	3,061	2,441	2,140
Net trading income	6	1,774	1,388	1,286	938
Net income from investment securities	7	387	963	320	858
Other income	8	259	90	530	387
Non-interest income		5,946	5,502	4,577	4,323
Total income		14,381	14,603	10,585	10,763
Employee benefits	9	3,875	3,550	2,366	2,177
Other expenses	10	2,680	2,598	1,749	1,704
Total expenses		6,555	6,148	4,115	3,881
Profit before allowances		7,826	8,455	6,470	6,882
Allowances for credit and other losses	11	52	3,066	(118)	2,323
Profit before tax		7,774	5,389	6,588	4,559
Income tax expense	12	967	603	713	408
Net profit		6,807	4,786	5,875	4,151
Attributable to:					
Shareholders		6,781	4,754	5,875	4,151
Non-controlling interests		26	32	-	-
		6,807	4,786	5,875	4,151

(see notes on pages 7 to 90 which form part of these financial statements)

DBS Bank Ltd. and its subsidiaries
Statements of Comprehensive Income
For the Year Ended 31 December 2021

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Net profit	6,807	4,786	5,875	4,151
Other comprehensive income:				
Items that may be reclassified subsequently to income statement:				
Translation differences for foreign operations	378	(52)	27	(13)
Other comprehensive income of associates	12	(11)	-	-
Gains/ (losses) on debt instruments classified at fair value through other comprehensive income and cash flow hedge movements:				
Net valuation taken to equity	(737)	1,151	(578)	879
Transferred to income statement	(346)	(606)	(249)	(478)
Taxation relating to components of other comprehensive income	66	(25)	35	(10)
Items that will not be reclassified to income statement:				
Gains/ (losses) on equity instruments classified at fair value through other comprehensive income (net of tax)	122	(225)	111	(240)
Fair value change from own credit risk on financial liabilities designated at fair value (net of tax)	(32)	25	(32)	25
Defined benefit plans remeasurements (net of tax)	(11)	-	-	-
Other comprehensive income, net of tax	(548)	257	(686)	163
Total comprehensive income	6,259	5,043	5,189	4,314
Attributable to:				
Shareholders	6,212	4,997	5,189	4,314
Non-controlling interests	47	46	-	-
	6,259	5,043	5,189	4,314

(see notes on pages 7 to 90 which form part of these financial statements)

DBS Bank Ltd. and its subsidiaries
Balance Sheets as at 31 December 2021

In \$ millions	Note	The Group		Bank	
		2021	2020	2021	2020
Assets					
Cash and balances with central banks	14	56,377	50,618	48,688	39,388
Government securities and treasury bills	15	53,262	51,700	37,816	36,682
Due from banks		51,292	50,816	43,857	44,643
Derivatives	35	19,706	31,116	18,364	27,959
Bank and corporate securities	16	69,692	65,456	63,380	59,944
Loans and advances to customers	17	408,993	371,171	325,734	302,587
Other assets	19	15,894	19,495	11,532	14,936
Associates and joint ventures	22	2,172	862	1,272	186
Subsidiaries	21	-	-	28,545	31,860
Due from holding company		719	911	718	911
Properties and other fixed assets	25	3,262	3,338	1,806	1,849
Goodwill and intangibles	26	5,362	5,323	334	334
Total assets		686,731	650,806	582,046	561,279
Liabilities					
Due to banks		30,209	28,220	24,087	23,586
Deposits and balances from customers	27	501,959	464,850	387,824	350,079
Derivatives	35	20,416	33,088	18,880	29,537
Other liabilities	28	18,594	21,987	12,858	16,800
Other debt securities	29	46,901	39,229	45,066	38,081
Due to holding company		10,252	7,473	8,776	6,031
Due to subsidiaries		-	-	34,439	48,288
Total liabilities		628,331	594,847	531,930	512,402
Net assets		58,400	55,959	50,116	48,877
Equity					
Share capital	30	24,452	24,452	24,452	24,452
Other equity instruments	31	2,396	4,209	2,396	4,209
Other reserves	32	(600)	(38)	(425)	264
Revenue reserves	32	30,987	26,360	23,693	19,952
Shareholders' funds		57,235	54,983	50,116	48,877
Non-controlling interests	33	1,165	976	-	-
Total equity		58,400	55,959	50,116	48,877

(see notes on pages 7 to 90 which form part of these financial statements)

DBS Bank Ltd. and its subsidiaries
Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2021

The Group In \$ millions	Attributable to shareholders of the Bank					Non-controlling interests	Total equity
	Share capital	Other equity instruments	Other reserves	Revenue reserves	Shareholders' funds		
2021							
Balance at 1 January	24,452	4,209	(38)	26,360	54,983	976	55,959
Redemption of perpetual capital securities	-	(1,813)	-	6	(1,807)	-	(1,807)
Dividends paid to holding company	-	-	-	(2,143)	(2,143)	-	(2,143)
Dividends paid to non-controlling interests	-	-	-	-	-	(23)	(23)
Capital contribution from non-controlling interests	-	-	3	-	3	152	155
Total comprehensive income	-	-	(565)	6,777	6,212	47	6,259
Other movements	-	-	-	(13)	(13)	13	-
Balance at 31 December	24,452	2,396	(600)	30,987	57,235	1,165	58,400
2020							
Balance at 1 January	24,452	2,813	(349)	25,235	52,151	960	53,111
Issue of perpetual capital securities	-	1,396	-	-	1,396	-	1,396
Redemption of preference shares	-	-	-	(800)	(800)	-	(800)
Dividends paid to holding company	-	-	-	(2,723)	(2,723)	-	(2,723)
Dividends paid on preference shares	-	-	-	(38)	(38)	-	(38)
Dividends paid to non-controlling interests	-	-	-	-	-	(31)	(31)
Capital contribution from non-controlling interests	-	-	-	-	-	1	1
Total comprehensive income	-	-	311	4,686	4,997	46	5,043
Balance at 31 December	24,452	4,209	(38)	26,360	54,983	976	55,959

(see notes on pages 7 to 90 which form part of these financial statements)

DBS Bank Ltd. and its subsidiaries
Statement of Changes in Equity
For the Year Ended 31 December 2021

Bank In \$ millions	Share capital	Other equity instruments	Other reserves	Revenue reserves	Total equity
2021					
Balance at 1 January	24,452	4,209	264	19,952	48,877
Redemption of perpetual capital securities	-	(1,813)	-	6	(1,807)
Dividends paid to holding company	-	-	-	(2,143)	(2,143)
Total comprehensive income	-	-	(689)	5,878	5,189
Balance at 31 December	24,452	2,396	(425)	23,693	50,116
2020					
Balance at 1 January	24,452	2,813	38	19,425	46,728
Issue of perpetual capital securities	-	1,396	-	-	1,396
Redemption of preference shares	-	-	-	(800)	(800)
Dividends paid to holding company	-	-	-	(2,723)	(2,723)
Dividends paid on preference shares	-	-	-	(38)	(38)
Total comprehensive income	-	-	226	4,088	4,314
Balance at 31 December	24,452	4,209	264	19,952	48,877

(see notes on pages 7 to 90 which form part of these financial statements)

DBS Bank Ltd. and its subsidiaries
Consolidated Cash Flow Statement
For the Year Ended 31 December 2021

In \$ millions	The Group	
	2021	2020
Cash flows from operating activities		
Profit before tax	7,774	5,389
Adjustments for non-cash and other items:		
Allowances for credit and other losses	52	3,066
Depreciation of properties and other fixed assets	669	648
Share of profits or losses of associates and joint ventures	(213)	(61)
Net gain on disposal, net of write-off of properties and other fixed assets	13	38
Net income from investment securities	(387)	(963)
Interest expense on lease liabilities	30	28
Profit before changes in operating assets and liabilities	<u>7,938</u>	<u>8,145</u>
Increase/ (Decrease) in:		
Due to banks	598	4,246
Deposits and balances from customers	33,162	57,164
Other liabilities	(16,913)	15,790
Other debt securities and borrowings	7,528	(14,480)
Due to holding company	2,971	594
(Increase)/ Decrease in:		
Restricted balances with central banks	(1,189)	(1,818)
Government securities and treasury bills	(1,168)	(379)
Due from banks	266	(11,450)
Bank and corporate securities	(3,277)	(1,340)
Loans and advances to customers	(35,518)	(13,460)
Other assets	15,265	(17,118)
Tax paid	(696)	(1,185)
Net cash generated from operating activities (1)	<u>8,967</u>	<u>24,709</u>
Cash flows from investing activities		
Dividends from associates	42	31
Capital distribution from an associate	10	-
Acquisition of interests in associates and joint ventures	(1,108)	-
Proceeds from disposal of properties and other fixed assets	22	8
Purchase of properties and other fixed assets	(567)	(547)
Cash and cash equivalents acquired from Lakshmi Vilas Bank (LVB)	-	93
Net cash used in investing activities (2)	<u>(1,601)</u>	<u>(415)</u>
Cash flows from financing activities		
Issue of perpetual capital securities	-	1,396
Redemption of perpetual capital securities	(1,807)	-
Redemption of preference shares	-	(800)
Dividends paid to shareholders of the Bank	(2,143)	(2,761)
Dividends paid to non-controlling interests	(23)	(31)
Capital contribution by non-controlling interests	155	1
Net cash used in financing activities (3)	<u>(3,818)</u>	<u>(2,195)</u>
Exchange translation adjustments (4)	940	170
Net change in cash and cash equivalents (1)+(2)+(3)+(4)	<u>4,488</u>	<u>22,269</u>
Cash and cash equivalents at 1 January	<u>42,202</u>	<u>19,933</u>
Cash and cash equivalents at 31 December (Note 14)	<u>46,690</u>	<u>42,202</u>

(see notes on pages 7 to 90 which form part of these financial statements)

These Notes are integral to the financial statements.

The consolidated financial statements for the year ended 31 December 2021 were authorised for issue by the Directors on 11 February 2022.

1. Domicile and Activities

DBS Bank Ltd. (the Bank) is incorporated and domiciled in the Republic of Singapore and has its registered office at 12 Marina Boulevard, Marina Bay Financial Centre Tower Three, Singapore 018982. It is a wholly-owned subsidiary of DBS Group Holdings Ltd (DBSH).

The Bank is principally engaged in a range of commercial banking and financial services, principally in Asia.

The financial statements relate to the Bank and its subsidiaries (the Group) and the Group's interests in associates and joint ventures.

2. Summary of Significant Accounting Policies

2.1 Basis of preparation

Compliance with Singapore Financial Reporting Standards (International) (SFRS(I))

The financial statements of the Bank and the consolidated financial statements of the Group are prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

The financial statements are presented in Singapore dollars and rounded to the nearest million, unless otherwise stated.

2.2 Significant estimates and judgement

The preparation of financial statements requires management to exercise judgement, use estimates and make assumptions in the application of policies and in reporting the amounts in the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from these estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement and complexity, are disclosed in Note 3.

2.3 New or amended SFRS(I) and Interpretations effective for 2021 year-end

On 1 January 2021, the Group adopted 'Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: Interest Rate Benchmark Reform – Phase 2'. These amendments represent the second phase of SFRS(I) amendments ('Phase 2' amendments), which were issued due to global reform of interest rate benchmarks, such as Interbank Offered Rates (IBORs), including replacing them with Alternative Reference Rates (ARRs). In accordance with the transitional provisions, the amendments have been adopted retrospectively. There is no material impact to the Group's financial statements.

Further information is included in Note 36.

2.4 New SFRS(I) and Interpretations effective for future periods

The amendments and interpretations effective for future periods do not have a significant impact on the Group's financial statements.

A) General Accounting Policies

A summary of the significant group accounting policies is described further below starting with those relating to the entire financial statements followed by those relating to the income statement, the balance sheet and other specific topics. This does not reflect the relative importance of these policies to the Group.

2.5 Group Accounting

Subsidiaries

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date control is transferred to the Group to the date control ceases.

The acquisition method is used to account for business combinations. Please refer to Note 2.13 for the Group's accounting policy on goodwill.

All intra-group transactions and balances are eliminated on consolidation.

Associates and Joint Ventures

Associates are entities over which the Group has significant influence but no control, where the Group generally holds a shareholding of between and including 20% and 50% of the voting rights.

Joint ventures are entities which the Group has joint control and rights to the net assets of the entity.

Investments in associates and joint ventures are initially recognised at cost. On acquisition, when the Group's share of the fair value of the identifiable net assets of the investment exceeds the cost of acquisition paid by the Group, the excess is recognised in profit and loss as part of the share of profit from associates and joint ventures.

Investments in associates and joint ventures are accounted for using the equity method. Under the equity method of accounting, these investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of post-acquisition profits or losses and the Group's share of other comprehensive income. Dividends received or receivable from the associates and joint ventures are recognised as a reduction of the carrying amount of the investments.

2.6 Foreign currency treatment

Functional and presentation currency

Items in the financial statements are measured using the functional currency of each entity in the Group, this being the currency of the primary economic environment in

DBS Bank Ltd. and its subsidiaries
Notes to the financial statements
Year ended 31 December 2021

which the entity operates. The Group's financial statements are presented in Singapore dollars, which is the functional currency of the Bank.

With effect from 1 January 2021, the functional currency of the Treasury Markets trading business in Singapore ("TM Singapore") changed prospectively from Singapore dollars to US dollars (USD).

The transition to the new USD functional currency on 1 January 2021 had no impact on the income statement or equity on transition date. The change in functional currency better reflects the increasing dominance of the USD in the business activities of TM Singapore.

Foreign currency transactions and balances

Transactions in foreign currencies are measured using the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the entity undertaking the transaction at the exchange rates at the balance sheet date. Foreign exchange differences arising from this translation are recognised in the income statement within "Net trading income".

Non-monetary assets and liabilities measured at cost in a foreign currency are translated using the exchange rates at the date of the transaction.

Non-monetary assets and liabilities measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined, which is generally the balance sheet date.

Unrealised foreign exchange differences arising from non-monetary financial assets and liabilities classified as fair value through profit or loss (FVPL) are recognised in the income statement as trading income.

Non-monetary financial assets that are classified at fair value through other comprehensive income (FVOCI) relates mainly to FVOCI equities. Please refer to Note 2.9 for the accounting treatment of FVOCI equities.

Subsidiaries and branches

The results and financial position of subsidiaries and branches whose functional currency is not Singapore dollars ("foreign operations") are translated into Singapore dollars in the following manner:

- Assets and liabilities are translated at the exchange rates at the balance sheet date;
- Income and expenses in the income statement are translated at exchange rates prevailing at each month-end, approximating the exchange rates at the dates of the transactions; and
- All resulting exchange differences are recognised in other comprehensive income and accumulated under capital reserves in equity. When a foreign operation is partially or fully disposed of, or when it is liquidated, such exchange differences are recognised in the income statement as part of the gain or loss.

For acquisitions prior to 1 January 2005, the foreign exchange rates at the respective dates of acquisition were

used. Please refer to Note 26 for an overview of goodwill recorded. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.7 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to management.

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.

Please refer to Note 47 for further details on business and geographical segment reporting.

B) Income Statement

2.8 Income recognition

Interest income and interest expense

Interest is accrued on all interest-bearing financial assets and financial liabilities, regardless of their classification and measurement, except for limited transactions measured at FVPL where the economics are better reflected in "Net trading income".

Interest income and interest expense are recognised on a time-proportionate basis using the effective interest method. The calculation includes significant fees and transaction costs that are integral to the effective interest rate, as well as premiums or discounts.

Fee and commission income

The Group earns fee and commission income from a diverse range of products and services provided to its customers. Fee and commission income are recognised when the Group has satisfied its performance obligation in providing the promised products and services to the customer, and are recognised based on contractual rates agreed with customers, net of expected waivers based on historical experience, and net of expenses directly related to it. The Group generally satisfies its performance obligation and recognises the fee and commission income on the following basis:

- Transaction-based fee and commission income is recognised on the completion of the transaction. Such fees include underwriting fees, brokerage fees, bancassurance sales commission and variable service fees, and fees related to the completion of corporate finance transactions.
- For a service that is provided over a period of time, fee and commission income is generally recognised on equal proportion basis over the period during which the related service is provided or credit risk is undertaken. This basis of recognition most appropriately reflects the nature and pattern of provision of these services to the customers over time. Fees for these services can be billed to

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customers in advance or periodically over time. Such fees include the income from issuance of financial guarantees and bancassurance fixed service fees.

The Group does not provide any significant credit terms to customers for the above products and services.

Directly related expenses typically include brokerage fees paid, card-related expenses and sales commissions, but do not include expenses for services delivered over a period (such as service contracts) and other expenses that are not specifically related to fee and commission income transactions.

Dividend income

Dividend income is recognised when the right to receive payment is established. This is generally the ex-dividend date for listed equity securities, and the date when shareholders approve the dividend for unlisted equity securities. Dividend income arising from financial assets classified as FVPL is recognised in “Net trading income”, while those arising from FVOCI financial assets is recognised in “Net income from investment securities”.

Allowances for credit and other losses

Please refer to Note 2.11 for the accounting policy on impairment of financial assets.

C) Balance Sheet

2.9 Financial assets

Initial recognition

Purchases and sales of all financial assets are recognised on the date that the Group enters into the contractual arrangements with counterparties. When the Group acts as a trustee or in a fiduciary capacity for assets it does not directly control or benefit from, the assets and the corresponding income belonging to a customer are excluded from the financial statements.

Financial assets are initially recognised at fair value, which is generally the transaction price.

Classification and subsequent measurement

SFRS(I) 9 categorises debt-like financial assets based on the business model within which the assets are managed, and whether the assets constitute a “basic lending arrangement” where their contractual cash flows represent solely payments of principal and interest (SPPI). Interest is defined as consideration for the time value of money, credit risk, other basic lending risks and may include a profit margin.

The classification of the financial assets and the associated accounting treatment are as follows:

- Debt instruments are measured at **amortised cost** when they are in a “hold to collect” (HTC) business model and have contractual cash flows that are SPPI in nature. The objective of a HTC business model is to collect contractual principal and interest cash flows. Sales are incidental to the objective and expected to be either insignificant or infrequent. These assets consist primarily of loans in the “Consumer Banking/ Wealth Management” and “Institutional Banking” segments as well as debt securities from the “Others” segment.
- Debt instruments are measured at **fair value through other comprehensive income** (FVOCI) when they are in a “hold to collect & sell” (HTC & S) business model and have cash flows that are SPPI in nature. Both the collection of contractual cash flows and sales are integral to achieving the objective of the HTC & S business model. Assets measured at FVOCI comprise mainly of debt securities from “Treasury Markets” and the “Others” segment.

Unrealised gains or losses on FVOCI debt instruments are recorded in other comprehensive income and accumulated in FVOCI revaluation reserves. When they are sold, the accumulated fair value adjustments in FVOCI are reclassified to the income statement as “Net income from investment securities”.

- Debt instruments are measured at **fair value through profit or loss** (FVPL) when:
 - i) the assets are not SPPI in nature;
 - ii) the assets are not part of a “HTC” or “HTC & S” business model; or

- iii) the assets are designated at FVPL to eliminate or significantly reduce the measurement or recognition inconsistencies that would otherwise arise from measuring assets or liabilities on different bases.

Assets measured at FVPL are mainly recorded in the “Treasury Markets” segment. Realised and unrealised gains or losses on FVPL financial assets are taken to the income statement in the period they arise.

- Subsequent changes in fair value of non-trading equity can be taken through profit or loss or comprehensive income, as elected. The Group generally elects its non-trading equity instruments to be classified as FVOCI. Other than dividend income, gains and losses on FVOCI equity instruments are recorded in other comprehensive income and accumulated in FVOCI revaluation reserves, and not reclassified to profit or loss upon derecognition.
- Derivatives (including derivatives embedded in financial liabilities but separated for accounting purposes) are also classified as held for trading unless they are designated as hedging instruments. Derivatives are classified as assets when the fair value is positive and as liabilities when the fair value is negative. Changes in the fair value of derivatives other than those designated as hedging instruments in cash flow or net investment hedges are included in “Net trading income”.

Reclassification

Reclassification of financial assets are prohibited unless the Group changes its business model for managing financial assets. In practice, this is expected to be infrequent.

Determination of fair value

The fair value of financial assets is the price that would be received if the asset is sold in an orderly transaction between market participants at the measurement date. Fair value is generally estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. Where applicable, a valuation reserve or pricing adjustment is applied to arrive at the fair value. The determination of fair value is considered a significant accounting policy for the Group and further details are disclosed in Note 40.

Offsetting

Financial assets and liabilities are presented net when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle them on a net basis, or realise the asset and settle the liability simultaneously.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or when they have been transferred together with substantially all the risks and rewards of ownership.

The Group enters into certain transactions where it transfers financial assets recognised on its balance sheet but retains either all or a portion of the risks and rewards of the transferred financial assets. In such cases, the transferred financial assets are not derecognised from the balance sheet. Such transactions include repurchase agreements described in Note 2.12. They also include transactions where control over the financial asset is retained, for example, by a simultaneous transaction (such as options) with the same counterparty to which the asset is transferred. These are mainly transacted in the "Treasury Markets" segment. In such cases, the Group continues to recognise the asset to the extent of its continuing involvement which is the extent to which it is exposed to changes in the value of the transferred asset.

Please refer to Note 18 for disclosures on transferred financial assets.

2.10 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and non-restricted balances with central banks which are readily convertible into cash.

2.11 Impairment of financial assets at amortised cost and FVOCI

Expected Credit Losses (ECL)

ECL are recognised for all financial assets held at amortised cost, debt instruments measured at FVOCI, guarantees and undrawn credit commitments. It represents the present value of expected cash shortfalls over the residual term of a financial asset, guarantee or undrawn commitment.

At initial recognition, allowance is required for ECL resulting from possible default events that may occur within the next 12 months ('12-month ECL'). In the event of a significant increase in credit risk, allowance is required for ECL resulting from possible default events over the expected life of the instrument ('lifetime ECL').

The ECL recognised follows the three-stage model: financial instruments where 12-month ECL is recognised are considered Stage 1; financial instruments which experience a significant increase in credit risk are in Stage 2; and financial instruments with objective evidence of default or credit-impaired are in Stage 3.

- **Stage 1** - Financial instruments are classified as Stage 1 at initial recognition and will remain under Stage 1 unless they experience a significant increase in credit risk or become credit-impaired. 12-month ECL is recognised for these instruments.
- **Stage 2** - Financial instruments which experience a significant increase in credit risk (SICR) subsequent to initial recognition, but are not yet credit-impaired, will migrate from Stage 1 to Stage 2. Lifetime ECL is recognised for these instruments.

Significant increase in credit risk (SICR): SICR is assessed by comparing the risk of default at reporting date to the risk of default at origination using a range of qualitative and quantitative factors.

For wholesale exposures, a financial instrument is deemed to have experienced a significant increase in credit risk when:

- the observed change in its probability of default (PD), as observed by downgrades in the Group's internal credit risk rating for this instrument between origination and reporting dates, is more than pre-specified thresholds; or
- it is placed on internal credit watchlists for closer scrutiny of developing credit issues.

For retail exposures, days past due is the main driver, supplemented with a PD-based criterion. In any event, all retail and wholesale exposures that are more than 30 days past due are presumed to have experienced a significant increase in credit risk, unless assessed otherwise, and are classified as Stage 2.

Instruments in Stage 2 that no longer exhibit a significant increase in credit risk will be transferred back to Stage 1.

- **Stage 3** - Financial instruments that become credit-impaired with evidence of default, i.e. non-performing assets, are transferred to Stage 3. Please refer to Note 42 for the definition of non-performing assets.

Lifetime ECL is recognised for these assets. ECL for Stage 3 assets are also known as specific allowances.

A Stage 3 exposure that is restructured can be upgraded to Stage 2 if there are reasonable grounds to conclude that the obligor is able to service future principal and interest payments in accordance with the restructured terms. Stage 3 financial assets are written-off, in whole or in part, when the Group has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of future recoveries.

Measurement of ECL

ECL are unbiased and probability-weighted estimates of credit losses determined by evaluating a range of possible outcomes, considering past events, current conditions and assessments of future economic conditions at the reporting date. The ECL associated with a financial instrument is typically a product of its probability of default (PD), loss given default (LGD) and exposure at default (EAD) discounted using the original effective interest rate to the reporting date.

Component	Description
PD	Point-in-time (based on current conditions, adjusted to take into account estimates of future conditions that will impact PD) estimate of the likelihood of default.
LGD	Estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including recoveries from collaterals.

EAD	Estimate of the expected credit exposure at time of default, taking into account repayments of principal and interest as well as expected drawdowns on undrawn credit commitments and potential pay-outs on guarantees issued.
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The 12-month ECL is calculated by multiplying the 12-month PD, LGD and EAD. Lifetime ECL is calculated using the lifetime PD. The 12-month and lifetime PDs represent the probability of default occurring over the next 12 months and the remaining maturity of the instrument respectively.

In most instances, expected remaining maturity is the same as the remaining contractual life which represents the maximum contractual period over which the Group is exposed to the credit risk of the borrower. However, for some revolving products (e.g. credit cards), the expected remaining maturity may exceed the contractual maturity. In such instances, behavioural expected remaining life will be used.

ECL Modelling - Point-in-Time and Forward-Looking Adjustments

The Group leverages the models and parameters implemented under the Basel II Internal Ratings-Based (IRB) framework where possible, with appropriate modifications to meet SFRS(I) 9 requirements.

Other relevant historical information, loss experience or proxies will be utilised for portfolios without appropriate Basel models and parameters, with a view to maximise the use of available information that is reliable and supportable.

For the wholesale portfolios, credit cycle indices (CCIs) have been developed for the key industries and geographies. CCIs are summary measures that depict broad-based, sector-wide changes in credit risk, which are constructed by comparing the median expected default frequency of firms within each segment against a long-run average. Expected default frequency is in turn a market-based point-in-time default risk measure driven by the market value of firms' assets, asset volatility and leverage. CCIs are then used as inputs to convert the generally more through-the-cycle PDs derived from Basel models/parameters into the point-in-time equivalents by adding the unaccounted portion of cyclical variations, as well as to incorporate forward-looking information. LGDs are determined using historical loss data, which are adjusted for both the latest and forecasted recovery experience.

The Group relies on a Monte Carlo simulation approach to consider over 100 probability-weighted forward-looking scenarios in estimating ECL. This involves simulations of many alternative CCI scenarios to arrive at an unbiased ECL estimate that are meant to cover all possible good and bad scenarios based on known estimates.

For retail portfolios, historical loss experience is used in conjunction with the forecast loss rates which take into account relevant macroeconomic variables, such as property-prices and unemployment rates.

Expert credit judgement and post model adjustments

The measurement of ECL requires the application of expert credit judgement and post model adjustments. These include:

- assignment of credit risk ratings and determination of whether exposures should be placed on credit watchlists;
- assessment of whether a significant increase in credit risk has occurred;
- selecting and calibrating the ECL models such as CCIs;
- determining the expected remaining maturity of revolving products (e.g. overdrafts and credit cards);
- determination of the forecast loss rates; and
- application of thematic overlays based on emerging risk themes where potential risks may not be fully captured in the underlying modelled ECL. Such top-down additional modelled ECL was quantified by means of applying conditional probabilities on more severe scenarios materialising from emerging risk themes.

The Group has two thematic overlays as at 31 December 2021.

In addition to the base scenarios generated by the model, the Group has incorporated a stress scenario and assigned probabilities to the scenarios, in line with management's judgement of the likelihood of each scenario. The stress scenario assumes Covid-19 recovery being derailed by higher global inflation which triggers rate hikes and causes financial market dislocation.

An additional thematic overlay was introduced in 2021 to address pricing pressures and risks of asset stranding that the conventional energy sector could face as a result of a transition to a low-carbon economy. Probabilities were assigned to the scenarios in-line with management's judgement of the likelihood of each scenario.

Governance framework

The measurement of ECL is subject to a robust governance framework as described below.

- The Group ECL Review Committee (Review Committee) is the overarching committee for ECL related matters and comprises senior management and representatives from functions across the Group. Significant changes to ECL models and methodologies and the application of thematic overlays are subject to the oversight and approval of the Review Committee.
- The Review Committee is supported by the Group ECL Operating Committee (Operating Committee) which comprises cross functional representatives and subject matter experts. The Operating Committee recommends changes to ECL models, methodologies and thematic overlays to the Review Committee; provides oversight over system design, infrastructure and development; and establishes principles and significant policies pertaining to ECL. Group Credit Risk Models Committee oversees ECL models and credit risk models used by the Group.
- Location ECL committees are established for key overseas subsidiaries to govern and manage location-specific ECL reporting.

- ECL models are subject to independent validation by the Risk Management Group (RMG) as well as independent reviews by internal and external auditors. The validation and assurance processes cover the review of the underlying ECL methodology including its logic and conceptual soundness.

2.12 Repurchase agreements

Repurchase agreements (Repos) are arrangements where the Group sold the securities but are subject to a commitment to repurchase or redeem the securities at a pre-determined price. The securities are retained on the balance sheet as Group retains substantially all the risk and rewards of ownership and these securities are disclosed within “Financial assets pledged or transferred” (Note 19). The consideration received is recorded as financial liabilities in either “due to banks” or “deposits and balances from customers”. Short-dated repos transacted as part of Treasury Markets activities are measured at FVPL.

Reverse repurchase agreements (Reverse repos) are arrangements where the Group purchased the securities but are subject to a commitment to resell or return the securities at a pre-determined price. The risk and rewards of ownership of the collateral are not acquired by the Group and are reflected as collateral received and recorded off-balance sheet. The consideration paid is recorded as financial assets as “cash and balances with central banks”, “due from banks” or “loans and advances to customers”. Short-dated reverse repos transacted as part of Treasury Markets activities are measured at FVPL.

2.13 Goodwill

Goodwill arising from business combinations generally represents the excess of the acquisition cost over the fair value of identifiable assets acquired and liabilities and contingent liabilities assumed on the acquisition date. Goodwill is stated at cost less impairment losses and is tested at least annually for impairment.

At the acquisition date, any goodwill acquired is allocated to each of the cash-generating units (CGU) or group of CGUs expected to benefit from the combination’s synergies.

An impairment loss is recognised when the carrying amount of a CGU, or group of CGUs, including the goodwill, exceeds the applicable recoverable amount. The recoverable amount of a CGU or CGU group is the higher of the CGU’s or CGU group’s fair value less cost to sell and its value-in-use. An impairment loss on goodwill is recognised in the income statement and cannot be reversed in subsequent periods.

2.14 Properties and other fixed assets

Owned properties and other fixed assets

Properties (including investment properties) and other fixed assets are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated using the straight-line method to write down the costs of the assets to their estimated residual values over the estimated useful lives of the

assets. No depreciation is recognised when the residual value is higher than the carrying amount.

Generally, the useful lives are as follows:

Leasehold land	100 years or over the remaining lease period, whichever is shorter. Leasehold land where the unexpired lease period is more than 100 years is not depreciated.
Buildings	30 to 50 years or over the remaining lease period, whichever is shorter.
Computer software	3 to 5 years
Office equipment, furniture and fittings	5 to 10 years
Leasehold improvements	Up to 20 years

Leased properties and other fixed assets

Lease liabilities are initially measured at the present value of lease payments to be made over the lease term at the lease commencement date. The associated right-of-use assets are measured at the amount that approximates the lease liability.

Lease liabilities are subsequently measured at amortised cost using the effective interest method. The right-of-use assets are depreciated over the lease term on a straight-line basis.

Extension options and termination options are included in the assessment of the lease term if the options are reasonably certain to be exercised or not exercised accordingly. If the Group changes its initial assessment, adjustments are made to the carrying amounts of the lease liabilities and right-of-use assets prospectively.

The recognition exceptions for short-term leases and leases of low-value assets are applied.

Please refer to Note 25 for the details of owned and leased properties and other fixed assets.

2.15 Financial liabilities

Initial recognition, classification and subsequent measurement

Financial liabilities are initially recognised at fair value. The Group generally classifies and measures its financial liabilities in accordance with the purpose for which the financial liabilities are incurred and managed. Accordingly:

- Financial liabilities are classified as **financial liabilities at fair value through profit or loss** if they are incurred for the purpose of repurchasing in the near term (“**held for trading**”), and this may include debt securities issued and short positions in securities for the purpose of ongoing market-making or trading. Financial liabilities at fair value through profit or loss can also be designated by management on initial recognition (“**designated at fair value through profit or loss**”) if doing so eliminates or significantly reduces measurement or recognition

inconsistencies that would otherwise arise, or if the financial liability contains an embedded derivative that would otherwise need to be separately recorded, or if a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis. Financial liabilities in this classification are usually within the "Treasury Markets" segment.

Realised or unrealised gains or losses on financial liabilities held for trading and financial liabilities designated under the fair value option, except interest expense, are taken to "Net trading income" in the income statement in the period they arise.

The changes to the fair value of financial liabilities designated under the fair value option that are attributable to a reporting entity's own credit risk are taken to revenue reserves through other comprehensive income. These amounts are not transferred to the income statement even when realised.

- Derivative liabilities are treated consistently with derivative assets. Please refer to Note 2.9 for the accounting policy on derivatives.
- Other financial liabilities are carried at **amortised cost** using the effective interest method. These comprise predominantly the Group's "Deposits and balances from customers", "Due to banks" and "Other debt securities".

Where the classification and measurement of financial liabilities do not reflect the management of the financial liabilities, the Group may apply hedge accounting where permissible and relevant to better reflect the management of the financial liabilities. Please refer to Note 2.19 for details on hedging and hedge accounting.

Please refer to Note 13 for further details on the types of financial liabilities classified and measured as above.

Determination of fair value

The fair value of financial liabilities is the price that would be paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Please refer to Note 40 for further fair value disclosures.

Derecognition

A financial liability is derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

2.16 Loan commitments, letters of credit and financial guarantees

Loan commitments

Loan commitments are not recognised on the balance sheet and are disclosed in Note 34. Upon a loan draw-down, the amount of the loan is accounted for under "Loans and advances to customers" on the Group's balance sheet.

Letters of credit

Letters of credit are recorded off-balance sheet as contingent liabilities upon issuance, and the

corresponding payables to the beneficiaries and receivables from the applicants are recognised on the balance sheet upon acceptance of the underlying documents.

Financial guarantees

Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantees are given.

Financial guarantees are subsequently measured at the higher of:

- the amount of the ECL (Note 2.11); and
- the unamortised portion of the fees that were received on initial recognition.

Please refer to Note 2.8 for the principles for recognising the fees.

Off-balance sheet credit exposures are managed for credit risk in the same manner as financial assets.

Please refer to Note 2.11 on the Group's accounting policies on allowances for credit losses.

2.17 Provisions and other liabilities

Provisions for other liabilities of uncertain timing and amounts are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

2.18 Share capital and other instruments classified as equity

Ordinary shares, preference shares and other instruments which do not result in the Group having a contractual obligation to deliver cash or another financial asset, or to exchange financial assets or financial liabilities with the holder under conditions that are potentially unfavourable to the Group, are classified as equity. Distributions arising from such instruments are recognised in equity as there is no contractual obligation to pay distributions on these instruments. Incremental external costs directly attributable to the issuance of such instruments are accounted for as a deduction from equity.

Dividends are recorded during the financial year in which they are approved by the Board of Directors and declared payable.

D) Other Specific Topics

2.19 Hedging and hedge accounting

As part of the overall risk management of the Group, derivatives and other instruments are used to manage exposures to interest rate and foreign currency risks, including exposures arising from forecast transactions.

Where hedge accounting is not applied, the derivatives are treated in the same way as derivatives held for trading purposes, i.e. realised and unrealised gains and losses are recognised in "Net trading income". The Group applies hedge accounting for economic hedge relationships that meet the hedge accounting criteria. To qualify for hedge accounting, at the inception of each hedging relationship, the Group designates and documents the relationship between the hedging instrument and the hedged item; the risk management objective for undertaking the hedge transaction; and the methods used to assess the effectiveness of the hedge. At inception and on an on-going basis, the Group also assesses and measures the effectiveness of the hedging relationship between the hedging instrument and the hedged item.

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between hedging instrument and the hedged item. The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations as described below.

• Fair value hedges

For a qualifying fair value hedge, the changes in the fair value of the hedging instruments are recorded in the income statement, together with any changes in the fair value of the hedged item attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item is amortised, using the effective interest method, to the income statement over its remaining maturity.

However, where the hedged item is an equity instrument classified as FVOCI, changes in the fair value of the hedging instrument and the hedged item are both recorded in other comprehensive income and accumulated in FVOCI revaluation reserves. The amounts recorded in FVOCI revaluation reserves are not subsequently reclassified to the income statement.

• Cash flow hedges

The effective portion of changes in the fair value of a derivative designated and qualifying as a cash flow hedge is recognised in other comprehensive income and accumulated under the cash flow hedge reserves in equity. This amount is reclassified to the income statement in the periods when the hedged forecast cash flows affect the income statement. The ineffective portion of the gain or loss is recognised immediately in the income statement under "Net trading income".

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in the

cash flow hedge reserves remains until the forecast transaction is recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss in the cash flow hedge reserves is reclassified from equity to the income statement.

• Net investment hedges

Hedges of net investments in the Group's foreign operations are accounted for in a manner similar to cash flow hedges. On disposal of the foreign operations, the cumulative gain or loss in the capital reserves is reclassified to the income statement as part of the gain or loss on disposal.

When designating the hedging instrument, the Group may elect to exclude the valuation components of currency basis spreads and forward points from the hedge relationship on a hedge-by-hedge basis.

The forward points and currency basis spreads which are excluded and recorded in other comprehensive income are:

- reclassified to the income statement when the forecast transaction occurs; or
- amortised to the income statement over the hedging tenor for time-period hedges. The amounts recorded in other comprehensive income are not subsequently reclassified to the income statement for hedges of FVOCI equities.

The Group has elected to apply the SFRS(I) 9 hedge accounting rules in full.

Please refer to Note 37 for further details relating to hedge accounting, including fair value, cash flow and net investment hedges.

2.20 Employee benefits

Employee benefits, which include base pay, cash bonuses, share-based compensation, contribution to defined contribution plans such as the Central Provident Fund, defined benefit plans and other staff-related allowances, are recognised in the income statement when incurred.

For defined contribution plans, contributions are made to publicly or privately administered funds on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Group has no further payment obligations.

Employee entitlement to annual leave is recognised when they accrue to employees. A provision is made for the estimated liability for annual unutilised leave as a result of services rendered by employees up to the balance sheet date.

2.21 Share-based compensation

Employee benefits also include share-based compensation, namely the DBSH Share Plan, the DBSH Employee Share Plan and the DBSH Employee Share Purchase Plan (the Plans). The details of the Plans are described in Note 38.

Equity instruments granted and ultimately vested under the Plans are recognised in the income statement based on the fair value of the equity instrument at the date of grant. The expense is amortised over the vesting period of each award.

2.22 Current and deferred taxes

Current income tax for current and prior periods is recognised as the amount expected to be paid or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Group considers uncertain tax positions generally at the level of the total tax liability to each tax authority for each period. The liability is determined based on the total amount of current tax expected to be paid, taking into account all tax uncertainties, using either an expected value approach or a single best estimate of the most likely outcome.

Tax assets and liabilities of the same type (current or deferred) are offset when a legal right of offset exists and settlement in this manner is intended. This applies generally when they arise from the same tax reporting group and relate to the same tax authority. Deferred income tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted by the balance sheet date.

The amount of deferred tax assets recognised takes into account the likelihood the amount that can be used to offset payable taxes on future profits.

Deferred tax related to fair value re-measurement of FVOCI investments, which are recognised outside profit or loss, is also recognised outside profit or loss, i.e. in other comprehensive income and accumulated in the FVOCI revaluation reserves.

3. Critical Accounting Estimates

The Group's accounting policies and use of estimates are integral to the reported amounts in the financial statements. Certain accounting estimates require management's judgement in determining the appropriate methodology for valuation of assets and liabilities. Procedures are in place to ensure that methodologies are reviewed and revised as appropriate. The Group believes its estimates for determining the valuation of its assets and liabilities are appropriate.

The following is a brief description of the Group's critical accounting estimates that involve management's valuation judgement.

3.1 Impairment of financial assets

It is the Group's policy to recognise, through charges against profit, allowances in respect of estimated and inherent credit losses in its portfolio as described in Note 2.11.

ECLs are probability-weighted amounts determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessments of future economic conditions, which will necessarily involve the use of judgement.

The Covid-19 pandemic, related measures to control the spread of the virus and governmental support to mitigate the impact of the pandemic had a profound economic impact on the Group's key markets. A significant degree of judgement is thus required in estimating the ECLs in the current environment. Please refer to Note 2.11 for more details.

Please refer to Note 42 for a further description of the Group's credit risk management framework, policies and procedures.

3.2 Fair value of financial instruments

The majority of the 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 or verified market parameters.

The fair value of financial instruments without an observable market price in an active market may be determined using valuation models. The choice of model requires significant judgement for complex products especially those in the "Treasury Markets" segment.

Policies and procedures have been established to facilitate the exercise of judgement in determining the risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors used in the valuation process.

Please refer to Note 40 for further details on fair valuation and fair value hierarchy of the Group's financial instruments measured at fair value.

3.3 Goodwill impairment

The Group performs an impairment review to ensure that the carrying amount of a CGU to which goodwill is allocated does not exceed the recoverable amount of the CGU. Note 26 provides details of goodwill at the reporting date.

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 judgement in estimating the future cash flows, growth rate and discount rate.

3.4 Income taxes

The Group has exposure to income taxes in several jurisdictions. The Group recognises liabilities for expected tax issues based on reasonable estimate of whether additional tax will be due. Where uncertainty exists around the Group's tax position, appropriate provisions are provided based on the technical assessment of the cases. Where the final tax outcome of these positions is different from the provision provided, the differences will impact the income tax and deferred tax balances in the period in which the final tax is determined. Note 20 provides details of the Group's deferred tax assets/ liabilities.

4. Net Interest Income

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Cash and balances with central banks and Due from banks	418	647	365	565
Customer non-trade loans	6,953	8,062	4,814	6,073
Trade assets	640	1,017	337	630
Securities and others	2,179	2,484	1,601	1,933
Total interest income	10,190	12,210	7,117	9,201
Deposits and balances from customers	1,186	2,175	474	1,333
Other borrowings	569	934	635	1,428
Total interest expense	1,755	3,109	1,109	2,761
Net interest income	8,435	9,101	6,008	6,440
Comprising:				
Interest income from financial assets at FVPL	547	784	452	694
Interest income from financial assets at FVOCI	457	503	335	376
Interest income from financial assets at amortised cost	9,186	10,923	6,330	8,131
Interest expense from financial liabilities at FVPL	(194)	(229)	(158)	(207)
Interest expense from financial liabilities not at FVPL ^(a)	(1,561)	(2,880)	(951)	(2,554)
Total	8,435	9,101	6,008	6,440

(a) Includes interest expense of \$30 million (2020: \$28 million) and \$9 million (2020: \$11 million) on lease liabilities for the Group and Bank respectively

5. Net Fee and Commission Income

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Investment banking	220	148	183	133
Transaction services ^{(a) (b)}	924	824	626	572
Loan-related	413	417	313	320
Cards ^(c)	715	641	525	440
Wealth management ^(a)	1,786	1,506	1,193	1,007
Fee and commission income	4,058	3,536	2,840	2,472
Less: fee and commission expense	532	475	399	332
Net fee and commission income^(d)	3,526	3,061	2,441	2,140

(a) The institutional and retail brokerage fees previously presented under brokerage line have been reclassified to transaction services and wealth management lines respectively. Prior year's comparatives have been restated to conform with current year's presentation

(b) Includes trade & remittances, guarantees and deposit-related fees

(c) Card fees are net of interchange fees paid

(d) Includes net fee and commission income of \$139 million (2020: \$136 million) and \$119 million (2020: \$116 million) for the Group and Bank respectively, which was derived from the provision of trust and other fiduciary services during the year. Net fee and commission income earned from financial assets or liabilities not at fair value through profit or loss was \$895 million (2020: \$829 million) and \$657 million (2020: \$619 million) during the year for the Group and Bank respectively

6. Net Trading Income

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Net trading income ^(a)				
- Foreign exchange	1,190	835	872	482
- Interest rates, credit, equities and others ^(b)	186	1,226	12	1,120
Net (loss)/ gain from financial assets designated at fair value	(7)	8	(2)	8
Net gain/ (loss) from financial liabilities designated at fair value	405	(681)	404	(672)
Total	1,774	1,388	1,286	938

(a) Includes income from assets that are mandatorily classified at FVPL

(b) Includes dividend income of \$300 million (2020: \$231 million) for the Group and \$299 million (2020: \$231 million) for the Bank

7. Net Income from Investment Securities

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Debt securities				
- FVOCI	140	428	78	330
- Amortised cost	98	411	97	407
Equity securities at FVOCI ^(a)	149	124	145	121
Total^(b)	387	963	320	858
Of which: net gains transferred from FVOCI revaluation reserves	163	476	97	378

(a) Dividend income

(b) Includes fair value impact of hedges for investment securities

8. Other Income

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Net gain on disposal of properties and other fixed assets	17	8	5	8
Share of profits or losses of associates ^(a)	213	61	-	-
Others ^{(b)(c)}	29	21	525	379
Total	259	90	530	387

(a) 2021 includes a gain of \$104 million recognised on completion of the Shenzhen Rural Commercial Bank Corporation Limited transaction (Note 24.2) for the Group

(b) Includes net gains and losses from sale of loans carried at amortised cost and rental income from operating leases for both the Group and Bank

(c) Includes dividend income from subsidiaries and associates of \$491 million (2020: \$347 million) for the Bank

9. Employee Benefits

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Salaries and bonuses ^(a)	3,251	2,890	2,047	1,780
Contributions to defined contribution plans	192	181	127	124
Share-based expenses	130	128	101	100
Others	302	351	91	173
Total	3,875	3,550	2,366	2,177

(a) 2021 includes \$25 million (2020: \$172 million) and \$25 million (2020: \$158 million) of government grants recognised (deducted against salaries and bonuses) for the Group and Bank respectively

10. Other Expenses

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Computerisation expenses ^(a)	1,080	1,093	876	886
Occupancy expenses ^(b)	416	452	205	251
Revenue-related expenses	369	332	201	170
Others ^{(c)(d)}	815	721	467	397
Total	2,680	2,598	1,749	1,704

(a) Includes hire, depreciation and maintenance costs of computer hardware and software

(b) Includes depreciation of leased office and branch premises of \$205 million (2020: \$202 million) for the Group, and \$92 million (2020: \$90 million) for the Bank and amounts incurred in the maintenance of buildings

(c) Includes office administration expenses (e.g. printing, stationery, telecommunications, etc.), legal and professional fees

(d) 2021 includes a \$100 million Corporate Social Responsibility commitment to DBS Foundation and other charitable causes for both the Group and Bank

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Depreciation expenses				
- owned properties and other fixed assets	431	415	284	281
- leased properties and other fixed assets	238	233	107	108
Hire and maintenance costs of fixed assets, including building-related expenses	379	397	264	281
Audit fees ^(a) payable to external auditors ^(b) :				
- Auditors of the Bank	4	4	4	4
- Associated firms of auditors of the Bank	5	5	1	1
Non-audit related fees payable to external auditors ^(b) :				
- Auditors of the Bank	#	1	#	1
- Associated firms of auditors of the Bank	1	1	#	#

Amount under \$500,000

(a) Includes audit related assurance fees

(b) PricewaterhouseCoopers network firms

11. Allowances for Credit and Other Losses

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Specific allowances^{(a)(b)}				
Loans and advances to customers (Note 17)	471	1,174	143	688
Investment securities (amortised cost)	#	-	(4)	-
Off-balance sheet credit exposures	8	39	4	19
Others	20	140	10	119
General allowances^(c)	(447)	1,713	(271)	1,497
Total	52	3,066	(118)	2,323

Amount under \$500,000

(a) Includes Stage 3 ECL

(b) Includes charge of \$1 million (2020: charge of \$3 million) for the Group and write-back of less than \$500,000 (2020: write-back of \$1 million) for the Bank for non-credit exposures

(c) Refers to Stage 1 and 2 ECL

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The following tables explain the changes in ECL under SFRS(I) 9 in 2021 and 2020 which are attributable to the following factors:

- Transfers between stages.
- Net portfolio changes, which are determined on an obligor basis i.e. originations with new obligors net of derecognitions of former obligors.
- Remeasurements, which include the impact of changes in model inputs or assumptions, partial repayments, additional drawdowns on existing facilities and changes in ECL following a transfer between stages.

In \$ millions	The Group			Total
	General allowances (Non-impaired)		Specific allowances (Impaired)	
	Stage 1	Stage 2	Stage 3	
2021				
Balance at 1 January	2,507	1,805	3,014	7,326
Changes in allowances recognised in opening balance that were transferred to/ (from)	34	(191)	157	-
-Stage 1	(40)	40	-	-
-Stage 2	144	(144)	-	-
-Stage 3	(70)	(87)	157	-
Net portfolio changes	88	(63)	-	25
Remeasurements	(403)	88	341	26
Net write-offs ^(a)	-	-	(655)	(655)
Exchange and other movements	5	6	69	80
Balance at 31 December	2,231	1,645	2,926	6,802
Charge in the income statement	(281)	(166)	498	51
2020				
Balance at 1 January	1,090	1,421	2,502	5,013
Changes in allowances recognised in opening balance that were transferred to/ (from)	106	(288)	182	-
-Stage 1	(38)	38	-	-
-Stage 2	163	(163)	-	-
-Stage 3	(19)	(163)	182	-
Net portfolio changes	68	(90)	-	(22)
Remeasurements	1,151	766	1,168	3,085
Net write-offs ^(a)	-	-	(777)	(777)
Amalgamation of LVB	96	-	-	96
Exchange and other movements	(4)	(4)	(61)	(69)
Balance at 31 December	2,507	1,805	3,014	7,326
Charge in the income statement	1,325	388	1,350	3,063

(a) Write-offs net of recoveries

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In \$ millions	Bank			Total
	General allowances (Non-impaired)		Specific allowances (Impaired)	
	Stage 1	Stage 2	Stage 3	
2021				
Balance at 1 January	1,963	1,515	2,351	5,829
Changes in allowances recognised in opening balance that were transferred to/ (from)	82	(148)	66	-
-Stage 1	(30)	30	-	-
-Stage 2	118	(118)	-	-
-Stage 3	(6)	(60)	66	-
Net portfolio changes	73	(42)	-	31
Remeasurements	(269)	33	87	(149)
Net write-offs ^(a)	-	-	(275)	(275)
Exchange and other movements	#	#	39	39
Balance at 31 December	1,849	1,358	2,268	5,475
Charge/ (Write-back) in the income statement	(114)	(157)	153	(118)
2020				
Balance at 1 January	848	1,131	1,869	3,848
Changes in allowances recognised in opening balance that were transferred to/ (from)	88	(224)	136	-
-Stage 1	(33)	33	-	-
-Stage 2	128	(128)	-	-
-Stage 3	(7)	(129)	136	-
Net portfolio changes	21	(30)	-	(9)
Remeasurements	1,005	637	691	2,333
Net write-offs ^(a)	-	-	(286)	(286)
Exchange and other movements	1	1	(59)	(57)
Balance at 31 December	1,963	1,515	2,351	5,829
Charge/ (Write-back) in the income statement	1,114	383	827	2,324

(a) Write-offs net of recoveries

Amount under \$500,000

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The following table provides additional information on the financial instruments that are subject to ECL as at 31 December 2021 and 2020. FVPL assets and FVOCI equity instruments are not subject to ECL and therefore not reflected in the tables.

In \$ millions	The Group							
	Gross carrying value ^(c)				ECL balances			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
2021								
Assets								
Loans and advances to customers								
- Retail	122,964	724	651	124,339	528	125	144	797
- Wholesale and others	260,763	23,814	4,639	289,216	1,508	1,373	2,401	5,282
Investment securities								
- Government securities and treasury bills ^(a)	40,582	-	-	40,582	7	-	-	7
- Bank and corporate debt securities ^(a)	42,811	1,131	97	44,039	29	11	77	117
Others ^(b)	106,039	55	229	106,323	29	2	224	255
Liabilities								
ECL on guarantees and other off-balance sheet exposures								
	-	-	-	-	130	134	80	344
Total ECL					2,231	1,645	2,926	6,802
2020								
Assets								
Loans and advances to customers								
- Retail	112,274	773	676	113,723	575	195	166	936
- Wholesale and others	236,914	20,280	5,383	262,577	1,727	1,410	2,526	5,663
Investment securities								
- Government securities and treasury bills ^(a)	39,062	-	-	39,062	9	-	-	9
- Bank and corporate debt securities ^(a)	44,593	1,170	38	45,801	28	23	15	66
Others ^(b)	106,670	120	226	107,016	28	3	211	242
Liabilities								
ECL on guarantees and other off-balance sheet exposures								
	-	-	-	-	140	174	96	410
Total ECL					2,507	1,805	3,014	7,326

(a) Includes loss allowances of \$25 million (2020: \$25 million) for debt securities that are classified as FVOCI

(b) Comprise of amounts in "Cash and balances with central banks", "Due from Banks" and "Other assets" that are subject to ECL

(c) Balances exclude off-balance sheet exposures

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In \$ millions	Bank							
	Gross carrying value ^(c)				ECL balances			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
2021								
Assets								
Loans and advances to customers								
- Retail	100,469	351	315	101,135	347	78	57	482
- Wholesale and others	204,498	19,961	3,451	227,910	1,340	1,141	1,865	4,346
Investment securities								
- Government securities and treasury bills ^(a)	27,726	-	-	27,726	2	-	-	2
- Bank and corporate debt securities ^(a)	38,786	1,131	59	39,976	28	11	59	98
Others ^(b)	104,263	43	215	104,521	24	#	213	237
Liabilities								
ECL on guarantees and other off-balance sheet exposures								
	-	-	-	-	108	128	74	310
Total ECL					1,849	1,358	2,268	5,475
2020								
Assets								
Loans and advances to customers								
- Retail	92,373	352	380	93,105	325	129	80	534
- Wholesale and others	193,447	15,750	4,032	213,229	1,480	1,202	2,001	4,683
Investment securities								
- Government securities and treasury bills ^(a)	25,867	-	-	25,867	1	-	-	1
- Bank and corporate debt securities ^(a)	40,472	1,080	-	41,552	27	23	-	50
Others ^(b)	105,690	8	209	105,907	23	1	195	219
Liabilities								
ECL on guarantees and other off-balance sheet exposures								
	-	-	-	-	107	160	75	342
Total ECL					1,963	1,515	2,351	5,829

Amount under \$500,000

(a) Includes loss allowances of \$22 million (2020: \$19 million) for debt securities that are classified as FVOCI

(b) Comprise of amounts in "Cash and balances with central banks", "Due from Banks", "Due from subsidiaries" and "Other assets" that are subject to ECL

(c) Balances exclude off-balance sheet exposures

The table below shows the Group's portfolio mix of the Loans and advances to customers – Wholesale and others presented in the gross carrying value table above by internal counterparty risk rating (CRR) and probability of default (PD) range:

2021 In \$ millions	The Group		
	PD range (based on Basel 12-month PDs) ^(a)	Stage 1 exposures	Stage 2 exposures
Loans and advances to customers – Wholesale and others		260,763	23,814
Of which (in percentage terms):			
CRR 1 – 6B	0.01% - 0.99%	88%	38%
CRR 7A – 7B	1.26% - 2.30%	8%	22%
CRR 8A – 9	2.57% - 28.83%	2%	39%
Others (not rated)	NA	2%	1%
Total		100%	100%

(a) Basel 12-month PDs are transformed to Point-in-Time and forward-looking PDs. Stage 2 exposures are also measured on lifetime basis

Sensitivity of ECL

The Group assessed ECL sensitivity for the wholesale and retail portfolios to changes in the allocation of exposures between Stages 1 and 2. ECL is estimated to reduce by \$1,187 million (2020: \$1,300 million) should all the exposures in Stage 2 return to Stage 1 and were assigned a lower 12-month ECL instead of lifetime ECL. The impact also reflects the higher PDs ascribed to Stage 2 exposures in addition to the recognition of lifetime instead of 12-month ECL.

As ECL estimation relies on multiple variables, no single analysis can fully demonstrate the sensitivity of the ECL to changes in macroeconomic variables.

Relief measures offered to customers

In response to the impact of Covid-19, various forms of relief measures, such as payment deferrals, had been offered to eligible retail and corporate customers. Payment deferrals were considered to be non-substantial modifications and accounted for as a continuation of the existing loan agreements.

In line with regulatory guidelines, customers' utilisation of relief measures does not automatically result in significant increase in credit risk and a transfer to Stage 2. The assessment of customer's risk of default continues to be performed comprehensively, taking into account the customer's ability to make payments based on the rescheduled payments and their creditworthiness in the long term.

12. Income Tax Expense

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Current tax expense				
- Current year	1,001	722	767	475
- Prior years' provision	(96)	2	(96)	10
Deferred tax expense				
- Prior years' provision	8	3	7	-
- (Reversal)/ Origination of temporary differences	54	(124)	35	(77)
Total	967	603	713	408

The deferred tax (credit)/ expense in the income statement comprises the following temporary differences:

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Accelerated tax depreciation	19	4	20	5
Allowances for credit and other losses	66	(106)	16	(41)
Other temporary differences	(23)	(19)	6	(41)
Deferred tax expense charged to income statement	62	(121)	42	(77)

The tax on the Group's profit before tax differs from the theoretical amount computed using the Singapore basic tax rate due to:

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Profit before tax	7,774	5,389	6,588	4,559
Prima facie tax calculated at a tax rate of 17% (2020: 17%)	1,322	916	1,120	775
Effect of different tax rates in other countries	48	19	22	8
Effect of change in country's tax rate ^(a)	-	11	-	-
Net income not subject to tax	(47)	(117)	(105)	(152)
Net income taxed at concessionary rate	(293)	(287)	(293)	(287)
Expenses not deductible for tax	26	13	24	10
Others	(89)	48	(55)	54
Income tax expense charged to income statement	967	603	713	408

(a) 2020 balance for the Group relates to impact from revaluation of net deferred tax asset due to a cut in Indonesia's corporate tax rate.

Deferred income tax relating to FVOCI financial assets and cash flow hedge reserves of \$60 million was credited (2020: \$15 million debited) and own credit risk of \$2 million was credited (2020: \$2 million debited) directly to equity for the Group.

Deferred income tax relating to FVOCI financial assets and cash flow hedge reserves of \$29 million was credited (2020: nil) and own credit risk of \$2 million was credited (2020: \$2 million debited) directly to equity for the Bank.

Please refer to Note 20 for further information on deferred tax assets/ liabilities.

13. Classification of Financial Instruments

In \$ millions	The Group						Total
	Mandatorily at FVPL ^(c)	FVPL designated	Amortised cost	FVOCI-Debt	FVOCI-Equity	Hedging derivatives	
2021							
Assets							
Cash and balances with central banks	-	-	52,475	3,902	-	-	56,377
Government securities and treasury bills	12,587	97	22,653	17,925	-	-	53,262
Due from banks	15,447	-	34,548	1,297	-	-	51,292
Derivatives	18,866	-	-	-	-	840	19,706
Bank and corporate securities	22,813	-	26,963	16,981	2,935	-	69,692
Loans and advances to customers	1,492	25	407,476	-	-	-	408,993
Other financial assets	-	-	15,267	-	-	-	15,267
Due from holding company	-	-	719	-	-	-	719
Total financial assets	71,205	122	560,101	40,105	2,935	840	675,308
Other asset items outside the scope of SFRS(I) 9 ^(a)							11,423
Total assets							686,731
Liabilities							
Due to banks	5,429	-	24,780	-	-	-	30,209
Deposits and balances from customers	-	229	501,730	-	-	-	501,959
Derivatives	19,127	-	-	-	-	1,289	20,416
Other financial liabilities	2,695	-	14,871	-	-	-	17,566
Other debt securities	126	10,600	36,175	-	-	-	46,901
Due to holding company	-	-	10,252	-	-	-	10,252
Total financial liabilities	27,377	10,829	587,808	-	-	1,289	627,303
Other liability items outside the scope of SFRS(I) 9 ^(b)							1,028
Total liabilities							628,331
2020							
Assets							
Cash and balances with central banks	699	-	46,482	3,437	-	-	50,618
Government securities and treasury bills	12,596	45	21,689	17,370	-	-	51,700
Due from banks	11,332	-	38,237	1,247	-	-	50,816
Derivatives	30,595	-	-	-	-	521	31,116
Bank and corporate securities	17,348	-	26,674	19,080	2,354	-	65,456
Loans and advances to customers	1,120	350	369,701	-	-	-	371,171
Other financial assets	-	-	18,871	-	-	-	18,871
Due from holding company	-	-	911	-	-	-	911
Total financial assets	73,690	395	522,565	41,134	2,354	521	640,659
Other asset items outside the scope of SFRS(I) 9 ^(a)							10,147
Total assets							650,806
Liabilities							
Due to banks	1,823	-	26,397	-	-	-	28,220
Deposits and balances from customers	-	623	464,227	-	-	-	464,850
Derivatives	31,642	-	-	-	-	1,446	33,088
Other financial liabilities	1,525	-	19,646	-	-	-	21,171
Other debt securities	203	8,130	30,896	-	-	-	39,229
Due to holding company	-	-	7,473	-	-	-	7,473
Total financial liabilities	35,193	8,753	548,639	-	-	1,446	594,031
Other liability items outside the scope of SFRS(I) 9 ^(b)							816
Total liabilities							594,847

(a) Includes associates and joint ventures, goodwill and intangibles, properties and other fixed assets, and deferred tax assets

(b) Includes current tax liabilities and deferred tax liabilities

(c) Includes assets and liabilities that are held for trading and debt-type financial assets that are not SPPI in nature

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In \$ millions	Mandatorily at FVPL ^(c)	FVPL designated	Amortised cost	Bank		Hedging derivatives	Total
				FVOCI- Debt	FVOCI- Equity		
2021							
Assets							
Cash and balances with central banks	-	-	47,116	1,572	-	-	48,688
Government securities and treasury bills	9,994	97	16,991	10,734	-	-	37,816
Due from banks	14,215	-	28,345	1,297	-	-	43,857
Derivatives	17,616	-	-	-	-	748	18,364
Bank and corporate securities	20,632	-	25,715	14,184	2,849	-	63,380
Loans and advances to customers	1,492	25	324,217	-	-	-	325,734
Other financial assets	-	-	11,483	-	-	-	11,483
Due from subsidiaries	-	-	15,587	-	-	-	15,587
Due from holding companies	-	-	718	-	-	-	718
Total financial assets	63,949	122	470,172	27,787	2,849	748	565,627
Other asset items outside the scope of SFRS(I) 9 ^(a)							16,419
Total assets							582,046
Liabilities							
Due to banks	3,009	-	21,078	-	-	-	24,087
Deposits and balances from customers	-	131	387,693	-	-	-	387,824
Derivatives	17,752	-	-	-	-	1,128	18,880
Other financial liabilities	2,106	-	9,961	-	-	-	12,067
Other debt securities	126	10,598	34,342	-	-	-	45,066
Due to holding company	-	-	8,776	-	-	-	8,776
Due to subsidiaries	-	-	34,439	-	-	-	34,439
Total financial liabilities	22,993	10,729	496,289	-	-	1,128	531,139
Other liability items outside the scope of SFRS(I) 9 ^(b)							791
Total liabilities							531,930
2020							
Assets							
Cash and balances with central banks	699	-	37,243	1,446	-	-	39,388
Government securities and treasury bills ^(d)	10,771	45	16,793	9,073	-	-	36,682
Due from banks	10,359	-	33,413	871	-	-	44,643
Derivatives	27,548	-	-	-	-	411	27,959
Bank and corporate securities	16,156	-	25,595	15,926	2,267	-	59,944
Loans and advances to customers	1,120	350	301,117	-	-	-	302,587
Other financial assets	-	-	14,865	-	-	-	14,865
Due from subsidiaries	-	-	19,078	-	-	-	19,078
Due from holding companies	-	-	911	-	-	-	911
Total financial assets	66,653	395	449,015	27,316	2,267	411	546,057
Other asset items outside the scope of SFRS(I) 9 ^(a)							15,222
Total assets							561,279
Liabilities							
Due to banks	298	-	23,288	-	-	-	23,586
Deposits and balances from customers	-	403	349,676	-	-	-	350,079
Derivatives	28,193	-	-	-	-	1,344	29,537
Other financial liabilities	1,297	-	14,787	-	-	-	16,084
Other debt securities	203	8,130	29,748	-	-	-	38,081
Due to holding company	-	-	6,031	-	-	-	6,031
Due to subsidiaries	-	-	48,288	-	-	-	48,288
Total financial liabilities	29,991	8,533	471,818	-	-	1,344	511,686
Other liability items outside the scope of SFRS(I) 9 ^(b)							716
Total liabilities							512,402

(a) Includes investments in subsidiaries, associates and joint ventures, properties and other fixed assets, and deferred tax assets

(b) Includes current tax liabilities and deferred tax liabilities

(c) Includes assets and liabilities that are held for trading and debt-type financial assets that are not SPPI in nature

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Financial assets and liabilities are presented net when there is a legally enforceable right to offset the recognised amounts, and there is intention to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets and liabilities offset on the balance sheet

As at 31 December 2021, “Loans and advances to customers” of \$18 million (2020: \$24 million) were set off against “Deposits and balances from customers” of \$18 million (2020: \$24 million) for the Group because contractually the Group has a legally enforceable right to set off these amounts, and intends to settle the loans and the deposits simultaneously at maturity or termination dates.

Financial assets and liabilities subject to netting agreements but not offset on the balance sheet

The Group enters into master netting arrangements with counterparties where it is appropriate and feasible to do so to mitigate counterparty risk. The credit risk associated with favourable 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. Master netting arrangements do not result in an offset of financial assets and liabilities on the balance sheet, as the legal right to offset the transactions is conditional upon default.

These agreements include derivative master agreements (including the International Swaps and Derivatives Association (ISDA) Master Agreement), global master repurchase agreements and global securities lending agreements. The collaterals received and pledged under these agreements are generally conducted under terms that are in accordance with normal market practice. The agreements may allow rehypothecation of collateral received and there may be ongoing margin requirements to mitigate counterparty risk.

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The disclosures set out in the tables below pertain to financial assets and liabilities that are not offset in the Group's and Bank's balance sheets but are subject to master netting arrangements or similar agreements that cover similar financial instruments. The disclosures enable the understanding of both the gross and net amounts, as well as provide additional information on how such credit risk is mitigated.

In \$ millions	The Group			Related amounts not offset on balance sheet		Net amounts
	Carrying amounts on balance sheet	Not subject to enforceable netting agreement	Net amounts	Financial instruments	Financial collateral received/pledged	
2021						
Financial Assets						
Derivatives	19,706	4,656 ^(a)	15,050	12,957 ^(a)	1,035	1,058
Reverse repurchase agreements	29,466 ^(b)	-	29,466	-	29,444	22
Securities borrowings	64 ^(c)	-	64	-	61	3
Total	49,236	4,656	44,580	12,957	30,540	1,083
Financial Liabilities						
Derivatives	20,416	5,601 ^(a)	14,815	12,957 ^(a)	1,038	820
Repurchase agreements	5,666 ^(d)	-	5,666	-	5,665	1
Securities lendings	41 ^(e)	-	41	-	41	-
Short sale of securities	2,695 ^(f)	2,176	519	-	519	-
Total	28,818	7,777	21,041	12,957	7,263	821
2020						
Financial Assets						
Derivatives	31,116	9,503 ^(a)	21,613	19,631 ^(a)	1,156	826
Reverse repurchase agreements	17,809 ^(b)	-	17,809	-	17,807	2
Securities borrowings	570 ^(c)	-	570	-	550	20
Total	49,495	9,503	39,992	19,631	19,513	848
Financial Liabilities						
Derivatives	33,088	7,674 ^(a)	25,414	19,631 ^(a)	4,648	1,135
Repurchase agreements	8,148 ^(d)	-	8,148	-	8,147	1
Securities lendings	59 ^(e)	-	59	-	53	6
Short sale of securities	1,525 ^(f)	1,338	187	-	187	-
Total	42,820	9,012	33,808	19,631	13,035	1,142

(a) Related amounts under "Financial instruments" are prepared on the same basis as netting arrangements recognised for computation of Capital Adequacy Ratio (CAR) as set out under MAS Notice 637 (unaudited), which incorporates a conservative stance on enforceable netting. Accordingly, the amounts shown under "Not subject to enforceable netting agreement" are those where either no netting agreements exist or where the netting agreements have not been recognised for computation of CAR

(b) Reverse repurchase agreements are presented under separate line items on the balance sheet, namely "Cash and balances with central banks", "Due from banks" and "Loans and advances to customers"

(c) Cash collateral pledged under securities borrowings are presented under "Other assets" on the balance sheet

(d) Repurchase agreements are presented under separate line items on the balance sheet, namely "Due to banks" and "Deposits and balances from customers"

(e) Cash collateral received under securities lendings are presented under "Other liabilities" on the balance sheet

(f) Short sale of securities are presented under "Other liabilities" on the balance sheet

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In \$ millions	Bank		Related amounts not offset on balance sheet			Net amounts
	Carrying amounts on balance sheet	Not subject to enforceable netting agreement	Net amounts	Financial instruments	Financial collateral received/pledged	
2021						
Financial Assets						
Derivatives	18,364	2,517 ^(a)	15,847	13,384 ^(a)	1,076	1,387
Reverse repurchase agreements	29,064 ^(b)	-	29,064	-	29,042	22
Securities borrowings	64 ^(c)	-	64	-	61	3
Total	47,492	2,517	44,975	13,384	30,179	1,412
Financial Liabilities						
Derivatives	18,880	3,470 ^(a)	15,410	13,384 ^(a)	1,131	895
Repurchase agreements	3,901 ^(d)	-	3,901	-	3,900	1
Securities lendings	41 ^(e)	-	41	-	41	-
Total	22,822	3,470	19,352	13,384	5,072	896
2020						
Financial Assets						
Derivatives	27,959	5,379 ^(a)	22,580	20,340 ^(a)	1,156	1,084
Reverse repurchase agreements	17,343 ^(b)	-	17,343	-	17,341	2
Securities borrowings	570 ^(c)	-	570	-	550	20
Total	45,872	5,379	40,493	20,340	19,047	1,106
Financial Liabilities						
Derivatives	29,537	3,414 ^(a)	26,123	20,340 ^(a)	4,648	1,135
Repurchase agreements	5,852 ^(d)	-	5,852	-	5,851	1
Securities lendings	59 ^(e)	-	59	-	53	6
Total	35,448	3,414	32,034	20,340	10,552	1,142

- (a) Related amounts under "Financial instruments" are prepared on the same basis as netting arrangements recognised for computation of Capital Adequacy Ratio (CAR) as set out under MAS Notice 637 (unaudited), which incorporates a conservative stance on enforceable netting. Accordingly, the amounts shown under "Not subject to enforceable netting agreement" are those where either no netting agreements exist or where the netting agreements have not been recognised for computation of CAR
- (b) Reverse repurchase agreements are presented under separate line items on the balance sheet, namely "Cash and balances with central banks", "Due from banks" and "Loans and advances to customers"
- (c) Cash collateral pledged under securities borrowings are presented under "Other assets" on the balance sheet
- (d) Repurchase agreements are presented under separate line items on the balance sheet, namely "Due to banks" and "Deposits and balances from customers"
- (e) Cash collateral received under securities lendings are presented under "Other liabilities" on the balance sheet

14. Cash and Balances with Central Banks

	The Group		Bank	
	2021	2020	2021	2020
Cash on hand	2,140	2,411	1,834	2,139
Non-restricted balances with central banks	44,550	39,791	39,139	30,890
Cash and cash equivalents	46,690	42,202	40,973	33,029
Restricted balances with central banks ^(a)	9,687	8,416	7,715	6,359
Total^{(b)(c)}	56,377	50,618	48,688	39,388

(a) Mandatory balances with central banks

(b) Includes financial assets pledged or transferred (certificates of deposit) of \$563 million (2020: \$542 million) for the Group and \$73 million (2020: \$71 million) for the Bank (See Note 18)

(c) Balances are net of ECL

15. Government Securities and Treasury Bills

In \$ millions	The Group				Total
	Mandatorily at FVPL	FVPL designated	FVOCI	Amortised cost	
2021					
Singapore Government securities and treasury bills (Gross) ^(a)	4,609	-	1,025	5,730	11,364
Other government securities and treasury bills (Gross) ^(b)	7,978	97	16,900	16,927	41,902
Less: ECL ^(c)	-	-	-	4	4
Total	12,587	97	17,925	22,653	53,262
2020					
Singapore Government securities and treasury bills (Gross) ^(a)	5,070	-	1,646	6,892	13,608
Other government securities and treasury bills (Gross) ^(b)	7,526	45	15,724	14,800	38,095
Less: ECL ^(c)	-	-	-	3	3
Total	12,596	45	17,370	21,689	51,700

(a) Includes financial assets pledged or transferred of \$2,092 million (2020: \$1,360 million) (See Note 18)

(b) Includes financial assets pledged or transferred of \$4,327 million (2020: \$8,642 million) (See Note 18)

(c) ECL for FVOCI securities amounting to \$3 million (2020: \$6 million) and not shown in the table, as these securities are recorded at fair value

In \$ millions	Bank				Total
	Mandatorily at FVPL	FVPL designated	FVOCI	Amortised cost	
2021					
Singapore Government securities and treasury bills (Gross) ^(a)	4,609	-	1,024	5,730	11,363
Other government securities and treasury bills (Gross) ^(b)	5,385	97	9,710	11,262	26,454
Less: ECL ^(c)	-	-	-	1	1
Total	9,994	97	10,734	16,991	37,816
2020					
Singapore Government securities and treasury bills (Gross) ^(a)	5,070	-	1,646	6,892	13,608
Other government securities and treasury bills (Gross) ^(b)	5,701	45	7,427	9,902	23,075
Less: ECL ^(c)	-	-	-	1	1
Total	10,771	45	9,073	16,793	36,682

(a) Includes financial assets pledged or transferred of \$2,092 million (2020: \$1,360 million) (See Note 18)

(b) Includes financial assets pledged or transferred of \$2,741 million (2020: \$6,059 million) (See Note 18)

(c) ECL for FVOCI securities amounting to \$1 million (2020: \$1 million) and not shown in the table, as these securities are recorded at fair value

16. Bank and Corporate Securities

In \$ millions	The Group			Total
	Mandatorily at FVPL	FVOCI	Amortised cost	
2021				
Bank and corporate debt securities (Gross) ^(a)	9,844	16,981	27,058	53,883
Less: ECL ^(c)	-	-	95	95
Bank and corporate debt securities	9,844	16,981	26,963	53,788
Equity securities ^(b)	12,969	2,935	-	15,904
Total	22,813	19,916	26,963	69,692
2020				
Bank and corporate debt securities (Gross) ^(a)	8,355	19,080	26,721	54,156
Less: ECL ^(c)	-	-	47	47
Bank and corporate debt securities	8,355	19,080	26,674	54,109
Equity securities ^(b)	8,993	2,354	-	11,347
Total	17,348	21,434	26,674	65,456

(a) Includes financial assets pledged or transferred of \$1,407 million (2020: \$3,305 million) (See Note 18)

(b) Includes financial assets pledged or transferred of \$42 million (2020: Nil) (See Note 18)

(c) ECL for FVOCI securities amounting to \$22 million (2020: \$19 million) are not shown in the table, as these securities are recorded at fair value

	Bank			Total
	Mandatorily at FVPL	FVOCI	Amortised cost	
2021				
Bank and corporate debt securities (Gross) ^(a)	7,681	14,184	25,792	47,657
Less: ECL ^(c)	-	-	77	77
Bank and corporate debt securities	7,681	14,184	25,715	47,580
Equity securities ^(b)	12,951	2,849	-	15,800
Total	20,632	17,033	25,715	63,380
2020				
Bank and corporate debt securities (Gross) ^(a)	7,168	15,926	25,626	48,720
Less: ECL ^(c)	-	-	31	31
Bank and corporate debt securities	7,168	15,926	25,595	48,689
Equity securities ^(b)	8,988	2,267	-	11,255
Total	16,156	18,193	25,595	59,944

(a) Includes financial assets pledged or transferred of \$310 million (2020: \$2,964 million) (See Note 18)

(b) Includes financial assets pledged or transferred of \$42 million (2020: nil) (See Note 18)

(c) ECL for FVOCI securities amounting to \$21 million (2020: \$19 million) are not shown in the table, as these securities are recorded at fair value

17. Loans and Advances to Customers

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Gross	415,072	377,770	330,562	307,804
Less: Specific allowances ^(a)	2,545	2,692	1,922	2,081
General allowances ^(a)	3,534	3,907	2,906	3,136
Net total	408,993	371,171	325,734	302,587
Analysed by product				
Long-term loans	188,483	177,174	143,898	143,141
Short-term facilities	105,593	88,472	89,711	74,071
Housing loans	78,516	74,207	66,172	62,564
Trade loans	42,480	37,917	30,781	28,028
Gross loans	415,072	377,770	330,562	307,804
Analysed by currency				
Singapore dollar	159,305	151,110	159,207	151,038
Hong Kong dollar	49,685	42,289	21,413	19,346
US dollar	121,691	105,656	104,768	92,137
Chinese yuan	19,203	16,824	4,621	4,918
Others	65,188	61,891	40,553	40,365
Gross loans	415,072	377,770	330,562	307,804

(a) Balances refer to ECL under SFRS(I) 9 (Specific allowances: Stage 3 ECL; General allowances: Stage 1 and Stage 2 ECL).

Please refer to Note 42.4 for a breakdown of loans and advances to customers by geography and by industry.

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The table below shows the movements in specific and general allowances for loans and advances to customers during the year.

In \$ millions	The Group					Balance at 31 December
	Balance at 1 January	Charge/ (Write-back) to income statement	Net write-off during the year	Amalgamation of LVB	Exchange and other movements	
2021						
Specific allowances						
Manufacturing	269	173	(97)	-	27	372
Building and construction	138	35	(25)	-	1	149
Housing loans	11	5	(1)	-	#	15
General commerce	564	184	(97)	-	11	662
Transportation, storage and communications	1,369	(102)	(273)	-	(23)	971
Financial institutions, investment and holding companies	23	27	-	-	#	50
Professionals and private individuals (excluding housing loans)	151	108	(143)	-	5	121
Others	167	41	(5)	-	2	205
Total specific allowances	2,692	471	(641)	-	23	2,545
Total general allowances	3,907	(382)	-	-	9	3,534
Total allowances	6,599	89	(641)	-	32	6,079
2020						
Specific allowances						
Manufacturing	296	227	(248)	-	(6)	269
Building and construction	140	17	(17)	-	(2)	138
Housing loans	11	8	(8)	-	#	11
General commerce	313	322	(54)	-	(17)	564
Transportation, storage and communications	1,346	181	(139)	-	(19)	1,369
Financial institutions, investment and holding companies	19	4	-	-	#	23
Professionals and private individuals (excluding housing loans)	138	284	(274)	-	3	151
Others	42	131	(6)	-	#	167
Total specific allowances	2,305	1,174	(746)	-	(41)	2,692
Total general allowances	2,238	1,581	-	95	(7)	3,907
Total allowances	4,543	2,755	(746)	95	(48)	6,599

Amount under \$500,000

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In \$ millions	Bank				Balance at 31 December
	Balance at 1 January	Charge/ (Write-back) to income statement	Net write-off during the year	Exchange and other movements	
2021					
Specific allowances					
Manufacturing	154	42	3	3	202
Building and construction	85	22	(6)	#	101
Housing loans	2	(1)	#	#	1
General commerce	351	104	(12)	6	449
Transportation, storage and communications	1,289	(81)	(220)	(34)	954
Financial institutions, investment and holding companies	23	19	-	#	42
Professionals and private individuals (excluding housing loans)	72	12	(35)	#	49
Others	105	26	(5)	(2)	124
Total specific allowances	2,081	143	(275)	(27)	1,922
Total general allowances	3,136	(229)	-	(1)	2,906
Total allowances	5,217	(86)	(275)	(28)	4,828
2020					
Specific allowances					
Manufacturing	137	56	(32)	(7)	154
Building and construction	80	15	(10)	#	85
Housing loans	3	(1)	-	#	2
General commerce	94	275	(3)	(15)	351
Transportation, storage and communications	1,276	163	(133)	(17)	1,289
Financial institutions, investment and holding companies	19	4	-	#	23
Professionals and private individuals (excluding housing loans)	75	93	(96)	#	72
Others	25	83	(2)	(1)	105
Total specific allowances	1,709	688	(276)	(40)	2,081
Total general allowances	1,743	1,391	-	2	3,136
Total allowances	3,452	2,079	(276)	(38)	5,217

Amount under \$500,000

Included in loans and advances to customers are loans designated at fair value, as follows:

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Fair value designated loans and advances and related credit derivatives				
Maximum credit exposure	25	350	25	350
Credit derivatives – protection bought	(25)	(350)	(25)	(350)
Cumulative change in fair value arising from changes in credit risk	(1)	(8)	(1)	(8)
Cumulative change in fair value of related credit derivatives	1	8	1	8

Changes in fair value arising from changes in credit risk are determined as the amount of change in fair value that is not attributable to changes in market conditions that give rise to market risk. These changes in market conditions include changes in a benchmark interest rate, foreign exchange rate or index of prices or rates.

During the year, the amount of change in the fair value of the loans and advances attributable to credit risk was a gain of \$7 million (2020: gain of \$16 million) for both the Group and Bank. During the year, the amount of change in the fair value of the related credit derivatives was a loss of \$7 million (2020: loss of \$16 million) for both the Group and Bank.

18. Financial Assets Pledged or Transferred

The Group pledges or transfers financial assets to third parties in the ordinary course of business. Transferred assets continue to be recognised in the Group's financial statements when the Group retains substantially all their risks and rewards. Among these, as set out below, are securities pledged or transferred pursuant to repurchase, securities lending or collateral swap agreements and for derivative transactions under credit support agreements.

Derecognised assets that were subject to the Group's partial continuing involvement were not material in 2021 and 2020.

Securities and Certificates of deposit

Securities transferred under repurchase, securities lending or collateral swap arrangements are generally conducted under terms in line with normal market practice. The counterparty is typically allowed to sell or re-pledge the securities but has an obligation to return them at maturity. If the securities decrease in value, the Group may, in certain circumstances, be required to place additional collateral.

For repurchase agreements, the securities pledged or transferred continue to be recorded on the balance sheet while cash received in exchange is recorded as a financial liability. The Group also pledges assets to secure its short position in securities and to facilitate settlement operations. The fair value of the associated liabilities approximates their carrying amount of \$4,488 million (2020: \$5,184 million) for the Group and \$2,205 million (2020: \$2,702 million) for the Bank, which are recorded under "Due to banks", "Deposits and balances from customers" and "Other liabilities" on the balance sheet.

For securities lending and collateral swap transactions, the securities lent continue to be recorded on the balance sheet. As the Group mainly receives other financial assets in exchange, the associated liabilities are not recorded on the balance sheet.

In addition, the Group also pledges securities for derivative transactions under credit support agreements. These assets continue to be recorded on the balance sheet. As the related derivative assets and liabilities are managed on a portfolio basis, there is no direct relationship between the securities pledged and the associated liabilities. As such, the associated liabilities are not disclosed.

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Financial assets pledged or transferred				
Singapore Government securities and treasury bills	2,092	1,360	2,092	1,360
Other government securities and treasury bills	4,327	8,642	2,741	6,059
Bank and corporate debt securities	1,407	3,305	310	2,964
Equity securities	42	-	42	-
Certificates of deposit	563	542	73	71
Total	8,431	13,849	5,258	10,454

Covered bonds

Pursuant to the Bank's Global Covered Bond Programme, selected pools of residential mortgages originated by the Bank have been assigned to a bankruptcy-remote structured entity, Bayfront Covered Bonds Pte Ltd (see Notes 21.2 and 29.4). These residential mortgages continue to be recognised on the Bank's balance sheet as the Bank remains exposed to the risks and rewards associated with them.

As at 31 December 2021, the carrying value of the covered bonds in issue was \$5,689 million (2020: \$4,545 million), while the carrying value of assets assigned was \$9,237 million (2020: \$11,498 million) for both the Group and Bank. The difference in values is attributable to an intended over-collateralisation required to maintain the credit ratings of the covered bonds in issue, and additional assets assigned to facilitate future issuances.

Other financial assets

The Group also enters into structured funding transactions where it retains the contractual rights to receive cash flows of financial assets extended to third parties but assumes a contractual obligation to pay these cash flows under the issued notes. The carrying amounts and fair values of these financial assets and liabilities of the Group and the Bank both amount to \$25 million (2020: \$350 million).

19. Other Assets

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Accrued interest receivable	1,274	1,310	867	931
Deposits and prepayments	584	643	229	220
Receivables from securities business	480	602	-	-
Sundry debtors and others	9,747	10,645	7,371	8,590
Cash collateral pledged ^(a)	3,182	5,671	3,016	5,124
Deferred tax assets (Note 20)	627	624	49	71
Total^(b)	15,894	19,495	11,532	14,936

(a) Mainly relates to cash collateral pledged in respect of derivative portfolios

(b) Balances are net of specific and general allowance

20. Deferred Tax Assets/ Liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority. The deferred tax assets and liabilities are determined after appropriate offsetting, as shown in "Other assets" (Note 19) and "Other liabilities" (Note 28) respectively.

Deferred tax assets and liabilities comprise the following temporary differences:

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Deferred income tax assets				
Allowances for credit and other losses	449	484	66	83
FVOCI financial assets and cash flow hedge reserves	26	12	15	12
Own credit risk	3	1	3	1
Other temporary differences	382	321	81	70
Sub-total	860	818	165	166
Amounts offset against deferred tax liabilities	(233)	(194)	(116)	(95)
Total	627	624	49	71
Deferred income tax liabilities				
Allowances for credit and other losses	62	35	11	12
Accelerated tax depreciation	158	138	113	93
FVOCI financial assets and cash flow hedge reserves	8	54	2	28
Other temporary differences	81	48	27	7
Sub-total	309	275	153	140
Amounts offset against deferred tax assets	(233)	(194)	(116)	(95)
Total	76	81	37	45
Net deferred tax assets	551	543	12	26

21. Subsidiaries and Consolidated Structured Entities

In \$ millions	Bank	
	2021	2020
Investment in subsidiaries ^(a)		
Ordinary shares	12,958	12,782
Due from subsidiaries		
Other receivables	15,587	19,078
Total	28,545	31,860

(a) The carrying amounts of certain investments which are designated as hedged items in a fair value hedge are adjusted for fair value changes attributable to the hedged risks

21.1 Main operating subsidiaries

The main operating subsidiaries within the Group are listed below.

Name of subsidiary	Incorporated in	The Group Effective shareholding %	
		2021	2020
Commercial Banking			
DBS Bank (Hong Kong) Limited*	Hong Kong	100	100
DBS Bank (China) Limited*	China	100	100
DBS Bank (Taiwan) Limited*	Taiwan	100	100
PT Bank DBS Indonesia*	Indonesia	99	99
DBS Bank India Limited*	India	100	100
Other Financial Services			
DBS Vickers Securities Holdings Pte Ltd	Singapore	100	100
DBS Digital Exchange Pte Ltd ^(a)	Singapore	90	100
DBS Securities (China) Co. Ltd*	China	51	-

* Audited by PricewaterhouseCoopers network firms outside Singapore

(a) Subsidiary held by DBS Finnovation Pte Ltd, an investment holding company under DBS Bank Ltd.

The Group's main subsidiaries are regulated banks and non-bank financial institutions. Statutory, contractual or regulatory requirements as well as protective rights of non-controlling interests may restrict the ability of the Bank to access and transfer assets freely to or from other entities within the Group and to settle liabilities of the Group. Since the Group did not have any material non-controlling interests as at the balance sheet dates, any protective rights associated with these did not give rise to significant restrictions in 2020 and 2021.

Please refer to Note 33 for information on non-controlling interests.

21.2 Consolidated structured entity

The structured entity consolidated by the Group is listed below.

Name of entity	Purpose of consolidated structured entity	Incorporated in
Bayfront Covered Bonds Pte Ltd	Covered bond guarantor	Singapore

Bayfront Covered Bonds Pte Ltd is a bankruptcy-remote structured entity established in conjunction with the Bank's USD 10 billion Global Covered Bond Programme (see Note 29.4). As part of the contractual structures that are integral to this programme, the Bank provides funding and hedging facilities to it.

22. Associates and Joint Ventures

In \$ millions	The Group	
	2021	2020
Unquoted equity securities	1,932	835
Share of post-acquisition reserves	240	27
Total	2,172	862

In \$ millions	Bank	
	2021	2020
Unquoted equity securities	1,272	186

The Group's share of income and expenses, assets and liabilities and off-balance sheet items of the associates and joint ventures are as follows:

In \$ millions	The Group	
	2021	2020
Income statement		
Share of income	502	325
Share of expenses	(289)	(264)
Balance sheet		
Share of total assets	4,233	2,554
Share of total liabilities	2,061	1,692
Off-balance sheet		
Share of contingent liabilities and commitments	2,435	#

Amount under \$500,000

22.1 Main associates

The main associates of the Group are listed below.

Name of associate	Incorporated in	The Group	
		Effective shareholding %	
		2021	2020
Unquoted			
Central Boulevard Development Pte Ltd**	Singapore	33.3	33.3
Shenzhen Rural Commercial Bank Corporation Limited* (a) (Note 24.2)	China	13.0	-

* Audited by PricewaterhouseCoopers network firms outside Singapore

** Audited by other auditors

(a) The Group is able to exercise significant influence over the financial and operating policy decision through board representation

As of 31 December 2021 and 31 December 2020, no associate and joint venture was individually material to the Group. As a non-controlling shareholder, the Group's ability to receive dividends is subject to agreement with other shareholders. The associates may also be subject to statutory, contractual or regulatory requirements restricting dividend payments or to repay loans or advances made.

The Group's share of commitments and contingent liabilities of the associates as well as its commitments to finance or otherwise provide resources to them are not material.

23. Unconsolidated Structured Entities

“Unconsolidated structured entities” are structured entities, as defined by SFRS(I) 12, that are not controlled by the Group. In the normal course of business, the Group enters into transactions with these structured entities to facilitate customer transactions and for specific investment opportunities.

While the economic exposures may be the same as those to other type of entities, SFRS(I) 12 specifically requires companies to disclose such exposures arising from transactions with unconsolidated structured entities. The table below reflects exposures to third party securitisation structures where the Group holds an interest in the normal course of business.

As is the case with other types of counterparties, the carrying amount from transactions with unconsolidated structured entities have been included in the Group’s financial statements.

The risks arising from such transactions are subject to the Group’s risk management practices.

The table below represents the Group’s and Bank’s maximum exposure to loss which for on-balance sheet assets and liabilities is represented by the carrying amount, and does not reflect mitigating effects from the availability of netting arrangements and financial instruments that the Group may utilise to economically hedge the risks inherent in third party structured entities, or risk-reducing effects of collateral or other credit enhancements.

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Derivatives	6	142	6	142
Corporate securities	3,704	3,627	3,201	3,198
Loans and advances to customers	9	14	9	14
Other assets	2	3	1	3
Total assets	3,721	3,786	3,217	3,357
Commitments	549	306	549	306
Maximum exposure to loss	4,270	4,092	3,766	3,663
Derivatives	108	10	108	10
Total liabilities	108	10	108	10

SFRS(I) 12 also requires additional disclosures where the Group acts as a sponsor to unconsolidated structured entities. The Group is deemed a sponsor of a structured entity if it plays a key role in establishing the entity, and has an on-going involvement with the structured entity or if the Group’s name appears in the structured entity’s name.

There are certain investment funds where the Group is the fund manager and the investors have no or limited removal rights over the fund manager. These funds are primarily subscribed by the investors. As of 31 December 2021, the Group did not hold any investment in these investment funds. The table below summarises the Group’s and Bank’s involvement in the funds.

In \$ millions	The Group and Bank	
	2021	2020
Total assets of the sponsored structured entities	452	-
Fee income earned from the sponsored structured entities	4	-

24. Acquisitions

24.1 Lakshmi Vilas Bank (LVB)

LVB has been amalgamated with DBS Bank India Limited (DBIL) with effect from 27 November 2020. The scheme of amalgamation is under the special powers of the Government of India and Reserve Bank of India under Section 45 of the Banking Regulation Act, 1949, India. The amalgamation provides stability to LVB's depositors, customers and employees following a period of uncertainty. It complements the Group's digibank strategy with an expanded network of 600 branches and 1,000 ATMs, an additional two million retail and 125,000 non-retail customers, as well as a strengthened deposit franchise.

The provisional goodwill from amalgamation of LVB was finalised at \$190 million (2020: \$153 million) in November 2021, being the difference between the fair value of its assets and liabilities of \$3.89 billion (2020: \$3.89 billion) and \$4.08 billion (2020: \$4.04 billion) respectively. The \$37 million increase reflects the increase in fair values of pension and gratuity liabilities as of the acquisition date based on the updated actuary report. As at 26 November 2020, total loans transferred amounted to \$2.12 billion, including net non-performing loans of \$212 million and total deposits transferred amounted to \$3.60 billion.

24.2 Shenzhen Rural Commercial Bank Corporation Limited

The Group announced on 20 April 2021 that it had entered into an agreement and have obtained approvals from Monetary Authority of Singapore and China Banking and Insurance Regulatory Commission, Shenzhen Office to subscribe for a 13% stake in Shenzhen Rural Commercial Bank Corporation Limited ("SZRCB") for CNY5.3 billion (\$1.1 billion) ("the Investment"). The purchase consideration was adjusted to CNY5.2 billion (\$1.1 billion) following the dividend distribution of CNY10 cents per share by SZRCB in May 2021.

The Investment is classified as an associate and applies the equity method of accounting. The Group is able to exercise significant influence over the financial and operating policy decision through board representation.

The transaction was completed in October 2021 and a gain of \$104 million was recognised, being the excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of investment. The gain is included in the Group's share of profits and losses of associates during the year. The Investment is in line with the Group's strategy of investing in its core markets and accelerates its expansion in the rapidly growing Greater Bay Area.

25. Properties and Other Fixed Assets

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Owned properties and other fixed assets				
Investment properties	40	42	31	29
Owner-occupied properties	423	429	57	65
Software ^(a)	1,042	916	849	726
Other fixed assets	380	392	218	221
	1,885	1,779	1,155	1,041
Right-of-use assets				
Properties	1,261	1,425	603	745
Other fixed assets	116	134	48	63
	1,377	1,559	651	808
Total	3,262	3,338	1,806	1,849

(a) During the year, the additions to software were \$399 million (2020: \$377 million) for the Group and \$333 million (2020: \$310 million) for the Bank; disposals/write-offs were \$21 million (2020: \$44 million) for the Group and \$16 million (2020: \$33 million) for the Bank; and depreciation expenses were \$261 million (2020: \$236 million) for the Group and \$193 million (2020: \$170 million) for the Bank

26. Goodwill and Intangibles

The carrying amounts of the Group's and Bank's goodwill and intangibles arising from business acquisitions are as follows:

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
DBS Bank (Hong Kong) Limited	4,631	4,631	-	-
Others ^(a)	731	692	334	334
Total	5,362	5,323	334	334

(a) 2021 balance for the Group includes goodwill relating to LVB of \$192 million (2020: \$153 million) following the amalgamation with DBS Bank India Limited

The carrying amounts of the CGUs are reviewed at least once a year to determine if the goodwill associated with them should be impaired. If a CGU's carrying amount exceeds its recoverable value, a goodwill impairment charge is recognised in the income statement.

The recoverable value is determined based on a value-in-use calculation. The CGU's five-year projected free cash flows, after taking into account the maintenance of capital adequacy requirements at target levels, are discounted by its cost of capital to derive its present value. To derive the value beyond the fifth year, a long-term growth rate is imputed to the fifth-year cash flow and then discounted by the cost of capital to derive the terminal value. The long-term growth rate used does not exceed the historical long-term growth rate of the market the CGU operates in. The recoverable value is the sum of the present value of the five-year cash flows and the terminal value.

A growth rate of 3.5% (2020: 3.5%) and discount rate of 9.0% (2020: 9.0%) were assumed in the value-in-use calculation for DBS Bank (Hong Kong) Limited's franchise.

The process of evaluating goodwill impairment involves management judgement and prudent estimates of various factors including future cash flows as well as the cost of capital and long-term growth rates. The results can be highly sensitive to the assumptions used. Key assumptions used to determine the recoverable amounts of the CGU, including growth rate and discount rate, are tested for sensitivity by applying a reasonably possible change to those assumptions. The reasonably possible changes in key assumptions did not result in an impairment of goodwill at 31 December 2021.

27. Deposits and Balances from Customers

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Analysed by currency				
Singapore dollar	219,838	204,469	219,293	203,866
US dollar	174,338	152,799	134,759	115,511
Hong Kong dollar	31,067	38,924	4,847	5,239
Chinese yuan	20,995	16,182	2,115	1,225
Others	55,721	52,476	26,810	24,238
Total	501,959	464,850	387,824	350,079
Analysed by product				
Savings accounts	221,908	195,802	173,173	152,149
Current accounts	159,453	142,029	131,888	111,317
Fixed deposits	113,731	123,583	77,773	84,521
Other deposits	6,867	3,436	4,990	2,092
Total	501,959	464,850	387,824	350,079

28. Other Liabilities

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Cash collateral received ^(a)	1,951	2,976	1,772	2,865
Accrued interest payable	236	351	95	187
Provision for loss in respect of off-balance sheet credit exposures	344	410	310	342
Payable in respect of securities business	365	487	-	-
Sundry creditors and others ^(b)	10,453	13,718	7,029	10,475
Lease liabilities ^(c)	1,522	1,704	755	918
Current tax liabilities	952	735	754	671
Short sale of securities	2,695	1,525	2,106	1,297
Deferred tax liabilities (Note 20)	76	81	37	45
Total	18,594	21,987	12,858	16,800

(a) Mainly relates to cash collateral received in respect of derivative portfolios

(b) Includes income received in advance of \$960 million (2020: \$1,066 million) and \$730 million (2020: \$811 million) for the Group and Bank respectively arising from a 15-year regional distribution agreement entered with Manulife Financial Asia Limited, to be amortised on a straight-line basis. \$107 million (2020: \$107 million) and \$81 million (2020: \$81 million) of the Manulife income received in advance was recognised as fee income during the year for the Group and Bank respectively. The regional distribution agreement was extended to 1 more year to 2031 via a contract addendum in 2021. The revised amortizations amounting to \$96 million and \$73 million per annum arising from the change for the Group and Bank respectively will take effect from 2022

(c) Total lease payments made during the year amounted to \$261 million (2020: \$258 million) and \$121 million (2020: \$123 million) for the Group and Bank respectively

29. Other Debt Securities

In \$ millions	Note	The Group		Bank	
		2021	2020	2021	2020
Negotiable certificates of deposit	29.1	4,865	3,738	3,217	3,209
Senior medium term notes	29.2	1,141	2,052	967	1,445
Commercial papers	29.3	24,595	20,751	24,595	20,751
Covered bonds	29.4	5,689	4,545	5,689	4,545
Other debt securities	29.5	10,611	8,143	10,598	8,131
Total		46,901	39,229	45,066	38,081
Due within 1 year		35,937	30,614	34,276	29,475
Due after 1 year ^(a)		10,964	8,615	10,790	8,606
Total		46,901	39,229	45,066	38,081

(a) Includes instruments in perpetuity

29.1 Negotiable certificates of deposit issued and outstanding are as follows:

In \$ millions	Currency	Interest Rate and Interest Frequency	The Group		Bank	
			2021	2020	2021	2020
Issued by the Bank and other subsidiaries						
AUD		0.03% to 0.33%, payable on maturity	3,119	3,209	3,119	3,209
CNY		2.42% to 2.84%, payable on maturity	1,648	79	-	-
HKD		3.8% to 3.83%, payable annually	-	37	-	-
HKD		Zero-coupon, payable on maturity	-	341	-	-
INR		Zero-coupon, payable on maturity	-	72	-	-
TWD		0.42%, payable on maturity	98	-	98	-
Total			4,865	3,738	3,217	3,209

The outstanding negotiable certificates of deposit as at 31 December 2021 were issued between 5 July 2021 and 30 December 2021 (2020: 16 March 2011 and 30 December 2020) and mature between 4 January 2022 and 20 October 2022 (2020: 4 January 2021 and 25 June 2021).

29.2 Senior medium term notes issued and outstanding are as follows:

In \$ millions	Currency	Interest Rate and Interest Frequency	The Group		Bank	
			2021	2020	2021	2020
Issued by the Bank and other subsidiaries						
AUD		Floating rate note, payable quarterly	686	1,425	686	1,425
CNY		4.55% to 4.7%, payable annually	174	607	-	-
SGD		Floating rate note, payable quarterly	-	20	-	20
USD		1.49%, payable semi-annually	281	-	281	-
Total			1,141	2,052	967	1,445

The outstanding senior medium term notes as at 31 December 2021 were issued between 13 September 2019 and 26 October 2021 (2020: 18 July 2018 and 14 May 2020) and mature between 13 September 2022 and 26 October 2026 (2020: 14 May 2021 and 13 September 2022).

29.3 The commercial papers were issued by the Bank under its USD 5 billion Euro Commercial Paper Programme and USD 20 billion US Commercial Paper Programme. These are mainly zero-coupon papers. The outstanding notes as at 31 December 2021 were issued between 6 July 2021 and 31 December 2021 (2020: 11 June 2020 and 22 December 2020) and mature between 5 January 2022 and 9 September 2022 (2020: 4 January 2021 and 7 June 2021).

29.4 The covered bonds were issued by the Bank under its USD 10 billion Global Covered Bond Programme. A covered bond is a senior obligation of the Bank backed by a cover pool comprising assets that have been ring-fenced via contractual structures in a bankruptcy-remote structured entity, Bayfront Covered Bonds Pte Ltd. Bayfront Covered Bonds Pte Ltd provides an unconditional and irrevocable guarantee, which is secured by the cover pool, to the covered bond holders. Please refer to Note 18 for further details on the covered bonds.

The outstanding covered bonds as at 31 December 2021 were issued between 23 January 2017 and 17 November 2021 (2020: 23 January 2017 and 25 October 2019) and mature between 25 October 2022 and 26 October 2026 (2020: 27 November 2021 and 21 November 2024).

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29.5 Other debt securities issued and outstanding as at 31 December are as follows:

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Issued by the Bank and other subsidiaries				
Equity linked notes	4,929	2,641	4,925	2,638
Credit linked notes	2,826	2,550	2,826	2,550
Interest linked notes	2,809	2,891	2,809	2,891
Foreign exchange linked notes	38	52	38	52
Fixed rate bonds	9	9	-	-
Total	10,611	8,143	10,598	8,131

The outstanding securities (excluding perpetual securities) as at 31 December 2021 were issued between 1 March 2013 and 31 December 2021 (2020: 10 February 2012 and 31 December 2020) and mature between 3 January 2022 and 31 March 2061 (2020: 4 January 2021 and 28 October 2060).

30. Share Capital

	The Group and Bank			
	Shares ('000)		In \$ millions	
	2021	2020	2021	2020
Ordinary shares				
Balance at 1 January	2,626,196	2,626,196	24,452	23,653
Redemption of preference shares (Note 30.1)	-	-	-	799
Balance at 31 December	2,626,196	2,626,196	24,452	24,452
Non-cumulative preference shares				
Balance at 1 January				
S\$800m 4.70% Non-Cumulative, Non-Convertible, Non-Voting Preference Shares				
Callable in 2021 (Note 30.1)	-	8,000	-	799
Redemption of preference shares (Note 30.1)	-	(8,000)	-	(799)
Balance at 31 December	-	-	-	-
Issued share capital at 31 December			24,452	24,452

30.1 The preference shares were issued on 22 November 2010 with a liquidation preference of \$100 each. Dividends, if declared by the Board of Directors of the Bank, are payable semi-annually on 22 May and 22 November each year at 4.70% per annum. They are redeemable on 22 November 2021 or on any date thereafter. The preference shares are in the first instance ineligible as capital instruments under Basel III rules as they lack provisions for conversion to ordinary shares or write-off at the point of non-viability as determined by the Monetary Authority of Singapore, but are accorded partial eligibility as Additional Tier 1 capital (subject to a cap) for calculating capital adequacy ratios under the Basel III transitional arrangements for capital instruments issued prior to 1 January 2013. The preference shares were fully redeemed, out of distributable profits, on 23 November 2020 (Note 32). The redemption amount was credited to ordinary share capital.

31. Other Equity Instruments

The following perpetual capital securities issued by the Bank are classified as other equity instruments. These instruments are subordinated to all liabilities of the Bank and senior only to ordinary shareholders of the Bank. Their terms require them to be written-off if and when the Monetary Authority of Singapore notifies the Bank that a write-off of the instruments, or a public sector injection of capital (or equivalent support), is necessary, without which the Group or the DBSH Group (DBSH and its subsidiaries) would become non-viable. These instruments qualify as Additional Tier 1 capital under MAS Notice 637.

In \$ millions	Note	Issue Date	Distribution Payment	The Group and Bank	
				2021	2020
Issued by the Bank					
SGD 550m 3.85% Non-Cumulative, Non-Convertible Perpetual Capital Securities First Callable in 2021	31.1	1 Sep 2016	Sep	-	550
USD 185m 4.0% Non-Cumulative, Non-Convertible Perpetual Capital Securities First Callable in 2021	31.2	1 Sep 2016	Sep	-	252
USD 750m 3.60% Non-Cumulative, Non-Convertible Perpetual Capital Securities First Callable in 2021	31.3	7 Sep 2016	Mar/ Sep	-	1,011
SGD 1,000m 3.98% Non-Cumulative, Non-Convertible Perpetual Capital Securities First Callable in 2025	31.4	12 Sep 2018	Mar/ Sep	1,000	1,000
USD 1,000m 3.30% Non-Cumulative, Non-Convertible Perpetual Capital Securities First Callable in 2025	31.5	27 Feb 2020	Feb/ Aug	1,396	1,396
Total				2,396	4,209

31.1 Distributions are payable at 3.85% per annum up to 1 September 2021. Thereafter, the distribution rate resets every 5 years to the then-prevailing five-year Singapore Dollar Swap Offer Rate plus 2.13% per annum. Distributions are paid annually on 1 September each year, unless cancelled by the Bank. The capital securities were fully redeemed on 1 September 2021.

31.2 Distributions are payable at 4.0% per annum up to 1 September 2021. Thereafter, the distribution rate resets every 5 years to the then-prevailing five-year US Dollar Swap Rate plus 2.84% per annum. Distributions are paid annually on 1 September each year, unless cancelled by the Bank. The capital securities were fully redeemed on 1 September 2021.

31.3 Distributions are payable at 3.60% per annum up to 7 September 2021. Thereafter, the distribution rate resets every 5 years to the then-prevailing five-year US Dollar Swap Rate plus 2.39% per annum. Distributions are paid semi-annually on 7 March and 7 September each year, unless cancelled by the Bank. The capital securities were fully redeemed on 7 September 2021.

31.4 Distributions are payable at 3.98% per annum up to 12 September 2025. Thereafter, the distribution rate resets every 7 years to the then-prevailing seven-year Singapore Dollar Swap Offer Rate plus 1.65% per annum. Distributions are paid semi-annually on 12 March and 12 September each year, unless cancelled by the Bank. The capital securities are redeemable on 12 September 2025 or on any distribution payment date thereafter.

31.5 Distributions are payable at 3.30% per annum up to 27 February 2025. Thereafter, the distribution rate resets every 5 years to the then-prevailing five-year US Dollar Treasury Rate plus 1.915% per annum. Distributions are paid semi-annually on 27 February and 27 August each year, unless cancelled by the Bank. The capital securities are redeemable on 27 February 2025 or on any distribution payment date thereafter.

32. Other Reserves and Revenue Reserves

32.1 Other reserves

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
FVOCI revaluation reserves (bonds)	(68)	385	(79)	281
FVOCI revaluation reserves (equities)	(54)	(139)	(114)	(190)
Cash flow hedge reserves	(242)	312	(187)	245
General reserves	95	95	-	-
Capital reserves	(334)	(691)	(45)	(72)
Other reserves	3	-	-	-
Total	(600)	(38)	(425)	264

Movements in other reserves for the Group during the year are as follows:

In \$ millions	The Group						Total
	FVOCI revaluation reserves (bonds)	FVOCI revaluation reserves (equities)	Cash flow hedge reserves	General reserves	Capital reserves ^(a)	Other reserves	
2021							
Balance at 1 January	385	(139)	312	95	(691)	-	(38)
Net exchange translation adjustments	-	-	-	-	357	-	357
Share of associates' reserves	-	2	10	-	-	-	12
FVOCI financial assets and cash flow hedge movements:							
- net valuation taken to equity	(313)	128	(424)	-	-	-	(609)
- transferred to income statement	(163)	-	(183)	-	-	-	(346)
- taxation relating to components of other comprehensive income	23	(6)	43	-	-	-	60
Transfer to revenue reserves upon disposal of FVOCI equities	-	(39)	-	-	-	-	(39)
Capital contribution from non-controlling interests	-	-	-	-	-	3	3
Balance at 31 December	(68)	(54)	(242)	95	(334)	3	(600)
2020							
Balance at 1 January	88	(7)	100	95	(625)	-	(349)
Net exchange translation adjustments	-	-	-	-	(66)	-	(66)
Share of associates' reserves	-	-	(11)	-	-	-	(11)
FVOCI financial assets and cash flow hedge movements:							
- net valuation taken to equity	788	(235)	363	-	-	-	916
- transferred to income statement	(476)	-	(130)	-	-	-	(606)
- taxation relating to components of other comprehensive income	(15)	10	(10)	-	-	-	(15)
Transfer to revenue reserves upon disposal of FVOCI equities	-	93	-	-	-	-	93
Balance at 31 December	385	(139)	312	95	(691)	-	(38)

(a) Capital reserves include net exchange translation adjustments arising from translation differences on net investments in foreign subsidiaries, associates and joint ventures and branches or units with non-SGD functional currency, and the related foreign currency financial instruments designated as a hedge

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Movements in other reserves for the Bank during the year are as follows:

In \$ millions	FVOCI revaluation reserves (bonds)	FVOCI revaluation reserves (equities)	Bank		Total
			Cash flow hedge reserves	Capital reserves ^(a)	
2021					
Balance at 1 January	281	(190)	245	(72)	264
Net exchange translation adjustments	-	-	-	27	27
FVOCI financial assets and cash flow hedge movements:					
- net valuation taken to equity	(280)	117	(298)	-	(461)
- transferred to income statement	(97)	-	(152)	-	(249)
- taxation relating to components of other comprehensive income	17	(6)	18	-	29
Transfer to revenue reserves upon disposal of FVOCI equities	-	(35)	-	-	(35)
Balance at 31 December	(79)	(114)	(187)	(45)	(425)
2020					
Balance at 1 January	59	(38)	76	(59)	38
Net exchange translation adjustments	-	-	-	(13)	(13)
FVOCI financial assets and cash flow hedge movements:					
- net valuation taken to equity	611	(250)	268	-	629
- transferred to income statement	(378)	-	(100)	-	(478)
- taxation relating to components of other comprehensive income	(11)	10	1	-	-
Transfer to revenue reserves upon disposal of FVOCI equities	-	88	-	-	88
Balance at 31 December	281	(190)	245	(72)	264

(a) Capital reserves include net exchange translation adjustments arising from translation differences on net investments in foreign branches or units with non-SGD functional currency and the related foreign currency instruments designated as a hedge

32.2 Revenue reserves

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Balance at 1 January	26,360	25,235	19,952	19,425
Redemption of perpetual capital securities	6	-	6	-
Redemption of preference shares (Note 30.1)	-	(800)	-	(800)
Net profit attributable to shareholders	6,781	4,754	5,875	4,151
Other comprehensive income attributable to shareholders				
- Transfer from FVOCI revaluation reserves upon disposal of FVOCI equities	39	(93)	35	(88)
- Fair value change from own credit risk on financial liabilities designated at fair value (net of tax)	(32)	25	(32)	25
- Defined benefit plans remeasurements (net of tax)	(11)	-	-	-
Other movements	(13)	-	-	-
Sub-total	33,130	29,121	25,836	22,713
Less: Dividends paid to holding company	2,143	2,723	2,143	2,723
Dividends paid on preference shares	-	38	-	38
Balance at 31 December ^(a)	30,987	26,360	23,693	19,952

(a) Singapore banks are required to maintain a Minimum Regulatory Loss Allowance (MRLA) of at least 1% of the gross carrying amount of selected credit exposures net of collaterals per MAS Notice 612. For periods where Stage 1 and 2 ECL fall below MRLA, the shortfall is appropriated from retained earnings in the shareholders' funds into a non-distributable Regulatory Loss Allowance Reserve (RLAR) account. The RLAR for Group and Bank were nil as at 31 December 2021 (2020: Nil)

33. Non-controlling Interests

The following instruments issued by subsidiaries of the Group are classified as non-controlling interests. These instruments have a deeply subordinated claim on the issuing entity's assets in the event of a liquidation.

In \$ millions	Note	Issue Date	Liquidation Preference	Distribution Payment	The Group	
					2021	2020
Issued by Heedum Pte Ltd S\$344m 1.6% Perpetual Subordinated Loan		12 Nov 2015		Nov	344	344
Issued by DBS Bank (Taiwan) Ltd TW\$8,000m 2.279% Non-Cumulative and Perpetual Preferred Shares	33.1	20 Jan 2015			391	376
Issued by DBS Bank (Hong Kong) Limited HK\$1,400m 3.9% Non-Cumulative Preference Shares		13 Oct 2016	HK\$ 10,000,000	Mar	243	239
Non-controlling interests in Subsidiaries					187	17
Total					1,165	976

33.1 The preferred shares have an annual dividend rate of 4.0% from 20 January 2015 to (but excluding) 20 January 2020, and 2.279% from 20 January 2020.

34. Contingent Liabilities and Commitments

The Group issues guarantees, performance bonds and indemnities in the ordinary course of business. 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 the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amount.

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Guarantees on account of customers	22,855	18,530	22,327	18,480
Letters of credit and other obligations on account of customers	11,224	10,786	8,625	8,039
Undrawn credit commitments ^(a)	330,914	305,141	270,813	249,491
Forward starting transactions	501	1,823	941	1,833
Undisbursed and underwriting commitments in securities	537	3	491	3
Sub-total	366,031	336,283	303,197	277,846
Capital commitments	72	15	63	7
Total	366,103	336,298	303,260	277,853
Analysed by industry (excluding capital commitments)				
Manufacturing	56,053	50,508	43,318	39,134
Building and construction	30,096	27,232	24,971	23,804
Housing loans	8,541	6,852	8,140	6,461
General commerce	55,336	50,592	43,429	40,721
Transportation, storage and communications	19,892	17,630	16,256	14,133
Financial institutions, investment and holding companies	40,027	34,416	37,362	30,726
Professionals and private individuals (excluding housing loans)	123,249	116,951	100,372	95,067
Others	32,837	32,102	29,349	27,800
Total	366,031	336,283	303,197	277,846
Analysed by geography^(b) (excluding capital commitments)				
Singapore	145,379	136,869	145,206	136,871
Hong Kong	62,373	55,399	32,200	26,856
Rest of Greater China	47,738	38,228	24,896	17,179
South and Southeast Asia	29,963	31,442	25,685	25,933
Rest of the World	80,578	74,345	75,210	71,007
Total	366,031	336,283	303,197	277,846

(a) Include commitments that are unconditionally cancellable at any time by the Group (2021: \$264,953 million; 2020: \$251,200 million) and Bank (2021: \$210,248 million; 2020: \$199,943 million)

(b) Based on the location of incorporation of the counterparty or borrower

35. Financial Derivatives

Financial derivatives are financial instruments whose characteristics are derived from the underlying assets, or from interest and exchange rates or indices. These include forwards, swaps, futures and options. The following sections outline the nature and terms of the most common types of derivatives used by the Group.

Interest rate derivatives

Forward rate agreements give the buyer the ability to determine the underlying rate of interest for a specified period commencing on a specified future date (the settlement date). There is no exchange of principal and settlement is effected on the settlement date. The settlement amount is the difference between the contracted rate and the market rate prevailing on the settlement date.

Interest rate swaps involve the exchange of interest obligations with a counterparty for a specified period without exchanging the underlying (or notional) principal.

Interest rate futures are exchange-traded agreements to buy or sell a standard amount of a specified fixed income security or time deposit at an agreed interest rate on a standard future date.

Interest rate options give the buyer on payment of a premium the right, but not the obligation, to fix the rate of interest on a future deposit or loan, for a specified period and commencing on a specified future date.

Interest rate caps and floors give the buyer the ability to fix the maximum or minimum rate of interest. There is no facility to deposit or draw down funds, instead the writer pays to the buyer the amount by which the market rate exceeds or is less than the cap rate or the floor rate respectively. This category includes combinations of interest rate caps and floors, which are known as interest rate collars.

Foreign exchange derivatives

Forward foreign exchange contracts are agreements to buy or sell fixed amounts of currency at agreed rates of exchange on a specified future date.

Cross currency swaps are agreements to exchange, and on termination of the swap, re-exchange principal amounts denominated in different currencies. Cross currency swaps may involve the exchange of interest payments in one specified currency for interest payments in another specified currency for a specified period.

Currency options give the buyer, on payment of a premium, the right but not the obligation, to buy or sell specified amounts of currency at agreed rates of exchange on or before a specified future date.

Equity derivatives

Equity options give the buyer, on payment of a premium, the right but not the obligation, either to purchase or sell a specified stock or stock index at a specified price or level on or before a specified date.

Equity swaps involve the exchange of a set of payments whereby one of these payments is based on an equity-linked return while the other is typically based on an interest reference rate.

Credit derivatives

Credit default swaps involve the transfer of credit risk of a reference asset from the protection buyer to the protection seller. The protection buyer makes one or more payments to the seller in exchange for an undertaking by the seller to make a payment to the buyer upon the occurrence of a predefined credit event.

Commodity derivatives

Commodity contracts are agreements between two parties to exchange cash flows which are dependent on the price of the underlying physical assets.

Commodity futures are exchange-traded agreements to buy or sell a standard amount of a commodity at an agreed price on a standard future date.

Commodity options give the buyer, on payment of a premium, the right but not the obligation, to buy or sell a specific amount of commodity at an agreed contract price on or before a specified date.

35.1 Trading derivatives

Most of the Group's derivatives relate to sales and trading activities. Sales activities include the structuring and marketing of derivatives to customers to enable them to take, transfer, modify or reduce current or expected risks. Trading activities are entered into principally for dealer's margin or for the purpose of generating a profit from short-term fluctuations in price.

Trading includes mainly market-making and warehousing to facilitate customer orders. Market-making involves quoting bid and offer prices to other market participants with the intention of generating revenues based on spread and volume. Warehousing involves holding on to positions in order to liquidate in an orderly fashion with timing of unwinding determined by market conditions and traders' views of markets as they evolve.

35.2 Hedging derivatives

The accounting treatment of the hedge derivative transactions varies according to the nature of the hedge and whether the hedge meets the specified criteria to qualify for hedge accounting. Derivatives transacted as economic hedges but do not qualify for hedge accounting are treated in the same way as derivative instruments held for trading purposes.

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Please refer to Note 37 for more details on derivatives used for hedging.

The following table summarises the contractual or underlying principal amounts of derivative financial instruments held or issued for trading and hedging purposes outstanding at balance sheet date. They do not represent amounts at risk.

In the financial statements, trading derivative financial instruments are revalued on a gross position basis and the unrealised gains or losses are reflected as derivative assets or derivative liabilities. Derivative assets and liabilities arising from different transactions are only offset if the transactions are done with the same counterparty, a legal right of offset exists, and the parties intend to settle the cash flows on a net basis. There were no offset of derivative assets and liabilities in 2021 and 2020.

In \$ millions	The Group					
	Underlying notional	2021		2020		
		Assets	Liabilities	Underlying notional	Assets	Liabilities
Derivatives held for trading						
Interest rate derivatives						
Forward rate agreements	11,938	63	69	28,403	13	21
Interest rate swaps	1,301,861	9,102	9,008	1,045,373	14,611	14,009
Interest rate futures	20,306	15	3	2,872	#	49
Interest rate options	10,029	190	172	9,570	153	255
Interest rate caps/ floors	37,985	800	1,147	37,614	832	1,294
Sub-total	1,382,119	10,170	10,399	1,123,832	15,609	15,628
Foreign exchange (FX) derivatives						
FX contracts	510,398	3,406	3,560	574,608	7,281	8,488
Currency swaps	222,836	3,852	3,369	233,691	6,366	5,742
Currency options	72,669	237	288	92,783	606	772
Sub-total	805,903	7,495	7,217	901,082	14,253	15,002
Equity derivatives						
Equity options and others	16,451	350	1,106	7,732	143	282
Equity swaps	5,776	445	137	4,723	122	248
Sub-total	22,227	795	1,243	12,455	265	530
Credit derivatives						
Credit default swaps and others	24,265	351	222	29,133	240	394
Sub-total	24,265	351	222	29,133	240	394
Commodity derivatives						
Commodity contracts	1,406	29	23	2,094	183	38
Commodity futures	1,721	21	16	956	34	35
Commodity options	703	5	7	1,447	11	15
Sub-total	3,830	55	46	4,497	228	88
Total derivatives held for trading	2,238,344	18,866	19,127	2,070,999	30,595	31,642
Derivatives held for hedging						
Interest rate swaps held for fair value hedge	11,398	64	255	13,181	124	555
Interest rate swaps held for cash flow hedge	20,477	19	287	2,245	4	111
FX contracts held for cash flow hedge	6,743	69	44	5,645	107	55
FX contracts held for hedge of net investment	6,739	43	9	283	8	-
Currency swaps held for fair value hedge	425	1	17	1,080	4	70
Currency swaps held for cash flow hedge	23,034	635	677	18,488	274	648
Currency swaps held for hedge of net investment	2,055	9	-	2,022	-	7
Total derivatives held for hedging	70,871	840	1,289	42,944	521	1,446
Total derivatives	2,309,215	19,706	20,416	2,113,943	31,116	33,088
Impact of netting arrangements recognised for computation of Capital Adequacy Ratio (CAR)(unaudited)						
		(12,957)	(12,957)		(19,631)	(19,631)
		6,749	7,459		11,485	13,457
Of which: derivatives with holding company	5,991	25	98	5,239	8	184

Amount under \$500,000

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In \$ millions	Bank					
	Underlying notional	2021		Underlying notional	2020	
		Assets	Liabilities		Assets	Liabilities
Derivatives held for trading						
Interest rate derivatives						
Forward rate agreements	11,450	57	68	28,298	13	18
Interest rate swaps	1,055,008	8,547	8,367	907,696	13,741	12,955
Interest rate futures	20,096	14	3	2,807	#	49
Interest rate options	10,025	190	172	9,570	153	255
Interest rate caps/ floors	37,894	800	1,147	37,537	832	1,294
Sub-total	1,134,473	9,608	9,757	985,908	14,739	14,571
Foreign exchange (FX) derivatives						
FX contracts	467,324	2,947	3,005	492,978	5,592	6,414
Currency swaps	215,630	3,679	3,282	224,404	6,006	5,607
Currency options	62,062	193	199	73,453	480	592
Sub-total	745,016	6,819	6,486	790,835	12,078	12,613
Equity derivatives						
Equity options	16,427	350	1,106	7,719	143	282
Equity swaps	5,776	445	137	4,725	122	248
Sub-total	22,203	795	1,243	12,444	265	530
Credit derivatives						
Credit default swaps and others	23,737	339	220	28,862	238	391
Sub-total	23,737	339	220	28,862	238	391
Commodity derivatives						
Commodity contracts	1,467	29	23	2,094	183	38
Commodity futures	1,721	21	16	956	34	35
Commodity options	703	5	7	1,447	11	15
Sub-total	3,891	55	46	4,497	228	88
Total derivatives held for trading	1,929,320	17,616	17,752	1,822,546	27,548	28,193
Derivatives held for hedging						
Interest rate swaps held for fair value hedge	10,512	57	245	10,885	116	509
Interest rate swaps held for cash flow hedge	15,278	19	225	2,245	4	111
FX contracts held for fair value hedge	589	-	5	283	8	-
FX contracts held for cash flow hedge	4,381	69	14	2,323	18	38
FX contracts held for hedge of net investment	6,150	43	4	-	-	-
Currency swaps held for fair value hedge	425	1	17	1,080	4	70
Currency swaps held for cash flow hedge	21,007	550	618	16,966	261	609
Currency swaps held for hedge of net investment	2,055	9	-	2,022	-	7
Total derivatives held for hedging	60,397	748	1,128	35,804	411	1,344
Total derivatives	1,989,717	18,364	18,880	1,858,350	27,959	29,537
Impact of netting arrangements recognised for computation of Capital Adequacy Ratio (CAR)(unaudited)						
		(13,384)	(13,384)		(20,340)	(20,340)
		4,980	5,496		7,619	9,197
Of which: derivatives with subsidiaries and holding company	92,685	856	585	71,673	1,016	944

Amount under \$500,000

The derivative financial instruments are mainly booked in Singapore. The Group manages its credit exposures by entering into master netting and collateral agreements with most of these counterparties. For those arrangements that comply with the regulatory requirements as set out in MAS Notice 637, the Group recognises the netting arrangements in the computation of its Capital Adequacy Ratios.

36 Interest Rate Benchmark Reform

In March 2021, the UK Financial Conduct Authority (FCA) announced the dates on which LIBOR would be discontinued. All GBP, CHF, EUR, JPY London Interbank Offered Rate (LIBOR) settings and the one-week and two-month USD LIBOR settings would lose representativeness or discontinue after 31 December 2021. The remaining USD LIBOR settings would lose representativeness or discontinue after 30 June 2023. In Singapore, as announced by the Steering Committee for SOR & SIBOR Transition to SORA (SC-STs) on 31 March 2021, Singapore Swap Offer Rate (SOR), which relies on USD LIBOR in its computation, would similarly be discontinued immediately after 30 June 2023 across all settings. The Singapore Interbank Offered Rate (SIBOR) would discontinue by end-2024, with 6-month SIBOR being discontinued immediately after 31 March 2022.

The Group's main interest rate benchmark exposures are USD LIBOR, SOR and SIBOR. USD LIBOR will be replaced by USD Secured Overnight Financing Rate (SOFR) while the replacement benchmark rate for SOR and SIBOR is-Singapore Overnight Rate Average (SORA).

Changes in contractual cash flows of financial instruments

As described in Note 2.3, the Group adopted 'Phase 2' amendments on 1 January 2021. The 'Phase 2' amendments provide practical expedients that require changes in the contractual cash flows of financial instruments that result solely from IBOR reform and are economically equivalent to be accounted for by updating the effective interest rate, rather than recognising an immediate gain or loss in the income statement.

Hedge accounting

The SFRS(I) 9 requirements in respect of hedge accounting were amended in two phases. The first set of amendments ('Phase 1' amendments), which was adopted by the Group in 2020, provided temporary exceptions that allowed the continuation of hedge accounting for existing hedge relationships under the assumption that IBOR-based hedged cash flows are not altered as a result of uncertainty arising from IBOR reform. The uncertainty ends when the key terms of transition have been finalised i.e. the timing of the transition and adjustment spreads between an IBOR and its ARR have been finalised for affected contracts. As at 31 December 2021, the Group continues to apply these temporary exceptions for USD and SGD denominated hedging relationships.

The key assumption made when performing hedge accounting is that both the hedged item and hedging instrument will be amended from existing IBORs to new ARRs at the same time. Where actual differences between those dates arise, hedge ineffectiveness will be recorded in the income statement.

Significant judgement is also required to determine when uncertainty arising from IBOR reform ends and, hence, 'Phase 1' amendments cease to apply. Thereafter, 'Phase 2' amendments, adopted by the Group, require the Group to continue hedge accounting when changes to the hedging instrument, hedged item and hedged risk arise solely from IBOR reform. Hedge ineffectiveness (e.g. arising from mismatches of timing, or cash flows) continue to be recorded in the income statement.

How the Group is managing the transition to ARRs

A Group steering committee was established in 2019 to manage the impact of IBOR reform on the Group. The committee comprises senior representatives from Institutional Banking Group, Consumer Banking Group, Treasury Markets, Finance, Risk Management Group, Technology & Operations, Legal and Compliance and Group Strategic Marketing and Communications and is chaired by the Corporate Treasurer. The Terms of Reference of the committee are to review transition plans related to LIBOR and SOR discontinuation, SIBOR reform and other interest rate benchmark reform, to assess the Group's key risks across different scenarios, and to develop strategies to manage existing and new business in the context of these risks. Oversight of IBOR reform is provided by the Group Executive Committee and the Board Risk Management Committee.

As at 31 December 2021, changes required to systems, processes and models have been identified and have been substantially implemented. Substantially, all contracts with interest rates that are pegged to GBP, CHF, EUR, JPY LIBOR or one-week and two-month tenors for USD LIBOR have been remediated. For contracts referencing SOR, SIBOR or the remaining USD LIBOR settings, the Group has begun its communication with relevant counterparties and contract remediation is ongoing.

The Group has identified that the risks arising from IBOR reform are:

- Risk of contractual disputes arising from the lack of legal clauses catering for the discontinuation of an interest rate benchmark, and its replacement with an ARR, or such clauses failing to operate as expected; and
- Risk of reputational harm due to poor customer management related to interest rate benchmark discontinuation, leading to loss of customer business.

These risks are mitigated through robust oversight by the Group steering committee. The Group will continue to identify and assess risks associated with IBOR reform.

Exposures impacted by IBOR reform

The table below provides an overview of significant IBOR-related exposure by interest rate benchmarks.

- The exposures disclosed are for positions with contractual maturities after the announced IBOR cessation dates^(a).
- Non-derivative financial instruments are presented on the basis of their gross carrying amounts.
- Derivative financial instruments are presented by using their notional contract amounts and where derivatives have both pay and receive legs with exposure to IBOR reform, such as cross currency swaps, the notional contract amount is disclosed for both legs. As at 31 December 2021, there was \$13,513 million for the Group and \$13,440 million for the Bank of cross currency swaps where both the pay and receive legs are impacted by IBOR reform.
- Only transactions with parties that are not part of the DBS Group are reflected in the table below.

The Group In \$ millions	SGD SOR	SGD SIBOR	USD LIBOR	Total
2021				
Non-derivative financial assets ^(b)	20,606	8,234	25,272	54,112
Non-derivative financial liabilities ^(c)	-	-	4	4
Derivatives (notional)	51,312	-	376,816	428,128
Of which, hedging derivatives ^(d)	-	-	5,345	5,345

The Bank In \$ millions	SGD SOR	SGD SIBOR	USD LIBOR	Total
2021				
Non-derivative financial assets ^(b)	20,606	8,234	23,339	52,179
Non-derivative financial liabilities ^(c)	-	-	4	4
Derivatives (notional)	51,211	-	364,883	416,094
Of which, hedging derivatives ^(d)	-	-	5,118	5,118

(a) The expected cessation date for USD LIBOR and SOR is 30 June 2023. 1-month and 3-month SIBOR will be discontinued by end of 2024 while 6-month SIBOR will be discontinued on 31 March 2022

(b) Relates mainly to "bank and corporate securities" and "loans and advances to customers"

(c) Relates mainly to "other debt securities" and "subordinated term debts"

(d) Relates to derivatives that are designated for hedge accounting. The extent of the hedged risk exposure is reflected in the notional amounts of the derivatives

37. Hedge Accounting

The Group enters into hedging transactions to manage exposures to interest rate and foreign currency risks. Hedge accounting is applied to minimise volatility in earnings arising from changes in interest rate and foreign exchange rates.

Please refer to Note 43 for more information on market risk and the Group's risk management practices and Note 2.19 for the Group's accounting policy for hedge accounting.

37.1 Fair value hedges

In accordance with the risk management strategy in place, the Group enters into interest rate swaps to mitigate the risk of changes in interest rates on the fair value of the following:

- issued fixed rate debt;
- a portion of purchased fixed rate bonds; and
- some large exposures to corporate loans.

In such instances, the Group hedges the benchmark interest rate risk component which is an observable and reliably measurable component of interest rate risk. Specifically, the Group has designated fair value hedge relationships, on a hedge-by-hedge basis, to hedge against movements in the benchmark interest rate. This effectively results in the recognition of interest expense (for fixed rate liabilities), or interest income (for fixed rate assets) at floating rates. The Group also uses cross currency swaps when there is a need to hedge both interest rate and foreign exchange risks.

The Group manages all other risks arising from these exposures, such as credit risk, but hedge accounting is not applied for those risks.

The Group assesses prospective hedge effectiveness by comparing the changes in fair value of the hedged item resulting from movements in the benchmark interest rate with the changes in fair value of the interest rate swaps used to hedge the exposure. The Group determines the hedge ratio by comparing the notional of the derivative with the principal of the debt issued or the bond asset purchased, or the loan granted.

For all interest rate swaps used for hedging purposes, critical terms match or nearly match those of the underlying hedged items.

The Group has identified the following possible sources of ineffectiveness:

- the use of derivatives as a protection against interest rate risk creates an exposure to the derivative counterparty's credit risk which is not offset by the hedged item. This risk is minimised by entering into derivatives with high credit quality counterparties;
- the use of different discounting curves when measuring the fair value of the hedged items and hedging instruments. For derivatives the discounting curve used depends on collateralisation and the type of collateral used; and
- difference in the timing of settlement of hedging instruments and hedged items.

No other significant sources of ineffectiveness were identified in these hedge relationships.

The Group typically uses foreign currency denominated borrowings/ deposits to fund its investments in non-SGD denominated FVOCI equity instruments. To reduce the accounting mismatch on the borrowings/ deposits and FVOCI equity instruments because of foreign exchange rate movements, the Group designates the borrowings/ deposits as the hedging instruments in fair value hedges of the FVOCI equity instruments. The hedge ratio is determined by comparing the principal of the borrowings/ deposits with the investment costs of the FVOCI equity instruments. A potential source of ineffectiveness is a decrease in the fair value of the equity instruments below their investment costs.

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The following table sets out the maturity profile of the hedging instruments used in fair value hedges. The amounts shown in the table reflect the notional amounts of derivatives and the carrying amounts of borrowings and deposits. Please refer to Note 35 for the carrying values of the derivatives.

In \$ millions	Type of risk hedged	The Group			Total
		Less than 1 year	1 to 5 years	More than 5 years	
2021					
Derivatives (notional)					
Interest rate swaps	Interest rate	645	10,369	384	11,398
Currency swaps	Interest rate & Foreign exchange	94	331	-	425
Total derivatives		739	10,700	384	11,823
Non-derivative instruments (e.g. borrowings, deposits)	Foreign exchange	1,875	-	-	1,875
Total non-derivative instruments		1,875	-	-	1,875
2020					
Derivatives (notional)					
Interest rate swaps	Interest rate	3,251	9,259	671	13,181
Currency swaps	Interest rate & Foreign exchange	917	163	-	1,080
Total derivatives		4,168	9,422	671	14,261
Non-derivative instruments (e.g. borrowings, deposits)	Foreign exchange	1,550	-	-	1,550
Total non-derivative instruments		1,550	-	-	1,550
Bank					
In \$ millions	Type of risk hedged	Bank			Total
		Less than 1 year	1 to 5 years	More than 5 years	
2021					
Derivatives (notional)					
Interest rate swaps	Interest rate	645	9,584	283	10,512
Currency swaps	Interest rate & Foreign exchange	94	331	-	425
FX Contracts	Foreign exchange	589	-	-	589
Total derivatives		1,328	9,915	283	11,526
Non-derivative instruments (e.g. borrowings, deposits)	Foreign exchange	1,875	-	-	1,875
Total non-derivative instruments		1,875	-	-	1,875
2020					
Derivatives (notional)					
Interest rate swaps	Interest rate	3,141	7,172	572	10,885
Currency swaps	Interest rate & Foreign exchange	917	163	-	1,080
FX Contracts	Foreign exchange	283	-	-	283
Total derivatives		4,341	7,335	572	12,248
Non-derivative instruments (e.g. borrowings, deposits)	Foreign exchange	1,550	-	-	1,550
Total non-derivative instruments		1,550	-	-	1,550

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The table below provides information on hedged items relating to fair value hedges.

In \$ millions	The Group		Bank	
	Carrying amounts (including hedge adjustments)	Fair value hedge adjustments included in carrying amounts	Carrying amounts (including hedge adjustments)	Fair value hedge adjustments included in carrying amounts
2021				
Assets				
Loans and advances to customers	1,066	(1)	1,033	(2)
Government securities and treasury bills ^(a)	892	4	-	-
Bank and corporate securities ^(a)	7,531	(4)	7,531	(4)
Subsidiaries	-	-	589	28
Liabilities				
Other debt securities	2,320	24	2,320	24
Due to holding company	1,237	(3)	1,237	(3)
2020				
Assets				
Loans and advances to customers	1,561	6	1,526	5
Government securities and treasury bills ^(a)	2,384	15	28	-
Bank and corporate securities ^(a)	8,462	7	8,422	7
Subsidiaries	-	-	283	9
Liabilities				
Other debt securities	3,646	100	3,609	100
Due to holding company	306	1	306	1

(a) The carrying amounts of debt and equity instruments at fair value through other comprehensive income do not include fair value hedge adjustments as the hedged assets are measured at fair value. The accounting for the hedge relationship results in a transfer from other comprehensive income to the income statement for debt instruments

At the Group, for the year ended 31 December 2021, the net gains on hedging instruments used to calculate hedge effectiveness was \$205 million (2020: net losses of \$335 million). The net losses on hedged items attributable to the hedged risk amounted to \$205 million (2020: net gains of \$330 million).

At the Bank, for the year ended 31 December 2021, the net gains on hedging instruments used to calculate hedge effectiveness was \$196 million (2020: net losses of \$278 million). The net losses on hedged items attributable to the hedged risk amounted to \$196 million (2020: net gains of \$273 million).

37.2 Cash flow hedges

The Group is predominantly exposed to variability in future cash flows due to interest rate movements and foreign currency fluctuations from the following:

- assets subject to repricing, reinvestment or refinancing risk;
- forecasted interest earnings denominated in foreign currency;
- issued floating or fixed rate foreign currency debt; and
- a portion of purchased floating or fixed rate foreign currency bonds.

In accordance with the Group risk management strategy the Group enters into interest rate swaps, forward contracts or cross currency swaps to protect against the variability of cash flows due to changes in interest rates and/ or foreign currency exchange rates.

In such instances, cash flow hedge relationships are designated. These are applied on a hedge-by-hedge basis, except for cash flows from assets subject to repricing, reinvestment or refinancing risk, for which a portfolio cash flow hedge relationship is designated using interest rate swaps. A dynamic process is applied for this hedge as the portfolio composition can change e.g. due to maturities and new originations. The portfolio cash flow hedge relationships effectively extend the duration of the assets, such that the interest cash flows are transformed from a floating rate basis to a fixed rate basis.

The Group enters into forward contracts to hedge against variability in future cash flows arising from USD-denominated interest income.

The Group also enters into cross currency swaps to mitigate the risk of fluctuation of coupon and principal cash flows due to changes in foreign currency rates of issued foreign currency debt and a portion of purchased foreign currency bonds. Critical

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terms of the cross-currency swaps match that of the issued foreign currency debt or purchased foreign currency bonds. In this way the Group exchanges foreign currency interest and principal cash flows, to SGD cash flows.

The Group manages all other risks derived by these exposures, such as credit risk, but they do not apply hedge accounting for these risks.

The Group assesses hedge effectiveness by comparing the changes in fair value of a hypothetical derivative reflecting the terms of the hedged item due to movements in the hedged risk with the changes in fair value of the derivatives used to hedge the exposure.

The Group determines the hedge ratio by comparing the notional of the derivatives with the assets subject to repricing/ reinvestment/ refinancing risk or amount of forecast earnings denominated in foreign currency or the principal of the debt securities issued or purchased foreign currency bonds.

The Group has identified the following possible sources of ineffectiveness in its cash flow hedge relationships:

- the use of derivatives as a protection against currency and interest rate risk creates an exposure to the derivative counterparty's credit risk which is not offset by the hedged item. This risk is minimised by entering into derivatives with high credit quality counterparties;
- difference in tenor of hedged items and hedging instruments;
- difference in timing of settlement of the hedging instrument and hedged item; and
- designation of off-market hedging instruments.

The following table sets out the maturity profile of the hedging instruments used in cash flow hedges. The amounts shown in the table reflect the notional amounts of derivatives. Please refer to Note 35 for the carrying values of the derivatives.

In \$ millions	Type of risk hedged	The Group			Total
		Less than 1 year	1 to 5 years	More than 5 years	
2021					
Derivatives (notional)					
Interest rate swaps	Interest rate	-	19,462	1,015	20,477
Currency swaps	Interest rate & Foreign exchange	4,005	17,939	1,090	23,034
FX contracts	Foreign exchange	6,423	320	-	6,743
Total		10,428	37,721	2,105	50,254

2020					
Derivatives (notional)					
Interest rate swaps	Interest rate	-	2,245	-	2,245
Currency swaps	Interest rate & Foreign exchange	1,669	16,267	552	18,488
FX contracts	Foreign exchange	5,387	258	-	5,645
Total		7,056	18,770	552	26,378

In \$ millions	Type of risk hedged	Bank			Total
		Less than 1 year	1 to 5 years	More than 5 years	
2021					
Derivatives (notional)					
Interest rate swaps	Interest rate	-	14,263	1,015	15,278
Currency swaps	Interest rate & Foreign exchange	3,732	16,754	521	21,007
FX contracts	Foreign exchange	4,201	180	-	4,381
Total		7,933	31,197	1,536	40,666

2020					
Derivatives (notional)					
Interest rate swaps	Interest rate	-	2,245	-	2,245
Currency swaps	Interest rate & Foreign exchange	1,668	15,212	86	16,966
FX contracts	Foreign exchange	2,214	109	-	2,323
Total		3,882	17,566	86	21,534

The hedge ineffectiveness arising from these hedges was insignificant.

Please refer to Note 32 for information on the cash flow hedge reserves.

37.3 Net investment hedges

The Group manages currency risk arising from its net investment in foreign operations (or structural foreign exchange risk) using foreign currency borrowings, FX forwards, FX swaps and cross currency swaps.

Structural foreign exchange exposures are managed with the primary aim of ensuring that consolidated capital ratios are largely protected from the effect of fluctuations in foreign exchange rates against SGD.

Under the Group's hedging strategy, the carrying amount of these investments could be fully hedged, partially hedged or not hedged at all. The Group regularly reviews its hedging strategy, taking into account the long-term outlook of currency fundamentals and the impact of fluctuations in foreign exchange rates on capital adequacy ratios.

The tables below analyse the currency exposures by functional currency.

The Group

In \$ millions	Net investments in foreign operations ^(a)	Financial instruments which hedge the net investments	Remaining unhedged currency exposures
2021			
Hong Kong dollar	9,691	2,055	7,636
US dollar	9,829	6,150	3,679
Chinese yuan	4,424	296	4,128
Taiwan dollar	1,799	293	1,506
Others	4,276	-	4,276
Total	30,019	8,794	21,225
2020			
Hong Kong dollar	11,533	2,022	9,511
US dollar	2,990	-	2,990
Chinese yuan	2,730	283	2,447
Taiwan dollar	1,670	-	1,670
Others	4,011	-	4,011
Total	22,934	2,305	20,629

(a) Refers to net tangible assets of entities (e.g. subsidiaries, associates and joint ventures and overseas branches) or units with non-SGD functional currency

Bank

In \$ millions	Net investments in foreign operations ^(b)	Financial instruments which hedge the net investments	Remaining unhedged currency exposures
2021			
Hong Kong dollar	2,312	2,055	257
US dollar	9,701	6,150	3,551
Taiwan dollar	362	-	362
Others	1,536	-	1,536
Total	13,911	8,205	5,706
2020			
Hong Kong dollar	4,481	2,022	2,459
US dollar	2,864	-	2,864
Taiwan dollar	314	-	314
Others	1,388	-	1,388
Total	9,047	2,022	7,025

(b) Refers to net tangible assets of overseas branches or units with non-SGD functional currency

Please refer to Note 32 for information on the capital reserves. Capital reserves include the effect of translation differences on net investments in foreign entities (e.g. subsidiaries, associates and joint ventures and branches) or units with non-SGD functional currency, and the related foreign currency financial instruments designated for hedge accounting.

38. Share-based Compensation Plans

As part of the Group's remuneration policy, the Group provides various share-based compensation plans to foster a culture that aligns employees' interests with shareholders', enable employees to share in the Bank's performance and enhance talent retention.

Main Scheme/ Plan	Note
DBSH Share Plan (Share Plan)	
<ul style="list-style-type: none"> • The Share Plan is granted to Group executives as determined by the Committee appointed to administer the Share Plan from time to time. • Participants are awarded shares of DBSH or, at the Committee's discretion, their equivalent cash value or a combination. • Awards consist of main award and retention award (20%/ 15% of main award) for employees on bonus/ sales incentive plans respectively. Dividends on unvested shares do not accrue to employees. • For employees on bonus plan, the main award vests from 2 to 4 years after grant i.e. 33% will vest 2 years after grant; another 33% will vest on the third year and the remaining 34% plus the retention award will vest 4 years after grant. • For employees on sales incentive plan, the main award vests from 1 to 3 years after grant i.e. 33% will vest 1 year after grant; another 33% will vest on the second year and the remaining 34% plus the retention award will vest 3 years after grant. • There are no additional retention awards for shares granted to top performers and key employees as part of talent retention. • The awards will lapse immediately upon termination of employment, except in the event of ill health, injury, disability, redundancy, retirement or death. • The market price of shares on the grant date is used to estimate the fair value of the shares awarded. The fair value of the shares granted includes an adjustment to exclude the present value of future expected dividends to be paid during the vesting period. • Vested and unvested shares are subject to clawback/ malus. Conditions that trigger such clawback/ malus are in the Remuneration Report section of DBSH's Annual Report. • Shares are awarded to non-executive directors as part of director's remuneration. Details of these awards are disclosed in the Corporate Governance section of DBSH's Annual Report. 	38.1
DBSH Employee Share Plan (ESP)	
<ul style="list-style-type: none"> • The Committee has ceased granting shares under the ESP effective from financial year 2018 remuneration. Shares granted from prior years continue to be outstanding until the shares are fully vested. 	38.1
DBSH Employee Share Purchase Plan (ESPP)	
<ul style="list-style-type: none"> • The ESPP was implemented in 2019 in selective markets across the Group. All permanent employees who hold the rank of Vice President and below are eligible to participate in the scheme. • The ESPP is a share ownership plan for eligible employees to own DBSH shares through monthly contributions via deductions from payroll or designated bank accounts. • Participants contribute up to 10% of month salary (minimum S\$50, capped at S\$1,000) and the Group will match 25% of the participant's contributions to buy DBSH ordinary shares for a period of 12 months during each plan year. • The matching shares bought from the Group's contribution will vest 24 months after the last contribution month for each plan year. • The matching shares will lapse immediately upon termination of employment, except in the event of ill health, injury, disability, redundancy, retirement or death. 	38.2

38.1 DBSH Share Plan and DBSH Employee Share Plan

The following table sets out the movements of the awards during the year.

	The Group			
	2021		2020	
Number of shares	Share Plan	ESP	Share Plan	ESP
Balance at 1 January	17,248,786	526,003	17,146,260	1,189,400
Granted	5,378,132	-	6,423,721	-
Vested	(5,209,973)	(362,363)	(5,992,525)	(627,270)
Forfeited/others	(311,653)	(17,836)	(328,670)	(36,127)
Balance at 31 December	17,105,292	145,804	17,248,786	526,003
Weighted average fair value of the shares granted during the year	\$22.07	-	\$21.32	-

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	Bank			
	2021		2020	
Number of shares	Share Plan	ESP	Share Plan	ESP
Balance at 1 January	13,579,818	280,797	13,898,185	633,272
Granted	4,058,380	-	4,849,749	-
Vested	(4,228,842)	(194,624)	(4,975,625)	(334,421)
Transferred	92,808	(751)	(2,960)	(675)
Forfeited/others	(187,678)	(8,942)	(189,531)	(17,379)
Balance at 31 December	13,314,486	76,480	13,579,818	280,797
Weighted average fair value of the shares granted during the year	\$22.01	-	\$21.31	-

38.2 DBSH Employee Share Purchase Plan

The following table sets out the movements of the shares during the year.

	The Group		Bank	
	2021	2020	2021	2020
Number of shares				
Balance at 1 January	1,015,478	388,686	764,052	293,005
Granted	534,378	678,428	401,323	508,183
Vested ^(a)	(15,238)	(4,569)	(9,405)	(2,658)
Transferred	-	-	(951)	664
Forfeited	(131,178)	(47,067)	(99,165)	(35,142)
Balance at 31 December	1,403,440	1,015,478	1,055,854	764,052
Weighted average fair value of the shares granted during the year	\$26.05	\$18.60	\$26.05	\$18.61

(a) Excludes shares vested but temporarily withheld under regulatory requirement as of the reporting date. Such shares will be reported as vested in the period the shares being released to the employees.

39. Related Party Transactions

39.1 Transactions between the Bank and its subsidiaries, including consolidated structured entities, associates and joint ventures which are related parties of the Bank, are disclosed in Notes 39.4 to 39.6.

39.2 During the financial year, the Group had banking transactions with related parties, consisting of subsidiaries, associates and joint ventures and key management personnel of the Group. These included the taking of deposits and extension of credit card and other loan facilities. These transactions were made in the ordinary course of business and carried out at arms-length commercial terms, and were not material.

In addition, key management personnel received remuneration for services rendered during the financial year. Non-cash benefits including performance shares were also granted.

39.3 Total compensation and fees to key management personnel^(a) are as follows:

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Short-term benefits ^(b)	48	42	37	32
Share-based payments ^(c)	27	28	24	25
Total	75	70	61	57
Of which: Bank Directors' remuneration and fees	13	12	13	12

(a) Includes Bank Directors and members of the Management Committee who have authority and responsibility in planning the activities and direction of the Group. The composition and number of Directors and Management Committee members may differ from year to year

(b) Includes cash bonus based on amount accrued during the year, to be paid in the following year

(c) Share-based payments are expensed over the vesting period in accordance with SFRS(I) 2

39.4 Income received from and expenses paid to related parties

In addition to the related party information shown elsewhere in the financial statements, the following transactions took place between the Bank and related parties during the financial year on terms agreed by the parties concerned.

In \$ millions	The Group		Bank	
	2021	2020	2021	2020
Income received from:				
- Holding company	7	6	7	5
- Subsidiaries	-	-	847	827
- Associates and joint ventures	31	37	47	43
Total	38	43	901	875
Expenses paid to:				
- Holding company	156	139	129	104
- Subsidiaries	-	-	724	1,216
- Associates and joint ventures	111	109	111	108
Total	267	248	964	1,428

39.5 Amounts due from and to related parties

In \$ millions	Bank	
	2021	2020
Amounts due from:		
- Holding company	718	911
- Subsidiaries (Note 21)	15,587	19,078
- Associates and joint ventures	1,070	1,024
Total	17,375	21,013
Amounts due to:		
- Holding company	8,776	6,031
- Subsidiaries	34,439	48,288
- Associates and joint ventures	147	154
Total	43,362	54,473

39.6 Guarantees issued to and received from related parties

Guarantees issued to and received from subsidiaries amounted to \$2,927 million (2020: \$2,930 million) and \$800 million (2020: \$983 million) respectively.

The Bank also finances customer through discounting bills issued by related parties. As at 31 December 2021, outstanding amount of such bills was \$2 million (2020: \$177 million).

40. Fair Value of Financial Instruments

40.1 Valuation Process

The valuation processes within the Group are governed by the Valuation Policy which is approved by the Board Audit Committee.

The Valuation Policy applies to all financial assets and liabilities that are measured at fair value, covering both market prices as well as model inputs. Financial assets and liabilities are marked directly using reliable and independent quoted market prices where available, or by using reliable and independent market parameters (as model inputs) in conjunction with a valuation model.

Valuation models go through an assurance process carried out by the Risk Management Group (RMG), independent of the model developers. This assurance process covers the review of the underlying methodology including its logic and conceptual soundness together with the model inputs and outputs. Model assurances are conducted prior to implementation and subject to regular review or when there are significant changes arising from market or portfolio changes. Where necessary, the Group also imposes model reserves and other adjustments in determining fair value. Models are approved by the Group Market and Liquidity Risk Committee.

A process of independent price verification (IPV) is in place to establish the accuracy of the market parameters used when the marking is performed by the Front Office. The IPV process entails independent checks to compare traders' marks to independent sources such as broker/ dealer quotes or market consensus providers.

Where market parameters are sourced independently for the marking of financial assets and liabilities, or used as inputs into a valuation model, these are checked for reliability and accuracy, for example by reviewing large daily movements or by referencing other similar sources, or transactions.

Valuation adjustments and reserves are taken to account for close-out costs, model and market parameter uncertainty, and any other factor that may affect valuations. Valuation adjustment and reserve methodologies are approved by the Group Market and Liquidity Risk Committee and governed by the Valuation Policy.

The valuation adjustments and reserves include but are not limited to:

Model and Parameter Uncertainty Adjustments

Valuation uncertainties may occur during fair value measurement either due to uncertainties in the required input parameters or uncertainties in the modelling methods used in the valuation process. In such situations, adjustments may be necessary to take these factors into account.

For example, where market data such as prices or rates for an instrument are no longer observable after an extended period of time, these inputs used to value the financial instruments may no longer be relevant in the current market conditions. In such situations, adjustments may be necessary to address the pricing uncertainty arising from the use of stale market data inputs.

Credit Valuation Adjustments

Credit valuation adjustments are taken to reflect the impact on fair value of counterparty credit risk. Credit valuation adjustments are based upon the creditworthiness of the counterparties, magnitude of the current or potential exposure on the underlying transactions, netting and collateral arrangements, and the maturity of the underlying transactions.

Funding Valuation Adjustments

Funding valuation adjustments represent an estimate of the adjustment to fair value that a market participant would make in incorporating funding costs and benefits that arise in relation to uncollateralised derivatives positions.

Day 1 Profit or Loss (P&L) Reserve

In situations where the market for an instrument is not active and its fair value is established using a valuation model based on significant unobservable market parameters, the Day 1 P&L arising from the difference in transacted price and end-of-day model valuation is set aside as reserves. A market parameter is defined as being significant when its impact on the Day 1 P&L is greater than an internally determined threshold. The Day 1 P&L reserve is released to the income statement when the parameters become observable or when the transaction is closed out or amortised over the duration of the transaction. At year end, the unamortised Day 1 P&L was not material.

Bid-Offer Adjustments

The Group often holds, at varying points in time, both long or short positions in financial instruments which are valued using mid-market levels. Bid-offer adjustments are then made to account for close-out costs.

IBOR Transition Related Reserves

Fixings for most of the major currency IBORs would fall back to the respective Alternative Reference Rates (ARRs) plus a spread. Spread derivation details have been made known for most currencies. Valuation reserves have been set aside where derivation details are not known, and this leads to uncertainty in the forward rate estimation curves used for valuations.

40.2 Fair Value Hierarchy

The fair value hierarchy accords the highest level to observable inputs such as unadjusted quoted prices in active markets for identical assets or liabilities and the lowest level to unobservable inputs. The fair value measurement of each financial instrument is categorised in accordance with the same level of the fair value hierarchy as the input with the lowest level that is significant to the entire measurement. If

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unobservable inputs are deemed significant, the financial instrument will be categorised as Level 3. Financial instruments that are valued using quoted prices in active markets are classified as Level 1 within the fair value hierarchy. These would include government and sovereign securities, listed equities and corporate debt securities which are actively traded. Derivatives contracts which are traded in an active exchange market are also classified as Level 1 of the valuation hierarchy.

Where fair value is determined using quoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group will determine the fair value based on valuation techniques that use market parameters as inputs including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only

observable market data so that reliability of the fair value measurement is high. These would include corporate debt securities, repurchase, reverse repurchase agreements and most of the Group's OTC derivatives.

The Group classifies financial instruments as Level 3 when there is reliance on unobservable market parameters, whether used directly to value a financial asset or liability, or used as inputs to a valuation model, attributing to a significant contribution to the instrument value. These would include all input parameters which are derived from historical data, for example, asset correlations or certain volatilities. Level 3 instruments also include unquoted equity securities which are measured based on the net asset value of the investments. In addition, Level 3 inputs include all stale security prices and other approximations (e.g. bonds valued using credit default swap spreads).

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The following table presents assets and liabilities measured at fair value, classified by level within the fair value hierarchy.

In \$ millions	The Group							
	2021				2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Financial assets at FVPL								
- Government securities and treasury bills	8,425	4,259	-	12,684	8,901	3,740	-	12,641
- Bank and corporate securities	18,816	3,636	361 ^(a)	22,813	12,451	4,182	715	17,348
- Other financial assets	-	16,964	-	16,964	-	13,501	-	13,501
FVOCI financial assets								
- Government securities and treasury bills	15,811	2,114	-	17,925	15,223	2,147	-	17,370
- Bank and corporate securities	17,251	2,235	430 ^(b)	19,916	18,518	2,648	268	21,434
- Other financial assets	2	5,197	-	5,199	-	4,684	-	4,684
Derivatives	39	19,534	133 ^(c)	19,706	40	31,075	1	31,116
Liabilities								
Financial liabilities at FVPL								
- Other debt securities	-	10,726	-	10,726	-	8,333	-	8,333
- Other financial liabilities	2,626	5,726	1	8,353	1,483	2,488	-	3,971
Derivatives	21	20,394	1 ^(d)	20,416	103	32,896	89	33,088

(a) Decrease in Level 3 balance was mainly due to maturity of a note which was priced using proxy valuation

(b) Increase in Level 3 balance was due to a new note which was priced using proxy valuation

(c) Increase in Level 3 balance was due to a total return swap whose underlying became illiquid

(d) Decrease in Level 3 balance was due to maturity of a total return swap whose underlying was priced using proxy valuation

In \$ millions	Bank							
	2021				2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Financial assets at FVPL								
- Government securities and treasury bills	6,955	3,136	-	10,091	8,235	2,581	-	10,816
- Bank and corporate securities	18,358	1,924	350 ^(a)	20,632	12,209	3,236	711	16,156
- Other financial assets	-	15,732	-	15,732	-	12,528	-	12,528
FVOCI financial assets								
- Government securities and treasury bills	10,163	571	-	10,734	8,725	348	-	9,073
- Bank and corporate securities	16,217	471	345 ^(b)	17,033	17,051	959	183	18,193
- Other financial assets	2	2,867	-	2,869	-	2,317	-	2,317
Derivatives	39	18,194	131 ^(c)	18,364	40	27,919	-	27,959
Liabilities								
Financial liabilities at FVPL								
- Other debt securities	-	10,724	-	10,724	-	8,333	-	8,333
- Other financial liabilities	2,108	3,137	1	5,246	1,296	702	-	1,998
Derivatives	21	18,859	1 ^(d)	18,880	100	29,348	89	29,537

(a) Decrease in Level 3 balance was mainly due to maturity of a note which was priced using proxy valuation

(b) Increase in Level 3 balance was due to a new note which was priced using proxy valuation

(c) Increase in Level 3 balance was due to a total return swap whose underlying became illiquid

(d) Decrease in Level 3 balance was due to maturity of a total return swap whose underlying was priced using proxy valuation

The bank and corporate securities classified as Level 3 at 31 Dec 2021 comprised mainly notes which were marked using approximations and unquoted equity securities valued based on net asset value of the investments.

40.3 Own credit adjustments on financial liabilities designated at fair value through profit or loss

Changes in the fair value of financial liabilities designated at fair value through profit or loss related to the Group's own credit risk are recognised in other comprehensive income. As the Group does not hedge changes in own credit risk arising from financial liabilities, presenting the own credit movements within other comprehensive income does not create or increase an accounting mismatch in the income statement.

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The change in fair value attributable to changes in own credit risk has been determined as the amount of change in fair value that is attributable to changes in funding spreads above benchmark interest rates. Fair value changes arising from factors other than the Group's own credit risk are insignificant.

The cumulative amounts attributable to changes in own credit risk for these financial liabilities as at 31 December 2021 was a loss of \$49 million for the Group and the Bank (2020: \$25 million).

Realised losses attributable to changes in own credit risk as at 31 December 2021 was a loss of \$22 million (2020: loss of \$15 million).

40.4 Financial assets & liabilities not carried at fair value

For financial assets and liabilities not carried at fair value in the financial statements, the Group has ascertained that their fair values were not materially different from their carrying amounts at year-end.

For cash and balances with central banks, due from banks, loans and advances to customers, as well as due to banks and deposits and balances from customers, the basis of arriving at fair values is by discounting cash flows using the relevant market interest rates for the respective currencies.

For investment debt securities and subordinated term debts and other debts issued, fair values are determined based on independent market quotes, where available. Where market prices are not available, fair values are estimated using discounted cash flow method.

The fair value of variable interest-bearing as well as short-term financial instruments accounted for at amortised cost is assumed to be approximated by their carrying amounts.

41. Risk Governance

The Group Board oversees the Group's affairs and provides sound leadership for the CEO and management. Authorised by the Board, various Board committees oversee specific responsibilities based on clearly defined terms of reference.

Under the Group's risk management approach, the Group Board, through the Board Risk Management Committee (BRMC), sets the Group's risk appetite, oversees the establishment of enterprise-wide risk management policies and processes, and establishes risk appetite limits to guide the Group's risk-taking.

The BRMC also oversees the identification, monitoring, management and reporting of credit, market, liquidity, operational and reputational risks. To facilitate the BRMC's risk oversight, the following risk management committees have been established:

1. Risk Executive Committee (Risk EXCO);
2. Group Credit Risk Committee (GCRC);
3. Group Credit Policy Committee (GCPC);
4. Group Credit Risk Models Committee (GCRMC);
5. Group Market and Liquidity Risk Committee (GMLRC);
6. Group Operational Risk Committee (GORC);
7. Group Scenario and Stress Testing Committee (GSSTC); and
8. Product Approval Committee (PAC).

As the overall executive body regarding risk matters, the Risk EXCO oversees the Group's risk management.

Each of the committees reports to the Risk EXCO, and serves as an executive forum to discuss and implement the Group's risk management.

Key responsibilities:

- Assess and approve risk-taking activities;
- Oversee the Group's risk management infrastructure, which includes frameworks, decision criteria, authorities, people, policies, standards, processes, information and systems;
- Approve risk policies such as model governance standards, stress testing scenarios, and the evaluation and endorsement of risk models;
- Assess and monitor specific credit concentration; and
- Recommend stress-testing scenarios (including macroeconomic variable projections) and review the results.

The members in these committees comprise representatives from the Risk Management Group (RMG) as well as key business and support units.

The PAC provides group-wide oversight and direction for the approval of new product and outsourcing initiatives. It evaluates new product and outsourcing initiatives to ensure that they are in line with the Group's strategy and risk appetite.

Most of the above committees are supported by local risk committees in all major locations, where appropriate. These local risk committees oversee the

local risk positions for all businesses and support units, ensuring that they keep within limits set by the Group risk committees. They also approve location-specific risk policies.

The Chief Risk Officer (CRO), who is a member of the Group Executive Committee and reports to the Chairman of the BRMC and the CEO, oversees the risk management function. The CRO is independent of business lines and is actively involved in key decision-making processes. He often engages with regulators to discuss risk matters, enabling a more holistic risk management perspective.

Working closely with the risk and business committees, the CRO is responsible for the following:

- Management of the Group's risks, including systems and processes to identify, approve, measure, monitor, control and report risks;
- Engagement with senior management about material matters regarding all risk types;
- Development of risk controls and mitigation processes; and
- Ensuring the Group's risk management is effective and the Risk Appetite established by the Board is adhered to.

42. Credit Risk

The most significant measurable risk the Group faces - credit risk - arises from the Group's daily activities in various businesses. These activities include lending to retail, corporate and institutional customers. It includes the risk of lending, pre-settlement and settlement risk of foreign exchange, derivatives and debt securities.

Credit Risk Management

The Group's approach to credit risk management comprises the following building blocks:

- **Policies**

The dimensions of credit risk and the scope of its application are defined in the Group Credit Risk Management Policy. Senior management sets the overall direction and policy for managing credit risk at the enterprise level.

The Group Core Credit Risk Policies (CCRPs) established for Consumer Banking/ Wealth Management and Institutional Banking set forth the principles by which the Group conducts its credit risk management and control activities. These policies, supplemented by a number of operational standards and guides, ensure consistency in identifying, assessing, underwriting, measuring, reporting and controlling credit risk across the Group, and provide guidance in the formulation of business-specific and/or location-specific credit risk policies and standards.

The operational standards and guides are established to provide greater details on the implementation of the credit principles within the Group CCRPs and are adapted to reflect different credit environments and portfolio risk profiles. The CCRPs are approved by the GCPC.

- **Risk Methodologies**

Credit risk is managed by thoroughly understanding the Group's corporate customers – the businesses they are in, as well as the economies in which they operate. It is also managed through statistical models and data analytics for retail customers.

The assignment of credit risk ratings and setting of lending limits are integral parts of the Group's credit risk management process, and it uses an array of rating models for its corporate and retail portfolios. Most of these models are built internally using the Group's loss data, and the limits are driven by the Group's Risk Appetite Statement and the Target Market and Risk Acceptance Criteria (TM-RAC).

Wholesale borrowers are assessed individually, and further reviewed and evaluated by experienced credit risk managers who consider relevant credit risk factors in the final determination of the borrower's risk. For some portfolios within the small and medium-sized enterprises (SME) segment, the Group also uses a programme-based approach to achieve a balanced management of risks and rewards. Retail exposures are assessed using credit score models, credit bureau records, as well as internally and externally available customer behaviour records supplemented by the Group's

Risk Acceptance Criteria (RAC). Credit applications are proposed by the business units, and applications outside the RAC are independently assessed by the credit risk managers.

Pre-settlement credit risk for traded products arising from a counterparty potentially defaulting on its obligations is generally quantified by evaluation of the market price plus potential future exposure. This is used to calculate the Group's regulatory capital and is included within the Group's overall credit limits to counterparties for internal risk management.

The Group actively monitors and manages its exposure to counterparties for over-the-counter (OTC) derivative trades to protect its balance sheet in the event of a counterparty default. Counterparty risk exposures that may be adversely affected by market risk events are identified, reviewed and acted upon by management, and highlighted to the appropriate risk committees. Specific wrong-way risk arises when the credit exposure of a counterparty (from the traded product transaction) directly correlates with the probability of default of the counterparty. The Group has processes in place to guide the handling of specific wrong-way risk transactions, and its risk measurement metric takes into account the higher risks associated with such transactions.

Issuer default risk that may also arise from derivatives, notes and securities are generally measured based on jump-to-default computations.

Concentration Risk Management

For credit risk concentration, the Group uses Economic Capital (EC) as its measurement tool as it combines the individual risk factors such as the probability of default (PD), loss given default (LGD) and exposure at default (EAD), in addition to industry correlation and portfolio concentration. EC thresholds are set to ensure that the allocated EC stays within the Group's Risk Appetite. Concentration risk for retail is managed at two levels – product level where exposure limits are set up and segment level to manage the growth of high-risk segments. Governance processes are in place to ensure that these thresholds are monitored regularly, and appropriate actions are taken when the thresholds are breached.

The Group continually examines and reviews how it can enhance the scope of its thresholds and approaches to manage concentration risk.

Environment, Social and Governance Risks

Responsible financing, covering environmental, social and governance (ESG) issues, is a topic of increasing importance that affects investing and lending decisions across the Group. The Group recognises that its financing practices have a substantial impact on society and failure of its customers to appropriately manage ESG issues can directly impact their operations and long-term economic viability, and the communities and environment in which they operate.

The Board approves the Group's overall and specific risk governance frameworks and oversees an independent Group-wide risk management system, including responsible financing. The Group had established a Group Responsible Financing Standard that documents its overarching approach to responsible financing and additional assessment required when entering into transactions with elevated ESG risks. The requirements of this Standard represent the minimum standards for the Group and it has also sought alignment, where possible, with international standards and best practices. Where significant ESG issues are identified, escalation is required to the relevant Global Industry Specialist and IBG Sustainability for further guidance prior to approval by the Credit Approving Authority.

Country Risk

Country risk refers to the risk of loss due to events in a specific country (or a group of countries). This includes political, exchange rate, economic, sovereign and transfer risks.

The Group manages country risk through the requirements of the Group CCRP and the said risk is part of its concentration risk management. The way the Group manages transfer risk is set out in its Country Risk Management Standard. This includes an internal transfer risk and sovereign risk rating system, where assessments are made independently of business decisions. The Group's transfer risk limits are set in accordance with the Group Risk Appetite Policy.

Transfer risk limits for priority countries are set based on country-specific strategic business considerations as well as the acceptable potential loss according to the Group's Risk Appetite. Management actively evaluates and determines the appropriate level of transfer risk exposures for these countries taking into account the risks and rewards and whether they are in line with the Group's strategic intent. Limits for all other non-priority countries are set using a model-based approach.

All transfer risk limits are approved by the BRMC.

Credit stress testing

The Group engages in various types of credit stress testing, and these are driven either by regulators or internal requirements and management.

The Group's credit stress tests are performed at the total portfolio or sub-portfolio level, and are generally conducted to assess the impact of changing economic conditions on asset quality, earnings performance, capital adequacy and liquidity. The Group's stress testing programme is comprehensive and covers a range of risks and business areas.

Pillar 1 credit stress testing	The Group conducts Pillar 1 credit stress testing regularly as required by regulators. Under Pillar 1 credit stress testing, the Group assesses the
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	impact of a mild stress scenario (at least two consecutive quarters of zero GDP growth) on Internal Ratings-Based (IRB) estimates (i.e. PD, LGD and EAD) and the impact on regulatory capital. The purpose of the Pillar 1 credit stress test is to assess the robustness of internal credit risk models and the cushion above minimum regulatory capital.
Pillar 2 credit stress testing	The Group conducts Pillar 2 credit stress testing once a year as part of the Internal Capital Adequacy Assessment Process (ICAAP). Under Pillar 2 credit stress testing, the Group assesses the impact of stress scenarios, with different levels of severity, on asset quality, earnings performance, as well as internal and regulatory capital. The results of the credit stress test form inputs to the capital planning process under ICAAP. The purpose of the Pillar 2 credit stress testing is to examine, in a rigorous and forward-looking manner, the possible events or changes in market conditions that could adversely impact the Group and to develop the appropriate action plan.
Industry-wide stress testing	The Group participates in the annual industry-wide stress test (IWST) conducted by the Monetary Authority of Singapore (MAS) to facilitate the ongoing assessment of Singapore's financial stability. Under the IWST, the Group is required to assess the impact of adverse scenarios, as defined by the regulator, on asset quality, earnings performance and capital adequacy.
Sensitivity and scenario analyses	The Group also conducts multiple independent sensitivity analyses and credit portfolio reviews based on various scenarios. The intent of these analyses and reviews is to identify vulnerabilities for the purpose of developing and executing mitigating actions.

• **Processes, Systems and Reports**

The Group constantly invests in systems to support risk monitoring and reporting for its Institutional Banking and Consumer Banking/ Wealth Management businesses.

The end-to-end credit process is continually being reviewed and improved through various front-to-back initiatives involving business, operations, risk management and other key stakeholders. Day-to-day monitoring of credit exposures, portfolio performance and external environmental factors potentially affecting credit risk profiles is key to its philosophy of effective credit risk management.

In addition, credit trends, which may include industry analysis, early warning alerts and significant weak credits, are submitted to the various risk committees, allowing key strategies and action plans to be formulated and evaluated. Credit control functions also ensure that any credit risk taken complies with the credit risk policies and standards. These functions ensure that approved limits are activated, credit excesses and policy exceptions are appropriately endorsed, compliance with credit standards is carried out, and covenants established are monitored.

Independent risk management functions that report to the CRO are jointly responsible for developing and maintaining a robust credit stress testing programme. These units oversee the implementation of credit stress tests as well as the analysis of the results, of which management, various risk committees and regulators are informed.

Non-performing assets

The Group’s credit facilities are classified as “Performing assets” or “Non-performing assets” (NPA), in accordance with the MAS Notice to Banks No.612 “Credit Files, Grading and Provisioning” (MAS Notice 612/ MAS Notice 612A).

Credit exposures are categorised into one of the following five categories, according to the Group’s assessment of a borrower’s ability to repay a credit facility from its normal sources of income and/ or the repayment behaviour of the borrower.

Classification grade	Description
Performing assets	
Pass	Indicates that the timely repayment of the outstanding credit facilities is not in doubt.
Special mention	Indicates that the borrower exhibits potential weaknesses that, if not corrected in a timely manner, may adversely affect future repayments and warrant close attention by the Group.

Classification grade	Description
Classified or NPA	
Substandard	Indicates that the borrower exhibits definable weaknesses in its business, cash flow or financial position that may jeopardise repayment on existing terms.
Doubtful	Indicates that the borrower exhibits 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 as yet.
Loss	Indicates that the outstanding credit facility is not collectable, and little or nothing can be done to recover the outstanding amount from any collateral or from the assets of the borrower generally.

A default is considered to have occurred with regard to a particular borrower when either or both of the following events have taken place:

- Subjective default: Borrower is considered to be unlikely to pay its credit obligations in full, without the Group taking action such as realising security (if held)
- Technical default: Borrower is more than 90 days past due on any credit obligation to the Group

For retail borrowers, the categorisation into the respective MAS loan grades is at the facility level and consistent with MAS Notice 612/ MAS Notice 612A.

Credit facilities are classified as restructured assets when the Group grants non-commercial concessions to a borrower because its financial position has deteriorated or is unable to meet the original repayment schedule. A restructured credit facility is classified into the appropriate non-performing grade based on the assessment of the borrower’s financial condition and its ability to repay according to 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 and MAS Notice 612/ MAS Notice 612A. Apart from what has been described, the Group does not grant concessions to borrowers in the normal course of business.

In addition, it is not within the Group’s business model to acquire debts that have been restructured at inception (e.g. distressed debts).

Please refer to Note 2.11 for the Group’s accounting policies regarding specific and general allowances for credit losses.

In general, specific allowances are recognised for defaulting credit exposures rated substandard and below.

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The breakdown of the Group's NPA by loan grading and industry and the related amounts of specific allowances can be found in Note 42.2. A breakdown of past due loans can also be found in the same note.

When required, the Group will take possession of all collateral and dispose them as soon as practicable. Realised proceeds are used to reduce outstanding indebtedness. A breakdown of collateral held for NPA is shown in Note 42.2.

Repossessed collateral is classified in the balance sheet as other assets. The amounts of such other assets for 2020 and 2021 were not material.

Credit Risk Mitigants

Collateral received

Where possible, the Group takes collateral as a secondary source of repayment. This includes, but is not limited to cash, marketable securities, real estate, trade receivables, inventory, equipment, and other physical and/ or financial collateral. The Group may also take fixed and floating charges on the assets of borrowers.

Policies are in place to determine the eligibility of collateral for credit risk mitigation. Collateral is generally diversified and periodic valuations of collateral are required. Real estate constitutes the bulk of the Group's collateral, while marketable securities and cash are immaterial.

For derivatives, repurchase agreements (repo) and other repo-style transactions with financial market counterparties, collateral arrangements are typically covered under market-standard documentation, such as International Swaps & Derivatives Association (ISDA) Agreements and Master Repurchase Agreements. The collateral received is marked-to-market on a frequency that the Group and the counterparties

have mutually agreed upon. This is governed by internal guidelines with respect to collateral eligibility. In the event of a default, the credit risk exposure is reduced by master-netting arrangements where the Group is allowed to offset what it owes a counterparty against what is due from that counterparty in a netting-eligible jurisdiction.

Collateral held against derivatives generally consists of cash in major currencies and highly rated government or quasi-government bonds. Exceptions may arise in certain countries, where due to domestic capital markets and business conditions, the Group may be required to accept less highly rated or liquid government bonds and currencies. Reverse repo-transactions are generally traded with large institutions with reasonably good credit standing. The Group takes haircuts against the underlying collateral of these transactions that commensurate with collateral quality to ensure credit risks are adequately mitigated.

In times of difficulty, the Group will review the customers' specific situation and circumstances to assist them in restructuring their financial obligations. However, should the need arise, disposal and recovery processes are in place to dispose the collateral held. The Group maintains a panel of agents and solicitors to assist in the disposal of non-liquid assets and specialised equipment quickly.

Other credit risk mitigants

The Group accepts guarantees as credit risk mitigants. Internal requirements for considering the eligibility of guarantors for credit risk mitigation are in place.

42.1 Maximum exposure to credit risk

The following table shows the exposure to credit risk of on-balance sheet and off-balance sheet financial instruments, before taking into account any collateral held, other credit enhancements and netting arrangements. For on-balance sheet financial assets, the maximum credit exposure is the carrying amounts. For contingent liabilities, the maximum exposure to credit risk is the amount the Group would have to pay if the instrument is called upon. For undrawn facilities, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers.

In \$ millions	The Group	
	2021	2020
On-balance sheet		
Cash and balances with central banks (excluding cash on hand)	54,237	48,207
Government securities and treasury bills	53,262	51,700
Due from banks	51,292	50,816
Derivatives	19,706	31,116
Bank and corporate debt securities	53,788	54,109
Loans and advances to customers	408,993	371,171
Other assets (excluding deferred tax assets)	15,267	18,871
Due from holding company	719	911
	657,264	626,901
Off-balance sheet		
Contingent liabilities and commitments (excluding capital commitments)	366,031	336,283
Total	1,023,295	963,184

The Group's exposures to credit risk, measured using the expected gross credit exposures that will arise upon a default of the end obligor are as shown in the Group's Pillar 3 Disclosures (unaudited). These exposures, which include both on-balance sheet and off-balance sheet financial instruments, are shown without taking into account any collateral held or netting arrangements.

Analysis of Collateral

Whilst the Group's maximum exposure to credit risk is the carrying amount of the assets or, in the case of off-balance sheet instruments, the amount guaranteed, committed, accepted or endorsed, the likely exposure may be lower due to offsetting collateral, credit guarantees and other actions taken to mitigate the Group's exposure.

The description of collateral for each class of financial asset is set out below.

Balances with central banks, Government securities and treasury bills, Due from banks and Bank and corporate debt securities
Collateral is generally not sought for these assets.

Derivatives

The Group maintains collateral agreements and enters into master netting agreements with most of the counterparties for derivative transactions. Please refer to Note 35 for the impact of netting arrangements recognised for the computation of Capital Adequacy Ratio (CAR).

Loans and advances to customers, Contingent liabilities and commitments

Certain loans and advances to customers, contingent liabilities and commitments are typically collateralised to a substantial extent. In particular, residential mortgage exposures are generally fully secured by residential properties. Income-producing real estate, which is a sub-set of the Specialised Lending exposure, is fully secured by the underlying assets financed.

The extent to which credit exposures are covered by Basel-eligible collateral, besides real estate, after the application of the requisite regulatory haircuts, is shown in the Group's Pillar 3 Disclosures (unaudited). The amounts are a sub-set of the actual collateral arrangements entered by the Group as Basel imposes strict legal and operational standards before collateral can be admitted as credit risk mitigants. As a result, certain collateral arrangements which do not meet its criteria will not be included. Certain collateral types which are not permitted as credit risk mitigants for credit exposures under the Standardised Approach are also excluded.

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42.2 Loans and advances to customers

In \$ millions	The Group	
	2021	2020
Loans and advances to customers		
Performing Loans		
- Neither past due nor impaired (i)	408,018	369,783
Pass	404,050	365,354
Special Mention	3,968	4,429
- Past due but not impaired (ii)	1,764	1,928
Non-Performing Loans		
- Impaired (iii)	5,290	6,059
Total gross loans	415,072	377,770

(i) Neither past due nor impaired loans by grading and industry

The credit quality of the portfolio of loans and advances that are neither past due nor impaired can be assessed by reference to the loan gradings in MAS Notice 612/ MAS Notice 612A.

In \$ millions	The Group		
	Pass	Special Mention	Total
2021			
Manufacturing	40,600	369	40,969
Building and construction	106,343	768	107,111
Housing loans	77,869	-	77,869
General commerce	42,977	619	43,596
Transportation, storage and communications	28,744	354	29,098
Financial institutions, investment and holding companies	36,910	36	36,946
Professionals and private individuals (excluding housing loans)	39,049	58	39,107
Others	31,558	1,764	33,322
Total	404,050	3,968	408,018
2020			
Manufacturing	38,414	576	38,990
Building and construction	96,099	424	96,523
Housing loans	73,535	-	73,535
General commerce	38,876	690	39,566
Transportation, storage and communications	27,829	934	28,763
Financial institutions, investment and holding companies	28,094	161	28,255
Professionals and private individuals (excluding housing loans)	32,665	79	32,744
Others	29,842	1,565	31,407
Total	365,354	4,429	369,783

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(ii) Past due but not impaired loans by past due period and industry

In \$ millions	The Group			Total
	Less than 30 days past due	30 to 59 days past due	60 to 90 days past due	
2021				
Manufacturing	42	10	5	57
Building and construction	40	34	3	77
Housing loans	373	47	19	439
General commerce	103	27	5	135
Transportation, storage and communications	40	32	1	73
Financial institutions, investment and holding companies	190	59	1	250
Professionals and private individuals (excluding housing loans)	494	53	41	588
Others	134	5	6	145
Total	1,416	267	81	1,764
2020				
Manufacturing	118	16	5	139
Building and construction	67	14	8	89
Housing loans	370	53	27	450
General commerce	115	12	5	132
Transportation, storage and communications	80	3	123	206
Financial institutions, investment and holding companies	99	-	48	147
Professionals and private individuals (excluding housing loans)	261	61	47	369
Others	73	36	287	396
Total	1,183	195	550	1,928

(iii) Non-performing assets (NPAs)

Non-performing assets by grading and industry

In \$ millions	The Group							
	NPAs			Total	Specific allowances			
	Sub-standard	Doubtful	Loss			Sub-standard	Doubtful	Loss
2021								
Manufacturing	326	364	115	805	61	196	115	372
Building and construction	309	50	86	445	40	23	86	149
Housing loans	192	3	13	208	1	1	13	15
General commerce	268	269	374	911	45	243	374	662
Transportation, storage and communications	1,006	217	569	1,792	225	177	569	971
Financial institutions, investment and holding companies	32	37	24	93	6	20	24	50
Professional and private individuals (excluding housing loans)	376	29	14	419	80	27	14	121
Others	339	223	55	617	27	123	55	205
Total non-performing loans	2,848	1,192	1,250	5,290	485	810	1,250	2,545
Debt securities, contingent liabilities and others	198	119	242	559	37	102	242	381
Total	3,046	1,311	1,492	5,849	522	912	1,492	2,926
Of which: restructured assets	953	473	146	1,572	245	265	146	656
2020								
Manufacturing	308	326	39	673	58	172	39	269
Building and construction	242	12	98	352	28	12	98	138
Housing loans	194	17	11	222	-	-	11	11
General commerce	363	514	94	971	31	439	94	564
Transportation, storage and communications	1,346	400	902	2,648	145	322	902	1,369
Financial institutions, investment and holding companies	21	19	7	47	7	9	7	23
Professional and private individuals (excluding housing loans)	403	45	17	465	93	41	17	151
Others	388	256	37	681	15	115	37	167
Total non-performing loans	3,265	1,589	1,205	6,059	377	1,110	1,205	2,692
Debt securities, contingent liabilities and others	238	291	98	627	20	204	98	322
Total	3,503	1,880	1,303	6,686	397	1,314	1,303	3,014
Of which: restructured assets	918	438	207	1,563	220	253	207	680

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Non-performing assets by geography^(a)

In \$ millions	The Group	
	NPAs	Specific allowances
2021		
Singapore	2,873	1,434
Hong Kong	686	421
Rest of Greater China	343	78
South and Southeast Asia	1,151	555
Rest of the World	237	57
Total non-performing loans	5,290	2,545
Debt securities, contingent liabilities and others	559	381
Total	5,849	2,926
2020		
Singapore	3,624	1,681
Hong Kong	678	358
Rest of Greater China	381	82
South and Southeast Asia	1,092	511
Rest of the World	284	60
Total non-performing loans	6,059	2,692
Debt securities, contingent liabilities and others	627	322
Total	6,686	3,014

(a) Based on the location of incorporation of the borrower

Non-performing assets by past due period

In \$ millions	The Group	
	2021	2020
Not overdue	1,415	1,148
Within 90 days	390	515
Over 90 to 180 days	209	384
Over 180 days	3,835	4,639
Total past due assets	4,434	5,538
Total	5,849	6,686

Secured non-performing assets by collateral type

In \$ millions	The Group	
	2021	2020
Properties	1,112	1,373
Shares and debentures	42	143
Cash deposits	9	8
Others	1,507	1,598
Total	2,670	3,122

42.3 Credit quality of Government securities and treasury bills and Bank and corporate debt securities

The table below presents an analysis of Government securities and treasury bills and bank and corporate debt securities for the Group by external rating bands.

Analysed by external ratings In \$ millions	The Group		
	Singapore Government securities and treasury bills (Gross)	Other government securities and treasury bills (Gross)	Bank and corporate debt securities (Gross)
2021			
AAA	11,364	8,580	16,893
AA- to AA+	-	11,631	4,859
A- to A+	-	15,466	11,356
Lower than A-	-	6,225	8,363
Unrated	-	-	12,412
Total	11,364	41,902	53,883
2020			
AAA	13,608	5,986	19,953
AA- to AA+	-	11,097	4,541
A- to A+	-	14,257	9,061
Lower than A-	-	6,755	7,174
Unrated	-	-	13,427
Total	13,608	38,095	54,156

42.4 Credit risk by geography and industry

Analysed by geography ^(a)	The Group					
	Government securities and treasury bills (Gross)	Due from banks (Gross)	Derivatives	Bank and corporate debt securities (Gross)	Loans and advances to customers (Gross)	Total
In \$ millions						
2021						
Singapore	11,364	5,221	1,395	15,470	191,831	225,281
Hong Kong	4,586	7,889	1,168	1,222	70,216	85,081
Rest of Greater China	4,734	9,633	1,740	7,210	59,150	82,467
South and Southeast Asia	6,225	3,648	950	4,023	30,784	45,630
Rest of the World	26,357	24,908	14,453	25,958	63,091	154,767
Total	53,266	51,299	19,706	53,883	415,072	593,226
2020						
Singapore	13,608	1,183	3,056	15,292	176,402	209,541
Hong Kong	3,872	2,333	1,763	1,212	59,093	68,273
Rest of Greater China	4,467	19,051	3,672	5,764	53,278	86,232
South and Southeast Asia	6,757	3,819	1,456	4,760	30,362	47,154
Rest of the World	22,999	24,434	21,169	27,128	58,635	154,365
Total	51,703	50,820	31,116	54,156	377,770	565,565

(a) Based on the location of incorporation of the issuer (for debt securities), counterparty (for derivatives), borrower (for loans) or the issuing bank in the case of bank backed export financing.

Analysed by industry	The Group					
	Government securities and treasury bills (Gross)	Due from banks (Gross)	Derivatives	Bank and corporate debt securities (Gross)	Loans and advances to customers (Gross)	Total
In \$ millions						
2021						
Manufacturing	-	-	341	3,604	41,831	45,776
Building and construction	-	-	645	5,366	107,633	113,644
Housing loans	-	-	-	-	78,516	78,516
General commerce	-	-	112	2,066	44,642	46,820
Transportation, storage and communications	-	-	310	4,379	30,963	35,652
Financial institutions, investment and holding companies	-	51,299	16,633	23,860	37,289	129,081
Government	53,266	-	-	-	-	53,266
Professionals and private individuals (excluding housing loans)	-	-	350	-	40,114	40,464
Others	-	-	1,315	14,608	34,084	50,007
Total	53,266	51,299	19,706	53,883	415,072	593,226
2020						
Manufacturing	-	-	494	3,136	39,802	43,432
Building and construction	-	-	1,363	5,400	96,964	103,727
Housing loans	-	-	-	-	74,207	74,207
General commerce	-	-	266	2,438	40,669	43,373
Transportation, storage and communications	-	-	754	3,688	31,617	36,059
Financial institutions, investment and holding companies	-	50,820	26,380	25,657	28,449	131,306
Government	51,703	-	-	-	-	51,703
Professionals and private individuals (excluding housing loans)	-	-	528	-	33,578	34,106
Others	-	-	1,331	13,837	32,484	47,652
Total	51,703	50,820	31,116	54,156	377,770	565,565

43. Market Risk

The Group's exposure to market risk is categorised into:

- Trading portfolios: Arising from positions taken for (i) market-making, (ii) client facilitation, and (iii) benefiting from market opportunities.
- Non-trading portfolios: Arising from (i) the Group's Institutional Banking and Consumer Banking/ Wealth Management assets and liabilities, (ii) debt securities and equities comprising investments held for yield and/ or long-term capital gains, (iii) strategic stakes in entities, and (iv) structural foreign exchange risk arising mainly from the Group's strategic investments, which are denominated in currencies other than the Singapore Dollar.

The Group uses a variety of financial derivatives such as swaps, forwards and futures, and options for trading and hedging against market movements.

Market Risk Management

The Group's approach to market risk management comprises the following building blocks:

- **Policies**

The Group Market Risk Management Policy sets the Group's overall approach towards market risk management. This policy is supplemented with standards and guides, which facilitate the identification, measurement, control, monitoring and reporting of market risk in a consistent manner. They also set out the overall approach, requirements and controls governing market risk stress testing across the Group.

The criteria for determining the positions to be included in the trading book are stipulated in the Trading Book Policy Statement.

- **Risk Methodologies**

The Group utilises Value-at-Risk (VaR), a statistical risk measure, to estimate the potential loss from market movements. This measure uses historical simulation based on data for the previous 12 months. It assumes that historical changes in market values reflect the distribution of potential outcomes in the immediate future.

The Group limits and monitors market risk exposures using Expected Shortfall (ES) that is VaR calculated with a one-day holding period and an expected tail-loss methodology which approximates a 97.5% confidence interval. ES is supplemented with other risk control metrics such as sensitivities to risk factors and loss triggers for management action.

The Group conducts backtesting to verify the predictiveness of the VaR model. Backtesting compares VaR calculated for positions at the close of each business day with the profit and loss (P&L) that arises from those positions on the following business day. The backtesting P&L excludes fees and commissions, revenues from intra-day trading, non-daily valuation adjustments and time effects.

For backtesting, VaR at the 99% confidence interval and over a one-day holding period is used. The Group adopts the standardised approach to compute market risk regulatory capital under MAS Notice 637 for the trading book positions. As such, VaR backtesting does not impact the Group's regulatory capital for market risk.

There are limitations to VaR models; for example, past changes in market risk factors may not provide accurate predictions of future market movements, and the risk arising from adverse market events may not be considered.

To monitor the Group's vulnerability to unexpected but plausible extreme market risk-related events, it conducts multiple market risk stress tests regularly. These cover trading and non-trading portfolios and follow a combination of historical and hypothetical scenarios depicting risk-factor movement.

Economic Value of Equity (EVE) and Net Interest Income (NII) variability are the key risk metrics used to manage the Group's assets and liabilities. EVE and NII variability measure how the economic value and earnings of the bank change under various stress scenarios. Credit risk arising from loans and receivables is managed under the credit risk management framework. Interest rate risk in the banking book (IRRBB) arises from mismatches in the interest rate profiles of assets, liabilities and capital instruments. Estimating IRRBB requires the use of behavioural models and assumptions on certain parameters such as loan prepayment, fixed deposits early redemption and the duration of the non-maturity deposits. The Group measures IRRBB on a monthly basis.

- **Processes, Systems and Reports**

Robust internal control processes and systems have been designed and implemented to support the Group's market risk management approach. The Group reviews these control processes and systems regularly, and these reviews allow senior management to assess their effectiveness.

The RMG Market and Liquidity Risk unit – an independent market risk management function reporting to the CRO – monitors, controls and analyses the Group's market risk daily. The unit comprises risk control, risk analytics, production and reporting teams.

Market Risk

The main risk factors driving the Group' trading portfolios in 2021 were interest rates, foreign exchange, equities and credit spreads. The following table shows the period-end, average, high and low diversified ES, and ES by risk class for the Group's trading portfolios. ES in 2021 was lower given the more benign financial market conditions as compared to the market volatilities witnessed during the onset of the Covid-19 pandemic in 2020.

The Group				
1 Jan 2021 to 31 Dec 2021				
In \$ millions	As at 31 Dec 2021	Average	High	Low
Diversified	8	9	21	5
Interest Rates	6	9	18	5
Foreign Exchange	1	4	9	1
Equity	2	4	9	1
Credit Spread	5	7	21	3
Commodity	#	#	1	#

1 Jan 2020 to 31 Dec 2020^(a)				
In \$ millions	As at 31 Dec 2020	Average	High	Low
Diversified	19	13	31	8
Interest Rates	12	14	27	7
Foreign Exchange	7	4	8	1
Equity	6	3	11	#
Credit Spread	14	14	18	5
Commodity	#	#	1	#

Amount under \$500,000

(a) This excludes the positions from LVB that was amalgamated with DBS Bank India Limited on 27 Nov 2020. Impact from LVB's positions to the Group's trading book was assessed to be insignificant.

The Group's trading portfolios experienced eight backtesting exceptions in 2021 and they occurred in February, June, July, October and November. The backtesting exceptions were mainly due to large movements in interest rates, credit spreads, equity volatilities.

In 2021, the key market risk drivers of the Group's non-trading portfolios were interest rates (Singapore Dollar and US Dollar) and foreign exchange.

The Net Interest Income (NII) of the banking book is assessed under various rate scenarios to determine the impact of interest rate movements on future earnings. Simulating using a 100 basis points parallel upward or downward shift in yield curves on the Group's banking book exposures, NII is estimated to increase by \$1,803 million and decrease by \$779 million respectively.

Foreign exchange risk in the Group's non-trading portfolios was primarily from structural foreign exchange positions, arising mainly from the Group's strategic investments and retained earnings in overseas branches and subsidiaries.

Please refer to Note 37.3 for more information on the Group's structural foreign exchange positions.

44. Liquidity Risk

The Group's liquidity risk arises from its obligations to honour withdrawals of deposits, repayments of borrowed funds at maturity, and its commitments to extend loans to its customers. The Group seeks to manage its liquidity to ensure that its liquidity obligations will continue to be honoured under normal as well as adverse circumstances.

Liquidity Risk Management

Liquidity Management and Funding Strategy

The Group strives to develop a diversified funding base with access to funding sources across retail and wholesale channels. The Group's funding strategy is anchored on the strength of its core deposit franchise and is augmented by its established long-term funding capabilities.

Growth in the regional franchise generates price, volume, currency and tenor mismatches between the Group's assets and liabilities. To this end, where practicable and transferable without loss in value, the Group makes appropriate use of swap markets for relevant currencies, commensurate with the liquidity of each, in the conversion and deployment of surplus funds across locations.

As these swaps typically mature earlier than loans, the Group is exposed to potential cash flow mismatches arising from the risk that counterparties may not roll over maturing swaps to support the Group's ongoing funding needs. This risk is mitigated by triggers set on the number of swaps transacted with the market and by conservative assumptions on the cash flow behaviour of swaps under its cash flow maturity gap analysis.

In general, the term borrowing needs are managed centrally by the head office in consultation with the Group's overseas locations, subject to relevant regulatory restrictions and to an appropriate level of presence and participation required by the respective local funding markets.

The Group Asset and Liability Committee and respective Location Asset and Liability Committees regularly review the composition and growth trajectories of the relevant balance sheets and refine the Group's funding strategy according to business momentum, competitive factors and prevailing market conditions.

Approach to Liquidity Risk Management

The Group's approach to liquidity risk management comprises the following building blocks:

- **Policies**

The Group Liquidity Risk Management Policy sets its overall approach towards liquidity risk management and describes the range of strategies the Group employs to manage its liquidity.

These strategies include maintaining an adequate counterbalancing capacity to address potential cash flow shortfalls and having diversified sources of liquidity.

The Group's counterbalancing capacity includes liquid assets, the capacity to borrow from the money markets (including the issuance of commercial papers and covered bonds), and forms of managerial interventions that improve liquidity. In the event of a potential or actual crisis, the Group has in place a set of liquidity contingency and recovery plans to ensure that it maintains adequate liquidity.

The Group Liquidity Risk Management Policy is supported by standards that establish the detailed requirements for liquidity risk identification, measurement, reporting and control within the Group. The set of policies, standards and supporting guides communicate these baseline requirements to ensure a consistent application throughout the Group.

- **Risk Methodologies**

The primary measure used to manage liquidity within the tolerance defined by the Board is cash flow maturity mismatch analysis.

This form of analysis is performed on a regular basis under normal and adverse scenarios. It assesses the adequacy of the Group's counterbalancing capacity to fund or mitigate any cash flow shortfalls that may occur as forecasted in the cash flow movements across successive time bands. To ensure that liquidity is managed in line with the Group's Risk Appetite, core parameters such as the types of scenarios, the survival period and the minimum level of liquid assets, are pre-specified for monitoring and control on a group-wide basis. Any occurrences of forecasted shortfalls that cannot be covered by the Group's counterbalancing capacity will be escalated to the relevant committees for evaluation and action.

Liquidity risk stress testing is performed regularly using cash flow maturity mismatch analysis, and covers adverse scenarios including general market and idiosyncratic stress scenarios. Stress tests assess the Group's vulnerability when liability run-offs increase, asset rollovers increase and/ or liquid asset buffers decrease. In addition, ad hoc stress tests are performed as part of the Group's recovery planning and ICAAP exercises.

Liquidity risk control measures such as liquidity-related ratios and balance sheet analysis are complementary tools for cash flow maturity mismatch analysis, and they are performed regularly to obtain deeper insights and finer control over the Group's liquidity profile across different locations. The liquidity risk control measures also include concentration measures regarding top depositors, wholesale borrowing and swapped funds ratios.

- **Processes, systems and reports**

Robust internal control processes and systems support the Group's overall approach in identifying, measuring, aggregating, controlling and monitoring liquidity risk across the Group.

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Continuous improvement in data and reporting platforms has allowed most elements of internal liquidity risk reporting to be centralised.

The RMG Market and Liquidity Risk unit manages the day-to-day liquidity risk monitoring, control reporting and analysis.

Liquidity risk in 2021

The Group actively monitors and manages its liquidity profile through cash flow maturity mismatch analysis.

In forecasting cash flow under the analysis, behavioural profiling is necessary in cases where a product has

indeterminate maturity or the contractual maturity does not realistically reflect the expected cash flow.

Two examples are maturity-indeterminate savings and current account deposits, which are generally viewed as sources of stable funding for commercial banks. In fact, they consistently exhibit stability even under historic periods of stress. A conservative view is adopted in the behavioural profiling of assets, liabilities and off-balance sheet commitments that have exhibited cash flow patterns that differ significantly from the contractual maturity profile shown under Note 44.1.

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44.1 Contractual maturity profile of assets and liabilities

The table below analyses assets and liabilities of the Group as at 31 December based on the remaining period as at balance sheet date to the contractual maturity date.

The Group									
In \$ millions	Less than 7 days	1 week to 1 month	1 to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	More than 5 years	No specific maturity	Total
2021									
Cash and balances with central banks	18,190	17,173	17,904	1,973	1,137	-	-	-	56,377
Government securities and treasury bills	823	2,416	5,252	6,575	12,445	8,259	17,492	-	53,262
Due from banks	22,940	9,950	8,200	9,613	589	-	-	-	51,292
Derivatives ^(a)	19,706	-	-	-	-	-	-	-	19,706
Bank and corporate securities	-	885	2,161	7,989	17,097	11,247	14,409	15,904	69,692
Loans and advances to customers	39,873	66,763	38,870	62,213	80,655	49,279	71,340	-	408,993
Other assets	10,206	718	1,371	2,082	135	22	23	1,337	15,894
Associates and joint ventures	-	-	-	-	-	-	-	2,172	2,172
Properties and other fixed assets	-	-	-	-	-	-	-	3,262	3,262
Goodwill and intangibles	-	-	-	-	-	-	-	5,362	5,362
Due from holding company	-	-	-	-	719	-	-	-	719
Total assets	111,738	97,905	73,758	90,445	112,777	68,807	103,264	28,037	686,731
Due to banks	12,093	7,523	3,670	2,155	4,767	1	-	-	30,209
Deposits and balances from customers	407,760	33,002	35,031	22,995	1,616	769	786	-	501,959
Derivatives ^(a)	20,416	-	-	-	-	-	-	-	20,416
Other liabilities	8,139	1,121	2,429	2,807	379	143	312	3,264	18,594
Other debt securities	1,277	6,492	15,840	12,328	2,864	3,552	2,325	2,223	46,901
Due to holding company	673	-	-	1,082	5,846	2,516	135	-	10,252
Total liabilities	450,358	48,138	56,970	41,367	15,472	6,981	3,558	5,487	628,331
Non-controlling interests	-	-	-	-	-	-	-	1,165	1,165
Shareholders' funds	-	-	-	-	-	-	-	57,235	57,235
Total equity	-	-	-	-	-	-	-	58,400	58,400
2020									
Cash and balances with central banks	19,214	11,620	17,494	1,719	571	-	-	-	50,618
Government securities and treasury bills	292	2,771	4,324	6,505	13,111	6,888	17,809	-	51,700
Due from banks	20,446	5,859	10,238	13,322	901	50	-	-	50,816
Derivatives ^(a)	31,116	-	-	-	-	-	-	-	31,116
Bank and corporate securities	-	570	2,648	8,453	19,985	10,071	12,382	11,347	65,456
Loans and advances to customers	30,105	57,867	37,890	51,681	77,472	46,539	69,617	-	371,171
Other assets	13,232	1,216	1,413	2,338	94	17	16	1,169	19,495
Associates and joint ventures	-	-	-	-	-	-	-	862	862
Properties and other fixed assets	-	-	-	-	-	-	-	3,338	3,338
Goodwill and intangibles	-	-	-	-	-	-	-	5,323	5,323
Due from holding company	-	198	-	-	713	-	-	-	911
Total assets	114,405	80,101	74,007	84,018	112,847	63,565	99,824	22,039	650,806
Due to banks	16,780	6,423	2,350	237	2,430	-	-	-	28,220
Deposits and balances from customers	363,707	30,737	42,340	24,192	2,174	311	1,389	-	464,850
Derivatives ^(a)	33,088	-	-	-	-	-	-	-	33,088
Other liabilities	12,435	1,064	2,108	2,055	532	331	788	2,674	21,987
Other debt securities	1,801	4,208	11,341	13,264	2,269	2,191	2,637	1,518	39,229
Due to holding company	1,285	3	5	7	1,477	264	4,432	-	7,473
Total liabilities	429,096	42,435	58,144	39,755	8,882	3,097	9,246	4,192	594,847
Non-controlling interests	-	-	-	-	-	-	-	976	976
Shareholders' funds	-	-	-	-	-	-	-	54,983	54,983
Total equity	-	-	-	-	-	-	-	55,959	55,959

(a) Derivative financial assets and liabilities are included in the "Less than 7 days" bucket as they are mainly held for trading. Please refer to the tables in Note 37 for the maturity profile of hedging derivatives

The above table includes disclosure of the contractual maturity of financial liabilities, which approximates the same analysis on an undiscounted basis, as total future interest payments are not material relative to the principal amounts. Assets and liabilities (including non-maturing savings/ current deposits) are represented on a contractual basis or in a period when it can legally be withdrawn. The cash flows of assets and liabilities may behave differently from their contractual terms.

44.2 Contingent liabilities and commitments

The table below shows the Group's contingent liabilities and commitments based on the remaining period as at the balance sheet date to contractual expiry date.

In \$ millions	The Group				Total
	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years	
2021					
Guarantees, letters of credit and other contingent liabilities	34,079	-	-	-	34,079
Undrawn credit commitments ^(a) and other facilities	288,383	21,699	18,224	3,646	331,952
Capital commitments	16	37	19	-	72
Total	322,478	21,736	18,243	3,646	366,103
2020					
Guarantees, letters of credit and other contingent liabilities	29,316	-	-	-	29,316
Undrawn credit commitments ^(a) and other facilities	269,700	18,547	15,296	3,424	306,967
Capital commitments	14	1	-	-	15
Total	299,030	18,548	15,296	3,424	336,298

(a) Includes commitments that are unconditionally cancellable at any time by the Group

The Group expects that not all of the contingent liabilities will be called upon and not all of the undrawn credit commitments will be drawn before expiry.

45. Operational Risk

Operational risk is inherent in the Group's business activities and may arise from inadequate or failed internal processes, people, systems, or from external events. The Group's objective is to keep operational risk at appropriate levels, taking into account the markets it operates in, the characteristics of the businesses as well as its economic and regulatory environment.

Operational Risk Management

The Group's approach to operational risk management comprises the following building blocks:

- **Policies**

The Group Operational Risk Management (ORM) Policy sets its overall approach for managing operational risk in a structured, systematic and consistent manner.

There are policies, standards, tools and programmes in place to govern ORM practices across the Group. These include corporate operational risk policies and standards that are owned by the respective corporate oversight and control functions. The key policies address risk areas relating to technology, compliance, fraud, money laundering, financing of terrorism and sanctions, new product, outsourcing and ecosystem partnership.

- **Risk Methodologies**

The Group adopts the standardised approach to compute operational risk regulatory capital.

To manage and control operational risk, the Group uses various tools, including risk and control self-assessment, operational risk event management and key risk indicator monitoring.

The Group's three lines of defence adopt one common risk taxonomy, and a consistent risk assessment approach to managing operational risk. Risk and control self-assessment is conducted by each business or support unit to identify key operational risk and assess the effectiveness of internal controls. When control issues are identified, the units develop action plans and track the resolution of the issues.

Operational risk events are classified in accordance with Basel standards. Such events, including any significant incidents that may impact the Group's reputation, must 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.

Additional methodologies are in place to address subject-specific risks, including, but not limited to, the following:

Technology risk

Information Technology (IT) risk is managed through an enterprise technology risk management approach. This covers risk identification, assessment, mitigation, monitoring and reporting. In addition, the appropriate governance, IT policies and standards, control processes and risk mitigation programmes are in

place to support the risk management approach.

Cyber security risk

Cyber security risk is an important and continuous focus of the Group. The Group devotes significant attention and resources to protect and improve the security of its computer systems, software, networks and other technology assets against the emerging and evolving landscape. The Group manages cyber security risk, which cuts across all lines of business. The Chief Information Security Officer (CISO) oversees the cyber security function and the one-stop competency centre for all cyber security related matters, such as operational risks and data protection risks.

Compliance risk

Compliance risk refers to the risk of the Group not being able to successfully conduct its business because of any failure to comply with laws, regulatory requirements, industry codes or standards of business and professional conduct applicable to the financial sector.

This includes, in particular, laws and regulations applicable to the licensing and conducting of banking or other financial businesses, financial crime such as anti-money laundering (AML) and countering the financing of terrorism (CFT), fraud and bribery/corruption. The Group maintains a compliance programme designed to identify, assess, measure, mitigate and report on such risks through a combination of policy and relevant systems and controls.

To counter financial crime and sanctions risks, The Group established minimum standards for the Group's business and support units to manage the Group's actual and/ or potential risk exposures. In addition, standards aimed to provide the end-to-end management for fraud and related issues at the unit and geographical levels, were implemented through the Fraud Management Programme. The Group implements surveillance and compliance testing controls where necessary to obtain assurance that the control framework is operating effectively.

The Group also provides relevant training and implements assurance processes. The Group strongly believes in the need to promote a strong compliance culture as well, and this is developed through the leadership of its Board and senior management.

New product, outsourcing and ecosystem partnership risks

Each new product, service, outsourcing arrangement or ecosystem partnership is subject to a risk review and sign-off process, where relevant risks are identified and assessed.

Variations of existing products or services and existing outsourcing arrangements and ecosystem partnerships are also subject to a similar process.

Other mitigation programmes

A robust business continuity management programme is in place to ensure that essential banking services can continue in the event of unforeseen events or business disruptions. This

includes a crisis management plan to enable quick response to manage incidents. Exercises are conducted annually, simulating different scenarios to test business continuity plans and crisis management protocol. The effectiveness of these exercises as well as the Group's business continuity readiness and its alignment to regulatory guidelines are communicated and attested by senior management to the BRMC annually.

Amid the Covid-19 pandemic, the Group's business continuity plans were put to the test and kept the Group in good stead. The Group was able to quickly adapt and adjust to the pandemic to ensure minimal impact on its customers and assure the health and safety of its employees. The Group dialled up its work-from-home capabilities by leveraging technology and data, and proactively managed the operational risks which arose from new or revised processes as the Group moved towards a hybrid work arrangement.

To mitigate losses from specific risk events which are unexpected and significant, the Group effects group-wide insurance coverage under the Group Insurance Programme. These insurance policies relate to crime and professional indemnity, directors and officers liability, cyber risk, property damage and business interruption, general liability and terrorism.

- **Processes, Systems and Reports**

Robust internal control processes and systems are integral to identifying, assessing, monitoring, managing and reporting operational risk.

The Group's units are responsible for the day-to-day management of operational risk in their products, processes, systems and activities, in accordance with the various frameworks and policies. The RMG Operational Risk unit and other corporate oversight and control functions:

- Oversee and monitor the effectiveness of operational risk management;
- Assess key operational risk issues with the units; and
- Report and/ or escalate key operational risks to risk committees with recommendations on appropriate risk mitigation strategies.

The Group has in place an integrated governance, risk and compliance system with aligned risk assessment methodology, common taxonomy, and unified processes for the three lines of defence. The Group has in place an operational risk landscape profile which provides the Board and senior management with an integrated view of the Group's operational risk profile periodically, across key operational risk areas and business lines.

46. Capital Management

The Board is responsible for setting the Group's capital management objective, which is to maintain a strong capital position consistent with regulatory requirements under the MAS Notice 637 and the expectations of various stakeholders, including customers, investors and rating agencies. The Board articulates this objective in the form of capital targets. This objective is pursued while delivering returns to shareholders and ensuring that adequate capital resources are available for business growth and investment opportunities as well as adverse situations, taking into consideration the Group's strategic plans and risk appetite.

The Group's capital management objective is implemented via a capital management and planning process that is overseen by the Capital Committee. The Chief Financial Officer chairs the Capital Committee. The Capital Committee receives regular updates on the Group's current and projected capital positions. A key tool for capital planning is the annual Internal Capital Adequacy Assessment Process (ICAAP) through which the Group assesses its forecast capital supply and demand relative to regulatory requirements and internal capital targets. The ICAAP generally has a three-year horizon and covers various scenarios, including stress scenarios of differing scope and severity.

The Group is subject to and has complied with the capital adequacy requirements set out in the MAS Notice 637, which effects the Basel Committee on Banking Supervision's capital adequacy framework in Singapore, throughout the year. The Group's capital adequacy ratios as at 31 December 2021 have been subject to an external limited assurance review, pursuant to the MAS Notice 609 "Auditors' Reports and Additional Information to be submitted with Annual Accounts".

For more information, please refer to the Group's Pillar 3 disclosures published on DBS website (<https://www.dbs.com/investors/default.page>).

47. Segment Reporting

47.1 Business segment reporting

The business segment results are prepared based on the Group's internal management reporting which reflects the organisation's 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 Group's various business segments are described below.

Consumer Banking/ Wealth Management

Consumer Banking/ Wealth Management 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 bank and non-bank financial institutions, government-linked companies, large corporates and small and medium-sized businesses. The business focuses on broadening and deepening customer relationships. Products and services comprise the full range of credit facilities from short-term working capital financing to specialised 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.

Treasury Markets

Treasury Markets' activities primarily include structuring, market-making and trading across a broad range of treasury products.

Income from sale of treasury products offered to customers of Consumer Banking/ Wealth Management and Institutional Banking is not reflected in the Treasury Markets segment, but in the respective customer segments.

Others

The Others segment encompasses the results of corporate decisions that are not attributed to business segments as well as the contribution of LVB as its activities have not been aligned with the Group's segment definitions. It includes earnings on capital deployed into high quality assets, earnings from non-core asset sales and certain other head office items such as centrally raised allowances. DBS Vickers is also included in this segment.

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The following table analyses the results, total assets and total liabilities of the Group by business segment.

In \$ millions	The Group				Total
	Consumer Banking/ Wealth Management	Institutional Banking	Treasury Markets ^(a)	Others	
2021					
Net interest income	2,548	3,999	783	1,105	8,435
Net fee and commission income	2,186	1,282	-	58	3,526
Other non-interest income	588	703	726	403	2,420
Total income	5,322	5,984	1,509	1,566	14,381
Total expenses	3,353	2,086	647	469	6,555
Allowances for credit and other losses	46	141	(5)	(130)	52
Profit before tax	1,923	3,757	867	1,227	7,774
Income tax expense and non-controlling interest					993
Net profit attributable to shareholders					6,781
Total assets before goodwill and intangibles	127,268	313,180	163,554	77,367	681,369
Goodwill and intangibles					5,362
Total assets					686,731
Total liabilities	267,870	211,613	88,840	60,008	628,331
Capital expenditure	125	23	19	400	567
Depreciation	42	7	3	617	669
2020					
Net interest income	3,339	3,995	840	927	9,101
Net fee and commission income	1,869	1,160	-	32	3,061
Other non-interest income	559	590	596	696	2,441
Total income	5,767	5,745	1,436	1,655	14,603
Total expenses	3,288	1,987	634	239	6,148
Allowances for credit and other losses	456	1,485	14	1,111	3,066
Profit before tax	2,023	2,273	788	305	5,389
Income tax expense and non-controlling interest					635
Net profit attributable to shareholders					4,754
Total assets before goodwill and intangibles	116,845	292,850	160,638	75,150	645,483
Goodwill and intangibles					5,323
Total assets					650,806
Total liabilities	253,893	223,598	66,593	50,763	594,847
Capital expenditure	108	26	19	394	547
Depreciation	47	10	3	588	648

(a) With effect from 1 January 2021, the functional currency of the Treasury Markets trading business in Singapore has been changed prospectively from Singapore dollars to US dollars. The wholesale assets and liabilities have been aligned to the new operating model. The change has no impact to the overall profit or loss and financial position of the Group.

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47.2 Geographical segment reporting

The performance by geography is classified based on the location in which income and assets are recorded; with head office items such as centrally raised credit allowances reflected in Singapore. Hong Kong comprises mainly DBS Bank (HK) Limited and DBS HK branch. Rest of Greater China comprises mainly DBS Bank (China) Ltd, DBS Bank (Taiwan) Ltd and DBS Taipei branch. South and Southeast Asia comprises mainly PT Bank DBS Indonesia, DBS Bank India Limited (including LVB balances post-amalgamation) and DBS Labuan branch. All results are prepared in accordance with SFRS(I).

In \$ millions	The Group					Total
	Singapore	Hong Kong	Rest of Greater China	South and Southeast Asia	Rest of the World	
2021						
Net interest income	5,154	1,392	755	704	430	8,435
Net fee and commission income	2,230	776	202	241	77	3,526
Other non-interest income	1,541	312	381	178	8	2,420
Total income	8,925	2,480	1,338	1,123	515	14,381
Total expenses	3,809	1,057	822	747	120	6,555
Allowances for credit and other losses	(14)	7	59	80	(80)	52
Profit before tax	5,130	1,416	457	296	475	7,774
Income tax expense and non-controlling interest	525	226	47	60	135	993
Net profit attributable to shareholders	4,605	1,190	410	236	340	6,781
Total assets before goodwill and intangibles	450,205	106,187	58,926	26,645	39,406	681,369
Goodwill and intangibles	5,133	29	-	200	-	5,362
Total assets	455,338	106,216	58,926	26,845	39,406	686,731
Non-current assets ^(a)	3,818	688	498	403	27	5,434
2020						
Net interest income	5,776	1,607	721	677	320	9,101
Net fee and commission income	1,938	661	188	205	69	3,061
Other non-interest income	1,656	266	200	219	100	2,441
Total income	9,370	2,534	1,109	1,101	489	14,603
Total expenses	3,594	1,059	738	646	111	6,148
Allowances for credit and other losses	2,074	332	179	308	173	3,066
Profit before tax	3,702	1,143	192	147	205	5,389
Income tax expense and non-controlling interest	352	180	21	43	39	635
Net profit attributable to shareholders	3,350	963	171	104	166	4,754
Total assets before goodwill and intangibles	425,595	99,406	55,734	25,371	39,377	645,483
Goodwill and intangibles	5,133	29	-	161	-	5,323
Total assets	430,728	99,435	55,734	25,532	39,377	650,806
Non-current assets ^(a)	2,682	723	323	446	26	4,200

(a) Includes investments in associates and joint ventures, properties and other fixed assets

48. Subsequent Events

48.1 Acquisition of Consumer Banking Business of Citigroup Inc in Taiwan

The Group announced on 28 January 2022 that it has agreed to acquire the consumer banking business of Citigroup Inc (Citi) in Taiwan (Citi Consumer Taiwan) via a transfer of assets and liabilities, and will pay Citi cash for the net assets of Citi Consumer Taiwan plus a premium of \$956 million (TWD 19.8 billion). The acquisition is in line with the Group's strategy to scale up its investment and accelerates its expansion in Taiwan.

48.2 Operational Risk Penalty for Digital Disruption

On 7 February 2022, an operational risk penalty associated with the digital disruption in November 2021 was imposed on the Bank. MAS has required the Bank to apply a multiplier of 1.5 times to its risk-weighted assets for operational risk which translates to an additional \$930 million in regulatory capital.

The additional capital requirement will be reviewed when MAS is satisfied that the Bank has addressed the identified shortcomings.

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