

SS1,500,000,000

DBS Capital Funding II Corporation

(incorporated as an exempted company with limited liability under Cayman Islands law)

**5.75% Non-Cumulative Non-Convertible Non-Voting
Guaranteed Preference Shares Callable with Step-Up in 2018**
(liquidation preference S\$250,000 per SPV Preference Share (as defined herein))

guaranteed on a subordinated basis to the extent described herein by,
and each redeemable as described herein for cash,
or for one Substitute Preference Share (as defined herein)
(liquidation preference S\$250,000 per Substitute Preference Share) issued by,

DBS Bank Ltd.

(incorporated with limited liability under Singapore law, Company Registration No. 196800306E)

Issue Price: S\$250,000 per SPV Preference Share

SPV Preference Shares. DBS Capital Funding II Corporation ("Issuer"), a wholly-owned subsidiary of DBS Bank Ltd. ("DBS Bank" or "Sole Lead Manager and Bookrunner"), will issue the non-cumulative non-convertible non-voting guaranteed preference shares callable with step-up in 2018 offered hereby ("SPV Preference Shares"). The sole asset of the Issuer initially will be a subordinated note issued by DBS Bank ("Subordinated Note") with a principal amount of S\$1,500,000,000 that the Issuer will acquire from DBS Bank with the proceeds from the offering ("Offering") of the SPV Preference Shares.

Dividends on the SPV Preference Shares. For any Dividend Period (as defined herein) ending on or before 15 June 2018 (the "Step-Up Date"), each SPV Preference Share will earn semi-annual non-cumulative dividends payable on 15 June and 15 December of each year, commencing 15 December 2008, at the rate of 5.75% per annum of the liquidation preference of S\$250,000 per SPV Preference Share. For any Dividend Period ending after the Step-Up Date, each SPV Preference Share will earn quarterly non-cumulative dividends payable on 15 March, 15 June, 15 September and 15 December of each year (each such date, a "Dividend Date") at a floating rate of three-month SGD Swap Offer Rate (as defined herein) plus 3.415% per annum. However, dividend payments are subject to reduction or non-payment in full if: (a) required by Cayman Islands company law; (b) DBS Bank is prevented by applicable Singapore banking regulations or other requirements of the Monetary Authority of Singapore (the "MAS") from making payment in full of dividends or other distributions when due on Parity Obligations (as defined herein) or under the Subordinated Guarantee (as defined herein); (c) such payment on Parity Obligations or under the Subordinated Guarantee would cause a breach of the MAS' published consolidated or unconsolidated capital adequacy requirements from time to time applicable to DBS Bank; (d) DBS Bank has insufficient Distributable Reserves (as defined herein); or (e) DBS Bank directs the Issuer, by notice in writing, to reduce or not pay such dividends.

Redemption for Cash or for Substitute Preference Shares. Subject to the Issuer being permitted to redeem the SPV Preference Shares by Cayman Islands company law and satisfaction of the Redemption Conditions (as defined herein) and the other conditions described herein: (a) the Issuer may redeem the SPV Preference Shares, in whole but not in part, for cash, on any Dividend Date on or after the Step-Up Date for S\$250,000 per SPV Preference Share plus accrued but unpaid dividends for the Dividend Period in which the redemption falls (the "Redemption Price"); and (b) DBS Bank may direct the Issuer to redeem the SPV Preference Shares, in whole but not in part, for cash at the Redemption Price or for one Substitute Preference Share for each SPV Preference Share redeemed on (i) any day while a Tax Event (as defined herein) continues and (ii) any day while a Change of Qualification Event (as defined herein) continues.

Substitution with Substitute Preference Shares. Subject to applicable law, each SPV Preference Share will be automatically redeemed for one Substitute Preference Share upon the occurrence of a Substitution Event (as defined herein).

Substitute Preference Shares. On the Issue Date (as defined herein) for the SPV Preference Shares, DBS Bank will provisionally allot one non-cumulative non-convertible non-voting Class M preference share ("Substitute Preference Share") for each SPV Preference Share. Each Substitute Preference Share, when issued, will have a liquidation preference of S\$250,000, will pay dividends at the same rate and on the same days subject to similar conditions as, and have redemption provisions that are similar to, those that apply to the SPV Preference Shares. Until the Substitute Preference Shares are issued as described herein, no SPV Preference Share may be transferred, assigned, mortgaged, charged or otherwise encumbered separately from the provisionally allotted Substitute Preference Shares to which it relates.

Subordinated Guarantee. Pursuant to the Trust Deed (as defined herein) dated 27 May 2008 ("Subordinated Guarantee") between DBS Bank and The Bank of New York ("Trustee"), DBS Bank will guarantee on a subordinated basis payments in full of the dividends and redemption payments in respect of the SPV Preference Shares to the extent and subject to the limitations described herein.

Ratings. The SPV Preference Shares have been rated "A+" by Fitch Ratings ("Fitch"), "Aa3" by Moody's Investors Service, Inc. ("Moody's") and "A" by Standard & Poor's Ratings Services ("Standard & Poor's"). A rating is not a recommendation to buy, sell or hold any security, does not address the likelihood or timing of repayment of the SPV Preference Shares and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

The Singapore Exchange Securities Trading Limited ("SGX-ST") has granted its approval in-principle for the listing of, and quotation for, the SPV Preference Shares and the Substitute Preference Shares on the SGX-ST. Listing of the SPV Preference Shares and Substitute Preference Shares on the SGX-ST is not to be taken as an indication of the merits of the Issuer, DBS Bank, each of their respective subsidiaries or associated companies, the SPV Preference Shares or the Substitute Preference Shares. The SGX-ST takes no responsibility for the correctness of any statements made or opinions expressed or reports contained herein. **Investing in the SPV Preference Shares involves risks. Please see "Risk Factors" on page 29.**

The securities offered hereby have not been registered under the U.S. Securities Act of 1933, as amended ("Securities Act") or the securities laws of any other jurisdiction (including those of the Cayman Islands). Unless they are so registered, these securities may be offered only in transactions that are exempt from or not subject to registration under the Securities Act or the securities laws of any other jurisdiction. For further details about eligible offerees, deemed representations and transfer and resale restrictions, see "Notice to Investors" and "Selling Restrictions". None of the securities offered hereby will represent a deposit liability of DBS Bank for any purpose or will be insured by the US Federal Deposit Insurance Corporation or any other governmental agency or compensation scheme in Singapore, the Cayman Islands, the United States or any other jurisdiction. The SPV Preference Shares will be ready for delivery in book-entry form only through the facilities of The Central Depository (Pte) Limited ("CDP") on or about 27 May 2008.

Sole Lead Manager and Bookrunner



Co-Manager
Goldman Sachs (Singapore) Pte.

Co-Manager
J.P. Morgan (S.E.A.) Limited

TABLE OF CONTENTS

Important Notice	ii
Forward-Looking Statements.....	iii
Notice To Investors	iii
Documents Incorporated by Reference.....	iii
Summary	1
Transaction Diagram.....	4
Summary of the Offering	5
Additional Disclosure in relation to the SPV Preference Shares	27
Risk Factors	29
Use of Proceeds.....	36
DBS Capital Funding II Corporation	37
Taxation.....	38
Selling Restrictions	43
CDP Clearance and Settlement	45
General Information	46
Appendix A - Extracts from Amended and Restated Articles of Association of the Issuer relating to the SPV Preference Shares.....	A-1
Appendix B - Extracts from Articles of Association of DBS Bank relating to the Substitute Preference Shares.....	B-1
Appendix C - Extracts from the Trust Deed relating to the Subordinated Guarantee	C-1
Appendix D - Unaudited Financial Results of DBSH for the First Quarter ended 31 March 2008	D-1

IMPORTANT NOTICE

The information contained in this Information Memorandum relating to DBS Bank, the Issuer and other DBS Bank affiliates was obtained from DBS Bank and other sources, but no assurance can be given by DBS Bank Ltd., in its capacity as sole lead manager and bookrunner (“**Sole Lead Manager and Bookrunner**”) for the Offering, and Goldman Sachs (Singapore) Pte. and J.P. Morgan (SEA) Limited in their capacity as co-managers (each, a “**Co-Manager**” and, collectively, “**Co-Managers**”) for the Offering (each of the Sole Lead Manager and Bookrunner and the Co-Managers, a “**Manager**” and collectively, “**Managers**”), as to the accuracy or completeness of that information. In making an investment decision, investors must rely on their own examination of DBS Bank, the Issuer and other DBS Bank affiliates and the terms of this Offering, including the merits and risks involved. Moreover, the contents of this Information Memorandum are not to be construed as legal, business or tax advice. Investors are urged to consult their own attorney, business or tax advisor for legal, business or tax advice.

This Information Memorandum is issued to a limited number of institutional and other sophisticated investors for informational use solely in connection with the consideration of the purchase of the securities offered hereby pursuant to Regulation S or other transactions exempt from registration under the Securities Act. Its use for any other purpose 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 issued.

This Information Memorandum does not constitute an offer of, or an invitation by or on behalf of DBS Bank, the Issuer or any of their respective directors, officers and affiliates to subscribe for or purchase, any securities in any jurisdiction to any person to whom it is unlawful to make such an offer in such jurisdiction. Each purchaser of the securities offered hereby must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells the securities or possesses or distributes this Information Memorandum and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales. The distribution of this Information Memorandum in certain jurisdictions may be restricted by applicable law. Persons into whose possession this Information Memorandum comes are required by DBS Bank, the Issuer and their respective directors, officers and affiliates to inform themselves about and to observe any such restrictions. None of the Issuer, DBS Bank, any Manager and any of their respective directors, officers or affiliates has any responsibility therefor. There is no undertaking to register the securities offered hereby under any state or federal securities laws of the United States. The securities offered hereby must not be resold in the United States unless they are registered under the Securities Act or an exemption from registration is available. The securities offered hereby will be subject to certain restrictions on transfer, as described under “Notice to Investors” and “Selling Restrictions” in this Information Memorandum.

Each subsequent purchaser of the securities offered hereby will be deemed by its acceptance of those securities to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer of those securities as set forth in the securities or described in this Information Memorandum and, in connection therewith, may be required to provide confirmation of its compliance with such resale or other transfer restrictions in certain cases. See “Notice to Investors.”

The securities offered hereby have not been approved or disapproved by the US Securities and Exchange Commission (the “SEC”), any state securities commission or any other regulatory authority (including those of the Cayman Islands), nor have any of those authorities passed upon or endorsed the merits of this Information or the accuracy or adequacy of this Information Memorandum. Any representation to the contrary is unlawful.

Each person receiving this Information Memorandum acknowledges that:

- (i) such person has been afforded an opportunity to request from the Issuer and DBS Bank, and to review, and has received, all additional information considered by it to be necessary to verify the accuracy of, or to supplement, the information contained herein; and
- (ii) no person has been authorised to give any information or to make any representation concerning DBS Bank (or its subsidiaries and affiliates), the Issuer or the SPV Preference Shares, the Trust Deed, the Subordinated Guarantee, the Subordinated Note or the Substitute Preference Shares (other than as contained herein and information given by the duly authorised officers and employees of the Issuer and DBS Bank in connection with

investors' examination of DBS Bank, the Issuer and the terms of the Information of the SPV Preference Shares) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, DBS Bank or any Manager.

Investors should rely only on the information contained in this Information Memorandum. DBS Bank and the Issuer have not authorised any other person to provide investors with different information. DBS Bank and the Issuer are not making an offer to sell the securities offered hereby in any jurisdiction where such offer or sale is not permitted. The information contained in this Information Memorandum is accurate only as of the date hereof.

All the SPV Preference Shares have been placed by the Sole Lead Manager and Bookrunner and no Manager has underwritten the Offering.

FORWARD-LOOKING STATEMENTS

Certain statements in this Information Memorandum constitute "forward-looking statements." Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or financial condition, expressed or implied by such forward-looking statements. Such factors include, among other things, the economic and political conditions in Singapore and the Asia-Pacific region, changes in the interest rates or exchange rates, various business and regulatory factors affecting the banking sector in Singapore and the Asia-Pacific region, the lack of an established market for the securities offered hereby and other factors referenced in this Information Memorandum. See "Risk Factors."

NOTICE TO INVESTORS

Because of the following restrictions and those set out in "Selling Restrictions" below, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of any of the securities offered hereby. The following restrictions apply to, and references to "securities" in this section mean, the SPV Preference Shares and provisionally allotted Substitute Preference Shares and any securities issuable upon redemption of the SPV Preference Shares, including the Substitute Preference Shares, unless the context requires otherwise.

The securities offered hereby have not been and will not be registered under the Securities Act or any other applicable securities laws, and may not be offered, sold or delivered in the United States or to, or for the account or benefit of, any U.S. person, except pursuant to an effective registration statement or in a transaction not subject to the registration requirements of the Securities Act or in accordance with an applicable exemption from the registration requirements and such other laws.

DOCUMENTS INCORPORATED BY REFERENCE

This Information Memorandum should be read and construed in conjunction with the following documents (or sections of documents) which have been previously published or are published simultaneously with this Information Memorandum:

- (i) amended and restated Memorandum and Articles of Association of the Issuer;
- (ii) Memorandum and Articles of Association of DBS Bank;
- (iii) Trust Deed dated May 27, 2008 by the Guarantor and Trustee in relation to the Subordinated Guarantee;
- (iv) Agency Agreement dated May 27, 2008 between the Issuer, the Guarantor and DBS Bank Ltd., as Paying Agent, Calculation Agent and Registrar for the SPV Preference Shares;
- (v) audited annual accounts of DBSH for the year ended December 31, 2005;
- (vi) audited annual accounts of DBSH for the year ended December 31, 2006;
- (vii) audited annual accounts of DBSH for the year ended December 31, 2007; and
- (viii) unaudited financial results of DBSH for the three months ended March 31, 2008.

Such documents shall be deemed to be incorporated in, and form part of, this Information Memorandum, save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Copies of documents incorporated by reference in this Information Memorandum may be obtained from the Issuer at its correspondence office in Singapore c/o DBS Bank Ltd., 6 Shenton Way #15-00, DBS Building Tower One, Singapore 068809.

SUMMARY

The following summary is qualified in its entirety by, and is subject to, the detailed information contained or referred to elsewhere or incorporated by reference in this Information Memorandum. Investors should read the entire Information Memorandum, including the section entitled "Risk Factors" before making an investment decision.

Overview of DBS Group

DBS Bank and its consolidated subsidiaries (the "**DBS Group**") is the largest commercial banking group in Singapore and one of the largest in Hong Kong, in both cases measured by assets, and has operations in other countries in Asia as well as other parts of the world.

DBS Group is engaged in a range of commercial banking and financial services. The DBS Group's principal operations are in Singapore and Hong Kong. In Singapore, the DBS Group has leading positions in consumer banking, corporate banking, small medium enterprises ("**SME**") banking, investment banking, treasury, asset management and securities brokerage. In Hong Kong, the DBS Group has an established SME and consumer business, among others. The DBS Group also provides services to corporates, SMEs and consumers through its operations in Indonesia, Greater China, India and other countries.

As at March 31, 2008, the DBS Group had S\$252 billion in total assets, S\$114 billion in customer loans and advances, S\$157 billion in customer deposits and S\$22 billion in total shareholders' funds. As at December 31, 2007, the DBS Group had S\$234 billion in total assets, S\$108 billion in customer loans and advances, S\$154 billion in customer deposits and S\$22 billion in total shareholders' funds.

A significant portion of the DBS Group's assets and operations are held and conducted through DBS Bank. As at March 31, 2008 and December 31, 2007, DBS Bank accounted for approximately 83% and 81% respectively of the DBS Group's consolidated total assets. DBS Bank is one of the highest rated commercial banks in Asia by Standard and Poor's, Moody's and Fitch.

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

As at March 31, 2008, DBSH had a market capitalisation of approximately S\$27 billion based on the closing price per ordinary share on the Main Board of the SGX-ST. This market capitalisation makes DBSH one of the largest listed companies in Singapore. As at March 31, 2008, the Singapore Government controlled approximately 27.7% of DBSH's outstanding ordinary shares and held non-voting preference shares which, if converted, would bring such ownership to 30.7%.

The DBS Group's diversification in the region has resulted in a more balanced geographical distribution of its assets and total operating income. As at and for the year ended December 31, 2007, Singapore accounted for approximately 66% and 64% of both the DBS Group's assets and total income respectively. As at and for the year ended December 31, 2007, Hong Kong accounted for approximately 21% and 26% of the DBS Group's assets and total income, respectively.

Recent Developments

In February 2008, the DBS Group announced the acquisition of the "good bank assets" of Bowa Commercial Bank Ltd. in Taiwan. The "good bank assets" comprise approximately NT\$66.3 billion (S\$2.9 billion) of net loans, NT\$92.3 billion (S\$4.1 billion) of deposits, 39 branches, 3 business units, over 750,000 depositors, with a payment from the Taiwan government of NT\$44.5 billion (S\$2.0 billion). The acquisition will provide the DBS Group significant inroads into the fourth largest economy and banking sector in Asia ex-Japan. The transaction has received approval from the Financial Supervisory Commission of Taiwan and was completed on May 24, 2008.

In March 2008, the Reserve Bank of India granted its approval for DBS Bank to set up eight new branches in India across Bangalore, Chennai, Kolkata, Moradabad, Nasik, Pune, Salem and Surat. DBS Bank currently has two branches in Delhi and Mumbai. The eight branches are expected to be operational by March 2009, and the increased presence will enable the DBS Group to extend its coverage of both corporate and individual customers in India. In addition, DBS Bank received a license from the State Bank of Vietnam to set up a representative office in Hanoi.

Strategy

The DBS Group's strategy is to capitalise on its leading positions in Singapore and Hong Kong to be one of the most respected and admired financial services institutions anchored in Asia.

The major components of the strategy are as follows:

Strengthen the DBS Group's Asian banking franchise to capture the region's growth potential more fully

The DBS Group aims to build a full-fledged Asian banking franchise to capture growth opportunities in the region and support customers' needs as they expand across markets. The DBS Group believes that its Asian heritage and international best practices combine to offer customers a unique value proposition. With operations in Singapore and Hong Kong already well established, the DBS Group seeks to increase its scale, distribution capability and customer access in other parts of Asia by organic growth and selectively making acquisitions that enhance its customer franchise and create shareholder value. The DBS Group's priority markets are Southeast Asia, South Asia and China, although it will also pursue opportunities from time to time in other parts of Asia.

DBS Bank (China) Limited ("**DBS China**"), a wholly-owned subsidiary of DBS Bank, was incorporated in China in May 2007. It has branches in Beijing, Shanghai (where it also has two sub-branches), Guangzhou, Shenzhen and Suzhou, as well as representative offices in Tianjin, Fuzhou, Dongguan and Hangzhou. These branches collectively offer Renminbi and foreign currency services to corporations and individuals. In August 2007, DBS China received approval from the China Banking Regulatory Commission to offer Renminbi products and services to local Chinese residents, and in October began to offer a range of Renminbi deposit, loan and insurance products. In the same month, Changsheng Fund Management, in which DBS Asset Management Limited (wholly-owned by DBS Bank) holds a 33.0% interest, was granted a Qualified Domestic Institutional Investor license by the China Securities Regulatory Commission.

PT Bank DBS Indonesia ("**DBS Indonesia**"), 99%-owned by DBS Bank, is a leading trade finance bank and one of the largest foreign banks in wealth management. Over the past year, DBS Indonesia added 11 new branches and sub-branches to its network. DBS Indonesia currently operates in 19 locations in 10 major cities in Indonesia.

The Islamic Bank of Asia ("**IB Asia**") was launched in May 2007, in partnership with 34 investors from prominent families and industrial groups based in the Gulf Cooperation Council countries to provide commercial banking, corporate finance, capital market and private banking services under Islamic banking principles to clients in the Middle East and Asia. The DBS Group holds a 50% plus one share interest in IB Asia. IB Asia is headquartered in Singapore with a representative office in Bahrain.

In addition, the DBS Group has a 37.5% interest in Cholamandalam DBS in India, a 27.7% stake in Hwang-DBS (Malaysia) Berhad and a 20.4% interest in the Bank of the Philippine Islands ("**BPI**") in the Philippines, among other investments.

Leverage on the DBS Group's end to end capital intermediation capabilities

The DBS Group has extensive Asian-banking expertise in treasury, capital markets and distribution to intermediate growing capital flows into and within Asia.

The DBS Group has the ability to originate and structure products for individual, SME and corporate customers who have capital or funding needs and subsequently offer such products through the DBS Group's distribution network to private or institutional investors. The DBS Group utilizes its capital markets, treasury and derivatives origination and structuring capabilities to support these funding needs through public listings, private placements, real estate investment trusts and bond issues, among others.

The DBS Group distributes the products that it structures to institutional investors, private banking customers and the mass market. As at March 31, 2008, the DBS Group had a network of 79 branches (comprising both DBS branded and POSB branded branches) and 939 ATMs in Singapore, which the DBS Group believes was larger than the combined ATM network of its two domestic competitors. The DBS Group believes that it processed a significant share of all electronic banking transactions in Singapore in 2007, including applications made for shares in the retail tranche of IPOs listed on the SGX-ST. DBS Bank Hong Kong operated 59 branches and 74 ATMs as at March 31, 2008. The DBS Group distributes securities, bonds and other products to institutions and sophisticated investors through its Corporate and Investment Banking and Private Banking units.

Have a customer-centric orientation driven by a strong organisational performance culture

With banking becoming increasingly commoditised, the DBS Group believes that meeting and exceeding customer expectations consistently is a crucial competitive strength. It believes that a customer-centric orientation can best be achieved by developing a strong organisational performance culture imbued with firm values, a sense of empowerment and a disposition to act swiftly to meet customer needs. The DBS Group has implemented a system to regularly measure customer service metrics regionally. In addition to tracking customer perceptions, internal feedback from employees is also sought systematically to enable the DBS Group to gauge whether key performance indicators are being achieved and how it can improve its customer delivery.

Manage the business in totality by working seamlessly across businesses, functions and regions

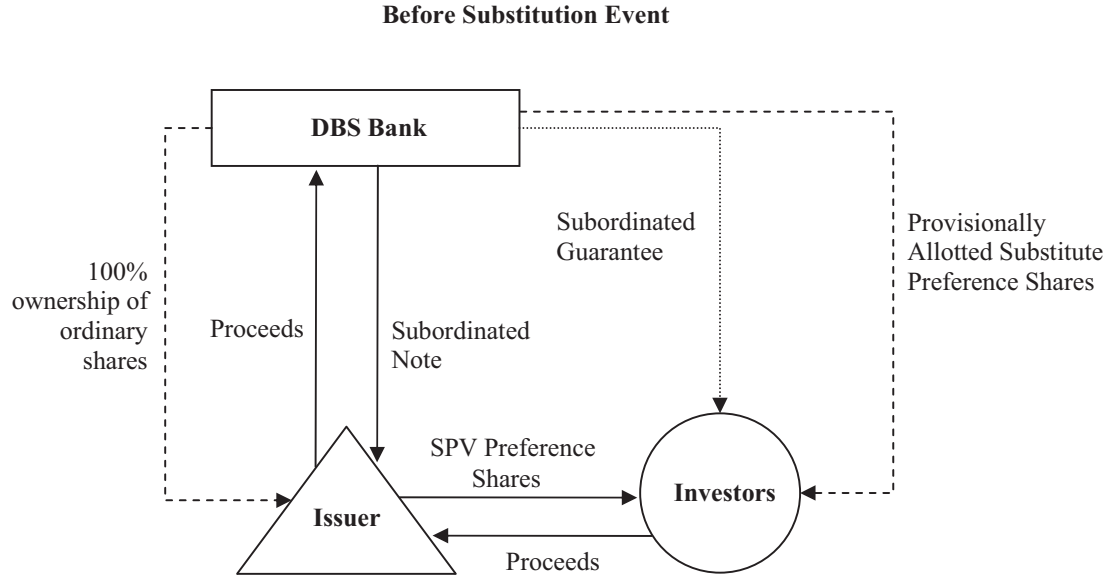
As its operations grow in scale and complexity, the DBS Group believes that it is crucial to improve the rigor of its internal processes to ensure that its various business and support units are able to work together across the region to offer integrated and customized financial products and services to customers. The DBS Group has made significant investments over the years in systems, processes and people to ensure that its expanded operations are seamlessly integrated. The DBS Group also regularly tracks its cost productivity using a range of measures and compares them against industry benchmarks to ascertain where it can improve cost efficiency.

Unaudited Financial Results for the First Quarter ended 31 March 2008

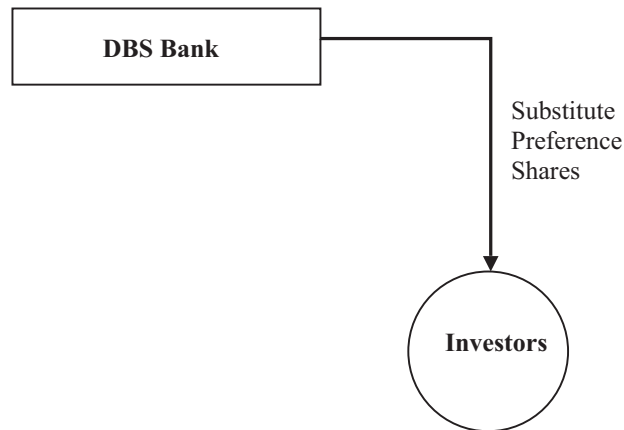
On May 7, 2008, DBSH announced its Unaudited Financial Results for the First Quarter ended March 31, 2008. Please refer to “Appendix D - Unaudited Financial Results of DBSH for the First Quarter ended 31 March 2008”.

TRANSACTION DIAGRAM

The following diagram depicts the relationship among investors in the Issuer and DBS Bank following completion of this Offering, before and after a Substitution Event.



After Substitution Event



SUMMARY OF THE OFFERING

SPV Preference Shares

Issuer	DBS Capital Funding II Corporation (“ Issuer ”), an exempted company with limited liability incorporated under the laws of the Cayman Islands and a wholly-owned subsidiary of DBS Bank Ltd.
Guarantor	DBS Bank Ltd. (“ DBS Bank ”), a company incorporated with limited liability in Singapore.
Sole Lead Manager and Bookrunner	DBS Bank Ltd.
Co-Managers	Goldman Sachs (Singapore) Pte. and J.P. Morgan (S.E.A.) Limited.
Offering	<p>S\$1,500,000,000 aggregate liquidation preference of 5.75% Non-Cumulative Non-Convertible Non-Voting Guaranteed Preference Shares Callable with Step-Up in 2018 (“SPV Preference Shares”), to be issued by the Issuer. The terms and conditions of the SPV Preference Shares are set out in the amended and restated Articles of Association of the Issuer (“Issuer Articles”).</p> <p>The Issuer will apply the issue proceeds of the SPV Preference Shares to subscribe for a subordinated note with a principal amount of S\$1,500,000,000 (“Subordinated Note”) to be issued by DBS Bank to the Issuer.</p> <p>DBS Bank will guarantee, on a subordinated basis (“Subordinated Guarantee”), the Guaranteed Payments (as defined below). The Subordinated Guarantee will be constituted under a trust deed dated 27 May 2008 (“Trust Deed”) made or to be made by DBS Bank and The Bank of New York (“Trustee”).</p> <p>Each SPV Preference Share will be issued with one provisionally allotted non-cumulative non-convertible Class M preference shares, liquidation preference of S\$250,000 per share, to be issued by DBS Bank (“Substitute Preference Shares”). The terms and conditions of the Substitute Preference Shares are set out in the Articles of Association of DBS Bank. Provisionally allotted Substitute Preference Shares will confer no rights on the holders thereof and are intended to facilitate the substitution of the SPV Preference Shares with the Substitute Preference Shares as described in the Issuer Articles and summarized below in “<i>Substitution of SPV Preference Shares with the Substitute Preference Shares</i>”.</p>
Liquidation Preference	S\$250,000 for each SPV Preference Share (“ Liquidation Preference ”).
Issue Price to Investors	100% of the Liquidation Preference of the SPV Preference Shares.
Issue Date	27 May 2008 (“ Issue Date ”).
Use of Proceeds	<p>The gross proceeds of the issue of the SPV Preference Shares of S\$1,500,000,000 will be used by the Issuer to subscribe for the Subordinated Note from DBS Bank.</p> <p>The net proceeds received by DBS Bank (after deduction of fees and expenses), estimated to be approximately S\$1,499.6 million, will be used by DBS Bank to strengthen its capital base and support its growth initiatives.</p>

Dividend: Non-Cumulative Dividends on the SPV Preference Shares are non-cumulative (“**Dividends**”). See further “*Dividend: Limitations and Qualifications*”.

Dividend: Payment and Record Dates Subject to the limitations and qualifications described in the Issuer Articles and summarized below under “*Dividends: Limitations and Qualifications*,” Dividends will be payable:

- in respect of the period from (and including) the Issue Date up to (and including) 15 June 2018 (“**Step-Up Date**”), semi-annually in arrears on 15 June and 15 December of each year, provided that the first Dividend Date will be 15 December 2008; and
- after the Step-Up Date, quarterly in arrears on 15 March, 15 June, 15 September and 15 December of each year

(each such date, “**Dividend Date**”), provided that if any such date after the Step-Up Date is not a Business Day (as defined below), such Dividend Date shall be the next following day that is a Business Day.

Dividends will be payable to persons in whose names the SPV Preference Shares are registered in the register of members of the Issuer (“**Holders**”) at the close of business in Singapore not less than six Business Days prior to the relevant Dividend Date.

“**Business Day**” means a day other than a Saturday or Sunday on which commercial banks and foreign exchange markets settle payments in Singapore Dollars and are open for general business in Singapore.

“**Dividend Period**” means:

- with respect to the SPV Preference Shares:
 - the period from (and including) the Issue Date to (but excluding) the first Dividend Date; and
 - each successive period thereafter from (and including) a Dividend Date to (but excluding) the next succeeding Dividend Date; and
- with respect to the Substitute Preference Shares, shall have a corresponding meaning, except that the first Dividend Period for the Substitute Preference Shares shall commence from (and including) the last Dividend Date for the SPV Preference Shares.

Dividend Rate and Step-Up Dividend will accrue on the SPV Preference Shares:

- at the rate of 5.75% per annum of their Liquidation Preference for each Dividend Period ending on or prior to the Step-Up Date; and
- at a floating rate of three-month SGD Swap Offer Rate (as defined in the Issuer Articles) plus 3.415% per annum for each Dividend Period after the Step-Up Date.

Dividends will be calculated based on the number of days in the relevant Dividend Period divided by 365.

Dividend: Limitations and Qualifications Dividend payments on any Dividend Date are subject to reduction or non-payment in full if:

- required by Cayman Islands company law (under such laws, no dividend may be paid unless the Issuer has profits or share premium or if payment of the Dividend would result in the Issuer being unable to pay its debts as they fall due in the ordinary course of business);
- DBS Bank is prevented by applicable Singapore banking regulations or other requirements of the Monetary Authority of Singapore (“**MAS**”) from making payment in full:
 - of dividends or other distributions when due on Parity Obligations (as defined below); or
 - under the Subordinated Guarantee;

- such payment on Parity Obligations or under the Subordinated Guarantee would cause a breach of the MAS' published consolidated or unconsolidated capital adequacy requirements from time to time applicable to DBS Bank;
- DBS Bank has insufficient Distributable Reserves (as defined below); or
- DBS Bank directs the Issuer, by notice in writing ("**Dividend Limitation Notice**"), to reduce or not pay Dividends.

In connection with the Subordinated Guarantee, DBS Bank may, for so long as it holds ordinary shares in the Issuer, direct the Issuer to give a Dividend Limitation Notice stating that the Issuer will pay no Dividends or less than full Dividends on the relevant Dividend Date, in which case no Dividends or less than full Dividends as set forth in the applicable Dividend Limitation Notice shall become due and payable on such Dividend Date.

If, by reason of any of the foregoing limitations or any equivalent article or term of a Parity Obligation, on the relevant Dividend Date, Dividends are not paid in full or dividends or other distributions are not paid in full on any Parity Obligation, but on such Dividend Date there are Distributable Reserves, then each Holder will be entitled to receive from the Issuer the Relevant Proportion (as defined below) of any such Dividend. No Holder shall have any claim in respect of any Dividend or part thereof not payable as a result of any such limitations or any equivalent article or term of a Parity Obligation. Accordingly, such amount will not accumulate for the benefit of the Holders or entitle the Holders to any claim in respect thereof against the Issuer.

Dividends will not be cumulative and Holders will have no claim for any Dividends not paid (or not paid in full) pursuant to any limitation or qualification on the Issuer's obligation to pay Dividends as described in the Issuer Articles and summarised above. Accordingly, amounts not paid on the SPV Preference Shares as a result of any such limitation or qualification are not "**due**" or "**payable**" in accordance with the terms of the SPV Preference Shares.

"**Distributable Reserves**" means, at any time, the amounts for the time being available to DBS Bank for distribution as a dividend in compliance with Section 403 of the Companies Act, Chapter 50 of Singapore ("**Available Amounts**") as at the date of DBS Bank's latest audited balance sheet; provided that if the Board of Directors of DBS Bank reasonably believes that the Available Amounts as at any Distributable Reserves Determination Date (as defined below):

- are lower than the Available Amounts as at the date of DBS Bank's latest audited balance sheet; and
- are insufficient to pay the Dividend and for payments on Parity Obligations on the relevant Dividend Date,

then two directors of DBS Bank shall provide a certificate, on or prior to such Distributable Reserves Determination Date, to the Issuer, the Trustee and the Holders (accompanied by a certificate of DBS Bank's auditors for the time being) of the Available Amounts as at such Distributable Reserves Determination Date (which certificate shall be binding absent manifest error) and "**Distributable Reserves**" as at such Distributable Reserves Determination Date for the purposes of such Dividend shall mean the Available Amounts as set out in such certificate.

"**Distributable Reserves Determination Date**" means, with respect to any Dividend Date, the day falling five Business Days prior to that Dividend Date.

“**Parity Obligations**” means:

- in relation to DBS Bank, any preference shares or other similar obligations of DBS Bank that constitute Tier I capital of DBS Bank on an unconsolidated basis or have characteristics similar to securities that could qualify as Tier I capital of DBS Bank on an unconsolidated basis and are not expressly stated to rank in all material respects senior or junior to:
 - the Subordinated Guarantee; or
 - any other guarantee given or support agreement entered into by DBS Bank in respect of any preference shares, or other preferred securities (not constituting debt obligations) having in all material respects the same ranking as preference shares, issued by any subsidiary of DBS Bank (other than the Issuer) that constitute Tier I capital of DBS Bank on an unconsolidated basis or have characteristics similar to securities that could qualify as Tier I capital of DBS Bank on an unconsolidated basis and are not expressly stated to rank in all material respects senior or junior to the Subordinated Guarantee; and
- in relation to the Issuer, any preference shares or other similar obligations issued by the Issuer that constitute Tier I capital of DBS Bank on an unconsolidated basis or have characteristics similar to securities that could qualify as Tier I capital of DBS Bank on an unconsolidated basis and are not expressly stated to rank in all material respects senior or junior to the SPV Preference Shares.

“**Relevant Proportion**” means in relation to any partial payment of a Dividend, the amount of Distributable Reserves as at the relevant Distributable Reserves Determination Date divided by the sum of:

- the full amount originally scheduled to be paid by way of Dividend (whether or not paid in whole or part) during DBS Bank’s then-current fiscal year; and
- the sum of the full amount of any dividends or other distribution or payments in respect of Parity Obligations originally scheduled to be paid (whether or not paid in whole or part) during DBS Bank’s then-current fiscal year,

converted where necessary into the same currency in which Distributable Reserves are calculated by DBS Bank.

Dividend Stopper

If any Dividend or other Guaranteed Payment (as defined below) is not paid in full for any reason, DBS Bank will not:

- declare or pay any dividends or other distributions in respect of, or (if permitted) repurchase or redeem, its ordinary shares or any other security or obligation of DBS Bank ranking junior to the Subordinated Guarantee (or contribute any moneys to a sinking fund for the redemption of such shares, securities or obligations); or
- (if permitted) repurchase or redeem any Parity Obligation which are securities,

in each case until after the Issuer or DBS Bank has paid Dividends in full in respect of such number of consecutive Dividend Periods as shall be equal to or exceed 12 calendar months (or an amount equivalent to the Dividends to be paid in respect of such number of consecutive Dividend Periods as shall be equal to or exceed 12 calendar months has been paid or irrevocably set aside in a separately designated trust account for payment to the Holders).

Redemption

The SPV Preference Shares are perpetual securities with no maturity date, and are not redeemable at the option of the Holders.

Subject to the limitations and qualifications described in the Issuer Articles and summarized below under “*Redemption: Limitations and Qualifications*”, the SPV Preference Shares may be redeemed for cash as described below, in whole and not in part:

- at the option of the Issuer, on any Dividend Date on or after the Step-Up Date at the Redemption Price (as defined below);
- at the direction of DBS Bank to the Issuer, on any day while a Tax Event (as defined below) continues, at the Redemption Price, provided that if there is available to the Issuer or DBS Bank the opportunity to eliminate the Tax Event by pursuing some reasonable measure that:
 - will not have an adverse effect on the Issuer, DBS Bank or the Holders; and
 - will not involve any material cost to the Issuer, DBS Bank and/or the Holders,the Issuer will pursue that measure in lieu of substitution or redemption;
- or
- at the direction of DBS Bank to the Issuer, on any day while a Change of Qualification Event (as defined below) continues, at the Redemption Price.

Any such redemption shall not prejudice the rights of the Holders to be so redeemed to receive any accrued but unpaid Dividends payable on the redemption date.

On any day while a Tax Event or Change of Qualification Event continues following the occurrence of a Substitution Event (as defined below), the SPV Preference Shares are also subject to substitution by way of redemption for Substitute Preference Shares, as described in the Issuer Articles and summarized below under “*Substitution of SPV Preference Shares with Substitute Preference Shares*”.

“**Redemption Price**” means, with respect to any Preference Share, an amount equal to:

- the Liquidation Preference of that SPV Preference Share; plus
- subject to the limitations and qualifications described in the Issuer Articles and summarized above under “*Dividends: Limitations and Qualifications*” and unless a Dividend Limitation Notice is in effect, an amount equal to any accrued but unpaid Dividends (whether or not declared) in respect of that SPV Preference Share for the period commencing from (and including) the first day of the Dividend Period in which the relevant redemption falls and ending on (but excluding) the relevant redemption date.

Redemption: Change of Qualification Event

“**Change of Qualification Event**” means as a result of:

- any change or proposed change to the relevant requirements issued by the MAS in relation to the qualification of the SPV Preference Shares as Tier 1 capital securities of DBS Bank or to the recognition of the SPV Preference Shares as capital for calculating the Tier 1 and total capital adequacy ratios of DBS Bank, in each case on a consolidated or unconsolidated basis;
- any change in the application of official or generally published interpretation of such relevant requirements issued by the MAS or any relevant authority (including a ruling or notice issued by the MAS or any relevant authority); or

- any interpretation or pronouncement by the MAS or any relevant authority that provides for a position with respect to such relevant requirements issued by the MAS that differs from the previously generally accepted position in relation to similar transactions or which differs from any specific written statements made by any authority regarding the qualification of the SPV Preference Shares as Tier I capital securities of DBS Bank or to the recognition of the SPV Preference Shares as capital for calculating the Tier 1 and total capital adequacy ratios of DBS Bank, in each case on a consolidated or unconsolidated basis,

which change or amendment,

- (1) (subject to (2) below) becomes, or would become, effective on or after the Issue Date; or
- (2) in the case of a change or proposed change to the relevant requirements issued by the MAS, if such change is issued or is expected to be issued by the MAS, on or after the Issue Date,

the SPV Preference Shares would not qualify as Tier I capital securities of DBS Bank.

Redemption: Tax Event

“**Tax Event**” means that:

- as a result of (1) any change in, or amendment to, any law or regulation of Singapore or the Cayman Islands or any political subdivision or any authority thereof or therein having power to tax or (2) any change in the general application or official interpretation of any law or regulation by any relevant body in Singapore or the Cayman Islands:
 - o the Issuer would be subject to more than a *de minimis* amount of tax in Singapore or the Cayman Islands;
 - o payments to Holders with respect to the SPV Preference Shares would be subject to deduction or withholding for or on account of tax or would give rise to any obligation of DBS Bank to account for any tax in Singapore or the Cayman Islands; or
 - o payments by DBS Bank in respect of the Subordinated Note would be subject to deduction or withholding for or on account of tax in Singapore or the Cayman Islands,
 and in each case such obligation cannot be avoided by DBS Bank or the Issuer, as the case may be, taking reasonable measures available to it; or
- there is more than an insubstantial risk that DBS Bank would no longer obtain relief for the purposes of Singapore corporation tax for any payment of interest in respect of the Subordinated Note.

Redemption: Limitations and Qualifications

The Issuer may only exercise its right to redeem, and DBS Bank may only exercise its right to direct the Issuer to redeem, the SPV Preference Shares for cash if the Issuer is permitted to redeem the SPV Preference Shares by Cayman Islands company law and the following “**Redemption Conditions**” have been satisfied:

- the prior written consent of the MAS to the redemption of the SPV Preference Shares, if then required, has been obtained and any conditions that the MAS may impose at the time of any consent, if then required, have been satisfied; and
- the requirements as to Singapore law for the redemption of the SPV Preference Shares, if such shares had been issued by DBS Bank, have been satisfied.

Taxation and Additional Amounts

If at any time DBS Bank or the Issuer is required to deduct or withhold for taxes, duties, assessments or governmental charges imposed by Singapore or the Cayman Islands on payments under the Subordinated Guarantee, the Subordinated Note or the SPV Preference Shares, as the case may be, DBS Bank or the Issuer, as the case may be, will, subject to certain exceptions described in the terms of the Subordinated Guarantee, the Subordinated Note or the SPV Preference Shares, respectively, pay or procure the payment of additional amounts (“**Additional Amounts**”) needed so that the net amounts received by the holders of SPV Preference Shares or the Subordinated Note or by the recipients of payments under the Subordinated Guarantee, after such deduction or withholding, will equal the amounts that would have been received had no such deduction or withholding been required.

Reference to the payment of Dividends or interest or any other amounts on, or in respect of, the SPV Preference Shares, the Subordinated Note or the Subordinated Guarantee includes the payment of additional amounts to the extent that, in the context, additional amounts are, were or would be payable.

Substitution of SPV Preference Shares with Substitute Preference Shares

At any time after the issuance of the SPV Preference Shares but prior to the substitution of SPV Preference Shares by Substitute Preference Shares, no SPV Preference Share can be transferred, assigned, mortgaged, charged or otherwise encumbered separately from the Substitute Preference Share which has been provisionally allotted with respect to it.

Upon the occurrence of a Substitution Event:

- the SPV Preference Shares shall, in lieu of a cash payment for the SPV Preference Shares redeemed by the Issuer, be substituted by the Substitute Preference Shares (which shall be deemed to be immediately issued and credited as fully-paid, on the basis of one Substitute Preference Share for one SPV Preference Share redeemed); and
- Holders of the SPV Preference Shares which have been so substituted by the Substitute Preference Shares will have no further right, title or interest in or to the SPV Preference Shares or to receive any payment from the Issuer in respect thereof.

Each Holder shall be deemed to have authorised the Issuer and each director thereof, and the Issuer and each director thereof will be so authorized, severally to receive and (where applicable) complete and deliver all necessary documents on its behalf and to take on its behalf all actions and steps necessary on its part to effect the substitution of the SPV Preference Shares by the Substitute Preference Shares. Any such substitution shall be effected in compliance with any applicable fiscal laws or other laws or regulations.

“**Substitution Event**” means:

- (1) the consolidated total capital adequacy ratio or Tier I capital adequacy ratio of DBS Bank and its subsidiaries (“**DBS Bank Group**”) or DBS Bank’s unconsolidated total capital adequacy ratio or Tier I capital adequacy ratio, in each case calculated in accordance with the MAS’ published consolidated or unconsolidated capital adequacy requirements from time to time applicable to DBS Bank, falls below the then applicable minimum ratio applicable to DBS Bank and/or DBS Bank Group;
- (2) the Board of Directors of DBS Bank has notified the MAS and the Issuer that it has determined, in view of DBS Bank’s deteriorating financial condition, that any of the events described in (1) above is expected to occur in the near term;

- (3) the MAS has assumed control of or otherwise exercised its powers under Section 49(2)(c) of the Banking Act, Chapter 19 of Singapore (or any successor statute) (“**Singapore Banking Act**”) with respect to DBS Bank;
- (4) the MAS has exercised its powers under Section 49(2) of the Singapore Banking Act to effect an exchange of the SPV Preference Shares for Substitute Preference Shares;
- (5) proceedings have commenced for the winding up of DBS Bank whether in Singapore or elsewhere;
- (6) a Cessation of Control Event (as defined below) has occurred; or
- (7) DBS Bank has given notice in accordance with the Issuer Articles following the occurrence of a Tax Event or a Change of Qualification Event that it elects to effect an exchange of the SPV Preference Shares for the Substitute Preference Shares (as the case may be).

“**Cessation of Control Event**” means the Issuer ceasing to be wholly-owned and managed by, and under the sole control of, DBS Bank. The Issuer will be considered to be wholly-owned and managed by, and under the sole control of, DBS Bank when:

- DBS Bank owns and controls the voting power attached to all the ordinary shares of the Issuer;
- all the executive officers of the Issuer are either employees of DBS Bank or appointees of DBS Bank. Where an appointee is a non-employee, the appointee shall be appointed pursuant to a management contract which requires the appointee to act in accordance with any instruction of DBS Bank;
- the majority of the Board of Directors of the Issuer are employees of DBS Bank or are appointees of DBS Bank. In the case where the appointees are non-employees, these persons are appointed pursuant to a management contract which requires them to act in accordance with any instruction of DBS Bank; and
- no person other than DBS Bank has the capacity to determine the outcome of decisions on the financial and operating policies of the Issuer.

Subordinated Note

DBS Bank will issue to the Issuer and, with the proceeds of this offering, the Issuer will purchase, the Subordinated Note.

No holder of SPV Preference Shares or Substitute Preference Shares will be entitled to hold or enforce the Subordinated Note or other assets of the Issuer. Dividends will be funded out of amounts received on the Subordinated Note and other assets of the Issuer.

The Subordinated Note will rank *pari passu* with the Subordinated Guarantee.

Subordinated Guarantee

Under the Subordinated Guarantee, DBS Bank will guarantee on a subordinated basis the payment in full, as and when due and payable, of the Guaranteed Payments with respect to the SPV Preference Shares to the extent these payments are not paid by the Issuer.

Notwithstanding the foregoing, DBS Bank will not be obliged to make any Guaranteed Payments in respect of Dividends on the relevant Dividend Date if:

- DBS Bank 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 Parity Obligations; or
 - under the Subordinated Guarantee;

- DBS Bank is unable to make such payment of dividends or other distributions on Parity Obligations or under the Subordinated Guarantee without causing a breach of the MAS' published consolidated or unconsolidated capital adequacy requirements from time to time applicable to DBS Bank; or
- the aggregate of the amount of such dividends to which such Guaranteed Payments relate (if paid in full), together with the sum of any other dividends and other distributions originally scheduled to be paid (whether or not paid in whole or part) during DBS Bank's then-current fiscal year on the SPV Preference Shares or Parity Obligations, would exceed the Distributable Reserves as of the relevant Distributable Reserves Determination Date.

Subject to the above limitations, payments under the Subordinated Guarantee will be made regardless of whether the Issuer itself has legally available funds for the purpose of paying Dividends (or other amounts).

“Guaranteed Payments” means:

- all Dividends due on the SPV Preference Shares for the most recent Dividend Period;
- any Dividends which would have been due had the Issuer sufficient legally available resources and could otherwise have been made in accordance with the Issuer Articles but for, and only to the extent that:
 - the Issuer did not have such legally available resources due to a failure by DBS Bank to pay interest on the Subordinated Note as and when due and payable under the terms thereof; and/or
 - the Board of Directors of the Issuer failed, if required, to declare and pay any such Dividend;
- any Liquidation Distribution to which Holders are entitled under the Issuer Articles;
- any cash amounts to which Holders are entitled under the Issuer Articles in respect of redemption of the SPV Preference Shares; and
- for the avoidance of doubt, any Additional Amounts.

“Liquidation Distribution” means, with respect to any SPV Preference Shares, upon a dissolution or winding up of the Issuer (other than pursuant to a Permitted Reorganisation as defined in the Issuer Articles):

- the Liquidation Preference of that SPV Preference Share; plus
- subject to the limitations and qualifications described in the Issuer Articles and summarized above under *“Dividend: Limitations and Qualifications”* and unless a Dividend Limitation Notice is in effect, an amount equal to any accrued but unpaid Dividend with respect to that SPV Preference Share (whether or not declared) for the period commencing from (and including) the first day of the Dividend Period in which the date of the dissolution or winding-up falls and ending on (but excluding) the date of actual payment.

Rights upon Dissolution of Issuer

In the event of the commencement of any dissolution or winding-up of the Issuer (other than pursuant to a Permitted Reorganization) before any redemption of the SPV Preference Shares or any substitution of the SPV Preference Shares with Substitute Preference Shares, Holders will, subject to applicable laws, be entitled to receive from the Issuer an amount up to the Liquidation Distribution in respect of each SPV Preference Share held solely out of the assets of the Issuer available for distribution under applicable laws. Such entitlement will rank after payment or settlement of the claims of:

- all other creditors of the Issuer; and
- persons with claims against the Issuer which are not Parity Obligations nor subordinated to the SPV Preference Shares.

If:

- the Liquidation Distribution or any other liquidation distributions cannot be made in full with respect to the SPV Preference Shares by reason of the limitation described in the Issuer Articles and summarized above or any equivalent article or term of any Parity Obligation; but
- there are funds available enabling payment of part of the Liquidation Distribution with respect to the SPV Preference Shares,

then each Holder will be entitled to receive from the Issuer, and the Issuer shall pay to each Holder, the Relevant Proportion of the Liquidation Distribution in respect of each SPV Preference Share held.

After payment of the Liquidation Distribution (or the Relevant Proportion thereof), the holders of the Ordinary Shares will be entitled to any remaining assets of the Issuer available for distribution and Holders will have no further right or claim to any of the remaining assets of the Issuer.

“**Relevant Proportion**” means, in relation to any partial payment of any Liquidation Distribution, the total amount available for any such payment and for making any liquidation distribution on any Parity Obligation divided by the sum of:

- the full Liquidation Distribution before any reduction or abatement; and
- the amount (before any reduction or abatement) of the full liquidation distribution on any Parity Obligation,

converted where necessary into the same currency in which liquidation payments are made to creditors of DBS Bank.

Voting Rights

Holders will have the following voting rights:

- if (and so long as) for such number of consecutive Dividend Periods as shall be equal to or exceed 12 months:
 - Dividends have not been paid in full when due and payable; and/or
 - DBS Bank has not made Guaranteed Payments under the Subordinated Guarantee in respect of such Dividends, Holders, acting as a single class, will be entitled to appoint two additional directors to the Board of Directors of the Issuer, to remove any such director and to appoint another director in place of any such director;
- voting rights in connection with the adoption of certain amendments to the terms of the SPV Preference Shares; and
- voting rights in connection with the voluntary liquidation of the Issuer.

Any SPV Preference Share at any time owned by DBS Bank, or any entity of which DBS Bank, either directly or indirectly, owns 20% or more of the voting shares or similar ownership interests, shall not carry a right to vote and shall, for voting purposes, generally be treated as if it were not in issue.

The consent in writing of the Holders of at least 75 per cent. of the outstanding SPV Preference Shares or the sanction of a Special Resolution passed at a separate class meeting of the Holders (the quorum at such class meeting to be such number of the Holders holding or representing not less than two-thirds of the outstanding SPV Preference Shares) shall be required in order to give effect to any variation or abrogation of the rights, preferences and privileges of the SPV Preference Shares by way of amendment to the amended and restated Memorandum and Articles of Association of the Issuer or otherwise (including, without limitation, the authorisation or creation of any shares or securities convertible into shares of the Issuer ranking, as to the Liquidation Preference or as to participation in the profits or assets of the Issuer, senior to the SPV Preference Shares) unless otherwise required by applicable law.

No such consent or sanction shall be required:

- if the change of the rights, preferences and privileges of the SPV Preference Shares by way of amendment to the amended and restated Memorandum and Articles of Association of the Issuer is solely of a formal, minor or technical nature, or is to correct an error or cure an ambiguity, provided that such change does not reduce the amounts payable to Holders, impose any material obligation on Holders or materially adversely affect their voting rights;
- for the creation or issue of further shares ranking pari passu with or junior to the SPV Preference Shares (the creation or issue of such other shares, regardless of the dividends and other amounts payable in respect of such shares and whether and when such dividends and other amounts may be so payable, shall not be deemed to be a variation or abrogation of the rights, preferences and privileges of the SPV Preference Shares); or
- for the consolidation or division of all or any of the SPV Preference Shares into shares of larger or smaller amount of par value (with corresponding changes to the Liquidation Preference of the SPV Preference Shares).

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

Governing Law

The Trust Deed (including the Subordinated Guarantee) and the Subordinated Note will be governed by the laws of Singapore.

Rating of SPV Preference Shares

- “A+” by Fitch Ratings Ltd.
- “Aa3” by Moody’s Investors Service, Inc.; and
- “A” by Standard & Poor’s Ratings Services.

Capital Treatment of SPV Preference Shares

It is intended that the SPV Preference Shares will qualify as Tier 1 regulatory capital of DBS Bank.

Listing and Quotation of SPV Preference Shares

The Singapore Exchange Securities Trading Limited (“SGX-ST”) has granted its approval in-principle for the listing and quotation of the SPV Preference Shares and the Substitute Preference Shares on the SGX-ST. The SPV Preference Shares and (if applicable) the Substitute Preference Shares will be traded on SGX-ST in board lots of S\$250,000 Liquidation Preference, represented by one SPV Preference Share (or one Substitute Preference Share, as the case may be).

Issuing and Paying Agent and Registrar

DBS Bank Ltd. will act as the Paying Agent, Calculation Agent and Registrar for the SPV Preference Shares pursuant to an agency agreement dated 27 May 2008 made between the Issuer, the Guarantor and DBS Bank Ltd., as Paying Agent, Calculation Agent and Registrar (“**Agency Agreement**”).

Subordinated Guarantee

(Terms defined in the “Summary of the Offering - SPV Preference Shares” have the same meanings when used herein)

Guarantor DBS Bank.

Trustee The Bank of New York.

Subordinated Guarantee Under the Trust Deed, subject to the limitations and qualifications described in the Subordinated Guarantee and summarised below in “*Subordinated Guarantee: Limitations and Qualifications*”, DBS Bank will irrevocably guarantee, on a subordinated basis, the payment in full of the Guaranteed Payments (as defined below), as and when due and payable, to the extent that such payments shall not have been paid by the Issuer to the Holders, to the Trustee to hold on trust for the benefit of the Holders, regardless of any defence, right of set-off or counterclaim which DBS Bank may have or assert.

“**Guaranteed Payments**” means:

- all Dividends due on the SPV Preference Shares for the most recent Dividend Period;
- any Dividends which would have been due had the Issuer sufficient legally available resources and could otherwise have been made in accordance with the Issuer Articles but for, and only to the extent that:
 - the Issuer did not have such legally available resources due to a failure by DBS Bank to pay interest on the Subordinated Note as and when due and payable under the terms thereof; and/or
 - the Board of Directors of the Issuer failed, if required, to declare and pay any such Dividend;
- any Liquidation Distribution to which Holders are entitled under the Issuer Articles;
- any cash amounts to which Holders are entitled under the Issuer Articles in respect of redemption of the SPV Preference Shares; and
- for the avoidance of doubt, any Additional Amounts.

Subordination The rights of the Trustee to receive from DBS Bank payments under the Subordinated Guarantee are subordinated to the claims of all creditors of DBS Bank other than:

- creditors in respect of Subordinated Indebtedness (as defined below) whose claims are expressed to rank *pari passu* with or junior to the Trust Deed; or
- any other of DBS Bank’s obligations which are expressed to rank *pari passu* with or junior to the Trust Deed.

For the avoidance of doubt, the Subordinated Guarantee will rank:

- after the claims of Tier II subordinated obligations of DBS Bank; and
- *pari passu* with claims under the Subordinated Note.

“**Subordinated Indebtedness**” means any liability of DBS Bank howsoever arising for the payment of money, the right to payment of which by DBS Bank by the terms thereof is, or is expressed to be, subordinated in the event of a winding-up of DBS Bank to the claims of all or any of the creditors of DBS Bank, provided that the term “**Subordinated Indebtedness**” shall include, without limitation, any liability of DBS Bank to any creditor of DBS Bank whose right to payment ranks or is expressed to rank junior to or subordinated to that of unsubordinated creditors (such unsubordinated creditors not being creditors whose right to payment is preferred by operation of law).

**Subordinated Guarantee:
Limitations and Qualifications**

Notwithstanding any other provision in the Trust Deed, DBS Bank will not be obliged to make any Guaranteed Payments in respect of Dividends on the relevant Dividend Date if:

- DBS Bank 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 Parity Obligations; or
 - under the Subordinated Guarantee;
- DBS Bank is unable to make such payment of dividends or other distributions on Parity Obligations or under the Subordinated Guarantee without causing a breach of the MAS' published consolidated or unconsolidated capital adequacy requirements from time to time applicable to DBS Bank; or
- the aggregate of the amount of such dividends to which such Guaranteed Payments relate (if paid in full), together with the sum of any other dividends and other distributions originally scheduled to be paid (whether or not paid in whole or part) during DBS Bank's then-current fiscal year on the SPV Preference Shares or Parity Obligations, would exceed the Distributable Reserves as of the relevant Dividend Determination Date.

Issue of Ordinary Shares in consideration for Guaranteed Payments

In consideration of DBS Bank making Guaranteed Payments to Holders, the Issuer will allot and issue at par such number of ordinary shares to and in the name of DBS Bank (or its nominee) equal in aggregate issue price to the amount of such payments.

Taxation and Additional Amounts

All payments under the Trust Deed shall be made free and clear by DBS Bank without deduction or withholding for or on account of any present or future taxes, duties, assessments or government charges of whatever nature ("Taxes") imposed by or on behalf of Singapore or the Cayman Islands or any authority thereof or therein having power to tax, unless deduction or withholding of such Taxes is required by law.

In the event that any such withholding or deduction in respect of any payment under the Trust Deed is required, DBS Bank shall pay such additional amounts as shall result in the receipt by the Trustee of the amounts which would otherwise have been receivable in respect of such payment on the Subordinated Guarantee in the absence of such withholding or deduction.

Default and Enforcement

Except as described in the Subordinated Guarantee and summarised below, the Trustee may enforce the Trust Deed, for the benefit of the Holders, directly against DBS Bank, and DBS Bank waives any right or remedy to require that any action be brought against the Issuer or any other person or entity before the Trustee may proceed against DBS Bank.

Following a failure by DBS Bank to make a payment under the Trust Deed with respect to the SPV Preference Shares on the due date thereof which failure continues for more than 14 days:

- the Trustee may petition for the winding-up of DBS Bank in Singapore and claim in the liquidation of DBS Bank; but
- no other remedy shall be available to the Holders.

Holdings of not less than 25 per cent. in Liquidation Preference of the outstanding SPV Preference Shares, acting as a single class, shall have the right to direct the time and method of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to the Trust Deed, provided that:

- such direction shall not be in conflict with any rule of law or with the Trust Deed;

- the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction; and
- the only remedy:
 - available following a failure by DBS Bank to make a payment under the Trust Deed with respect to the SPV Preference Shares shall be as described in the Subordinated Guarantee and summarised above; and
 - for breach of any other provision of the Trust Deed shall be an action for specific performance of such provision.

No Rights of Set-Off, etc

No Holder may exercise, claim or plead any right of set-off, counterclaim or retention in respect of any amount owed to it by DBS Bank arising under or in connection with the Subordinated Guarantee. Each Holder shall 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 Holder receives payment or benefit of any sum in respect of the Trust Deed (including any benefit received pursuant to any such set-off, counterclaim or retention) other than in accordance with the Trust Deed:

- 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 Holder shall agree as a separate and independent obligation that any sum or benefit so received shall be paid or returned by such Holder to DBS Bank upon demand by DBS Bank, whether or not such payment or receipt shall have been deemed void hereunder.

Any sum so paid or returned shall then be treated for the purposes of DBS Bank's obligations as if it had not been paid by DBS Bank, and its original payment shall be deemed not to have discharged any of the obligations of DBS Bank under the Trust Deed.

Application of Moneys Received by Trustee

The Trustee shall hold the moneys arising from any exercise of the powers contained in the Trust Deed and the Trustee shall hold all moneys received by it under the Trust Deed upon trust to apply the same:

- first, for the payment of all costs, charges, expenses, disbursements, advances and other amounts then due and owing to the Trustee under the Trust Deed that the Trustee properly incurred in or about the exercise of such power or otherwise in relation to the Trust Deed or any other related documents;
- second, to all creditors of DBS Bank, other than creditors whose claims rank or are expressed to rank *pari passu* with or junior to the Trust Deed or any other of DBS Bank's obligations which rank *pari passu* with or junior to the Trust Deed; and
- last, in or towards payment of the Holders, on account of the Guaranteed Payments.

Without prejudice to the above, if the Trustee shall hold any moneys with respect to the Guaranteed Payments which have become void, the Trustee shall (subject to paying or providing for the payment or satisfaction of the said costs, charges, expenses, disbursements and advances of the Trustee referred to above) pay the same forthwith to DBS Bank.

General Covenants

So long as any of the SPV Preference Shares are outstanding, DBS Bank covenants with the Trustee in the Trust Deed:

- that, if any Dividends or other Guaranteed Payments with respect to the SPV Preference Shares are not paid in full for any reason, the provisions described in the Issuer Articles and summarised in "*Summary of the Offering – SPV Preference Shares - Dividend Stopper*" will apply;

- that:
 - unless DBS Bank is itself being wound up, it will not permit, or take any action that would or might cause, the liquidation, dissolution or winding-up of the Issuer otherwise than with the prior written approval of the MAS (if then required); and
 - the Issuer will at all times be a directly or indirectly wholly-owned subsidiary of DBS Bank, unless the MAS shall have given its prior written approval (if then required) and unless otherwise approved by each Holder;
- that:
 - it will take all reasonable steps to ensure that all corporate authorisations will have been taken for the allotment and issue of the Substitute Preference Shares free from pre-emptive rights;
 - the Substitute Preference Shares will have the rights and be subject to the restrictions set out in Article 5M of the DBS Bank Articles (as such Article may from time to time be amended in accordance with such Article);
 - as soon as practicable after the occurrence of a Substitution Event, DBS Bank will publish a notice (“**Substitution Notice**”) of such occurrence and the substitution of the SPV Preference Shares with the Substitute Preference Shares in a leading English language daily newspaper having general circulation in Singapore and shall notify the exchange(s) on which the SPV Preference Shares are listed, send a copy of the Substitution Notice to the Trustee and do all things necessary (including, without limitation, executing and delivering all necessary documents) to effect the substitution of the SPV Preference Shares with the Substitute Preference Shares. Any substitution of the SPV Preference Shares with the Substitute Preference Shares shall be effected in compliance with any applicable fiscal laws or other laws or regulations. Following such substitution, the holders of the Substitute Preference Shares with respect to the SPV Preference Shares shall have the right to receive from DBS Bank an amount equivalent to the Dividends thereon from the Dividend Date with respect to the SPV Preference Shares immediately preceding the issue of such Substitute Preference Shares and will have no entitlement from the Issuer to any accrued Dividend with respect to the SPV Preference Shares or any other payment on the SPV Preference Shares. On issuance in full of each Substitute Preference Share with respect to the SPV Preference Shares and the removal of such Holder (a “**Former Holder**”) from the register of members of the Issuer:
 - the SPV Preference Shares will have been redeemed by the issuance of such Substitute Preference Shares and all rights, title and interest of the Former Holder with respect to the SPV Preference Shares, including the right to participate in the assets of the Issuer or to be returned any amount in respect of the SPV Preference Shares, will be extinguished and each Former Holder with respect to such SPV Preference Shares shall thereupon cease to be a shareholder of the Issuer;
 - subject to the terms of the Trust Deed, all rights of the Trustee on behalf of the Former Holders under the Trust Deed relating to the SPV Preference Shares will be automatically cancelled and extinguished; and
 - the Subordinated Note will automatically be cancelled and extinguished in consideration for the issuance of such Substitute Preference Shares and redemption as described in the foregoing;

- o further, if the SPV Preference Shares are then listed on a stock exchange and/or held by a clearing system, DBS Bank will take all reasonable steps to procure that such Substitute Preference Shares will at the relevant time be listed on the same stock exchange and/or held by the same clearing system. DBS Bank will:
 - pay any taxes or capital duties or stamp duties or other similar taxes payable in Singapore or the Cayman Islands arising on the issue of the Substitute Preference Shares; but
 - not be obliged to pay, and each such Holder must pay, all, if any, taxes arising by reference to any disposal or deemed disposal of the SPV Preference Shares in connection with such substitution;
- that DBS Bank will procure that the Issuer will maintain at all times while the SPV Preference Shares are outstanding a Paying Agent in Singapore;
- that DBS Bank will not (and will compel its subsidiaries not to) purchase any SPV Preference Shares without the prior consent of the MAS (for so long as such consent is required). Subject to the preceding sentence, DBS Bank may at any time and from time to time purchase outstanding SPV Preference Shares by tender, in the open market or by private agreement; and
- that DBS Bank will not redeem prior to the stated maturity the Subordinated Note other than in connection and concurrent with and to fund the redemption of the SPV Preference Shares.

Appointment, Retirement and Removal of Trustee

The power of appointing a new Trustee shall be vested in DBS Bank, but no person shall be appointed who shall not previously have been approved by the written consent of the Holders of at least 75 per cent. of the outstanding SPV Preference Shares or the sanction of a special resolution passed at a separate class meeting of the Holders of the outstanding SPV Preference Shares (the quorum at such class meeting to be such number of the Holders holding or representing not less than two-thirds of the outstanding SPV Preference Shares). Any successor trustee shall be a trust corporation. Any appointment of a new Trustee shall as soon as practicable thereafter be notified by DBS Bank to the Holders.

Any corporation, bank or trust company resulting from any merger, conversion or consolidation to which the Trustee is a party or to which the Trustee shall sell or transfer all or substantially all of its assets or business shall be the successor trustee, provided that such corporation, bank or trust company shall be otherwise qualified and eligible under the Trust Deed, without the execution or filing of any paper or any further act on the part of any party to the Trust Deed.

Any Trustee may retire at any time upon giving not less than 60 days' notice in writing to DBS Bank, or such shorter notice as DBS Bank may agree, without assigning any reason and without being responsible for any costs occasioned by such retirement.

The Trustee shall, subject to the conditions described in the Trust Deed, have power by notice in writing to DBS Bank to appoint any person either to act as separate Trustee, or as co-Trustee jointly with the Trustee.

Termination

The Trust Deed shall terminate and be of no further force and effect in relation to the Subordinated Guarantee upon:

- payment of the Redemption Price on all the SPV Preference Shares;
- redemption or purchase and cancellation of all the SPV Preference Shares;
- payment of the Liquidation Distribution with respect to SPV Preference Shares; or
- issue in full of the Substitute Preference Shares,

provided however that the Trust Deed will continue to be effective or will be reinstated, as the case may be, if at any time payment of any sums paid in respect of the SPV Preference Shares or under the Trust Deed must be restored by a Holder with respect to the SPV Preference Shares for any reason whatsoever.

Amendment of Trust Deed

Other than certain formal, minor, technical changes or changes to correct an error or cure an ambiguity, the Trust Deed may be amended only with the consent in writing of Holders of at least 75 per cent. of the outstanding SPV Preference Shares or the sanction of a special resolution passed at a separate class meeting of Holders (the quorum at such class meeting to be such number of the Holders holding or representing not less than two-thirds of the outstanding SPV Preference Shares), provided that:

- no such consent or sanction shall be required for the creation and issue of further shares ranking *pari passu* with or junior to the SPV Preference Shares; and
- no provision of the SPV Preference Shares or the Trust Deed may be amended without the prior written consent of the MAS if such amendment would or may result in the SPV Preference Shares not being treated as Tier 1 capital of DBS Bank on a consolidated or unconsolidated basis.

Governing Law

The Trust Deed (including the Subordinated Guarantee) will be governed by the laws of Singapore.

Subordinated Note

(Terms defined in the “Summary of the Offering - SPV Preference Shares” have the same meanings when used herein)

Issuer of Subordinated Note	DBS Bank.
Noteholder of Subordinated Note	DBS Capital Funding II Corporation (“ Noteholder ”).
Principal Amount	SS\$1,500,000,000 (“ Principal Amount ”).
Maturity Date	15 June 2058 (“ Maturity Date ”).
Subordination	<p>The Subordinated Note will be a general unsecured debt obligation of DBS Bank. The rights of the Noteholder against DBS Bank under the Subordinated Note will, in the event of the winding-up of DBS Bank, be subordinated in right of payment to:</p> <ul style="list-style-type: none">• first, the claims of all depositors of DBS Bank;• secondly, all statutorily preferred payments;• thirdly, the claims of all creditors of DBS Bank ranking in seniority to the Subordinated Indebtedness (as defined below), <p>but shall not be subordinated to the claims of all other creditors in respect of Subordinated Indebtedness whose claims rank or are expressed to rank <i>pari passu</i> with or junior to the Subordinated Note or any other claims of DBS Bank which are expressed to rank <i>pari passu</i> with or junior to the Subordinated Note.</p> <p>For the avoidance of doubt, the Subordinated Note will rank:</p> <ul style="list-style-type: none">• after the claims of Tier II subordinated obligations of DBS Bank; and• <i>pari passu</i> with claims under the Subordinated Guarantee. <p>“Subordinated Indebtedness” means any liability of DBS Bank howsoever arising for the payment of money, the right to payment of which by DBS Bank by the terms thereof is, or is expressed to be, subordinated in the event of a winding-up of DBS Bank to the claims of all or any of the creditors of DBS Bank, provided that the term “Subordinated Indebtedness” shall include, without limitation, any liability of DBS Bank to any creditor of DBS Bank whose right to payment ranks or is expressed to rank junior to or subordinated to that of unsubordinated creditors (such unsubordinated creditors not being creditors whose right to payment is preferred by operation of law).</p>
Interest: Payment and Record Dates	<p>Subject to the limitations and qualifications described in the Subordinated Note and summarized below under “<i>Interest: Limitations and Qualifications</i>,” interest on the Subordinated Note (“Interest”) will be payable:</p> <ul style="list-style-type: none">• in respect of the period from (and including) the Issue Date up to (and including) the Step-Up Date, semi-annually in arrears on 15 June and 15 December of each year, provided that the first Interest Payment Date will be 15 December 2008; and• after the Step-Up Date, quarterly in arrears on 15 March, 15 June, 15 September and 15 December of each year, <p>and in case shall include any date on which the Subordinated Note is redeemed (each such date, “Interest Payment Date”), provided that if any such date after the Step-Up Date is not a Business Day, such Interest Payment Date shall be the next following day that is a Business Day.</p>

“**Interest Period**” means:

- the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date; and
- each successive period thereafter from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date.

Interest Rate and Step-Up

Interest will accrue on the Subordinated Note:

- at the rate of 5.75% per annum of the Principal Amount for each Interest Period ending on or prior to the Step-Up Date; and
- at a floating rate of three-month SGD Swap Offer Rate (as defined in the Subordinated Note) plus 3.415% per annum of the Principal Amount for each Interest Period after the Step-Up Date.

The Subordinated Note shall cease to bear interest from the due date for redemption or cancellation of the Subordinated Note unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at the applicable interest rate (as well after as before judgment) until whichever is the earlier of:

- the day on which all sums due in respect of the Subordinated Note up to that day are received by or on behalf of the Noteholder; and
- in the event of the winding-up of DBS Bank, the day preceding the commencement of winding-up of DBS Bank.

Interest: Limitations and Qualifications

DBS Bank will not be obliged to pay interest on the Subordinated Note on any Interest Payment Date if Dividends with respect to the SPV Preference Shares are not payable on the relevant due date because of any of the limitations on payment of such dividends described in the Issuer Articles and summarized in “*Summary of the Offering – SPV Preference Shares - Dividends: Limitations and Qualifications*”.

However, interest will continue to accrue on the Subordinated Note and, subject to “*Solvency Condition*” below, will be payable in full on the first following Interest Payment Date on which all of the limitations on payment of dividends described in the Issuer Articles and summarized in the preceding sentence do not apply.

Arrears of Interest and Additional Interest

Any interest in respect of the Subordinated Note not paid on an Interest Payment Date due to the foregoing shall, so long as the same remains outstanding, constitute “**Arrears of Interest**”.

Arrears of Interest shall bear interest (“**Additional Interest**”) at the rate of interest applicable to the Subordinated Note.

Additional Interest accrued up to any Interest Payment Date shall be added, for the purpose only of calculating the Additional Interest accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date. All Arrears of Interest and Additional Interest thereon outstanding in respect of the Subordinated Note shall, subject to “*Interest: Limitations and Qualifications*” above, be immediately due and payable in full.

Redemption

Except as described in the Subordinated Note and summarized below, the Subordinated Note may be redeemed for cash, in whole but not in part, at the option of DBS Bank, after obtaining the prior written consent of the MAS (for so long as such consent is required) and subject to Singapore law:

- on any Interest Payment Date on or after the Step-Up Date at the Redemption Price (as defined below);

- on any day while a Tax Event continues, at the Redemption Price, provided that if there is available to the Noteholder or DBS Bank the opportunity to eliminate the Tax Event by pursuing some reasonable measure that:
 - will not have an adverse effect on the Noteholder, DBS Bank or the Holders; and
 - will not involve any material cost to the Noteholder, DBS Bank and/or the Holders,
 DBS Bank will pursue that measure in lieu of redemption; or
- on any day while a Change of Qualification Event continues, at the Redemption Price.

“**Redemption Price**” means, with respect to the Subordinated Note, the sum of:

- the Principal Amount; plus
- any accrued but unpaid Interest in respect of the Interest Period in which the relevant redemption falls; plus
- any Arrears of Interest and Additional Interest payable in accordance with the terms of the Subordinated Note.

Notwithstanding the foregoing, the Subordinated Note may not be redeemed under any circumstances other than in connection and concurrent with and in order to fund the redemption of the SPV Preference Shares.

Upon DBS Bank giving a notice of redemption as described above, the Subordinated Note shall, on the relevant redemption date become (subject to “*Solvency Condition*” below) due and payable at the Redemption Price, and from and after the relevant redemption date (unless DBS Bank shall default in the payment of the Redemption Price) the Subordinated Note shall cease to bear interest. If the Subordinated Note is called for redemption but is not paid upon surrender thereof for redemption, the Principal Amount thereof and any Arrears of Interest and Additional Interest thereon shall, until paid, bear interest from the Redemption Date at the rate borne by the Subordinated Note.

Taxation and Additional Amounts

All payments of, or in respect of, principal of and interest (including, without limitation, Arrears of Interest and Additional Interest thereon) on the Subordinated Note shall be made free and clear by DBS Bank without deduction or withholding for or on account of any present or future taxes, duties, assessments or government charges of whatever nature (“**Taxes**”) imposed or levied by or on behalf of Singapore or the Cayman Islands or any authority thereof or therein having power to tax, unless deduction or withholding of such Taxes is required by law.

In the event that any such withholding or deduction in respect of any payment on the Subordinated Note is required, DBS Bank shall pay such additional amounts (“**Additional Amounts**”) as shall result in the receipt by the Noteholder of the amounts which would otherwise have been receivable in respect of such payment on the Subordinated Note in the absence of such withholding or deduction.

Solvency Condition

Except in a winding-up proceeding with respect to DBS Bank, payments of principal of, and interest (including Arrears of Interest and Additional Interest thereon) on, the Subordinated Note and the redemption or purchase of the Subordinated Note beneficially by or for the account of DBS Bank are conditional upon DBS Bank being solvent at the time of payment by DBS Bank and no principal of, or interest (including Arrears of Interest and Additional Interest thereon) on, the Subordinated Note shall be payable and

or for the account of DBS Bank except to the extent that DBS Bank could make the necessary payment and still be solvent immediately thereafter (the “**Solvency Condition**”).

For the purposes of the Solvency Condition, DBS Bank shall not be deemed solvent unless:

- it is able to pay its debts as they fall due; and
- its Assets (as defined below) exceed its Liabilities (as defined below), other than its Liabilities to persons who are not Senior Creditors (as defined below) (except in the case of a redemption or purchase by DBS Bank or its subsidiaries, in which case the Liabilities of DBS Bank to persons who are not Senior Creditors shall be included).

“**Assets**” means the total amount of the unconsolidated gross tangible assets of DBS Bank and “**Liabilities**” means the total amount of the unconsolidated gross liabilities of DBS Bank, in each case as shown on the latest published audited balance sheet of DBS Bank (as adjusted for contingencies and subsequent events as deemed, in good faith, to be necessary by the person(s) preparing the relevant solvency report).

“**Senior Creditors**” means creditors of DBS Bank other than those whose claims are expressed to rank *pari passu* with or junior to claims of the Noteholder under the Subordinated Note.

Default and Enforcement

If:

- a Default (as defined below) occurs and is continuing, the Noteholder may institute proceedings in Singapore (but not elsewhere) for the winding-up of DBS Bank; or
- a court order is made or an effective resolution is passed for the winding-up of DBS Bank, the Noteholder may declare the Subordinated Note due and payable immediately (and the Subordinated Note shall become due and payable).

The Noteholder shall have no right to enforce payment under or accelerate payment of the Subordinated Note in the case of such Default in payment on the Subordinated Note or a default in the performance of any other covenant of DBS Bank in the Subordinated Note except as described above.

“**Default**” 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 the Redemption Price in respect of the Subordinated Note within seven Business Days after the due date for such payment; or
- failure to pay interest (including Arrears of Interest and Additional Interest thereon) on the Subordinated Note within 14 Business Days after the due date for such payment.

Set-Off; Payment Void

The Noteholder:

- may not exercise, claim or plead any right of set-off, counter-claim or retention in respect of any amount owed to it by DBS Bank arising under or in connection with the Subordinated Note; and
- by its acceptance of the Subordinated Note shall be deemed to have waived all such rights of set-off, counter-claim or retention to the fullest extent permitted by law.

If at any time the Noteholder receives payment or benefit of any sum in respect of the Subordinated Note (including any benefit received pursuant to any such set-off, counterclaim or retention) other than in accordance with the Subordinated Note:

- 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
- the Noteholder, by acceptance of the Subordinated Note, shall agree as a separate and independent obligation that any such sum or benefit so received shall be paid or returned by the Noteholder to DBS Bank upon demand by DBS Bank, whether or not such payment or receipt shall have been deemed void hereunder.

Any sum so paid or returned shall then be treated for the purposes of DBS Bank's obligations as if it had not been paid by DBS Bank, and its original payment shall be deemed not to have discharged any of the obligations of DBS Bank under the Subordinated Note.

Substitution of SPV Preference Shares

Upon the issuance by DBS Bank of the Substitute Preference Shares in substitution for the SPV Preference Shares pursuant to the terms thereof (which would occur, among other circumstances, upon a winding-up of DBS Bank), the Subordinated Note shall automatically be cancelled and void and DBS Bank shall have no further obligations hereunder.

Amendments and Waivers

Other than as described in this paragraph and with respect to:

- certain minor, technical or non-prejudicial variations; or
- the authorization or creation of any debt securities ranking, as to participation in the profits or assets of DBS Bank, senior to the Subordinated Note,

any variation or abrogation of the rights of the Noteholder will take effect only if approved in writing by the Noteholder.

If DBS Bank determines that it is necessary or desirable for tax or regulatory reasons to amend the Subordinated Note:

- to enable DBS Bank to own the Noteholder indirectly through a wholly-owned limited purpose subsidiary, which will issue a subordinated note to the Noteholder and to which DBS Bank will issue a subordinated note evidencing the obligation to repay the proceeds of the offering of the SPV Preference Shares and to ensure that the SPV Preference Shares thereafter qualify as Tier 1 capital of DBS Bank on an unconsolidated basis; and/or
- to enable the Subordinated Note to be issued by a branch of DBS Bank,

the Subordinated Note may be so amended, or may be replaced by a subordinated note issued by such wholly-owned limited purpose subsidiary or branch, without the consent of the Noteholder.

DBS Bank and the Noteholder may decide on the Maturity Date (and each subsequent maturity date, if any) to extend the term of the Subordinated Note for 50 years or more.

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

Transfer Prohibition

The Subordinated Note may not be sold, assigned or otherwise transferred by the Noteholder to any other party.

Governing Law

The Subordinated Note will be governed by the laws of Singapore.

ADDITIONAL DISCLOSURE IN RELATION TO THE SPV PREFERENCE SHARES

The Ministry of Finance (“**MOF**”) has granted an exemption (“**Section 13(4) Exemption**”) under Section 13(4) of the Income Tax Act, Chapter 134 of Singapore (“**Singapore Income Tax Act**”) from withholding tax on interest payable by DBS Bank on the Subordinated Note. These conditions are as follows:

- (a) the SPV Preference Shares shall contain restrictions against their acquisition by persons (other than residents of or permanent establishments in Singapore (“**Singapore investors**”)) using funds from Singapore operations;
- (b) where the SPV Preference Shares are beneficially held, directly or indirectly, by Singapore investors, DBS Bank must:
 - (i) for SPV Preference Shares held through CDP, ensure that payments on the SPV Preference Shares are made in Singapore; and
 - (ii) in all other cases (including for SPV Preference Shares held through clearing entities outside Singapore), include terms in the SPV Preference Shares requiring Singapore investors to furnish representations confirming that they have opened accounts held in Singapore to receive payments on the SPV Preference Shares every time there is a payment on the SPV Preference Shares, as a condition of entitlement to such payments;
- (c) investors in the SPV Preference Shares who are liable to income tax in respect of payments received on the SPV Preference Shares shall include such payments in their tax returns under the Singapore Income Tax Act; and
- (d) DBS Bank shall ensure that the above conditions are stated clearly in the offering document for the Offering, namely this Information Memorandum.

In view of the above conditions, investors are to take note of the following.

Restrictions on Acquisition by Non-Residents of Singapore Using Funds from Singapore Operations

No SPV Preference Share shall be acquired (whether by original subscription or by share transfer) by any person who is not a resident of Singapore for the purposes of Singapore income tax using funds from that person’s Singapore operations if that person is not acquiring and holding the SPV Preference Shares through a permanent establishment (as defined in the Singapore Income Tax Act) in Singapore (“**Excluded Person**”).

For the avoidance of doubt, the directors of the Issuer shall not be regarded as having breached any duty they may have to the Issuer or to any individual or group of shareholders under the Issuer Articles or otherwise merely by virtue of the fact that a person has acquired SPV Preference Shares contrary to the foregoing.

The directors of the Issuer shall be entitled (but shall be under no duty) at any time and from time to time to require, by written notice, any member to provide such information and/or materials as the directors of the Issuer think necessary to establish to their reasonable satisfaction that the relevant member is not an Excluded Person and does not hold the SPV Preference Shares on behalf of an Excluded Person. In the event a member fails to provide such information and/or materials within 10 Business Days of the request of a director of the Issuer (or such longer period as the directors of the Issuer may in their absolute discretion determine), the directors of the Issuer shall be entitled to treat the member as an Excluded Person, and at any time thereafter, the directors of the Issuer shall be entitled (but shall be under no duty) to take any or both of the following actions as they think fit, in their absolute discretion:

- withhold or forfeit any Dividends otherwise payable on such member’s SPV Preference Shares; or
- take such steps as may be available to them to sell all or any of such member’s SPV Preference Shares to one or more persons or entities identified by the directors of the Issuer in their absolute discretion.

Each member shall be deemed to have given all and any authority to the directors of the Issuer in connection with such sale. The directors of the Issuer shall not be under any duty to the member to obtain the best sale price for such member’s SPV Preference Shares. The directors of the Issuer shall remit the proceeds of sale in Singapore Dollars (net of any and all costs, charges, expenses, finders’ fees and other fees incurred on behalf of the Issuer pursuant to

the exercise of the rights of the directors of the Issuer under the Issuer Articles) (“**Sale Proceeds**”) to a bank account maintained in the name of the relevant member. The directors of the Issuer shall not be obliged to remit the Sale Proceeds by any other method unless they in their absolute discretion determine otherwise.

For the avoidance of doubt, the directors of the Issuer may deduct from the Sale Proceeds any amount needed to satisfy any liability, if any, that the directors of the Issuer (either individually or collectively) or the Issuer have or may become liable to pay to any regulatory, official or governmental body in Singapore as a result of any person acquiring SPV Preference Shares contrary to the foregoing and may further defer or delay remitting such Sale Proceeds until after such time as any obligation imposed on either the directors of the Issuer or the Issuer has become due and payable and has been paid in full.

The directors of the Issuer for the time being and their heirs, executors, administrators and personal representatives respectively shall be indemnified pursuant to the Issuer Articles by the member from and against all actions, proceedings, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any breach of the foregoing by such member.

Singapore Beneficial Owners

Beneficial owners of the SPV Preference Shares who are (a) residents of, or are permanent establishments (as defined in the Singapore Income Tax Act) in, Singapore and (b) not otherwise exempt from Singapore taxation with respect to payments on the SPV Preference Shares (“**Singapore Holders**”) are subject to the following notification procedures (please see “Taxation - Singapore Taxation - Deductibility of Interest on the Subordinated Note”):

- (A) each subscriber and subsequent beneficial owner of the SPV Preference Shares who is a Singapore Holder will be deemed to have acknowledged, represented and agreed that (i) such holder will maintain an account or accounts in Singapore for payment of Dividends payable to such holder, (ii) maintenance of such an account will be a condition of such Singapore Holder being entitled to receive any Dividend payments and (iii) such holders are required to declare income received from the SPV Preference Shares in their income tax returns under the Singapore Income Tax Act;
- (B) no later than 10 Business Days prior to each Dividend Date, the Registrar on behalf of the Issuer will send a notice to Holders that such requirements apply. None of the Registrar, the Paying Agent, the Issuer or DBS Bank will be subject to any liability with respect to non-receipt, non-transmission of such notification or the failure of any Holder to comply with the requirements described in the Issuer Articles and summarized herein and the provisions described in the Issuer Articles and outlined herein shall apply regardless of actual transmission to or receipt by Singapore Holders of any such notification;
- (C) no later than 5 Business Days prior to each Dividend Date, Singapore Holders shall be required to notify the Registrar, who will receive such notification on behalf of DBS Bank and the Issuer, that such holder is a Singapore Holder and that such holder has maintained and will maintain an account or accounts in Singapore for payment of Dividends for so long as such holder continues to be the beneficial owner of such SPV Preference Shares; and
- (D) any such notification will specify the name of the Singapore Holder and the SPV Preference Shares to which such notification relates. Any such notification form shall be deemed to be effective for all Dividend Dates occurring after the date of such notification, unless such Singapore Holder notifies the Registrar in writing of any changes in the information provided in such notification. Singapore Holders may obtain a notification form from the Registrar at the following address (or such other address as shall be notified by the Registrar): DBS Bank Ltd., 6 Shenton Way #14-01, DBS Building Tower One, Singapore 068809.

RISK FACTORS

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

Risks Related to the SPV Preference Shares and Provisionally Allotted Substitute Preference Shares

Payments of Dividends on these shares may not be made, or will not be required to be made, under certain circumstances.

Notwithstanding receipt of any payment due to the Issuer under the Subordinated Note or any other resources legally available to make dividends or other distributions, the Issuer will not, save to the extent and subject to the matters described in the Issuer Articles and summarised herein, be obliged to pay, and shall not pay, any Dividends on the relevant Dividend Date (and such Dividend shall not be considered to be due or payable) if:

- required by Cayman Islands company law (under such laws, no dividend may be paid unless the Issuer has profits or share premium or if payment of the Dividend would result in the Issuer being unable to pay its debts as they fall due in the ordinary course of business);
- DBS Bank is prevented by applicable Singapore banking regulations or other requirements of the MAS from making payment in full (a) of dividends or other distributions when due on Parity Obligations or (b) under the Subordinated Guarantee;
- DBS Bank is unable to make such payment of dividends or other distributions on Parity Obligations or under the Subordinated Guarantee without causing a breach of the MAS' published consolidated or unconsolidated capital adequacy requirements from time to time applicable to DBS Bank;
- the aggregate of the amount of such Dividends (if paid in full), together with the sum of any other dividends and other distributions originally scheduled to be paid (whether or not paid in whole or part) during DBS's Bank then-current fiscal year on the SPV Preference Shares or Parity Obligations, would exceed the Distributable Reserves as of the relevant Distributable Reserves Determination Date; or
- DBS Bank directs the Issuer by notice in writing to reduce or not pay such dividends.

Investors may also not receive cash payments on their SPV Preference Shares if DBS Bank does not make interest payments in full on the Interest Payment Dates for the Subordinated Note or redemption payments in full on the redemption dates for the Subordinated Note. This is because the Issuer's ability to pay dividends or make cash redemption payments on the SPV Preference Shares is dependent upon its receipt of cash payments as holder of the Subordinated Note. If DBS Bank does not make interest payments in full on the Interest Payment Dates or redemption dates for the Subordinated Note, then the Issuer will lack the funds necessary to pay dividends or make cash redemption payments, as the case may be, on the SPV Preference Shares and investors will have to rely on DBS Bank's ability to pay under the Subordinated Guarantee.

As a matter of Cayman Islands company law, a Cayman Islands company may declare and pay a dividend on its shares out of either profit or share premium account. Defining "profit," however, is not straightforward. There is no statutory definition and no authority of the Cayman Islands courts which may be looked to for guidance. The rules laid down by the English authorities based on the Companies Act 1948 and predecessor statutes are of persuasive authority in the Cayman Islands. "Share premium" (which must be transferred by the Issuer to an account called the share premium account) is a sum equal to the aggregate amount of the value of the premiums paid on any share issued at a price over the par value of such share. A dividend can be paid out of the share premium account notwithstanding that the Issuer has no profit pursuant to the Issuer Articles. Accordingly, investors will not receive dividends on the SPV Preference Shares for any period during which the Issuer does not have profit or a share premium account out of which to pay dividends.

Investors will neither be entitled to recover missed dividends on the SPV Preference Shares nor on the Substitute Preference Shares because they are not cumulative.

Dividends are not cumulative. If and to the extent the Issuer is prohibited by the terms of the SPV Preference Shares from paying all or any portion of a Dividend or DBS Bank, under the terms of the Trust Deed, are prohibited from making Guaranteed Payments with respect to all or any portion of a Dividend, investors will not receive that Dividend or portion of a Dividend not paid and will have no claim to that Dividend or portion, whether or not the Issuer or DBS Bank has funds to pay that Dividend or portion thereof or subsequently pays Dividends under the Subordinated Guarantee or, as the case may be, on the SPV Preference Shares.

Dividends on the Substitute Preference Shares are not cumulative. If and to the extent the Board of Directors of DBS Bank does not declare all or any portion of a dividend for payment on the Substitute Preference Shares or DBS Bank is prohibited by the terms of the Substitute Preference Shares from paying all or any portion of a dividend, whether or not declared, investors will not receive that dividend or portion of a dividend not so declared or paid and will have no claim to that dividend or portion, whether or not DBS Bank has funds to pay that dividend or any portion thereof or subsequently pays dividends on the Substitute Preference Shares.

Payment of dividends on the SPV Preference Shares by the Issuer and on the Substitute Preference Shares by DBS Bank is subject to the discretion of DBS Bank.

In connection with the Subordinated Guarantee, DBS Bank may, for so long as it holds ordinary shares in the Issuer, give a Dividend Limitation Notice to the Issuer stating that the Issuer will pay no Dividends or less than full Dividends on a Dividend Date, in which case no Dividends or less than full Dividends as set forth in the applicable Dividend Limitation Notice shall become due and payable on such Dividend Date and the right of Holders to receive a Dividend in respect of the Dividend Period ending on the day immediately preceding such Dividend Date shall extinguish without the Issuer having any obligation to pay the Dividend accrued but unpaid for such Dividend Period or to pay any interest thereon whether or not the Issuer pays Dividends on any future Dividend Date.

Dividends on the Substitute Preference Shares shall be payable in arrears on each Dividend Date when, as and if declared by DBS Bank's Board of Directors. If DBS Bank's Board of Directors does not declare a dividend payable on a Dividend Date, the right of holders to receive a dividend in respect of the Dividend Period ending on the day immediately preceding such Dividend Date shall extinguish and DBS Bank shall have no obligation to pay the dividend accrued for such Dividend Period or to pay any interest thereon whether or not dividends on the Substitute Preference Shares are declared for any future Dividend Period.

DBS Bank is prohibited under certain circumstances from making Guaranteed Payments under the Trust Deed with respect to Dividend or redemption payments on the SPV Preference Shares, even if dividends have been declared or the SPV Preference Shares have been called for cash redemption.

Notwithstanding any other provision of the Trust Deed, DBS Bank will not be obliged to make any Guaranteed Payments in full on any Dividend Date with respect to the SPV Preference Shares, even though, for example, the SPV Preference Shares shall have been called for redemption, if:

- DBS Bank is prevented by applicable Singapore banking regulations or other requirements of the MAS from making payment in full (a) of dividends or other distributions when due on Parity Obligations of DBS Bank or (b) under the Subordinated Guarantee;
- DBS Bank is unable to make such payment of dividends or other distributions on Parity Obligations or under the Subordinated Guarantee without causing a breach of the MAS' published consolidated or unconsolidated capital adequacy requirements from time to time applicable to DBS Bank; or
- the aggregate of the amount of such dividends to which such Guaranteed Payments relate (if paid in full), together with the sum of any other dividends and other distributions originally scheduled to be paid (whether or not paid in whole or part) during DBS Bank's then-current fiscal year on the SPV Preference Shares or Parity Obligations, would exceed the Distributable Reserves as of the relevant Distributable Reserves Determination Date.

DBS Bank is prohibited under certain circumstances from making dividend payments on the Substitute Preference Shares, even if dividends have been declared.

Notwithstanding that DBS Bank's Board of Directors may have declared or resolved to distribute any dividend on any Dividend Date, DBS Bank shall not be obliged to pay, and shall not pay, such dividend on that Dividend Date (and such Dividend shall not be considered to be due or payable) if:

- DBS Bank 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 Parity Obligations;
- DBS Bank is unable to make such payment of dividends or other distributions on Parity Obligations without causing a breach of the MAS' published consolidated or non-consolidated capital adequacy requirements from time to time applicable to DBS Bank; or
- the aggregate of the amount of such dividend (if paid in full), together with the sum of any other dividends and other distributions originally scheduled to be paid (whether or not paid in whole or part) during DBS Bank's then-current fiscal year on the Substitute Preference Shares or Parity Obligations, would exceed the Distributable Reserves as of the relevant Distributable Reserves Determination Date.

If the financial condition of DBS Bank were to deteriorate, holders of the SPV Preference Shares and when issued the Substitute Preference Shares could lose all or a part of their investment.

If the financial condition of DBS Bank were to deteriorate, DBS Bank could direct the Issuer to suspend Dividends under the SPV Preference Shares or could fail to make payments under the Subordinated Guarantee or, when issued, DBS Bank could suspend dividends under the Substitute Preference Shares, and investors would not receive such dividends or other payments. Investors should not assume that unfavourable market or other conditions or events will not harm the financial condition of DBS Bank. If DBS Bank is liquidated, dissolved or wound up, investors could lose all or a part of their investment. Neither the SPV Preference Shares nor the Subordinated Guarantee or, when issued, the Substitute Preference Shares will be deposit liabilities of DBS Bank for any purpose and will not be insured by any governmental agency or compensation scheme of Singapore, the Cayman Islands or any other jurisdiction.

The ratings of DBS Bank or the SPV Preference Shares could be lowered and this may affect the market price of the SPV Preference Shares.

DBS Bank has received a long-term deposit rating of "Aa1" from Moody's, a long-term rating of "AA-" from Fitch Ratings and a long-term counterparty credit rating of "AA-" from Standard & Poor's. The SPV Preference Shares have been rated "A+" by Fitch, "Aa3" by Moody's and "A" by Standard & Poor's. Downgrades or potential downgrades in these ratings, the assignment of new ratings that are lower than existing ratings, or downgrades or potential downgrades in the ratings assigned to DBS Bank, its subsidiaries or any of their respective securities could reduce the scope of potential investors in the SPV Preference Shares and adversely affect prices for and the liquidity of the SPV Preference Shares. There can be no assurance that the ratings assigned to DBS Bank or the SPV Preference Shares 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.

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 market price of the SPV Preference Shares and the Substitute Preference Shares.

Terrorist attacks, natural calamities and outbreak of communicable diseases could result in sporadic volatilities in international capital markets or adversely affect Singapore and other economies. Any material change in the financial markets or the Singapore economy or regional economies as a result of these events or developments may materially and adversely affect the market price of the SPV Preference Shares and the Substitute Preference Shares.

The obligations of DBS Bank will be deeply subordinated and DBS Bank will not make any payments under the Trust Deed, including the Subordinated Guarantee, or the Subordinated Note unless DBS Bank can satisfy in full all of its other obligations that rank senior to those obligations.

The obligations of DBS Bank under the Trust Deed and the Subordinated Note are unsecured and will rank subordinate and junior in right of payment to its obligations to its depositors and its creditors, including other subordinated creditors, other than subordinated creditors holding subordinated indebtedness that by its terms ranks equally with, or junior to, the holders of the Subordinated Note and the beneficiaries of the Trust Deed. Accordingly, the obligations of DBS Bank under the Trust Deed and the Subordinated Note will not be satisfied unless DBS Bank

can satisfy in full all of its other obligations ranking senior to the Subordinated Guarantee and the Subordinated Note. At December 31, 2007 and based on its audited financial statements, DBS Bank had outstanding liabilities (excluding customer depositors) aggregating approximately S\$55.1 billion which would have ranked senior to the obligations of DBS Bank under the Trust Deed and the Subordinated Note.

There are no terms in the SPV Preference Shares, the Trust Deed, the Subordinated Note or the Substitute Preference Shares that limit the ability of DBS Bank to incur additional indebtedness, including indebtedness that ranks senior to or equally with the Trust Deed and the Subordinated Note.

The terms of certain of the outstanding instruments of DBS Bank could limit its ability to make payments on the Subordinated Guarantee and the Subordinated Note or materially and adversely affect the financial condition of DBS Bank.

DBS Bank has and will continue to have outstanding indebtedness. Also, DBS Bank may in the future issue, directly or through its subsidiaries instruments, which may constitute Parity Obligations or senior obligations, that may restrict or prohibit its ability to make payments on the Subordinated Guarantee, the Subordinated Note or the Substitute Preference Shares or the Issuer's ability to make payments on the SPV Preference Shares. Compliance with certain provisions in the existing debt instruments or future obligations of DBS Bank may not be entirely within its control. Any failure to comply with the covenants contained in these debt instruments or the occurrence of any other event of default under those instruments could lead to an acceleration of all amounts outstanding thereunder, which would require that DBS Bank immediately repays those amounts. DBS Bank cannot assure investors that its indebtedness, or any indebtedness that it may incur in the future, and their respective restrictions, will not materially and adversely affect its ability to finance its future operations or capital needs, or otherwise materially and adversely affect its business, financial condition, results of operations and cash flows.

Neither the SPV Preference Shares nor the Substitute Preference Shares have a stated maturity date.

Neither the SPV Preference Shares nor the Substitute Preference Shares are repayable in cash unless the Issuer, at its sole discretion or at the direction of DBS Bank, as the case may be, but subject to satisfaction of the Redemption Conditions and certain other conditions, redeems them for cash. Accordingly, unless the Issuer redeems, or is directed by DBS Bank to redeem, the SPV Preference Shares or DBS Bank redeems the Substitute Preference Shares, in each case, for cash, investors who wish to obtain the cash value of their investment will have to sell their SPV Preference Shares together with the provisional allotment of Substitute Preference Shares or, following their issuance, Substitute Preference Shares. Neither the dividend rate on the SPV Preference Shares nor the dividend rate on the Substitute Preference Shares will be adjusted to reflect subsequent changes in interest rates or other market conditions, the results of operations or financial condition of DBS Bank. As a result, investors may not be able to sell their SPV Preference Shares and provisional allotment of Substitute Preference Shares or, following their issuance, Substitute Preference Shares for the amount of their original investment.

If the Issuer redeems, or is directed by DBS Bank to redeem, the SPV Preference Shares or DBS Bank redeems the Substitute Preference Shares, investors may not be able to reinvest the redemption proceeds in a comparable security at a similar return on investment.

If one of the Tax Events or Change of Qualification Events (as defined herein), as the case may be, occurs at any time after the issuance of the SPV Preference Shares, subject to obtaining the approval of MAS and the satisfaction of the Redemption Conditions and certain other conditions, DBS Bank may direct the Issuer to redeem the SPV Preference Shares for cash, at the Redemption Price, or for one Substitute Preference Share per SPV Preference Share, or, if issued, DBS Bank may redeem the Substitute Preference Shares at their redemption price, as the case may be.

DBS Bank will have effective control over the Issuer and investors have very limited voting rights on matters relating to the Issuer.

DBS Bank holds all the issued ordinary shares of the Issuer. As the holder of all the ordinary shares of the Issuer, DBS Bank will have the right to elect all of the Directors of the Issuer. Except as expressly required by law or as otherwise described in the Issuer Articles, the holders of the SPV Preference Shares will generally not be entitled to vote and generally will not be entitled to appoint, change or increase or decrease the number of directors of the Issuer and, accordingly, have limited influence on matters relating to the Issuer.

There is no prior market for SPV Preference Shares and the Substitute Preference Shares and an active or liquid market for the SPV Preference Shares and the Substitute Preference Shares may not develop.

The SPV Preference Shares and, if and when issued, the Substitute Preference Shares will constitute a new issue of securities with no established trading market. While the SGX-ST has granted its approval in-principle for the listing of the SPV Preference Shares and the Substitute Preference Shares on the SGX-ST, there can be no assurance that, even if such listing approval has been received, any market for the securities will develop or be sustained or whether, or at what price, holders of such securities will be able to sell or otherwise transfer their securities. If an active trading market for the SPV Preference Shares and the Substitute Preference Shares does not develop or is not sustained, the market prices and liquidity of the SPV Preference Shares and the Substitute Preference Shares may be adversely affected.

Any Substitute Preference Shares investors may receive upon the redemption of their SPV Preference Shares may not trade at the same price as the SPV Preference Shares and may result in a decrease in the value of their investment.

As investors may receive Substitute Preference Shares if a Substitution Event occurs, investors considering investing in the SPV Preference Shares should also make an investment decision on the Substitute Preference Shares. If investors receive Substitute Preference Shares upon the redemption of their SPV Preference Shares, the trading value of those Substitute Preference Shares may be lower than the trading value of the SPV Preference Shares. This may result in a lower return upon the sale of those Substitute Preference Shares.

Risks Relating to the DBS Group

Any goodwill impairment charges required under Singapore Financial Reporting Standards (“FRS”) may have a material adverse effect on the DBS Group’s net income for future financial periods.

On January 1, 2005, the DBS Group adopted FRS 103: Business Combinations, together with the revised FRS 36: Impairment of Assets and revised FRS 38: Intangible Assets. FRS 103 requires items such as intangible assets and contingent liabilities to be included as part of the identifiable assets and liabilities acquired, at their fair values at the acquisition date. Additionally, FRS 103 requires the DBS Group to cease the amortization of goodwill arising from acquisitions to the income statement. Impairment reviews are required annually, or more frequently if there is any indication that the goodwill might be impaired. This resulted in a change to the accounting policy for goodwill. Prior to January 1, 2005, goodwill was reported in the balance sheet as an intangible asset and was amortized using a straight-line method over its estimated useful life, subject to a maximum of 20 years. In accordance with the transitional provisions of FRS 103, the DBS Group revised its accounting policy for goodwill prospectively on January 1, 2005. For the year ended December 31, 2005, a goodwill impairment charge of S\$1.13 billion was recorded for its investment in DBS Hong Kong. In making this assessment, DBS concluded that the estimated recoverable value of its investment in DBS Hong Kong was S\$9.6 billion as at December 31, 2005, compared to a carrying value of S\$10.8 billion in the consolidated balance sheet of the DBS Group. For the years ended December 31, 2006 and December 31, 2007, no impairment was required for goodwill arising from its investment in DBS Hong Kong.

Although the DBS Group believes that no goodwill impairment charges are required under Singapore FRS for any period subsequent to January 1, 2008, it can give no assurance that impairment charges will not be required. The DBS Group currently is not able to estimate the extent and timing of any goodwill impairment charge for future years. Any goodwill impairment charge required under Singapore FRS may have a material adverse effect on the DBS Group’s net income for future financial periods.

Expansion into Asian markets may adversely affect the DBS Group’s results of operations.

The DBS Group continues to target expansion into Asian markets. In addition to Singapore and Hong Kong, the DBS Group has a banking subsidiary in China, DBS China, a banking subsidiary in Indonesia, DBS Indonesia, one banking associated company in the Philippines, BPI, and an interest in a non-banking financial institution in India, Cholamandalam DBS. The DBS Group expects the banking sector in Singapore and other countries in the region to continue to undergo significant changes or consolidation, which may lead to additional expansion opportunities for the DBS Group. While this regional expansion may be positive for the DBS Group’s long-term position and may enhance revenue diversification, it also increases its operational risk profile and exposure to asset quality problems. There can be no assurance that such regional expansion will not have a material adverse effect on the DBS Group’s business, financial condition or results of operations or that the DBS Group’s credit and provisioning policies will be adequate in relation to such risks.

Liquidity shortfalls may increase the 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 and interbank funding. A portion of the DBS Group's assets have long-term maturities, creating a potential for funding mismatches. As at December 31, 2007, 73% of the DBS Group's total liabilities were attributable to non-bank deposits while 8% came from interbank liabilities.

As at December 31, 2007, a significant portion of the DBS Group's non-bank customer deposits had current maturities of one year or less or were payable on demand. Such deposits are mainly from savings, fixed and current accounts and demand deposits. The DBS Group's deposits base is diversified and does not rely on any significant depositor funding. However, no assurance can be given that this will continue. 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 adversely affected. In such a situation, the DBS Group could be required to seek short-term and long-term funds, which may be more expensive than current funding sources, to finance operations, which may adversely affect the DBS Group's business, financial condition or results of operations.

Any substantial increase in non-performing assets ("NPAs") may impair the DBS Group's financial condition.

NPAs of the DBS Group were S\$1,464 million as at March 31, 2008 and S\$1,442 million as at December 31, 2007. As a percentage of gross customer loans, the DBS Group's non-performing loans were 1.0% as at March 31, 2008 and 1.1% as at December 31, 2007. Any worsening of the regional economic conditions may lead to an increase in NPAs in the future. A substantial increase in NPAs may have a material adverse effect on the DBS Group's business, financial condition, results of operations and capital adequacy ratio.

A decline in collateral values or inability to realise collateral value may increase the DBS Group's loan loss allowances.

A significant portion of the DBS Group's loan portfolio is secured by real estate. While the price index of private residential properties released by the Urban Redevelopment Authority of Singapore rose from 130.2 as at December 31, 2006 to 170.8 as at December 31, 2007, in the event of a downturn 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 loan loss allowances, which may adversely affect the DBS Group's business, financial condition or results of operations.

Significant fraud, systems failure or calamities could adversely impact the DBS Group's business.

The DBS Group seeks to protect its computer systems and network infrastructure from physical break-ins as well as fraud and systems failures. The DBS Group employs external surveillance security systems, including firewalls, tokens and password encryption technologies, designed to minimize the risk of security breaches around the clock. Although the DBS Group intends to continue to implement security technologies, conduct regular vulnerability assessments and network penetration tests and establish operational procedures to prevent break-ins, damages and failures, there can be no assurance that these security measures will be successful. In addition, although the DBS Group's centralized data center and back-up systems are separately located in different places, there can be no assurance that both systems will not be simultaneously damaged or destroyed in the event of a major disaster. 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's income and expenses relating to its international operations and its foreign assets and liabilities are exposed to foreign currency fluctuations.

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

Fluctuations in the exchange rate of the Hong Kong dollar may ultimately affect the Singapore dollar value of revenues from Hong Kong operations as such revenues may be denominated in Hong Kong dollars. While the Hong Kong Government has continued to pursue a fixed exchange rate policy, with the Hong Kong dollar pegged at approximately HK\$7.80 to U.S.\$1.00, the DBS Group cannot assure investors that such policy will be maintained.

Risks Relating to Investment in a Singapore and Hong Kong Based Bank

An economic downturn could adversely affect the DBS Group's operations, asset quality and growth.

With 87% of its total assets (excluding goodwill) in Singapore and Hong Kong on a geographical basis as at December 31, 2007 and 90% of its total income in Singapore and Hong Kong in 2007 on a geographical basis, the DBS Group's performance and the quality and growth of its assets are substantially dependent on the health of the Singapore and Hong Kong economies. The economic environment in Singapore and Hong Kong, which are dependent on trade and investment, may be significantly impacted by a variety of external factors, including the economic developments throughout Asia and in the United States and other markets. The DBS Group offers banking and financial services to its customers elsewhere in Southeast Asia, South Asia, China, Europe, the United States and other countries. Its business is directly affected by the economic environment in the countries where it operates.

The Asian financial crisis, which began in 1997, had an adverse effect on the economies of Singapore and Hong Kong and on the region. Many countries in the region experienced severe currency fluctuations, liquidity shortages and higher interest rates during the crisis.

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

USE OF PROCEEDS

The gross proceeds of the issue of the SPV Preference Shares are S\$1,500,000,000, which will be used by the Issuer to purchase the Subordinated Note. The net proceeds received by DBS Bank (after deduction of fees and expenses), estimated to be approximately S\$1,499.6 million, will be used by DBS Bank to strengthen its capital base and support its growth initiatives.

DBS CAPITAL FUNDING II CORPORATION

The Issuer was incorporated in the Cayman Islands on May 13, 2008 as an exempted company with limited liability company in the Cayman Islands. Its corporate registration number is MC-210429. The principal objects for which the Issuer was incorporated are restricted in the manner set forth in the Issuer's amended and restated Memorandum of Association.

The assets of the Issuer will initially consist principally of the Subordinated Note. See "Summary of the Offering - Subordinated Note". The Issuer exists for the sole purpose of:

- allotting and issuing its ordinary shares to DBS Bank;
- allotting and issuing the SPV Preference Shares;
- investing the proceeds from such issuance to DBS Bank including, but not limited to, through the purchase of subordinated notes; and
- conducting other activities reasonably incidental to the foregoing and which may at any time appear to the directors of the Issuer reasonably incidental to any of the aforementioned objects.

Each of the directors of the Issuer is an individual who is an officer or employee of DBS Bank or its affiliates.

Holders of the ordinary shares are entitled to vote in proportion to the number of ordinary shares held by them. All issued and outstanding ordinary shares will, upon consummation of this offering, be held directly by DBS Bank.

The authorised share capital of the Issuer is the aggregate of:

- (i) S\$2,000,000,000 divided into 2,000,000,000 voting ordinary shares of S\$1 nominal or par value each; and
- (ii) S\$500 divided into 50,000 non-voting preference shares of S\$0.01 nominal or par value each, of which 10,000 have been designated as Non-Cumulative Non-Convertible Non-Voting Guaranteed SPV Preference Shares Callable with Step-Up in 2018.

Pursuant to the terms of the Trust Deed, DBS Bank will fund or reimburse the Issuer for all of the fees and expenses related to its organisation and operations.

Under the Issuer Articles, so long as any SPV Preference Shares are outstanding, the Issuer (i) may only issue ordinary shares to DBS Bank or a wholly-owned subsidiary of DBS Bank or, in each case, a nominee thereof, (ii) subject to Cayman Islands company law, shall issue additional ordinary shares only at the times, in the numbers and for the consideration directed in writing by DBS Bank, and (iii) may accept capital contributions without issuing shares, but such capital contributions must be made by or on behalf of DBS Bank or a wholly-owned subsidiary of DBS Bank in respect of the ordinary shares already issued by the Issuer to DBS Bank or a wholly-owned subsidiary thereof. In addition, the Issuer may only issue shares on terms that they are fully paid up as to par value and any premium thereon on issue.

The Issuer has not audited or published, and does not propose to audit or publish any of its accounts since it is not required to do so under the laws of the Cayman Islands. The Issuer is, however, required to keep proper books of account as are necessary to give a true and fair view of the state of its affair and to explain its transactions.

The location of the registered office of the Issuer is c/o Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

TAXATION

The following summary of certain Cayman Islands and Singapore income tax consequences of the purchase, ownership and disposition of the SPV Preference Shares and the Substitute Preference Shares is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the SPV Preference Shares or the Substitute Preference Shares and does not purport to deal with the consequences applicable to all categories of investors, some of which may be subject to special rules. There can be no assurance that any relevant taxation authority will agree with all the statements in this section. Persons considering the purchase of the SPV Preference Shares or the Substitute Preference Shares should consult their own tax advisors concerning the application of Cayman Islands and Singapore income tax laws to their particular situations, as well as any consequences of the purchase, ownership and disposition of the SPV Preference Shares or the Substitute Preference Shares arising under the laws of any other taxing jurisdiction.

Cayman Islands Taxation

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the SPV Preference Shares. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under existing Cayman Islands laws

Payments of interest and principal received by the Issuer on the Subordinated Note, payments in respect of the Subordinated Guarantee and dividends and capital in respect of the SPV Preference Shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal, payments in respect of the Subordinated Guarantee or a dividend or capital to any holder of the Subordinated Note or SPV Preference Shares, as the case may be, nor will gains derived from the disposal of the Subordinated Note or SPV Preference Shares be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

No stamp duty is payable in respect of the issue by DBS Bank of the Subordinated Note. An instrument of transfer in respect of a Subordinated Note is stampable if executed in or brought into the Cayman Islands.

No stamp duty is payable in respect of the issue of the SPV Preference Shares or on an instrument of transfer in respect of a SPV Preference Share.

The Issuer has been incorporated under the laws of the Cayman Islands as an exempted company and, as such, has applied for and expects to obtain an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

The Tax Concessions Law 1999 Revision Undertaking as to Tax Concessions

In accordance with the provision of Section 6 of The Tax Concessions Law (1999 Revision), the Governor in Cabinet undertakes with the Issuer:

- that no law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Issuer or its operations;
- in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
 - (a) On or in respect of the shares, debentures or other obligations of the Issuer; or
 - (b) by way of the withholding in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revision); and
- these concessions shall be for a period of at least twenty years from the date of issue thereof.

Singapore Taxation

The comments below are of a general nature and are only a summary of the law and practice currently applicable in Singapore and taxation measures announced in the Singapore Budget Statement 2008, and is not intended to be and does not constitute legal or tax advice. This summary is based on current tax laws in Singapore and is subject to changes in such laws, or in the interpretation thereof, which changes may be retrospective. These laws and regulations are also subject to various interpretations and the relevant tax authorities or the courts could disagree with the explanations or conclusions set out below.

The discussion below is not intended to constitute a complete analysis of all the tax consequences relating to the acquisition, ownership and disposal of the SPV Preference Shares by any person. Each prospective investor in the SPV Preference Shares should therefore consult its own tax advisors concerning the tax consequences of an investment in the SPV Preference Shares. The following discussion is also based upon the assumption that the Issuer is not tax resident in Singapore.

Income Tax

General

Singapore tax resident taxpayers are subject to Singapore income tax on income accruing in or derived from Singapore and on foreign-sourced income received or deemed received in Singapore.

However, foreign-sourced income in the form of branch profits, dividends and service income (“**specified foreign income**”) received or deemed received in Singapore on or after June 1, 2003 by a resident taxpayer are exempt from tax provided certain prescribed conditions are met, including the following:

- (i) such income is subject to tax of a similar character to income tax under the law of the jurisdiction from which such income is received; and
- (ii) at the time the income is received in Singapore, the highest rate of tax of a similar character to income tax (by whatever name called) levied under the law of the territory from which the income is received on any gains or profits from any trade or business carried on by any company in that territory at that time (“**headline tax rate**”) is not less than 15%.

In the case of dividends paid by a company resident in a territory from which the dividends are received, the “subject to tax condition” in (i) above is considered met where tax is paid in that territory by such company in respect of its income out of which such dividends are paid or tax is paid on such dividends in that territory from which such dividends are received.

Certain concessions and clarifications have also been announced by the Inland Revenue Authority of Singapore (“**IRAS**”) with respect to such conditions.

In addition, all foreign-sourced personal income received or deemed received in Singapore by a Singapore tax resident individual (except where such income is received through a partnership in Singapore) on or after January 1, 2004 is exempt from tax in Singapore. Certain investment income derived from Singapore sources by individuals on or after January 1, 2004 is also exempt from tax.

Non-Singapore tax resident corporate taxpayers are subject to income tax on income accruing in or derived from Singapore, and on foreign-sourced income received or deemed received in Singapore, subject to certain exceptions. Non-Singapore tax resident individuals, subject to certain exceptions, are subject to income tax on income accruing in or derived from Singapore and are exempt from income tax on foreign-sourced income received in Singapore.

A corporate entity is regarded as tax resident in Singapore if its business is controlled and managed in Singapore (for example, if the board of directors meets and conducts the company’s business in Singapore). The corporate tax rate in Singapore is 18% from the year of assessment 2008 (i.e. in respect of income earned during the calendar year or other basis period ended 2007). In addition, three-quarters of up to the first S\$10,000 of a company’s chargeable income (excluding Singapore franked dividends), and one-half of up to the next S\$290,000 (excluding Singapore franked dividends) is exempt from corporate tax with effect from the year of assessment 2008. The remaining chargeable income (after the tax exemption) will be taxed at the prevailing corporate tax rate.

An individual is regarded as tax resident in Singapore if the individual is physically present in Singapore or exercised employment in Singapore (other than as a director of a company) for 183 days or more in the calendar year preceding the year of assessment, or if the individual ordinarily resides in Singapore. The rate of tax for Singapore resident individuals is tiered, subject to a maximum rate of 20 per cent.

Dividend distributions on the SPV Preference Shares by the Issuer

Based on the manner in which the Issuer's business will be managed, the Issuer regards itself as not being tax resident in Singapore. The following paragraphs have been prepared on the basis that the Issuer is not tax resident in Singapore for Singapore tax purposes.

Dividends paid on the SPV Preference Shares by the Issuer will generally be considered as foreign-sourced dividends (i.e. sourced outside Singapore), unless the SPV Preference Shares are held as part of a trade or business carried out in Singapore in which event the holders of such shares may be taxed on the dividends as they are derived.

Foreign-sourced dividends received or deemed received in Singapore by an individual not resident in Singapore is exempt from Singapore income tax. This exemption will also apply in the case of a Singapore tax resident individual who receives his foreign-sourced income in Singapore on or after January 1, 2004 (except where such income is received through a partnership in Singapore).

Foreign-sourced dividends received or deemed received in Singapore by corporate investors will be liable to Singapore tax upon receipt or deemed receipt in Singapore (subject to any applicable exemption). Foreign-sourced dividends received or deemed received in Singapore by corporate investors who are not tax resident in Singapore and without business presence in Singapore will generally not be subject to tax in Singapore.

Where the SPV Preference Shares are beneficially held or funded, directly or indirectly, by residents of or permanent establishments in Singapore, these persons have agreed to receive the dividend payments in Singapore. See "Additional Disclosure in relation to the SPV Preference Shares — Singapore Beneficial Owners." Such persons and any other investors who are liable to income tax in respect of payments received are required to include such income in their tax returns filed with the IRAS.

Withholding Tax

Dividend payments made under the SPV Preference Shares will not be subject to withholding tax in Singapore.

Interest paid by DBS Bank to the Issuer under the Subordinated Note would generally be subject to withholding tax in Singapore but the MOF has granted the Section 13(4) Exemption for such interest to be exempt from withholding tax under Section 13(4) of the Singapore Income Tax Act. See "Additional Disclosure in relation to the SPV Preference Shares."

Deductibility of Interest on the Subordinated Note

Subject to the rules, conditions and limitations of general application on deductibility under the Singapore Income Tax Act and the satisfaction of any conditions specified by the MOF relating to the Subordinated Note and the Section 13(4) Exemption, interest payable on the Subordinated Note should in principle be capable of deduction in determining DBS Bank's profits for Singapore income tax purposes. Such deductibility is subject to the following conditions:

- (a) the SPV Preference Shares shall contain restrictions against their acquisition by persons (other than residents of or permanent establishments in Singapore ("**Singapore investors**")) using funds from Singapore operations;
- (b) where the SPV Preference Shares are beneficially held, directly or indirectly, by Singapore investors, DBS Bank must:
 - (i) for SPV Preference Shares held through CDP, ensure that payments on the SPV Preference Shares are made in Singapore; and

- (ii) in all other cases (including for SPV Preference Shares held through clearing entities outside Singapore), include terms in the SPV Preference Shares requiring Singapore investors to furnish representations confirming that they have opened accounts held in Singapore to receive payments on the SPV Preference Shares every time there is a payment on the SPV Preference Shares, as a condition of entitlement to such payments;
- (c) investors in the SPV Preference Shares who are liable to income tax in respect of payments received on the SPV Preference Shares shall include such payments in their tax returns under the Singapore Income Tax Act; and
- (d) DBS Bank shall ensure that the above conditions are stated clearly in the offering document for the Offering, namely this Information Memorandum.

In connection with the above conditions, see “Additional Disclosure in relation to the SPV Preference Shares — Restrictions on Acquisition by Non-Residents of Singapore Using Funds from Singapore Operations.” and “Additional Disclosure in relation to the SPV Preference Shares — Singapore Beneficial Owners.”

Capital Gains

Singapore does not currently impose tax on capital gains. There are no specific laws or regulations which deal with the characterization of gains as capital or revenue. However, certain gains may be construed to be revenue in nature and be subject to income tax, for example, where they are derived from activities which the IRAS regards as constituting a trade or business carried on in Singapore.

In addition, holders of SPV Preference Shares who apply, or who are required to apply, the Singapore Financial Reporting Standard 39 Financial Instruments - Recognition and Measurement (“**FRS 39**”) for the purposes of Singapore income tax may be required to recognize gains or losses (not being gains or losses in the nature of capital) in accordance with the provisions of FRS 39 (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of SPV Preference Shares is made.

Holders of SPV Preference Shares who may be subject to such provisions should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of SPV Preference Shares.

Stamp Duty

There is no stamp duty payable on the subscription of the SPV Preference Shares.

As the Issuer is incorporated in the Cayman Islands, no stamp duty is payable in Singapore on any transfer of the SPV Preference Shares, unless the SPV Preference Shares are registered in any register kept in Singapore.

In the event that a register of the SPV Preference Shares is kept in Singapore and where an instrument of transfer is executed in respect of such shares registered in such register, stamp duty may be payable on such instrument of transfer at the rate of S\$0.20 for every S\$100 or any part thereof, computed on the consideration for, or market value of the Shares, whichever is higher.

The purchaser is liable for stamp duty, unless there is an agreement to the contrary. No stamp duty is payable if no instrument of transfer is executed or the instrument of transfer is executed outside Singapore. However, stamp duty may be payable if the instrument of transfer which is executed outside Singapore is received in Singapore.

Goods and Services Tax (“GST”)

The sale of the SPV Preference Shares by a GST-registered investor belonging in Singapore for GST purposes to another person belonging in Singapore is an exempt supply not subject to GST. Any input GST incurred by the GST-registered investor in making such an exempt supply is generally not recoverable from the Singapore Comptroller of GST.

Where the SPV Preference Shares are sold by a GST-registered investor in the course of or furtherance of a business carried on by such investor to a person belonging outside Singapore and that person is outside Singapore when the sale is executed, the sale should generally, subject to satisfaction of certain conditions, be considered a taxable supply subject to GST at 0%. Any input GST incurred by the GST-registered investor in making such a supply in the course of or furtherance of a business carried on by such investor may be fully recoverable from the Singapore Comptroller of GST.

Services consisting of arranging, broking, underwriting or advising on the issue, allotment or transfer of ownership of the SPV Preference Shares rendered by a GST-registered person to an investor belonging in Singapore for GST purposes in connection with the investor's purchase, sale or holding of the SPV Preference Shares will be subject to GST at the standard rate of 7%. Similar services rendered to an investor belonging outside Singapore should generally, subject to satisfaction of certain conditions, be subject to GST at 0%.

Estate duty

It was announced in the Singapore Budget Statement 2008 that estate duty is abolished with respect to all deaths occurring on or after February 15, 2008.

SELLING RESTRICTIONS

General

No offer or sale of the SPV Preference Shares or provisionally allotted Substitute Preference Shares shall be made in any jurisdiction except under circumstances that will result in compliance with all applicable securities laws.

Singapore

This Information Memorandum has not been registered as a prospectus with the MAS. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the SPV Preference Shares may not be circulated or distributed, nor may the SPV Preference Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the SPV Preference Shares are subscribed or purchased under Section 275 by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (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,

shares, debentures and units of shares and debentures 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 SPV Preference Shares pursuant to an offer made under Section 275 except:

- (1) to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;
- (2) where no consideration is or will be given for the transfer; or
- (3) where the transfer is by operation of law.

United States of America

The SPV Preference Shares and the Substitute Preference Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in 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 under the Securities Act (“**Regulation S**”).

The SPV Preference Shares or the Substitute Preference Shares may not be offered or sold by the Sole Lead Manager and Bookrunner (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, within the United States or to, or for the account or benefit of, U.S. persons, and each dealer to which the SPV Preference Shares or the Substitute Preference Shares have been sold during the distribution compliance period has to be sent a confirmation or other notice setting forth the restrictions on offers and sales of the SPV Preference Shares and the Substitute Preference Shares within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The SPV Preference Shares and the Substitute Preference Shares are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the SPV Preference Shares and the Substitute Preference Shares, an offer or sale of SPV Preference Shares or the Substitute Preference Shares within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Cayman Islands

SPV Preference Shares may be beneficially owned by persons resident, domiciled, established, incorporated or registered in the Cayman Islands pursuant to the laws of the Cayman Islands. The Issuer, however, will not undertake business with the public in the Cayman Islands other than so far as may be necessary for the carrying on of the business of the Issuer exterior to the Islands. “Public” for these purposes does not include any exempted or ordinary non-resident company registered under the Companies Law or a foreign company registered pursuant to part ix of the Companies Law or any such company acting as general partner of a partnership registered pursuant to Section 9(1) of the Exempted Limited Partnership Law (2007 revision) or any director or officer of such partnership acting in such capacity or the trustee of any trust registered or capable of registration pursuant to Section 74 of the Trusts Law (2007 revision).

Hong Kong

The SPV Preference Shares may not be offered or sold in Hong Kong, by means of any document, any SPV Preference Shares other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance.

The Sole Lead Manager and Bookrunner 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 SPV Preference Shares, 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 the SPV Preference Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

CDP CLEARANCE AND SETTLEMENT

In respect of SPV Preference Shares 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 SPV Preference Shares which are accepted for clearance by CDP, the entire issue of the SPV Preference Shares is to be held by CDP in the form of a global certificate for persons holding the SPV Preference Shares in securities accounts with CDP (“**Depositors**”). Delivery and transfer of SPV Preference Shares between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the SPV Preference Shares through the Depository System may only be effected through certain corporate depositors (“**Depository Agents**”) approved by CDP to maintain securities sub-accounts and to hold the SPV Preference Shares in such securities sub-accounts for themselves and their clients. Accordingly, SPV Preference Shares for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the SPV Preference Shares in direct securities accounts with CDP, and who wish to trade SPV Preference Shares through the Depository System, must transfer the SPV Preference Shares to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

General

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of securities. However, CDP will make payment of dividends and repayment of principal on behalf of issuers of securities. Although CDP has established procedures to facilitate transfer of interests in the SPV Preference Shares 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 Issuer, the 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.

GENERAL INFORMATION

1. The creation and issue of the SPV Preference Shares has been authorised by resolutions of the Board of Directors of the Issuer dated May 27, 2008. The execution and delivery of the Trust Deed and giving of the Subordinated Guarantee has been authorised by resolutions of the Board of Directors and shareholders of DBS Bank dated May 6, 2008 and May 27, 2008, respectively.
2. Save as disclosed in this Information Memorandum, there are no, nor have there been any, litigation or arbitration proceedings, including those which are pending or threatened, of which the Issuer or DBS Bank is aware, which may have, or have had during the 12 months prior to the date of this Information Memorandum, a material adverse effect on the financial position of the DBS Group.
3. Save as disclosed in this Information Memorandum, there has been no significant change in the financial condition of the DBS Group since March 31, 2008.
4. Copies of the following documents, all of which are published in English, may be inspected during normal business hours at the office of DBS Bank at 6 Shenton Way #15-00, DBS Building Tower One, Singapore 068809:
 - (a) amended and restated Memorandum and Articles of Association of the Issuer;
 - (b) Memorandum and Articles of Association of DBS Bank;
 - (c) Trust Deed in relation to the Subordinated Guarantee;
 - (d) Agency Agreement; and
 - (e) unaudited financial results of DBSH for the three months ended March 31, 2008.
5. The DBS Group publishes financial statements containing the audited financial statements of DBS Bank and the DBS Group. The financial statements include the audited income statements, balance sheets, statements of changes in equity and notes to the financial statements of DBS Bank and the DBS Group and the consolidated cash flow statement of the DBS Group. The DBSH Group publishes interim reports containing the unaudited consolidated results of the DBSH Group on a quarterly basis. The DBSH Group typically does not publish audited interim financial statements. The financial statements of DBS Group and DBSH Group for the financial year ended December 31, 2007 are available on the DBS website (www.dbs.com).
6. The SGX-ST has granted its approval in-principle for the listing of, and quotation for, the SPV Preference Shares and the Substitute Preference Shares on the SGX-ST.
7. The SPV Preference Shares have been accepted for clearance through CDP. The ISIN for the SPV Preference Shares is SG7R06940349.

APPENDIX A

EXTRACTS FROM AMENDED AND RESTATED ARTICLES OF ASSOCIATION OF THE ISSUER RELATING TO THE SPV PREFERENCE SHARES

The following description relating to the SPV Preference Shares has been extracted from and is qualified in its entirety by, and is subject to, the amended and restated Memorandum and Articles of Association of the Issuer. Investors should read, in its entirety, the Memorandum and Articles of Association of the Issuer, a copy of which may be inspected at the correspondence office of the Issuer.

**AMENDED AND RESTATED
ARTICLES OF ASSOCIATION
OF
DBS CAPITAL FUNDING II CORPORATION**

(adopted pursuant to a Special Resolution passed on 27 May 2008)

INTERPRETATION

1. Interpretation

- (a) **Definitions.** In these Articles, Table A in the First Schedule to the Statute does not apply and, unless there is something in the subject or context inconsistent therewith:

“ Account Holder ”	means a Person who holds an account directly with the CDP and not through a Depository Agent;
“ Additional Amounts ”	has the meaning given to it in Article 6A(h) ;
“ Articles ”	means these Articles of Association as originally framed or as from time to time altered by Special Resolution;
“ Auditor ”	means the persons for the time being performing the duties of auditors of the Company;
“ Board ”	means the Directors for the time being (or an authorized committee thereof);
“ Book-Entry Securities ”	means the securities of a Person that are listed on the SGX-ST and have not been delisted or had its quotation removed: (i) the documents evidencing title to which are deposited by a Depositor with the CDP and are registered in the name of the CDP or its nominee; and (ii) which are transferable by way of book-entry in the CDP Depository Register and not by way of an instrument of transfer;
“ Business Day ”	means a day other than a Saturday or Sunday on which commercial banks and foreign exchange markets settle payments in Singapore Dollars and are open for general business in Singapore;

<p>“Calculation Agent”</p>	<p>means:</p> <ul style="list-style-type: none"> (i) DBS Bank Ltd., in its capacity as calculation agent; or (ii) such other entity as may be appointed by DBS Bank to act as calculation agent for the purposes of the SPV Preference Shares;
<p>“CDP”</p>	<p>means The Central Depository (Pte) Limited and shall include any successor thereto;</p>
<p>“CDP Depository Register”</p>	<p>means the register maintained by the CDP in respect of Book-Entry Securities;</p>
<p>“Cessation of Control Event”</p>	<p>means the Company ceasing to be wholly-owned and managed by, and under the sole control of, DBS Bank. For the purposes of these Articles, the Company is considered to be wholly owned and managed by, and under the sole control of, DBS Bank when:</p> <ul style="list-style-type: none"> (i) DBS Bank owns and controls the voting power attached to all the Ordinary Shares of the Company; (ii) all the executive officers of the Company are either employees of DBS Bank or appointees of DBS Bank. Where an appointee is a non-employee, the appointee shall be appointed pursuant to a management contract which requires the appointee to act in accordance with any instruction of DBS Bank; (iii) the majority of the Board are employees of DBS Bank or are appointees of DBS Bank. In the case where the appointees are non-employees, these persons are appointed pursuant to a management contract which requires them to act in accordance with any instruction of DBS Bank; and (iv) no person other than DBS Bank has the capacity to determine the outcome of decisions on the financial and operating policies of the Company;
<p>“Change of Qualification Event”</p>	<p>means as a result of:</p> <ul style="list-style-type: none"> (i) any change or proposed change to the relevant requirements issued by the MAS in relation to the qualification of the SPV Preference Shares as Tier 1 capital securities of DBS Bank or to the recognition of the SPV Preference Shares as capital for calculating the Tier 1 and total capital adequacy ratios of DBS Bank, in each case on a consolidated or unconsolidated basis; (ii) any change in the application of official or generally published interpretation of such relevant requirements issued by the MAS or any relevant authority (including a ruling or notice issued by the MAS or any relevant authority); or (iii) any interpretation or pronouncement by the MAS or any relevant authority that provides for a position with respect to such relevant requirements issued by the MAS that differs from the previously

	<p>generally accepted position in relation to similar transactions or which differs from any specific written statements made by any authority regarding the qualification of the SPV Preference Shares as Tier I capital securities of DBS Bank or to the recognition of the SPV Preference Shares as capital for calculating the Tier 1 and total capital adequacy ratios of DBS Bank, in each case on a consolidated or unconsolidated basis,</p> <p>which change or amendment,</p> <p>(1) (subject to (2) below) becomes, or would become, effective on or after the Issue Date; or</p> <p>(2) in the case of a change or proposed change to the relevant requirements issued by the MAS, if such change is issued or is expected to be issued by the MAS, on or after the Issue Date,</p> <p>the SPV Preference Shares would not qualify as Tier I capital securities of DBS Bank;</p>
“Company”	means the above-named Company;
“Day Count Fraction”	means the number of days in the relevant Dividend Period divided by 365;
“DBS Bank”	means DBS Bank Ltd.;
“debenture”	means debenture stock, mortgages, bonds and any other such securities of the Company whether constituting a charge on the assets of the Company or not;
“Depositors”	means an Account Holder or a Depository Agent, but does not include a Sub-Account Holder;
“Depository Agent”	<p>means a person approved by the CDP which:</p> <p>(i) performs services as a depository agent for Sub-Account Holders in accordance with the terms of a depository agent agreement between the CDP and the depository agent;</p> <p>(ii) deposits Book-Entry Securities with the CDP on behalf of the Sub-Account Holders; and</p> <p>(iii) establishes an account in its name with the CDP;</p>
“Directors”	means the directors for the time being of the Company;
“Distributable Reserves”	<p>means, at any time, the amounts for the time being available to DBS Bank for distribution as a dividend in compliance with Section 403 of the Companies Act, Chapter 50 of Singapore (“Available Amounts”) as at the date of DBS Bank’s latest audited balance sheet; <i>provided that</i> DBS Bank has agreed in the Subordinated Guarantee that if the Board of Directors of DBS Bank reasonably believes that the Available Amounts as at any Distributable Reserves Determination Date:</p> <p>(i) are lower than the Available Amounts as at the date of DBS Bank’s latest audited balance sheet; and</p> <p>(ii) are insufficient to pay the Dividend and for payments on Parity Obligations on the relevant Dividend Date,</p>

	then two Directors of the Board of DBS Bank shall be required to provide a certificate, on or prior to such Distributable Reserves Determination Date, to the Company, the Trustee and the Holders (accompanied by a certificate of DBS Bank’s auditors for the time being) of the Available Amounts as at such Distributable Reserves Determination Date (which certificate of the two Directors of DBS Bank shall be binding absent manifest error) and “ Distributable Reserves ” as at such Distributable Reserves Determination Date for the purposes of such Dividend shall mean the Available Amounts as set forth in such certificate;
“ Distributable Reserves Determination Date ”	means, with respect to any Dividend Date, the day falling five Business Days prior to that Dividend Date;
“ Dividend ”	means the non-cumulative preferential cash dividends with respect to the SPV Preference Shares as described in Article 6A(a) ;
“ Dividend Date ”	means: <ul style="list-style-type: none"> (i) 15 June and 15 December in each year up to and including the Step-Up Date, provided that the first Dividend Date shall be 15 December 2008; and (ii) thereafter 15 March, 15 June, 15 September and 15 December in each year, provided that if any such date in this sub-paragraph (ii) is not a Business Day, such Dividend Date shall be the next following day that is a Business Day;
“ Dividend Limitation Notice ”	has the meaning ascribed to it in Article 6A(a)(vii) ;
“ Dividend Period ”	means: <ul style="list-style-type: none"> (i) the period from (and including) the Issue Date to (but excluding) the first Dividend Date; and (ii) each successive period thereafter from (and including) a Dividend Date to (but excluding) the next succeeding Dividend Date;
“ Dividend Rate ”	means: <ul style="list-style-type: none"> (i) for each Dividend Period on or prior to the Step-Up Date, 5.75% per annum; and (ii) for each Dividend Period thereafter, a floating rate per annum equal to the three-month SGD Swap Offer Rate for such Dividend Period plus the Margin;
“ Early Redemption Date ”	means such date as may be notified to the Holders pursuant to Article 6A(c)(iii) or 6A(c)(iv) as being the date for early redemption of the SPV Preference Shares;
“ Electronic Record ”	has the same meaning as in the Electronic Transactions Law;
“ Electronic Transactions Law ”	means the Electronic Transactions Law (2003 Revision) of the Cayman Islands;

“ Excluded Person ”	has the meaning given to it in Article 6A(g)(ii) ;
“ Former Holder ”	has the meaning given to it in Article 6A(d)(iv) ;
“ Guaranteed Payments ”	<p>means collectively:</p> <ul style="list-style-type: none"> (i) all Dividends due on the SPV Preference Shares for the most recent Dividend Period; (ii) any Dividends which would have been due had the Company sufficient legally available resources and could otherwise have been made in accordance with these Articles but for, and only to the extent that: <ul style="list-style-type: none"> (A) the Company did not have such legally available resources due to a failure by DBS Bank to pay interest on the Subordinated Note as and when due and payable under the terms thereof; and/or (B) the Board failed, if required, to declare and pay any such Dividend; (iii) any Liquidation Distribution to which the Holders are entitled under these Articles; (iv) any cash amounts to which the Holders are entitled under these Articles in respect of redemption of the SPV Preference Shares; and (v) for the avoidance of doubt, any Additional Amounts, <p>payment of which is in each case guaranteed by DBS Bank under the Subordinated Guarantee;</p>
“ Holder ”	<p>means each person registered on the Register as the shareholder holding SPV Preference Share(s) at the relevant time, except that, for so long as the SPV Preference Shares are listed on the SGX-ST, the term “Holder” shall:</p> <ul style="list-style-type: none"> (i) exclude the CDP (unless where otherwise expressly provided in these Articles or where the term “registered holder” or “registered holder” is used in these Articles); and (ii) where the context so requires, be deemed to include references to Depositors whose names are entered in the CDP Depository Register with respect to the SPV Preference Shares;
“ Issue Date ”	means 27 May 2008;
“ Liquidation Distribution ”	<p>means, with respect to any SPV Preference Share, upon a dissolution or winding-up of the Company (other than pursuant to a Permitted Reorganisation):</p> <ul style="list-style-type: none"> (i) the Liquidation Preference of that SPV Preference Share; together with (ii) subject to the restrictions in Article 6A(a)(iii) and unless a Dividend Limitation Notice is in effect, an amount equal to any accrued but unpaid Dividend (whether or not declared) in respect of that SPV Preference Share for the period commencing from (and including) the first day of the Dividend Period in which the date of the dissolution or winding-up falls and ending on (but excluding) the date of actual payment;

“ Liquidation Preference ”	means S\$250,000 for each SPV Preference Share;
“ Margin ”	means 3.415%;
“ MAS ”	means the Monetary Authority of Singapore and shall include any successor organisation responsible for the supervision of banks and other financial institutions in Singapore;
“ Members ”	means a Holder or an owner of a share of any class in the Company and either whose name has been entered on the Register or who is a Depositor;
“ Optional Redemption Dates ”	means the Step-Up Date and each Dividend Date thereafter;
“ Ordinary Shares ”	has the meaning ascribed to it in Article 6(a)(i) ;
“ paid up ”	means paid-up and/or credited as paid-up;
“ Parity Obligations ”	means: <ul style="list-style-type: none"> (i) in relation to DBS Bank, any preference shares or other similar obligations of DBS Bank that constitute Tier 1 capital of DBS Bank on an unconsolidated basis or have characteristics similar to securities that could qualify as Tier 1 capital of DBS Bank on an unconsolidated basis and are not expressly stated to rank in all material respects senior or junior to: <ul style="list-style-type: none"> (A) DBS Bank’s obligations under the Subordinated Guarantee; or (B) any other guarantee given or support agreement entered into by DBS Bank in respect of any preference shares, or other preferred securities (not constituting debt obligations) having in all material respects the same ranking as preference shares, issued by any Subsidiary (other than the Company) that constitute Tier 1 capital of DBS Bank on an unconsolidated basis or have characteristics similar to securities that could qualify as Tier 1 capital of DBS Bank on an unconsolidated basis and are not expressly stated to rank in all material respects senior or junior to the Subordinated Guarantee; or (ii) in relation to the Company, any preference shares or other similar obligations issued by the Company that constitute Tier 1 capital of DBS Bank on an unconsolidated basis or have characteristics similar to securities that could qualify as Tier 1 capital of DBS Bank on an unconsolidated basis and are not expressly stated to rank in all material respects senior or junior to the SPV Preference Shares;
“ Paying Agent ”	means: <ul style="list-style-type: none"> (i) DBS Bank Ltd., in its capacity as paying agent; or

	(ii) such other entity as may be appointed by DBS Bank to act as paying agent for the purposes of the SPV Preference Shares;
“Permitted Reorganisation”	means a solvent reconstruction, amalgamation, reorganisation, merger or consolidation whereby all or substantially all the business, undertaking and assets of the Company are transferred to a successor entity which assumes all the obligations of the Company under the SPV Preference Shares;
“Person”	means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint stock company, limited liability company, trust, unincorporated association, or government or any agency or political subdivision thereof, or any other entity of whatever nature;
“Provisional Allotment Certificate”	means the certificate in respect of the Substitute Preference Shares dated the Issue Date executed under the Seal of DBS Bank and delivered by DBS Bank to the Holders pursuant to the provisional allotment by DBS Bank of the Substitute Preference Shares;
“Redemption Conditions”	means: <ul style="list-style-type: none"> (i) the prior written consent of the MAS to the redemption of the SPV Preference Shares, if then required, has been obtained and that any conditions that the MAS may impose at the time of any consent, if then required, have been satisfied; and (ii) the requirements as to Singapore law for the redemption of the SPV Preference Shares, if such shares had been issued by DBS Bank, have been satisfied;
“Redemption Date”	means an Early Redemption Date or an Optional Redemption Date, as applicable;
“Redemption Price”	means, with respect to any SPV Preference Share to be redeemed pursuant to these Articles, an amount equal to: <ul style="list-style-type: none"> (i) the Liquidation Preference of that SPV Preference Shares; together with (ii) subject to the restrictions in Article 6A(a)(iii) and unless a Dividend Limitation Notice is in effect, an amount equal to any accrued but unpaid Dividends (whether or not declared) in respect of that SPV Preference Share for the period commencing from (and including) the first day of the Dividend Period in which the relevant redemption falls and ending on (but excluding) the relevant Redemption Date;
“Register”	means, with respect to the Ordinary Shares and the SPV Preference Shares, the register of Members maintained on behalf of the Company under the Statute outside Singapore;

“registered office”	means the registered office for the time being of the Company situated in the Cayman Islands;
“Registrar”	<p>means:</p> <ul style="list-style-type: none"> (i) DBS Bank Ltd., in its capacity as registrar for the SPV Preference Shares; or (ii) such other entity having its office in Singapore as the Board shall appoint and have notified to the Holders in the manner described in Article 114;
“Relevant Proportion”	<p>means:</p> <ul style="list-style-type: none"> (i) in relation to any partial payment of a Dividend, the amount of Distributable Reserves as at the relevant Distributable Reserves Determination Date divided by the sum of: <ul style="list-style-type: none"> (A) the full amount originally scheduled to be paid by way of Dividend (whether or not paid in whole or part) during DBS Bank’s then-current fiscal year; and (B) the sum of the full amount of any dividends or other distribution or payments in respect of Parity Obligations originally scheduled to be paid (whether or not paid in whole or part) during DBS Bank’s then-current fiscal year, <p>converted where necessary into the same currency in which Distributable Reserves are calculated by DBS Bank; and</p> (ii) in relation to any partial payment of any Liquidation Distribution, the total amount available for any such payment and for making any liquidation distribution on any Parity Obligation divided by the sum of: <ul style="list-style-type: none"> (A) the full Liquidation Distribution before any reduction or abatement; and (B) the amount (before any reduction or abatement) of the full liquidation distribution on any Parity Obligation, <p>converted where necessary into the same currency in which liquidation payments are made to creditors of DBS Bank;</p>
“S\$”, “SGD” and “Singapore Dollar”	mean the lawful currency for the time being of the Republic of Singapore;
“Sale Proceeds”	has the meaning given to it in Article 6A(g)(vi) ;
“Seal”	means the common seal of the Company and includes every duplicate seal;
“Secretary”	includes an Assistant Secretary and any person appointed to perform the duties of Secretary of the Company;
“Section 13(4) Exemption”	has the meaning given to it in Article 6A(g)(i) ;
“SGX-ST”	means the Singapore Exchange Securities Trading Limited;

“Singapore”	means the Republic of Singapore;
“Singapore Holders”	has the meaning given to it in Article 6A(i)(ii) ;
“Singapore Income Tax Act”	means the Income Tax Act, Chapter 134 of Singapore or any statutory modification thereof;
“Special Resolution”	has the same meaning as in the Statute and includes a resolution approved in writing as described therein and a unanimous written resolution, save that for the purposes of a Special Resolution to wind-up the Company (i) the quorum and (ii) the voting rights attached to the Ordinary Shares and the SPV Preferences Shares shall be as set out in Article 6A(f)(v) ;
“SPV Preference Share”	has the meaning given to that term in Article 6(a)(ii) ;
“Statute”	means the Companies Law (2007 Revision) of the Cayman Islands as amended and every statutory modification or re-enactment thereof for the time being in force and, where relevant, other applicable laws of the Cayman Islands;
“Step-Up Date”	means 15 June 2018;
“Sub-Account Holder”	means a holder of an account maintained with a Depository Agent;
“Subordinated Note”	means the subordinated note issued or to be issued by DBS Bank to the Company evidencing the loan by the Company to DBS Bank of the gross proceeds of the SPV Preference Shares;
“Subordinated Guarantee”	means the subordinated guarantee by DBS Bank in favour of the Trustee for the benefit of the Holders from time to time constituted under the Trust Deed;
“Subsidiary”	means any entity that is for the time being a subsidiary of DBS Bank (within the meaning given to this term in the Companies Act, Chapter 50 of Singapore);
“Substitute Preference Shares”	means the non-cumulative non-convertible redeemable perpetual preference shares, liquidation preference of S\$250,000 per share, to be issued by DBS Bank and having the rights and subject to the restrictions set out in Article 5M of the Articles of Association of DBS Bank (as such Article may from time to time be amended in accordance with the provisions thereof);
“Substitution Event”	means: <ul style="list-style-type: none"> (i) the consolidated total capital adequacy ratio or Tier 1 capital ratio of DBS Bank and its subsidiaries (“DBS Bank Group”) or DBS Bank’s unconsolidated total capital adequacy ratio or Tier 1 capital ratio, in each case calculated in accordance with the MAS’ published consolidated or unconsolidated capital adequacy requirements from time to time applicable to DBS Bank, falls below the then applicable minimum ratio applicable to DBS Bank and/or DBS Bank Group;

- (ii) the Board of Directors of DBS Bank has notified the MAS and the Company that it has determined, in view of DBS Bank’s deteriorating financial condition, that any of the events described in (i) above is expected to occur in the near term;
- (iii) the MAS has assumed control of or otherwise exercised its powers under Section 49(2)(c) of the Banking Act, Chapter 19 of Singapore (or any successor statute) (“**Singapore Banking Act**”) with respect to DBS Bank;
- (iv) the MAS has exercised its powers under Section 49(2) of the Singapore Banking Act to effect an exchange of the SPV Preference Shares for Substitute Preference Shares;
- (v) proceedings have commenced for the winding up of DBS Bank whether in Singapore or elsewhere;
- (vi) a Cessation of Control Event has occurred; or
- (vii) DBS Bank has given notice in accordance with **Article 6A(c)(iii)** or **6A(c)(iv)** following the occurrence of a Tax Event or a Change of Qualification Event, as the case may be, that it elects to effect an exchange of the SPV Preference Shares for the Substitute Preference Shares;

“**Taxes**”

has the meaning given to it in **Article 6A(h)**;

“**Tax Event**”

means that:

- (i) as a result of (1) any change in, or amendment to, any law or regulation of Singapore or the Cayman Islands or any political subdivision or any authority thereof or therein having power to tax or (2) any change in the general application or official interpretation of any law or regulation by any relevant body in Singapore or the Cayman Islands:
 - (A) the Company would be subject to more than a *de minimis* amount of tax in Singapore or the Cayman Islands;
 - (B) payments to Holders with respect to the SPV Preference Shares would be subject to deduction or withholding for or on account of tax or would give rise to any obligation of DBS Bank or the Company to account for any tax in Singapore or the Cayman Islands; or
 - (C) payments by DBS Bank in respect of the Subordinated Note would be subject to deduction or withholding for or on account of tax in Singapore or the Cayman Islands, and in each case such obligation cannot be avoided by DBS Bank or the Company, as the case may be, taking reasonable measures available to it; or
- (ii) there is more than an insubstantial risk that DBS Bank would no longer obtain relief for the purposes of Singapore corporation tax for any payment of interest in respect of the Subordinated Note;

“**three-month SGD Swap Offer Rate**”

has the meaning given to it in **Article 1(c)**;

“Trust Deed”	means the trust deed dated 27 May 2008 executed by DBS Bank and the Trustee, as trustee for the Holders from time to time;
“Trustee”	means The Bank of New York, acting in its capacity as trustee for the benefit and on behalf of the Holders under the Trust Deed or such other person as may be appointed thereunder from time to time; and
“US\$”, “USD” and “US Dollar”	mean the lawful currency for the time being of the United States of America.

(b) Construction and References. In these Articles:

- (i) words importing the singular number include the plural number and *vice versa*;
- (ii) words importing the masculine gender include the feminine gender;
- (iii) “written” and “in writing” include all modes of representing or reproducing words in visible form, including in the form of an Electronic Record;
- (iv) references to provisions of any law or regulation shall be construed as references to those provisions as amended, modified, re-enacted or replaced from time to time;
- (v) any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- (vi) headings are inserted for reference only and shall be ignored in construing these Articles; and
- (vii) Section 8 of the Electronic Transactions Law shall not apply.

(c) Three-month SGD Swap Offer Rate. In these Articles, “**three-month SGD Swap Offer Rate**” with respect to any Dividend Period after the Step-Up Date shall mean, or shall be determined by the Calculation Agent on the basis of, the following:

- (i) the Average Swap Rate for such Dividend Period (determined by the Calculation Agent as being the rate which appears on Page ABSI on the monitor of the Bloomberg agency under the caption “ASSOCIATION OF BANKS IN SG – SWAP OFFER AND SIBOR FIXING RATES – RATES AT 11:00AM SINGAPORE TIME” and under the column headed “SGD SWAP OFFER” (or such other page as may replace Page ABSI for the purpose of displaying the swap rates of leading reference banks) at or about 11:00 a.m., Singapore time on such Dividend Rate Determination Date and for a period equal to the duration of such Dividend Period);
- (ii) if on any Dividend Rate Determination Date, no such rate appears on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof), the Average Swap Rate for such Dividend Period (determined by the Calculation Agent as being the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 AM SINGAPORE TIME” and under the column headed “SGD SWAP OFFER” (or such other page as may replace the Reuters Screen ABSIRFIX01 Page for the purpose of displaying the swap rates of leading reference banks) at or about 11:00 a.m., Singapore time on such Dividend Rate Determination Date and for a period equal to the duration of such Dividend Period);
- (iii) if on any Dividend Rate Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other

Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will determine the Average Swap Rate (which shall be rounded up, if necessary, to the nearest 1/16 per cent.) for such Dividend Period in accordance with the following formula:

In the case of Premium:

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

In the case of Discount:

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

where:

SIBOR = the rate which appears on Page ABSI on the monitor of the Bloomberg agency under the caption “ASSOCIATION OF BANKS IN SG – SWAP OFFER AND SIBOR FIXING RATES – RATES AT 11:00AM SINGAPORE TIME” and under the column headed “USD SIBOR” (or such other page as may replace Page ABSI for the purpose of displaying Singapore interbank United States dollar offered rates of leading reference banks) at or about 11:00 a.m., Singapore time on the relevant Dividend Rate Determination Date for a period equal to the duration of the Dividend Period concerned;

Spot Rate = the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) (determined by the Calculation Agent) of the rates quoted by the Reference Banks and which appear on Page ABSI on the monitor of the Bloomberg agency under the caption “ASSOCIATION OF BANKS IN SG – FX and SGD Swap Points” (or such other page as may replace Page ABSI for the purpose of displaying the spot rates and swap points of leading reference banks) at or about 11:00 a.m., Singapore time on the relevant Dividend Rate Determination Date for a period equal to the duration of the Dividend Period concerned;

Premium or Discount = the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) (determined by the Calculation Agent) of the rates quoted by the Reference Banks for a period equal to the duration of the Dividend Period concerned which appears on Page ABSI on the monitor of the Bloomberg agency under the caption “ASSOCIATION OF BANKS IN SG – FX and SGD Swap Points” (or such other page as may replace Page ABSI for the purpose of displaying the spot rates and swap points of leading reference banks) at or about 11:00 a.m., Singapore time on the relevant Dividend Rate Determination Date for a period equal to the duration of the Dividend Period concerned; and

T = the number of days in the Dividend Period concerned;

- (iv) if on any Dividend Rate Determination Date, any one of the components for the purposes of calculating the Average Swap Rate under (iii) above is not quoted on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof) or if Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof) is unavailable for any reason, the Calculation Agent will determine the Average Swap Rate (which shall be rounded up, if necessary, to the nearest 1/16 per cent.) for such Dividend Period in accordance with the following formula:

In the case of Premium:

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

In the case of Discount:

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

where:

SIBOR = the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 AM SINGAPORE TIME” and under the column headed “USD SIBOR” (or such other page as may replace the Reuters Screen ABSIRFIX01 Page for the purpose of displaying Singapore interbank United States dollar offered rates of leading reference banks) at or about 11:00 a.m., Singapore time on the relevant Dividend Rate Determination Date for a period equal to the duration of the Dividend Period concerned;

Spot Rate = the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) (determined by the Calculation Agent) of the rates quoted by the Reference Banks and which appear on the Reuters Screen ABSIRFIX06 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE – SGD SPOT AND SWAP OFFER RATES – RATES AT 11:00 AM SINGAPORE TIME” and under the column headed “SPOT” (or such other page as may replace the Reuters Screen ABSIRFIX06 Page for the purpose of displaying the spot rates and swap points of leading reference banks) at or about 11:00 a.m., Singapore time on the relevant Dividend Rate Determination Date for a period equal to the duration of the Dividend Period concerned;

Premium or Discount = the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) (determined by the Calculation Agent) of the rates quoted by the Reference Banks for a period equal to the duration of the Dividend Period concerned which appear on the Reuters Screen ABSIRFIX06-7 Pages under the caption “ASSOCIATION OF BANKS IN SINGAPORE – SGD SPOT AND SWAP OFFER RATES – RATES AT 11:00 AM SINGAPORE TIME” (or such other page as may replace the Reuters Screen ABSIRFIX06-7 Pages for the purpose of displaying the spot rates and swap points of leading reference banks) at or about 11:00 a.m., Singapore time on the relevant Dividend Rate Determination Date for a period equal to the duration of the Dividend Period concerned; and

T = the number of days in the Dividend Period concerned;

- (v) if on any Dividend Rate Determination Date, any one of the components for the purposes of calculating the Average Swap Rate under (iv) above is not quoted on the relevant Reuters Screen Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) or the relevant Reuters Screen Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotations of their Swap Rates for the Dividend Period concerned at or about 11:00 a.m., Singapore time on that Dividend Rate Determination Date and the Average Swap Rate for such Dividend Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Swap Rates quoted by the Reference Banks to the Calculation Agent). The Swap Rate of a

Reference Bank means the rate at which that Reference Bank can generate Singapore dollars for the Dividend Period concerned in the Singapore interbank market at or about 11:00 a.m., Singapore time on the relevant Dividend Rate Determination Date and shall be determined as follows:

In the case of Premium:

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

In the case of Discount:

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

where:

SIBOR = the rate per annum at which United States dollar deposits for a period equal to the duration of the Dividend Period concerned are being offered by that Reference Bank to prime banks in the Singapore interbank market at or about 11:00 a.m., Singapore time on the relevant Dividend Rate Determination Date;

Spot Rate = the rate at which that Reference Bank sells United States dollars spot in exchange for Singapore dollars in the Singapore interbank market at or about 11:00 a.m., Singapore time on the relevant Dividend Rate Determination Date;

Premium = the premium that would have been paid by that Reference Bank in buying United States dollars forward in exchange for Singapore dollars on the last day of the Dividend Period concerned in the Singapore interbank market;

Discount = the discount that would have been received by that Reference Bank in buying United States dollars forward in exchange for Singapore dollars on the last day of the Dividend Period concerned in the Singapore interbank market; and

T = the number of days in the Dividend Period concerned;

- (vi) if on any Dividend Rate Determination Date, two but not all the Reference Banks provide the Calculation Agent with quotations of their Swap Rate(s), the Average Swap Rate for the relevant Dividend Period shall be determined in accordance with (v) above on the basis of the quotations of those Reference Banks providing such quotations; and
- (vii) if on any Dividend Rate Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotation, the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about 11:00 a.m., Singapore time on such Dividend Rate Determination Date and as adjusted by the Spread (if any);

For these purposes, (a) “**Reference Banks**” means three major banks selected by the Calculation Agent in the Singapore interbank market, (b) “**Screen Page**” means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Bloomberg agency and Reuters) as may be specified hereon for the purpose of providing the “three-month SGD Swap Offer Rate”, (c) “**Dividend Rate Determination Date**” means, with respect to any Dividend Period, the date falling two Business Days prior to the commencement of that Dividend Period and (d) any determination by the Calculation Agent under these **Articles** shall be final and conclusive absent manifest error.

ISSUE OF SHARES

6. Authorised Share Capital and Issue of Shares

(a) **Authorised Share Capital.** The authorised share capital of the Company is the aggregate of:

- (i) S\$2,000,000,000 divided into 2,000,000,000 voting ordinary shares of S\$1.00 nominal or par value each (“**Ordinary Shares**”); and
- (ii) S\$500 divided into 50,000 non-voting preference shares of S\$0.01 nominal or par value each, of which 10,000 shall be designated as Non-Cumulative Non-Convertible Non-Voting Guaranteed SPV Preference Shares Callable with Step-Up in 2018 (“**SPV Preference Shares**”),

each such class of shares having the rights hereinafter appearing. All payments with respect to the SPV Preference Shares are guaranteed, on a subordinated basis, by DBS Bank pursuant to the Subordinated Guarantee. The Company shall not issue shares in bearer form.

(b) **Issue of Shares.** Subject as herein provided, all shares in the Company for the time being unissued shall be under the control of the Board, which may allot and dispose of or grant options over the same to such persons, on such terms and in such manner as it may think fit and it may in its absolute discretion refuse to accept any application for shares, provided that, so long as any SPV Preference Shares are outstanding, the Company:

- (i) may only issue Ordinary Shares to DBS Bank or a wholly-owned Subsidiary of DBS Bank or, in each case, a nominee thereof;
- (ii) subject to the Statute, shall issue additional Ordinary Shares only at the times, in the numbers and for the consideration directed in writing by DBS Bank; and
- (iii) may accept capital contributions without issuing shares, but such capital contributions must be made by or on behalf of DBS Bank or a wholly-owned Subsidiary of DBS Bank or, in each case, a nominee thereof, in respect of the Ordinary Shares already issued by the Company to DBS Bank or a wholly-owned Subsidiary thereof or, in each case, a nominee thereof.

In addition, the Company may only issue shares on terms that they are fully paid up as to par value and any premium thereon on issue.

(c) **Issue of Ordinary Shares only to DBS Bank.** Ordinary Shares may only be held by DBS Bank or any wholly-owned Subsidiary of DBS Bank or any nominee for DBS Bank or any such Subsidiary. Ordinary Shares may be issued against payment in kind.

(d) **Issue Price.** Except as provided above, the terms upon which and the price per share at which issuances of shares of any class shall be made and the time of each such issue shall be determined by the Board.

SPV PREFERENCE SHARES

6A. SPV Preference Shares

The SPV Preference Shares shall have the following rights and be subject to the following restrictions:

(a) Dividends

- (i) Subject to the Statute and **Articles 6A(a)(iii), 6A(a)(iv) and 6A(a)(vii)**, Dividends shall accrue from the Issue Date and shall be payable in arrears on each Dividend Date when, as and if declared by the Board. If:
 - (A) due to the application of the Statute or **Article 6A(a)(iii), 6A(a)(iv) or 6A(a)(vii)** a Dividend is not paid in whole or in part on a Dividend Date; or
 - (B) (subject to the rights of the Holders under the Subordinated Guarantee) the Board does not declare a Dividend payable on a Dividend Date,

then:

- (C) the right of Holders to receive any such unpaid Dividend or any Dividend in respect of the Dividend Period ending on the relevant Dividend Date shall extinguish; and
 - (D) the Company shall have no obligation to pay such unpaid Dividend, the Dividend accrued for such Dividend Period or any interest thereon, whether or not Dividends are declared, payable or paid for any future Dividend Period.
- (ii) Subject to the Statute and **Articles 6A(a)(iii), 6A(a)(iv) and 6A(a)(vii)**, Dividends with respect to any Dividend Period will be payable at the Dividend Rate on the Liquidation Preference of the SPV Preference Shares when, as and if declared by the Board. If applicable, the Directors (or the Calculation Agent) will, at or prior to each time a Dividend is to be determined, determine the Dividend for the relevant Dividend Period. Each such determination will be notified to the Registrar, the Trustee, any stock exchange on which the SPV Preference Shares are listed and the Holders in accordance with **Article 114** before the commencement of such Dividend Period.
- (iii) Dividends will be non-cumulative and will accrue on a day-by-day basis in accordance with the Day Count Fraction. Notwithstanding receipt of any payment due to the Company under the Subordinated Note or any other resources legally available to make dividends or other distributions, the Company will not, save to the extent provided in **Article 6A(a)(iv)** and subject to **Article 6A(a)(vii)**, be obliged to pay, and shall not pay, any Dividend on the relevant Dividend Date (and such Dividend shall not be considered to be “**due**” or “**payable**” for the purposes of these Articles) if:
- (A) DBS Bank is prevented by applicable Singapore banking regulations or other requirements of the MAS from making payment in full:
 - (1) of dividends or other distributions when due on Parity Obligations; or
 - (2) under the Subordinated Guarantee;
 - (B) DBS Bank is unable to make such payment of dividends or other distributions on Parity Obligations or under the Subordinated Guarantee without causing a breach of the MAS’ published consolidated or unconsolidated capital adequacy requirements from time to time applicable to DBS Bank; or
 - (C) the aggregate of:
 - (1) the amount of such Dividend (if paid in full); together with
 - (2) the sum of any other dividends and other distributions originally scheduled to be paid (whether or not paid in whole or part) during DBS Bank’s then-current fiscal year on the SPV Preference Shares or Parity Obligations,would exceed the Distributable Reserves as at the relevant Distributable Reserves Determination Date.
- (iv) If, by reason of any of the provisions of **Article 6A(a)(iii) or 6A(a)(vii)** or any equivalent article or term of a Parity Obligation, on the relevant Dividend Date, Dividends are not paid in full or dividends or other distributions are not paid in full on any Parity Obligation, but on such Dividend Date there are Distributable Reserves, then each Holder will be entitled to receive from the Company, and the Company shall pay to each Holder, the Relevant Proportion of any such Dividend. No Holder shall have any claim in respect of any Dividend or part thereof not payable as a result of any of the provisions of **Article 6A(a)(iii) or 6A(a)(vii)** or any equivalent article or term of a Parity Obligation. Accordingly, such amount will not accumulate for the benefit of the Holders or entitle the Holders to any claim in respect thereof against the Company.

DBS Bank has covenanted in the Subordinated Guarantee with the Trustee on behalf of the Holders that, in the event any Dividend or other Guaranteed Payment is not paid in full for any reason, it will not:

- (A) declare or pay any dividends or other distributions in respect of, or (if permitted) repurchase or redeem, its ordinary shares or any other security or obligation of DBS Bank ranking junior to the Subordinated Guarantee (or contribute any moneys to a sinking fund for the redemption of any such shares, securities or obligations); or
- (B) (if permitted) repurchase or redeem, any Parity Obligation which are securities,

in each case until the Company or DBS Bank has paid Dividends in full in respect of such number of consecutive Dividend Periods as shall be equal to or exceed 12 calendar months (or an amount equivalent to the Dividends to be paid in respect of such number of consecutive Dividend Periods as shall be equal to or exceed 12 calendar months has been paid or irrevocably set aside in a separately designated trust account for payment to the Holders).

- (v) On each Distributable Reserves Determination Date, DBS Bank, for so long as it holds Ordinary Shares and in connection with the Subordinated Guarantee, will determine whether there are Distributable Reserves as at such Distributable Reserves Determination Date (or will procure that such a determination is made). In the event that any Dividend cannot be paid in full, DBS Bank will notify or procure notification to the Company, which in turn shall notify or procure notification to the Registrar and to the Trustee, and the Company shall also notify (or procure notification to) the Holders in accordance with **Article 114** of the fact and of the amount, if any, to be paid in respect of that Dividend.
- (vi) Save as expressly set forth herein, Holders will have no right to participate in the profits of the Company and in particular have no right to receive from the Company amounts received by the Company pursuant to the Subordinated Note in excess of Dividends as provided herein.
- (vii) In connection with the Subordinated Guarantee, DBS Bank may, for so long as it holds Ordinary Shares, give a notice or may procure that such a notice (a “**Dividend Limitation Notice**”) is given, on or before any Distributable Reserves Determination Date to the Company, which in turn shall give such notice or procure that such notice is given on or before such Distributable Reserves Determination Date to the Registrar, the Trustee and the Holders in accordance with **Article 114**, stating that the Company will pay no Dividends or less than full Dividends on the relevant Dividend Date, in which case no Dividends or less than full Dividends as set forth in the applicable Dividend Limitation Notice shall become due and payable on such Dividend Date.

Each Dividend Limitation Notice shall be given by DBS Bank in writing and shall be received by the Company on or prior to the relevant Distributable Reserves Determination Date and shall be given by the Company in writing by mail to each Holder, except that where the SPV Preference Shares are listed on one or more stock exchanges, the Company may, in lieu of giving notice in writing by mail, determine to publish such notice on such stock exchange(s). So long as the SPV Preference Shares are listed on one or more stock exchanges and the rules of such stock exchange(s) so require, such notice shall also be published in such manner as the rules of such stock exchange(s) may require. In addition, for so long as the SPV Preference Shares are listed on the SGX-ST and the rules of the SGX-ST so require, such Dividend Limitation Notice shall be published in accordance with **Article 114**.

- (viii) Any Dividends, Redemption Price, Liquidation Distribution or any other amount in respect of the SPV Preference Shares unclaimed for six (6) years after the relevant date of declaration may be forfeited by the Board and shall revert to the Company and after such forfeiture no Holder or other person shall have any right to or claim in respect of any such payments. No Dividends or other moneys payable on or in respect of a SPV Preference Share shall bear interest against the Company.
- (ix) Dividends may from time to time be declared by resolution of the Board in respect of the Ordinary Shares, subject at all times to the provisions of these Articles.

- (x) Where any Holder holds any SPV Preference Shares for or to the order of a Singapore Holder, it shall be a condition to that Holder's entitlement to receive Dividends that that Holder shall use its reasonable efforts to procure such Singapore Holder to comply with the requirements set out in **Article 6A(i)**.

(b) Liquidation Distributions

- (i) In the event of the commencement of any dissolution or winding-up of the Company (other than pursuant to a Permitted Reorganisation) before any redemption of the SPV Preference Shares or any substitution of the SPV Preference Shares with Substitute Preference Shares, Holders at that time will, subject to the Statute, be entitled to receive an amount up to the Liquidation Distribution in respect of each SPV Preference Share held solely out of the assets of the Company available for distribution under the Statute. Such entitlement will rank after payment or settlement of the claims of:

- (A) all other creditors of the Company; and

- (B) Persons with claims against the Company which are not Parity Obligations nor subordinated to the SPV Preference Shares.

- (ii) If:

- (A) the Liquidation Distribution or any other liquidation distributions cannot be made in full with respect to the SPV Preference Shares by reason of the limitation described in **Article 6A(b)(i)** or any equivalent article or term of any Parity Obligation; but

- (B) there are funds available enabling payment of part of the Liquidation Distribution with respect to the SPV Preference Shares,

then each Holder will be entitled to receive from the Company, and the Company shall pay to each Holder, the Relevant Proportion of the Liquidation Distribution in respect of each SPV Preference Share held. After payment of the Liquidation Distribution (or the Relevant Proportion thereof), the holders of the Ordinary Shares will be entitled to any remaining assets of the Company available for distribution and Holders will have no further right or claim to any of the remaining assets of the Company.

- (iii) Unless the MAS has given its consent (if then required), neither the Board nor the Company will permit, or take any action that would or might cause, the dissolution or winding-up of the Company (other than pursuant to a Permitted Reorganisation).

(c) Redemption and Repurchase of SPV Preference Shares

- (i) No Person has a right to, or may, require the Company to redeem any SPV Preference Share of which such Person is the Holder.

- (ii) Subject to the Statute and to the satisfaction of the Redemption Conditions, the SPV Preference Shares may be redeemed, at the option of the Company, in whole but not in part, on any Optional Redemption Date at the Redemption Price upon not less than 30 nor more than 60 days' notice to the Holders in accordance with **Article 114** (which notice shall be irrevocable), specifying:

- (A) the Optional Redemption Date; and

- (B) the Redemption Price.

On the Optional Redemption Date specified in such notice, the Company shall be bound to redeem the SPV Preference Shares by payment of the Redemption Price, at all times in accordance with and subject to the Statute.

- (iii) If at any time a Tax Event has occurred and is continuing, then, if, as and when directed by DBS Bank, for so long as it holds Ordinary Shares and in connection with the Subordinated Guarantee, either:

- (A) the Company shall, by giving a notice in writing to the Holders in accordance with **Article 114**, substitute (by way of redemption) the SPV Preference Shares with the Substitute Preference Shares as if such Tax Event were a Substitution Event; or
- (B) subject to the Statute and satisfaction of the Redemption Conditions and the last paragraph of this **Article 6A(c)(iii)**, the SPV Preference Shares shall be redeemed for cash at the Redemption Price in whole but not in part, upon not less than 30 nor more than 60 days' notice to the Holders in accordance with **Article 114** (which notice shall be irrevocable) specifying:
 - (1) the Early Redemption Date; and
 - (2) the Redemption Price.

Prior to the publication of any notice of substitution or redemption pursuant to the foregoing, the Company shall deliver to the Registrar:

- (I) a certificate signed by two directors of DBS Bank stating that the Company is entitled or required to effect such substitution or redemption; and
- (II) an opinion of counsel to DBS Bank experienced in such matters to the effect that a Tax Event has occurred. The delivery of such opinion shall constitute conclusive evidence of the occurrence of a "**Tax Event**" for all purposes of these Articles.

On the Early Redemption Date specified in such notice, the Company shall be bound to substitute (by way of redemption) the SPV Preference Shares with the Substitute Preference Shares or to redeem the SPV Preference Shares by payment of the Redemption Price in accordance with and subject to the Statute.

If there is available to the Company or DBS Bank the opportunity to eliminate the Tax Event by pursuing some reasonable measure that will not have an adverse effect on the Company, DBS Bank or the Holders and will not involve any material cost to the Company, DBS Bank or the Holders, the Company will pursue that measure in lieu of substitution or redemption.

- (iv) If at any time a Change of Qualification Event has occurred and is continuing, then, if, as and when directed by DBS Bank, for so long as it holds Ordinary Shares and in connection with the Subordinated Guarantee, either:
 - (A) the Company shall, by giving a notice in writing to the Holders in accordance with **Article 114**, substitute (by way of redemption) the SPV Preference Shares with the Substitute Preference Shares as if such Change of Qualification Event were a Substitution Event; or
 - (B) subject to the Statute and satisfaction of the Redemption Conditions, the SPV Preference Shares shall be redeemed for cash at the Redemption Price in whole but not in part, upon not less than 30 nor more than 60 days' notice to the Holders in accordance with **Article 114** (which notice shall be irrevocable) specifying:
 - (1) the Early Redemption Date; and
 - (2) the Redemption Price.

Prior to the publication of any notice of substitution or redemption pursuant to the foregoing, the Company shall deliver to the Registrar:

- (I) a certificate signed by two directors of DBS Bank stating that the Company is required to effect such substitution or redemption; and

- (II) an opinion of counsel to DBS Bank experienced in such matters to the effect that a Change of Qualification Event has occurred. The delivery of such opinion shall constitute conclusive evidence of the occurrence of a “**Change of Qualification Event**” for all purposes of these Articles.

On the Early Redemption Date specified in such notice, the Company shall be bound to substitute (by way of redemption) the SPV Preference Shares with the Substitute Preference Shares or to redeem the SPV Preference Shares on the payment of the Redemption Price in accordance with and subject to the Statute.

- (v) The Company may not substitute (by way of redemption) or redeem, and neither the Company, DBS Bank nor any of its Subsidiaries may purchase, any of the SPV Preference Shares without the prior consent of the MAS (for so long as such consent is required). Subject to the preceding sentence, the Company, at the direction of DBS Bank, shall or DBS Bank may, at any time and from time to time, purchase outstanding SPV Preference Shares by tender, in the open market or by private agreement. Any SPV Preference Shares so purchased by the Company shall be immediately cancelled in accordance with the Statute and shall form part of the authorised but unissued share capital of the Company. The Company may make any payment in respect of such a purchase as is authorised by the Statute, including out of capital.
- (vi) Once a notice to substitute (by way of redemption) or redeem the SPV Preference Shares has been given under any of **Article 6A(c)(ii)**, **6A(c)(iii)** or **6A(c)(iv)**, no similar notice may be given under either of the other such Articles. If at any time the SPV Preference Shares may be substituted or redeemed under more than one such Article, the Company may elect under which Article the notice of substitution or redemption is to be given.
- (vii) Subject to any express provision in these Articles to the contrary, upon:
 - (A) being directed to substitute (by way of redemption) or redeem for cash the SPV Preference Shares pursuant to this **Article 6A(c)** (including, without limitation, on the grounds of a Tax Event or a Change of Qualification Event); or
 - (B) the occurrence of a Substitution Event,

the Board shall pass a resolution:

- (C) acknowledging that such direction has been given and/or that such Tax Event, Change of Qualification Event or Substitution Event (as the case may be) has occurred; and
- (D) resolving to take such steps as may be required to effect the redemption of the SPV Preference Shares or their substitution (whether by way of redemption or exchange) with the Substitute Preference Shares and comply with and perform the Company’s obligations with respect to such redemption, substitution or exchange pursuant to **Articles 6A(c)** and **6A(d)**.

For the avoidance of doubt, such resolutions shall not be a condition to the redemption of the SPV Preference Shares or their substitution (whether by way of redemption or exchange) with Substitute Preference Shares pursuant to these Articles. Further, no substitution (whether by way of redemption or exchange) or redemption of the SPV Preference Shares pursuant to these Articles shall require a resolution of any of the Members.

- (viii) The substitution of the SPV Preference Shares with the Substitute Preference Shares pursuant to this **Article 6A(c)** shall constitute a redemption of such SPV Preference Shares for the purposes of these Articles.
- (ix) Any redemption of the SPV Preference Shares pursuant to this **Article 6A(c)** shall not prejudice the rights of Holders of the SPV Preference Shares to be so redeemed to receive any accrued but unpaid Dividend payable on the Redemption Date.

(d) Substitution of SPV Preference Shares with Substitute Preference Shares

- (i) On the Issue Date, there shall be:
- (A) provisionally allotted by DBS Bank the Substitute Preference Shares, on the basis of one provisionally allotted Substitute Preference Share for every one SPV Preference Share issued on the Issue Date; and
 - (B) issued by DBS Bank the Provisional Allotment Certificate.

At any time after the issuance of the SPV Preference Shares but prior to the substitution of SPV Preference Shares with Substitute Preference Shares, each SPV Preference Share cannot be transferred, assigned, mortgaged, charged or otherwise encumbered separately from the Substitute Preference Share which has been provisionally allotted with respect to it.

- (ii) Upon the occurrence of a Substitution Event, the SPV Preference Shares shall, without the need for a resolution of the Board or any other corporate action and in lieu of any cash payment for the SPV Preference Shares, forthwith (at the option of DBS Bank for so long as it holds Ordinary Shares and in connection with the Subordinated Guarantee):
- (A) be redeemed by the Company and substituted with the Substitute Preference Shares (which shall be deemed to be immediately issued and credited as fully-paid, on the basis of one Substitute Preference Share for one SPV Preference Share redeemed); or
 - (B) be transferred and delivered to DBS Bank in exchange for the issue to the Holders of the Substitute Preference Shares (which shall be deemed to be immediately issued and credited as fully-paid, on the basis of one Substitute Preference Share for one SPV Preference Share redeemed and with all rights attached thereto as at date of substitution and thereafter attaching thereto, free from any and all encumbrances),

and Holders of the SPV Preference Shares which have been so substituted with the Substitute Preference Shares will have no further right, title or interest in or to the SPV Preference Shares or to receive any payment from the Company or DBS Bank in respect thereof.

The Provisional Allotment Certificate shall thereupon constitute evidence of title of the Holders to such Substitute Preference Shares.

- (iii) Each Holder shall be deemed to have authorised the Company and each Director, and the Company and each Director will be so authorised, severally to receive and (where applicable) complete and deliver all necessary documents on its behalf and to take on its behalf all actions and steps necessary on its part to effect the substitution or exchange of the SPV Preference Shares with the Substitute Preference Shares. Any such substitution or exchange shall be effected in compliance with any applicable fiscal laws or other laws or regulations.
- (iv) Upon the issue of the Substitute Preference Shares by DBS Bank and the redemption and cancellation or (as the case may be) exchange of the relevant SPV Preference Shares:
- (A) the Holders thereof (each, a “**Former Holder**”) shall be removed from the Register;
 - (B) all rights, title and interest of the Former Holder with respect to the SPV Preference Shares will be extinguished;
 - (C) each Former Holder shall thereupon cease to be a shareholder of the Company and (in the case only of a substitution by way of exchange pursuant to **Article 6A(d)(ii)(B)**) DBS Bank shall be registered as the holder of all the SPV Preference Shares.

(e) Payments

- (i) Subject to the Statute and these Articles, Dividends shall be payable on the relevant Dividend Date (or, where any Dividend Date is not a Business Day, on the next Business Day immediately following such Dividend Date, without interest in respect of such delay) to the Holders of record of the SPV Preference Shares on the relevant record date, which will be a date fixed by the Board not less than six Business Days prior to the relevant Dividend Date. If the Company gives a notice of redemption for cash pursuant to **Article 6A(c)(ii), 6A(c)(iii) or 6A(c)(iv)** in respect of the SPV Preference Shares, then, on the Redemption Date with respect thereto, the Company shall procure that the Redemption Price will be paid by the Registrar on behalf of the Company to the Holders. Upon such payment, all rights of Holders with respect to the SPV Preference Shares called for redemption to participate in the assets of the Company or to be returned any amount in respect of the SPV Preference Shares will be extinguished and each such Holder shall thereupon cease to be a Member of the Company provided its holding of the SPV Preference Shares is redeemed in accordance with the foregoing.
- (ii) Subject to all applicable fiscal or other laws and regulations:
- (A) each payment in respect of Dividends will be made by cheque and mailed on the relevant Dividend Date to the Holder at such Holder's address as it appears on the Register on the relevant record date; and
- (B) any payment of amounts in respect of the Redemption Price or the Liquidation Distribution (or Relevant Proportion thereof) will be made by cheque against presentation and surrender of the relevant certificate of entitlement at the office of the Registrar,

provided, however, that a Holder may receive such payment in immediately available funds by direct transfer to an account maintained by the Holder with a bank if appropriate direct transfer instructions have been received by the Registrar in sufficient time prior to the relevant date of payment. Holders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day, if the Holder is late in surrendering certificates (if required to do so) or if a cheque mailed in accordance with this Article arrives after the due date for payment.

In the event that payment of the Redemption Price is improperly withheld or refused and not paid by the Company, Dividends, subject as described in **Article 6A(a)(iii)**, will continue to accrue, on a day-by-day basis compounding annually, from the Redemption Date to the date of actual payment of the Redemption Price.

- (iii) The Company will not make or procure any payment to Holders if such a payment could not lawfully have been made had such Holders held shares ranking *pari passu* with the Substitute Preference Shares instead of the SPV Preference Shares.
- (iv) The Company will maintain, at all times while the SPV Preference Shares are in issue:
- (A) a Paying Agent having its office in Singapore; and
- (B) a Registrar having its office in Singapore.

The Board may from time to time by board resolution, make further provisions with respect to the Registrar, including the location of such party.

(f) Voting Rights

- (i) Except as specifically set forth in these Articles and as provided by the Statute, Holders will not be entitled to receive notice of or to attend or to vote at any meeting of shareholders of the Company or to participate in or elect the management of the Company.
- (ii) If for such number of consecutive Dividend Periods as shall be equal to or exceed 12 months:
- (A) Dividends have not been paid in full by the Company when due and payable; and/or

- (B) DBS Bank has not made Guaranteed Payments under the Subordinated Guarantee in respect of such Dividends;

then the Holders, acting as a single class, will be entitled, by:

- (C) written notice to the Company given by holders of at least a majority in Liquidation Preference of all outstanding SPV Preference Shares, as a single class; or
- (D) resolution passed by Holders of at least a majority in Liquidation Preference of all outstanding SPV Preference Shares, as a single class, and present in person or by proxy at an extraordinary meeting of all such Holders, as a class, convened for the purpose,

to appoint two additional members of the Board, to remove any such member from office and to appoint in place another such member; provided that at all times prior to the appointment of additional directors pursuant to this Article, the Board will have at least three members and at all times during which such additional Directors have been appointed, the Board will have at least five members such that any two additional members so appointed will constitute a minority of the Board.

Not later than 30 days after such entitlement arises, if the written notice of such Holders in the circumstances described in the preceding paragraph has not been given as provided for in the preceding paragraph, the Board will convene an extraordinary meeting for the purpose. If the Company fails to convene such meeting within such 30-day period, such Holders of at least 10 per cent. of the Liquidation Preference of all outstanding SPV Preference Shares, as a single class, will be entitled to convene such a meeting for such purpose.

Any Director so appointed shall vacate office if, after his or her appointment, a full Dividend is paid by the Company or by DBS Bank under the Subordinated Guarantee for such number of consecutive Dividend Periods as shall be equal to or exceed 12 months or an amount equivalent to the Dividends to be paid in respect of such number of consecutive Dividend Periods as shall be equal to or exceed 12 months has been paid or irrevocably set aside in a separately designated trust account for payment to the Holders.

- (iii) The consent in writing of the Holders of at least 75 per cent. of the outstanding SPV Preference Shares or the sanction of a Special Resolution passed at a separate class meeting of the Holders (the quorum at such class meeting to be such number of the Holders holding or representing not less than two-thirds of the outstanding SPV Preference Shares) shall be required in order to give effect to any variation or abrogation of the rights, preferences and privileges of the SPV Preference Shares by way of amendment to the amended and restated Memorandum and Articles of Association or otherwise (including, without limitation, the authorisation or creation of any shares or securities convertible into shares of the Company ranking, as to the Liquidation Preference or as to participation in the profits or assets of the Company, senior to the SPV Preference Shares) unless otherwise required by applicable law.

No such consent or sanction shall be required:

- (A) if the change of the rights, preferences and privileges of the SPV Preference Shares by way of amendment to the amended and restated Memorandum and Articles of Association is solely of a formal, minor or technical nature, or is to correct an error or cure an ambiguity, provided that such change does not reduce the amounts payable to Holders, impose any material obligation on Holders or materially and adversely affect their voting rights;
- (B) for the creation or issue of further shares ranking *pari passu* with or junior to the SPV Preference Shares (the creation or issue of such other shares, regardless of the dividends and other amounts payable in respect of such shares and whether and when such dividends and other amounts may be so payable, shall not be deemed to be a variation or abrogation of the rights, preferences and privileges of the SPV Preference Shares); or

- (C) for the consolidation or division of all or any of the SPV Preference Shares into shares of larger or smaller amount of par value (with corresponding changes to the Liquidation Preference of the SPV Preference Shares).

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

- (iv) Notwithstanding the foregoing, no vote of the Holders will be required for the redemption, cancellation or substitution of the SPV Preference Shares as set forth in these Articles.
- (v) Notwithstanding any other provision of these Articles to the contrary, the Ordinary Shares and the SPV Preference Shares shall carry the right to receive notice of, to attend and to vote at any general meeting (annual or extraordinary) at which a Special Resolution to wind-up the Company is to be proposed. At any such meetings and solely in respect of the motion (to be passed by Special Resolution) to wind-up the Company, holders of the Ordinary Shares and Holders shall, respectively, be entitled to cast 66 and 34 votes, such votes being divided equally between the holders of the Ordinary Shares and Holders, such that the holders of a majority of the Ordinary Shares then in issue shall be entitled to cast 66 votes and Holders of a majority of the SPV Preference Shares then in issue (calculated by reference to Liquidation Preference) shall be entitled to cast 34 votes.

If the winding-up or dissolution of the Company is proposed or initiated because of the winding-up of DBS Bank, the total number of votes that may be cast by the Holders of the SPV Preference Shares shall be reduced to zero.

Notwithstanding any other provision of these Articles to the contrary, the quorum for any general meeting (annual or extraordinary) at which a Special Resolution to wind up the Company is to be proposed shall be such number of Holders holding or representing not less than two-thirds of the outstanding SPV Preference Shares and such number of holders holding or representing not less than two-thirds of all the Ordinary Shares then in issue.

- (vi) Any SPV Preference Share at any time owned by DBS Bank, or any entity of which DBS Bank, either directly or indirectly, owns 20 per cent. or more of the voting shares or similar ownership interests, (such SPV Preference Shares, “**Relevant Shares**”) shall:
 - (A) for so long as it is so owned, be automatically classified without the need for a resolution of the Holders thereof or of the Board, as a separate series of the SPV Preference Shares; and
 - (B) not carry a right to vote either by written resolution or at a meeting of Holders or at any meeting called to vote for the election of Directors pursuant to **Article 6A(f)(ii)** and shall, for voting purposes, be treated as if it were not in issue other than in the case of the approval required pursuant to **Article 6A(f)(v)**.

In all other respects however, such Relevant Shares shall enjoy all the other rights, privileges and authorities stated to attach to the SPV Preference Shares by the terms of these Articles. Upon ceasing to be owned by DBS Bank, or any entity of which DBS Bank, either directly or indirectly, owns 20 per cent. or more of the voting shares or similar ownership interests, each Relevant Share shall be automatically re-classified without the need for a resolution of the Holders thereof or of the Board, as an SPV Preference Share.

- (vii) The Company shall give notice of any meeting at which Holders are entitled to vote and any voting forms to each Holder, in accordance with **Article 114**. Each such notice will include a statement setting forth:
 - (A) the date, time and place of such meeting;
 - (B) a description of any resolution to be proposed for adoption at such meeting on which such Holders are entitled to vote; and

(C) instructions for the delivery of proxies.

(g) Restrictions on Acquisition by Non-Residents of Singapore Using Funds from Singapore Operations

- (i) This **Article 6A(g)** applies:
- (A) for so long as the withholding tax exemption granted on 16 May 2008 by the Ministry of Finance of Singapore under Section 13(4) of the Singapore Income Tax Act (as may from time to time be amended or supplemented, "**Section 13 (4) Exemption**") applies; and
- (B) to the extent required to comply with the conditions imposed under the Section 13(4) Exemption.
- (ii) No SPV Preference Share shall be acquired (whether by original subscription or by share transfer) by any person who is not a resident of Singapore for the purposes of Singapore income tax using funds from that person's Singapore operations if that person is not acquiring and holding the SPV Preference Shares through a permanent establishment (as defined in the Singapore Income Tax Act) in Singapore ("**Excluded Person**").
- (iii) For the avoidance of doubt, the Directors shall not be regarded as having breached any duty they may have to the Company or to any individual or group of shareholders under these Articles or otherwise merely by virtue of the fact that a person has acquired SPV Preference Shares contrary to **Article 6A(g)(ii)**.
- (iv) The Directors shall be entitled (but shall be under no duty) at any time and from time to time to require, by written notice, any Member to provide such information and/or materials as the Directors think necessary to establish to their reasonable satisfaction that the relevant Member is not an Excluded Person and does not hold the SPV Preference Shares on behalf of an Excluded Person.
- (v) In the event a Member fails to provide such information and/or materials within 10 Business Days of a Director's request (or such longer period as the Directors may in their absolute discretion determine), the Directors shall be entitled to treat the Member as an Excluded Person, and at any time thereafter, the Directors shall be entitled (but shall be under no duty) to take any or both of the following actions as they think fit, in their absolute discretion:
- (A) withhold or forfeit any Dividends otherwise payable on such Member's SPV Preference Shares; or
- (B) take such steps as may be available to them to sell all or any of such Member's SPV Preference Shares to one or more persons or entities identified by the Directors in their absolute discretion.
- (vi) Each Member shall be deemed to have given all and any authority to the Directors in connection with such sale. The Directors shall not be under any duty to the Member to obtain the best sale price for such Member's SPV Preference Shares. The Directors shall remit the proceeds of sale in Singapore Dollars (net of any and all costs, charges, expenses, finders' fees and other fees incurred on behalf of the Company pursuant to the exercise of the Directors' rights under this **Article 6A(g)**) ("**Sale Proceeds**") to a bank account maintained in the name of the relevant Member. The Directors shall not be obliged to remit the Sale Proceeds by any other method unless they in their absolute discretion determine otherwise.
- (vii) For the avoidance of doubt, the Directors may deduct from the Sale Proceeds any amount needed to satisfy any liability, if any, that the Directors (either individually or collectively) or the Company have or may become liable to pay to any regulatory, official or governmental body in Singapore as a result of any person acquiring SPV Preference Shares contrary to **Article 6A(g)(ii)** and may further defer or delay remitting such Sale Proceeds until after such time as any obligation imposed on either the Directors or the Company has become due and payable and has been paid in full.

(viii) The Directors for the time being and their heirs, executors, administrators and personal representatives respectively shall be indemnified pursuant to these Articles by the Member from and against all actions, proceedings, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by reason of any breach of **Article 6A(g)(ii)** by such Member.

(h) Withholding Taxes

All payments on the SPV Preference Shares will be made free and clear by the Company without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed by or on behalf of Singapore or the Cayman Islands or any authority thereof or therein having power to tax, unless such deduction or withholding of such Taxes is required by law.

In the event that any such withholding or deduction in respect of any payment on the SPV Preference Shares is required by law, the Company will pay such additional amounts (“**Additional Amounts**”) as will result in the receipt by the Holders of the amounts which would otherwise have been receivable in respect of such payment on the SPV Preference Shares in the absence of such withholding or deduction, provided that no such Additional Amounts shall be payable in respect of any of the SPV Preference Shares:

- (A) to or on behalf of a Holder or beneficial owner with respect to SPV Preference Shares who is:
- (1) treated as a resident of Singapore or the Cayman Islands, as the case may be, or a permanent establishment in Singapore or the Cayman Islands, as the case may be, for tax purposes; or
 - (2) liable for such taxes, duties, assessments or governmental charges in respect of the SPV Preference Shares by reason of his, her or its being connected with Singapore or the Cayman Islands, as the case may be, other than by reason only of the holding of any of the SPV Preference Shares (or benefiting from the Subordinated Guarantee) or the receipt of Dividends, Redemption Price with respect to the SPV Preference Shares or under the Subordinated Guarantee; and
- (B) to the extent that such Taxes would not have been required to be deducted or withheld but for the failure to comply by the Holder or beneficial owner with respect to the SPV Preference Shares with a request of the Company addressed to such Holder to make any declaration of non-residence or other similar claim, which is required or imposed by a statute, treaty or administrative practice of Singapore or the Cayman Islands, as the case may be, as a pre-condition to exemption from all or part of such Taxes.

(i) Singapore Beneficial Owners

(i) This **Article 6A(i)** applies:

- (A) for so long as the Section 13(4) Exemption applies; and
- (B) to the extent required to comply with the conditions imposed under the Section 13(4) Exemption.

(ii) Beneficial owners of SPV Preference Shares who are (a) residents of, or are permanent establishments (as defined in the Singapore Income Tax Act) in Singapore, and (b) not otherwise exempt from Singapore taxation with respect to payments on the SPV Preference Shares (“**Singapore Holders**”) shall be subject to the following notification procedures:

- (A) each subscriber and subsequent beneficial owner of SPV Preference Shares who is a Singapore Holder will be deemed to have acknowledged, represented and agreed that (i) such holder will maintain an account or accounts in Singapore for payment of Dividends payable to such holder, (ii) maintenance of such an account will be a condition of such Singapore Holder being entitled to receive any Dividend payments and (iii) such holders are required to declare income received from the SPV Preference Shares in their income tax returns;

- (B) no later than 10 Business Days prior to each Dividend Date, the Registrar on behalf of the Company will send a notice to Holders that such requirements apply. None of the Registrar, the Paying Agent, the Company or DBS Bank will be subject to any liability with respect to non-receipt, non-transmission of such notification or the failure of any Holder to comply with the requirements of **Article 6A(i)(ii)(A)** and the provisions outlined in **Article 6A(i)(ii)(A)** shall apply regardless of actual transmission to or receipt by Singapore Holders of any such notification;
- (C) no later than 5 Business Days prior to each Dividend Date, Singapore Holders shall be required to notify the Registrar, who will receive such notification on behalf of DBS Bank and the Company, that such holder is a Singapore Holder and that such holder has maintained and will maintain an account or accounts in Singapore for payment of Dividends for so long as such holder continues to be the beneficial owner of such SPV Preference Shares; and
- (D) any such notification will specify the name of the Singapore Holder and the SPV Preference Shares to which such notification relates. Any such notification form shall be deemed to be effective for all Dividend Dates occurring after the date of such notification, unless such Singapore Holder notifies the Registrar in writing of any changes in the information provided in such notification. Singapore Holders may obtain a notification form from the Registrar at the following address (or such other address as shall be notified by the Registrar):

DBS Capital Funding II Corporation
c/o DBS Bank Ltd. as Registrar
6 Shenton Way #14-01
DBS Building Tower One
Singapore 068809
Attention: T&O – SFS Trust
Fax No.: (65) 6878 9737

(j) Others

- (i) Notwithstanding anything in these Articles (including, without limitation, references in these Articles to covenants given by DBS Bank under the Subordinated Guarantee in favour of the Trustee to hold on trust for the benefit Holders), no Holder shall have any rights to enforce the Subordinated Guarantee against DBS Bank directly under these Articles.
- (ii) In the event of any conflict or inconsistency between the provisions of this **Article 6A** and the other provisions of these Articles, the provisions of this **Article 6A** shall prevail.

APPENDIX B

EXTRACTS FROM ARTICLES OF ASSOCIATION OF DBS BANK RELATING TO THE SUBSTITUTE PREFERENCE SHARES

The following description relating to the Substitute Preference Shares has been extracted from the Articles of Association of DBS Bank and is qualified in its entirety by, and is subject to, the Memorandum and Articles of Association of DBS Bank. Investors should read, in its entirety, the Memorandum and Articles of Association of DBS Bank, a copy of which may be inspected at the address of DBS Bank.

5M. Class M Substitute Preference Shares

The Class M Substitute Preference Shares shall have the rights and be subject to the restrictions set out in this **Article 5M**.

(1) Definitions and Interpretation

(a) Definitions. In this **Article 5M**, unless there is something in the subject or context inconsistent therewith:

“ Account Holder ”	means a Person who holds an account directly with the CDP and not through a Depository Agent;
“ Additional Amounts ”	has the meaning given to it in Article 5M(7) ;
“ Board ”	means the Directors for the time being (or an authorized committee thereof);
“ Book-Entry Securities ”	means the securities of a Person that are listed on the SGX-ST and have not been delisted or had its quotation removed: (i) the documents evidencing title to which are deposited by a Depositor with the CDP and are registered in the name of the CDP or its nominee; and (ii) which are transferable by way of book-entry in the CDP Depository Register and not by way of an instrument of transfer;
“ Business Day ”	means a day other than a Saturday or Sunday on which commercial banks and foreign exchange markets settle payments in Singapore Dollars and are open for general business in Singapore;
“ Calculation Agent ”	means: (i) DBS Bank Ltd., in its capacity as calculation agent; or (ii) such other entity as may be appointed by DBS Bank to act as calculation agent for the purposes of this Article 5M ;
“ CDP ”	means The Central Depository (Pte) Limited and shall include any successor thereto;
“ CDP Depository Register ”	means the register maintained by the CDP in respect of Book-Entry Securities;

“Change of Qualification Event”

means as a result of:

- (i) any change or proposed change to the relevant requirements issued by the MAS in relation to the qualification of the Class M Substitute Preference Shares as Tier 1 capital securities of DBS Bank or to the recognition of the Class M Substitute Preference Shares as capital for calculating the Tier 1 and total capital adequacy ratios of DBS Bank, in each case on a consolidated or unconsolidated basis;
- (ii) any change in the application of official or generally published interpretation of such relevant requirements issued by the MAS or any relevant authority (including a ruling or notice issued by the MAS or any relevant authority); or
- (iii) any interpretation or pronouncement by the MAS or any relevant authority that provides for a position with respect to such relevant requirements issued by the MAS that differs from the previously generally accepted position in relation to similar transactions or which differs from any specific written statements made by any authority regarding the qualification of the Class M Substitute Preference Shares as Tier I capital securities of DBS Bank or to the recognition of the Class M Substitute Preference Shares as capital for calculating the Tier 1 and total capital adequacy ratios of DBS Bank, in each case on a consolidated or unconsolidated basis,

which change or amendment,

- (1) (subject to (2) below) becomes, or would become, effective on or after the Issue Date; or
- (2) in the case of a change or proposed change to the relevant requirements issued by the MAS, if such change is issued or is expected to be issued by the MAS, on or after the Issue Date,

the Class M Substitute Preference Shares would not qualify as Tier I capital securities of DBS Bank;

“Class M Substitute Preference Shares”

means the non-cumulative non-convertible redeemable perpetual preference shares, liquidation preference of S\$250,000 per share, of DBS Bank and having the rights and subject to the restrictions set out in this **Article 5M** (as such Article may from time to time be amended in accordance with the provisions hereof);

“Companies Act”

means the Companies Act, Chapter 50 of Singapore as amended and every statutory modification or re-enactment thereof for the time being in force and, where relevant, other applicable laws of Singapore;

“Day Count Fraction”

means the number of days in the relevant Dividend Period divided by 365;

“DBS Bank”

means DBS Bank Ltd.;

“Depositors”

means an Account Holder or a Depository Agent, but does not include a Sub-Account Holder;

“Depository Agent”

means a person approved by the CDP which:

- (i) performs services as a depository agent for Sub-Account Holders in accordance with the terms of a depository agent agreement between the CDP and the depository agent;
- (ii) deposits Book-Entry Securities with the CDP on behalf of the Sub-Account Holders; and
- (iii) establishes an account in its name with the CDP;

“Directors”

means the directors for the time being of DBS Bank;

“Distributable Reserves”

means, at any time, the amounts for the time being available to DBS Bank for distribution as a dividend in compliance with Section 403 of the Companies Act (“**Available Amounts**”) as at the date of DBS Bank’s latest audited balance sheet; *provided that* if the Board reasonably believes that the Available Amounts as at any Distributable Reserves Determination Date:

- (i) are lower than the Available Amounts as at the date of DBS Bank’s latest audited balance sheet; and
- (ii) are insufficient to pay the Dividend and for payments on Parity Obligations on the relevant Dividend Date,

then two Directors shall be required to provide a certificate, on or prior to such Distributable Reserves Determination Date, to the Holders (accompanied by a certificate of DBS Bank’s auditors for the time being) of the Available Amounts as at such Distributable Reserves Determination Date (which certificate of the two Directors shall be binding absent manifest error) and “**Distributable Reserves**” as at such Distributable Reserves Determination Date for the purposes of such Dividend shall mean the Available Amounts as set forth in such certificate;

“Distributable Reserves Determination Date”

means, with respect to any Dividend Date, the day falling five Business Days prior to that Dividend Date;

“Dividend”

means the non-cumulative preferential cash dividends with respect to the Class M Substitute Preference Shares as described in **Article 5M(2)**;

“Dividend Date”

means:

- (i) 15 June and 15 December in each year up to and including the Step-Up Date, provided that the first Dividend Date shall not be earlier than 15 December 2008; and
- (ii) thereafter 15 March, 15 June, 15 September and 15 December in each year, provided that if any such date in this sub-paragraph (ii) is not a Business Day, such Dividend Date shall be the next following day that is a Business Day;

“Dividend Limitation Notice”

has the meaning ascribed to it in **Article 5M(2)(g)**;

<p>“Dividend Period”</p>	<p>means the period from (and including) the dividend payment date in respect of the SPV Preference Shares immediately preceding the Issue Date to (but excluding) the first Dividend Date and each successive period thereafter from (and including) a Dividend Date to (but excluding) the next succeeding Dividend Date;</p>
<p>“Early Redemption Date”</p>	<p>means such date as may be notified to the Holders pursuant to Article 5M(4)(c) or 5M(4)(d) as being the date for early redemption of the Class M Substitute Preference Shares;</p>
<p>“Holder”</p>	<p>means each person registered on the Register as the shareholder holding Class M Substitute Preference Share(s) at the relevant time, except that, for so long as the Class M Substitute Preference Shares are listed on the SGX-ST, the term “Holder” shall:</p> <ul style="list-style-type: none"> (i) exclude the CDP (unless where otherwise expressly provided in this Article 5M or where the term “registered holder” or “registered holder” is used in this Article 5M); and (ii) where the context so requires, be deemed to include references to Depositors whose names are entered in the CDP Depository Register with respect to the Class M Substitute Preference Shares;
<p>“Issue Date”</p>	<p>means the date on which the Class M Substitute Preference Shares are first issued;</p>
<p>“Liquidation Distribution”</p>	<p>means, with respect to any Class M Substitute Preference Share, upon a dissolution or winding-up of DBS Bank (other than pursuant to a Permitted Reorganisation):</p> <ul style="list-style-type: none"> (i) the Liquidation Preference of that Class M Substitute Preference Share; together with (ii) subject to the restrictions in Article 5M(2)(f) and unless a Dividend Limitation Notice is in effect, an amount equal to any accrued but unpaid Dividend (whether or not declared) in respect of that Class M Substitute Preference Share for the period commencing from (and including) the first day of the Dividend Period in which the date of the dissolution or winding-up falls and ending on (but excluding) the date of actual payment;
<p>“Liquidation Preference”</p>	<p>means S\$250,000 for each Class M Substitute Preference Share;</p>
<p>“MAS”</p>	<p>means the Monetary Authority of Singapore and shall include any successor organisation responsible for the supervision of banks and other financial institutions in Singapore;</p>
<p>“Optional Redemption Dates”</p>	<p>means the Step-Up Date and each Dividend Date thereafter;</p>

“Parity Obligations”

means any preference shares or other similar obligations of DBS Bank that constitute Tier 1 capital of DBS Bank on an unconsolidated basis or have characteristics similar to securities that could qualify as Tier 1 capital of DBS Bank on an unconsolidated basis and are not expressly stated to rank in all material respects senior or junior to:

- (i) the Class M Preference Shares; or
- (ii) any other guarantee given or support agreement entered into by DBS Bank in respect of any preference shares, or other preferred securities (not constituting debt obligations) having in all material respects the same ranking as preference shares, issued by any Subsidiary that constitute Tier 1 capital of DBS Bank on an unconsolidated basis or have characteristics similar to securities that could qualify as Tier 1 capital of DBS Bank on an unconsolidated basis and are not expressly stated to rank in all material respects senior or junior to the Class M Substitute Preference Shares;

“Permitted Reorganisation”

means a solvent reconstruction, amalgamation, reorganisation, merger or consolidation whereby all or substantially all the business, undertaking and assets of DBS Bank are transferred to a successor entity which assumes all the obligations of DBS Bank under the Class M Substitute Preference Shares;

“Person”

means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint stock company, limited liability company, trust, unincorporated association, or government or any agency or political subdivision thereof, or any other entity of whatever nature;

“Redemption Conditions”

means:

- (i) the prior written consent of the MAS to the redemption of the Class M Substitute Preference Shares, if then required, has been obtained and that any conditions that the MAS may impose at the time of any consent, if then required, have been satisfied; and
- (ii) the requirements as to Singapore law for the redemption of the Class M Substitute Preference Shares have been satisfied;

“Redemption Date”

means an Early Redemption Date or an Optional Redemption Date, as applicable;

“Redemption Price”

means, with respect to any Class M Substitute Preference Share to be redeemed pursuant to this **Article 5M**, an amount equal to:

- (i) the Liquidation Preference of that Class M Substitute Preference Shares; together with

- (ii) subject to the restrictions in **Article 5M(2)(f)** and unless a Dividend Limitation Notice is in effect, an amount equal to any accrued but unpaid Dividends (whether or not declared) in respect of that Class M Substitute Preference Share for the period commencing from (and including) the first day of the Dividend Period in which the relevant redemption falls and ending on (but excluding) the relevant Redemption Date;

“Register”

means, with respect to the Class M Substitute Preference Shares, the register of members maintained on behalf of DBS Bank under the Companies Act in Singapore;

“Registrar”

means the share registrar of DBS Bank for the time being;

“Relevant Proportion”

means:

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

“S\$”, “SGD” and “Singapore Dollar”

mean the lawful currency for the time being of the Republic of Singapore;

“SGX-ST”

means the Singapore Exchange Securities Trading Limited;

“SPV Preference Shares”	means the preference shares which are to be issued by DBS Capital Funding II Corporation, a wholly-owned subsidiary of DBS Bank, and which are expressed to be substitutable by the Class M Substitute Preference Shares;
“Step-Up Date”	means 15 June 2018;
“Sub-Account Holder”	means a holder of an account maintained with a Depository Agent;
“Subsidiary”	means any entity that is for the time being a subsidiary of DBS Bank (within the meaning given to this term in the Companies Act);
“Taxes”	has the meaning given to it in Article 5M(7) ;
“Tax Event”	means that as a result of: <ul style="list-style-type: none"> (i) any change in, or amendment to, any law or regulation of Singapore or any political subdivision or any authority thereof or therein having power to tax; or (ii) any change in the general application or official interpretation of any law or regulation by any relevant body in Singapore, in each case after the Issue Date, payments to Holders with respect to the Class M Substitute Preference Shares would be subject to deduction or withholding for or on account of tax or would give rise to any obligation of DBS Bank to account for any tax in Singapore, and such obligation cannot be avoided by DBS Bank taking reasonable measures available to it;
“three-month SGD Swap Offer Rate”	has the meaning given to it in Article 5M(1)(c) ; and
“US\$”, “USD” and “US Dollar”	mean the lawful currency for the time being of the United States of America.

(b) Construction and References. In this **Article 5M**:

- (i) words importing the singular number include the plural number and *vice versa*;
- (ii) words importing the masculine gender include the feminine gender;
- (iii) “written” and “in writing” include all modes of representing or reproducing words in visible form;
- (iv) references to provisions of any law or regulation shall be construed as references to those provisions as amended, modified, re-enacted or replaced from time to time;
- (v) any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and
- (vi) headings are inserted for reference only and shall be ignored in construing this **Article 5M**.

(c) **Three-month SGD Swap Offer Rate.** In this Article 5M, “three-month SGD Swap Offer Rate” with respect to any Dividend Period after the Step-Up Date shall mean, or shall be determined by the Calculation Agent on the basis of, the following:

- (i) the Average Swap Rate for such Dividend Period (determined by the Calculation Agent as being the rate which appears on Page ABSI on the monitor of the Bloomberg agency under the caption “ASSOCIATION OF BANKS IN SG – SWAP OFFER AND SIBOR FIXING RATES – RATES AT 11:00AM SINGAPORE TIME” and under the column headed “SGD SWAP OFFER” (or such other page as may replace Page ABSI for the purpose of displaying the swap rates of leading reference banks) at or about 11:00 a.m., Singapore time on such Dividend Rate Determination Date and for a period equal to the duration of such Dividend Period);
- (ii) if on any Dividend Rate Determination Date, no such rate appears on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof), the Average Swap Rate for such Dividend Period (determined by the Calculation Agent as being the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 AM SINGAPORE TIME” and under the column headed “SGD SWAP OFFER” (or such other page as may replace the Reuters Screen ABSIRFIX01 Page for the purpose of displaying the swap rates of leading reference banks) at or about 11:00 a.m., Singapore time on such Dividend Rate Determination Date and for a period equal to the duration of such Dividend Period);
- (iii) if on any Dividend Rate Determination Date, no such rate appears on the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will determine the Average Swap Rate (which shall be rounded up, if necessary, to the nearest 1/16 per cent.) for such Dividend Period in accordance with the following formula:

In the case of Premium:

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

In the case of Discount:

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

where:

SIBOR = the rate which appears on Page ABSI on the monitor of the Bloomberg agency under the caption “ASSOCIATION OF BANKS IN SG – SWAP OFFER AND SIBOR FIXING RATES – RATES AT 11:00AM SINGAPORE TIME” and under the column headed “USD SIBOR” (or such other page as may replace Page ABSI for the purpose of displaying Singapore interbank United States dollar offered rates of leading reference banks) at or about 11:00 a.m., Singapore time on the relevant Dividend Rate Determination Date for a period equal to the duration of the Dividend Period concerned;

Spot Rate = the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) (determined by the Calculation Agent) of the rates quoted by the Reference Banks and which appear on Page ABSI on the monitor of the Bloomberg agency under the caption “ASSOCIATION OF BANKS IN SG – FX and SGD Swap Points” (or such other page as may replace Page ABSI for the purpose of displaying the spot rates and swap points of leading reference banks) at or about 11:00 a.m., Singapore time on the relevant Dividend Rate Determination Date for a period equal to the duration of the Dividend Period concerned;

Premium or Discount = the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) (determined by the Calculation Agent) of the rates quoted by the Reference Banks for a period equal to the duration of the Dividend Period concerned which appears on Page ABSI on the monitor of the Bloomberg agency under the caption “ASSOCIATION OF BANKS IN SG – FX and SGD Swap Points” (or such other page as may replace Page ABSI for the purpose of displaying the spot rates and swap points of leading reference banks) at or about 11:00 a.m., Singapore time on the relevant Dividend Rate Determination Date for a period equal to the duration of the Dividend Period concerned; and

T = the number of days in the Dividend Period concerned;

- (iv) if on any Dividend Rate Determination Date, any one of the components for the purposes of calculating the Average Swap Rate under (iii) above is not quoted on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof) or if Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof) is unavailable for any reason, the Calculation Agent will determine the Average Swap Rate (which shall be rounded up, if necessary, to the nearest 1/16 per cent.) for such Dividend Period in accordance with the following formula:

In the case of Premium:

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

In the case of Discount:

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

where:

SIBOR = the rate which appears on the Reuters Screen ABSIRFIX01 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 AM SINGAPORE TIME” and under the column headed “USD SIBOR” (or such other page as may replace the Reuters Screen ABSIRFIX01 Page for the purpose of displaying Singapore interbank United States dollar offered rates of leading reference banks) at or about 11:00 a.m., Singapore time on the relevant Dividend Rate Determination Date for a period equal to the duration of the Dividend Period concerned;

Spot Rate = the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) (determined by the Calculation Agent) of the rates quoted by the Reference Banks and which appear on the Reuters Screen ABSIRFIX06 Page under the caption “ASSOCIATION OF BANKS IN SINGAPORE – SGD SPOT AND SWAP OFFER RATES – RATES AT 11:00 AM SINGAPORE TIME” and under the column headed “SPOT” (or such other page as may replace the Reuters Screen ABSIRFIX06 Page for the purpose of displaying the spot rates and swap points of leading reference banks) at or about 11:00 a.m., Singapore time on the relevant Dividend Rate Determination Date for a period equal to the duration of the Dividend Period concerned;

Premium or Discount = the rate being the composite quotation or in the absence of which, the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) (determined by the Calculation Agent) of the rates quoted by the Reference Banks for a period equal to the duration of the Dividend Period concerned which appear on the Reuters Screen ABSIRFIX06-7 Pages under the caption “ASSOCIATION OF BANKS IN SINGAPORE – SGD SPOT AND SWAP OFFER RATES – RATES AT 11:00 AM SINGAPORE TIME” (or such other page as may replace the Reuters Screen ABSIRFIX06-7 Pages for the purpose of displaying the spot rates and swap points of leading reference banks) at or about 11:00 a.m., Singapore time on the relevant Dividend Rate Determination Date for a period equal to the duration of the Dividend Period concerned; and

T = the number of days in the Dividend Period concerned;

- (v) if on any Dividend Rate Determination Date, any one of the components for the purposes of calculating the Average Swap Rate under (iv) above is not quoted on the relevant Reuters Screen Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) or the relevant Reuters Screen Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotations of their Swap Rates for the Dividend Period concerned at or about 11:00 a.m., Singapore time on that Dividend Rate Determination Date and the Average Swap Rate for such Dividend Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Swap Rates quoted by the Reference Banks to the Calculation Agent). The Swap Rate of a Reference Bank means the rate at which that Reference Bank can generate Singapore dollars for the Dividend Period concerned in the Singapore interbank market at or about 11:00 a.m., Singapore time on the relevant Dividend Rate Determination Date and shall be determined as follows:

In the case of Premium:

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

In the case of Discount:

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

where:

SIBOR = the rate per annum at which United States dollar deposits for a period equal to the duration of the Dividend Period concerned are being offered by that Reference Bank to prime banks in the Singapore interbank market at or about 11:00 a.m., Singapore time on the relevant Dividend Rate Determination Date;

Spot Rate = the rate at which that Reference Bank sells United States dollars spot in exchange for Singapore dollars in the Singapore interbank market at or about 11:00 a.m., Singapore time on the relevant Dividend Rate Determination Date;

Premium = the premium that would have been paid by that Reference Bank in buying United States dollars forward in exchange for Singapore dollars on the last day of the Dividend Period concerned in the Singapore interbank market;

Discount = the discount that would have been received by that Reference Bank in buying United States dollars forward in exchange for Singapore dollars on the last day of the Dividend Period concerned in the Singapore interbank market; and

T = the number of days in the Dividend Period concerned;

- (vi) if on any Dividend Rate Determination Date, two but not all the Reference Banks provide the Calculation Agent with quotations of their Swap Rate(s), the Average Swap Rate for the relevant Dividend Period shall be determined in accordance with (v) above on the basis of the quotations of those Reference Banks providing such quotations; and
- (vii) if on any Dividend Rate Determination Date, one only or none of the Reference Banks provides the Calculation Agent with such quotation, the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about 11:00 a.m., Singapore time on such Dividend Rate Determination Date and as adjusted by the Spread (if any);

For these purposes, (a) “**Reference Banks**” means three major banks selected by the Calculation Agent in the Singapore interbank market, (b) “**Screen Page**” means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Bloomberg agency and Reuters) as may be specified hereon for the purpose of providing the “three-month SGD Swap Offer Rate”, (c) “**Dividend Rate Determination Date**” means, with respect to any Dividend Period, the date falling two Business Days prior to the commencement of that Dividend Period and (d) any determination by the Calculation Agent under this **Article 5M** shall be final and conclusive absent manifest error.

(2) Dividends

(a) **Non-Cumulative Preferential Dividends.** Subject to **Articles 5M(2)(d), (f) and (g)** below, the Class M Substitute Preference Shares shall entitle the Holder thereof to receive Dividends on the Liquidation Preference thereof calculated on the bases set out in **Articles 5M(2)(b) and (c)** below. Dividends shall be payable:

- (i) semi-annually in arrear on each Dividend Date in each year up to and including the Step-Up Date; and
- (ii) thereafter quarterly in arrear on each Dividend Date in each year,

in each case when, as and if declared by the Board, *provided that* the first Dividend will be paid in respect of the period from (and including) the dividend payment date in respect of the SPV Preference Shares immediately preceding the Issue Date to (but excluding) the first Dividend Date after the Issue Date.

No Class M Substitute Preference Shareholder shall have any claim in respect of any Dividend or part thereof not due or payable pursuant to **Articles 5M(2)(d), (f) and (g)** below. Accordingly, such amount shall not accumulate for the benefit of Holders or entitle Holders to any claim in respect thereof against DBS Bank.

(b) Fixed Dividend Rate. Each Class M Substitute Preference Share in issue on or prior to the Step-Up Date shall, subject to **Article 5M(2)(a)** above, entitle the Holder thereof to receive for each Dividend Period ending on or prior to the Step-Up Date Dividends (when, as and if declared by the Board) payable in Singapore Dollars at a fixed rate per annum of 5.75% of the Liquidation Preference thereof, calculated on the basis of the Day Count Fraction.

(c) Floating Dividend Rate. Each Class M Substitute Preference Share in issue after the Step-Up Date shall entitle the Holder thereof to receive on each Dividend Date falling after the Step-Up Date Dividends (when, as and if declared by the Board) payable in Singapore Dollars at a floating rate per annum equal to:

- (i) the three-month SGD Swap Offer Rate in effect for the relevant Dividend Period; plus
- (ii) 3.415%,

of the Liquidation Preference thereof, calculated on the basis of the Day Count Fraction.

(d) Dividends at Board's Discretion. Any decision regarding the declaration or payment of any Dividend shall be at the sole and absolute discretion of the Board. Nothing herein contained shall impose on the Board any requirement or duty to resolve to distribute, declare or pay in respect of any fiscal year or period the whole or any part of the profits of DBS Bank available for distribution. No Dividend or any part thereof shall become “**due**” or “**payable**” on any Dividend Date for the purposes of this **Article 5M** unless the Board has declared or resolved to distribute such Dividend or part thereof with respect to that Dividend Date.

(e) Ranking. The Class M Substitute Preference Shares shall rank as regards participation in profits *pari passu* with all other shares in the capital of DBS Bank to the extent that they are expressed to rank *pari passu* therewith and in priority to DBS Bank's ordinary shares. DBS Bank may from time to time and at any time create or issue any other shares ranking, as to participation in the profits or the assets of DBS Bank, *pari passu* with or junior to:

- (i) the Class M Substitute Preference Shares; or
- (ii) any other Parity Obligations,

in each case without the prior approval of the Holders and the holders of all other Parity Obligations and the creation or issue by DBS Bank of such shares (regardless of the dividends and other amounts payable in respect of such shares and whether and when such dividends and other amounts may be so payable) shall be deemed not to constitute a variation of the rights attached to the Class M Substitute Preference Shares.

DBS Bank shall not create or issue any other shares ranking, as to participation in the profits or the assets of DBS Bank, senior or in priority to:

- (iii) the Class M Substitute Preference Shares; or
- (iv) any other Parity Obligations,

unless approved by the Holders and the holders of all other Parity Obligations, acting as a single class in accordance with **Article 5M(5)** below.

(f) Dividend Restrictions. Dividends may only be declared and paid out of Distributable Reserves. Notwithstanding that the Board may have declared or resolved to distribute any Dividend on any Dividend Date or that resources are legally available to declare and pay Dividends, DBS Bank shall not, save to the extent provided in **Article 5M(2)(h)** and subject to **Article 5M(2)(g)** below, be obliged to pay, and shall not pay, any Dividend on that Dividend Date (and such Dividend shall not be considered to be “due” or “payable” for the purposes of this **Article 5(M)**) if:

(i) DBS Bank 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 Parity Obligations; or

(ii) DBS Bank is unable to make such payment of dividends or other distributions on Parity Obligations without causing a breach of the MAS’ published consolidated or unconsolidated capital adequacy requirements from time to time applicable to DBS Bank; or

(iii) the aggregate of:

(x) the amount of such Dividend (if paid in full); together with

(y) the sum of any other dividends and other distributions originally scheduled to be paid (whether or not paid in whole or part) during DBS Bank’s then-current fiscal year on the Class M Substitute Preference Shares or Parity Obligations,

would exceed the Distributable Reserves as at the relevant Distributable Reserves Determination Date.

(g) Dividend Limitation Notice. Without prejudice to the discretion of the Board under **Article 5M(2)(d)** above, if DBS Bank does not propose or intend to pay and will not pay its next normal dividend (whether interim or final) on its ordinary shares, DBS Bank may give, on or before the relevant Distributable Reserves Determination Date, a notice (“**Dividend Limitation Notice**”) to the Registrar and the Holders that DBS Bank will pay no Dividends or less than full Dividends on such Dividend Date, in which case no Dividends or less than full Dividends as set out in the Dividend Limitation Notice shall become due and payable on such Dividend Date. The Dividend Limitation Notice shall include a statement to the effect that DBS Bank does not propose or intend to pay and will not pay its next normal dividend (whether interim or final) on its ordinary shares and identify the specific dividend on the ordinary shares that will not be paid.

Each Dividend Limitation Notice shall be given in writing by mail to each Holder except that where the Class M Substitute Preference Shares are listed on one or more stock exchanges, DBS Bank may, in lieu of giving notice in writing by mail to such shareholder, determine to publish such notice on such stock exchange(s). So long as the Class M Substitute Preference Shares are listed on one or more stock exchanges and the rules of such stock exchange(s) so require, notices shall also be published in such manner as the rules of such stock exchange(s) may require. In addition, for so long as the Class M Substitute Preference Shares are listed on the SGX-ST and the rules of SGX-ST so require, each Dividend Limitation Notice shall be published in accordance with **Article 5M(10)(b)** below.

(h) Pro Rata Dividend Payment. If, whether by reason of any of the provisions of **Article 5M(2)(f)** or **5M(2)(g)** above or the terms of a Parity Obligation, on the relevant Dividend Date, a Dividend is not paid in full or dividends or other distributions are not paid in full on any Parity Obligations, but on such Dividend Date there are Distributable Reserves, then each Holder shall be entitled to receive the Relevant Proportion of any such Dividend.

No Holder shall have any claim in respect of any Dividend or part thereof not payable as a result of any of the provisions of **Article 5M(2)(f)** or **5M(2)(g)** above or any equivalent article or term of a Parity Obligation. Accordingly, such amount will not accumulate for the benefit of the Holders or entitle the Holders to any claim in respect thereof against DBS Bank.

(i) **Payments; No Further Rights to Participate in Profits.** Payments of Dividends shall, if due and payable under this **Article 5M**, be made to the Class M Substitute Preference Shareholders on the Register at any date selected by the Board not less than six Business Days prior to the relevant Dividend Date. Save as set out in this **Article 5M**, the Class M Substitute Preference Shares shall not confer any right or claim as regards participation in the profits of DBS Bank.

(j) **Dividend Stopper.** In the event any Dividend is not paid in full for any reason on any Dividend Date, DBS Bank shall not:

(i) declare or pay any dividends or other distributions in respect of, or (if permitted) repurchase or redeem, its ordinary shares or any other security or obligation of DBS Bank ranking junior to the Class M Substitute Preference Shares (or contribute any moneys to a sinking fund for the redemption of any such shares, securities or obligations); or

(ii) (if permitted) repurchase or redeem, any Parity Obligation which are securities,

in each case until DBS Bank has paid Dividends in full in respect of such number of consecutive Dividend Periods as shall be equal to or exceed 12 calendar months (or an amount equivalent to the Dividends to be paid in respect of such number of consecutive Dividend Periods as shall be equal to or exceed 12 calendar months has been paid or irrevocably set aside in a separately designated trust account for payment to the Holders).

(k) **Prescription.** Any Dividends, Redemption Price, Liquidation Distribution or any other amount in respect of the Class M Substitute Preference Shares unclaimed for six (6) years after the relevant date of declaration shall be forfeited and revert to DBS Bank and after such forfeiture no Holder or other person shall have any right to or claim in respect of any such payments. No Dividends or other moneys payable on or in respect of a Class M Substitute Preference Share shall bear interest against DBS Bank.

(3) **Liquidation Distributions**

(a) **Rights Upon Liquidation.** In the event of the commencement of any dissolution or winding up of DBS Bank (other than pursuant to a Permitted Reorganisation) before any redemption of the Class M Substitute Preference Shares, the Class M Substitute Preference Shares shall rank:

(i) junior to depositors and all other creditors (including the holders of subordinated debt) of DBS Bank;

(ii) *pari passu* with all Parity Obligations of DBS Bank; and

(iii) senior to the holders of DBS Bank's ordinary shares and any other securities or obligations of DBS Bank that are subordinated to the Class M Substitute Preference Shares.

On such a dissolution or winding up, each Class M Substitute Preference Share shall be entitled to receive in Singapore Dollars an amount equal to the Liquidation Distribution.

(b) **Pro Rata Liquidation Distribution.** If, upon any such dissolution or winding up, the amounts available for payment are insufficient to cover the Liquidation Distribution and any liquidation distributions of any Parity Obligation, but there are funds available for payment so as to allow payment of part of the Liquidation Distribution, then each Holder shall be entitled to receive the Relevant Proportion of the Liquidation Distribution.

(c) **No Further Rights to Participate in Assets.** After payment of the Liquidation Distribution (or the Relevant Proportion thereof), Holders will have no further right or claim to any of the remaining assets of DBS Bank. Save as set out in this **Article 5M**, the Class M Substitute Preference Shares shall not confer any right or claim as regards participation in the assets of DBS Bank.

(4) Redemption

(a) No Redemption at Holders' Option. No Person has a right to, or may, require DBS Bank to redeem any Class M Substitute Preference Share of which such Person is the Holder.

(b) Optional Redemption. Subject to the Statute and to the satisfaction of the Redemption Conditions, the Class M Substitute Preference Shares may be redeemed, at the option of DBS Bank, in whole but not in part, on any Optional Redemption Date at the Redemption Price upon not less than 30 nor more than 60 days' notice to the Holders in accordance with **Article 5M(10)(b)** below (which notice shall be irrevocable), specifying:

- (i) the Optional Redemption Date; and
- (ii) the Redemption Price.

On the Optional Redemption Date specified in such notice, DBS Bank shall be bound to redeem the Class M Substitute Preference Shares by payment of the Redemption Price, at all times in accordance with and subject to the Companies Act.

(c) Tax Redemption. If at any time a Tax Event has occurred and is continuing, then subject to the Statute and satisfaction of the Redemption Conditions and the last paragraph of this **Article 5M(4)(c)**, the Class M Substitute Preference Shares may be redeemed, at the option of DBS Bank, in whole but not in part, at the Redemption Price upon not less than 30 nor more than 60 days' notice to the Holders in accordance with **Article 5M(10)(b)** below (which notice shall be irrevocable) specifying:

- (i) the Early Redemption Date; and
- (ii) the Redemption Price.

Prior to the publication of any notice of substitution or redemption pursuant to the foregoing, DBS Bank shall deliver to the Registrar:

- (iii) a certificate signed by two directors of DBS Bank stating that DBS Bank is entitled to effect such substitution or redemption; and
- (iv) an opinion of counsel to DBS Bank experienced in such matters to the effect that a Tax Event has occurred. The delivery of such opinion shall constitute conclusive evidence of the occurrence of a "**Tax Event**" for all purposes of this **Article 5M**.

On the Early Redemption Date specified in such notice, DBS Bank shall be bound to redeem the Class M Substitute Preference Shares by payment of the Redemption Price in accordance with and subject to the Companies Act.

If there is available to DBS Bank the opportunity to eliminate the Tax Event by pursuing some reasonable measure that will not have an adverse effect on DBS Bank or the Holders and will not involve any material cost to DBS Bank or the Holders, DBS Bank will pursue that measure in lieu of redemption.

(d) Change of Qualification Redemption. If at any time a Change of Qualification Event has occurred and is continuing, then subject to the Statute and satisfaction of the Redemption Conditions, the Class M Substitute Preference Shares may be redeemed, at the option of DBS Bank, in whole but not in part, at the Redemption Price upon not less than 30 nor more than 60 days' notice to the Holders in accordance with **Article 5M(10)(b)** below (which notice shall be irrevocable) specifying:

- (i) the Early Redemption Date; and
- (ii) the Redemption Price.

Prior to the publication of any notice of substitution or redemption pursuant to the foregoing, DBS Bank shall deliver to the Registrar:

- (iii) a certificate signed by two directors of DBS Bank stating that DBS Bank is required to effect such substitution or redemption; and
- (iv) an opinion of counsel to DBS Bank experienced in such matters to the effect that a Change of Qualification Event has occurred. The delivery of such opinion shall constitute conclusive evidence of the occurrence of a “**Change of Qualification Event**” for all purposes of this **Article 5M**.

On the Early Redemption Date specified in such notice, DBS Bank shall be bound to redeem the Class M Substitute Preference Shares on the payment of the Redemption Price in accordance with and subject to the Companies Act.

- (e) **Redemption Notice.** Once a notice to redeem the Class M Substitute Preference Shares has been given under any of **Article 5M(4)(b)**, **5M(4)(c)** or **5M(4)(d)**, no similar notice may be given under either of the other such Articles. If at any time the Class M Substitute Preference Shares may be redeemed under more than one such Article, DBS Bank may elect under which Article the notice or redemption is to be given.
- (f) **Payments.** Payments in respect of the amount due on redemption of a Class M Substitute Preference Share shall be made by cheque or such other method as the Board may specify in the relevant redemption notice not later than the date specified for the purpose therein. Payment shall be made against presentation and surrender of the share certificate of the relevant Class M Substitute Preference Shares (if any) at the place or one of the places specified in the relevant redemption notice.
- (g) **Discharge.** A receipt given by the Holder for the time being (or in the case of joint Holders by the first-named joint Holder) in respect of the amount payable on redemption of the Class M Substitute Preference Share shall constitute an absolute discharge to DBS Bank.
- (h) **Accrued Dividends.** Any redemption of the Class M Substitute Preference Shares pursuant to this **Article 5M(4)** shall not prejudice the rights of Holders to be so redeemed to receive any accrued but unpaid Dividend payable on the Redemption Date.

(5) Voting

- (a) **General.** Except as provided in this **Article 5M(5)**, Holders shall not be entitled to attend and vote at general meetings of DBS Bank.
- (b) **Class Meetings.** Holders shall be entitled to attend class meetings of Holders. Every Holder who is present in person at such class meetings shall have on a show of hands one vote and on a poll one vote for every Class M Substitute Preference Share of which he is the Holder.
- (c) **General Meetings.** If Dividends in respect of such number of consecutive Dividend Periods as shall be equal to or exceed 12 months have not been paid in full when due, then Holders shall have the right to receive notice of, attend, speak and vote at general meetings of DBS Bank and such right shall continue until after the next following Dividend Date on which a Dividend is paid in full (or an amount equivalent to the Dividend to be paid in respect of the next Dividend Period has been paid or irrevocably set aside in a separately designated trust account for payment to the Holders). Every Holder who is present in person at such general meetings shall have on a show of hands one vote and on a poll one vote for every Class M Substitute Preference Share of which he is the Holder.

(6) Repurchase

Neither DBS Bank nor any of its Subsidiaries may purchase any of the Class M Substitute Preference Shares without the prior consent of the MAS (for so long as such consent is required). Subject to the preceding sentence, DBS Bank may, at any time and from time to time, purchase outstanding Class M Substitute Preference Shares by tender, in the open market or by private agreement. Any Class M Substitute Preference

Shares so purchased by DBS Bank shall be immediately cancelled in accordance with the Companies Act. DBS Bank may make any payment in respect of such a purchase as is authorised by the Companies Act, including out of capital.

(7) Taxation

All payments on the Class M Substitute Preference Shares will be made free and clear by DBS Bank without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed by or on behalf of Singapore or any authority thereof or therein having power to tax, unless such deduction or withholding of such Taxes is required by law.

In the event that any such withholding or deduction in respect of any payment on the Class M Substitute Preference Shares is required by law, DBS Bank will pay such additional amounts (“**Additional Amounts**”) as will result in the receipt by the Holders of the amounts which would otherwise have been receivable in respect of such payment on the Class M Substitute Preference Shares in the absence of such withholding or deduction, provided that no such Additional Amounts shall be payable in respect of any of the Class M Substitute Preference Shares:

- (a)** to or on behalf of a Holder or beneficial owner with respect to Class M Substitute Preference Shares which is:

 - (i) treated as a resident of Singapore or a permanent establishment in Singapore for tax purposes; or
 - (ii) who is liable for such taxes, duties, assessments or governmental charges in respect of the Class M Substitute Preference Shares by reason of his, her or its being connected with Singapore other than by reason only of the holding of any of the Class M Substitute Preference Shares; and
- (b)** to the extent that such Taxes would not have been required to be deducted or withheld but for the failure to comply by the Holder or beneficial owner with respect to the Class M Substitute Preference Shares with a request of DBS Bank addressed to such Holder or beneficial owner to make any declaration of non-residence or other similar claim, which is required or imposed by a statute, treaty or administrative practice of Singapore, as the case may be, as a pre-condition to exemption from all or part of such Taxes.

(8) Variations of Rights and Further Issues

Unless otherwise required by applicable law and notwithstanding any other provision of these **Articles**, any variation or abrogation of the rights, preferences and privileges of the Class M Substitute Preference Shares by way of amendment of the Articles of Association of DBS Bank or otherwise (including, without limitation, the authorisation or creation of any shares in the capital of DBS Bank ranking, as to participation in the profits or assets of DBS Bank, senior to the Class M Substitute Preference Shares) shall require:

- (a)** the consent in writing of the holders of at least 75 per cent. of the outstanding Class M Substitute Preference Shares; or
- (b)** the sanction of a special resolution passed at a separate class meeting of the Class M Substitute Preference Shareholders (the quorum at such class meeting to be such number of Holders holding or representing not less than two-thirds of the outstanding Class M Substitute Preference Shares),

provided that:

- (i) no such consent or sanction shall be required if the change is solely of a formal, minor or technical nature or is to correct an error or cure an ambiguity (but such change shall not reduce the amounts payable to Holders, impose any material obligation on Holders or materially adversely affect their voting rights);

- (ii) no such consent or sanction shall be required for the creation or issue of further shares ranking *pari passu* with or junior to the Class M Substitute Preference Shares (the creation or issue of such other shares, regardless of the dividends and other amounts payable in respect of such shares and whether and when such dividends and other amounts may be so payable, shall not be deemed to be a variation or abrogation of the rights, preferences and privileges of the Class M Substitute Preference Shares);
- (iii) no such consent or sanction shall be required for the redemption, purchase or cancellation of the Class M Substitute Preference Shares in accordance with this **Article 5M**; and
- (iv) no provision of the Class M Substitute Preference Shares may be amended without the prior written consent of the MAS if such amendment would result in the Class M Substitute Preference Shares not being treated as Tier 1 capital of DBS Bank on a consolidated or unconsolidated basis.

DBS Bank shall cause a notice of any meeting at which any Holder is entitled to vote, and any voting forms, to be mailed to each Holder in accordance with **Article 5M(10)** below. Each such notice shall include a statement setting forth (i) the date, time and place of such meeting, (ii) a description of any resolution to be proposed for adoption at such meeting on which such holders are entitled to vote and (iii) instructions for the delivery of proxies.

(9) Transfer of Preference Shares

An instrument of transfer of a share which is in certificated form must be in writing in any usual form or other form approved by the Board and must be executed by or on behalf of the transferor and by or on behalf of the transferee. The transferor shall remain the holder of the shares transferred until the name of the transferee is entered in the register of members of DBS Bank in respect thereof.

The Board may, in the case of transfers of Class M Substitute Preference Shares in certificated form, at their absolute discretion and without assigning any reason therefor, refuse to register:

- (i) any transfer of a Class M Substitute Preference Share (not being a fully paid Class M Substitute Preference Share); *provided that* where any Class M Substitute Preference Shares are listed on the SGX-ST or any other stock exchange or quotation system, such discretion may not be exercised in such a way as to prevent dealings in the Class M Substitute Preference Shares from taking place on an open and proper basis; and
- (ii) any transfer of a Class M Substitute Preference Share on which DBS Bank has a lien.

The Board may also decline to register a transfer unless the instrument of transfer is duly stamped (if so required).

The Class M Substitute Preference Shares are in registered form. The registration of share transfers may be suspended at such times and for such periods as the Board may determine not exceeding 30 days in any year.

(10) Notices or Other Documents

- (a) Delivery of Notice.** Any notice or other document may be served by DBS Bank upon any Holder in the manner provided in these Articles. Any such notice or document shall be deemed to be served and delivered in accordance with these Articles.
- (b) Newspaper Publication.** For so long as the Class M Substitute Preference Shares are listed on the SGX-ST and the SGX-ST so requires, notice shall also be published in a leading English language daily newspaper having general circulation in Singapore.

(11) Others

In the event of any conflict or inconsistency between the provisions of this **Article 5M** and the other provisions of these Articles, the provisions of this **Article 5M** shall prevail.

APPENDIX C

EXTRACTS FROM THE TRUST DEED RELATING TO THE SUBORDINATED GUARANTEE

The following description relating to the Subordinated Guarantee has been extracted from the Trust Deed and is qualified in its entirety by, and is subject to, the Trust Deed. Investors should read, in its entirety, the Trust Deed, a copy of which may be inspected at the address of DBS Bank.

“Whereas, under the Trust Deed

- (A) DBS Bank desires to:
- (i) issue the Guarantee (as defined below) in favour of the Trustee to hold on trust for the benefit of the Holders (as defined in the Articles) of the SPV Preference Shares (as defined below) of the Issuer (as defined below), on the terms set out herein; and
 - (ii) provisionally allot the Substitute Preference Shares (as defined below).
- (B) The Guarantee is intended to provide the Trustee with rights against DBS Bank in respect of the Guaranteed Payments (as defined below) which are as nearly as possible equivalent to those which the Holders would have had if the SPV Preference Shares had been directly issued as non-voting, redeemable, non-cumulative, non-convertible preference shares of DBS Bank (whether or not DBS Bank could have in fact issued such shares).
- (C) The Trustee has agreed to act as trustee of this Trust Deed for the benefit of the Holders upon the terms and subject to the conditions hereinafter contained.

It is agreed as follows:

1. Definitions and Interpretation

- 1.1** As used in this Trust Deed, capitalised terms not defined herein shall have the meanings ascribed to them in the Articles.
- 1.2** The following terms shall, unless the context otherwise requires, have the following meanings:

“**Articles**” means the Memorandum and Articles of Association of the Issuer as at the date hereof, as the same may be amended from time to time, a copy of which is set out in the **Schedule**;

“**Authorised Officer**” means any director of DBS Bank or any officer of DBS Bank authorised by the Board to take action in respect of this Trust Deed as may be specified from time to time by DBS Bank, by delivery to the Trustee of one or more executed authorisation certificates in a form to be agreed between DBS Bank and the Trustee;

“**Board**” means the directors of DBS Bank (or an authorised committee thereof);

“**Guarantee**” means the guarantee and indemnity of DBS Bank as set forth in **Clause 2**;

“**Guaranteed Payments**” means collectively:

- (i) all Dividends (as defined in the Articles) due on the SPV Preference Shares for the most recent Dividend Period (as defined in the Articles);

- (ii) any Dividends which would have been due had the Issuer sufficient legally available resources and could otherwise have been made in accordance with these Articles but for, and only to the extent that:
 - (a) the Issuer did not have such legally available resources due to a failure by DBS Bank to pay interest on the Subordinated Note as and when due and payable under the terms thereof; and/or
 - (b) the Board (as defined in the Articles) failed, if required, to declare and pay any such Dividend;
- (iii) any Liquidation Distribution (as defined in the Articles) to which the Holders are entitled under the Articles;
- (iv) any cash amounts to which the Holders are entitled under the Articles in respect of redemption of the SPV Preference Shares; and
- (v) for the avoidance of doubt, any Additional Amounts (as defined in the Articles);

“**Issuer**” means DBS Capital Funding II Corporation (an exempted company with limited liability incorporated under the laws of the Cayman Islands and a wholly-owned subsidiary of DBS Bank);

“**MAS**” means the Monetary Authority of Singapore and shall include any successor organisation responsible for the supervision of banks in Singapore;

“**Person**” means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint stock company, limited liability company, trust, unincorporated association, or government or any agency or political subdivision thereof, or any other entity of whatever nature;

“**SPV Preference Shares**” means the S\$1,500,000,000 5.75% Non-Cumulative Non-Convertible Non-Voting Guaranteed Preference Shares Callable with Step-Up in 2018 issued or to be issued by the Issuer;

“**Subordinated Indebtedness**” means any liability of DBS Bank howsoever arising for the payment of money, the right to payment of which by DBS Bank by the terms thereof is, or is expressed to be, subordinated in the event of a winding-up of DBS Bank to the claims of all or any of the creditors of DBS Bank, provided that the term “**Subordinated Indebtedness**” shall include, without limitation, any liability of DBS Bank to any creditor of DBS Bank whose right to payment ranks or is expressed to rank junior to or subordinated to that of unsubordinated creditors (such unsubordinated creditors not being creditors whose right to payment is preferred by operation of law);

“**Subordinated Note**” means the subordinated note issued or to be issued by DBS Bank to the Issuer evidencing the loan by the Issuer to DBS Bank of the gross issue proceeds of the SPV Preference Shares;

“**Substitute Preference Shares**” means the non-cumulative non-convertible redeemable perpetual preference shares in the capital of DBS Bank, having the rights and subject to the restrictions set out in Article 5M of the Articles of Association of DBS Bank (as such Article may from time to time be amended in accordance with such Article) and designated as “Class M Substitute Preference Shares”; and

“**this Trust Deed**” means this Trust Deed (as from time to time amended or modified in accordance with the provisions herein contained) and includes any deed or other document executed in accordance with the provisions hereof (as from time to time amended or modified as aforesaid) and expressed to be supplemental hereto.

1.3 Unless otherwise indicated, in this Trust Deed, references to:

1.3.1 any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such re-enactment;

- 1.3.2** Schedule, Clauses and paragraphs shall be construed as references to, respectively, the Schedule to and the Clauses and paragraphs of this Trust Deed;
- 1.3.3** “**Singapore Dollars**” and “**S\$**” shall be construed as references to the lawful currency for the time being of Singapore;
- 1.3.4** costs, charges, remuneration or expenses shall be deemed to include, in addition, goods and services, value added and other duties or tax (other than income tax) charged or chargeable in respect thereof;
- 1.3.5** any action, remedy or method of judicial proceeding for the enforcement of rights of creditors shall be deemed to include, in respect of any jurisdiction other than Singapore, references to such action, remedy or method of judicial proceeding for the enforcement of rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate to such action, remedy or method of judicial proceeding described or referred to in this Trust Deed;
- 1.3.6** a Person includes its successors and permitted assigns;
- 1.3.7** words denoting the singular number only shall include the plural number and vice versa;
- 1.3.8** words denoting the neuter or masculine gender only shall include the feminine gender and the masculine or neuter gender, as the case may be;
- 1.3.9** words or expressions contained in this Trust Deed shall bear the same meanings as in the Companies Act, Chapter 50 of Singapore; and
- 1.3.10** headings are inserted for convenience only and shall not affect the construction of this Trust Deed or the Articles.

1.4 A person who is not a party to this Trust Deed has no right under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of this Trust Deed.

2. Guarantee and Indemnity

2.1 Subject to the exceptions and limitations contained in the following provisions of this **Clause 2**, DBS Bank hereby irrevocably guarantees on a subordinated basis the payment in full of the Guaranteed Payments, as and when due and payable, to the extent that such payments shall not have been paid by the Issuer to the Holders, to the Trustee to hold on trust for the benefit of the Holders, regardless of any defence, right of set-off or counterclaim which DBS Bank may have or assert.

This Trust Deed is continuing and irrevocable. The rights of the Trustee under this Trust Deed in respect of the Guarantee to receive from DBS Bank payments under the Guarantee are subordinated to the claims of all creditors of DBS Bank other than:

2.1.1 creditors in respect of Subordinated Indebtedness whose claims are expressed to rank *pari passu* with or junior to this Trust Deed; or

2.1.2 any other of DBS Bank’s obligations which are expressed to rank *pari passu* with or junior to this Trust Deed.

For the avoidance of doubt, the rights of the Trustee under this Trust Deed in respect of the Guarantee will rank (i) after the claims of Tier II subordinated creditors of DBS Bank and (ii) *pari passu* with claims under the Subordinated Note.

In consideration of DBS Bank making payments of the Guaranteed Payments, the Issuer will allot and issue at par such number of ordinary shares in the name of DBS Bank or its nominee equal in aggregate issue price to the amount of such payments, pursuant to the agreement for the allotment and issue of shares dated 27 May 2008 entered into between DBS Bank and the Issuer.

2.2 Notwithstanding **Clause 2.1**, DBS Bank will not, save to the extent provided in **Clause 2.4**, be obliged to make any Guaranteed Payments in respect of Dividends on the relevant Dividend Date with respect to the SPV Preference Shares if:

2.2.1 DBS Bank is prevented by applicable Singapore banking regulations or other requirements of the MAS from making payment in full:

- (i) of dividends or other distributions when due on Parity Obligations (as defined in the Articles); or
- (ii) under the Guarantee;

2.2.2 DBS Bank is unable to make such payment of dividends or other distributions on Parity Obligations or under the Guarantee without causing a breach of the MAS' published consolidated or unconsolidated capital adequacy requirements from time to time applicable to DBS Bank; or

2.2.3 the aggregate of the amount of such Dividends to which such Guaranteed Payments relate (if paid in full), together with the sum of any other dividends and other distributions originally scheduled to be paid (whether or not paid in whole or part) during DBS Bank's then-current fiscal year on the SPV Preference Shares or Parity Obligations, would exceed the Distributable Reserves (as defined in the Articles) as at the relevant Distributable Reserves Determination Date (as defined in the Articles).

2.3 On the relevant Distributable Reserves Determination Date, DBS Bank will determine whether there are Distributable Reserves as of such Distributable Reserves Determination Date (or will procure that such determination is made). In the event that any Dividend with respect to the SPV Preference Shares to which such Guaranteed Payments relate cannot be paid in full, DBS Bank will notify or procure notification to the Issuer, which in turn shall notify or procure notification to the Registrar (as defined in the Articles) and the Trustee, and the Issuer shall also notify (or procure notification to) the Holders in accordance with the Articles and, if applicable, any requirement of any stock exchange, of the fact and of the amount, if any, to be paid in respect of such Dividend to which such Guaranteed Payments relate.

2.4 In the event that Guaranteed Payments cannot be paid in full by reason of any of the conditions referred to in **Clause 2.2** but there are Distributable Reserves on the relevant Dividend Date, then each Holder will be entitled to receive from DBS Bank the Relevant Proportion of any Guaranteed Payments; provided that no Holder shall have any claims in respect of amounts or part thereof not payable as a result of the conditions in **Clause 2.2** and the obligations of DBS Bank in respect of any such unpaid amount shall lapse.

All payments under this Trust Deed will be made free and clear by DBS Bank without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (collectively, "**Taxes**") imposed by or on behalf of Singapore or the Cayman Islands or any authority thereof or therein having power to tax, unless such deduction or withholding of such Taxes is required by law. In the event that any such withholding or deduction in respect of any payment under this Trust Deed is required by law, DBS Bank will pay such additional amounts ("**Additional Amounts**") as will result in the receipt by the Trustee of the amounts which would otherwise have been receivable in respect of such payment under this Trust Deed in the absence of such withholding or deduction, provided that no such Additional Amounts shall be payable in respect of any SPV Preference Shares:

2.4.1 to or on behalf of a Holder or a beneficial owner with respect to SPV Preference Shares which is:

- (i) treated as a resident of Singapore or the Cayman Islands, as the case may be, or a permanent establishment in Singapore or the Cayman Islands, as the case may be, for tax purposes; or
- (ii) who is liable for such taxes, duties, assessments or governmental charges in respect of the SPV Preference Shares by reason of his, her or its being connected with Singapore or the Cayman Islands, as the case may be, other than by reason only of the holding of any of the SPV Preference Shares (or benefiting from the Guarantee) or the receipt of Dividends or Redemption Price (as defined in the Articles) with respect to the SPV Preference Shares or under the Guarantee; and

2.4.2 to the extent that such Taxes would not have been required to be deducted or withheld but for the failure to comply by the Holder or beneficial owner with respect to the SPV Preference Shares with a request of the Issuer or DBS Bank addressed to such holder to make any declaration of non-residence or other similar claim, which is required or imposed by a statute, treaty or administrative practice of Singapore or the Cayman Islands, as the case may be, as a pre-condition to exemption from all or part of such Taxes.

If requested by a Holder, DBS Bank shall procure that such person shall be furnished with a certificate specifying the gross amount of such payment, the amount of tax deducted or withheld and the net amount of such payment.

2.5 The obligations, covenants, agreements and duties of DBS Bank under this Trust Deed shall in no way be affected, discharged or impaired by reason of the happening from time to time of any of the following:

2.5.1 the release or waiver, by operation of law or otherwise, of the performance or observance by DBS Bank of any express or implied agreement, covenant, term or condition relating to the SPV Preference Shares to be performed or observed by or on behalf of DBS Bank;

2.5.2 the extension of time for the payment by or on behalf of DBS Bank of all or any portion of any Dividend, the Redemption Price, the Liquidation Distribution or any other sums payable under the Articles or the extension of time for the performance of any other obligation under, arising out of, or in connection with, the SPV Preference Shares;

2.5.3 any failure, omission, delay or lack of diligence on the part of Holders to enforce, assert or exercise any right, privilege, power or remedy conferred on such Holders pursuant to the Articles, or any action on the part of DBS Bank granting indulgence or extension of any kind;

2.5.4 the voluntary or involuntary winding-up, dissolution, amalgamation, reconstruction, sale of any collateral, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganisation, arrangement, composition or readjustment of debt of, or other similar proceedings affecting, DBS Bank or any of the assets of DBS Bank;

2.5.5 any invalidity of, or defect or deficiency in, the SPV Preference Shares or the Subordinated Note; or

2.5.6 the settlement or compromise of any obligation guaranteed hereby or hereby incurred.

There shall be no obligation on the Holders or the Trustee to give notice to, or obtain the consent of, DBS Bank with respect to the happening of any of the foregoing.

2.6 This Trust Deed shall be deposited with and held by the Trustee until all the obligations of DBS Bank have been discharged in full. DBS Bank hereby acknowledges the right of every Holder to the production of, and the right of every Holder to obtain a copy of, this Trust Deed from the Trustee.

2.7 Subject to **Clause 2.12**, the Trustee may enforce this Trust Deed, for the benefit of the Holders, directly against DBS Bank, and DBS Bank waives any right or remedy to require that any action be brought against the Issuer or any other person or entity before the Trustee may proceed against DBS Bank. Subject to **Clause 2.12**, all waivers contained in this Trust Deed shall be without prejudice to the right of the Holders to proceed against the assets of DBS Bank under the terms and conditions of the SPV Preference Shares. DBS Bank agrees that this Trust Deed shall not be discharged except by complete performance of all obligations of DBS Bank under this Trust Deed.

2.8 DBS Bank acknowledges that its obligations hereunder are several and independent of the obligations of the Issuer with respect to the SPV Preference Shares and that DBS Bank shall be liable as principal and sole obligor hereunder to make the payments undertaken to be made by it pursuant to the terms of this Trust Deed, notwithstanding the occurrence of any event referred to in **Clause 2.5**.

2.9 Following a failure by DBS Bank to make a payment under this Trust Deed with respect to the SPV Preference Shares on the due date thereof which failure continues for more than 14 days, the Trustee may, provided it is directed to do so pursuant to **Clause 2.12** of this Trust Deed, petition for the winding-up of DBS Bank in Singapore and claim in the liquidation of DBS Bank but no other remedy shall be available to the Holders.

2.10 In case of the winding-up of DBS Bank or the property of DBS Bank, the Trustee shall be entitled and empowered, by intervention in such winding-up or otherwise:

2.10.1 to file such papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the compensation, expenses, disbursements and advances of the Trustee, its agents and legal advisers, and any other amounts due to the Trustee under this Trust Deed) and of the Holders allowed in such winding-up; and

2.10.2 to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same,

and any liquidator or similar official in any such winding-up is hereby authorised by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay the Trustee any amount due to it for the compensation, expenses, disbursements and advances of the Trustee, its agents and legal advisers, and any other amounts due to the Trustee under this Trust Deed.

Nothing herein contained shall be deemed to authorise the Trustee to consent to or accept or adopt on behalf of any Holder any proposal, plan of reorganisation, arrangement, adjustment or composition or other similar arrangement affecting this Trust Deed relating to the Guarantee or the rights of any Holder thereof, or to authorise the Trustee to vote in respect of the claim of any Holder in any such proceeding.

2.11 This Trust Deed may be prosecuted and enforced by the Trustee without the possession of any of the SPV Preference Shares or this Trust Deed or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of all compensation, expenses, disbursements and advances of the Trustee, its agents and legal advisers, be held on trust for the ratable benefit of the Holders in respect of which such judgment has been recovered.

2.12 The Holders of not less than 25 per cent. in Liquidation Preference (as defined in the Articles) of the outstanding SPV Preference Shares, acting as a single class, shall have the right to direct the time and method of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to this Trust Deed, provided that:

2.12.1 such direction shall not be in conflict with any rule of law or with this Trust Deed;

2.12.2 the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction; and

2.12.3 the only remedy available following a failure by DBS Bank to make a payment under this Trust Deed with respect to the SPV Preference Shares shall be as described in **Clause 2.9** and the only remedy for breach of any other provision of this Trust Deed shall be an action for specific performance of such provision.

2.13 No Holder may exercise, claim or plead any right of set-off, counterclaim or retention in respect of any amount owed to it by DBS Bank arising under or in connection with the Guarantee. Each Holder shall 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 Holder receives payment or benefit of any sum in respect of this Trust Deed (including any benefit received pursuant to any such set-off, counterclaim or retention) other than in accordance with this Trust Deed, 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 Holder shall agree as a separate and independent obligation that any sum or benefit so received shall be paid or returned by such Holder to DBS Bank upon demand by DBS Bank, whether or not such payment or receipt shall have been deemed void hereunder. Any sum so paid

or returned shall then be treated for the purposes of DBS Bank's obligations as if it had not been paid by DBS Bank, and its original payment shall be deemed not to have discharged any of the obligations of DBS Bank under this Trust Deed.

2.14 DBS Bank hereby waives notice of acceptance of this Trust Deed and of any liability to which it applies or may apply, presentment, demand for payment, protest, notice of non-payment, notice of dishonour, notice of redemption and all other notices and demands.

2.15 The Trustee shall hold the benefit of the Guarantee on trust for the Holders.

3. Provisional Allotment of Substitute Preference Shares

3.1 DBS Bank hereby acknowledges and agrees that DBS Bank will, on the Issue Date (as defined in the Articles), provisionally allot, 6,000 Substitute Preference Shares, on the basis of one Substitute Preference Share for every one SPV Preference Share issued on the Issue Date. Prior to the substitution of SPV Preference Shares by Substitute Preference Shares, each SPV Preference Share cannot be transferred or assigned or mortgaged, charged or otherwise encumbered separately from Substitute Preference Share in respect of which it is provisionally allotted.

3.2 DBS Bank hereby acknowledges and agrees that, upon the occurrence of a Substitution Event (as defined in the Articles), the Substitute Preference Shares provisionally allotted to the Holders shall be deemed to be immediately issued and credited as fully-paid, to such Holders (pursuant to the substitution of the SPV Preference Shares with the Substitute Preference Shares in accordance with **Article 6A(d)** of the Articles) and the Provisional Allotment Certificate shall thereupon immediately constitute evidence of the title of such Holders to the Substitute Preference Shares.

3.3 It is hereby acknowledged and agreed that, upon the occurrence of a Substitution Event, DBS Bank shall for so long as it holds ordinary shares in the Issuer, be entitled to elect:

3.3.1 to cause the SPV Preference Shares to be redeemed by the Issuer and substituted by the Substitute Preference Shares (which shall be deemed to be immediately issued and credited as fully-paid, on the basis of one Substitute Preference Share for one SPV Preference Share redeemed); or

3.3.2 to have the SPV Preference Shares transferred and delivered to it in exchange for the issue to the Holders of the Substitute Preference Shares (which shall be deemed to be immediately issued and credited as fully-paid, on the basis of one Substitute Preference Share for one SPV Preference Share redeemed and with all rights attached thereto as at date of substitution and thereafter attaching thereto, free from any and all encumbrances).

4. Payment of the Issuer's Expenses

DBS Bank shall agree to fund or reimburse the Issuer for all of the fees and expenses the Issuer incurs relating to its organization and operations, including any taxes, assessments or other governmental charges of whatever nature imposed by any relevant jurisdiction or any other taxing authority upon the Issuer.

5. Power to Institute Proceedings against DBS Bank

5.1 Subject to **Clauses 2.9** and **2.12.3**, at any time after the Guaranteed Payments shall have become due and payable, the Trustee may, without further notice to DBS Bank or the Holders, institute such proceedings against DBS Bank as it may think fit to enforce payment of the Guaranteed Payments and to enforce the provisions of this Trust Deed.

5.2 The Trustee shall not be bound to take any steps (including, without limitation, giving notice that the Guaranteed Payments are due and payable in accordance with this Trust Deed) to enforce the performance by DBS Bank of any of the provisions of this Trust Deed unless (i) it shall have been so requested in writing pursuant to **Clause 2.12** and (ii) it shall have been indemnified by the Holders to its satisfaction against all actions, proceedings, claims, demands and liabilities to which it may thereby become liable and all costs, charges, damages and expenses (including but not limited to legal fees on a full indemnity basis) which may be incurred by it in connection therewith.

6. Application of Moneys Received by Trustee

6.1 The Trustee shall hold the moneys arising from any exercise of the powers contained in this Trust Deed and the Trustee shall hold all moneys received by it under this Trust Deed upon trust to apply the same:

6.1.1 first, for the payment of all costs, charges, expenses, disbursements, advances and other amounts then due and owing to the Trustee under this Trust Deed that the Trustee properly incurred in or about the exercise of such power or otherwise in relation to this Trust Deed or any other related documents;

6.1.2 second, to all creditors of DBS Bank, other than creditors in respect of Subordinated Indebtedness whose claims rank or are expressed to rank *pari passu* with or junior to this Trust Deed or any other of DBS Bank's obligations which rank *pari passu* with or junior to this Trust Deed; and

6.1.3 last, in or towards payment of the Holders, on account of the Guaranteed Payments.

Without prejudice to the provisions of this Clause, if the Trustee shall hold any moneys with respect to the Guaranteed Payments which have become void, the Trustee shall (subject to paying or providing for the payment or satisfaction of the said costs, charges, expenses, disbursements and advances of the Trustee referred to above) pay the same forthwith to DBS Bank.

7. General Covenants

7.1 So long as any of the SPV Preference Shares are outstanding, DBS Bank hereby covenants with the Trustee:

7.1.1 that, in the event that any Dividend or Guaranteed Payments is not paid in full for any reason, DBS Bank will not:

- (i) declare or pay any dividends or other distributions in respect of, or (if permitted) repurchase or redeem, its ordinary shares or any other security or obligation of DBS Bank ranking junior to the Guarantee (or contribute any moneys to a sinking fund for the redemption of any such shares, securities or obligations); or
- (ii) (if permitted) repurchase or redeem, any Parity Obligation which are securities,

in each case until the Issuer or DBS Bank has paid Dividends in full in respect of such number of consecutive Dividend Periods as shall be equal to or exceed 12 calendar months (or an amount equivalent to the Dividends to be paid in respect of such number of consecutive Dividend Periods as shall be equal to or exceed 12 calendar months has been paid or irrevocably set aside in a separately designated trust account for payment to the Holders);

7.1.2 that:

- (i) unless DBS Bank is itself being wound up, it will not permit, or take any action that would or might cause, the liquidation, dissolution or winding-up of the Issuer otherwise than with the prior written approval of the MAS (if then required); and
- (ii) the Issuer will at all times be a directly or indirectly wholly-owned subsidiary of DBS Bank, unless the MAS shall have given its prior written approval (if then required) and unless otherwise approved by each Holder;

7.1.3 that:

- (i) DBS Bank will take all reasonable steps to ensure that all corporate authorisations will have been taken for the allotment and issue of the Substitute Preference Shares free from pre-emptive rights;
- (ii) the Substitute Preference Shares will have the rights and be subject to the restrictions set out in Article 5M of the Articles of Association of DBS Bank (as such Article may from time to time be amended in accordance with such Article);

(iii) as soon as practicable after the occurrence of a Substitution Event, DBS Bank will publish a notice (“**Substitution Notice**”) of such occurrence and the substitution of the SPV Preference Shares with the Substitute Preference Shares in a leading English language daily newspaper having general circulation in Singapore and shall notify the exchange(s) on which the SPV Preference Shares are listed, send a copy of the Substitution Notice to the Trustee and do all things necessary (including, without limitation, executing and delivering all necessary documents) to effect the substitution of the SPV Preference Shares with the Substitute Preference Shares. Any substitution of the SPV Preference Shares with the Substitute Preference Shares shall be effected in compliance with any applicable fiscal laws or other laws or regulations. Following such substitution, the holders of the Substitute Preference Shares with respect to the SPV Preference Shares shall have the right to receive from DBS Bank an amount equivalent to the Dividends thereon from the Dividend Date with respect to the SPV Preference Shares immediately preceding the issue of such Substitute Preference Shares and will have no entitlement from the Issuer to any accrued Dividend with respect to the SPV Preference Shares or any other payment on the SPV Preference Shares. On issuance in full of each Substitute Preference Share with respect to the SPV Preference Shares and the removal of such Holder (a “**Former Holder**”) from the Register:

- (a) the SPV Preference Shares will have been redeemed by the issuance of such Substitute Preference Shares and all rights, title and interest of the Former Holder with respect to the SPV Preference Shares, including the right to participate in the assets of the Issuer or to be returned any amount in respect of the SPV Preference Shares will be extinguished and each Former Holder with respect to such SPV Preference Shares shall thereupon cease to be a shareholder of the Issuer;
- (b) subject to the terms of this Trust Deed, all rights of the Trustee on behalf of the Former Holders under this Trust Deed relating to the SPV Preference Shares will be automatically cancelled and extinguished; and
- (c) the Subordinated Note will automatically be cancelled and extinguished in consideration for the issuance of such Substitute Preference Shares and redemption as described in the foregoing sub-paragraph (a).

Following any substitution with respect to the SPV Preference Shares, the Issuer and DBS Bank shall promptly notify the SGX-ST of the number of SPV Preference Shares that remain outstanding, if any; and

(iv) further, if the SPV Preference Shares are then listed on a stock exchange and/or held by a clearing system, DBS Bank will take all reasonable steps to procure that such Substitute Preference Shares will at the relevant time be listed on the same stock exchange and/or held by the same clearing system. DBS Bank will pay any taxes or capital duties or stamp duties or other similar taxes payable in Singapore or the Cayman Islands arising on the issue of the Substitute Preference Shares but will not be obliged to pay, and each such Holder must pay, all, if any, taxes arising by reference to any disposal or deemed disposal of the SPV Preference Shares in connection with such substitution;

7.1.4 that neither DBS Bank nor any of its subsidiaries will make or procure any payment to the Trustee to hold on trust for the benefit of the Holders if such a payment could not lawfully have been made had such Holders held shares ranking *pari passu* with the Substitute Preference Shares instead of the SPV Preference Shares;

7.1.5 that DBS Bank will procure that the Issuer will maintain at all times while the SPV Preference Shares are in issue a Paying Agent in Singapore;

7.1.6 that DBS Bank will not, and will procure that none of its subsidiaries will, make any payment to the Trustee holding on trust for the benefit of the Holders, or procure or permit to be made such a payment, in respect of the SPV Preference Shares or under this Trust Deed, except for payments to which the Trustee holding on trust for the benefit of the Holders are expressly entitled under the terms of the SPV Preference Shares or this Trust Deed;

- 7.1.7** that DBS Bank will not (and will compel its subsidiaries not to) purchase any SPV Preference Shares without the prior consent of the MAS (for so long as such consent is required). Subject to the preceding sentence, DBS Bank may at any time and from time to time purchase outstanding SPV Preference Shares by tender, in the open market or by private agreement;
- 7.1.8** that DBS Bank will not redeem prior to the stated maturity the Subordinated Note other than in connection and concurrent with and to fund the redemption of the SPV Preference Shares;
- 7.1.9** that, if the Board reasonably believes that the amounts for the time being available to DBS Bank for distribution as a dividend in compliance with Section 403 of the Companies Act, Chapter 50 of Singapore (“**Available Amounts**”) as at any Distributable Reserves Determination Date are lower than the Available Amounts as of the date of DBS Bank’s latest audited balance sheet and are insufficient to pay the Dividend and for payment on Parity Obligations on such Dividend Date, then two Directors of the Board shall be required to provide a certificate, on or prior to such Distributable Reserves Determination Date, to the Issuer, the Trustee and the Holders (accompanied by a certificate of DBS Bank’s auditors for the time being) of the Available Amounts as at such Distributable Reserves Determination Date (which certificate of the two Directors shall be binding absent manifest error) and Distributable Reserves as at such Distributable Reserves Determination Date for the purposes of such Dividend shall mean the Available Amounts as set forth in such certificate;
- 7.1.10** that DBS Bank will keep proper books of account in accordance with all applicable laws and accounting principles generally accepted;
- 7.1.11** that to the extent not publicly available, DBS Bank will deliver to the Trustee (i) within 180 days after the end of each financial year ending after the date hereof, a copy of the audited accounts of DBS Group Holdings Ltd and its consolidated subsidiaries (the “**DBSH Group**”) as at the end of and for that financial year and (ii) within 90 days after the end of each financial quarter, a copy of the unaudited consolidated results of the DBSH Group as at the end of and for that financial quarter;
- 7.1.12** that DBS Bank will deliver to the Trustee, within 180 days after the end of each financial year ending after the date hereof, a certificate signed by any director or a duly authorised officer of DBS Bank stating whether, to such officer’s knowledge, there has been any default in the performance by DBS Bank of the obligation to make a payment under this Trust Deed with respect to the SPV Preference Shares in the last financial year; and
- 7.1.13** that if a default in the performance by DBS Bank of the obligation to make a payment under this Trust Deed with respect to the SPV Preference Shares has occurred, DBS Bank shall deliver to the Trustee a certificate signed by any director or a duly authorised officer of DBS Bank specifying such default and the circumstances relating thereto within five Business Days of its occurrence.

8. The Trustee

- 8.1** DBS Bank shall (subject as provided below), until the trusts hereof shall be finally wound up, pay to the Trustee remuneration for its ordinary services as Trustee such sum at such times and in such manner as is separately agreed between DBS Bank and the Trustee or such other sum as may from time to time be agreed between DBS Bank and the Trustee. In the event of the Trustee considering it expedient or necessary or being required to undertake duties which DBS Bank and the Trustee both agree to be of an exceptional nature or otherwise are outside the scope of the normal duties of the Trustee under this Trust Deed (including without limitation if the Trustee renders services after a default in the performance by DBS Bank of the obligation to make a payment under this Trust Deed with respect to the SPV Preference Shares has occurred), DBS Bank shall pay the Trustee such additional remuneration as may be agreed between them (or failing agreement as to any of the matters in this **Clause 8.1**, as determined by a merchant bank or an investment bank (acting as an expert) selected by the Trustee and approved by DBS Bank or, failing such approval, nominated by the President for the time being of The Law Society of Singapore. The expenses involved in such nomination and such investment bank’s fee will be borne by DBS Bank. The determination of such merchant bank or investment bank will be conclusive and binding on DBS Bank, the Trustee and Holders);
- 8.2** Unless otherwise specifically stated in any discharge pursuant to this Trust Deed, the provisions of this Clause and **Clause 12** shall continue in full force and effect notwithstanding such discharge.

- 8.3** All amounts payable pursuant to **Clause 12** shall be payable by DBS Bank on the date specified in a demand by the Trustee and in the case of payments actually made by the Trustee prior to such demand shall (if not paid within ten Business Days after such demand and the Trustee so requires) carry interest at a rate per annum equal to the sum of one per cent. and the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the average of the prime lending rates for Singapore dollars quoted by DBS Bank, Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited for the time being from the date specified in such demand, and in all other cases shall (if not paid on the date specified in such demand or, if later, within ten Business Days after such demand and, in either case, the Trustee so requires) carry interest at such rate from the date specified in such demand.
- 8.4** The Trustee shall perform only those obligations and duties which it expressly agrees hereunder to perform and shall have no implied duties or obligations hereunder. The Trustee shall have no liability for any loss incurred by any person in respect of any action taken, suffered or omitted by the Trustee hereunder, except to the extent that a court of competent jurisdiction shall find that the loss was primarily due the Trustee's gross negligence or bad faith or fraud or wilful default. Except as otherwise expressly set out herein, the Trustee shall have no duty to collect, preserve, exercise or enforce any rights in the Guarantee.
- 8.5** Any notice, information or communication to be given by the Trustee to the Holders may be given through the Registrar, who shall promptly forward and disseminate such notice, information or communication to the Holders. For the avoidance of doubt, the Trustee shall have discharged its duty to provide such notice, information or communication to the Holders upon provision of the same to the Registrar and shall have no further duty to provide the same or inquire further into the matter.
- 9. Provisions Supplemental to the Trustees Act, Chapter 337 of Singapore**
- 9.1** By way of supplement to the Trustees Act, Chapter 337 of Singapore, it is expressly declared as follows:
- 9.1.1** The Trustee may in relation to this Trust Deed act on the opinion, advice or certificate of, or any information obtained from, any lawyer, valuer, banker, financial adviser, securities company, broker, accountant, surveyor, auctioneer or other expert in Singapore or elsewhere whether obtained by the Trustee, DBS Bank, any subsidiary of DBS Bank or otherwise, and shall not be responsible for any loss occasioned by so acting. Any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, telex, cable, facsimile transmission or electronic mail and the Trustee shall not be liable for acting in good faith on any opinion, advice, certificate or information purporting to be conveyed by such means even though it shall contain some error or shall not be authentic.
- 9.1.2** The Trustee shall not be bound to give notice to any person of the execution of this Trust Deed.
- 9.1.3** The Trustee shall not be responsible or liable to any person for having acted in good faith upon any resolution purporting to have been passed at any meeting of the Holders in respect whereof minutes have been made and signed even though it may subsequently be found that there was some defect in the constitution of such meeting or the passing of such resolution or that for any reason such resolution was not valid or binding upon the Holders.
- 9.1.4** The Trustee may call for and shall be at liberty to accept a certificate signed by any Authorised Officer as to any fact or matter on which the Trustee may need or wish to be satisfied as sufficient evidence thereof and a like certificate that any properties or assets in the opinion of the person so certifying have a particular value or produce a particular income or are suitable for such company's purposes as sufficient evidence that they have that value or produce that income or are so suitable and a like certificate to the effect that any particular dealing, transaction, step or thing is in the opinion of the person so certifying expedient as sufficient evidence that it is expedient and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any loss that may be occasioned by its failing to do so or by its acting on any such certificate.
- 9.1.5** The Trustee may hold or deposit this Trust Deed and any deed or documents relating to this Trust Deed in any safe deposit, safe or other receptacle selected by the Trustee, in any part of the world, or with any bank or banking company, or with any lawyer or firm of lawyers believed by it to be of good repute, in any part of the world, and the Trustee shall not be responsible for or required to insure against any loss incurred in connection with any such holding or deposit and may pay all sums to be paid on account of or in respect of any such deposit.

- 9.1.6** The Trustee shall, as regards all the powers, trusts, rights, duties, authorities, obligations and discretions vested in it by this Trust Deed or by operation of law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof or as to how or when to exercise the same and shall be in no way responsible for any loss, costs, damages, expenses or inconvenience which may result from the exercise or non-exercise thereof.
- 9.1.7** The Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay an agent selected by it, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money) and, provided that the Trustee exercises reasonable care in the selection of such agent, it shall not in any way be responsible for any misconduct or default on the part of any such person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person.
- 9.1.8** Any Trustee of this Trust Deed being a lawyer, accountant, banker, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or any partner of his or by his firm on matters arising in connection with the trusts hereof and also his charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection herewith, including matters which might or should have been attended to in person by a trustee not being a lawyer, accountant, banker, broker or other professional person.
- 9.1.9** Any consent given by the Trustee for the purposes of this Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee thinks fit.
- 9.1.10** The Trustee shall not (unless ordered so to do by a court of competent jurisdiction) be required to disclose to any Holder any confidential, financial, price sensitive or other information made available to the Trustee by DBS Bank or any of its subsidiaries in connection with this Trust Deed and no Holder shall be entitled to take any action to obtain from the Trustee any such information.
- 9.1.11** Where it is necessary or desirable for any purpose in connection herewith to convert any sum from one currency to another, it shall (unless otherwise provided hereby or required by law) be converted at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may reasonably be specified by the Trustee but having regard to current rates of exchange, if available, and any rate, method and date so specified shall be binding on DBS Bank and the Holders.
- 9.1.12** The Trustee as between itself and the Holders shall have full power to determine all questions and doubts arising in relation to any of the provisions of this Trust Deed and every such determination, whether made upon such a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee, DBS Bank and the Holders.
- 9.1.13** The Trustee may determine whether or not a default in the performance by DBS Bank of any obligation under the provisions of this Trust Deed has occurred or is capable of remedy and if the Trustee shall determine that any such default has occurred or is not capable of remedy, such determination shall be conclusive and binding upon DBS Bank and the Holders.
- 9.1.14** The Trustee shall not be concerned with or responsible for any consolidation, amalgamation, merger or reconstruction of DBS Bank or any sale or transfer of all or substantially all of the assets of DBS Bank or the form or substance of any plan relating thereto or the consequences thereof to any Holder.
- 9.1.15** The Trustee assumes no responsibility for the correctness of the Recitals (except for **Recital (C)**) to this Trust Deed which shall be taken as statements by DBS Bank, nor shall the Trustee by the execution of this Trust Deed be deemed to make any representation as to the validity, sufficiency or enforceability of this Trust Deed or any part thereof.

- 9.1.16** Except with respect to the Trustee, the Trustee shall not be responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence of these presents or any other document relating thereto or liable for any failure to obtain any licence, consent or other authority for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of these presents or any other document relating thereto.
- 9.1.17** The Trustee shall not have any responsibility for the maintenance of any rating of the SPV Preference Shares or the Substitute Preference Shares by any rating agency or by any other person or for the listing of the SPV Preference Shares or the Substitute Preference Shares on any stock exchange.
- 9.1.18** The Trustee may perform any obligation hereunder through one or more agents, including without limitation, any affiliate or office of The Bank of New York wherever located (the “**agents**”), and the Trustee may share information about DBS Bank with the agents, which information such agents need to know to perform such obligation and which such agents agree to keep confidential on the same terms applicable to the Trustee.
- 9.1.19** The Trustee may in any instance it determines that it lacks or is uncertain as to its authority to take or refrain from taking certain action, or as to the requirements of this Trust Deed under any circumstance before it, delay or refrain from taking action unless and until it has received instructions from the Holders (in accordance with **Clause 2.12**) or advice from legal counsel (or other appropriate advisor), satisfactory to it in its sole discretion, as the case may be.
- 9.1.20** The Trustee will have no duty to ascertain or inquire as to the performance or observance by the Issuer of any of the terms, conditions or covenants of any other agreement to which the Issuer is a party.
- 9.1.21** In connection with the exercise by it of any of its trusts, powers, authorities and discretions under these presents (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Holders as a class and shall not have regard to any interests arising from circumstances particular to individual Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Holder be entitled to claim, from DBS Bank, the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Holders.
- 9.1.22** In acting as trustee for the Holders, the Trustee shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments. If information is received by another division or department of the Trustee, it may be treated as confidential to that division or department and the Trustee shall not be deemed to have notice of it.

10. Waiver

- 10.1** The Trustee may, without the consent of the Holders and without prejudice to its rights in respect of any subsequent breach, condition, event or act from time to time and at any time, but only if and in so far as in its opinion the interests of the Holders will not be materially prejudiced thereby:
- 10.1.1** waive on such terms and conditions (if any) as may to it seem expedient, any breach by DBS Bank of any provisions contained in this Trust Deed, without prejudice to its rights in respect of any other or subsequent breach;
- 10.1.2** authorise on such terms and conditions (if any) as aforesaid, any act or thing which would but for this provision and such authorisation be in breach of any provision of this Trust Deed; and
- 10.1.3** at the request of DBS Bank waive or modify any terms and conditions imposed by it pursuant to **Clause 9.1.1** or **10.1.2** above or in connection with any consent given by it pursuant to any other provision of this Trust Deed,

provided always that the Trustee shall not exercise any powers conferred on it by this Clause in contravention of any express direction given at an extraordinary meeting of the Holders (referred to in **Clause 24.2**) or a request made pursuant to **Clause 2.12**, but no such direction or request shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination shall be binding on the Holders and if, but only if, the Trustee shall so require, shall be notified by or on behalf of DBS Bank to the Holders as soon as practicable.

- 10.2** In no event shall the Trustee be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action, except to the extent that a court of competent jurisdiction shall find that the loss was primarily due to the Trustee's gross negligence or bad faith or fraud or wilful default.

11. Competence of a Majority of Trustees

Whenever there shall be more than two Trustees having equal authority under this Trust Deed, the majority of such Trustees shall (provided such majority includes a trust corporation) be competent to execute and exercise all the duties, powers, trusts, rights, authorities and discretions vested by this Trust Deed in the Trustee generally.

12. Indemnity of Trustee

- 12.1** Without prejudice to the right of indemnity by law given to trustees and subject to **Clause 12.2** below, the Trustee, its directors, employees, affiliates and every attorney, agent, delegate or other person appointed by the Trustee under the provisions of this Trust Deed ("**Indemnitees**") shall be entitled to be indemnified by DBS Bank in respect of all loss, liabilities, claims, proceedings, suits, demands, penalties, costs, charges and expenses (including without limitation legal expenses on a full indemnity basis and expenses that may be imposed on experts and their staff and all expenses of document location, duplication and shipment and of preparation to defend any of the foregoing) incurred by or asserted against it or him in relation to this Trust Deed or to the preparation and execution or purported execution of this Trust Deed or to the carrying out of the trusts of this Trust Deed or to the exercise of any duties, trusts, rights, powers, authorities or discretions vested in it or him pursuant to this Trust Deed and against all actions, proceedings, costs, claims and demands in respect of any matter or thing properly done or omitted in any way relating to this Trust Deed and, failing due payment by DBS Bank, the Trustee may in priority to any payments to the Holders retain and pay out of any moneys in its or his hands arising from the trusts of this Trust Deed all sums necessary to effect such indemnity and also the remuneration of the Trustee as hereinbefore provided and any other fees or expenses at any time owing to the Trustee under or in connection with this Trust Deed. The provisions of this Clause shall survive the resignation of the Trustee and/or the termination of this Trust Deed.

- 12.2** None of the provisions of this Trust Deed shall, in any case in which the Trustee has failed to show the degree of care and diligence required of it having regard to the provisions of this Trust Deed conferring on the Trustee any duties, powers, trusts, authorities or discretions, relieve or indemnify the Trustee from or against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to it in respect of any negligence, default, breach of duty or breach of trust of which it may be guilty in relation to its duties under this Trust Deed. The Trustee shall not be liable for any act or omission of DBS Bank in relation to the SPV Preference Shares.

13. Assumption of Performance of Covenants

The Trustee is hereby authorised and it is declared that it is entitled to assume without enquiry (in the absence of actual knowledge by or an express notice to it to the contrary) that DBS Bank is duly performing and observing all the covenants and provisions contained in this Trust Deed and on its part to be performed and observed, and notwithstanding knowledge by or notice to the Trustee of any breach of any such covenant, condition, provision or obligation it shall be in the discretion of the Trustee whether to take any action or proceedings or to enforce the performance thereof and the Trustee shall not be bound to enforce the same or any of the covenants, conditions, provisions or obligations of this Trust Deed and the SPV Preference Shares.

14. Financial Transactions

The Trustee and any director or officer of any corporation being a trustee of this Trust Deed or any company or person in any other way associated with a trustee of this Trust Deed shall not in any way be precluded by reason of its or his fiduciary position from being appointed as a director or other officer of DBS Bank or any company of which DBS Bank is an associate or subsidiary or any associate or subsidiary of any such company and shall be entitled to enter into or to be otherwise interested in contracts, banking, financial or business or any other transactions or arrangements with DBS Bank or any company or associate or subsidiary as aforesaid or which it could have entered into had it not been a trustee of this Trust Deed and without prejudice to the generality of these provisions it is expressly declared that such contracts, transactions or arrangements may include (i) any contract or transaction or arrangement for or in relation to the placing, underwriting, purchasing, subscribing for or dealing with or lending money upon any debentures or securities of DBS Bank or any contract of insurance with DBS Bank whether under the provisions of this Trust Deed or otherwise and (ii) a trustee of this Trust Deed acting as trustee of any other securities or obligations of DBS Bank and the Trustee shall not be accountable to DBS Bank or to the Holders of the SPV Preference Shares for any profit or benefits or any fees, commissions, discounts or share of brokerage allowed to it by bankers, brokers or other parties in relation to or otherwise arising out of any matters referred to under this Trust Deed and if any contract, transaction or arrangement as is mentioned in this Clause is dependent on or involves the exercise by the Trustee of any discretion the Trustee shall be free if it thinks fit to exercise such discretion so as to permit such contract, transaction or arrangement notwithstanding the interest of all or any of them therein.

15. Delegation by Trustee

The Trustee may, in the execution and exercise of all of the trusts, powers, authorities and discretions vested in it by this Trust Deed, act by a responsible officer or officers for the time being of the Trustee and the Trustee may also, whenever it thinks it expedient in the interests of the Holders of the SPV Preference Shares, whether by power of attorney or in such other manner as it may think fit, delegate to any person or persons or fluctuating body of persons selected by it all or any of the trusts, rights, powers, duties, authorities and discretions vested in it by this Trust Deed and any such delegation may be made upon such terms and conditions (including power to sub-delegate with the approval of the Trustee) and subject to such regulations as the Trustee may in the interests of the Holders of the SPV Preference Shares think fit and, provided that the Trustee shall have exercised reasonable care in the selection of such delegate, it shall not in any way be responsible or liable for any negligence, misconduct or default on the part of any such delegate or sub-delegate hereunder or be bound to supervise the proceedings or acts of any such delegate or sub-delegate.

16. Appointment, Retirement and Removal of Trustee

- 16.1** The power of appointing a new Trustee shall be vested in DBS Bank, but no person shall be appointed who shall not previously have been approved by the written consent of the Holders of at least 75 per cent. of the outstanding SPV Preference Shares or the sanction of a Special Resolution passed at a separate class meeting of the Holders (the quorum at such class meeting to be such number of the Holders holding or representing not less than two-thirds of the outstanding SPV Preference Shares). Any successor trustee shall be a trust corporation. Any appointment of a new Trustee shall as soon as practicable thereafter be notified by DBS Bank to the Holders.
- 16.2** Any corporation, bank or trust company resulting from any merger, conversion or consolidation to which the Trustee is a party or to which the Trustee shall sell or transfer all or substantially all of its assets or business shall be the successor trustee, provided that such corporation, bank or trust company shall be otherwise qualified and eligible under this Trust Deed, without the execution or filing of any paper or any further act on the part of any party to this Trust Deed.
- 16.3** Any Trustee may retire at any time upon giving not less than 60 days' notice in writing to DBS Bank, or such shorter notice as DBS Bank may agree, without assigning any reason and without being responsible for any costs occasioned by such retirement.
- 16.4** The Trustee shall, notwithstanding the provisions of **Clause 16.1** above, have power by notice in writing to DBS Bank to appoint any person either to act as separate Trustee, or as co-Trustee jointly with the Trustee:

16.4.1 if the Trustee considers such appointment to be in the interests of the Holders or if, by reason of any present or future law of any jurisdiction, it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted or take any action which may be desirable or necessary in connection therewith;

16.4.2 for the purpose of conforming with any legal requirement, restriction or condition in any jurisdiction in which any particular act is to be performed; or

16.4.3 for the purpose of obtaining (or facilitating the obtaining) in any jurisdiction a judgment, or the enforcement in any jurisdiction against DBS Bank of either a judgment already obtained or any of the provisions of this Trust Deed.

DBS Bank hereby irrevocably appoints the Trustee to be its attorney in its name and on its behalf to execute any such instrument of appointment. Any person so appointed shall (subject to the provisions of this Trust Deed) have such trusts, rights (including as to reasonable remuneration), powers, duties, authorities and obligations as shall be conferred or imposed by the instrument of appointment. The Trustee shall have power in like manner to remove any person so appointed. At the request of the Trustee, DBS Bank shall forthwith execute all such documents and do all such things as may be required to perfect such appointment or removal and hereby irrevocably appoints the Trustee to be its attorney in its name and on its behalf to do the same. Such a person shall (subject always to the provisions hereof) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Trustee hereby) and such duties and obligations as shall be conferred or imposed by the instrument of appointment. Such remuneration as the Trustee may pay to such person, together with any attributable costs, charges and reasonable expenses incurred by it in performing its function as such separate Trustee or co-Trustee, shall for the purposes of this Trust Deed be treated as costs, charges and expenses incurred by the Trustee. Before appointing such person to act as separate Trustee or co-Trustee, the Trustee shall give notice to DBS Bank of its intention to make such appointment.

17. Powers of Trustee to be Additional

The powers conferred by this Trust Deed upon the Trustee shall be in addition to any powers which may from time to time be vested in it by general law.

18. Termination

This Trust Deed shall terminate and be of no further force and effect in relation to the Guarantee, upon:

18.1.1 payment of the Redemption Price on all SPV Preference Shares;

18.1.2 redemption or purchase and cancellation of all SPV Preference Shares;

18.1.3 payment of the Liquidation Distribution or the Relevant Proportion thereof with respect to all SPV Preference Shares; or

18.1.4 issue in full of the Substitute Preference Shares,

provided however that this Trust Deed will continue to be effective or will be reinstated, as the case may be, if at any time payment of any sums paid in respect of the SPV Preference Shares or under this Trust Deed must be restored by a Holder with respect to the SPV Preference Shares for any reason whatsoever.

19. Currency Indemnity

19.1 Singapore Dollars shall be the sole currency of account and payment for all sums payable by DBS Bank under or in connection with this Trust Deed in relation to the SPV Preference Shares (the “**Contractual Currency**”).

19.2 To the fullest extent permitted by applicable law, in respect of any amount received or recovered in respect of any sum payable by DBS Bank under this Trust Deed, including damages, in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of DBS Bank or otherwise) will only constitute a discharge to DBS Bank to the extent of the Contractual Currency amount which the Trustee or Holder is able to purchase with the amount so received or recovered on the date of the receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date in which it is practicable to do so).

- 19.3** If that Contractual Currency amount is less than the Contractual Currency amount expressed to be due to the recipient under this Trust Deed, DBS Bank will indemnify the Trustee against any loss sustained by it as a result. In any event DBS Bank will indemnify the recipient against the cost of making any such purchases.
- 19.4** Any amounts due under this indemnification (other than the amounts due to the Trustee referred to in **Clause 6.1.1**) will be similarly subordinated in right of payment with other amounts due on the Guarantee and payment thereof shall be subject to the provisions of **Clause 2**. This indemnification will constitute a separate and independent obligation of DBS Bank and will continue in full force and effect notwithstanding any judgment, order, claim or proof for a liquidated amount in respect of any sum due under this Trust Deed or any judgment or order.
- 20. Investment by the Trustee**
- 20.1** If the amount of moneys at any time available for the payment in respect of the Guarantee shall be less than ten per cent. of the Liquidation Preference then due and payable, the Trustee may invest such moneys in accordance with **Clause 20.2** below. The Trustee at its discretion may accumulate such investments with the resulting income therefrom until the accumulations, together with any other funds for the time being under the control of the Trustee and available for such payment, shall amount to at least ten per cent. of the Liquidation Preference and then such accumulations and funds (after deduction of any taxes applicable thereto) shall be applied as specified in **Clause 6** above.
- 20.2** Any moneys which under the trusts of these presents ought to or may be invested by the Trustee may be invested in the name or under the control of the Trustee with banks or finance companies established in Singapore and the Trustee need only account for an amount of interest on such deposit as would be payable on a standard deposit of such amount to an independent customer. The Trustee shall not be responsible for any loss occasioned thereby or the safe custody of such moneys, interest thereon or any act or omission of the relevant bank or finance company or any other party in respect of or in connection with moneys so deposited or otherwise, whether due to depreciation in value, fluctuations in exchange rates or otherwise.
- 21. Forfeiture of Unclaimed Moneys**
- Any moneys deposited with or paid to the Trustee for the payment to the Holders entitled thereto and remaining unclaimed for 6 years after the date which such moneys first becomes available for payment by the Trustee to the Holders, shall, on written notice being given to the Trustee by the DBS Bank, be repaid by the Trustee to DBS Bank, and all liability of the Trustee under this Trust Deed to all the Holders with respect to such moneys shall thereupon forthwith cease.
- 22. Force Majeure**
- Notwithstanding any other provision of this Trust Deed, the Trustee shall not be obligated to perform any obligation hereunder and shall not incur any liability for the non performance or breach of any obligation hereunder to the extent that the Trustee is delayed in performing, unable to perform or breaches such obligation because of acts of God, war, terrorism, fire, floods, strikes, electrical outages, equipment or transmission failures, or other causes reasonably beyond its control.
- 23. Confidentiality**
- The Trustee (including its employees, its officers and its representatives) may disclose information in connection with this Trust Deed, to the extent necessary, to any regulatory or supervisory authority including fiscal authority to comply with any applicable laws.
- 24. Transfer, Amendment and Notices**
- 24.1** Subject to the operation of law, all guarantees, indemnities and agreements contained in this Trust Deed shall bind the successors, assigns, receivers, trustees and representatives of DBS Bank and shall inure to the benefit of the Trustee to hold on trust for the benefit of the Holders. DBS Bank shall not transfer its obligations hereunder without the written consent given by the Holders of at least 75 per cent. of the outstanding SPV Preference Shares or the sanction of a Special Resolution passed at a separate class meeting of the Holders (the quorum at such class meeting to be such number of the Holders holding or representing not less than two-thirds of the outstanding SPV Preference Shares), whose approval shall be obtained in accordance with the procedures contained in the Articles and applicable laws.

24.2 The consent in writing of the Holders of at least 75 per cent. of the outstanding SPV Preference Shares or the sanction of a Special Resolution passed at a separate class meeting of the Holders (the quorum at such class meeting to be such number of the Holders holding or representing not less than two-thirds of the outstanding SPV Preference Shares) shall be required in order to give effect to any amendment to this Trust Deed which would result in any variation or abrogation of the rights, preferences and privileges of the SPV Preference Shares by way of amendment to this Trust Deed or otherwise, unless otherwise required by any applicable laws.

No such consent or sanction shall be required:

24.2.1 if the change is solely of a formal, minor or technical nature, or is to correct an error or cure an ambiguity, provided that the change does not reduce the amounts payable to Holders, impose any material obligation on the Holders or materially and adversely affect their voting rights;

24.2.2 for the creation or issue of further shares ranking *pari passu* with or junior to the SPV Preference Shares (the creation or issue of such other shares, regardless of the dividends and other amounts payable in respect of such shares and whether and when such dividends and other amounts may be so payable, shall not be deemed to be a variation or abrogation of the rights, preferences and privileges of the SPV Preference Shares); or

24.2.3 for the consolidation or division of all or any of the SPV Preference Shares into shares of larger or smaller amount of par value (with corresponding changes to the Liquidation Preference of the SPV Preference Shares).

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

24.3 Any notice, request or other communication required or permitted to be given hereunder to DBS Bank or the Trustee shall be made by sending it by pre-paid registered post or by facsimile transmission or by delivering it by hand to DBS Bank or the Trustee, as the case may be, at the following address or facsimile number:

24.3.1 to DBS Bank at:

6 Shenton Way
DBS Building Tower 1 #15-00
Singapore 068809
Fax No.: (65) 6372 0352
Attention: The Manager

24.3.2 to the Trustee at:

The Bank of New York
101 Barclay Street
21st Floor West
New York, NY 10286
United States of America
Fax No.: (1 212) 815 5802/5803
Attention: Global Corporate Trust

with copy to:

The Bank of New York, Singapore Branch
One Temasek Avenue
#02-01 Millenia Tower
Singapore 039192
Fax No.: (65) 6883 0338
Attention: Global Corporate Trust

The address of DBS Bank or the Trustee may be changed at any time and from time to time and shall be the most recent such address furnished in writing by such party to the Registrar and to the other party and in the case of notice by DBS Bank, the Trustee shall upon receipt notify the Holders in accordance with the Articles of the Issuer. In the case of any notice that is given, any communication sent by pre-paid registered post shall be deemed to have been made two days after the time of despatch and, in the case of facsimile transmission, shall be deemed to have been received at the time of despatch (subject to the receipt by the sender of a transmission report or similar evidence that such communication has been sent in full to the other party hereto). Failure to send or receive the letter of confirmation shall not invalidate the original communication.

Any notice, request or other communication required or permitted to be given hereunder to the Holders shall be given by DBS Bank in the same manner as notices sent on behalf of DBS Bank to the Holders.

24.4 For the purposes of this **Clause 24**, any SPV Preference Shares held by DBS Bank or any entity of which DBS Bank, either directly or indirectly, owns 20 per cent. or more of the voting shares or similar ownership interests will be deemed not to be outstanding.

24.5 This Trust Deed is solely for the Trustee to hold on a bare trust for the benefit of the Holders of the SPV Preference Shares and is not separately transferable from their interests in respect of the SPV Preference Shares.

25. Partial Invalidity

The illegality, invalidity or unenforceability of any provision of this Trust Deed under the law of any jurisdiction shall not affect its legality, validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.

26. Governing Law

This Trust Deed is governed by, and shall be construed in accordance with, the laws of Singapore and the parties submit to the non-exclusive jurisdictions of the courts of Singapore.

27. Counterparts

This Trust Deed may be executed in any number of counterparts and by the parties on separate counterparts, each of which, when so executed, shall be an original, but all counterparts shall together constitute one and the same document. Signatures may be exchanged by facsimile, with original signatures to follow. Each party agrees to be bound by its own facsimile signature and that it accepts the facsimile signature of the other party.”

APPENDIX D

UNAUDITED FINANCIAL RESULTS OF DBSH FOR THE FIRST QUARTER ENDED 31 MARCH 2008



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

To: Shareholders

The DBS Group Holdings Ltd ("DBSH" or "the Company") Board of Directors report unaudited financial results for the first quarter ended 31 March 2008.

For the first quarter of 2008, the Directors have declared an interim one-tier tax-exempt dividend of 20 cents (first quarter 2007: 20 cents less 18% tax) for each DBSH non-voting convertible preference share ("CPS") and each DBSH non-voting redeemable CPS, and an interim one-tier tax-exempt dividend of 20 cents (first quarter 2007: 20 cents less 18% tax) for each DBSH ordinary share.

The first quarter 2008 dividends will be payable on 4 June 2008. DBSH shares will be quoted ex-dividend on 20 May 2008. Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 23 May 2008. Duly completed transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services of 8 Cross Street #11-00 PWC Building, Singapore 048424 up to 5.00 p.m. on 22 May 2008 will be registered to determine shareholders' entitlement to the first quarter 2008 dividend. In respect of ordinary shares in the securities accounts with The Central Depository (Pte) Limited ("CDP"), the first quarter 2008 dividend will be paid by DBSH to CDP, which will in turn distribute the dividend entitlements to shareholders.

By order of the Board

Heng Lee Cheng (Ms)
Group Secretary

6 May 2008
Singapore

More information on the above announcement is available at www.dbs.com/investor



Performance Summary

Unaudited Financial Results
For the First Quarter ended
31 March 2008

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

Contents	Page
Overview.....	2
Net Interest Income.....	4
Net Fee and Commission Income.....	5
Other Non-Interest Income.....	5
Expenses.....	6
Allowances for Credit and Other Losses.....	6
Performance by Business Unit.....	7
Performance by Geography.....	9
Customer Loans.....	10
Non-Performing Assets and Loss Allowance Coverage.....	11
Funding Sources.....	14
Customer Deposits.....	15
Other Borrowings & Liabilities.....	15
Value at Risk and Trading Income.....	16
Capital Adequacy.....	17
Unrealised Valuation Surplus/(Losses).....	17
Unaudited Consolidated Income Statement.....	18
Unaudited Balance Sheets.....	19
Unaudited Consolidated Statement of Changes in Equity.....	20
Unaudited Statement of Changes in Equity.....	20
Unaudited Consolidated Cash Flow Statement.....	21
Additional Information	
Issuance of Ordinary Shares.....	22
Adoption of New or Revised FRS and INT FRS.....	22
Confirmation by the Board.....	23

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

OVERVIEW

DBS Group Holdings Ltd (“DBSH”) prepares its condensed consolidated DBSH Group (“Group”) interim financial statements in accordance with Singapore Financial Reporting Standard (“FRS”) No. 34 Interim Financial Reporting, as modified by the requirements of Notice to Banks No. 612 “Credit Files, Grading and Provisioning” issued by the Monetary Authority of Singapore. The accounting policies and methods of computation applied for the current financial periods are consistent with those applied for the financial year ended 31 December 2007, with the exception of the adoption of new or revised FRS and Interpretations to FRS (“INT FRS”).

On 1 January 2008, the Group adopted the new or revised INT FRS, which are issued by the Accounting Standard Council (“ASC”), that are relevant for the Group.

- INT FRS 111: FRS 102 – Group and Treasury Share Transactions
- INT FRS 114: FRS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

	1st Qtr 2008	1st Qtr 2007 ^{1/}	% chg	4th Qtr 2007	% chg
Selected income statement items (\$m)					
Net interest income	1,057	974	9	1,059	-
Net fee and commission income	353	309	14	379	(7)
Net trading (loss)/income	(161)	171	NM	(25)	(>100)
Net income/(loss) from financial instruments designated at fair value	85	(46)	NM	4	>100
Net income from financial investments	211	124	70	104	>100
Other income	18	10	80	12	50
Total income	1,563	1,542	1	1,533	2
Less: Expenses	656	658	-	648	1
Profit before allowances	907	884	3	885	2
Less: Allowances for credit and other losses	140	105	33	182	(23)
Share of profits of associates	23	26	(12)	32	(28)
Profit before tax	790	805	(2)	735	7
Net profit attributable to shareholders (Net profit)	603	617	(2)	558	8
Add: One-time items ^{2/}	-	-	-	(67)	NM
Net profit including one-time items	603	617	(2)	491	23
Selected balance sheet items (\$m)					
Customer loans ^{3/}	114,227	94,294	21	108,433	5
Interbank assets ^{4/}	28,606	25,619	12	24,564	16
Total assets	251,453	209,921	20	233,591	8
Customer deposits ^{5/}	157,379	136,443	15	153,572	2
Total liabilities	227,996	188,144	21	210,433	8
Shareholders' funds	20,850	19,430	7	20,481	2
Key financial ratios (%) (excluding one-time items) ^{6/}					
Net interest margin	2.09	2.21		2.11	
Non-interest/total income	32.4	36.8		30.9	
Cost/income ratio	42.0	42.7		42.3	
Return on assets	0.99	1.21		0.96	
Return on equity ^{7/}	11.61	12.99		10.88	
Loan/deposit ratio	72.6	69.1		70.6	
NPL ratio	1.0	1.5		1.1	
Specific allowances (loans)/average loans (bp)	13	-		6	
Tier 1 capital adequacy ratio	9.2	9.6		8.9	
Total capital adequacy ratio	13.4	13.6		13.4	

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

	1st Qtr 2008	1st Qtr 2007 ^{1/}	% chg	4th Qtr 2007	% chg
Per share data (\$)					
Per basic share					
– earnings excluding one-time items and goodwill charges	1.58	1.63		1.47	
– earnings	1.58	1.63		1.42	
– net book value ^{7/}	13.43	12.54		13.20	
Per diluted share					
– earnings excluding one-time items and goodwill charges	1.52	1.56		1.41	
– earnings	1.52	1.56		1.37	
– net book value ^{7/}	13.15	12.39		12.93	

Notes:

1/ Figures have been reclassified to make them consistent with the current quarter's presentation

2/ One-time items include impairment charges for Thai investment

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

4/ Includes interbank assets classified as financial assets at fair value through profit or loss on the balance sheet

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

6/ Return on assets, return on equity, specific allowances (loan)/average loan and per share data for the quarters are computed on an annualised basis

7/ Minority interests are not included as equity in the computation of net asset value and return on equity

NM Not Meaningful

First-quarter net profit of \$603 million was 2% below a year ago as higher net interest and fee incomes were offset by less favourable trading results. Compared to the previous quarter, net profit was 8% higher as gains from the sale of investment securities rose and allowances fell.

Loan demand continued to expand across the region, resulting in net interest income rising 9% from a year ago to \$1.06 billion, a level similar to the previous quarter. Net fee income rose 14% from a year ago as contributions from loan syndication increased, but fell 7% from the previous quarter due to lower capital market activities.

Trading activities recorded a net loss of \$161 million compared to a net loss of \$25 million in the previous quarter and a net gain of \$171 million a year ago. This quarter's gains from foreign exchange and other trading activities were more than offset by a previously-announced charge of \$86 million for Rosa as well as

marked-to-market losses on trading positions as credit spreads widened further.

Expenses were carefully managed and amounted to \$656 million, similar to a year ago and 1% higher than the previous quarter. The cost-income ratio was kept at the previous quarter's 42% and compared to the 43% a year ago.

Asset quality remained good, with the non-performing loan rate improving further to 1.0% from 1.1% in the previous quarter. Specific loan allowances of 13 basis points were within the range of recent quarters. General allowances were higher than the previous quarter in view of the strong loan growth this quarter. Nevertheless, total allowances of \$140 million were 23% below the previous quarter, when substantial allowances were made for collateralised debt obligations.

Return on equity of 11.6% was lower than the 13.0% a year ago but better than the 10.9% in the previous quarter. Return on assets was 0.99% compared with 1.21% a year ago and 0.96% in the previous quarter.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NET INTEREST INCOME

Average balance sheet	1st Qtr 2008			1st Qtr 2007			4th Qtr 2007		
	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)
Interest-bearing assets									
Customer loans	111,027	1,308	4.74	90,121	1,248	5.62	105,474	1,430	5.38
Interbank assets	38,219	258	2.72	34,765	301	3.51	39,260	312	3.16
Securities	54,256	581	4.31	52,923	575	4.40	53,984	609	4.48
Total	203,502	2,147	4.24	177,809	2,124	4.84	198,718	2,351	4.69
Interest-bearing liabilities									
Customer deposits	154,445	673	1.75	134,312	746	2.25	147,861	801	2.15
Other borrowings	39,979	417	4.19	34,236	404	4.79	42,725	491	4.56
Total	194,424	1,090	2.26	168,548	1,150	2.77	190,586	1,292	2.69
Net interest income/margin ^{1/}		1,057	2.09		974	2.21		1,059	2.11

Note:

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

The increase in net interest income from a year ago was due to a rise in asset volumes, particularly customer loans, which more than offset the impact of lower margins. Interest margins fell 12 basis points to 2.09% as spreads between asset yields and funding costs declined in both Singapore and Hong Kong.

Compared to the previous quarter, net interest income was little changed as a rise in asset volumes was offset by a two basis point decline in interest margins. Interest margins in Singapore were stable as lower asset yields were offset by lower deposit costs and a better deposit mix. In Hong Kong, where prime-Hibor spreads widened after narrowing for several quarters, interest margins fell due partly to a lag in the repricing of fixed deposit costs.

Volume and rate analysis (\$m)	1st Qtr 2008 versus 1st Qtr 2007			1st Qtr 2008 versus 4th Qtr 2007		
	Volume	Rate	Net change	Volume	Rate	Net change
Interest income						
Customer loans	289	(242)	47	74	(179)	(105)
Interbank assets	30	(75)	(45)	(8)	(43)	(51)
Securities	14	(13)	1	3	(23)	(20)
Total	333	(330)	3	69	(245)	(176)
Interest expense						
Customer deposits	112	(190)	(78)	36	(154)	(118)
Other borrowings	72	(62)	10	(43)	(25)	(68)
Total	184	(252)	(68)	(7)	(179)	(186)
Net impact on interest income	149	(78)	71	76	(66)	10
Due to change in number of days			12			(12)
Net Interest Income			83			(2)

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NET FEE AND COMMISSION INCOME

(\$m)	1st Qtr 2008	1st Qtr 2007	% chg	4th Qtr 2007	% chg
Stockbroking	50	53	(6)	67	(25)
Investment banking	29	29	0	36	(19)
Trade and remittances	52	48	8	56	(7)
Loan related	90	58	55	53	70
Guarantees	11	8	38	10	10
Deposit related	19	19	0	17	12
Credit card	31	27	15	35	(11)
Fund management	14	9	56	11	27
Wealth management	40	47	(15)	70	(43)
Others	17	11	55	24	(29)
Total	353	309	14	379	(7)

Net fee and commission income rose 14% from a year ago and was due mainly to a 55% increase in contributions from loan syndication. Most other fee activities were comparable to a year ago.

Against the previous quarter, net fee and commission income fell 7% as the improvement in loan syndication contributions was more than offset by slower capital market activities such as wealth management, stockbroking and investment banking.

OTHER NON-INTEREST INCOME

(\$m)	1st Qtr 2008	1st Qtr 2007 ^{1/}	% chg	4th Qtr 2007	% chg
Net trading (loss)/income	(161)	171	NM	(25)	(>100)
From trading businesses	(152)	169	NM	(26)	(>100)
From other businesses	(9)	2	NM	1	NM
Net income/(loss) from financial instruments designated at fair value	85	(46)	NM	4	>100
Net income on financial investments	211	124	70	104	>100
Net gain on fixed assets	3	2	50	-	NM
Others (include rental income)	15	8	88	12	25
Total	153	259	(41)	95	61

Note:

^{1/} Figures have been reclassified to make them consistent with the current quarter's presentation

Net trading income recorded a loss of \$161 million as trading gains and customer flows in foreign exchange and interest rate instruments were more than offset by an \$86 million loss for Rosa and marked-to-market losses on trading positions as credit spreads widened. In comparison, there had been a gain of \$171 million a year ago and a narrower loss of \$25 million in the previous quarter.

Net income from the sale of financial investments amounted to \$211 million as profits were recorded for the sale of equity and debt investments, including \$53 million received for DBS's holdings in Visa Inc, which had an initial public offering during the quarter. The gains were higher than the \$124 million a year ago and \$104 million in the previous quarter.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

EXPENSES

(\$m)	1st Qtr 2008	1st Qtr 2007	% chg	4th Qtr 2007	% chg
Staff	352	360	(2)	323	9
Occupancy	58	53	9	59	(2)
Computerisation	102	112	(9)	99	3
Revenue-related	34	25	36	37	(8)
Others	110	108	2	130	(15)
Total	656	658	-	648	1
Staff headcount at period-end	14,551	13,177	10	14,523	-

Included in the above table were:

Depreciation of properties and other fixed assets	34	32	6	32	6
Director's fees	1	#	NM	1	-
Audit fees payable	2	2	-	2	-

Amount under \$500,000

Expenses of \$656 million were little changed from a year ago as lower wage costs and computerisation charges were offset by higher revenue-related charges.

Compared to the previous quarter, costs rose 1% as higher base salaries and bonus accruals were largely offset by lower non-staff costs.

ALLOWANCES FOR CREDIT AND OTHER LOSSES

(\$m)	1st Qtr 2008	1st Qtr 2007	% chg	4th Qtr 2007	% chg
General allowances (GP)	90	102	(12)	66	36
Specific allowances (SP) for loans	37	1	>100	16	>100
Singapore	23	(18)	NM	(5)	NM
Hong Kong	15	19	(21)	15	-
Other countries	(1)	-	NM	6	NM
Specific allowances (SP) for securities, properties and other assets ^{1/}	13	2	>100	100	(87)
Total	140	105	33	182	(23)

Note:

1/ Excludes one-time items

Specific allowances for loans amounted to \$37 million or 13 basis points of average loans. While higher than both comparative periods, they were within the range of recent quarters. The charges in Singapore and Hong Kong were largely for corporate and SME loans.

Specific allowances for non-loan assets fell to \$13 million from \$100 million in the previous quarter, which had

included significant charges for collateralised debt obligations.

General allowances of \$90 million were made in view of the first quarter's loan growth, compared with \$102 million a year ago. General allowances were higher than the \$66 million in the previous quarter, which included allowances set aside for collateralised debt obligations.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

PERFORMANCE BY BUSINESS UNIT

(\$m)	CBG	EB	CIB	GFM	CTU	Central Ops	Total
Selected income items							
1st Qtr 2008							
Net interest income	326	190	206	325	130	(120)	1,057
Non-interest income	160	120	158	(20)	40	48	506
Expenses	255	94	98	132	13	64	656
Allowances for credit and other losses	5	15	76	23	13	8	140
Profit before tax	226	201	190	152	144	(123)	790
4th Qtr 2007 ^{1/}							
Net interest income	418	202	218	276	98	(153)	1,059
Non-interest income	187	97	38	25	12	115	474
Expenses	289	105	126	155	5	(32)	648
Allowances for credit and other losses	4	21	48	-	194	(85)	182
Profit before tax	312	173	82	148	(89)	109	735
1st Qtr 2007							
Net interest income	450	194	158	180	62	(70)	974
Non-interest income	144	118	192	68	18	28	568
Expenses	266	91	88	128	11	74	658
Allowances for credit and other losses	9	18	43	1	-	34	105
Profit before tax	319	203	219	124	69	(129)	805
Selected balance sheet and other items							
31 Mar 2008							
Total assets before goodwill	32,874	23,876	64,119	91,445	28,734	4,564	245,612
Total liabilities	85,003	21,383	35,181	58,315	1,837	26,277	227,996
Capital expenditure for 1st Qtr 2008	5	2	1	1	-	5	14
Depreciation for 1st Qtr 2008	7	1	1	3	-	22	34
31 Dec 2007							
Total assets before goodwill	32,148	22,738	56,569	84,444	27,930	3,920	227,749
Total liabilities	83,171	21,311	30,733	47,667	1,458	26,093	210,433
Capital expenditure for 4th Qtr 2007	27	1	3	4	-	42	77
Depreciation for 4th Qtr 2007	6	1	2	3	-	20	32
31 Mar 2007							
Total assets before goodwill	31,018	20,956	45,097	75,205	28,698	3,107	204,081
Total liabilities	77,803	19,697	23,438	42,141	1,384	23,681	188,144
Capital expenditure for 1st Qtr 2007	13	-	2	9	-	6	30
Depreciation for 1st Qtr 2007	6	1	1	3	-	21	32

Note:

^{1/} Allowances for credit and other losses and profits exclude one-time items

Consumer Banking's (CBG) net interest income fell from both the previous quarter and a year ago as lower deposit margins in Singapore more than offset higher loan and deposit volumes. Non-interest income fell from the previous quarter due to a decline in wealth management product sales. Expenses were lower than both comparative periods due to lower operating costs, while wage costs were stable. Specific and general allowances remained low during the quarter.

Enterprise Banking's (EB) net interest income fell from the previous quarter as higher loan and deposit volumes were more than offset by lower deposit margins. The increase in non-interest income from the previous quarter was due to higher sales of treasury products. Expenses were lower than the previous quarter due to lower operating costs. Against both comparative periods, specific allowances were lower while general allowances rose.

Corporate and Investment Banking's (CIB) net interest income was lower than the previous quarter as higher loan and deposit volumes were more than offset by a decline in interest margins. Compared to a year ago, interest income rose due to loan and deposit volume growth. Non-interest income was lower than a year

ago, when there were higher gains from the sale of equity investments. Non-interest income improved from the previous quarter, which included losses for Rosa. Expenses fell from the previous quarter due to lower operating costs. Allowances were higher than both comparative periods due to increased general allowances.

Global Financial Markets' (GFM) net interest income rose from both comparative periods. Non-interest income recorded a loss due to wider credit spreads and an \$86 million charge for Rosa, which were only partially offset by higher gains from the sale of securities.

Central Treasury Unit (CTU) manages the Group's asset and liability interest rate positions as well as investments of the Group's excess liquidity. Allowances declined from the previous quarter, when charges were made for investment CDOs with exposures to US sub-prime mortgages.

Central Operations encompasses a range of activities from corporate decisions and income and expenses not attributed to other business segments. Asset management and private banking activities are included in this segment.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

PERFORMANCE BY GEOGRAPHY

(\$m)	S'pore	Hong Kong	Rest of Greater China	South and South-east Asia	Rest of world	Total
Selected income items						
1st Qtr 2008						
Net interest income	721	225	41	41	29	1,057
Non-interest income	247	177	36	40	6	506
Expenses	401	173	34	34	14	656
Allowances for credit and other losses	97	19	12	7	5	140
Profit before tax	473	210	33	58	16	790
4th Qtr 2007 ^{1/}						
Net interest income	706	251	35	44	23	1,059
Non-interest income	260	156	26	18	14	474
Expenses	371	189	30	41	17	648
Allowances for credit and other losses	112	27	13	22	8	182
Profit before tax	486	191	24	22	12	735
1st Qtr 2007						
Net interest income	648	271	17	22	16	974
Non-interest income	343	135	28	52	10	568
Expenses	428	170	21	27	12	658
Allowances for credit and other losses	59	22	-	6	18	105
Profit before tax	511	214	24	60	(4)	805
Total assets before goodwill						
31 Mar 2008	165,837	47,670	11,667	8,817	11,621	245,612
31 Dec 2007	149,462	47,664	10,905	8,199	11,519	227,749
31 Mar 2007	133,324	45,960	7,944	6,142	10,711	204,081

Note:

^{1/} Allowances for credit and other losses and profits exclude one-time items

Singapore

Net interest income was higher than both comparative periods as loans and deposits in Singapore expanded. Non-interest income was lower than the previous quarter due to a decline in capital market activities. It was lower than a year ago due to losses for Rosa.

Expenses were higher than the previous quarter due to higher wage costs.

Allowances were lower than the previous quarter as the impact of charges for CDOs in the previous quarter was partially offset by higher general allowances. Allowances were higher than a year ago due to charges for specific allowances compared to a write-back in first quarter 2007.

Hong Kong

The first quarter's results incorporate an appreciation of the Singapore dollar against the Hong Kong dollar of 4% from the previous quarter and 8% from a year ago.

Net interest income was below both comparative periods as higher loan volumes were more than offset by a decline in interest margins.

Non-interest income was higher than a year ago as well as the previous quarter from higher sales of treasury products for SME customers.

Expenses fell from the previous quarter due to lower operating costs. Allowances were lower than the previous quarter due to lower general allowances.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CUSTOMER LOANS ^{1/}

(\$m)	31 Mar 2008	31 Dec 2007	31 Mar 2007
Gross	115,660	109,774	95,785
Less:			
Specific allowances	437	436	532
General allowances	996	905	959
Net total	114,227	108,433	94,294
By business unit			
Consumer Banking	31,116	31,213	30,196
Enterprise Banking	22,343	22,334	20,915
Corporate and Investment Banking	55,572	48,940	38,757
Others	6,629	7,287	5,917
Total (Gross)	115,660	109,774	95,785
By geography			
Singapore	67,294	62,019	52,585
Hong Kong	29,423	29,141	28,647
Rest of Greater China	6,916	6,371	4,770
South and South-east Asia	5,198	4,737	3,546
Rest of the world	6,829	7,506	6,237
Total (Gross)	115,660	109,774	95,785
By industry			
Manufacturing	15,457	14,469	12,512
Building and construction	14,403	13,004	10,700
Housing loans	26,581	26,306	25,776
General commerce	11,057	10,042	8,852
Transportation, storage & communications	11,511	11,169	9,249
Financial institutions, investment & holding companies	14,236	13,919	12,703
Professionals & private individuals (except housing loans)	10,022	9,758	8,693
Others	12,393	11,107	7,300
Total (Gross)	115,660	109,774	95,785
By currency and fixed/variable pricing			
Singapore dollar	45,902	42,675	38,066
Fixed rates	11,769	10,597	8,694
Floating or adjustable rates	34,133	32,078	29,372
Hong Kong dollar	26,344	26,012	26,592
Fixed rates	608	614	700
Floating or adjustable rates	25,736	25,398	25,892
US dollar	27,406	25,595	17,542
Fixed rates	1,992	1,595	242
Floating or adjustable rates	25,414	24,000	17,300
Others	16,008	15,492	13,585
Fixed rates	2,711	2,858	1,298
Floating or adjustable rates	13,297	12,634	12,287
Total (Gross)	115,660	109,774	95,785

Note:

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

Gross customer loans expanded 5% from the previous quarter to \$115.7 billion. While loans rose in most regions, the first quarter's growth was led by corporate borrowing in Singapore for domestic and overseas activities. Singapore

housing loans also grew during the quarter. In Hong Kong, loans rose 5% in local-currency terms from the previous quarter as both SME and housing loans increased.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NON-PERFORMING ASSETS AND LOSS ALLOWANCE COVERAGE ^{1/}

By business unit	NPA (\$m)	SP (\$m)	GP (\$m)	NPL (% of loans)	(GP+SP)/NPA (%)	(GP+SP)/ unsecured NPA (%)
31 Mar 2008						
Consumer Banking	229	62	311	0.7	163	379
Enterprise Banking	671	324	220	3.0	81	159
Corporate and Investment Banking	226	54	555	0.4	269	409
Others	62	53	(32)	0.9	34	41
Total non-performing loans (NPL)	1,188	493	1,054	1.0	130	242
Debt securities	167	160	182	-	205	212
Contingent liabilities	109	7	130	-	125	344
Total non-performing assets (NPA)	1,464	660	1,366	-	138	241
31 Dec 2007						
Consumer Banking	238	65	312	0.8	158	368
Enterprise Banking	690	342	220	3.1	82	154
Corporate and Investment Banking	178	50	489	0.4	302	641
Others	62	34	(41)	0.9	(10)	(13)
Total non-performing loans (NPL)	1,168	491	980	1.1	126	246
Debt securities	160	152	192	-	215	224
Contingent liabilities	114	9	120	-	113	304
Total non-performing assets (NPA)	1,442	652	1,292	-	135	245
31 Mar 2007						
Consumer Banking	318	88	301	1.1	122	284
Enterprise Banking	730	363	206	3.5	78	145
Corporate and Investment Banking	282	124	386	0.7	181	366
Others	70	26	107	1.2	190	538
Total non-performing loans ("NPL")	1,400	601	1,000	1.5	114	231
Debt securities	37	16	76	-	249	565
Contingent liabilities	23	8	126	-	571	1,147
Total non-performing assets ("NPA")	1,460	625	1,202	-	125	254

Note:

1/ Allowances for credit and other losses exclude one-time items

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

By geography	NPA (\$m)	SP (\$m)	GP (\$m)	NPL (% of loans)	(GP+SP)/NPA (%)	(GP+SP)/ unsecured NPA (%)
31 Mar 2008						
Singapore	494	227	425	0.8	132	255
Hong Kong	419	186	284	1.5	112	202
Rest of Greater China	76	28	94	0.9	159	438
South and South-east Asia	65	42	137	0.8	275	339
Rest of the World	134	10	114	1.2	93	173
Total non-performing loans	1,188	493	1,054	1.0	130	242
Debt securities	167	160	182	-	205	212
Contingent liabilities	109	7	130	-	125	344
Total non-performing assets	1,464	660	1,366	-	138	241
31 Dec 2007						
Singapore	533	237	414	1.0	122	244
Hong Kong	418	174	284	1.5	109	190
Rest of Greater China	80	28	87	1.0	144	463
South and South-east Asia	71	41	116	0.9	221	281
Rest of the World	66	11	79	0.5	137	849
Total non-performing loans	1,168	491	980	1.1	126	246
Debt securities	160	152	192	-	215	224
Contingent liabilities	114	9	120	-	113	304
Total non-performing assets	1,442	652	1,292	-	135	245
31 Mar 2007						
Singapore	780	332	465	1.7	102	221
Hong Kong	361	161	291	1.3	125	233
Rest of Greater China	67	20	63	1.2	124	389
South and South-east Asia	111	63	79	2.0	127	172
Rest of the World	81	25	102	0.9	157	380
Total non-performing loans	1,400	601	1,000	1.5	114	231
Debt securities	37	16	76	-	249	565
Contingent liabilities	23	8	126	-	571	1,147
Total non-performing assets	1,460	625	1,202	-	125	254

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

By industry (\$m)	31 Mar 2008		31 Dec 2007		31 Mar 2007	
	NPA	SP	NPA	SP	NPA	SP
Manufacturing	328	156	336	160	278	155
Building and construction	73	18	69	19	80	39
Housing loans	145	32	152	35	197	51
General commerce	273	138	286	143	333	151
Transportation, storage & communications	8	4	21	5	25	12
Financial institutions, investment & holding companies	114	9	54	8	170	47
Professionals & private individuals (except housing loans)	127	56	126	55	173	63
Others	120	80	124	66	144	83
Total non-performing loans	1,188	493	1,168	491	1,400	601
Debt securities	167	160	160	152	37	16
Contingent liabilities	109	7	114	9	23	8
Total non-performing assets	1,464	660	1,442	652	1,460	625

By loan classification (\$m)	31 Mar 2008		31 Dec 2007		31 Mar 2007	
	NPA	SP	NPA	SP	NPA	SP
Non-performing assets						
Substandard	846	63	845	73	890	69
Doubtful	373	351	338	319	215	201
Loss	245	246	259	260	355	355
Total	1,464	660	1,442	652	1,460	625
Restructured assets						
Substandard	171	22	168	27	200	25
Doubtful	30	27	25	23	52	49
Loss	37	37	38	38	43	43
Total	238	86	231	88	295	117

By collateral type (\$m)	31 Mar 2008	31 Dec 2007	31 Mar 2007
	NPA	NPA	NPA
Unsecured non-performing assets	842	794	720
Secured non-performing assets by collateral type			
Properties	385	376	497
Shares and debentures	19	24	53
Fixed deposits	9	13	39
Others	209	235	151
Total	1,464	1,442	1,460

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

By period overdue

(\$m)	31 Mar 2008	31 Dec 2007	31 Mar 2007
	NPA	NPA	NPA
Not overdue	559	542	332
<90 days overdue	284	255	297
91-180 days overdue	108	94	160
>180 days overdue	513	551	671
Total	1,464	1,442	1,460

Non-performing loans (NPLs) fell 15% from a year ago but rose 2% from the previous quarter to \$1.19 billion on an expanded loan base. The NPL rate fell to 1.0% from 1.5% a year ago and 1.1% in the previous quarter. NPL rates for all regions and businesses were either better than or similar to the previous quarter except for Rest of the World.

Including debt securities and contingent liabilities, the amount of non-performing assets was similar to a year ago and rose 2% from the previous quarter to \$1.46 billion. Two-fifths of these non-performing assets were still current in their payments.

Allowance coverage amounted to 138% compared to 135% in the previous quarter and 125% a year ago.

FUNDING SOURCES

(\$m)	31 Mar 2008	31 Dec 2007	31 Mar 2007
Customer deposits ^{1/}	157,379	153,572	136,443
Interbank liabilities ^{2/}	21,376	16,481	12,205
Other borrowings and liabilities ^{2/}	51,848	43,057	41,843
Shareholders' funds	20,850	20,481	19,430
Total	251,453	233,591	209,921

Notes:

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

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

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CUSTOMER DEPOSITS ^{1/}

(\$m)	31 Mar 2008	31 Dec 2007	31 Mar 2007
By currency and product			
Singapore dollar	88,440	84,099	74,591
Fixed deposits	27,523	27,708	23,286
Savings accounts	49,772	46,622	42,334
Current accounts	10,512	9,258	8,440
Others	633	511	531
Hong Kong dollar	22,706	24,775	23,493
Fixed deposits	15,402	17,302	16,751
Savings accounts	4,618	4,556	4,254
Current accounts	1,904	1,935	1,769
Others	782	982	719
US dollar	27,489	28,507	25,918
Fixed deposits	18,688	20,375	19,214
Savings accounts	1,791	1,849	1,647
Current accounts	4,772	3,976	3,284
Others	2,238	2,307	1,773
Others	18,744	16,191	12,441
Fixed deposits	13,653	13,152	10,724
Savings accounts	683	778	532
Current accounts	2,164	1,477	812
Others	2,244	784	373
Total	157,379	153,572	136,443
Fixed deposits	75,266	78,537	69,975
Savings accounts	56,864	53,805	48,767
Current accounts	19,352	16,646	14,305
Others	5,897	4,584	3,396

Note:

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

Customer deposits rose 2% from the previous quarter. Singapore-dollar deposits grew 5% with all of the increase coming from savings and current accounts as fixed deposits declined slightly during the quarter.

Hong Kong-dollar deposits fell 4% in local-currency terms during the quarter due to a decline in fixed deposits. US-dollar deposits also declined due to a reduction in fixed deposits.

OTHER BORROWINGS & LIABILITIES

(\$m)	31 Mar 2008	31 Dec 2007	31 Mar 2007
Subordinated term debts ^{1/}	8,704	8,954	6,293
Other debt securities in issue			
Due within 1 year	974	960	4,038
Due after 1 year	366	239	294
Comprising:			
Secured ^{2/}	425	369	3,124
Unsecured	915	830	1,208
Others	41,804	32,904	31,218
Total	51,848	43,057	41,843

Notes:

^{1/} All subordinated term debts issued are unsecured and due after 1 year

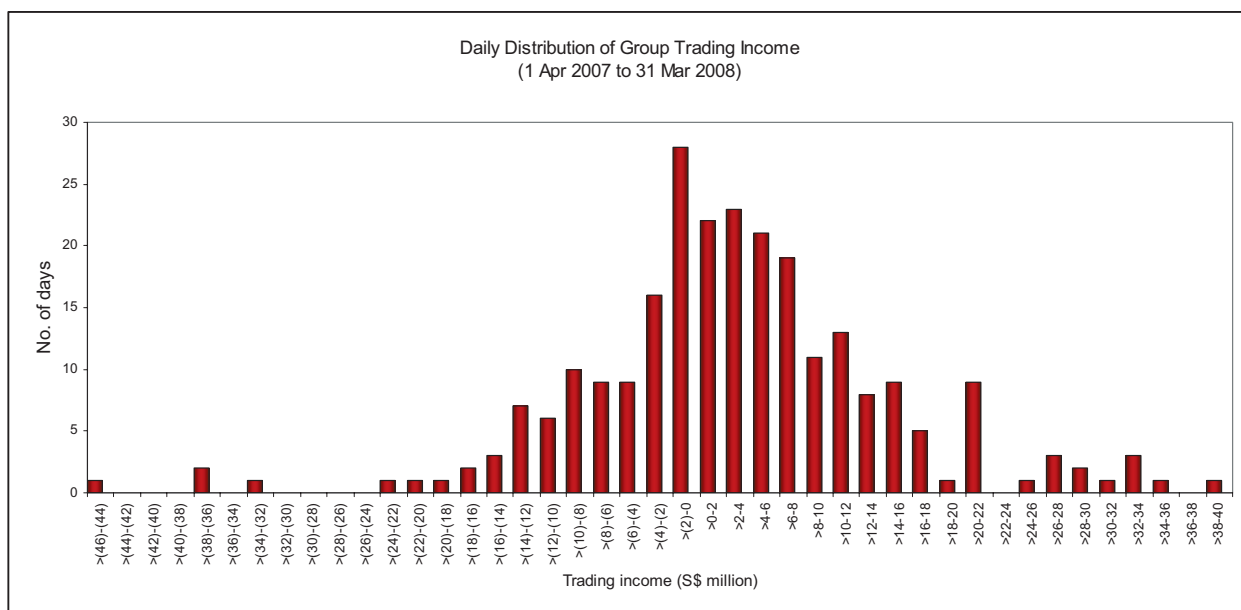
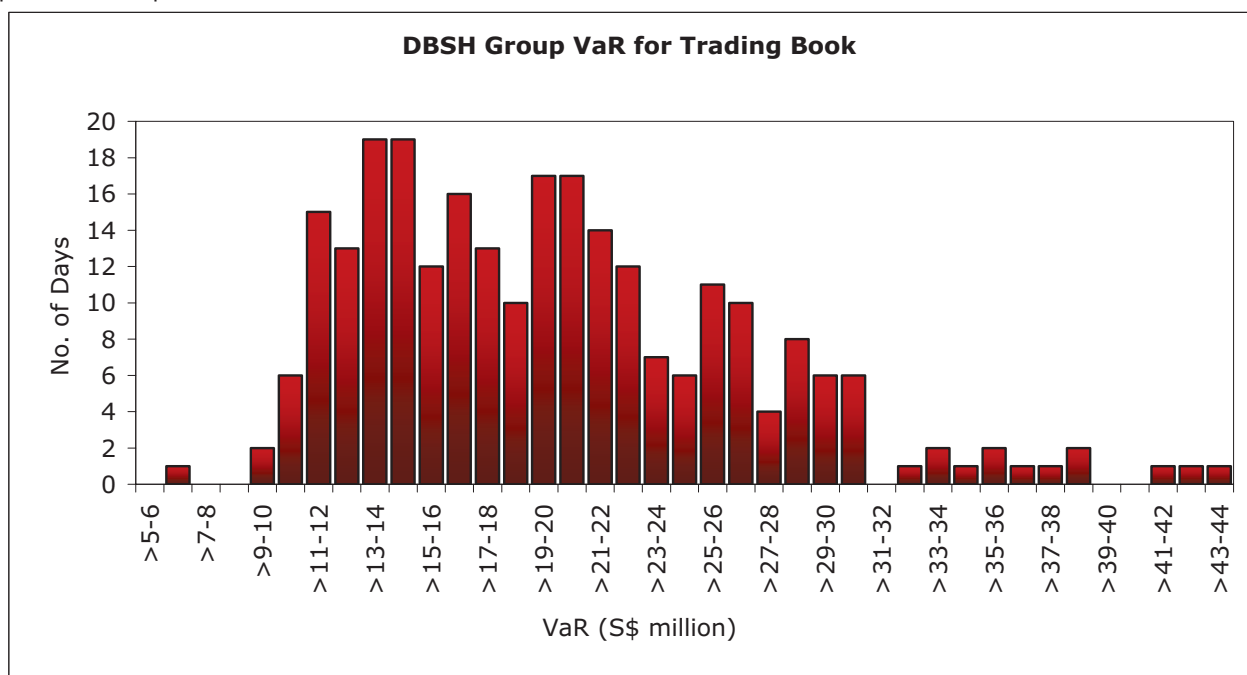
^{2/} These are mainly secured by properties and securities

VALUE AT RISK AND TRADING INCOME

The Group uses a Value at Risk (VaR) measure as one mechanism for monitoring and controlling trading risk. The VaR is calculated using a one-day time horizon and a 99% confidence interval. The following table shows the period-end, average, high and low VaR for the trading risk exposure of the Group for the period from 1 April 2007 to 31 March 2008. The Group's trading book VaR methodology is based on Historical Simulation VaR.

(\$m)	As at 31 March 2008	1 April 2007 to 31 March 2008		
		Average	High	Low
Total	31	20	43	7

The charts below provide the range of VaR and the daily distribution of trading income in the trading portfolio for the period from 1 April 2007 to 31 March 2008.



DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CAPITAL ADEQUACY

(\$m)	31 Mar 2008	31 Dec 2007 ^{1/}	31 Mar 2007 ^{1/}
Tier 1			
Share capital	4,178	4,164	4,094
Disclosed reserves and others	18,289	18,092	16,833
Less: Tier 1 Deductions	(5,999)	(5,897)	(5,879)
Eligible Tier 1	16,468	16,359	15,048
Tier 2			
Loan allowances admitted as Tier 2	583	1,210	1,127
Subordinated debts	6,890	7,087	4,998
Revaluation surplus from equity securities	100	177	240
Less: Tier 2 Deductions	(114)	(102)	(43)
Total eligible capital	23,927	24,731	21,370
Risk-weighted assets	178,678	184,601	156,991
Capital adequacy ratio (%)			
Tier 1 ratio	9.2	8.9	9.6
Tier 2 ratio	4.2	4.5	4.0
Total (Tier 1 & 2) ratio	13.4	13.4	13.6

Note:

^{1/} Figures have been reclassified to make them consistent with the current quarter's presentation

In 2007, the Monetary Authority of Singapore (MAS) approved the Group's application to adopt the Basel II Internal Ratings-Based Approach (IRBA), with effect from 1 January 2008, for computing part of its regulatory capital requirements. The approved wholesale portfolios are on the Foundation IRBA, while the approved retail portfolios are on the Advanced IRBA. The Group's capital adequacy ratio for 31 March 2008 is computed on this basis and in accordance with MAS Notice 637 which took effect on 1 January 2008. The capital adequacy ratios for 31 December 2007 and 31 March 2007 are computed in accordance with the preceding MAS Notice 637 that was first issued on 28 May 2004.

The adoption of IRBA for the approved portfolios has resulted in a better alignment of capital requirements with their inherent risk profiles, with reductions in risk weights observed for top-tier corporates as well as housing loans. At the same time, additional capital has been set aside for operational risk and certain trading instruments.

The Group will continue to evaluate the risk and return profiles for its risk-weighted assets to ensure that adequate capital is maintained in tandem with the Group's risk appetite and optimally allocated for maximum returns. For this purpose, management will also be guided by ongoing efforts to manage its portfolio of businesses along economic capital principles.

UNREALISED VALUATION SURPLUS/(LOSSES)

(\$m)	31 Mar 2008	31 Dec 2007	31 Mar 2007
Properties	677	650	384
Financial investments	(29)	43	25
Total	648	693	409

The amount of unrealised valuation surplus for properties rose from the previous quarter as market valuations improved, while the valuation surplus for financial investments fell.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Unaudited Consolidated Income Statement

In \$ millions	1st Qtr 2008	1st Qtr 2007 ^{1/}	+ / (-) %	4th Qtr 2007	+ / (-) %
Income					
Interest income	2,147	2,124	1	2,352	(9)
Interest expense	1,090	1,150	(5)	1,293	(16)
Net interest income	1,057	974	9	1,059	-
Net fee and commission income	353	309	14	379	(7)
Net trading income	(161)	171	NM	(25)	(>100)
Net income from financial instruments designated at fair value	85	(46)	NM	4	>100
Net income from financial investments	211	124	70	104	>100
Other income	18	10	80	12	50
Total income	1,563	1,542	1	1,533	2
Expenses					
Employee benefits	352	360	(2)	323	9
Depreciation of properties and other fixed assets	34	32	6	32	6
Other expenses	270	266	2	293	8
Allowances for credit and other losses	140	105	33	249	(44)
Total expenses	796	763	4	897	(11)
Profit	767	779	(2)	636	21
Share of profits of associates	23	26	(12)	32	(28)
Profit before tax	790	805	(2)	668	18
Income tax expense	151	152	(1)	140	8
Net profit	639	653	(2)	528	21
Attributable to:					
Shareholders	603	617	(2)	491	23
Minority interests	36	36	-	37	(3)
	639	653	(2)	528	21

Note:
1/ Figures have been reclassified to make them consistent with the current quarter's presentation

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Unaudited Balance Sheets

In \$ millions	GROUP			COMPANY		
	31 Mar 2008	31 Dec 2007 ^{1/}	31 Mar 2007	31 Mar 2008	31 Dec 2007 ^{1/}	31 Mar 2007
ASSETS						
Cash and balances with central banks	13,274	18,564	10,570			
Singapore Government securities and treasury bills	17,604	15,433	15,333			
Due from banks	26,874	23,304	22,872			
Financial assets at fair value through profit or loss ^{2/}	17,675	19,543	20,042			
Positive replacement values	23,053	13,119	8,516			
Loans and advances to customers	113,624	106,344	92,568			
Financial investments	21,264	19,182	23,656			
Securities pledged	2,345	4,115	3,299			
Subsidiaries	-	-	-	6,758	6,748	6,977
Investments in associates	656	715	597			
Goodwill on consolidation	5,841	5,842	5,840			
Properties and other fixed assets	1,490	1,534	1,446			
Deferred tax assets	21	25	18			
Other assets	7,732	5,871	5,164			
TOTAL ASSETS	251,453	233,591	209,921	6,758	6,748	6,977
LIABILITIES						
Due to banks	20,590	15,464	11,165			
Due to non-bank customers	150,558	145,368	126,913			
Financial liabilities at fair value through profit or loss ^{3/}	15,062	18,242	21,898			
Negative replacement values	22,534	12,554	8,257			
Bills payable	499	380	497			
Current tax liabilities	925	882	830			
Deferred tax liabilities	97	172	119			
Other liabilities	7,687	7,218	7,840	4	7	6
Other debt securities in issue	1,340	1,199	4,332			
Subordinated term debts	8,704	8,954	6,293			
TOTAL LIABILITIES	227,996	210,433	188,144	4	7	6
NET ASSETS	23,457	23,158	21,777	6,754	6,741	6,971
EQUITY						
Share capital	4,178	4,164	4,094	4,178	4,164	4,094
Treasury shares	(105)	(102)	(111)	(30)	(27)	-
Other reserves	7,435	7,680	7,298	37	37	53
Revenue reserves	9,342	8,739	8,149	2,569	2,567	2,824
SHAREHOLDERS' FUNDS	20,850	20,481	19,430	6,754	6,741	6,971
Minority interests	2,607	2,677	2,347	-	-	-
TOTAL EQUITY	23,457	23,158	21,777	6,754	6,741	6,971
OFF BALANCE SHEET ITEMS						
Contingent liabilities	15,284	14,656	12,984			
Commitments	86,509	92,305	87,880			
Financial derivatives	1,937,019	1,816,007	1,636,225			
OTHER INFORMATION						
Net asset value per ordinary share (\$)						
(i) Based on existing ordinary share capital				4.39	4.39	4.56
(ii) Assuming conversion of outstanding preference shares to ordinary shares				4.26	4.25	4.45

Notes:

1/ Audited

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

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

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Unaudited Consolidated Statement of Changes in Equity

GROUP							
In \$ millions	Ordinary shares	Convertible preference shares	Treasury shares	Other reserves	Revenue reserve	Minority interests	Total equity
Balance at 1 January 2008	4,098	66	(102)	7,680	8,739	2,677	23,158
Exercise of share options	14						14
Net exchange translation adjustments and others				(15)		(64)	(79)
Share of associates' reserves				(19)			(19)
Cost of share-based payments				5			5
Share buyback during the period			(3)				(3)
Available-for-sale investments/Cash flow hedge:							
- Net valuation taken to equity				(97)			(97)
- Transferred to income statement on sale				(193)			(193)
- Tax on items taken directly to or transferred from equity				74			74
Net profit for the period					603	36	639
Dividends paid to minority interests						(41)	(41)
Change in minority interests						(1)	(1)
Balance at 31 March 2008	4,112	66	(105)	7,435	9,342	2,607	23,457
Balance at 1 January 2007	3,976	66	(111)	7,182	7,562	2,371	21,046
Exercise of share options	52						52
Net exchange translation adjustments				(9)		(15)	(24)
Share of associates' reserves				2			2
Cost of share-based payments				(25)			(25)
Available-for-sale investments/Cash flow hedge:							
- Net valuation taken to equity				148			148
- Transferred to income statement on sale				(45)			(45)
- Tax on items taken directly to or transferred from equity				15			15
Net profit for the period					617	36	653
Appropriation from income statement ^{1/}				30	(30)		-
Dividends paid to minority interests						(45)	(45)
Balance at 31 March 2007	4,028	66	(111)	7,298	8,149	2,347	21,777

Note:

1/ Includes appropriation from prior year's net profit

Unaudited Statement of Changes in Equity

COMPANY						
In \$ millions	Ordinary shares	Convertible preference shares	Other reserves	Treasury Shares	Revenue reserve	Total equity
Balance at 1 January 2008	4,098	66	37	(27)	2,567	6,741
Exercise of share options	14					14
Net profit for the period					2	2
Share buyback during the period				(3)		(3)
Balance at 31 March 2008	4,112	66	37	(30)	2,569	6,754
Balance at 1 January 2007	3,976	66	53	-	2,824	6,919
Exercise of share options	52					52
Balance at 31 March 2007	4,028	66	53	-	2,824	6,971

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Unaudited Consolidated Cash Flow Statement

In \$ millions	1st Qtr 2008	1st Qtr 2007
Cash flows from operating activities		
Profit before tax	790	805
<i>Adjustments for non-cash items:</i>		
Allowances for credit and other losses	140	105
Depreciation of properties and other fixed assets	34	32
Share of profits of associates	(23)	(26)
Net gain on disposal of properties and other fixed assets	(3)	(2)
Net gain on disposal of financial investments	(211)	(124)
Profit before changes in operating assets & liabilities	727	790
<i>Increase/(Decrease) in:</i>		
Due to banks	5,126	3,302
Due to non-bank customers	5,190	4,821
Financial liabilities at fair value through profit or loss	(3,180)	2,190
Other liabilities including bills payable	10,223	784
Debt securities and borrowings	242	649
<i>(Increase)/Decrease in:</i>		
Change in restricted balances with central banks	(379)	160
Singapore Government securities and treasury bills	(2,123)	(2,065)
Due from banks	(3,568)	2,401
Financial assets at fair value through profit or loss	1,852	(3,828)
Loans and advances to customers	(7,424)	(7,499)
Financial investments	(2,155)	(1,177)
Other assets	(10,042)	(1,434)
Tax paid	(105)	(89)
Net cash (used in) operating activities (1)	(5,616)	(995)
Cash flows from investing activities		
Dividends from associates	35	33
Purchase of properties and other fixed assets	(14)	(30)
Proceeds from disposal of properties and other fixed assets	2	23
Acquisition of interest in associates	-	(4)
Net cash generated from investing activities (2)	23	22
Cash flows from financing activities		
Increase in share capital and share premium	14	52
Dividends paid to minority interests	(41)	(45)
Net cash (used in)/ generated from financing activities (3)	(27)	7
Exchange translation adjustments (4)	(17)	(7)
Net change in cash and cash equivalents (1)+(2)+(3)+(4)	(5,637)	(973)
Cash and cash equivalents at 1 January	22,273	15,118
Cash and cash equivalents at 31 March	16,636	14,145

Additional Information

ISSUANCE OF ORDINARY SHARES

- (a) The movement in the number of issued and fully paid-up ordinary shares for the year ended 31 March 2008 is as follows:

At 1 January 2008	1,517,786,862
Exercise of share options pursuant to the DBSH Share Option Plan	1,050,340
At 31 March 2008	1,518,837,202

Weighted average number of shares for 1st quarter 2008	
- ordinary shares	1,518,194,461
- fully diluted	1,587,577,252

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

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

(Number)	<u>31 Mar 2008</u>	<u>31 Dec 2007</u>	<u>31 Mar 2007</u>
Conversion of non-voting CPS	120,436	120,436	120,436
Conversion of non-voting redeemable CPS	66,475,374	66,475,374	66,475,374
Exercise of share options	16,674,753	17,776,673	21,627,177

- (c) The movement in the number of treasury shares for the quarter ended 31 March 2008 is as follows:

At 1 January 2008	4,933,401
Share buyback	189,000
At 31 March 2008	5,122,401

ADOPTION OF NEW OR REVISED FRS AND INT FRS

INT FRS 111: FRS 102 – Group and Treasury Share Transactions

INT FRS 111 provides clarification on circumstances when a share-based arrangement should be accounted for as an equity-settled or a cash-settled transaction. It also addresses the accounting for share-based payment transactions involving two or more entities within the Group. There is no material impact on the Group's financial statements arising from this new INT FRS.

INT FRS 114: FRS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

INT FRS 114 provides guidance on when refunds or reductions in future economic contributions for employee defined benefits should be regarded as available and how a minimum funding requirement might affect the availability of reductions in future contributions. It also explains how a minimum funding requirement may give rise to a liability. There is no material impact on the Group's financial statements arising from this new INT FRS.

CONFIRMATION BY THE BOARD

We, Koh Boon Hwee and Frank Wong Kwong Shing, being two directors of DBS Group Holdings Ltd ("the Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the First Quarter ended 31 March 2008 Unaudited Financial Results of the Company and of the Group to be false or misleading in any material aspect.

On behalf of the board of directors



Koh Boon Hwee
Chairman



Frank Wong Kwong Shing
Chief Operating Officer

6 May 2008
Singapore

REGISTERED OFFICE OF THE ISSUER

c/o Maples Corporate Services Limited
PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

CORRESPONDENCE OFFICE OF THE ISSUER

c/o DBS Bank Ltd.
6 Shenton Way #15-00
DBS Building Tower One
Singapore 068809

GUARANTOR

DBS Bank Ltd.
6 Shenton Way #15-00
DBS Building Tower One
Singapore 068809

REGISTRAR, PAYING AGENT AND CALCULATION AGENT

DBS Bank Ltd.
6 Shenton Way #14-01
DBS Building Tower One
Singapore 068809

TRUSTEE

The Bank of New York
101 Barclay Street
21st Floor West
New York, NY 10286
United States of America

SOLE LEAD MANAGER AND BOOKRUNNER

DBS Bank Ltd.
6 Shenton Way #35-00
DBS Building Tower One
Singapore 068809

CO-MANAGERS

Goldman Sachs (Singapore) Pte.
1 Raffles Link # 07-01 South Lobby
Singapore 039393

J.P. Morgan (S.E.A.) Limited
168 Robinson Road 17th Floor Capital Tower
Singapore 068912

LEGAL ADVISORS TO THE ISSUER AND GUARANTOR

As to Singapore law

Allen & Gledhill LLP
One Marina Boulevard, #28-00
Singapore 018989

As to Cayman Islands law

Maples and Calder
53rd Floor The Center
99 Queen's Road Central
Hong Kong