

OFFER INFORMATION STATEMENT DATED 31 DECEMBER 2008

(Lodged with the Monetary Authority of Singapore on 31 December 2008)

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER.

A copy of this Offer Information Statement (as defined herein) has been lodged with the Monetary Authority of Singapore (“**Authority**”). The Authority assumes no responsibility for the contents of this Offer Information Statement. Lodgment of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act, Chapter 289 of Singapore (“**Securities and Futures Act**”), or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Rights Shares (as defined herein) being offered for investment.

In-principle approval has been obtained from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the listing and quotation of the Rights Shares on the Main Board of the SGX-ST subject to certain conditions. The Rights Shares will be admitted to the Official List of the SGX-ST and official quotation will commence after the certificates for the Rights Shares have been issued and despatched to The Central Depository (Pte) Limited (“**CDP**”). The SGX-ST assumes no responsibility for the correctness or accuracy of any of the statements made, reports contained and opinions expressed in this Offer Information Statement. In-principle approval granted by the SGX-ST for the listing and quotation of the Rights Shares on the Main Board of the SGX-ST is not to be taken as an indication of the merits of DBS Group Holdings Ltd (“**Company**”), its subsidiaries (together with the Company, the “**Group**”), the Shares (as defined herein), the Rights Issue (as defined herein), the “nil-paid” Rights (as defined herein) or the Rights Shares.

This Offer Information Statement may not be sent to any person or any jurisdiction in which it would not be permissible to deliver the “nil-paid” Rights or make an offer of the Rights Shares, and the “nil-paid” Rights and the Rights Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, to any such person or in any such jurisdiction. The “nil-paid” Rights and the Rights Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“**Securities Act**”), or under the securities laws of any state of the United States and, accordingly, they may not be offered, sold, resold, granted, delivered, allotted, taken up, transferred or renounced, directly or indirectly, in the United States or to U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act. The “nil-paid” Rights and the Rights Shares are being offered and sold only (1) outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act, and (2) may be offered and sold in the United States to a limited number of persons, whom the Company reasonably believes to be “qualified institutional buyers” within the meaning of Rule 144A of the Securities Act (“**QIBs**”) and who have provided to the Company (and which the Company has accepted) a signed investor representation letter in the form attached hereto as Appendix I not later than the date of the commencement of trading of “nil-paid” Rights on the SGX-ST (or such other date as may be agreed by the Company with the Underwriters), in transactions exempt from registration requirements of the Securities Act. Please refer to the Section entitled “**Transfer and Selling Restrictions**” of this Offer Information Statement.

No Rights Shares shall be allotted or allocated on the basis of this Offer Information Statement later than six months after the date of lodgment of this Offer Information Statement.



DBS GROUP HOLDINGS LTD

(Registration No. 199901152M)
(Incorporated in the Republic of Singapore on 9 March 1999)

RENOUNCEABLE UNDERWRITTEN RIGHTS ISSUE (“RIGHTS ISSUE”) OF 760,480,229 NEW SHARES (“RIGHTS SHARES”) AT AN ISSUE PRICE OF S\$5.42 FOR EACH RIGHTS SHARE, ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO SHARES (1 FOR 2) HELD BY SHAREHOLDERS (AS DEFINED HEREIN) AS AT 5.00 P.M. (SINGAPORE TIME) ON 31 DECEMBER 2008 (“BOOKS CLOSURE DATE”), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

Joint Lead Managers



Underwriters



IMPORTANT DATES AND TIMES

Last date and time for splitting Rights	:	15 January 2009 at 5.00 p.m.
Last date and time for acceptance and payment	:	20 January 2009 at 5.00 p.m. (9.30 p.m. for Electronic Applications (as defined herein) through ATMs (as defined herein) of Participating Banks (as defined herein))
Last date and time for renunciation and payment	:	20 January 2009 at 5.00 p.m.
Last date and time for excess application and payment	:	20 January 2009 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)

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IMPORTANT NOTICE

Capitalised terms used which are not otherwise defined herein shall have the same meaning as ascribed to them in the Section entitled “**Definitions**” of this Offer Information Statement.

For Entitled Depositors, acceptances of the Rights Shares and (if applicable) applications for excess Rights Shares may be made through CDP or by way of Electronic Application at any ATM of a Participating Bank.

For Entitled Scripholders, acceptances of the Rights Shares and (if applicable) applications for excess Rights Shares may be made through the Share Registrar of the Company, Tricor Barbinder Share Registration Services.

The existing ordinary shares in the capital of the Company (“**Shares**”) are quoted on the Main Board of the SGX-ST.

Persons wishing to purchase any “nil-paid” Rights or subscribe for any Rights Shares offered by this Offer Information Statement should, before deciding whether to so subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of the assets and liabilities, profits and losses, financial position, results of operations and performance and prospects of the Company and the Group and the rights and liabilities attaching to the “nil-paid” Rights and the Rights Shares. They should rely, and shall be deemed to have relied, on their own independent enquiries and investigations of the assets and liabilities, profits and losses, financial position, results of operations and performance and prospects of the Company and the Group, as well as any bases and assumptions upon which financial projections, if any, relating to the Company or the Group are made or based, and their own appraisal and determination of the merits of investing in the Company and the Group. No information in this Offer Information Statement should be considered to be investment, business, financial, legal or tax advice. Persons in doubt as to the action they should take should consult their business, financial, legal, tax or other professional adviser before deciding whether to purchase or subscribe for the “nil-paid” Rights, the Rights Shares or the Shares.

No person has been authorised to give any information or to make any representations, other than those contained in this Offer Information Statement, in connection with the Rights Issue or the issue of the “nil-paid” Rights and the Rights Shares and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Group, the Joint Lead Managers or the Underwriters. Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future financial position, results of operations, performance, prospects or policies of the Company or the Group. Neither the delivery of this Offer Information Statement nor the issue of the “nil-paid” Rights and the Rights Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no material change in the affairs of the Company or the Group, or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are material, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same via SGXNET and, if required, lodge a supplementary or replacement document with the Authority. All Entitled Shareholders and their renounees should take note of any such announcement and, upon the release of such announcement or lodgment of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

The Company, the Joint Lead Managers and the Underwriters make no representation to any person regarding the legality of an investment in the “nil-paid” Rights, the Rights Shares and/or the Shares by such person under any investment or any other laws or regulations.

The Joint Lead Managers and the Underwriters make no representation, warranty or recommendation whatsoever as to the merits of the Rights Issue, the “nil-paid” Rights, the Rights Shares, the Shares, the Company, the Group or any other matter related thereto or in connection therewith.

Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to purchase or subscribe for the “nil-paid” Rights, the Rights Shares or the Shares.

This Offer Information Statement and the accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Rights Shares under the Rights Issue, and may not be relied upon by any persons (other than Entitled Shareholders to whom it is despatched by the Company, their renounees and purchasers of the provisional allotments of Rights Shares) or for any other purpose.

This Offer Information Statement, including the PAL, the ARE and the ARS, may not be used for the purpose of, and do not constitute, an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

The distribution of this Offer Information Statement and/or its accompanying documents may be prohibited or restricted by law (either absolutely or subject to various requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant laws of these jurisdictions. Entitled Shareholders or any other persons having possession of this Offer Information Statement are advised to keep themselves informed of and observe such prohibitions and restrictions. Please refer to the Section entitled “Transfer and Selling Restrictions” of this Offer Information Statement.

DOCUMENTS INCORPORATED BY REFERENCE

The following financial statements:

- (i) the audited consolidated financial statements of the Group for the financial year ended 31 December 2005 (“**FY2005 Audited Consolidated Financial Statements**”), which encloses an Independent Auditors’ Report dated 17 February 2006 issued by Ernst & Young LLP, Certified Public Accountants;
- (ii) the audited consolidated financial statements of the Group for the financial year ended 31 December 2006 (“**FY2006 Audited Consolidated Financial Statements**”), which encloses an Independent Auditors’ Report dated 15 February 2007 issued by Ernst & Young LLP, Certified Public Accountants; and
- (iii) the audited consolidated financial statements of the Group for the financial year ended 31 December 2007 (“**FY2007 Audited Consolidated Financial Statements**”), which encloses an Independent Auditors’ Report dated 14 February 2008 issued by Ernst & Young LLP, Certified Public Accountants,

are deemed incorporated into this Offer Information Statement by reference and are current only as at the dates of such financial statements. The incorporation of such financial statements by reference is not intended to create any implication that there has been no change in the affairs of the Group since the respective dates of such financial statements or that the information contained in such financial statements is current as at any time subsequent to their respective dates.

Any statement contained in the above-mentioned financial statements shall be deemed to be modified or superseded for the purposes of this Offer Information Statement to the extent that a subsequent statement contained herein modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to form a part of this Offer Information Statement.

Copies of the FY2005 Audited Consolidated Financial Statements, the FY2006 Audited Consolidated Financial Statements and the FY2007 Audited Consolidated Financial Statements are available on the website of the Company at <http://www.dbs.com>. Save for the FY2005 Audited Consolidated Financial Statements, the FY2006 Audited Consolidated Financial Statements and the FY2007 Audited Consolidated Financial Statements which are deemed incorporated into this Offer Information Statement by reference, information contained in the website of the Company does not constitute part of this Offer Information Statement.

Prospective investors are advised to obtain and read the documents incorporated by reference herein, in addition to this Offer Information Statement, before making their investment decisions in relation to the Rights Shares.

WHERE TO FIND HELP

If you have questions, please telephone the Customer Hotline at the number set out below, which is available 24 hours a day, 7 days a week from the date of this Offer Information Statement until 20 January 2009.

Customer Hotline telephone number: 1800-111-1111*

**After selecting the language option, press *0 and then 4 to speak with a customer service officer on investments.*

Please note that the applicable rules and regulations in Singapore do not allow the persons manning the Customer Hotline to give advice on the merits of the Rights Issue, the “nil-paid” Rights, the Rights Shares, the Company or the Group or to provide investment, business, financial, legal or tax advice. If you are in any doubt as to what action you should take, please consult your business, financial, legal, tax or other professional adviser.

EXPECTED TIMETABLE OF KEY EVENTS

Shares trade ex-Rights	:	29 December 2008 from 9.00 a.m.
Books Closure Date	:	31 December 2008 at 5.00 p.m.
Despatch of this Offer Information Statement (together with the ARE or the PAL, as the case may be) to Entitled Shareholders	:	6 January 2009
Commencement of trading of "nil-paid" Rights	:	6 January 2009 from 9.00 a.m.
Last date and time for trading of "nil-paid" Rights	:	14 January 2009 at 5.00 p.m.
Last date and time for splitting Rights	:	15 January 2009 at 5.00 p.m.
Last date and time for acceptance of and payment for Rights Shares	:	20 January 2009 at 5.00 p.m. (9.30 p.m. for Electronic Applications)
Last date and time for renunciation of and payment for Rights Shares	:	20 January 2009 at 5.00 p.m.
Last date and time for application and payment for excess Rights Shares	:	20 January 2009 at 5.00 p.m. (9.30 p.m. for Electronic Applications)
Expected date of issuance of Rights Shares	:	30 January 2009
Expected date of commencement of trading of Rights Shares	:	2 February 2009

The above timetable is indicative only and is subject to change. As at the date of this Offer Information Statement, the Company does not expect the above timetable to be modified. However, the Company may, with the approval of the SGX-ST and with the agreement of the Joint Lead Managers and the Underwriters, modify the above timetable subject to any limitation under any applicable laws. In such an event, the Company will publicly announce the same through a SGXNET announcement to be posted on the Internet at the SGX-ST's website <http://www.sgx.com>.

LETTER FROM THE CHAIRMAN



DBS GROUP HOLDINGS LTD

(Registration No. 199901152M)
(Incorporated in the Republic of Singapore on 9 March 1999)

31 December 2008

Directors

Koh Boon Hwee (Chairman)
Richard Daniel Stanley (CEO)
Ang Kong Hua
Andrew Robert Fowell Buxton
Bart Joseph Broadman
Christopher Cheng Wai Chee
Euleen Goh Yiu Kiang
Kwa Chong Seng
John Alan Ross
Wong Ngit Liong

Registered Office

6 Shenton Way
DBS Building Tower One
Singapore 068809

Dear Shareholder,

RIGHTS ISSUE TO RAISE S\$4 BILLION

On 22 December 2008, DBS announced a Rights Issue to raise net proceeds of approximately S\$4 billion ("**Rights Issue Announcement**"). We are offering 760,480,229 Rights Shares at S\$5.42 per Rights Share on the basis of one Rights Share for every two Shares held as at 5.00 p.m. (Singapore time) on 31 December 2008.

Please allow me to provide you with summary information on the Rights Issue and to reiterate why the Board of Directors believes this Rights Issue is in the best interests of the Company and the Shareholders as a whole.

Why a Rights Issue

DBS is undertaking this capital raising from a position of strength. The Group's business continues to perform well despite the challenges of the global economic downturn. Notwithstanding the market turbulence, we continue to experience strong deposit growth, high quality loan demand and better loan spreads, all of which strengthen profitability in the core lending franchise. The asset quality of the Group is healthy with a non-performing loan ratio of 1.3% and non-performing assets allowance coverage of 123% as at 30 September 2008. The Group also has a strong liquidity position underpinned by a loan to deposit ratio of 76.6% as at the same date. Our capital ratios are well above the minimum regulatory requirements.

We have always been pro-active and prudent in capital management. The Board of Directors and management have carefully evaluated the Group's capital position in light of our business strategy and believe that the Rights Issue to raise approximately S\$4 billion will address market expectations for higher capital levels for financial institutions globally.

A stronger capital position will also provide the Group with a critical source of differentiation, allowing us to take advantage of growth opportunities in the current environment. This includes strengthening

our customer relationships, seeking out new customers and selectively growing our loan book to increase market share and profitability. We intend to extend our leadership in Singapore and Hong Kong and invest in key growth markets of China, Taiwan, India and Indonesia.

Organic growth remains a priority for the Group, and the capital raising is not intended for any merger and acquisition activity or any extraordinary provisions.

DBS' share price, like that of other financial institutions around the world, has come under considerable pressure over the past few months. The Board of Directors is aware of the significant dilution that existing Shareholders will suffer if they are unable to participate in an equity raising exercise. As such, despite the longer execution time and larger discount required, we have decided to proceed by way of a rights issue, utilising the mandate that you have accorded to us in the annual general meeting on 2 April 2008.

Financial Effects of Rights Issue

As at 30 September 2008, the consolidated core Tier 1¹ and Tier 1 ratios of the Group were 7.8% and 9.7%, respectively. After adjusting for the estimated net proceeds of the Rights Issue, the *pro forma* consolidated core Tier 1 and Tier 1 ratios of the Group as at 30 September 2008 are expected to increase to 9.9% and 11.8%, respectively.

Dividends

DBS intends to declare and pay the same absolute cash amount for the final dividend for the quarter ending 31 December 2008 as it would have done had there been no Rights Issue. Going forward, DBS' dividend policy will reflect our long-term sustainable growth and capital requirements, as well as general prevailing financing and business conditions.

Principal Terms of Rights Issue

The Issue Price represents a discount of approximately 45% to the closing price of S\$9.85 per Share on 19 December 2008, the last market day before the date of the Rights Issue Announcement, and a discount of approximately 35% to the theoretical ex-rights price of S\$8.37 per Share.

The Rights Shares will be offered to Entitled Shareholders on the basis of one Rights Share for every two Shares held as at 5.00 p.m. (Singapore time) on 31 December 2008. The Rights will be renounceable and will be tradeable on the SGX-ST from 6 January 2009 to 14 January 2009.

The Rights Shares will, when issued and fully paid, rank *pari passu* in all respects with the then issued Shares, save for any dividends or other distributions the record date for which falls before the date of issue of the Rights Shares. The Rights Shares are expected to be allotted and issued on 30 January 2009, well before the books closure date for the final dividend for the quarter ending 31 December 2008 (such books closure date typically falling in late April or early May).

Underwriting

The Board of Directors has arranged for the Rights Issue to be underwritten in full by the Underwriters, namely, Citigroup Global Markets Singapore Pte. Ltd., Goldman Sachs (Singapore) Pte., J.P. Morgan (S.E.A.) Limited, Morgan Stanley Asia (Singapore) Pte. and UBS AG, acting through its business division, UBS Investment Bank. The Underwriters have in turn agreed to sub-underwrite up to 33.3% of the Rights Shares to Temasek which has given its strong support for the Rights Issue by undertaking to subscribe for its *pro rata* rights entitlement of 27.6%. This undertaking is part of its sub-underwriting arrangement.

¹ Core Tier 1 capital refers to Tier 1 capital less qualifying preferred and hybrid instruments.

Intentions of Directors

The Directors intend to take up their entitlements under the Rights Issue in full.

What you need to do

The latest date and time for acceptance by Entitled Shareholders under the Rights Issue is Tuesday, 20 January 2009 at 5.00 p.m. (Singapore time) (9.30 p.m. for Electronic Applications).

The procedures for acceptance and payment are set out in Appendices E to G of this Offer Information Statement.

If you are in any doubt as to the action you should take, you should immediately seek your own financial or other advice from your stockbroker, bank manager, solicitor or other independent professional adviser.

Your attention is drawn to the other information contained in the Offer Information Statement (of which this letter forms a part). Please note that you are advised to read the Offer Information Statement in its entirety and not rely solely on the summary information contained in this letter.

Thank you.

Yours sincerely,



Koh Boon Hwee
Chairman, DBS Group Holdings Ltd

TRADING UPDATE

Set out below is the trading update announced by the Company on 22 December 2008:

“Trading Update 22 December 2008

This statement has been prepared by DBS in connection with its underwritten rights issue of new ordinary shares, details of which are released in a separate announcement. All comparisons are made on a quarter-on-quarter basis unless otherwise stated.

DBS' customer-related businesses have remained resilient while markets-related activities continued to be impacted by the effects of the disruptions in global financial markets.

Total income has been relatively stable reflecting the core strength of the DBS franchise, although certain revenue components may be marginally impacted by market movements through the end of the year. Net interest income is expected to increase, driven by higher asset and customer deposit volumes. While slower macroeconomic conditions are expected to moderate loan demand in the coming quarters, loan growth has continued to benefit from the momentum of previous quarters. Liquidity continues to be strong with ongoing net inflows of customer deposits, especially in Singapore. Net interest margins have been stable as the benefits of higher loan spreads have offset the impact of lower benchmark interest rates. Fee income has declined primarily as a consequence of a slowdown in markets-related activities. Management of market and counterparty risks continues to be a priority.

Expenses are expected to increase from the previous quarter due to a normalisation of wage bonus accruals from lower levels in the third quarter. Savings from the recent headcount reduction have not been fully felt during the fourth quarter. The cost-income ratio for the full year of 2008 is expected to remain broadly in line with the previous year. Costs continue to be closely managed. While investments in emerging markets and other strategic initiatives have continued, costs from core markets have been reduced through measures to enhance productivity.

While the amount of non-performing assets has continued to rise moderately, allowance coverage remains well above 100%. In line with DBS' conservative stance in risk management, a significant proportion of assets classified as non-performing are still current in interest and principal payments. Loan-to-valuations for property-related portfolios remain at comfortable levels. Specific allowances have risen. As in recent quarters, the increases have come largely from SME loans in Hong Kong and Greater China as well as private banking loans. With no material charges for CDOs (collateralized debt obligations) in view of the adequate general allowances that have already been taken, overall allowance charges are expected to be modestly below the third quarter.

Prior to one-time charges, fourth quarter net profit could end up moderately lower than in the previous quarter.

One-time items in the fourth quarter are expected to comprise charges for the recent staff restructuring of approximately SGD 45 million and for a further impairment of the bank's investment in TMB Bank PCL. A review of the carrying value of DBS' investment in Cholamandalam DBS Finance Ltd (at SGD 103 million) is also being undertaken for the fourth quarter results in view of the liquidity stress experienced by non-bank financial companies in India.

Capital ratios remain above regulatory requirements, with the consolidated Tier 1 ratio at 9.7% as of 30 September 2008 before the Rights Issue and at a *pro forma* of 11.8% after the Rights Issue.

While market and economic conditions remain very uncertain, DBS expects to continue to grow its net interest income in 2009 as a result of modest volume growth and higher loan spreads. Non-interest income is expected to remain stable subject to market uncertainties. The Company continues to

actively manage its cost base. The recent headcount reduction is expected to result in meaningful recurrent cost savings from 1Q09 onward. Credit costs are expected to rise in 2009 although the extent of the increase is difficult to assess. Despite the current challenging environment, DBS expects to benefit from the conservative credit underwriting standards it has practised in prior years. The Company continues to vigilantly monitor credit trends in its loan portfolio.

In summary, DBS continues to meet the challenges of the current difficult environment. Its broad-based customer businesses have continued to perform well, while the cost structure has been realigned for the new environment. Careful management of credit, market and operational risks has maintained the strength of the balance sheet.”

SUMMARY OF THE RIGHTS ISSUE

The following is a summary of the principal terms and conditions of the Rights Issue and is derived from, and should be read in conjunction with, the full text of this Offer Information Statement, and is qualified in its entirety by reference to information appearing elsewhere in this Offer Information Statement.

- Basis of provisional allotment** : The Rights Issue is made on a renounceable underwritten basis to Entitled Shareholders on the basis of one Rights Share for every two Shares (1 for 2) held by Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.
- Issue Price** : S\$5.42 for each Rights Share. The Rights Shares are payable in full upon acceptance and/or application.
- Discount** : The Issue Price represents:
- (i) a discount of approximately 45% to the closing price of S\$9.85 per Share on the SGX-ST on 19 December 2008, being the last trading day of the Shares on the SGX-ST prior to the time of the Rights Issue Announcement; and
 - (ii) a discount of approximately 35% to the theoretical ex-rights price of S\$8.37 per Share, computed based on the closing price of S\$9.85 per Share on the SGX-ST on 19 December 2008, being the last trading day of the Shares on the SGX-ST prior to the time of the Rights Issue Announcement.
- Purpose of Rights Issue** : The purpose of the Rights Issue is to increase the Tier 1 capital of the Company and the Group. As at 30 September 2008, the consolidated core Tier 1 (i.e. Tier 1 capital less qualifying preferred and hybrid instruments) and Tier 1 ratios of the Group were 7.8% and 9.7% respectively. After adjusting for the estimated net proceeds of the Rights Issue, the *pro forma* consolidated core Tier 1 and Tier 1 ratios of the Group as at 30 September 2008 are expected to increase to 9.9% and 11.8%, respectively.
- The net proceeds from the Rights Issue will be used for general corporate funding purposes of the Company, which include uses in the ordinary course of the Group's business such as funding of loans to customers, discharging, reducing or retiring the indebtedness of the Group and investing in financial assets.
- Estimated Net Proceeds** : The estimated net proceeds from the Rights Issue (after deducting estimated expenses associated with the Rights Issue of approximately S\$95 million) are expected to be approximately S\$4.0 billion.
- Status of Rights Shares** : The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then issued Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares.

Number of Rights Shares to be issued	:	760,480,229 Rights Shares.
Eligibility to participate in the Rights Issue	:	Please refer to the Sections entitled “ Transfer and Selling Restrictions ” and “ Eligibility of Shareholders to Participate in the Rights Issue ” of this Offer Information Statement.
Listing and trading of the Rights Shares	:	<p>The issue of the Rights Shares is made pursuant to the authority granted under the terms of the general share issue mandate approved by Shareholders at the annual general meeting of the Company held on 2 April 2008.</p> <p>On 22 December 2008, the SGX-ST granted its in-principle approval for the listing and quotation of the Rights Shares on the Main Board of the SGX-ST, subject to certain conditions. The in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the Company, its subsidiaries, the Shares, the Rights Issue, the “nil-paid” Rights or the Rights Shares.</p> <p>Upon the listing and quotation of the Rights Shares on the Main Board of the SGX-ST, the Rights Shares will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) in relation to the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP’s “Terms and Conditions for Operation of Securities Account with The Central Depository (Pte) Limited”, as the same may be amended from time to time, copies of which are available from CDP.</p> <p>For the purposes of trading on the Main Board of the SGX-ST, each board lot of Shares will comprise 1,000 Shares. Shareholders who hold odd lots of Shares (that is, lots other than board lots of 1,000 Shares) and who wish to trade in odd lots on the SGX-ST are able to trade odd lots of Shares in board lots of one Share on the Unit Share Market. In addition, the Company has applied for and obtained the approval of the SGX-ST for the establishment of a temporary counter to facilitate the trading of Shares in board lots of 500 Shares per board lot for a period of one month commencing on the first Market Day on which the Rights Shares are listed for quotation on the Main Board of the SGX-ST. The temporary counter is of a provisional nature. Investors who continue to hold odd lots of less than 1,000 Shares after one month from the listing of the Rights Shares may face difficulty and/or have to bear disproportionate transactional costs in realising the fair market price of such Shares.</p>
Acceptance, excess application and payment	:	The Rights Shares represented by the provisional allotments of: (i) Entitled Shareholders who decline, do not accept, or elect not to renounce or (in the case of Entitled Depositors only) trade their provisional allotment of Rights Shares under the Rights Issue (during the “nil-paid” Rights trading period from 6 January 2009 to 14 January 2009) and/or (ii) ineligible Shareholders, may be issued to satisfy excess Rights Shares applications (if any), or

disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company. In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders will rank last in priority.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of Rights Shares and for the applications for excess Rights Shares, including the different modes of acceptance or application and payment, are contained in Appendices E, F and G to this Offer Information Statement and in the PAL, the ARE and the ARS.

Use of CPF Funds

: Members of the Company under the CPF Investment Scheme — Ordinary Account, if they have previously bought their Shares using CPF Funds, may use their CPF account savings (“**CPF Funds**”) for the payment of the Issue Price to accept their provisional allotments of Rights Shares and (if applicable) apply for the excess Rights Shares, subject to the applicable CPF rules and regulations. Such members who wish to accept the provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares using CPF Funds will need to instruct their respective approved banks, where they hold their CPF Investment Accounts, to accept the Rights Shares and (if applicable) apply for the excess Rights Shares on their behalf in accordance with this Offer Information Statement. CPF Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market.

Underwriting

: The Rights Issue is underwritten in full by Citigroup Global Markets Singapore Pte. Ltd., Goldman Sachs (Singapore) Pte., J.P. Morgan (S.E.A.) Limited, Morgan Stanley Asia (Singapore) Pte. and UBS AG, acting through its business division, UBS Investment Bank (together, the “**Underwriters**”), severally, pursuant to the terms of the Underwriting Agreement.

In consideration of the Underwriters’ agreement to underwrite the Rights Shares, the Company will pay an underwriting, management and selling fee of:

- (i) 1.75% of the Issue Price multiplied by that number of Rights Shares which is equal to the number of *Pro Rata* Shares (as defined below), plus any applicable GST; and
- (ii) 2.25% of the Issue Price multiplied by the total number of Rights Shares less the number of *Pro Rata* Shares and the number of Excluded Rights Shares (as defined below), plus any applicable GST.

This underwriting, management and selling fee will be shared by the Underwriters in proportion to their respective underwriting commitments. The Underwriters may arrange sub-underwriting for some, all or none of the Rights Shares.

Please refer to paragraph 7 in the Section entitled “**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 — The Offer and Listing**” of this Offer Information Statement for further details of the terms of the Underwriting Agreement.

Temasek Subscription and Sub-Underwriting :

As at the Latest Practicable Date, Temasek Holdings (Private) Limited (“**Temasek**”) holds directly and through its wholly-owned subsidiary, Maju Holdings Pte. Ltd. (“**Maju**”), approximately 27.6% of the Company’s issued share capital in aggregate and is the Company’s largest shareholder.

In support of the Rights Issue, Temasek Capital (Private) Limited, which is wholly-owned by Temasek, has irrevocably undertaken with the Company and the Underwriters that (among others):

- (i) Temasek will have not less than 185,673,795 Shares and Maju will have not less than 234,497,040 Shares credited in their respective Securities Accounts with CDP as at the Books Closure Date; and
- (ii) it will procure Temasek to subscribe and pay in full for all of the Rights Shares which Temasek is entitled to subscribe for under the Rights Issue and will procure Maju to subscribe and pay in full for all of the Rights Shares which Maju is entitled to subscribe for under the Rights Issue (collectively, “**Pro Rata Shares**”) not later than the Closing Date,

(“Temasek Irrevocable Undertaking”).

In addition, Ixora Investments Pte. Ltd. (“**Ixora**”), which is wholly-owned by Temasek, has entered into the Sub-Underwriting Agreement with the Underwriters to subscribe for up to 33.3% of the Rights Shares, to the extent that such Rights Shares are not validly subscribed for under the Rights Issue less the number of *Pro Rata* Shares which Temasek and Maju would have subscribed for under the Rights Issue (“**Sub-Underwriting Commitment**”). Under the Sub-Underwriting Agreement, Ixora will take up any unsubscribed Rights Shares in the proportion which the Sub-Underwriting Commitment bears to the aggregate underwriting commitment of the Underwriters (excluding that representing the *Pro Rata* Shares).

In consideration of Ixora’s commitment under the Sub-Underwriting Agreement, the Underwriters have agreed to pay a commission of:

- (i) 1.75% of the Issue Price multiplied by that number of Rights Shares which is equal to the number of *Pro Rata* Shares; and
- (ii) 2.25% of the Issue Price multiplied by the balance number of Rights Shares comprised within the Sub-Underwriting Commitment.

This commission will be paid to Ixora by each Underwriter in proportion to their respective underwriting commitments under the Underwriting Agreement.

Please refer to paragraph 7 in the Section entitled “**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 — The Offer and Listing**” of this Offer Information Statement for further details of the terms of the Temasek Irrevocable Undertaking and the Sub-Underwriting Agreement.

RBC Dexia Irrevocable Undertaking

: RBC Dexia Trust Services (Singapore) Limited, as trustees of the trusts established for the DBSH Share Plan and the DBSH Employee Share Plan (collectively, the “**Trusts**”), has also irrevocably undertaken with the Company and the Underwriters that it will subscribe and pay for in full 3,700,000 Rights Shares (“**Excluded Rights Shares**”) not later than the Closing Date (“**RBC Dexia Irrevocable Undertaking**”).

Please refer to paragraph 7 in the Section entitled “**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 — The Offer and Listing**” of this Offer Information Statement for further details of the terms of the RBC Dexia Irrevocable Undertaking.

Governing law

: Laws of Singapore.

SUMMARY OF THE BUSINESS OF THE GROUP

*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 Offer Information Statement. Investors should read the entire Offer Information Statement, including the Section entitled “**Risk Factors**” before making an investment decision.*

OVERVIEW OF THE GROUP

The Group is the largest commercial banking group in Singapore and one of the leading banking groups in Hong Kong, in terms of asset size. The asset quality of the Group is one of the best in Asia and its “AA-” and “Aa1” credit ratings from Standard & Poor’s Rating Services (“**Standard & Poor’s**”) and Moody’s Investors Services, Inc (“**Moody’s**”), respectively, are among the highest in the region⁽¹⁾. The holding company of the Group is listed on the SGX-ST.

Established in 1968, DBS Bank served as the catalyst to Singapore’s economic development during the country’s early years of independence. Since then, DBS Bank has grown and the Group has become a regional player offering a comprehensive range of innovative products and solutions to meet the needs of its clients. The Group has a universal banking licence, enabling it to undertake a full range of activities including consumer banking, corporate banking and capital markets services, so as to provide customers with integrated, innovative and timely solutions. The Group has a regional network spanning 16 markets, more than 200 branches and over 1,000 ATMs across 50 cities.

As at 30 September 2008, the Group had approximately S\$260 billion in total assets, approximately S\$128 billion in customer loans and advances, approximately S\$166 billion in customer deposits and approximately S\$20 billion in total shareholders’ funds.

Market Leadership in Singapore and Hong Kong

The Group’s primary operations are in Singapore and Hong Kong, two of Asia’s best regulated markets, which contributed 65% and 20% of net profit before tax for 9M2008 respectively. In Singapore, the Group is a market leader in consumer banking. It has the most extensive domestic network of 77 branches and 939 ATMs, and serves over four million customers. The Group operates “POSB” as its mass-market brand in Singapore, and “DBS”, a full fledged regional financial services institution with leading positions in savings and deposits, credit cards, housing loans, auto loans, investment and insurance distribution in Singapore. In Hong Kong, DBS has a distribution network of 60 branches and 76 ATMs, and serves over one million retail customers.

DBS’ institutional banking group provides tailored solutions to large corporate and institutional clients, as well as small and medium sized enterprises (“**SMEs**”). With its strong product capabilities and client-focused approach, the Group has established leadership positions in syndicated finance, equipment financing and factoring. DBS’ extensive product range also includes loans, trade finance and cash management services.

In the area of capital markets, the Group is well regarded in the region as a pioneer in innovative financial products and services. The Group launched the first Real Estate Investment Trust (“**REIT**”) in Singapore in 2002 and has managed numerous landmark initial public offerings and listings on the

Note:

- (1) Source: Standard & Poor’s and Moody’s. Standard & Poor’s and Moody’s have not consented for the purposes of Sections 249 and 277 of the Securities and Futures Act to the inclusion of the credit ratings quoted above and are thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. The Company, the Joint Lead Managers and the Underwriters have included the above credit ratings in their proper form and context and have not verified the accuracy of such information.

Singapore and Hong Kong securities exchanges. Its securities and derivatives brokerage arm, DBS Vickers Securities (Singapore) Pte Ltd, provides brokerage services as part of the Group's capital markets value chain.

As a leader in Asian treasury markets, the Group offers a broad range of financial products and solutions to customers across the region in foreign exchange, interest rates, equity and credit markets and their derivatives.

Growing in the Region

Outside of Singapore and Hong Kong, the Group has a growing presence in China, Taiwan, India and Indonesia.

The Group was the first bank in Singapore to incorporate a subsidiary, DBS Bank (China) Limited ("**DBS China**") in China in May 2007, and currently has six branches and five sub-branches across the country. In addition, the China Banking Regulatory Commission has approved the setting up of a branch in Nanning, which will bring the total number of branches in China to seven. The Group also holds a 33.0% interest in Changsheng Fund Management Company Limited ("**Changsheng**"), a leading asset management company in China.

In India, the Group received approval in March 2008 from the Reserve Bank of India to set up eight more branches, which will increase its presence to 10 branches in India. Eight branches are currently operational and the remaining two are expected to be ready by March 2009. The Group also holds a 37.5% stake in Cholamandalam DBS Finance Limited ("**Cholamandalam DBS**"), a non-bank financial institution listed in India.

In Indonesia, the Group has a 99%-owned subsidiary, PT Bank DBS Indonesia ("**DBS Indonesia**"). DBS Indonesia is a leading trade finance bank and one of the largest foreign banks in wealth management in Indonesia. Of the 36 branches and sub-branches in 11 major cities in Indonesia, half were opened over the past year.

In May 2008, the Group acquired certain assets, liabilities and business of Bowa Commercial Bank Ltd ("**Bowa Bank**"), carrying on such business through DBS Bank branches in Taiwan and expanding its footprint to 40 distribution outlets across Taiwan.

The Group has made inroads into the Middle East through its branch in Dubai. In May 2007, the Group formed The Islamic Bank of Asia Limited ("**IBA**") through a partnership with investors from prominent families and industrial groups from the Gulf Cooperation Council countries. The Group aims to utilise IBA and its Dubai branch to capture the benefits from growing capital flows between the Middle East and Asia.

STRATEGY

The Group believes that the current environment, while challenging, will present opportunities for growth. A stronger capital position will provide the Group with a critical source of differentiation, allowing it to take advantage of these growth opportunities. Organic growth remains a priority for the Group. The major components of the Group's strategy are as follows:

Extend leadership in Singapore and strengthen position in Hong Kong

The Group has well-established operations in Singapore and Hong Kong that have leading positions in many of its products and services. The Group plans to augment these positions by increasing its lending and offerings of cash management and other fee-based products to high quality corporate customers, as well as selectively growing its consumer and SME businesses over the medium term.

Continue to build in key growth markets of China, Taiwan, India and Indonesia

The Group seeks to complement its principal operations in Singapore and Hong Kong by expanding its regional footprint. The Group's priority markets are China, Taiwan, India and Indonesia. The Group aims to increase its scale, distribution capability and customer access across these markets.

Deepen existing customer relationships and acquire new ones

The Group will remain focused on the needs of its customers through this challenging operating environment. It will take advantage of the strength of its balance sheet to support existing customers, thereby deepening relationships, and to seek out new customers. In addition, DBS believes that a customer-centric orientation can best be achieved by developing a strong performance culture imbued with firm values, a sense of empowerment and a disposition to act swiftly to meet customer needs. The Group will continue to improve its tracking of customer perceptions and internal employee feedback to strengthen its customer proposition.

Maintain strong liquidity

DBS believes that maintaining liquidity is key in this environment. The Group intends to achieve a stronger liquidity position in Singapore by re-invigorating its POSB franchise, and also seeks to generate greater local currency liquidity in its other key markets.

Disciplined cost and risk management

The Group will continue to focus on containing costs and apply prudence when managing risks. A restructuring was effected recently and it is expected to enhance productivity and provide recurring cost savings. It also involved a re-alignment in organisation structure to facilitate a more integrated approach to risk management. The Group believes that it is now better structured to monitor and manage risk holistically in all its markets. The Group will seek to further improve its efficiency and risk oversight by investing in technology and infrastructure to ensure that its operations across the region are integrated.

RISK FACTORS

SHORT TO MEDIUM-TERM RISKS RELATING TO THE GROUP'S OPERATIONS

The ongoing turmoil in global financial markets and its contagion effect on the real economy may adversely affect the credit quality and collateral value of the Group's loans and may lead to increases in non-performing assets ("NPAs") and loan loss allowances, and this may have a material adverse effect on the Group's business, financial condition, results of operations and/or capital adequacy ratio

Since July 2007, adverse developments in the U.S. sub-prime mortgage sector have created much uncertainty and volatility in financial markets globally. Singapore and Hong Kong, where most of the assets of the Group are located, and most of its income are generated, have also been affected by the uncertainty and volatility.

The NPAs of the Group were S\$2,054 million as at 30 September 2008 and S\$1,978 million as at 30 June 2008. As a percentage of gross customer loans, the Group's non-performing loans were 1.3% as at 30 September 2008 and 1.4% as at 30 June 2008. Total loss allowances amounted to 123% of NPAs, or 209% of unsecured NPAs as at 30 September 2008. As at 30 September 2008, the Group made allowances of S\$235 million against its S\$263 million asset-backed collateralised debt obligations ("CDOs") investment portfolio. As a precautionary measure in the light of heightened macroeconomic risks, allowances of S\$213 million were made against the still performing non-asset-backed CDOs investment portfolio of S\$871 million.

Any worsening of the global and regional economic conditions, in Singapore and Hong Kong in particular, may lead to an increase in NPAs in the future. As mentioned in the Section entitled "**Trading Update**" of this Offer Information Statement, increases in NPAs over the recent quarters have come largely from the SME loans in Hong Kong and Greater China, as well as private banking loans. A substantial increase in NPAs may have a material adverse effect on the Group's business, financial condition, results of operations and/or capital adequacy ratio.

A significant portion of the Group's loan portfolio is secured by real estate. In the event of a downturn in the real estate markets, a portion of the Group's loans may exceed the value of the underlying collateral. Any decline in the value of the collateral securing the Group's loans, inability to obtain additional collateral or inability to realise the value of collateral may require the Group to increase its loan loss allowances, which may adversely affect the Group's business, financial condition and/or results of operations.

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

As the Group's operations are presently anchored primarily in Singapore and Hong Kong, the 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.

Outside of Singapore and Hong Kong, the Group offers banking and financial services to its customers elsewhere in Southeast Asia, South Asia, China, Europe, the United States and other countries. Therefore, its business is also directly affected by the economic environment in these countries and regions. Macroeconomic factors that may have an impact on personal expenditure and consumption, demand for business products and services, debt service burden of consumers or businesses, the general availability of credit, as well as factors such as a spread of communicable diseases, a financial crisis, large-scale acts of war, terrorism or any other adverse social or political incident may adversely affect the economic conditions in these countries and regions, which may in turn materially and adversely affect the Group's business, financial condition and/or results of operations.

A continued economic slowdown, recession or sustained loss of consumer confidence in the markets and regions in which the Group operates may have a material adverse effect on the Group's financial condition and results of operations. This may affect the amount of dividends that the Company is able to declare and pay.

Challenging market conditions and exposure to market and counterparty risks could affect the financial condition and results of operations of the Group

The Group is exposed to market risk arising from market-making, structuring and packaging of investment products for clients, trading and fund deployment. Trading market risk arises from the impact on interest rate margins and trading profits as a result of changes in foreign exchange rates, commodity prices, equity prices, interest rates and credit spreads. Changes in interest levels, yield curves and spreads may affect, among other things, interest rate margins. Changes in foreign exchange rates may affect, among other things, the value of assets and liabilities denominated in foreign currencies and also the reported earnings of the Group's non-Singapore dollar-denominated branches and subsidiaries. The management of market and counterparty risks continues to be a priority. If any of the key counterparties of the Group fails to perform its obligations or suffers a deterioration in its credit-worthiness, the operations, business and financial condition of the Group may be adversely affected.

Liquidity shortfalls and credit rating downgrades may increase the cost of funds

The Group's funding requirements are met through a combination of funding sources, primarily in the form of deposit-taking activities, as well as interbank funding. As a portion of the Group's assets have long-term maturities, funding mismatches may occur. As at 30 September 2008, 70.6% of the Group's total liabilities were attributable to non-bank customer deposits and 8.3% to interbank liabilities.

As at 30 September 2008, a significant portion of the Group's non-bank customer deposits either had current maturities of one year or less, or were payable on demand. While the Group's depositor base is diversified, no assurance can be given that this will always continue. In stressed circumstances where a substantial number of depositors withdraw such funds from the Group, the Group's liquidity position could be materially and adversely affected. In such a situation, the Group could be required to seek short-term and long-term funds, which may be more expensive than existing funding sources, to finance operations, which may adversely affect the Group's business, financial condition and/or results of operations.

The Group's credit ratings play an important role in determining the extent of its market access to the capital and funding markets. A credit rating downgrade could adversely affect the volume and pricing of the Group's funding.

Impairment charges on goodwill and investment required under Singapore Financial Reporting Standards ("FRS") may have a material adverse effect on the Group's net income for future financial periods

On 1 January 2005, the Group adopted FRS 103: Business Combinations, together with the revised FRS 36: Impairment of Assets and the revised FRS 38: Intangible Assets. FRS 103 requires items such as intangible assets and contingent liabilities to be included, at their fair values, as part of the identifiable assets and liabilities acquired, on the acquisition date. Additionally, FRS 103 requires the Group to cease the amortisation 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 1 January 2005, goodwill was reported in the balance sheet as an intangible asset and was amortised 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 Group revised its accounting policy for goodwill prospectively on 1 January 2005. For FY2005, a goodwill impairment charge of S\$1.13 billion was recorded for its investment in DBS Bank (Hong Kong) Limited ("**DBS Hong Kong**"). For FY2006 and FY2007, no impairment was required for goodwill arising from its investment in DBS Hong Kong.

Although the Group believes that no goodwill impairment charges for its investment in DBS Hong Kong are required under FRS for any period subsequent to 1 January 2008, it can give no assurance that impairment charges will not be required. The 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 FRS may have a material adverse effect on the Group's net income for future financial periods.

A review of the carrying value of the Group's investment in Cholamandalam DBS (at S\$103 million) is being undertaken for the three months ending 31 December 2008 in view of the liquidity stress experienced by non-bank financial companies in India. There is no assurance that impairment charges will not be required for the Group's investment in Cholamandalam DBS. As disclosed in the Section entitled "**Trading Update**" of this Offer Information Statement, the Group expects to continue to incur an impairment charge on its investment in TMB Bank PCL in the fourth quarter of FY2008. The Group is not able to estimate the extent and timing of the impairment charge for future years.

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

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

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

Any updates in assumptions, judgements and estimates used in estimating fair value by the Group could materially impact the Group's financial results.

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

The Group's overseas operations are subject to fluctuations in foreign currency exchange rates against the Singapore dollar. In addition, a portion of the Group's assets and liabilities in Singapore are denominated in foreign currencies. To the extent that the 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 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 US\$1.00, the Group cannot assure investors that such policy will be maintained.

The Group may face legal claims as a result of the sale of certain structured investment products

The Group had been involved in the sale of certain structured investment products. When Lehman Brothers entered into bankruptcy proceedings in the third quarter of FY2008, customers in Singapore and Hong Kong who had purchased structured investment products related or referenced to Lehman Brothers suffered losses on their investments and the Group incurred losses from the costs of unwinding its positions with respect to such products. The Group, together with other banks and financial institutions that sold similar structured investment products related to Lehman Brothers, may

face legal claims from these customers for compensation for the deterioration in value of their structured investment products. As of the Latest Practicable Date, a legal proceeding against the Group for approximately US\$1.3 million is pending in Hong Kong and 21 investors have filed complaints in Singapore with the Financial Industry Disputes Resolution Centre Ltd (FIDReC) against the Group in relation to these structured investment products. While the Group has set aside reserves of S\$70 million to cover claims by customers who had bought these and other structured investment products from the Group, there is no assurance as to the final amount payable to its customers or the amount of provisions which may be required for the Group's exposures to such Lehman Brothers-related and other structured investment products. There is also no assurance that any complaints or legal claims filed against the Group relating to this matter or from the sale of other structured investment products will not have an impact on the reputation of the Group.

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

The Group seeks to protect its computer systems and network infrastructure from physical break-ins as well as fraud and systems failures. The Group employs external surveillance security systems, including firewalls, tokens and password encryption technologies, designed to minimise the risk of security breaches. Although the 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 Group's centralised 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 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 Group's business, financial condition and/or results of operations.

LONGER-TERM RISKS RELATING TO THE GROUP'S OPERATIONS

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

The 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 Group operates. In recent years, the Singapore Government has taken steps to liberalise the Singapore banking industry, which has resulted in increased competition among domestic and international banks operating in Singapore, which reduced margins for certain banking products. In particular, the Authority, which regulates banks in Singapore, has been granting Qualifying Full Bank ("QFB") licences 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 ATMs. QFBs are permitted to share ATMs among themselves. International banks granted such licences 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" licences 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 Group, are subject to additional competition in areas that were traditionally the stronghold of local banks. The USSFTA has eliminated QFB and wholesale bank licence quotas for U.S. banks and significantly relaxed certain other restrictions on international banking activities. There can be no assurance that the 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 Group's business, financial condition and/or results of operations.

Expansion into Asian markets may adversely affect the Group's results of operations

Over time, the Group could expand its operations into other Asian markets. Presently, in addition to Singapore and Hong Kong, the Group has a banking subsidiary, DBS China, with six branches and five sub-branches in China, a banking presence with 40 distribution outlets in Taiwan, a banking subsidiary (DBS Indonesia) with 36 branches and sub-branches in 11 major cities in Indonesia, one banking associated company (Bank of the Philippine Islands) in the Philippines and eight branches and an interest in a non-banking financial institution (Cholamandalam DBS) in India.

The 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 expansion opportunities for the Group. While this regional expansion may be positive for the Group's long-term position and may enhance revenue diversification, it may also increase the Group's operational risk profile and exposure to asset quality problems. Risks emanating from adverse developments in each of these markets, such as acts of war or terrorism, social or political disorder or a spread of communicable diseases, will impact the Group's overall financial condition. Markets that have comparatively less developed economic infrastructures and judicial frameworks could pose higher country and legal risks to the Group's operations. There can be no assurance that such regional expansion will not have a material adverse effect on the Group's business, financial condition or results of operations.

RISKS RELATING TO AN INVESTMENT IN THE "NIL-PAID" RIGHTS, THE RIGHTS SHARES AND THE SHARES

An active trading market in the "nil-paid" Rights may not develop

An active trading market in the "nil-paid" Rights may not develop on the SGX-ST during the trading period for such "nil-paid" Rights. In addition, because the trading price of the "nil-paid" Rights depends on the trading price of the Shares, the "nil-paid" Rights price may be volatile and subject to the same risks as noted elsewhere in this Offer Information Statement.

Shareholders who do not or are not able to accept their provisional allotment of Rights Shares will experience a dilution in their ownership of the Company

If Shareholders do not or are not able to accept their provisional allotment of Right Shares, their proportionate ownership of the Company will be reduced. They may also experience a dilution in the value of their Shares. Even if a Shareholder sells his "nil-paid" Rights, or such "nil-paid" Rights are sold on his behalf, the consideration he receives may not be sufficient to compensate him fully for the dilution of his ownership of the Company as a result of the Rights Issue.

Investors may experience future dilution in the value of their Shares

The Company may need to raise additional funds in the future to finance the repayment of borrowings, expansion of new developments relating to the Group's existing operations and/or to finance future investments. If additional funds are raised through the issuance by the Company of new Shares other than on a *pro rata* basis to existing Shareholders, the percentage ownership of existing Shareholders may be reduced and existing Shareholders may experience dilution in the value of their Shares.

The Company's Share price may fluctuate

The market price for the Shares on the SGX-ST (including the "nil-paid" Rights and the Rights Shares) could be subject to significant fluctuations. Any fluctuation may be due to the market's perception of the likelihood of completion of the Rights Issue and/or be in response to various factors some of which are beyond the Company's control. Examples of such factors include but are not limited to: (i) variation in its operating results; (ii) changes in securities analysts' estimates of the Group's financial performance; (iii) fluctuations in stock market prices and volume; (iv) general changes in rules/regulations with regard to the industries that the Group operates in, including those that affect the demand for the Group's

products and services; and (v) economic, stock and credit market conditions. Any of these events could result in a decline in the market price of the Shares (including the “nil-paid” Rights and the Rights Shares) during and after the Rights Issue.

The Issue Price is fixed at S\$5.42 for each Rights Share. There is no assurance that the market price of the Rights Shares, upon or subsequent to the listing and quotation thereof on the SGX-ST, will remain at or above the Issue Price, or that the Rights Shares can be disposed of at or above the Issue Price.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

ENTITLED SHAREHOLDERS

Entitled Shareholders are entitled to participate in the Rights Issue and to receive this Offer Information Statement, together with the ARE or the PAL, as the case may be, at their respective Singapore addresses. Entitled Depositors who do not receive this Offer Information Statement and the ARE may obtain them from CDP, the Share Registrar or any stockbroking firm for the period up to the Closing Date. Entitled Scripholders who do not receive this Offer Information Statement and the PAL may obtain them from the Share Registrar for the period up to the Closing Date.

Entitled Shareholders have been provisionally allotted Rights Shares under the Rights Issue on the basis of their shareholdings in the Company as at the Books Closure Date. Entitled Shareholders are at liberty to accept, decline, renounce or (in the case of Entitled Depositors only) trade on the SGX-ST (during the “nil-paid” Rights trading period prescribed by the SGX-ST) their provisional allotments of Rights Shares and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue. Fractional entitlements to the Rights Shares will be disregarded in arriving at the Shareholders’ entitlements and will, together with the Rights Shares represented by the provisional allotments of (i) Entitled Shareholders who decline, do not accept, or elect not to renounce or (in the case of Entitled Depositors only) trade their provisional allotment of Rights Shares under the Rights Issue (during the “nil-paid” Rights trading period prescribed by the SGX-ST) and/or (ii) ineligible Shareholders, be aggregated and used to satisfy excess Rights Shares applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company. In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders will rank last in priority.

All dealings in and transactions of the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs, which are issued to Entitled Scripholders, will not be valid for delivery pursuant to trades done on the SGX-ST.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of Rights Shares and for the applications for excess Rights Shares, including the different modes of acceptance or application and payment, are contained in Appendices E, F and G to this Offer Information Statement and in the PAL, the ARE and the ARS.

FOREIGN SHAREHOLDERS

This Offer Information Statement and its accompanying documents have not been and will not be lodged, registered or filed in any jurisdiction other than Singapore. The distribution of this Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities or other legislation applicable in jurisdictions other than Singapore, this Offer Information Statement and its accompanying documents will not be despatched to Foreign Shareholders.

Foreign Shareholders will not be entitled to participate in the Rights Issue. Accordingly, no provisional allotment of Rights Shares will be made to Foreign Shareholders and no purported acceptance or application for the Rights Shares by Foreign Shareholders will be valid.

This Offer Information Statement and its accompanying documents will also not be despatched to persons purchasing the provisional allotments of Rights Shares through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

The Company reserves the right, but shall not be obliged, to treat as invalid any ARE, ARS or PAL which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore, (b) provides an address outside Singapore for the receipt of the share certificate(s) for the Rights Shares or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore, or (c) purports to exclude any representation or warranty or confirmation, whether express or deemed, to be given by such person. Notwithstanding the foregoing, the “nil-paid” Rights and the Rights Shares may be offered, delivered and sold in the United States to a limited number of persons whom the Company reasonably believes to be QIBs in transactions exempt from registration under the Securities Act. The Company further reserves the right to reject any acceptances of the Rights Shares and/or applications for excess Rights Shares where it believes, or has reason to believe, that such acceptances and/or applications may violate any applicable legislation of any jurisdiction.

If it is practicable to do so, the Company may, at its absolute discretion, arrange for the provisional allotments of Rights Shares, which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on the SGX-ST as soon as practicable after commencement of trading in “nil-paid” Rights. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the expenses expected to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them at their own risk by ordinary post, without interest or any share of revenue or other benefit arising therefrom, provided that where the amount of net proceeds to be distributed to any single Foreign Shareholder, persons in the United States, U.S. persons or persons acting to the account or benefit of any such persons is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder, persons in the United States, U.S. persons or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Joint Lead Managers, the Underwriters, CDP, CPF Board or the Share Registrar and their respective officers in connection therewith.

Where such provisional allotments are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder, persons in the United States, U.S. persons or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Joint Lead Managers, the Underwriters, CDP, CPF Board or the Share Registrar and their respective officers in respect of such sales or the proceeds thereof, the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such provisional allotments cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be issued to satisfy excess applications or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder, persons in the United States, U.S. persons or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Joint Lead Managers, the Underwriters, CDP, CPF Board or the Share Registrar and their respective officers in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

Notwithstanding the foregoing, a limited number of persons located in the United States whom the Company believes are QIBs may be able to purchase Rights Shares being offered in the Rights Issue

(pursuant to the exercise of rights) by way of a private placement pursuant to an applicable exemption from registration under the Securities Act, provided that they provide a signed investor representation letter in the form of Appendix I to this Offer Information Statement not later than the date of the commencement of trading of “nil-paid” Rights on the SGX-ST (or such other date as may be agreed by the Company with the Underwriters), which will also contain restrictions and procedures regarding the transfer of Rights Shares. Please refer to the Section entitled “**Transfer and Selling Restrictions**” of this Offer Information Statement. The Company, the Joint Lead Managers and the Underwriters reserve the absolute discretion in determining whether to allow such participation as well as the identity of the persons who may be allowed to do so.

Each purchaser of Rights Shares being offered and sold the Rights Shares outside the United States will be deemed to have represented and agreed, among other things, that the purchaser (a) is, and the person, if any, for whose account it is acquiring such Rights Shares is, outside the United States, and (b) is acquiring the Rights Shares in an offshore transaction meeting the requirements of Regulation S under the Securities Act.

Notwithstanding anything herein, Shareholders and any other person having possession of this Offer Information Statement and/or its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving this Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other regulatory or legal requirements in such territory.

TRANSFER AND SELLING RESTRICTIONS

GENERAL

Investors are advised to consult their legal counsel prior to making any offer, sale, resale, pledge or other transfer of the “nil-paid” Rights and the Rights Shares. No action has been or will be taken to permit the Rights Issue in any jurisdiction where action would be required for that purpose, except that this Offer Information Statement has been lodged with the Authority. Accordingly, the “nil-paid” Rights and the Rights Shares may not be offered, sold or delivered, directly or indirectly, and this Offer Information Statement may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction.

FOR INVESTORS IN THE UNITED STATES

For the Rights Issue, the Company is relying upon exemptions from registration with the U.S. Securities and Exchange Commission (“SEC”) for an offer and sale that does not involve a public offering in the United States. The Shares, the Rights Issue, the “nil-paid” Rights, or the Rights Shares have not been recommended by any U.S. federal or state authorities or by any foreign authorities and they have not determined that this Offer Information Statement is accurate or complete. Any representation to the contrary is a criminal offence.

The “nil-paid” Rights and the Rights Shares have not been and will not be registered under the Securities Act or under the securities laws of any state of the United States and, accordingly, the “nil-paid” Rights and the Rights Shares may be offered, delivered and sold in the United States only pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The “nil-paid” Rights and the Rights Shares may be offered, delivered and sold in the United States to a limited number of persons whom the Company reasonably believes to be QIBs in transactions exempt from registration under the Securities Act. Any person reasonably believed to be a QIB to whom the “nil-paid” Rights or the Rights Shares are offered and sold will be required to execute and deliver an investor representation letter in the form set out in Appendix I to this Offer Information Statement not later than the date of the commencement of trading of the “nil-paid” Rights, as set out in the Section entitled “**Expected Timetable of Key Events**” of this Offer Information Statement.

Any person in the United States who obtains a copy of this Offer Information Statement and who is not a QIB is requested to disregard the contents of this Offer Information Statement.

In addition, an offer or sale of “nil-paid” Rights or Rights Shares within the United States by any dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the Securities Act.

Each QIB by accepting the delivery of this Offer Information Statement, the “nil-paid” Rights or the Rights Shares will be deemed to have represented, warranted and agreed as follows:

1. It is a QIB with the full power and authority to make the acknowledgements, representations and agreements contained herein, and, if it is acquiring the “nil-paid” Rights or the Rights Shares as a fiduciary or agent for one or more investor accounts, each owner of such account is a QIB, it has investment discretion with respect to each such account, and it has the full power and authority to make the acknowledgements, representations and agreements contained herein on behalf of each owner of such account.
2. It is an existing shareholder and is acquiring the “nil-paid” Rights or the Rights Shares for its own account, or for the account of one or more QIB(s) as to which it has full investment discretion, in each case for investment purposes, and not with a view to any distribution (within the meaning of the U.S. securities laws) of the “nil-paid” Rights or the Rights Shares.

3. It understands, and each beneficial owner has been advised, that the “nil-paid” Rights and the Rights Shares have not been and will not be registered under the Securities Act, and are being offered and sold to it (or such beneficial owner) in a transaction not involving a public offering or in reliance on an exemption from the registration requirements of the Securities Act.
4. It understands that the “nil-paid” Rights and the Rights Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act and may not be deposited into any unrestricted depository receipt facility, unless at the time of deposit the “nil-paid” Rights and the Rights Shares are no longer “restricted securities” within the meaning of Rule 144(a)(3) of the Securities Act.
5. It acknowledges that the Shares are listed on the SGX-ST and that the Company is therefore required to publish certain business and financial information in accordance with the rules and practices of the SGX-ST (“**Exchange Information**”) and that it is able to obtain or access such information without undue difficulty. It understands that the Exchange Information has been prepared in accordance with the SGX-ST format, style and content, which differs from US format, style and content. It understands that the financial statements included in this Offer Information Statement was not prepared in connection with an offering registered with the SEC under the Securities Act. Furthermore, it understands that the work has not been carried out in accordance with auditing standards generally accepted in the United States and accordingly should not be relied upon as if it has been carried out in accordance with those standards.
6. It is not acquiring or subscribing for the “nil-paid” Rights or the Rights Shares as a result of any general solicitation or general advertising, including advertisements, articles, notices, or other communications published in any newspaper, magazine or similar media or broadcast over radio or television; or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.
7. Prior to deciding to acquire or subscribe for the “nil-paid” Rights or the Rights Shares, it has read a copy of this Offer Information Statement, and has had access to the financial and other information regarding the Company and the “nil-paid” Rights or the Rights Shares as it will have requested in connection with its investment decision to subscribe for and purchase the “nil-paid” Rights or the Rights Shares. It agrees that it has held and will hold this Offer Information Statement in confidence, it being understood that this Offer Information Statement was received by it solely for its use and that it has not duplicated, distributed, forwarded, transferred or otherwise transmitted this Offer Information Statement, any provisional allotment letter relating to the Rights Issue, or any other materials concerning the Rights Issue (including electronic copies thereof) to any persons within the United States, and agrees that such materials shall not be duplicated, distributed, forwarded, transferred or otherwise transmitted by it. It has not relied on financial or other information supplied to it by any person other than information contained in this Offer Information Statement or information provided by the Company. It has made its own assessment concerning the relevant tax, legal and other economic considerations relevant to its investment in the “nil-paid” Rights and the Rights Shares including whether the Company and any of its direct or indirect subsidiaries is a “passive foreign investment company” (“**PFIC**”) within the meaning of section 1297 of the U.S. Internal Revenue Code of 1986, as amended, and the consequences of the acquisition, ownership and disposition of a direct or indirect interest in a PFIC. It understands that if the Company was to be determined to be a PFIC, there would be adverse tax consequences for a U.S. holder of the “nil-paid” Rights and Rights Shares.
8. It acknowledges that (a) any information that it has received or will receive relating to the Rights Issue, and the “nil-paid” Rights and the Rights Shares, including this Offer Information Statement and the Exchange Information (collectively, the “**Information**”), has been prepared solely by the Company and (b) that none of the Joint Lead Managers, the Underwriters or their respective affiliates has verified such Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the Joint Lead Managers, the

Underwriters or their respective affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by them or their affiliates.

9. Prior to deciding to subscribe for the “nil-paid” Rights or the Rights Shares, it (a) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary, (b) will have possessed all information relating to the Company and the “nil-paid” Rights and the Rights Shares which it believes is necessary for the purpose of making its investment decision and will have had a reasonable opportunity to ask questions of and receive answers from officers and representatives of the Company concerning the respective financial condition and results of operations of the Company and the purchase of the “nil-paid” Rights or the Rights Shares, and any such questions have been answered to its satisfaction, (c) will have reviewed all information that it believes is necessary or appropriate in connection with a purchase of the “nil-paid” Rights or the Rights Shares and (d) will have conducted its own due diligence on the Company and the Rights Issue, and will have made its own investment decisions based upon its own judgment, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of the Joint Lead Managers, the Underwriters or their respective affiliates (including any research reports).
10. It will not hold the Joint Lead Managers, the Underwriters or any of their respective affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by the Company to it. It acknowledges that no written or oral information relating to the Rights Issue, the “nil-paid” Rights and the Rights Shares has been provided by the Joint Lead Managers, Underwriters or any of their respective affiliates to it.
11. It understands and agrees that it may not rely, and it has not relied, on any investigation that the Joint Lead Managers, the Underwriters or any of their respective affiliates or any person acting on their behalf has conducted with respect to the Rights Issue, the “nil-paid” Rights and the Rights Shares, and neither of them nor any affiliate thereof, nor any of their respective affiliates, employees, officers, directors or representatives has made any recommendation, promise, representation or warranty to them, express or implied, with respect to the Company, the Rights Issue or the “nil-paid” Rights and the Rights Shares.
12. It has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the “nil-paid” Rights and the Rights Shares, and it has the financial ability to bear the economic risk of investment in the “nil-paid” Rights and the Rights Shares and to sustain a complete loss in connection therewith.
13. It agrees that in the event that at some future time it wishes to reoffer, resell, pledge or otherwise transfer any of the “nil-paid” Rights and the Rights Shares, it will not do so except in accordance with any applicable U.S. federal law or securities laws of any state of the United States and it certifies that either:
 - (a) it will transfer the “nil-paid” Rights and the Rights Shares in an offshore transaction in accordance with Rule 903 or 904 of Regulation S under the Securities Act, which includes for the avoidance of doubt a *bona fide* sale on the SGX-ST that has not been pre-arranged with any counterparty thereto;
 - (b) it will transfer the “nil-paid” Rights and the Rights Shares to a person who it reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A under the Securities Act;
 - (c) it will transfer the “nil-paid” Rights and the Rights Shares in a transaction exempt from the registration requirements of the Securities Act under Rule 144(e) or Rule 144(k) and provide an opinion of counsel reasonably satisfactory to the Company which states that the transfer

is exempt from the registration requirements of the Securities Act and that the “nil-paid” Rights and the Rights Shares following such transfer are freely transferable; or

- (d) it will transfer the “nil-paid” Rights and the Rights Shares pursuant to an effective registration statement under the Securities Act.

FOR INVESTORS OUTSIDE THE UNITED STATES

Each purchaser of the “nil-paid” Rights and/or the Rights Shares offered and sold in reliance on Regulation S under the Securities Act will be deemed to have represented and agreed as follows (terms defined in Regulation S under the Securities Act have the same meanings when used herein):

- (a) the purchaser (i) is, and the person, if any, for whose account it is acquiring such “nil-paid” Rights and/or the Rights Shares is, outside the United States and is not a U.S. person, and (ii) is acquiring the “nil-paid” Rights and/or the Rights Shares in an offshore transaction meeting the requirements of Regulation S under the Securities Act;
- (b) the purchaser is aware that the “nil-paid” Rights and the Rights Shares have not been and will not be registered under the Securities Act and are being distributed and offered outside the United States in reliance on Regulation S under the Securities Act; and
- (c) the purchaser acknowledges that the Company, the Joint Lead Managers, the Underwriters, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.

Such purchasers may also be required to observe the selling restrictions set out below.

Hong Kong

This Offer Information Statement has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. No “nil-paid” Rights or Rights Shares have been offered or sold, and no “nil-paid” Rights or Rights Shares may be offered or sold, in Hong Kong, by means of any document, other than to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (“**Securities and Futures Ordinance**”) and any rules made under that Ordinance, or in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong (“**Companies Ordinance**”) or which do not constitute an offer to the public within the meaning of the Companies Ordinance. No document, invitation or advertisement relating to the “nil-paid” Rights or the Rights Shares has been issued or may be issued or be held for the purposes of issue in Hong Kong or elsewhere, 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 under the securities laws of Hong Kong) other than with respect to the “nil-paid” Rights and the Rights Shares which are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Japan

The “nil-paid” Rights and the Rights Shares offered hereby have not been and will not be registered under Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (“**Financial Instruments and Exchange Law**”). The “nil-paid” Rights and the Rights Shares shall not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and other relevant laws and regulations of Japan.

If the investor is a qualified institutional investor (“**QII**”), as defined in Article 2, Paragraph 3, Item 1 of the Financial Instruments and Exchange Law and Article 10 of the Cabinet Order regarding Definitions under Article 2 of the Financial Instruments and Exchange Law, such investor will enter into a written agreement not to transfer the Shares to any party other than to another QII.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each a “**Relevant Member State**”), no offer to the public of the “nil-paid” Rights or the Rights Shares in that Relevant Member State may be made, except that an offer to the public in that Relevant Member State of any “nil-paid” Rights or Rights Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000 and (iii) an annual net turnover of more than €50,000,000 as shown in the last annual or consolidated accounts;
- (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Joint Lead Managers for any such offer; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the “nil-paid” Rights or Rights Shares shall result in a requirement for the publication by the Company or the Joint Lead Managers of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purpose of this provision, the expression an “offer to the public” in relation to any “nil-paid” Rights or Rights Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Rights Issue and any “nil-paid” Rights or Rights Shares to be offered so as to enable an investor to decide to purchase any “nil-paid” Rights or Rights Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measures in each Relevant Member State.

In the case of any “nil-paid” Rights or Rights Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, warranted and agreed to with the Joint Lead Managers, the Underwriters and the Company that (i) the “nil-paid” Rights or Rights Shares acquired by it have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, or in circumstances where the prior written consent of the Joint Lead Managers and the Underwriters has been obtained to each such proposed offer or resale or (ii) where the “nil-paid” Rights or Rights Shares have been acquired by it or on behalf of persons in any Relevant Member State other than qualified investors, the offer of those “nil-paid” Rights or Rights Shares to it is not treated under the Prospectus Directive as having been made to such persons. The Company, the Joint Lead Managers, the Underwriters and each of their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representation, warranty and agreement.

United Kingdom

This Offer Information Statement is being distributed in the United Kingdom only to, and is directed only at (a) persons who have professional experience in matters relating to investments and who are investment professionals as specified in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the “**Financial Promotion Order**”); (b) persons

falling within Article 49(2)(a)-(d) of the Financial Promotion Order (“high net worth companies, unincorporated associations etc.”); or (c) persons to whom this Offer Information Statement may otherwise be lawfully distributed (all such persons together with “qualified investors” (as defined in the Prospectus Directive) being referred to as “**Relevant Persons**”). This Offer Information Statement and its contents must not be acted upon or relied upon in the United Kingdom by persons who are not Relevant Persons. Any investment or investment activity to which this Offer Information Statement relates is available only in the United Kingdom to Relevant Persons, and will be engaged in only with such persons. This Offer Information Statement is exempt from the general restriction on the communication of invitations or inducements to enter into investment activity and has therefore not been approved by an authorised person, as would otherwise be required by section 21 of the Financial Services and Markets Act 2000. Any investment to which this Offer Information Statement relates is only available to (and any investment activity to which it relates will be engaged in only with) Relevant Persons. Persons who are not Relevant Persons should not take any action upon receipt of this Offer Information Statement. By receiving this Offer Information Statement in the United Kingdom you are deemed to warrant to the Company and the Joint Lead Managers that you fall within the categories of persons described above.

TRADING

LISTING AND QUOTATION OF RIGHTS SHARES

In-principle approval has been obtained from the SGX-ST for the listing and quotation of the Rights Shares on the Main Board of the SGX-ST. The in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the Company, its subsidiaries, the Shares, the Rights Issue, the “nil-paid” Rights or the Rights Shares.

Upon listing and quotation on the Main Board of the SGX-ST, the Rights Shares will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP’s “Terms and Conditions for Operation of Securities Account with The Central Depository (Pte) Limited”, as the same may be amended from time to time. Copies of the above are available from CDP.

ARRANGEMENTS FOR SCRIPLESS TRADING FOR ENTITLED SCRIPHOLDERS

Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for excess Rights Shares, and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Rights Shares and, if applicable, the excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept and/or apply for the excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or National Registration Identity Card (“**NRIC**”)/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP, will be issued physical share certificates in their own names for the Rights Shares allotted to them and if applicable, the excess Rights Shares allotted to them. Such physical share certificates, if issued, will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title. If an Entitled Scripholder’s address stated in the PAL is different from his address registered with CDP, he must inform CDP of his updated address promptly, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.

A holder of physical share certificate(s) or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but wishes to trade on the SGX-ST must deposit his share certificate(s) with CDP, together with the duly executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares and/or existing Shares, as the case may be, before he can effect the desired trade.

TRADING OF ODD LOTS

Shareholders should note that the Shares are quoted on the SGX-ST in board lot sizes of 1,000 Shares. Shareholders who hold odd lots of Shares (that is, lots other than board lots of 1,000 Shares) are able to trade odd lots of Shares in board lots of one Share on the Unit Share Market of the SGX-ST.

In addition, the Company has applied for and obtained the approval of the SGX-ST for the establishment of a temporary counter to facilitate the trading of Shares in board lots of 500 Shares per board lot for a period of one month commencing on the first Market Day on which the Rights Shares are listed for quotation on the Main Board of the SGX-ST. The temporary counter is of a provisional nature. Investors who continue to hold odd lots of less than 1,000 Shares after one month from the listing of the Rights Shares may face difficulty and/or have to bear disproportionate transactional costs in realising the fair market price of such Shares.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in press releases and oral statements that may be made by the Company or its Directors, officers or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words that have a bias towards the future or are forward-looking such as, without limitation, “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or other similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group’s expected financial position, operating results, business strategies, plans and prospects are forward-looking statements. These forward-looking statements, including but not limited to statements as to the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks, uncertainties and other factors that may cause the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements. The Group’s actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements. Neither the Company nor any other person represents or warrants that the Group’s actual future results, performance or achievements will be as expected, expressed or implied in those statements.

In light of the ongoing turmoil in the global financial markets and its contagion effect on the real economy, any forward-looking statements contained in this Offer Information Statement must be considered with significant caution and reservation.

Further, each of the Company, the Joint Lead Managers and the Underwriters disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. Where such developments, events or circumstances occur and are material, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement via SGXNET and, if required, lodge a supplementary or replacement document with the Authority.

SHAREHOLDING LIMITS

THE CODE

The Code regulates the acquisition of ordinary shares of, *inter alia*, corporations with a primary listing on the SGX-ST, including the Company. Except with the consent of the Securities Industry Council, where:

- (i) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by parties acting in concert with him) carry 30% or more of the voting rights of the Company; or
- (ii) any person who, together with parties acting in concert with him, holds not less than 30% but not more than 50% of the voting rights in the Company and such person, or any party acting in concert with him, acquires in any period of six months additional shares carrying more than 1% of the voting rights,

such person must extend a mandatory take-over offer immediately to the Shareholders for the remaining Shares in the Company in accordance with the provisions of the Code. In addition to such person, each of the principal members of the group of parties acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Code as a result of any acquisition of Rights Shares pursuant to the Rights Issue should consult the Securities Industry Council and/or their professional advisers.

Please also refer to paragraph 7 in the Section entitled “**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 — The Offer and Listing**” of this Offer Information Statement.

THE BANKING ACT

The Company is a designated financial institution under the Banking Act. Pursuant to the Banking Act, no person may enter into any agreement or arrangement, whether oral or in writing and whether express or implied, to act together with any person with respect to the acquisition, holding or disposal of, or the exercise of rights in relation to, their interests in voting shares of an aggregate of 5% or more of the total votes attached to all voting shares in a designated financial institution, without first obtaining the approval of the Minister of Finance. Further, no person may become a Substantial Shareholder, or alone or together with his associates, hold not less than or be in a position to control the voting power of not less than 12% of the Company or hold not less than or be in a position to control the voting power of not less than 20% of the Company, without first obtaining the approval of the Minister of Finance. Failure to comply with these provisions of the Banking Act may result in criminal sanctions.

Please also refer to paragraph 7 in the Section entitled “**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 — The Offer and Listing**” of this Offer Information Statement.

THE ARTICLES OF ASSOCIATION

The Articles of Association provide that no person may, without first obtaining the approval of the Authority, become a Substantial Shareholder, or alone or together with his associates, hold or is in the position to control 20% or more of the voting shares of the Company or hold an interest in the voting shares of the Company in excess of such other shareholding limitations as the Authority may from time to time prescribe.

In the case of a breach of the prescribed limitations, the Articles of Association provide that the Directors shall notify the person in breach to require him to obtain the approval of the Authority to continue to hold interest in the number of voting shares of the Company which caused the breach (the “**Affected Shares**”). If such approval is not obtained or is not obtained within 14 days from the date of the notice, the Directors shall take such action in respect of the Affected Shares as may be directed by the Authority, including requiring the disposal of the Affected Shares, suspending the voting rights in respect of the Affected Shares pending such disposal and/or restricting the transfer of the Affected Shares.

The Directors may also require the person in breach to dispose of the Affected Shares or arrange for such disposal and such person shall be deemed to have authorised the Directors to do so for this purpose. The Articles of Association also authorise the Directors to refuse to register any transfer of shares which would, in their opinion, result in any person exceeding the prescribed shareholding limits.

DEFINITIONS

For the purpose of this Offer Information Statement, the PAL, the ARE and the ARS, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

“ARE”	:	Application form for Rights Shares and excess Rights Shares issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Rights Issue
“ARS”	:	Application form for Rights Shares issued to Purchasers in respect of their purchase of provisional allotments of Rights Shares traded on the SGX-ST through the book-entry (scripless) settlement system
“Articles of Association”	:	Articles of association of the Company
“ATM”	:	Automated teller machine
“Authority”	:	Monetary Authority of Singapore
“Banking Act”	:	Banking Act, Chapter 19 of Singapore, as amended or modified from time to time
“Books Closure Date”	:	5.00 p.m. on 31 December 2008, being the time and date at and on which the Register of Members and the Share Transfer Books of the Company were closed to determine the provisional allotments of Rights Shares of Entitled Shareholders under the Rights Issue
“Bowa Bank”	:	Bowa Commercial Bank Ltd
“Business Day”	:	A day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for business in Singapore
“CDOs”	:	Collateralised debt obligations
“CDP”	:	The Central Depository (Pte) Limited
“Changsheng”	:	Changsheng Fund Management Company Limited
“Cholamandalam DBS”	:	Cholamandalam DBS Finance Limited
“Closing Date”	:	(i) 5.00 p.m. on 20 January 2009 , being the last time and date for acceptance of and/or excess application and payment for the Rights Shares under the Rights Issue through CDP or the Share Registrar; or (ii) 9.30 p.m. on 20 January 2009 , being the last time and date for acceptance of and/or excess application and payment for the Rights Shares under the Rights Issue through an ATM of a Participating Bank
“Code”	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
“Companies Act”	:	Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Company” or “DBS”	:	DBS Group Holdings Ltd

“Convertible Preference Shares”	:	Non-Voting Redeemable Convertible Preference Shares and Non-Voting Convertible Preference Shares
“CPF”	:	Central Provident Fund
“DBS Bank”	:	DBS Bank Ltd.
“DBS China”	:	DBS Bank (China) Limited
“DBS Hong Kong”	:	DBS Bank (Hong Kong) Limited
“DBS Indonesia”	:	PT Bank DBS Indonesia
“Directors” or “Board of Directors”	:	The directors of the Company as at the date of this Offer Information Statement
“DBSAM”	:	DBS Asset Management Limited
“DBSH Employee Share Plan”	:	The DBS Group Holdings Ltd Employee Share Plan
“DBSH Share Option Plan”	:	The DBS Group Holdings Ltd Share Option Plan
“DBSH Share Plan”	:	The DBS Group Holdings Ltd Share Plan
“Electronic Application”	:	Acceptance of the Rights Shares and (if applicable) application for excess Rights Shares made through an ATM of a Participating Bank in accordance with the terms and conditions of this Offer Information Statement
“Entitled Depositors”	:	Shareholders with Shares standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, including a limited number of persons whom the Company reasonably believes to be QIBs and who have provided to the Company (and which the Company has accepted) a signed investor representation letter in the form of Appendix I to this Offer Information Statement not later than the date of the commencement of trading of “nil-paid” Rights on the SGX-ST (or such other date as may be agreed by the Company with the Underwriters)
“Entitled Scripholders”	:	Shareholders whose share certificates have not been deposited with CDP and who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents, including a limited number of persons whom the Company reasonably believes to be QIBs and who have provided to the Company (and which the Company has accepted) a signed investor representation letter in the form of Appendix I to this Offer Information Statement not later than the date of the commencement of trading of “nil-paid” Rights on the SGX-ST (or such other date as may be agreed by the Company with the Underwriters)

“Entitled Shareholders”	:	Entitled Depositors and Entitled Scripholders
“Excluded Rights Shares”	:	3,700,000 Rights Shares comprised in the RBC Dexia Irrevocable Undertaking
“Foreign Purchasers”	:	Purchasers of the provisional allotments of Rights Shares whose registered addresses with CDP are outside Singapore at the time of purchase through the book-entry (scripless) settlement system
“Foreign Shareholders”	:	Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) Market Days prior thereto, provided the Share Registrar or CDP, as the case may be, with addresses in Singapore for the service of notices and documents
“FRS”	:	Singapore Financial Reporting Standards
“FY”	:	Financial year ended or, as the case may be, ending 31 December
“FY2005 Audited Consolidated Financial Statements”	:	The audited consolidated financial statements of the Group for the financial year ended 31 December 2005, which encloses an Independent Auditors’ Report dated 17 February 2006 issued by Ernst & Young LLP, Certified Public Accountants
“FY2006 Audited Consolidated Financial Statements”	:	The audited consolidated financial statements of the Group for the financial year ended 31 December 2006, which encloses an Independent Auditors’ Report dated 15 February 2007 issued by Ernst & Young LLP, Certified Public Accountants
“FY2007 Audited Consolidated Financial Statements”	:	The audited consolidated financial statements of the Group for the financial year ended 31 December 2007, which encloses an Independent Auditors’ Report dated 14 February 2008 issued by Ernst & Young LLP, Certified Public Accountants
“Greater China”	:	The People’s Republic of China, Hong Kong and Taiwan
“Group”	:	The Company and its subsidiaries, collectively
“GST”	:	Goods and services tax levied under the Goods and Services Tax Act, Chapter 117A of Singapore
“IBA”	:	The Islamic Bank of Asia Limited
“Issue Price”	:	The issue price of the Rights Shares, being S\$5.42 for each Rights Share
“Ixora”	:	Ixora Investments Pte. Ltd.
“Joint Lead Managers”	:	Citigroup Global Markets Singapore Pte. Ltd., DBS Bank, Goldman Sachs (Singapore) Pte., J.P. Morgan (S.E.A.) Limited, Morgan Stanley Asia (Singapore) Pte. and UBS AG, acting through its business division, UBS Investment Bank
“Latest Practicable Date”	:	26 December 2008, being the latest practicable date prior to the lodgment of this Offer Information Statement
“Lehman Brothers”	:	Lehman Brothers Holdings Inc.

“Listing Manual”	:	Listing Manual of the SGX-ST, as amended or modified from time to time
“Maju”	:	Maju Holdings Pte. Ltd.
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Moody’s”	:	Moody’s Investors Services, Inc
“Non-Voting Convertible Preference Shares”	:	The non-voting convertible preference shares in the capital of the Company
“Non-Voting Redeemable Convertible Preference Shares”	:	The non-voting redeemable convertible preference shares in the capital of the Company
“NPA”	:	Non-performing asset
“Offer Information Statement”	:	This document, together with (where the context requires) the PAL, the ARE, the ARS and all other accompanying documents to be issued by the Company in connection with the Rights Issue
“PAL”	:	The provisional allotment letter issued to Entitled Scripholders, setting out the provisional allotments of Rights Shares of such Entitled Scripholders under the Rights Issue
“Participating Banks”	:	(i) DBS Bank (including POSB), (ii) Oversea-Chinese Banking Corporation Limited and (iii) United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited
“Pro Rata Shares”	:	Temasek’s and Maju’s aggregate <i>pro rata</i> entitlements of Rights Shares to be issued pursuant to the Rights Issue
“Purchaser”	:	A purchaser of the provisional allotments of Rights Shares traded on the SGX-ST during the “nil-paid” Rights trading period through the book-entry (scripless) settlement system
“QIB”	:	Qualified institutional buyer as defined in Rule 144A of the Securities Act
“RBC Dexia Irrevocable Undertaking”	:	The irrevocable undertaking dated 24 December 2008 given by RBC Dexia Trust Services (Singapore) Limited, as trustees of the Trusts, in favour of the Company and the Underwriters, in relation to the Rights Issue, the details of which are set out in paragraph 7 in the Section entitled “ Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 — The Offer and Listing ” of this Offer Information Statement
“Rights”	:	Rights to subscribe for one Rights Share for every two Shares (1 for 2) held by Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
“Rights Issue”	:	The renounceable underwritten rights issue by the Company of the Rights Shares, at the Issue Price, on the basis of one Rights Share for every two Shares (1 for 2) held by Shareholders as at the Books Closure Date, fractional entitlements to be disregarded, on the terms and conditions of this Offer Information Statement

“Rights Issue Announcement”	:	The announcement released by the Company via SGXNET on 22 December 2008 in relation to the Rights Issue
“Rights Shares”	:	The 760,480,229 new Shares to be allotted and issued by the Company pursuant to the Rights Issue
“Ringgit”	:	Ringgit, the lawful currency of Malaysia
“RMB” or “Renminbi”	:	Renminbi, the lawful currency of China
“Rosa”	:	Red Orchid Secured Assets Ltd
“S\$” or “SGD” and “cents”	:	Singapore dollars and cents, respectively
“Securities Account”	:	Securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
“Securities Act”	:	The U.S. Securities Act of 1933, as amended, and the rules and regulations of the U.S. Securities and Exchange Commission promulgated thereunder
“Securities and Futures Act”	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Awards”	:	The awards of Shares granted under the DBSH Share Plan and the DBSH Employee Share Plan
“Share Options”	:	The outstanding options to subscribe for Shares granted under the DBSH Share Option Plan
“Shareholders”	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and whose Securities Accounts are credited with those Shares
“Share Registrar”	:	Tricor Barbinder Share Registration Services, a business division of Tricor Singapore Pte Ltd
“Shares”	:	The ordinary shares in the capital of the Company
“Singapore”	:	The Republic of Singapore
“SME”	:	Small and medium sized enterprise
“Standard & Poor’s”	:	Standard & Poor’s Rating Services
“Sub-Underwriting Agreement”	:	The sub-underwriting agreement dated 22 December 2008 entered into between Ixora and the Underwriters, in relation to the Rights Issue, the details of which are set out in paragraph 7 in the Section entitled “Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 — The Offer and Listing” of this Offer Information Statement

“Sub-Underwriting Commitment”	:	Ixora’s commitment under the Sub-Underwriting Agreement to subscribe for up to 33.3% of the Rights Shares to the extent that such Rights Shares are not validly subscribed for under the Rights Issue less the number of <i>Pro Rata</i> Shares which Temasek and Maju would have subscribed for under the Rights Issue
“Substantial Shareholder”	:	A person who has an interest or interests in voting shares in the Company representing not less than 5% of all the voting shares in the Company
“Temasek”	:	Temasek Holdings (Private) Limited
“Temasek Irrevocable Undertaking”	:	The irrevocable undertaking dated 22 December 2008 given by Temasek Capital (Private) Limited in favour of the Company and the Underwriters, in relation to the Rights Issue, the details of which are set out in paragraph 7 in the Section entitled “Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 — The Offer and Listing” of this Offer Information Statement
“Third Quarter Group Financial Results 2008”	:	The unaudited financial results of the Group for the third quarter ended 30 September 2008, a copy of which is enclosed in Appendix D-1 to this Offer Information Statement
“Trusts”	:	Trusts established for the DBSH Share Plan and the DBSH Employee Share Plan under trust deeds each dated 27 January 2000
“Underwriters”	:	Citigroup Global Markets Singapore Pte. Ltd., Goldman Sachs (Singapore) Pte., J.P. Morgan (S.E.A.) Limited, Morgan Stanley Asia (Singapore) Pte. and UBS AG, acting through its business division, UBS Investment Bank
“Underwriting Agreement”	:	The management and underwriting agreement dated 22 December 2008 entered into between the Company, the Joint Lead Managers and the Underwriters, in relation to the Rights Issue, the details of which are set out in paragraph 7 in the Section entitled “Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 — The Offer and Listing” of this Offer Information Statement
“Unit Share Market”	:	The unit share market of the SGX-ST which allows trading of shares in single units
“U.S.” or “United States”	:	The United States of America
“US\$”	:	U.S. dollars
“9M2007”	:	The nine months ended 30 September 2007
“9M2008”	:	The nine months ended 30 September 2008
“%”	:	Per centum or percentage

The terms **“Depositor”**, **“Depository Register”** and **“Depository Agent”** shall have the same meanings ascribed to them respectively in Section 130A of the Companies Act.

The term “**subsidiary**” shall have the meaning ascribed to it by Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Offer Information Statement to any enactment is a reference to that enactment as for the time being amended, modified or re-enacted. Any word defined under the Companies Act, the Securities and Futures Act, the Securities and Futures (Offers of Investments) (Shares and Debentures Regulations) 2005 or the Listing Manual or any amendment or modification thereof and not otherwise defined in this Offer Information Statement shall, where applicable, have the meaning assigned to it under the Companies Act, the Securities and Futures Act, the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 or the Listing Manual or such amendment or modification thereof, as the case may be.

Unless otherwise indicated, all information in this Offer Information Statement assumes that the Rights Issue is fully subscribed.

Any reference to a time of day and dates in this Offer Information Statement shall be a reference to Singapore time and dates unless otherwise stated.

Unless otherwise indicated, all dollar amounts in this Offer Information Statement are rounded up or down, as the case may be, to the nearest million.

Any discrepancies in figures included in this Offer Information Statement between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

References in this Offer Information Statement to “**we**”, “**our**” and “**us**” refer to the Company and its subsidiaries.

SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005

IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

Directors

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity

Name of Director	Address
Koh Boon Hwee	27 Queen Astrid Park Singapore 266832
Richard Daniel Stanley	28 Cuscaden Road #20-08 Cuscaden Residences Singapore 249723
Ang Kong Hua	6 Swettenham Close Singapore 248135
Andrew Robert Fowell Buxton	59 Cadogan Lane London SW1X 9DT United Kingdom
Bart Joseph Broadman	29 Mount Sinai Rise #22-02 The Marbella Singapore 276952
Christopher Cheng Wai Chee	House 25 63 Deep Water Bay Road Hong Kong
Euleen Goh Yiu Kiang	50 Draycott Park #10-01 The Draycott Singapore 259396
Kwa Chong Seng	19 Victoria Park Road Singapore 266498
John Alan Ross	830 Park Avenue Apt 11B New York NY 10021 United States of America
Wong Ngit Liong	3A Camden Park Singapore 299817

Advisers

2. Provide the names and addresses of –

(a) the issue manager to the offer, if any;

Name of Joint Lead Manager	Address
Citigroup Global Markets Singapore Pte. Ltd.	3 Temasek Avenue #12-00 Centennial Tower Singapore 039190
DBS Bank Ltd.	6 Shenton Way DBS Building Tower One Singapore 068809
Goldman Sachs (Singapore) Pte.	1 Raffles Link #07-01 Singapore 039393
J.P. Morgan (S.E.A.) Limited	168 Robinson Road 17th Floor Capital Tower Singapore 068912
Morgan Stanley Asia (Singapore) Pte.	23 Church Street #16-01 Capital Square Singapore 049481
UBS AG, acting through its business division, UBS Investment Bank	One Raffles Quay #50-01 North Tower Singapore 048583

(b) the underwriter to the offer, if any; and

Name of Underwriter	Address
Citigroup Global Markets Singapore Pte. Ltd.	3 Temasek Avenue #12-00 Centennial Tower Singapore 039190
Goldman Sachs (Singapore) Pte.	1 Raffles Link #07-01 Singapore 039393
J.P. Morgan (S.E.A.) Limited	168 Robinson Road 17th Floor Capital Tower Singapore 068912
Morgan Stanley Asia (Singapore) Pte.	23 Church Street #16-01 Capital Square Singapore 049481
UBS AG, acting through its business division, UBS Investment Bank	One Raffles Quay #50-01 North Tower Singapore 048583

(c) the legal adviser for or in relation to the offer, if any.

(i) legal adviser to the Company

Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989

(ii) legal adviser to the Underwriters as to Singapore law

Venture Law LLC
50 Raffles Place #30-00
Singapore Land Tower
Singapore 048623

(iii) legal adviser to the Underwriters as to U.S. Federal law

White & Case LLP
50 Raffles Place #30-00
Singapore Land Tower
Singapore 048623

Registrars and Agents

3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities being offered, where applicable.

Share Registrar and Share Transfer Agent : Tricor Barbinder Share Registration Services, a business division of Tricor Singapore Pte Ltd
8 Cross Street
#11-00 PWC Building
Singapore 048424

Receiving Banker : DBS Bank Ltd.
6 Shenton Way
DBS Building Tower One
Singapore 068809

OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state the number of the securities being offered.

As at the Latest Practicable Date, there are 1,520,960,458 issued Shares (including 4,579,000 Shares held in treasury), 13,030,970 Share Options which are vested and which may be exercised on or prior to the Books Closure Date, 6,685,282 Shares comprised in Share Awards, 120,436 Non-Voting Convertible Preference Shares and 66,475,374 Non-Voting Redeemable Convertible Preference Shares.

All the 4,579,000 Shares held in treasury will be transferred to the trustees of the Trusts on or before the Books Closure Date. The Share Options are out-of-the-money and none of the Share Awards will vest on or prior to the Books Closure Date. The Convertible Preference Shares will not be converted on or before the Books Closure Date and the Company has not, as at the Latest Practicable Date, received any notice of conversion for the Convertible Preference Shares.

In view of the foregoing, 760,480,229 Rights Shares, on the basis of one Rights Share for every two Shares held by Shareholders as at Books Closure Date, will be offered at S\$5.42 per Rights Share pursuant to the Rights Issue.

Method and Timetable

- 2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to –**
 - (a) the offer procedure; and**
 - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.**

Please see paragraphs 3 to 7 below.

- 3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgment of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.**

Please refer to the Section entitled “**Expected Timetable of Key Events**” of this Offer Information Statement.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of Rights Shares and for the applications for excess Rights Shares, including the different modes of acceptance or application and payment, are contained in Appendices E, F and G to this Offer Information Statement and in the PAL, the ARE and the ARS.

As at the Latest Practicable Date, the Company does not expect the timetable under the Section entitled “**Expected Timetable of Key Events**” of this Offer Information Statement to be modified. However, the Company may, with the approval of the SGX-ST and with the agreement of the Joint Lead Managers and the Underwriters, modify the timetable subject to any limitation under any applicable laws. In that event, the Company will publicly announce the same through a SGXNET announcement to be posted on the Internet at the SGX-ST’s website <http://www.sgx.com>.

- 4. State the method and time limit for paying up for the securities and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.**

The Rights Shares are payable in full upon acceptance and/or application. Details of the methods of payment for the Rights Shares are contained in Appendices E, F and G to this Offer Information Statement.

Please refer to the Section entitled “**Expected Timetable of Key Events**” of this Offer Information Statement for the last date and time for payment for the Rights Shares and, if applicable, excess Rights Shares.

- 5. State, where applicable, the methods of and time limits for –**
 - (a) the delivery of the documents evidencing title to the securities being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**

(b) the book-entry transfers of the securities being offered in favour of subscribers or purchasers.

The Rights Shares will be provisionally allotted to Entitled Shareholders by crediting the provisional allotments to Entitled Depositors so that the “nil-paid” Rights are available for trading on 6 January 2009 or through the despatch of the PALs to Entitled Scripholders on or about 6 January 2009.

In the case of Entitled Scripholders and their renounees with valid acceptances and successful applications of excess Rights Shares and who have, *inter alia*, failed to furnish or furnished incorrect or invalid Securities Account numbers in the relevant form comprised in the PAL, share certificates representing such number of Rights Shares will be despatched to such Entitled Scripholder by ordinary post, at their own risk, to their mailing addresses in Singapore as maintained with the Share Registrar within 10 Market Days after the Closing Date.

In the case of Entitled Depositors and Entitled Scripholders and their renounees (who have furnished valid Securities Account numbers in the relevant form comprised in the PAL) with valid acceptances and/or successful applications of excess Rights Shares, share certificate(s) representing such number of Rights Shares will be registered in the name of CDP or its nominee and despatched to CDP within 10 Market Days after the Closing Date and CDP will thereafter credit such number of Rights Shares to their relevant Securities Accounts. CDP will then send a notification letter to the relevant subscribers stating the number of Rights Shares that have been credited to their Securities Accounts.

6. In the case of any pre-emptive rights to subscribe for or purchase the securities being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.

Please refer to Appendices E, F and G to this Offer Information Statement and the ARE, ARS and PAL for details on the procedure for the acceptance of the provisional allotment of the Rights Shares, application for excess Rights Shares, trading of “nil-paid” Rights on the SGX-ST and the treatment of provisional allotment of Rights Shares which are not accepted.

7. Provide a full description of the manner in which results of the allotment or allocation of the securities are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).

Results of the Rights Issue

The Company will announce the results of the Rights Issue through a SGXNET announcement to be posted on the Internet at the SGX-ST’s website, <http://www.sgx.com>.

Manner of Refund

When any acceptance for Rights Shares and/or excess application is invalid or unsuccessful, the amount paid on acceptance and/or application will be returned or refunded to such applicants without interest or any share of revenue or other benefit arising therefrom within 14 days after the Closing Date as follows:

- (i) where the acceptance and/or application had been made through CDP, by means of a crossed cheque drawn on a bank in Singapore and sent by ordinary post at their own risk to their mailing addresses maintained with CDP or in such other manner as they may have agreed with CDP for the payment of any cash distribution;
- (ii) where the acceptance and/or application had been made through the Share Registrar, by means of a crossed cheque drawn on a bank in Singapore and sent by ordinary post at their own risk to their mailing addresses in Singapore as maintained with the Share Registrar; and

- (iii) where the acceptance and/or application had been made through Electronic Applications, by crediting their bank accounts with the relevant Participating Banks at their own risk, the receipt by such bank being a good discharge of the Company's and CDP's obligations.

Please refer to Appendices E, F and G to this Offer Information Statement for details of refunding excess amounts paid by applicants.

KEY INFORMATION

Use of Proceeds from Offer and Expenses Incurred

1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.

Noted.

2. **Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.**

The estimated net proceeds from the Rights Issue (after deducting estimated expenses associated with the Rights Issue of approximately S\$95 million) are expected to be approximately S\$4.0 billion.

All net proceeds from the Rights Issue will go to the Company.

3. **Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities.**

The purpose of the Rights Issue is to increase the Tier 1 capital of the Company and the Group. As at 30 September 2008, the consolidated core Tier 1 (i.e. Tier 1 capital less qualifying preferred and hybrid instruments) and Tier 1 ratios of the Group were 7.8% and 9.7%, respectively. After adjusting for the estimated net proceeds of the Rights Issue, the *pro forma* consolidated core Tier 1 and Tier 1 ratios of the Group as at 30 September 2008 are expected to increase to 9.9% and 11.8%, respectively.

The net proceeds from the Rights Issue will be used for general corporate funding purposes of the Company, which include uses in the ordinary course of the Group's business such as funding of loans to customers, discharging, reducing or retiring the indebtedness of the Group and investing in financial assets.

4. **For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.**

For each dollar of the gross proceeds of approximately S\$4.1 billion to the Company from the Rights Issue, the Company will allocate approximately 97.7 cents (representing approximately

97.7% of the gross proceeds) to the Company's general corporate funding purposes and approximately 2.3 cents (representing approximately 2.3% of the gross proceeds) to pay for the expenses incurred in connection with the Rights Issue.

5. **If any of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined.**

There is no intention to use the net proceeds from the Rights Issue, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business.

6. **If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.**

There is no intention to use the net proceeds from the Rights Issue to finance or refinance the acquisition of another business.

7. **If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**

As disclosed in paragraph 3 above, the Company may use part of the net proceeds from the Rights Issue to discharge, reduce or retire the indebtedness of the Group in the ordinary course of its business. As at the Latest Practicable Date, the Company has not identified any specific indebtedness to discharge, reduce or retire.

8. **In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**

The Rights Issue is underwritten in full by the Underwriters, severally, pursuant to the terms of the Underwriting Agreement. In consideration of the Underwriters' agreement to underwrite the Rights Shares, the Company will pay an underwriting, management and selling fee of:

- (i) 1.75% of the Issue Price multiplied by that number of Rights Shares which is equal to the number of *Pro Rata* Shares, plus any applicable GST; and
- (ii) 2.25% of the Issue Price multiplied by the total number of Rights Shares less the number of *Pro Rata* Shares and the number of Excluded Rights Shares, plus any applicable GST.

This underwriting, management and selling fee will be shared by the Underwriters in proportion to their respective underwriting commitments.

In addition, Ixora, which is wholly-owned by Temasek, has entered into the Sub-Underwriting Agreement with the Underwriters to subscribe for up to 33.3% of the Rights Shares, to the extent that such Rights Shares are not validly subscribed for under the Rights Issue less the number of *Pro Rata* Shares which Temasek and Maju would have subscribed for under the Rights Issue.

In consideration of Ixora's commitment under the Sub-Underwriting Agreement, the Underwriters have agreed to pay a commission of:

- (i) 1.75% of the Issue Price multiplied by that number of Rights Shares which is equal to the number of *Pro Rata* Shares; and
- (ii) 2.25% of the Issue Price multiplied by the balance number of Rights Shares comprised within the Sub-Underwriting Commitment.

This commission will be paid to Ixora by each Underwriter in proportion to their respective underwriting commitments under the Underwriting Agreement.

Please refer to paragraph 7 in the Section entitled "**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 — The Offer and Listing**" of this Offer Information Statement for further details of the terms of the Underwriting Agreement and the Sub-Underwriting Agreement.

Information on the Relevant Entity

9. Provide the following information:

- (a) **the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office);**

Registered Office and Principal Place of Business : 6 Shenton Way
DBS Building Tower One
Singapore 068809

Telephone number : (65) 6878 8888

Facsimile number : (65) 6372 0352

- (b) **the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;**

The Group is the largest commercial banking group in Singapore and one of the leading banking groups in Hong Kong, in terms of asset size. The asset quality of the Group is one of the best in Asia and its "AA-" and "Aa1" credit ratings from Standard & Poor's and Moody's, respectively, are among the highest in the region⁽¹⁾. The holding company of the Group is listed on the SGX-ST.

Established in 1968, DBS Bank served as the catalyst to Singapore's economic development during the country's early years of independence. Since then, DBS Bank has grown and the Group has become a regional player offering a comprehensive range of innovative products and solutions to meet the needs of its clients. The Group has a universal banking licence, enabling it to undertake a full range of activities including consumer banking, corporate banking and capital markets services, so as to provide customers with integrated, innovative and timely solutions. The Group has a regional network spanning 16 markets, more than 200 branches and over 1,000 ATMs across 50 cities.

As at 30 September 2008, the Group had approximately S\$260 billion in total assets, approximately S\$128 billion in customer loans and advances, approximately S\$166 billion in customer deposits and approximately S\$20 billion in total shareholders' funds.

Note:

- (1) Source: Standard & Poor's and Moody's. Standard & Poor's and Moody's have not consented for the purposes of Sections 249 and 277 of the Securities and Futures Act to the inclusion of the credit ratings quoted above and are thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. The Company, the Joint Lead Managers and the Underwriters have included the above credit ratings in their proper form and context and have not verified the accuracy of such information.

A significant portion of the Group's assets and operations are held and conducted through DBS Bank. As at 30 September 2008, DBS Bank accounted for approximately 83% of the consolidated total assets of the Group.

- (c) **the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since –**
- (i) **the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or**
 - (ii) **the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;**

2005

In May 2005, the Group launched its consumer banking business in China at its Shenzhen branch.

In June 2005, the Group entered into a joint venture agreement with the Murugappa Group to take a 37.5% equal ownership in Cholamandalam DBS to provide mass market consumer finance in India.

In August 2005, DBS Indonesia entered the consumer banking business by launching DBS Treasures Priority Banking in Indonesia which targets the mass affluent segment.

2006

In April 2006, the Group received approval to open its first branch in the Middle East at the Dubai International Financial Centre. DBS Bank was one of the first few Asia-based banks and the first Singapore bank to receive a licence from the Dubai Financial Services Authority to open a branch in Dubai.

In June 2006, DBSAM entered into an agreement to acquire 33.0% of Changsheng, a China fund management company with operations in Beijing and Shanghai.

In June 2006, DBS Bank issued US\$900 million floating rate subordinated notes due 2021 callable with step-up in 2016, which qualified as Upper Tier 2 capital. Following strong reverse enquiries from investors, DBS Bank successfully priced another S\$500 million subordinated notes offering to supplement its earlier US\$900 million international issue.

In September 2006, the Group acquired a controlling interest in AXS InfoComm Pte Ltd to enhance its payment and collection capabilities. AXS InfoComm Pte Ltd currently has a network of about 500 AXS stations in Singapore.

In December 2006, the China Banking Regulatory Commission granted its approval for DBS Bank to prepare for the incorporation of a wholly-owned banking subsidiary.

2007

In May 2007, DBS China was incorporated in China with five branches in Beijing, Shanghai, Guangzhou, Shenzhen and Suzhou and a sub-branch in Shanghai. The establishment of DBS China allowed the Group to offer Chinese residents RMB banking services.

In May 2007, the Group launched a new subsidiary, IBA to provide commercial banking, corporate finance, capital market and private banking services under Islamic banking principles. Based in Singapore, IBA provides services to clients in the Middle East and Asia. IBA is capitalised at US\$500 million. The Group has a majority stake in IBA at 50% plus one share. The other shareholders of IBA are investors from prominent families and industrial

groups from the Gulf Cooperation Council Countries. IBA received its banking licence from the Central Bank of Bahrain to set up a representative office in October 2007.

In May 2007, the Group successfully priced an international offering of US\$1.5 billion floating rate subordinated notes due 2017 and US\$500 million 5.125% subordinated notes due 2017 for general corporate purposes and to augment its Tier 2 regulatory capital base.

In October 2007, the DBSAM-Changsheng joint venture was granted the Qualified Domestic Institutional Investor Licence in China.

2008

In March 2008, the Reserve Bank of India granted its approval for the Group to set up eight new branches in Bangalore, Chennai, Pune, Kolkata, Nasik, Moradabad, Salem and Surat, in addition to its existing branches in Delhi and Mumbai. This increased the Group's presence to 10 branches in India. Eight branches are currently operational and the remaining two are expected to be ready by March 2009.

In March 2008, the Group received a licence to set up a representative office in Hanoi from the State Bank of Vietnam.

In May 2008, the Group completed its acquisition of certain assets, liabilities and business of Bowa Bank, carrying on such business through DBS Bank branches in Taiwan and expanding its footprint to 40 distribution outlets across Taiwan.

In May 2008, the Group successfully issued S\$1.5 billion of non-cumulative, non-convertible, non-voting and guaranteed preference shares callable with step-up in 2018 to strengthen its Tier 1 regulatory capital and support its growth initiatives.

In August 2008, the Group relaunched the POSB brand in Singapore after completing a refurbishment of its 49 branches.

In November 2008, DBSAM in partnership with Hwang-DBS (Malaysia) Bhd launched its global Islamic investment management entity called Asian Islamic Investment Management Sdn Bhd. This foreign owned entity was set up with a paid-up capital of 10 million Ringgit with DBSAM owning 51% and the remaining 49% held by Hwang-DBS (Malaysia) Bhd.

Of DBS Indonesia's 36 branches and sub-branches in 11 major cities in Indonesia, half were opened over the past year.

DBS China currently has six branches and five sub-branches across China. In addition, the China Banking Regulatory Commission has approved the setting up of a branch in Nanning, which will bring the total number of branches in China to seven.

Save as disclosed in this Offer Information Statement or as may have been publicly announced by the Company via SGXNET, there have been no material changes in the affairs of the Company since the end of 9M2008 to the Latest Practicable Date.

- (d) the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –**
- (i) in the case of the equity capital, the issued capital; or**
 - (ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;**

Issued share capital (as at the Latest Practicable Date)	:	S\$4,193,189,648.20 divided into:
		(i) 1,520,960,458 Shares (including 4,579,000 Shares held in treasury ⁽¹⁾);
		(ii) 66,475,374 Non-Voting Redeemable Convertible Preference Shares; and
		(iii) 120,436 Non-Voting Convertible Preference Shares
Loan capital (as at the Latest Practicable Date)	:	Nil

Note:

(1) The 4,579,000 Shares held in treasury will be transferred out of treasury on or prior to the Books Closure Date to the trustees of the trusts established for the DBSH Employee Share Plan and the DBSH Share Plan.

On 2 April 2008, the Company obtained Shareholders' approval for a share purchase mandate. The Company has, as at the Latest Practicable Date, 4,579,000 Shares held in treasury. From 22 December 2008, the Company has decided to cease buying back further Shares pursuant to the share purchase mandate until after the forthcoming annual general meeting of the Company scheduled in April 2009.

As at the Latest Practicable Date, the Company has issued 66,475,374 Non-Voting Redeemable Convertible Preference Shares and 120,436 Non-Voting Convertible Preference Shares, all of which are held by Maju. These Convertible Preference Shares are not listed on the SGX-ST.

Subject to certain restrictions as to voting and dividend, the rights attaching to the Convertible Preference Shares are the same as those attaching to Shares. In particular, the holders of Convertible Preference Shares are entitled, but not obliged, to participate equally with the holders of Shares through the issue of new Convertible Preference Shares in any rights issue of Shares by the Company as if the Convertible Preference Shares had been converted into Shares. Accordingly, the Company will offer to Maju for subscription one new Convertible Preference Share for every two Convertible Preference Shares held as at the Books Closure Date at a subscription price equal to the Issue Price, such offer to be made concurrently with the Rights Issue offering period.

The Company intends to make adjustments with respect to the Share Options and Share Awards which are outstanding as at the Books Closure Date to take into account the Rights Issue so that the holders thereof will not be adversely affected thereby. Details of such adjustments will be communicated separately to holders of such options and awards.

(e) where –

- (i) the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or**
- (ii) the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;**

The interests of the Substantial Shareholders as at the Latest Practicable Date are set out below:

Substantial Shareholders	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Maju ⁽²⁾	234,497,040	15.42	0	0	234,497,040	15.42
Temasek ⁽³⁾	185,673,795	12.21	239,135,290	15.72	424,809,085	27.93

Notes:

- (1) Based on 1,520,960,458 issued Shares as at the Latest Practicable Date (including 4,579,000 Shares held in treasury, all of which are to be transferred out of treasury on or prior to the Books Closure Date to the trustees of the trusts established for the DBSH Employee Share Plan and the DBSH Share Plan).
- (2) Maju is a wholly-owned subsidiary of Temasek. In addition to the Shares above, Maju also holds 66,475,374 Non-Voting Redeemable Convertible Preference Shares and 120,436 Non-Voting Convertible Preference Shares as at the Latest Practicable Date.
- (3) Temasek, a company wholly owned by Minister for Finance (Incorporated), is deemed interested in all the shares of the Company held by Maju.

- (f) any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;**

As at the date of this Offer Information Statement, the Directors are not aware of any litigation or arbitration proceedings to which any member of the Group is a party or which is pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgment of this Offer Information Statement, a material effect on the financial position or profitability of the Group.

- (g) where any securities or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date –**

- (i) if the securities or equity interests have been issued for cash, state the prices at which the securities have been issued and the number of securities or equity interests issued at each price; or**

During the 12 months immediately preceding the Latest Practicable Date, the Company issued the following Shares upon the exercise of Share Options:

No. of Shares issued	Exercise Price Per Share (S\$)
635,350	10.40
108,300	12.27
112,000	12.93
1,229,705	14.73
451,221	15.07
97,800	15.30
550,900	17.70

- (ii) if the securities or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities or equity interests; and**

The Company has not issued any securities or equity interests in return for services (in the sense of services provided by a service provider as opposed to services provided in the course of employment) within the 12 months immediately preceding the Latest Practicable Date. For the avoidance of doubt, from time to time the Company has

granted Share Awards to employees of the Group. The movement of Shares granted pursuant to the DBSH Share Plan and the DBSH Employee Share Plan and their fair values at grant date are disclosed in the Company's annual reports.

- (h) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgment of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.

Save as disclosed below and in paragraph 9(c) of the Section entitled "**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 — Key Information**" of this Offer Information Statement, the members of the Group have not entered into any material contracts outside the ordinary course of business for the period of two years immediately preceding the date of lodgment of this Offer Information Statement:—

- (i) the Underwriting Agreement, the details of which are set out under paragraph 7 in the Section entitled "**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 — The Offer and Listing**"; and
- (ii) the Temasek Irrevocable Undertaking, the details of which are set out under paragraph 7 in the Section entitled "**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 — The Offer and Listing**".

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Results

1. Provide selected data from –

- (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
- (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.

Please refer to Appendices A and D-1 to this Offer Information Statement.

2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and shall in addition include the following items:

- (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;

(b) earnings or loss per share; and

(c) earnings or loss per share, after any adjustment to reflect the sale of new securities.

(S\$)	FY2005	FY2006	FY2007	9M2007	9M2008
Basic earnings per Share ⁽¹⁾	0.54	1.50	1.50	1.60	1.44
Diluted earnings per Share ⁽¹⁾	0.53	1.45	1.44	1.53	1.38
Gross dividends declared per Share ⁽²⁾	0.58	0.76	0.80	0.60	0.60
Basic earnings per Share after adjustment to reflect the Rights Issue ⁽³⁾	0.46	1.28	1.27	1.36	1.22
Diluted earnings per Share after adjustment to reflect the Rights Issue ⁽³⁾	0.45	1.23	1.22	1.30	1.18

Notes:

(1) Includes one-time items and goodwill charges.

(2) Dividend amounts for FY2006 included a special dividend of 5 cents.

(3) *Pro forma* earnings per Share after the Rights Issue is shown (a) based on the number of Shares in issue as at the end of each period under review and (b) on the assumption that the Rights Issue was completed at the beginning of each such period and without taking into account the use of proceeds of the Rights Issue on the earnings of the Group, in each case computed in accordance with FRS 33: Earnings per Share.

Please also refer to Appendices A and D-1 to this Offer Information Statement.

3. In respect of –

(a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and

(b) any subsequent period for which interim financial statements have been published, provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

FY2007 vs FY2006

Please refer to Appendix D-2 to this Offer Information Statement.

FY2006 vs FY2005

Please refer to Appendix D-2 to this Offer Information Statement.

9M2008 vs 9M2007

Please refer to Appendix D-1 to this Offer Information Statement.

Financial Position

4. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of –

(a) the most recent completed financial year for which audited financial statements have been published; or

- (b) if interim financial statements have been published for any subsequent period, that period.

Please refer to Appendices B and D-1 to this Offer Information Statement.

5. The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:
- (a) number of shares after any adjustment to reflect the sale of new securities;
- (b) net assets or liabilities per share; and
- (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities.

	As at 31 December 2007	As at 30 September 2008
Net assets per Share (S\$)	13.20	12.95
Number of Shares after adjustment to reflect the Rights Issue ⁽¹⁾	2,278,267,091	2,281,390,067
Net assets per Share after adjustment to reflect the Rights Issue (S\$) ⁽²⁾	10.55	10.38

Notes:

- (1) Based on the number of Shares in issue as at the end of each period under review and adjusted by the issue of the 760,480,229 Rights Shares pursuant to the Rights Issue.
- (2) *Pro forma* net assets per Share after the Rights Issue is shown after adjusting for the net proceeds of the Rights Issue and assuming that the Rights Issue was completed at the beginning of each such period and without taking into account the use of proceeds of the Rights Issue on the earnings of the Group.

Please also refer to Appendices B and D-1 to this Offer Information Statement.

Liquidity and Capital Resources

6. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of –
- (a) the most recent completed financial year for which financial statements have been published; and
- (b) if interim financial statements have been published for any subsequent period, that period.

FY2007

Operating activities of the Group provided S\$5,743 million in net cash. Funds for the Group were provided through a combination of sources, primarily from customer deposits and inter-bank activities. These were mainly used to fund loans and advances to customers. Net cash used in investing activities was S\$100 million mainly for the purchase of properties and other fixed assets. For financing activities, net cash generated was S\$1,550 million. Please refer to Appendix C to this Offer Information Statement.

Further information on the funding sources and capital adequacy ratios of the Group as at 31 December 2007 is set out below:

FUNDING SOURCES

(S\$m)

31 December 2007

Customer deposits by currency and product⁽¹⁾

Singapore dollar	84,099
Fixed deposits	27,708
Savings accounts	46,622
Current accounts	9,258
Others	511
Hong Kong dollar	24,775
Fixed deposits	17,302
Savings accounts	4,556
Current accounts	1,935
Others	982
US dollar	28,507
Fixed deposits	20,375
Savings accounts	1,849
Current accounts	3,976
Others	2,307
Others	16,191
Fixed deposits	13,152
Savings accounts	778
Current accounts	1,477
Others	784
Total customer deposits	153,572
Fixed deposits	78,537
Savings accounts	53,805
Current accounts	16,646
Others	4,584
Interbank liabilities	16,481
Other borrowings and liabilities	43,057
Shareholders' funds	20,481
Total	233,591

Note:

(1) Includes financial liabilities at fair value through profit or loss on the balance sheet.

In FY2007, total funding increased 18% to S\$233,591 million. Customer deposits grew 17% to S\$153,572 million.

Singapore-dollar deposits rose 18% in FY2007 to S\$84,099 million, with savings and fixed deposits growing by similar amounts in dollar terms. The Group's market share for total Singapore-dollar deposits was 27%, little changed from FY2006. The Group also retained its leadership in savings deposits.

Hong Kong-dollar deposits rose 7% in FY2007 to S\$24,775 million with fixed deposits leading the increase. The Group's market share of Hong Kong-dollar deposits was stable at 4%.

CAPITAL ADEQUACY RATIOS

(S\$m)	31 December 2007
Tier 1	
Share capital	4,164
Disclosed reserves and others	18,092
Less: Tier 1 Deductions	(5,897)
Eligible Tier 1	16,359
Tier 2	
Loan allowances admitted as Tier 2	1,210
Subordinated debts	7,087
Revaluation surplus from equity securities	177
Less: Tier 2 Deductions	(102)
Total eligible capital	24,731
Risk-weighted assets	184,601
	31 December 2007
Capital adequacy ratio (%)	
Tier 1 ratio	8.9
Tier 2 ratio	4.5
Total (Tier 1 & 2) ratio	13.4

Based on regulatory guidelines, the total capital adequacy ratio fell from 14.5% as at 31 December 2006 to 13.4% as at 31 December 2007 as the amount of risk-weighted assets increased with a higher customer loan base. The Tier 1 ratio declined from 10.2% as at 31 December 2006 to 8.9% as at 31 December 2007.

In May 2007, the Group issued US\$2,000 million of Tier 2 subordinated debt, which was partially offset by the amortisation of existing Tier 2 subordinated debt. The Tier 2 ratio rose slightly from 4.3% as at 31 December 2006 to 4.5% as at 31 December 2007.

9M2008

Net cash used in operating activities was S\$5,929 million. The main source of funds was from customer deposits used to fund customer loans and advances. Net cash used in investing activities was S\$121 million mainly for the purchase of properties and other fixed assets. For financing activities, net cash generated was S\$504 million.

Further information on the funding sources and capital adequacy ratios of the Group as at 30 September 2008 is set out below:

FUNDING SOURCES

(S\$m)	30 September 2008
Customer deposits by currency and product⁽¹⁾	
Singapore dollar	89,666
Fixed deposits	21,821

(S\$m)	30 September 2008
Savings accounts	57,256
Current accounts	9,775
Others	814
Hong Kong dollar	23,503
Fixed deposits	16,917
Savings accounts	3,970
Current accounts	1,856
Others	760
US dollar	29,018
Fixed deposits	19,536
Savings accounts	1,851
Current accounts	4,833
Others	2,798
Others	24,261
Fixed deposits	20,163
Savings accounts	1,233
Current accounts	1,771
Others	1,094
Total customer deposits	166,448
Fixed deposits	78,437
Savings accounts	64,310
Current accounts	18,235
Others	5,466
Interbank liabilities ⁽²⁾	19,616
Other borrowings and liabilities ⁽²⁾	54,036
Shareholders' funds	20,141
Total	260,241

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.

Customer deposits rose 5% from the previous quarter to S\$166.4 billion. The increase was in foreign currency fixed deposits and Singapore-dollar savings deposits. The mix of Singapore dollar deposits shifted towards savings accounts as fixed deposits fell.

For 9M2008, customer deposits rose 8%, led by Singapore-dollar savings accounts.

CAPITAL ADEQUACY RATIOS

(S\$m)	30 September 2008
Tier 1	
Share capital	4,214
Disclosed reserves and others	20,268

(\$m)	30 September 2008
Less: Tier 1 Deductions	(6,011)
Eligible Tier 1	18,471
Tier 2	
Loan allowances admitted as Tier 2	680
Subordinated debts	6,413
Revaluation surplus from equity securities	27
Less: Tier 2 Deductions	(117)
Total eligible capital	25,474
Risk-weighted assets	190,188

	30 September 2008
Capital adequacy ratio (%)	
Tier 1 ratio	9.7
Tier 2 ratio	3.7
Total (Tier 1 & 2) ratio	13.4

Please also refer to Appendices C and D-1 to this Offer Information Statement.

- 7. Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgment of the offer information statement, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided.**

The activities of the Group are funded primarily by deposits of non-bank customers, which constitute debts payable on demand or on contractual maturities. Accordingly, the concept of working capital is not applicable to the Group. The Directors are of the opinion that, as at the date of lodgment of this Offer Information Statement, taking into consideration the total assets of the Group, the Group has sufficient resources for its present requirements.

- 8. If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity, provide –**
- (a) a statement of that fact;**
 - (b) details of the credit arrangement or bank loan; and**
 - (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).**

To the best of the Directors' knowledge, the Group is not in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the Group's financial position and results or business operations, or the investments by holders of securities in the Company.

Trend Information and Profit Forecast or Profit Estimate

9. **Discuss, for at least the current financial year, the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**

Please refer to the Sections entitled “Trading Update” and “Risk Factors” of this Offer Information Statement for further details.

10. **Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**

No profit forecast is disclosed in this Offer Information Statement.

11. **Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.**

Please refer to the Section entitled “Trading Update” of this Offer Information Statement.

The Trading Update has been prepared based on the monthly management accounts of the Group for October 2008 and November 2008 and reflect, to the maximum extent practicable, actual results of operations from 1 October 2008 to 19 December 2008 (“Cut-Off Date”). It should be noted, however, that adjustments which would normally be made by the Group in announcing its quarterly results have not been applied to these monthly management accounts and results of operations. The principal assumptions upon which the Trading Update is based are as follows:

- (i) There is no material change in trading income during the period from the Cut-Off Date to 31 December 2008. This reflects the point in the Trading Update that “certain revenue components may be marginally impacted by market movements through the end of the year”.
- (ii) There is no material change in Singapore interbank interest rates from the Cut-Off Date to 31 December 2008.
- (iii) There is no material change in foreign exchange currency rates, particularly between US\$ and S\$, from the Cut-Off Date to 31 December 2008.
- (iv) There is no further impairment of investments or goodwill of the Group other than that disclosed in the Trading Update. As discussed in the Trading Update, a review of the carrying value of the Company’s investment in Cholamandalam DBS is being undertaken for the three-month period ending 31 December 2008.
- (v) There is no material increase in the level of NPAs and specific allowances of the Group after the Cut-Off Date that would need to be incorporated into the FY2008 financial position.
- (vi) There are no material changes in banking regulations applicable to the Group, including MAS Notice 612, after the Cut-Off Date which would apply for FY2008.
- (vii) There is no material impact from changes in tax laws in any country after the Cut-Off Date which will have a retrospective effect on the Group for FY2008.
- (viii) There is no material impact from new, or changes in, accounting standards after the Cut-Off Date which will require retrospective adjustments.

- 12. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.**

No profit forecast is disclosed in this Offer Information Statement.

- 13. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part –**

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or**
- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.**

No profit forecast is disclosed in this Offer Information Statement.

- 14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part –**

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or**
- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.**

No profit forecast is disclosed in this Offer Information Statement.

Significant Changes

- 15. Disclose any event that has occurred from the end of –**

- (a) the most recent completed financial year for which financial statements have been published; or**
- (b) if interim financial statements have been published for any subsequent period, that period,**

to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.

Save as disclosed in this Offer Information Statement or as may have been publicly announced by the Company via SGXNET, there is no event that has occurred from 30 September 2008 to the Latest Practicable Date which may have a material effect on the Group's financial position and results.

Meaning of "published"

16. In this Part, "published" includes publications in a prospectus, in an annual report or on the SGXNET.

Noted.

THE OFFER AND LISTING

Offer and Listing Details

1. Indicate the price at which the securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgment of the offer information statement, the method by which the offer price is to be determined must be explained.

Issue Price : S\$5.42 for each Rights Share, payable in full on acceptance and/or application.

The expenses incurred in the Rights Issue will not be specifically charged to subscribers of the Rights Shares.

An administrative fee will be incurred for each Electronic Application made through the ATMs of the respective Participating Banks.

2. If there is no established market for the securities being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.

The Shares are, and the Rights Shares will be, traded on the Main Board of the SGX-ST.

3. If –

(a) any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities being offered; and

(b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

As there may be prohibitions or restrictions against the offering of Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the Sections entitled "**Transfer and Selling Restrictions**" and "**Eligibility of Shareholders to Participate in the Rights Issue**" of this Offer Information Statement for further information.

4. If securities of the same class as those securities being offered are listed for quotation on any securities exchange –

(a) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities –

- (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and**
- (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or**

The highest and lowest market prices and the volume of the Shares traded on the SGX-ST during each of the last 12 calendar months immediately preceding the Latest Practicable Date and for the period from 1 December 2008 to the Latest Practicable Date are as follows:

Month	Price Range		Volume of Shares traded per month ⁽³⁾ ('000)
	High ⁽¹⁾ (S\$)	Low ⁽²⁾ (S\$)	
December 2007	21.70	19.70	162,505
January 2008	20.64	17.38	207,547
February 2008	18.36	16.66	141,910
March 2008	18.60	16.58	132,945
April 2008	20.04	18.64	130,610
May 2008	20.50	19.32	109,750
June 2008	19.86	18.74	120,378
July 2008	19.76	18.38	110,320
August 2008	19.14	17.54	108,631
September 2008	18.20	16.12	161,370
October 2008	16.70	10.04	241,515
November 2008	11.70	9.07	162,055
December 2008 to the Latest Practicable Date	10.10	9.04	160,464

Source: Bloomberg Finance L.P.. Bloomberg Finance L.P. has not consented for the purposes of Sections 249 and 277 of the Securities and Futures Act to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the Securities and Futures Act. The Company, the Joint Lead Managers and the Underwriters have included the above information in its proper form and context and have not verified the accuracy of such information.

Notes:

- (1) High Price was based on the highest closing price for the Shares in a particular month.
- (2) Low Price was based on the lowest closing price for the Shares in a particular month.
- (3) Volume was based on the total volume of the Shares traded in a particular month.

(b) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities –

- (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and**

- (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;

Not applicable, as the Shares have been listed for quotation on the Main Board of the SGX-ST for more than 12 months immediately preceding the Latest Practicable Date.

- (c) disclose any significant trading suspension that has occurred on the securities exchange during the 3 years immediately preceding the latest practicable date or, if the securities have been listed for quotation for less than 3 years, during the period from the date on which the securities were first listed to the latest practicable date; and

No significant trading suspension of the Shares has occurred on the SGX-ST during the three years immediately preceding the Latest Practicable Date.

- (d) disclose information on any lack of liquidity, if the securities are not regularly traded on the securities exchange.

Please refer to paragraph 4(a) of the Section entitled “**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 — The Offer and Listing**” of this Offer Information Statement for the volume of Shares traded during each of the last 12 calendar months immediately preceding the Latest Practicable Date and for the period from 1 December 2008 to the Latest Practicable Date.

5. Where the securities being offered are not identical to the securities already issued by the relevant entity, provide –

- (a) a statement of the rights, preferences and restrictions attached to the securities being offered; and
- (b) an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities, to rank in priority to or *pari passu* with the securities being offered.

The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then issued Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares.

Plan of Distribution

6. Indicate the amount, and outline briefly the plan of distribution, of the securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.

Basis of Provisional Allotment

The Rights Issue is made on a renounceable underwritten basis to Entitled Shareholders on the basis of one Rights Share for every two Shares (1 for 2) held by Shareholders as at the Books Closure Date at the Issue Price, fractional entitlements to be disregarded. The Rights Shares are payable in full upon acceptance and/or application and upon allotment and issue will rank *pari passu* in all respects with the then issued Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares. 760,480,229 Rights Shares will be issued. For further details, please refer to paragraph 1 in the

Section entitled “**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 – Offer Statistics and Timetable**” of this Offer Information Statement.

Entitled Shareholders

Entitled Shareholders will be at liberty to accept, decline or renounce their provisional allotments of Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue. Entitled Depositors will also be able to trade on the SGX-ST during the provisional allotment trading period prescribed by the SGX-ST their provisional allotments of Rights Shares. Fractional entitlements to the Rights Shares will be disregarded in arriving at the Shareholders’ entitlements and will, together with the Rights Shares represented by the provisional allotments of (i) Entitled Shareholders who decline, do not accept, or elect not to renounce or trade their provisional allotment of Rights Shares under the Rights Issue (during the provisional allotment trading period prescribed by the SGX-ST) and/or (ii) ineligible Shareholders, be aggregated and used to satisfy excess Rights Shares applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders will rank last in priority.

The Rights Shares are not offered through the selling efforts of any broker or dealer other than the Joint Lead Managers and the Underwriters.

Foreign Shareholders

As there may be prohibitions or restrictions against the offering of Rights Shares in certain jurisdictions, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the Sections entitled “**Transfer and Selling Restrictions**” and “**Eligibility of Shareholders to Participate in the Rights Issue**” of this Offer Information Statement for further details.

Notwithstanding the foregoing, a limited number of persons located in the United States, whom the Company reasonably believes to be QIBs, may be able to purchase Rights Shares being offered in the Rights Issue (pursuant to the exercise of rights) by way of a private placement pursuant to an applicable exemption from registration under the Securities Act, provided that they furnish a signed investor representation letter in the form of Appendix I to this Offer Information Statement not later than the date of the commencement of trading of “nil-paid” Rights on the SGX-ST (or such other date as may be agreed by the Company with the Underwriters), which will also contain restrictions and procedures regarding the transfer of Rights Shares. The Company, the Joint Lead Managers and the Underwriters reserve the absolute discretion in determining whether to allow such participation as well as the identity of the persons who may be allowed to do so.

Each purchaser of Rights Shares being offered and sold outside the United States will be deemed to have represented and agreed, among other things, that the purchaser (a) is, and the person, if any, for whose account it is acquiring such Rights Shares is, outside the United States, and (b) is acquiring the Rights Shares in an offshore transaction meeting the requirements of Regulation S under the Securities Act.

7. Provide a summary of the features of the underwriting relationship together with the amount of securities being underwritten by each underwriter.

Underwriting Agreement

Under the Underwriting Agreement:

- (a) the Joint Lead Managers have agreed to manage the Rights Issue; and
- (b) the Underwriters have severally agreed to procure subscribers for or failing which, to subscribe for, the Rights Shares not taken up (but only to the extent that such Rights Shares not taken up exceeds the number of Rights Shares which have been validly subscribed for pursuant to excess applications) by the Closing Date at the Issue Price up to the number of Rights Shares set forth opposite each such Underwriter's name below (after adjustment for the Excluded Rights Shares):

Name of Underwriter	Number of Rights Shares underwritten
Citigroup Global Markets Singapore Pte. Ltd.	176,619,873
Goldman Sachs (Singapore) Pte.	113,460,305
J.P. Morgan (S.E.A.) Limited	113,460,305
Morgan Stanley Asia (Singapore) Pte.	176,619,873
UBS AG, acting through its business division, UBS Investment Bank	176,619,873

“Excluded Rights Shares” are the 3,700,000 Rights Shares comprised in the RBC Dexia Irrevocable Undertaking.

The Underwriting Agreement is conditional upon certain events, including the in-principle approval from the SGX-ST for the listing of and quotation for the Rights Shares remaining in full force and effect and fulfillment of all conditions contained in such in-principle approval or imposed by the SGX-ST thereafter to the reasonable satisfaction of the Underwriters. In-principle approval from the SGX-ST has been obtained on 22 December 2008.

Please refer to paragraph 8 in the Section entitled **“Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 — Key Information”** for details of the underwriting, management and selling fee payable by the Company to the Underwriters.

The Underwriters may arrange sub-underwriting for some, all or none of the Rights Shares.

A default of any one or more Underwriters in the performance of their respective obligations to procure subscribers for, and failing which to subscribe for, Rights Shares which they have agreed to procure subscribers or subscribe for under the Underwriting Agreement (such Rights Shares in respect of which the Underwriter has defaulted in the performance of its obligations, **“Defaulted Rights Shares”**) shall not release any of the non-defaulting Underwriters from their obligations under the Underwriting Agreement, saved as disclosed below. The non-defaulting Underwriters shall, have the right, but shall not have any obligation, to procure subscribers or subscribe and pay for all and not some only of the Defaulted Rights Shares.

If there are two or more defaulting Underwriters and the product of the aggregate number of Defaulted Rights Shares of all such defaulting Underwriters and the Issue Price exceeds S\$600 million, the non-defaulting Underwriters shall have the right, but shall not have any obligation, to procure subscribers or subscribe and pay for any of the Defaulted Rights Shares, provided that if arrangements satisfactory to the Company and the non-defaulting Underwriters for the subscription and payment for all, but not less than all, of the Defaulted Rights Shares shall not

have been agreed within 36 hours after the first of any such default, the Underwriting Agreement shall terminate without liability on the part of any non-defaulting Underwriter or of the Company.

As the Company is a designated financial institution under the Banking Act, the Underwriting Agreement contains certain provisions which delay the allotment and issue of Rights Shares to any of the Underwriters (but does not delay their obligation to pay for those Rights Shares) until such time as the requisite regulatory approvals are obtained, which can be no longer than 12 months. In particular, the prior approval of the Authority will be required to enable any Underwriter or any of its affiliates to become a Substantial Shareholder of the Company. Where allotment and issue of Rights Shares is deferred as referred to herein, the Underwriters are entitled, subject to certain conditions, to place such Rights Shares in the market. Please refer to the Section entitled “**Shareholding Limits**” in this Offer Information Statement for relevant details of the Banking Act.

Under the Underwriting Agreement, the Company has agreed that it will not issue any new Shares for a period of three months following the completion of the Rights Issue without the prior consent of the Underwriters, such consent not to be unreasonably withheld. This restriction shall not prohibit the Company from issuing new Shares pursuant to the exercise of Share Options, the vesting and delivery of Share Awards or the conversion of Convertible Preference Shares.

Subject to certain conditions, none of the Underwriters is entitled to terminate the Underwriting Agreement on the occurrence of certain “force majeure events” on or after the commencement of Shares trading ex-Rights on 29 December 2008.

Temasek Irrevocable Undertaking

As at the Latest Practicable Date, Temasek holds directly and through its wholly-owned subsidiary, Maju, approximately 27.6% of the Company’s issued share capital in aggregate and is the Company’s largest shareholder.

In support of the Rights Issue, Temasek Capital (Private) Limited, which is wholly-owned by Temasek, has irrevocably undertaken with the Company and the Underwriters that (among others):

- (i) Temasek will have not less than 185,673,795 Shares and Maju will have not less than 234,497,040 Shares credited in their respective securities accounts with CDP as at the Books Closure Date; and
- (ii) it will procure Temasek to subscribe and pay in full for all of the Rights Shares which Temasek is entitled to subscribe for under the Rights Issue and will procure Maju to subscribe and pay in full for all of the Rights Shares which Maju is entitled to subscribe for under the Rights Issue (collectively, “**Pro Rata Shares**”) not later than the Closing Date.

The Temasek Irrevocable Undertaking shall cease to have any further force or effect in the event that, *inter alia*, the Underwriting Agreement is terminated for any reason whatsoever other than for reasons due or attributable to any breach of, or failure by Temasek Capital (Private) Limited to perform its obligations under the Temasek Irrevocable Undertaking.

Sub-Underwriting Agreement

Ixora, which is wholly-owned by Temasek, has entered into the Sub-Underwriting Agreement with the Underwriters to subscribe for up to 33.3% of the Rights Shares, to the extent that such Rights Shares are not validly subscribed for under the Rights Issue less the number of *Pro Rata* Shares which Temasek and Maju would have subscribed for under the Rights Issue (“**Sub-Underwriting Commitment**”). Under the Sub-Underwriting Agreement, Ixora will take up any unsubscribed Rights Shares in the proportion which the Sub-Underwriting Commitment bears to the aggregate underwriting commitment of the Underwriters (excluding that representing the *Pro Rata* Shares).

Please refer to paragraph 8 in the Section entitled “**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 — Key Information**” for details of the commission payable by the Underwriters to Ixora.

In the event that Temasek and Maju subscribe for the *Pro Rata* Shares and Ixora is called upon to subscribe for its entire Sub-Underwriting Commitment, Temasek’s aggregate shareholdings (directly and through its designated wholly-owned subsidiaries) in the resultant issued share capital of DBS immediately after the Rights Issue will remain under 30%, assuming the issuance of all the Rights Shares. In the event that allotment and issuance of the Rights Shares or part thereof is delayed, the Temasek Irrevocable Undertaking and the Sub-Underwriting Agreement contain provisions which defer the allotment and issuance of Rights Shares to Temasek, Maju and Ixora to the extent that such allotment and issuance would cause Temasek to have an aggregate interest in 30% or more of the Shares in issue after the Rights Issue. Accordingly, Temasek would not incur an obligation to make a mandatory general offer for DBS under the Singapore Code on Take-overs and Mergers solely by reason of subscribing for the Rights Shares pursuant to the commitments described above.

RBC Dexia Irrevocable Undertaking

RBC Dexia Trust Services (Singapore) Limited, as trustees of the Trusts, has also irrevocably undertaken with the Company and the Underwriters that it will subscribe and pay for in full 3,700,000 Rights Shares not later than the Closing Date.

The RBC Dexia Irrevocable Undertaking shall cease to have any further force or effect in the event that the Underwriting Agreement is terminated for any reason whatsoever.

ADDITIONAL INFORMATION

Statements by Experts

- 1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person’s name, address and qualifications.**

The Independent Auditors’ Reports dated 17 February 2006, 15 February 2007 and 14 February 2008 enclosed in the FY2005 Audited Consolidated Financial Statements, the FY2006 Audited Consolidated Financial Statements and the FY2007 Audited Consolidated Financial Statements, respectively, which are deemed incorporated into this Offer Information Statement by reference, were prepared by the Independent Auditors, Ernst & Young LLP, Certified Public Accountants, which is located at One Raffles Quay, North Tower, Level 18, Singapore 048583. For the avoidance of doubt, the Independent Auditors are not advisers to the Company for or in relation to the Rights Issue. Please refer to the Section entitled “**Documents Incorporated By Reference**” of this Offer Information Statement for further details.

- 2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert –**
 - (a) state the date on which the statement was made;**
 - (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
 - (c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**

None of the Independent Auditors' Reports dated 17 February 2006, 15 February 2007 and 14 February 2008 enclosed in the FY2005 Audited Consolidated Financial Statements, the FY2006 Audited Consolidated Financial Statements and the FY2007 Audited Consolidated Financial Statements, respectively, which are deemed incorporated into this Offer Information Statement by reference, were prepared by the Independent Auditors, Ernst & Young LLP, for the purpose of incorporation in this Offer Information Statement.

The Independent Auditors has given, and has not, before the lodgment of this Offer Information Statement with the Authority, withdrawn their written consent to the issue of this Offer Information Statement with the inclusion by reference of the Independent Auditors' Reports dated 17 February 2006, 15 February 2007 and 14 February 2008 in the form and context in which they are included in this Offer Information Statement. For the avoidance of doubt, their consent is not to be taken as an extension of the audits by the Independent Auditors of the FY2005 Audited Consolidated Financial Statements, the FY2006 Audited Consolidated Financial Statements and the FY2007 Audited Consolidated Financial Statements, respectively, to any date subsequent to the dates of each Independent Auditors' Report and to any period subsequent to 31 December 2007.

3. **The information referred to in paragraph 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 26(2) or (3) applies.**

Noted.

Consents from Issue Managers and Underwriters

4. **Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**

Each of the Joint Lead Managers and the Underwriters of the Rights Issue, has given, and has not, before the lodgment of this Offer Information Statement with the Authority, withdrawn its written consent to being named in this Offer Information Statement as one of the Joint Lead Managers and/or the Underwriters of the Rights Issue.

Other Matters

5. **Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly –**
 - (a) **the relevant entity's business operations or financial position or results; or**
 - (b) **investments by holders of securities in the relevant entity.**

Save as disclosed in this Offer Information Statement, the Directors are not aware of any other matter which could materially affect, directly or indirectly, the Group's business operations, financial position, or results or investments by holders of securities in the Company.

ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES BY WAY OF RIGHTS ISSUE

1. **Provide –**
 - (a) **the particulars of the rights issue;**

Issue Size : 760,480,229 Rights Shares will be issued. For further details, please refer to paragraph 1 in the Section entitled

“Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 — Offer Statistics and Timetable” of this Offer Information Statement.

- Issue Price** : S\$5.42 for each Rights Share, payable in full on acceptance and/or application.
- Discount** : The Issue Price represents:
- (i) a discount of approximately 45% to the closing price of S\$9.85 per Share on the SGX-ST on 19 December 2008, being the last trading day of the Shares on the SGX-ST prior to the time of the Rights Issue Announcement; and
 - (ii) a discount of approximately 35% to the theoretical ex-rights price of S\$8.37 per Share, computed based on the closing price of S\$9.85 per Share on the SGX-ST on 19 December 2008, being the last trading day of the Shares on the SGX-ST prior to the time of the Rights Issue Announcement.
- Basis of Provisional Allotment** : The Rights Issue is made on a renounceable underwritten basis to Entitled Shareholders on the basis of one Rights Share for every two Shares (1 for 2) held by Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.
- In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders will rank last in priority.
- Status of the Rights Shares** : The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then issued Shares save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares.
- Listing and trading of the Rights Shares** : On 22 December 2008, the SGX-ST granted its in-principle approval for the listing and quotation of the Rights Shares on the Main Board of the SGX-ST, subject to various conditions. The in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the Company, its subsidiaries, the Shares, the Rights Issue, the “nil-paid” Rights or the Rights Shares.
- Upon the listing and quotation of the Rights Shares on the Main Board of the SGX-ST, the Rights Shares will be traded on the Main Board of the SGX-ST under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with CDP’s “Terms and Conditions for Operation of Securities Account with The Central Depository (Pte) Limited”, as the same may be amended from time to time, copies of which are available from CDP.

For the purposes of trading on the Main Board of the SGX-ST, each board lot of Shares will comprise 1,000 Shares. Shareholders who hold odd lots of Shares (that is, lots other than board lots of 1,000 Shares) are able to trade odd lots of Shares in board lots of one Share on the Unit Share Market of the SGX-ST. In addition, the Company has applied for and obtained the approval of the SGX-ST for the establishment of a temporary counter to facilitate the trading of Shares in board lots of 500 Shares per board lot for a period of one month commencing on the first Market Day on which the Rights Shares are listed for quotation on the Main Board of the SGX-ST. The temporary counter is of a provisional nature. Investors who continue to hold odd lots of less than 1,000 Shares after one month from the listing of the Rights Shares may face difficulty and/or have to bear disproportionate transactional costs in realising the fair market price of such Shares.

Estimated net proceeds : The estimated net proceeds from the Rights Issue (after deducting estimated expenses associated with the Rights Issue of approximately S\$95 million) are expected to be approximately S\$4.0 billion.

Governing Law : Laws of Singapore.

(b) the last day and time for splitting of the provisional allotment of the securities to be issued pursuant to the rights issue;

15 January 2009 at 5.00 p.m.

(c) the last day and time for acceptance of and payment for the securities to be issued pursuant to the rights issue;

20 January 2009 at 5.00 p.m. (9.30 p.m. for Electronic Applications).

(d) the last day and time for renunciation of and payment by the renounee for the securities to be issued pursuant to the rights issue;

20 January 2009 at 5.00 p.m.

(e) the terms and conditions of the offer of securities to be issued pursuant to the rights issue;

The allotment and issue of the Rights Shares pursuant to the Rights Issue is governed by the terms and conditions as set out in this Offer Information Statement, in particular Appendices E, F and G to this Offer Information Statement and in the PAL, the ARE and the ARS.

(f) the particulars of any undertaking from the substantial shareholders or substantial equity interest-holders, as the case may be, of the relevant entity to subscribe for their entitlements; and

Please refer to paragraph 7 in the Section entitled “**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 — The Offer and Listing**” of this Offer Information Statement for details of the terms of the Temasek Irrevocable Undertaking.

(g) if the rights issue is or will not be underwritten, the reason for not underwriting the issue.

The Rights Issue is underwritten in full by the Underwriters severally.

ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER APPENDIX 8.2 OF THE LISTING MANUAL

REVIEW OF WORKING CAPITAL

- 1. Provide a review of the working capital for the last three financial years and the latest half year, if applicable.**

The activities of the Group are funded primarily by deposits of non-bank customers, which constitute debts payable on demand or on contractual maturities. Accordingly, the concept of working capital is not applicable to the Group. For further details, please refer to paragraph 7 in the Section entitled “**Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 — Operating and Financial Review and Prospectus**”.

MANAGER’S RESPONSIBILITY STATEMENT

- 2. A statement by the issue manager that, to the best of its knowledge and belief, the document constitutes full and true disclosure of all material facts about the issue, the issuer and its subsidiaries, and that the issue manager is not aware of any facts the omission of which would make any statement in the document misleading; and where the document contains a profit forecast, that it is satisfied that the profit forecast has been stated by the directors after reasonable enquiry.**

As provided in Appendix 8.2 of the Listing Manual, this requirement is not applicable if an issuer has to comply with the offer information statement requirements in the Securities and Futures Act.

**CONSOLIDATED INCOME STATEMENTS OF THE GROUP
FOR FY2005, FY2006, FY2007, 9M2007 AND 9M2008**

	Audited FY2005 ⁽¹⁾ S\$m	Audited FY2006 ⁽¹⁾ S\$m	Audited FY2007 ⁽¹⁾ S\$m	Unaudited 9M2007 ⁽²⁾ S\$m	Unaudited 9M2008 ⁽²⁾ S\$m
Income					
Interest income	5,542	7,809	9,090	6,738	6,107
Interest expense	2,599	4,218	4,982	3,689	2,921
Net interest income	2,943	3,591	4,108	3,049	3,186
Net fee and commission income	986	1,155	1,462	1,083	1,011
Net trading income	320	522	180	205	(331)
Net income from financial instruments designated at fair value	(113)	(192)	(86)	(90)	379
Net income from financial investments	102	229	450	346	263
Other income	403	133	49	37	70
Total income	4,641	5,438	6,163	4,630	4,578
Expenses					
Employee benefits	1,052	1,244	1,384	1,061	910
Depreciation of properties and other fixed assets	148	130	126	94	113
Other expenses	826	995	1,108	815	898
Goodwill charges	1,128	—	—	—	—
Allowances for credit and other losses	203	135	617	368	572
Total expenses	3,357	2,504	3,235	2,338	2,493
Profit	1,284	2,934	2,928	2,292	2,085
Share of profits of associates	54	70	110	78	65
Profit before tax	1,338	3,004	3,038	2,370	2,150
Income tax expense	353	575	589	449	369
Net profit	985	2,429	2,449	1,921	1,781
Attributable to:					
Shareholders	824	2,269	2,278	1,787	1,634
Minority Interests	161	160	171	134	147
	985	2,429	2,449	1,921	1,781

Notes:

- (1) The financial information in these columns has been extracted from the FY2005 Audited Consolidated Financial Statements, the FY2006 Audited Consolidated Financial Statements and the FY2007 Audited Consolidated Financial Statements, each of which includes a summary of significant accounting policies and notes to the financial statements. Certain numbers in the FY2005 Audited Consolidated Financial Statements and the FY2006 Audited Consolidated Financial Statements have been reclassified in the comparatives of the FY2006 Audited Consolidated Financial Statements and the FY2007 Audited Consolidated Financial Statements, respectively. Accordingly, the financial information must be read together with the FY2005 Audited Consolidated Financial Statements, the FY2006 Audited Consolidated Financial Statements and the FY2007 Audited Consolidated Financial Statements.
- (2) The financial information in these columns has been extracted from the Third Quarter Group Financial Results 2008.

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**CONSOLIDATED BALANCE SHEETS OF THE GROUP
AS AT 31 DECEMBER 2007 AND 30 SEPTEMBER 2008**

	Audited As at 31 December 2007 ⁽¹⁾ S\$m	Unaudited As at 30 September 2008 ⁽²⁾ S\$m
ASSETS		
Cash and balances with central banks	18,564	15,044
Singapore Government securities and treasury bills	15,433	15,000
Due from banks	23,304	27,331
Financial assets at fair value through profit and loss	19,543	11,575
Positive replacement values	13,119	23,007
Loans and advances to customers	106,344	126,893
Financial investments	19,182	23,996
Securities pledged	4,115	3,218
Investments in associates	715	620
Goodwill on consolidation	5,842	5,847
Properties and other fixed assets	1,534	1,632
Deferred tax assets	25	41
Other assets	5,871	6,037
TOTAL ASSETS	233,591	260,241
LIABILITIES		
Due to banks	15,464	19,200
Due to non-bank customers	145,368	158,340
Financial liabilities at fair value through profit or loss	18,242	15,161
Negative replacement values	12,554	23,535
Bills payable	380	762
Current tax liabilities	882	885
Deferred tax liabilities	172	11
Other liabilities	7,218	7,208
Other debt securities in issue	1,199	1,924
Subordinated term debts	8,954	8,882
TOTAL LIABILITIES	210,433	235,908
NET ASSETS	23,158	24,333
EQUITY		
Share capital	4,164	4,213
Treasury shares	(102)	(137)
Other reserves	7,680	6,605
Revenue reserves	8,739	9,460
SHAREHOLDERS' FUNDS	20,481	20,141
Minority interests	2,677	4,192
TOTAL EQUITY	23,158	24,333
OFF BALANCE SHEETS ITEMS		
Contingent liabilities	14,656	17,063
Commitments	92,305	93,129
Financial derivatives	1,816,007	2,005,986

Notes:

(1) The financial information in this column has been extracted from the FY2007 Audited Consolidated Financial Statements which includes a summary of significant accounting policies and notes to the financial statements.

(2) The financial information in this column has been extracted from the Third Quarter Group Financial Results 2008.

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**CONSOLIDATED CASH FLOW STATEMENTS OF THE GROUP
FOR FY2007 AND 9M2008**

	Audited FY2007⁽¹⁾ S\$m	Unaudited 9M2008⁽²⁾ S\$m
Cash flows from operating activities		
Profit before tax	3,038	2,150
Adjustments for non-cash items:		
Allowances for credit and other losses	617	572
Depreciation of properties and other fixed assets	126	113
Share of profits of associates	(110)	(65)
Net gain on disposal of properties and other fixed assets	(6)	(23)
Net gain on disposal of financial investments	(450)	(263)
Profit before changes in operating assets and liabilities	3,215	2,484
Increase/(Decrease) in:		
Due to banks	7,601	3,736
Due to non-bank customers	23,276	12,972
Financial liabilities at fair value through profit or loss	(1,466)	(3,081)
Other liabilities including bills payable	4,578	9,688
Debt securities and borrowings	(2,647)	816
(Increase)/Decrease in:		
Change in restricted balances with central banks	(55)	(561)
Singapore Government securities and treasury bills	(2,341)	1,181
Due from banks	1,936	(4,018)
Financial assets at fair value through profit or loss	(2,804)	5,761
Loans and advances to customers	(21,323)	(20,838)
Financial investments	3,539	(6,045)
Other assets	(7,265)	(7,654)
Tax paid	(501)	(370)
Net cash generated from/(used in) operating activities	5,743	(5,929)
Cash flows from investing activities		
Dividends from associates	61	50
Purchase of properties and other fixed assets	(196)	(245)
Proceeds from disposal of properties and other fixed assets	74	74
Acquisition of interest in associates	(39)	—
Net cash (used in) investing activities	(100)	(121)

	Audited FY2007⁽¹⁾ S\$m	Unaudited 9M2008⁽²⁾ S\$m
Cash flows from financing activities		
Increase in share capital and share premium	122	49
Proceeds from issuance of subordinated term debts	3,044	1,500
Payment upon maturity of subordinated term debts	(402)	—
Dividends paid to shareholders of the Company	(1,071)	(929)
Dividends paid to minority interests	(143)	(116)
Net cash generated from financing activities	1,550	504
Exchange translation adjustments	(38)	6
Net change in cash and cash equivalents	7,155	(5,540)
Cash and cash equivalents at 1 January	15,118	22,273
Cash and cash equivalents at 31 December/ 30 September	22,273	16,733

Notes:

- (1) The financial information in this column has been extracted from the FY2007 Audited Consolidated Financial Statements which includes a summary of significant accounting policies and notes to the financial statements.
- (2) The financial information in this column has been extracted from the Third Quarter Group Financial Results 2008.

THIRD QUARTER GROUP FINANCIAL RESULTS 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 third quarter ended 30 September 2008.

For the third quarter of 2008, the Directors have declared an interim one-tier tax-exempt dividend of 20 cents (third quarter 2007: 20 cents less 18% tax) for each DBSH ordinary share.

The third quarter 2008 dividend will be payable on 4 December 2008. The DBSH shares will be quoted ex-dividend on 19 November 2008. Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 24 November 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 21 November 2008 will be registered to determine shareholders' entitlement to the third quarter 2008 dividend. In respect of ordinary shares in the securities accounts with The Central Depository (Pte) Limited ("CDP"), the third 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

Linda Hoon
Group Secretary

6 November 2008
Singapore

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



Performance Summary

Unaudited Financial Results
For the Third Quarter ended
30 September 2008

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

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DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

OVERVIEW

DBS Group Holdings Ltd (“DBSH”) prepares its 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

Arising from the recent amendments by the International Accounting Standards Board (IASB) to FRS 39 Financial Instruments: Recognition and Measurement and FRS 107 Financial Instruments: Disclosures – Reclassification of Financial Assets, the Group has reclassified some financial assets from the “Held for Trading” (HFT) to the “Available for Sale” (AFS) category. Additional disclosures on these financial assets are on page 27.

The Group has also initiated a review process which could result in the reclassification of certain financial assets from the AFS to the “Loans & Receivables” category. The financial impact of this review, should it result in any reclassification, will be reflected in the Fourth Quarter 2008 results announcement.

	3rd Qtr 2008	3rd Qtr 2007 ^{1/}	% chg	2nd Qtr 2008	% chg	9 Mths 2008	9 Mths 2007 ^{1/}	% chg
Selected income statement items (\$m)								
Net interest income	1,071	1,048	2	1,058	1	3,186	3,049	4
Net fee and commission income	316	403	(22)	342	(8)	1,011	1,083	(7)
Other non-interest income	11	86	(87)	199	(94)	363	498	(27)
Total income	1,398	1,537	(9)	1,599	(13)	4,560	4,630	(2)
Expenses	578	652	(11)	687	(16)	1,921	1,970	(2)
Profit before allowances	820	885	(7)	912	(10)	2,639	2,660	(1)
Allowances for credit and other losses	319	80	>100	56	>100	515	249	>100
Profit before tax	522	832	(37)	877	(40)	2,189	2,489	(12)
Net profit	402	648	(38)	668	(40)	1,673	1,929	(13)
One-time items ^{2/}	(23)	(38)	39	(16)	44	(39)	(142)	73
Net profit including one-time items	379	610	(38)	652	(42)	1,634	1,787	(9)
Selected balance sheet items (\$m)								
Customer loans ^{3/}	127,541	104,714	22	118,615	8	127,541	104,714	22
Interbank assets ^{4/}	29,592	32,478	(9)	30,535	(3)	29,592	32,478	(9)
Total assets	260,241	230,577	13	248,688	5	260,241	230,577	13
Customer deposits ^{5/}	166,448	144,185	15	158,726	5	166,448	144,185	15
Total liabilities	235,908	207,548	14	224,300	5	235,908	207,548	14
Shareholders' funds	20,141	20,311	(1)	20,284	(1)	20,141	20,311	(1)

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

	3rd Qtr 2008	3rd Qtr 2007	2nd Qtr 2008	9 Mths 2008	9 Mths 2007
Key financial ratios (%) (excluding one-time items)^{6/}					
Net interest margin	1.99	2.14	2.04	2.04	2.19
Non-interest/total income	23.4	31.8	33.8	30.1	34.1
Cost/income ratio	41.3	42.4	43.0	42.1	42.5
Return on assets	0.63	1.14	1.07	0.90	1.20
Return on equity ^{7/}	7.93	12.96	13.00	10.91	13.21
Loan/deposit ratio	76.6	72.6	74.7	76.6	72.6
NPL ratio	1.3	1.2	1.4	1.3	1.2
Specific allowances (loans)/average loans (bp)	34	11	18	22	10
Tier 1 capital adequacy ratio	9.7	9.2	10.0	9.7	9.2
Total capital adequacy ratio	13.4	14.0	13.8	13.4	14.0
Per share data (\$)					
Per basic share					
– earnings excluding one-time items and goodwill charges	1.05	1.70	1.76	1.46	1.69
– earnings	1.03	1.68	1.74	1.44	1.60
– net book value ^{7/}	12.95	13.10	13.05	12.95	13.10
Per diluted share					
– earnings excluding one-time items and goodwill charges	1.01	1.63	1.69	1.41	1.62
– earnings	1.00	1.61	1.68	1.38	1.53
– net book value ^{7/}	12.69	12.82	12.78	12.69	12.82

Notes:

- 1/ Figures have been reclassified to make them consistent with the current period's presentation
2/ One-time items include impairment charges for Thai investment, gains on sale of office buildings in Hong Kong and allowance write-back for a Singapore property
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 book value and return on equity
NM Not Meaningful

Third-quarter net profit amounted to \$402 million, 40% lower than the previous quarter and 38% below a year ago. Revenues fell 13% from the previous quarter to \$1.40 billion as dislocations in financial markets affected market-related income streams. General and specific allowances were also higher. The results included a \$70 million charge set aside for compensation to certain customers who bought Lehman-exposed investments.

Net interest income rose 1% from the previous quarter to \$1.07 billion as loans rose 8%, more than offsetting the impact of a five basis point decline in interest margins to 1.99%. Fee income outside of capital market activities was little changed from the previous quarter and was higher than a year ago.

Total fee income, however, fell 8% from the previous quarter and 22% from a year ago to \$316 million due to significant declines in market-related fee income streams. A weaker trading performance reduced other non-interest income to \$11 million from \$199 million in the previous quarter.

Partially offsetting the lower revenues was a 16% reduction in expenses to \$578 million as wage bonus accruals fell. The cost-income ratio of 41% improved from the 43% in the previous quarter.

The amount of non-performing loans was little changed from the previous quarter at \$1.69 billion, with the NPL rate also little changed at 1.3%. Specific allowances for loans, however, rose to 34 basis points from 18 basis points in the previous quarter, with the biggest increase due to NPLs to individuals for equity market financing.

General allowances were also increased to further strengthen the balance sheet against increased macroeconomic uncertainties. These additional allowances enabled the coverage for non-asset-backed CDOs to be raised from 6% previously to 25%.

Total cumulative allowances amounted to 123% of non-performing assets from 116% in the previous quarter.

Return on assets was 0.63% compared to 1.14% a year ago and 1.07% in the previous quarter. Return on equity fell to 7.9% from 13.0% a year ago as well as the previous quarter.

There was a separate impairment charge of \$23 million for the group's investment in TMB Bank which, if included, would bring net earnings to \$379 million.

For the nine months, net profit excluding one-time items fell 13% from a year ago to \$1.67 billion, with return on equity declining from 13.2% to 10.9%.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NET INTEREST INCOME

Average balance sheet	3rd Qtr 2008			3rd Qtr 2007			2nd Qtr 2008		
	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	122,205	1,254	4.08	100,608	1,405	5.54	113,462	1,154	4.09
Interbank assets	41,233	243	2.35	39,693	344	3.44	41,293	262	2.54
Securities	50,841	528	4.13	54,344	613	4.47	53,628	519	3.89
Total	214,279	2,025	3.76	194,645	2,362	4.81	208,383	1,935	3.73
Interest-bearing liabilities									
Customer deposits	162,150	582	1.43	142,616	777	2.16	157,807	487	1.24
Other borrowings	40,429	372	3.66	42,880	537	4.97	40,799	390	3.84
Total	202,579	954	1.87	185,496	1,314	2.81	198,606	877	1.77
Net interest income/margin ^{1/}		1,071	1.99		1,048	2.14		1,058	2.04

Average balance sheet	9 Mths 2008			9 Mths 2007		
	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)
Interest-bearing assets						
Customer loans	115,474	3,716	4.30	94,823	3,975	5.61
Interbank assets	40,385	763	2.52	37,005	948	3.43
Securities	52,765	1,628	4.12	54,155	1,815	4.48
Total	208,624	6,107	3.91	185,983	6,738	4.84
Interest-bearing liabilities						
Customer deposits	158,151	1,742	1.47	138,882	2,277	2.19
Other borrowings	40,242	1,179	3.91	37,789	1,412	5.00
Total	198,393	2,921	1.97	176,671	3,689	2.79
Net interest income/margin ^{1/}		3,186	2.04		3,049	2.19

Note:

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

Net interest income rose 1% from the previous quarter and 2% from a year ago to \$1.07 billion due to higher asset volumes, particularly customer loans. The benefit was partially offset by lower interest margins as asset yields rose less than liability costs.

While customer loan yields were stable and securities yields were higher compared to the previous quarter, interbank assets yields declined as tenors were shortened as part of the group's liquidity risk management.

Customer deposit costs rose from the previous quarter as the deposit mix shifted towards higher-yielding foreign currencies during the quarter. Deposit costs in Hong Kong also rose.

For the nine months, net interest income rose 4% to \$3.19 billion as the impact of higher asset volumes was partially offset by lower interest margins.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Volume and rate analysis (\$m) Increase/(decrease) due to change in	3rd Qtr 2008 versus 3rd Qtr 2007			3rd Qtr 2008 versus 2nd Qtr 2008		
	Volume	Rate	Net change	Volume	Rate	Net change
Interest income						
Customer loans	301	(453)	(152)	89	(3)	86
Interbank assets	13	(114)	(101)	-	(20)	(20)
Securities	(40)	(45)	(85)	(27)	30	3
Total	274	(612)	(338)	62	7	69
Interest expense						
Customer deposits	106	(302)	(196)	13	76	89
Other borrowings	(35)	(130)	(165)	(4)	(18)	(22)
Total	71	(432)	(361)	9	58	67
Net impact on interest income	203	(180)	23	53	(51)	2
Due to change in number of days			-			11
Net Interest Income			23			13

Volume and rate analysis (\$m) Increase/(decrease) due to change in	9 Mths 2008 versus 9 Mths 2007		
	Volume	Rate	Net change
Interest income			
Customer loans	866	(1,139)	(273)
Interbank assets	87	(276)	(189)
Securities	(46)	(146)	(192)
Total	907	(1,561)	(654)
Interest expense			
Customer deposits	316	(858)	(542)
Other borrowings	106	(344)	(238)
Total	422	(1,202)	(780)
Net impact on interest income	485	(359)	126
Due to change in number of days			11
Net Interest Income			137

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NET FEE AND COMMISSION INCOME

(\$m)	3rd Qtr 2008	3rd Qtr 2007	% chg	2nd Qtr 2008	9 Mths 2008	9 Mths 2007	% chg
Stockbroking	31	72	(57)	39	120	183	(34)
Investment banking	20	57	(65)	25	74	134	(45)
Trade and remittances	61	52	17	56	169	150	13
Loan related	77	66	17	82	249	179	39
Guarantees	13	9	44	14	38	26	46
Deposit related	19	20	(5)	22	60	61	(2)
Credit card	38	36	6	38	107	98	9
Fund management	4	10	(60)	9	27	32	(16)
Wealth management	35	64	(45)	45	120	179	(33)
Others	18	17	6	12	47	41	15
Total	316	403	(22)	342	1,011	1,083	(7)

Net fee and commission income fell 8% from the previous quarter and 22% from a year ago to \$316 million due to significantly lower contributions from capital market activities. Stockbroking, investment banking and wealth management revenues decreased 21% from the previous quarter and 55% from a year ago.

Revenues from other fee income segments was little changed from the previous quarter and rose 10% from a year ago.

For the nine months, net fee income declined 7% to \$1.01 billion as lower contributions from capital market activities were partially offset by stronger revenues from other areas such as loan syndication and trade and remittances.

OTHER NON-INTEREST INCOME

(\$m)	3rd Qtr 2008	3rd Qtr 2007 ^{1/}	% chg	2nd Qtr 2008	9 Mths 2008	9 Mths 2007 ^{1/}	% chg
Net trading (loss)/income	(281)	(63)	(>100)	111	(331)	205	NM
From trading businesses	(303)	(47)	(>100)	88	(367)	222	NM
From other businesses	22	(16)	NM	23	36	(17)	NM
Net income/(loss) from financial instruments designated at fair value	268	5	>100	26	379	(90)	NM
Net income on financial investments	3	128	(98)	49	263	346	(24)
Net gain on fixed assets ^{2/}	2	2	-	-	5	6	(17)
Others (include rental income)	19	14	36	13	47	31	52
Total	11	86	(87)	199	363	498	(27)

Notes:

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

2/ Exclude one-time items

NM Not Meaningful

Trading activities (including financial instruments designated at fair value) recorded a loss of \$13 million and included net losses related to the unwinding of Lehman-exposed investment products. The trading results included \$74 million of gains from the reclassification of certain trading assets as available-for-sale investment securities in line with recent amendments to accounting standards.

Net income from the sale of financial investments fell to \$3 million, significantly below both comparative periods when conditions were conducive for profit taking on equity investments.

For the nine months, trading activities recorded a gain of \$48 million compared to a gain of \$115 million a year ago. Net income from the sale of financial investments was also lower, falling 24% to \$263 million.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

EXPENSES

(\$m)	3rd Qtr 2008	3rd Qtr 2007	% chg	2nd Qtr 2008	9 Mths 2008	9 Mths 2007	% chg
Staff	188	347	(46)	370	910	1,061	(14)
Occupancy	66	53	25	61	185	157	18
Computerisation	115	106	8	109	326	329	(1)
Revenue-related	38	38	-	40	112	98	14
Others	171	108	58	107	388	325	19
Total	578	652	(11)	687	1,921	1,970	(2)
Staff headcount at period-end	15,591	13,842	13	15,219	15,591	13,842	13

Included in the above table were:

Depreciation of properties and other fixed assets	42	32	31	37	113	94	20
Director's fees	1	#	NM	1	3	1	>100
Audit fees payable	1	2	(50)	2	5	5	-

Amount under \$500,000
NM Not Meaningful

Expenses fell 16% from the previous quarter and 11% from a year ago to \$578 million through disciplined management of controllable expenses.

Staff costs fell 49% from the previous quarter and 46% from a year ago to \$188 million as bonus accruals fell. Headcount rose 2% from the previous quarter, with all of the increase coming from outside Singapore and Hong Kong.

Non-staff costs rose 23% from the previous quarter and 28% from a year ago due to a \$70 million charge for compensation to certain structured investment customers.

For the nine months, expenses fell 2% to \$1.92 billion mainly due to lower wage costs. The decrease was in line with revenues, leaving the cost-income ratio little changed at 42%.

ALLOWANCES FOR CREDIT AND OTHER LOSSES

(\$m)	3rd Qtr 2008	3rd Qtr 2007	% chg	2nd Qtr 2008	9 Mths 2008	9 Mths 2007	% chg
General allowances (GP)	129	10	>100	(31)	188	136	38
Specific allowances (SP) for loans	106	28	>100	52	195	76	>100
Singapore	31	(8)	NM	9	63	(17)	NM
Hong Kong	58	17	>100	37	110	54	>100
Other countries	17	19	(11)	6	22	39	(44)
Specific allowances (SP) for securities, properties and other assets ^{1/}	84	42	100	35	132	37	>100
Total	319	80	>100	56	515	249	>100

Note:
1/ Exclude one-time items
NM Not Meaningful

Specific allowances for loans rose from \$52 million in the previous quarter to \$106 million. Half of the increase was due to charges for equity financing to individuals in Singapore and Hong Kong. Charges for SMEs in Hong Kong and corporates in other countries also rose.

Specific allowances for other assets increased from \$35 million in the previous quarter to \$84 million and was for investments in debt securities issued by certain US and European financial institutions. The amounts represented substantially all of the exposure to these institutions.

General allowances of \$129 million were taken to increase the coverage of non-asset-backed CDO investments to 25%. General allowances for loans were not taken during the quarter as existing allowances continued to be adequate for total loan exposures net of collateral.

For the nine months, total allowances more than doubled to \$515 million, with specific allowances for loans and securities accounting for most of the increase.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

PERFORMANCE BY BUSINESS UNIT

(\$m)	CBG	EB	CIB	GFM	CTU	Central Ops	Total
Selected income items							
3rd Qtr 2008 ^{1/}							
Net interest income	269	190	231	262	177	(58)	1,071
Non-interest income	152	99	133	(40)	(40)	23	327
Expenses	353	101	102	132	12	(122)	578
Allowances for credit and other losses	14	60	106	26	201	(88)	319
Profit before tax	54	128	156	66	(76)	194	522
2nd Qtr 2008 ^{1/}							
Net interest income	292	189	219	294	164	(100)	1,058
Non-interest income	174	102	162	60	(54)	97	541
Expenses	276	96	103	154	8	50	687
Allowances for credit and other losses	11	31	(6)	1	5	14	56
Profit before tax	179	164	284	197	97	(44)	877
3rd Qtr 2007 ^{1/}							
Net interest income	427	195	188	254	95	(111)	1,048
Non-interest income	182	89	134	(66)	(6)	156	489
Expenses	278	92	105	108	6	63	652
Allowances for credit and other losses	5	19	82	1	68	(95)	80
Profit before tax	326	173	135	81	15	102	832
9 Mths 2008 ^{1/}							
Net interest income	887	568	656	881	472	(278)	3,186
Non-interest income	487	321	454	0	(54)	166	1,374
Expenses	884	291	303	418	33	(8)	1,921
Allowances for credit and other losses	31	105	177	50	219	(67)	515
Profit before tax	459	493	630	415	166	26	2,189
9 Mths 2007 ^{1/}							
Net interest income	1,300	590	518	670	251	(280)	3,049
Non-interest income	501	298	514	53	4	211	1,581
Expenses	802	270	295	361	26	216	1,970
Allowances for credit and other losses	19	82	161	5	68	(86)	249
Profit before tax	980	536	576	368	161	(132)	2,489
Selected balance sheet and other items							
30 Sept 2008							
Total assets before goodwill	35,575	29,281	67,948	88,389	28,336	4,865	254,394
Total liabilities	90,899	25,898	34,090	56,088	1,890	27,043	235,908
Capital expenditure for 3rd Qtr 2008	9	2	6	11	-	39	67
Depreciation for 3rd Qtr 2008	10	-	2	3	-	27	42
30 Jun 2008							
Total assets before goodwill	34,214	26,424	64,263	85,560	27,980	4,409	242,850
Total liabilities	88,978	22,842	31,795	52,895	1,582	26,208	224,300
Capital expenditure for 2nd Qtr 2008	21	-	1	3	-	139	164
Depreciation for 2nd Qtr 2008	8	1	1	3	-	24	37

Note:
1/ Allowances for credit and other losses and profits exclude one-time items

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	CBG	EB	CIB	GFM	CTU	Central Ops	Total
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
30 Sept 2007							
Total assets before goodwill	32,116	22,599	52,061	86,083	28,007	3,868	224,734
Total liabilities	80,457	20,122	24,809	53,119	1,791	27,250	207,548
Capital expenditure for 3rd Qtr 2007	11	1	1	2	-	38	53
Depreciation for 3rd Qtr 2007	6	1	2	3	-	20	32

Consumer Banking's (CBG) net interest income fell from both the previous quarter and a year ago due to lower deposit and loan margins despite higher deposit volumes. Non-interest income was also lower than both comparative periods from lower wealth management sales. The increase in expenses from both comparative periods was due to operating costs, including a \$70 million charge for compensation to certain structured investment customers. Allowances were higher due to specific allowances.

Enterprise Banking's (EB) net interest income was stable from the previous quarter as loan growth was offset by lower Hong Kong loan margins. Non-interest income was little changed from the previous quarter but rose from a year ago as fee-based activities increased. Higher operating costs accounted for the increase in expenses from the previous quarter and a year ago. The increase in allowances from both comparative periods was due to higher general allowances and Hong Kong specific allowances.

Corporate and Investment Banking's (CIB) net interest income rose from the previous quarter and a year ago

due to higher loan volumes. Loan margins were higher than a year ago but offset by lower deposit margins. Non-interest income was lower than the previous quarter due to a decline in capital market activities. Expenses were stable compared to both earlier periods. Higher general allowances accounted for most of the increase in total allowances from the previous quarter (when there had been a general allowance write-back) while specific allowances were higher than a year ago.

Global Financial Markets' (GFM) non-interest income recorded a loss from credit market activities. Expenses fell from the previous quarter due to lower staff costs.

Central Treasury Unit (CTU) manages the Group's asset and liability interest rate positions as well as its investments. 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						
3rd Qtr 2008 ^{1/}						
Net interest income	696	213	86	41	35	1,071
Non-interest income	188	109	7	21	2	327
Expenses	286	170	65	42	15	578
Allowances for credit and other losses	214	62	18	17	8	319
Profit before tax	394	90	13	11	14	522
2nd Qtr 2008 ^{1/}						
Net interest income	709	214	66	38	31	1,058
Non-interest income	275	138	17	75	36	541
Expenses	412	175	39	44	17	687
Allowances for credit and other losses	11	40	2	(2)	5	56
Profit before tax	563	137	51	81	45	877
3rd Qtr 2007 ^{1/}						
Net interest income	693	265	23	50	17	1,048
Non-interest income	303	136	24	14	12	489
Expenses	398	176	29	35	14	652
Allowances for credit and other losses	23	26	6	28	(3)	80
Profit before tax	581	199	18	16	18	832
9 Mths 2008 ^{1/}						
Net interest income	2,126	652	193	120	95	3,186
Non-interest income	710	424	60	136	44	1,374
Expenses	1,099	518	138	120	46	1,921
Allowances for credit and other losses	322	121	32	22	18	515
Profit before tax	1,430	437	97	150	75	2,189
9 Mths 2007 ^{1/}						
Net interest income	2,013	813	65	107	51	3,049
Non-interest income	963	398	80	100	40	1,581
Expenses	1,240	509	79	100	42	1,970
Allowances for credit and other losses	74	69	27	55	24	249
Profit before tax	1,683	633	45	103	25	2,489
Total assets before goodwill						
30 Sept 2008	165,603	48,782	16,717	10,502	12,790	254,394
30 Jun 2008	159,295	45,284	16,115	10,059	12,097	242,850
31 Dec 2007	149,462	47,664	10,905	8,199	11,519	227,749
30 Sept 2007	146,606	49,937	10,045	7,631	10,515	224,734

Note:

1/ Allowances for credit and other losses and profits exclude one-time items

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Singapore

Net interest income was lower than the previous quarter as the benefit of higher asset volumes was more than offset by lower margins. Non-interest income was lower than both comparative periods because of lower capital market activities.

Expenses declined as staff costs were lower than both comparative periods.

Allowances rose due to an increase in general allowances and specific allowances for both loans and investment securities.

Hong Kong

The third quarter's results incorporate an appreciation of the Singapore dollar against the Hong Kong dollar of 7% from a year ago and a depreciation of 3% from the previous quarter.

Net interest income was similar to the previous quarter as the impact of higher asset volumes was offset by a decline in margins. It was below a year ago due to lower margins. Non-interest income was lower than both comparative periods as a result of lower sales of wealth management products and capital market activities.

Both staff and operating costs were lower than the previous quarter. The increase in allowances from both comparative periods was due to higher specific allowances for Enterprise Banking and for margin lending to individuals.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CUSTOMER LOANS ^{1/}

(\$m)	30 Sept 2008	30 Jun 2008	31 Dec 2007	30 Sept 2007
Gross	129,255	120,314	109,774	106,161
Less:				
Specific allowances	711	702	436	505
General allowances	1,003	997	905	942
Net total	127,541	118,615	108,433	104,714
By business unit				
Consumer Banking	34,111	33,166	31,213	31,367
Enterprise Banking	27,995	25,167	22,334	22,531
Corporate and Investment Banking	60,105	54,986	48,940	45,675
Others	7,044	6,995	7,287	6,588
Total (Gross)	129,255	120,314	109,774	106,161
By geography				
Singapore	72,622	68,056	62,019	57,996
Hong Kong	33,405	30,679	29,141	31,254
Rest of Greater China	10,123	9,542	6,371	5,473
South and South-east Asia	5,915	5,062	4,737	4,425
Rest of the world	7,190	6,975	7,506	7,013
Total (Gross)	129,255	120,314	109,774	106,161
By industry				
Manufacturing	17,108	15,417	14,469	13,948
Building and construction	17,445	15,906	13,004	12,225
Housing loans	28,843	28,039	26,306	26,494
General commerce	12,588	12,303	10,042	9,865
Transportation, storage & communications	12,878	11,854	11,169	10,075
Financial institutions, investment & holding companies	14,695	12,499	13,919	13,781
Professionals & private individuals (except housing loans)	10,685	10,697	9,758	9,770
Others	15,013	13,599	11,107	10,003
Total (Gross)	129,255	120,314	109,774	106,161
By currency and fixed/variable pricing				
Singapore dollar	51,387	46,778	42,675	41,974
Fixed rates	14,958	13,802	10,597	9,735
Floating or adjustable rates	36,429	32,976	32,078	32,239
Hong Kong dollar	29,900	27,340	26,012	28,317
Fixed rates	694	644	614	783
Floating or adjustable rates	29,206	26,696	25,398	27,534
US dollar	29,428	27,871	25,595	20,461
Fixed rates	2,054	1,475	1,595	559
Floating or adjustable rates	27,374	26,396	24,000	19,902
Others	18,540	18,325	15,492	15,409
Fixed rates	3,247	3,109	2,858	1,452
Floating or adjustable rates	15,293	15,216	12,634	13,957
Total (Gross)	129,255	120,314	109,774	106,161

Note:

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

Gross customer loans rose 7% from the previous quarter, with 2% points accounted for by the appreciation of the US and Hong Kong currencies against the Singapore dollar during the quarter. The growth was led by Singapore-dollar

loans to a wide range of sectors and by loans in Hong Kong. For the nine months, gross loans rose 18%, led by Singapore-dollar loans to corporates.

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 (%)
30 Sept 2008						
Consumer Banking	309	107	340	0.9	145	297
Enterprise Banking	927	455	276	3.3	79	137
Corporate and Investment Banking	252	107	600	0.4	280	446
Others	199	118	(160)	2.8	(21)	(38)
Total non-performing loans (NPL)	1,687	787	1,056	1.3	109	193
Debt securities	285	252	290	-	190	216
Contingent liabilities	82	7	137	-	176	2,171
Total non-performing assets (NPA)	2,054	1,046	1,483	-	123	209
30 Jun 2008						
Consumer Banking	327	129	331	1.0	141	253
Enterprise Banking	972	482	247	3.9	75	130
Corporate and Investment Banking	215	71	542	0.4	285	413
Others	168	71	(64)	2.2	4	10
Total non-performing loans (NPL)	1,682	753	1,056	1.4	108	189
Debt securities	198	191	158	-	176	181
Contingent liabilities	98	7	134	-	144	463
Total non-performing assets (NPA)	1,978	951	1,348	-	116	195
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

Note:

1/ Allowances for credit and other losses exclude one-time items

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

By business unit

	NPA (\$m)	SP (\$m)	GP (\$m)	NPL (% of loans)	(GP+SP)/NPA (%)	(GP+SP)/ unsecured NPA (%)
30 Sept 2007						
Consumer Banking	258	69	315	0.8	149	360
Enterprise Banking	726	350	235	3.2	81	153
Corporate and Investment Banking	246	116	439	0.5	225	426
Others	35	30	6	0.5	106	164
Total non-performing loans ("NPL")	1,265	565	995	1.2	123	243
Debt securities	42	36	114	-	357	416
Contingent liabilities	119	9	130	-	117	318
Total non-performing assets ("NPA")	1,426	610	1,239	-	130	256

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 (%)
30 Sept 2008						
Singapore	531	235	338	0.8	108	213
Hong Kong	467	223	330	1.4	119	212
Rest of Greater China	437	226	124	3.8	80	139
South and South-east Asia	110	56	145	1.1	182	194
Rest of the World	142	47	119	1.2	117	242
Total non-performing loans	1,687	787	1,056	1.3	109	193
Debt securities	285	252	290	-	190	216
Contingent liabilities	82	7	137	-	176	2,171
Total non-performing assets	2,054	1,046	1,483	-	123	209
30 Jun 2008						
Singapore	558	219	398	0.9	110	221
Hong Kong	437	200	301	1.5	115	217
Rest of Greater China	483	273	119	4.4	81	124
South and South-east Asia	90	42	131	1.0	193	221
Rest of the World	114	19	107	1.1	111	229
Total non-performing loans	1,682	753	1,056	1.4	108	189
Debt securities	198	191	158	-	176	181
Contingent liabilities	98	7	134	-	144	463
Total non-performing assets	1,978	951	1,348	-	116	195
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
30 Sept 2007						
Singapore	627	273	421	1.2	111	228
Hong Kong	352	159	310	1.1	133	257
Rest of Greater China	77	27	79	1.1	138	446
South and South-east Asia	138	94	106	1.9	146	170
Rest of the World	71	12	79	0.8	127	682
Total non-performing loans	1,265	565	995	1.2	123	243
Debt securities	42	36	114	-	357	416
Contingent liabilities	119	9	130	-	117	318
Total non-performing assets	1,426	610	1,239	-	130	256

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

By industry (\$m)	30 Sept 2008		30 Jun 2008		31 Dec 2007		30 Sept 2007	
	NPA	SP	NPA	SP	NPA	SP	NPA	SP
Manufacturing	485	246	453	216	336	160	361	212
Building and construction	92	28	105	41	69	19	81	25
Housing loans	190	46	202	61	152	35	168	37
General commerce	331	175	369	187	286	143	290	143
Transportation, storage & communications	13	7	23	8	21	5	29	12
Financial institutions, investment & holding companies	191	78	160	25	54	8	82	11
Professionals & private individuals (except housing loans)	206	108	192	102	126	55	134	60
Others	179	99	178	113	124	66	120	65
Total non-performing loans	1,687	787	1,682	753	1,168	491	1,265	565
Debt securities	285	252	198	191	160	152	42	36
Contingent liabilities	82	7	98	7	114	9	119	9
Total non-performing assets	2,054	1,046	1,978	951	1,442	652	1,426	610

By loan classification (\$m)	30 Sept 2008		30 Jun 2008		31 Dec 2007		30 Sept 2007	
	NPA	SP	NPA	SP	NPA	SP	NPA	SP
Non-performing assets								
Substandard	1,141	201	1,159	171	845	73	878	63
Doubtful	644	575	491	451	338	319	276	275
Loss	269	270	328	329	259	260	272	272
Total	2,054	1,046	1,978	951	1,442	652	1,426	610
Restructured assets								
Substandard	246	72	231	67	168	27	189	24
Doubtful	29	27	31	28	25	23	32	37
Loss	53	53	128	128	38	38	28	28
Total	328	152	390	223	231	88	249	89

By collateral type (\$m)	30 Sept 2008	30 Jun 2008	31 Dec 2007	30 Sept 2007
	NPA	NPA	NPA	NPA
Unsecured non-performing assets	1,211	1,182	794	722
Secured non-performing assets by collateral type				
Properties	505	472	376	410
Shares and debentures	76	93	24	40
Fixed deposits	22	22	13	8
Others	240	209	235	246
Total	2,054	1,978	1,442	1,426

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

By period overdue

(\$m)	30 Sept 2008	30 Jun 2008	31 Dec 2007	30 Sept 2007
	NPA	NPA	NPA	NPA
Not overdue	832	826	542	400
<90 days overdue	281	309	255	246
91-180 days overdue	307	191	94	180
>180 days overdue	634	652	551	600
Total	2,054	1,978	1,442	1,426

The amount of NPLs was stable from the previous quarter at \$1.69 billion, while the NPL rate declined slightly from 1.4% to 1.3% on a larger loan base. New NPLs due to individuals and SMEs in Hong Kong as well as corporate loans in Rest of the World were offset by recoveries in corporate loans in Singapore and write-offs in SME loans in Taiwan arising from the acquisition of

Bowa.

The amount of non-performing assets rose 4% to \$2.05 billion due to an increase in non-performing debt securities. Allowance coverage for non-performing assets increased to 123% from 116% in the previous quarter.

FUNDING SOURCES

(\$m)	30 Sept 2008	30 Jun 2008	31 Dec 2007	30 Sept 2007
Customer deposits ^{1/}	166,448	158,726	153,572	144,185
Interbank liabilities ^{2/}	19,616	19,921	16,481	15,360
Other borrowings and liabilities ^{2/}	54,036	49,757	43,057	50,721
Shareholders' funds	20,141	20,284	20,481	20,311
Total	260,241	248,688	233,591	230,577

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)	30 Sept 2008	30 Jun 2008	31 Dec 2007	30 Sept 2007
By currency and product				
Singapore dollar	89,666	88,973	84,099	78,493
Fixed deposits	21,821	24,149	27,708	23,082
Savings accounts	57,256	53,496	46,622	45,733
Current accounts	9,775	10,712	9,258	9,029
Others	814	616	511	649
Hong Kong dollar	23,503	21,032	24,775	24,274
Fixed deposits	16,917	14,137	17,302	17,448
Savings accounts	3,970	4,410	4,556	3,967
Current accounts	1,856	1,831	1,935	1,777
Others	760	654	982	1,082
US dollar	29,018	26,717	28,507	28,073
Fixed deposits	19,536	17,891	20,375	19,798
Savings accounts	1,851	1,657	1,849	2,143
Current accounts	4,833	4,248	3,976	3,628
Others	2,798	2,921	2,307	2,504
Others	24,261	22,004	16,191	13,345
Fixed deposits	20,163	17,708	13,152	10,756
Savings accounts	1,233	1,294	778	492
Current accounts	1,771	1,858	1,477	1,489
Others	1,094	1,144	784	608
Total	166,448	158,726	153,572	144,185
Fixed deposits	78,437	73,885	78,537	71,084
Savings accounts	64,310	60,857	53,805	52,335
Current accounts	18,235	18,649	16,646	15,923
Others	5,466	5,335	4,584	4,843

Note:

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

Customer deposits rose 5% from the previous quarter to \$166.4 billion. The increase was in foreign currency fixed deposits and Singapore-dollar savings deposits. The mix of Singapore dollar deposits shifted towards savings accounts as fixed deposits fell.

For the nine months, customer deposits rose 8%, led by Singapore-dollar savings accounts.

OTHER BORROWINGS & LIABILITIES

(\$m)	30 Sept 2008	30 Jun 2008	31 Dec 2007	30 Sept 2007
Subordinated term debts ^{1/}	8,882	8,470	8,954	9,171
Other debt securities in issue				
Due within 1 year	830	1,458	960	4,705
Due after 1 year	1,094	831	239	403
Comprising:				
Secured ^{2/}	269	473	369	1,106
Unsecured	1,655	1,816	830	4,002
Others	43,230	38,998	32,904	36,442
Total	54,036	49,757	43,057	50,721

Notes:

^{1/} All subordinated term debts issued are unsecured and due after 1 year

^{2/} These are mainly secured by properties and securities

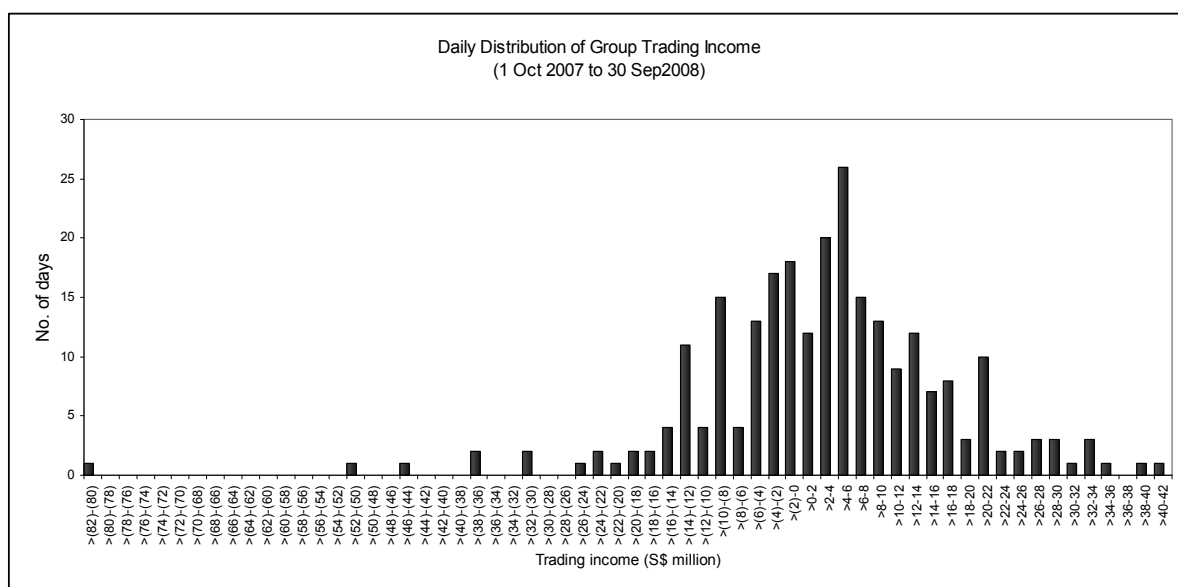
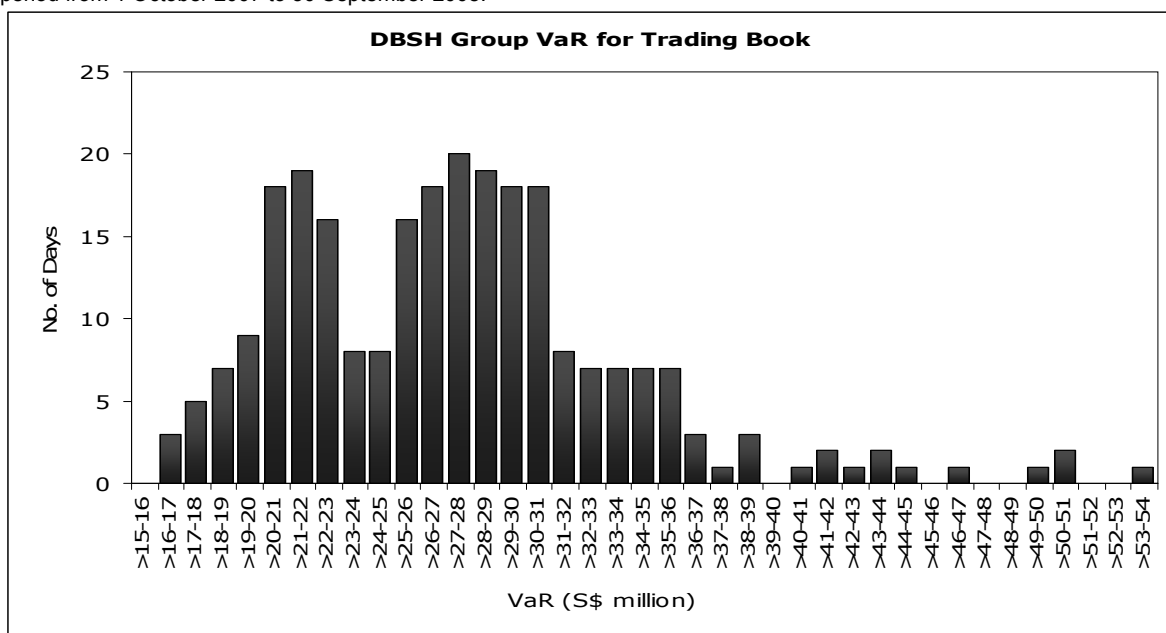
DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

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 October 2007 to 30 September 2008. The Group's trading book VaR methodology is based on Historical Simulation VaR.

(\$m)	As at 30 September 2008	1 October 2007 to 30 September 2008		
		Average	High	Low
Total	51	27	53	17

The charts below provide the range of VaR and the daily distribution of trading income in the trading portfolio for the period from 1 October 2007 to 30 September 2008.



DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CAPITAL ADEQUACY

(\$m)	30 Sept 2008	30 Jun 2008	31 Dec 2007 ^{1/}	30 Sept 2007 ^{1/}
Tier 1				
Share capital	4,214	4,206	4,164	4,138
Disclosed reserves and others	20,268	20,080	18,092	17,922
Less: Tier 1 Deductions	(6,011)	(5,987)	(5,897)	(5,888)
Eligible Tier 1	18,471	18,299	16,359	16,172
Tier 2				
Loan allowances admitted as Tier 2	680	564	1,210	1,170
Subordinated debts	6,413	6,323	7,087	7,254
Revaluation surplus from equity securities	27	84	177	239
Less: Tier 2 Deductions	(117)	(102)	(102)	(101)
Total eligible capital	25,474	25,168	24,731	24,734
Risk-weighted assets	190,188	182,254	184,601	176,533
Capital adequacy ratio (%)				
Tier 1 ratio	9.7	10.0	8.9	9.2
Tier 2 ratio	3.7	3.8	4.5	4.8
Total (Tier 1 & 2) ratio	13.4	13.8	13.4	14.0

Note:

^{1/} Figures have been reclassified to make them consistent with the current period's presentation

The Group's total capital adequacy ratio decreased from 13.8% in June 2008 to 13.4% in September 2008 due mainly to an increase in credit risk weighted assets.

UNREALISED VALUATION SURPLUS/(LOSSES)

(\$m)	30 Sept 2008	30 Jun 2008	31 Dec 2007	30 Sept 2007
Properties	687	704	650	423
Financial investments	62	(11)	43	(73)
Total	749	693	693	350

The amount of unrealised valuation surplus increased from \$693 million in the previous quarter to \$749 million as the valuation surplus for financial investments rose due to an increase in general allowances.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Unaudited Consolidated Income Statement

In \$ millions	3rd Qtr 2008	3rd Qtr 2007 ^{1/}	+ / (-) %	2nd Qtr 2008	9 Mths 2008	9 Mths 2007 ^{1/}	+ / (-) %
Income							
Interest income	2,025	2,362	(14)	1,935	6,107	6,738	(9)
Interest expense	954	1,314	(27)	877	2,921	3,689	(21)
Net interest income	1,071	1,048	2	1,058	3,186	3,049	4
Net fee and commission income	316	403	(22)	342	1,011	1,083	(7)
Net trading income	(281)	(63)	(>100)	111	(331)	205	NM
Net income from financial instruments designated at fair value	268	5	>100	26	379	(90)	NM
Net income from financial investments	3	128	(98)	49	263	346	(24)
Other income	21	16	31	31	70	37	89
Total income	1,398	1,537	(9)	1,617	4,578	4,630	(1)
Expenses							
Employee benefits	188	347	(46)	370	910	1,061	(14)
Depreciation of properties and other fixed assets	42	32	31	37	113	94	20
Other expenses	348	273	27	280	898	815	10
Allowances for credit and other losses	342	118	>100	90	572	368	55
Total expenses	920	770	19	777	2,493	2,338	7
Profit	478	767	(38)	840	2,085	2,292	(9)
Share of profits of associates	21	27	(22)	21	65	78	(17)
Profit before tax	499	794	(37)	861	2,150	2,370	(9)
Income tax expense	59	146	(60)	159	369	449	(18)
Net profit	440	648	(32)	702	1,781	1,921	(7)
Attributable to:							
Shareholders	379	610	(38)	652	1,634	1,787	(9)
Minority interests	61	38	61	50	147	134	10
	440	648	(32)	702	1,781	1,921	(7)

Note:

^{1/} Figures have been reclassified to make them consistent with the current period's presentation

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Unaudited Balance Sheets

In \$ millions	GROUP				COMPANY			
	30 Sept 2008	30 Jun 2008	31 Dec 2007 ^{1/}	30 Sept 2007	30 Sept 2008	30 Jun 2008	31 Dec 2007 ^{1/}	30 Sept 2007
ASSETS								
Cash and balances with central banks	15,044	13,593	18,564	8,450				
Singapore Government securities and treasury bills	15,000	16,001	15,433	16,646				
Due from banks	27,331	28,164	23,304	30,465				
Financial assets at fair value through profit or loss ^{2/}	11,575	17,278	19,543	20,748				
Positive replacement values	23,007	19,313	13,119	10,925				
Loans and advances to customers	126,893	117,844	106,344	103,405				
Financial investments	23,996	20,779	19,182	21,855				
Securities pledged	3,218	2,129	4,115	2,706				
Subsidiaries	-	-	-	-	6,767	6,779	6,748	6,736
Investments in associates	620	608	715	666				
Goodwill on consolidation	5,847	5,838	5,842	5,843				
Properties and other fixed assets	1,632	1,585	1,534	1,511				
Deferred tax assets	41	26	25	17				
Other assets	6,037	5,530	5,871	7,340	74	-	-	-
TOTAL ASSETS	260,241	248,688	233,591	230,577	6,841	6,779	6,748	6,736
LIABILITIES								
Due to banks	19,200	19,331	15,464	13,678				
Due to non-bank customers	158,340	150,390	145,368	133,941				
Financial liabilities at fair value through profit or loss ^{3/}	15,161	15,967	18,242	23,271				
Negative replacement values	23,535	18,354	12,554	10,863				
Bills payable	762	1,262	380	590				
Current tax liabilities	885	938	882	943				
Deferred tax liabilities	11	41	172	191				
Other liabilities	7,208	7,258	7,218	9,792	18	4	7	7
Other debt securities in issue	1,924	2,289	1,199	5,108				
Subordinated term debts	8,882	8,470	8,954	9,171				
TOTAL LIABILITIES	235,908	224,300	210,433	207,548	18	4	7	7
NET ASSETS	24,333	24,388	23,158	23,029	6,823	6,775	6,741	6,729
EQUITY								
Share capital	4,213	4,206	4,164	4,138	4,213	4,206	4,164	4,138
Treasury shares	(137)	(106)	(102)	(74)	(62)	(31)	(27)	-
Other reserves	6,605	6,798	7,680	7,751	82	32	37	53
Revenue reserves	9,460	9,386	8,739	8,496	2,590	2,568	2,567	2,538
SHAREHOLDERS' FUNDS	20,141	20,284	20,481	20,311	6,823	6,775	6,741	6,729
Minority interests	4,192	4,104	2,677	2,718				
TOTAL EQUITY	24,333	24,388	23,158	23,029	6,823	6,775	6,741	6,729
OFF BALANCE SHEET ITEMS								
Contingent liabilities	17,063	16,799	14,656	13,808				
Commitments	93,129	89,095	92,305	90,334				
Financial derivatives	2,005,986	1,918,487	1,816,007	1,887,740				
OTHER INFORMATION								
Net asset value per ordinary share (\$)								
(i) Based on existing ordinary share capital					4.43	4.40	4.39	4.39
(ii) Assuming conversion of outstanding preference shares to ordinary shares					4.30	4.27	4.25	4.25

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	43						43
Net exchange translation adjustments				6		(17)	(11)
Share of associates' reserves				(24)			(24)
Cost of share-based payments				22			22
Share buyback during the period			(35)				(35)
Reclassification of reserves upon exercise of share options	6			(6)			-
Available-for-sale investments/Cash flow hedge:							
- Net valuation taken to equity				(992)			(992)
- Transferred to income statement on sale				(238)			(238)
- Tax on items taken directly to or transferred from equity				173			173
Transfer from / (to) revenue reserve				(16)	16		-
Net profit for the period					1,634	147	1,781
Final dividends paid for previous year					(302)		(302)
Interim dividends paid for current year					(627)		(627)
Dividends paid to minority interests						(116)	(116)
Change in minority interests						1,501	1,501
Balance at 30 September 2008	4,147	66	(137)	6,605	9,460	4,192	24,333
Balance at 1 January 2007	3,976	66	(111)	7,182	7,562	2,371	21,046
Exercise of share options	96						96
Net exchange translation adjustments				(25)		(41)	(66)
Share of associates' reserves				18			18
Cost of share-based payments				26			26
Draw-down of reserves upon vesting of performance shares			37	(37)			-
Available-for-sale investments/Cash flow hedge:							
- Net valuation taken to equity				798			798
- Transferred to income statement on sale				(177)			(177)
- Tax on items taken directly to or transferred from equity				(64)			(64)
Net profit for the period					1,787	134	1,921
Appropriation from income statement ^{1/}				30	(30)		-
Final dividends paid for previous year					(310)		(310)
Interim dividends paid for current year					(513)		(513)
Dividends paid to minority interests						(116)	(116)
Change in minority interests						370	370
Balance at 30 September 2007	4,072	66	(74)	7,751	8,496	2,718	23,029

Note:

^{1/} Includes appropriation from prior year's net profit

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Unaudited Statement of Changes in Equity

COMPANY

In \$ millions	Ordinary shares	Convertible preference shares	Treasury shares	Other reserves	Revenue reserve	Total equity
Balance at 1 January 2008	4,098	66	(27)	37	2,567	6,741
Exercise of share options	43					43
Cost of share-based payments				51		51
Reclassification of reserves upon exercise of share options	6			(6)		-
Net profit for the period					954	954
Share buyback during the period			(35)			(35)
Final dividends paid for previous year					(304)	(304)
Interim dividends paid for current year					(627)	(627)
Balance at 30 September 2008	<u>4,147</u>	<u>66</u>	<u>(62)</u>	<u>82</u>	<u>2,590</u>	<u>6,823</u>
Balance at 1 January 2007	3,976	66	-	53	2,824	6,919
Exercise of share options	96					96
Net profit for the period					537	537
Final dividends paid for previous year					(310)	(310)
Interim dividends paid for current year					(513)	(513)
Balance at 30 September 2007	<u>4,072</u>	<u>66</u>	<u>-</u>	<u>53</u>	<u>2,538</u>	<u>6,729</u>

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Unaudited Consolidated Cash Flow Statement

In \$ millions	9 Mths 2008	9 Mths 2007
Cash flows from operating activities		
Profit before tax	2,150	2,370
<i>Adjustments for non-cash items:</i>		
Allowances for credit and other losses	572	368
Depreciation of properties and other fixed assets	113	94
Share of profits of associates	(65)	(78)
Net gain on disposal of properties and other fixed assets	(23)	(6)
Net gain on disposal of financial investments	(263)	(346)
Profit before changes in operating assets & liabilities	<u>2,484</u>	<u>2,402</u>
<i>Increase/(Decrease) in:</i>		
Due to banks	3,736	5,815
Due to non-bank customers	12,972	11,849
Financial liabilities at fair value through profit or loss	(3,081)	3,563
Other liabilities including bills payable	9,688	5,134
Debt securities and borrowings	816	1,612
<i>(Increase)/Decrease in:</i>		
Change in restricted balances with central banks	(561)	362
Singapore Government securities and treasury bills	1,181	(3,640)
Due from banks	(4,018)	(5,202)
Financial assets at fair value through profit or loss	5,761	(4,012)
Loans and advances to customers	(20,838)	(18,418)
Financial investments	(6,045)	1,115
Other assets	(7,654)	(5,105)
Tax paid	(370)	(279)
Net cash (used in) operating activities (1)	<u>(5,929)</u>	<u>(4,804)</u>
Cash flows from investing activities		
Dividends from associates	50	51
Purchase of properties and other fixed assets	(245)	(119)
Proceeds from disposal of properties and other fixed assets	74	69
Acquisition of interest in associates	-	(4)
Net cash (used in) investing activities (2)	<u>(121)</u>	<u>(3)</u>
Cash flows from financing activities		
Increase in share capital and share premium	49	96
Proceeds from issuance of subordinated term debts	1,500	3,044
Dividends paid to shareholders of the Company	(929)	(823)
Dividends paid to minority interests	(116)	(116)
Net cash generated from financing activities (3)	<u>504</u>	<u>2,201</u>
Exchange translation adjustments (4)	6	(25)
Net change in cash and cash equivalents (1)+(2)+(3)+(4)	<u>(5,540)</u>	<u>(2,631)</u>
Cash and cash equivalents at 1 January	<u>22,273</u>	<u>15,118</u>
Cash and cash equivalents at 30 September	<u>16,733</u>	<u>12,487</u>

Additional Information

ISSUANCE OF ORDINARY SHARES

- (a) The movement in the number of issued and fully paid-up ordinary shares for the third quarter ended 30 September 2008 is as follows:

At 1 January 2008	1,517,786,862
Exercise of share options pursuant to the DBSH Share Option Plan	3,122,976
At 30 September 2008	<u>1,520,909,838</u>

Weighted average number of shares for third quarter 2008	
- ordinary shares	1,519,500,788
- fully diluted	1,588,797,429

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>30 Sept 2008</u>	<u>30 Jun 2008</u>	<u>31 Dec 2007</u>	<u>30 Sep 2007</u>
Conversion of non-voting CPS	120,436	120,436	120,436	120,436
Conversion of non-voting redeemable CPS	66,475,374	66,475,374	66,475,374	66,475,374
Exercise of share options	14,461,972	15,054,702	17,776,673	18,474,907

- (c) The movement in the number of treasury shares for the 9 months ended 30 September 2008 is as follows:

At 1 January 2008	4,933,401
Share buyback	2,079,000
At 30 September 2008	<u>7,012,401</u>

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.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

AMENDMENTS TO FRS 39 FINANCIAL INSTRUMENTS: RECOGNITION AND MEASUREMENT AND FRS 107 FINANCIAL INSTRUMENTS: DISCLOSURES – RECLASSIFICATION OF FINANCIAL ASSETS

Following the amendments to FRS 39 Financial Instruments: Recognition and Measurement and FRS 107 Financial Instruments: Disclosures - Reclassification of Financial Assets, the Group has reclassified certain HFT assets to the AFS category.

The Group views the rapid deterioration of the global financial markets during the course of the third quarter of 2008, which has in turn resulted in highly illiquid markets, as a rare circumstance. One of the ramifications of this development is that certain HFT assets have had their tradability compromised by the ensuing market illiquidity. As the Group will no longer, as a consequence, hold these assets for the purpose of selling or trading over the near term, reclassifying them to the AFS category would be more appropriate. The reclassification was accordingly executed and deemed to be effective from 1 July 2008.

The disclosures below detail the impact of the reclassification to the Group.

	<u>1 Jul 2008</u>	<u>30 Sept 2008</u>
(\$m)	Fair Value	Fair Value
HFT assets reclassified to AFS	2,389	2,315

If the reclassification had not been made, the Group's income statement for this quarter would have included unrealized fair value losses of \$74 million attributable to the reclassified assets. Correspondingly, as of 30 September 2008, the AFS reserves included in shareholders' funds would not have included the unrealized fair value losses on these assets and would thus have been \$74 million higher.

The reclassified financial assets contributed to a \$2 million increase to net interest income for the current quarter. As of the reclassification date, the effective interest rates on the reclassified assets ranged from 2% to 10%, while recoverable cash flows of S\$3 billion are expected.

In the second quarter 2008, \$44 million of unrealized fair value losses on the reclassified assets were recognized in the Group income statement.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

DISCLOSURE ON CERTAIN FINANCIAL INSTRUMENTS

At the request of the G7 Finance Ministers and Central Bank Governors, the Financial Stability Forum issued a report in April 2008 on enhancing market and institutional resilience. Among its recommendations, it

encouraged enhanced disclosure of certain financial instruments. The following disclosures are made in keeping with these developments.

COLLATERALISED DEBT/LOAN OBLIGATIONS (CDO)

Type of CDO (\$m)	30 Sept 2008		30 Jun 2008		31 Dec 2007		30 Sept 2007	
	Exposure	Allowance	Exposure	Allowance	Exposure	Allowance	Exposure	Allowance
Investment Portfolio	1,134	448	1,114	282	1,211	270	1,240	-
ABS CDO	263	235	255	232	267	240	275	-
Non-ABS CDO	871	213	859	50	944	30	965	-
CLO	700	193	696	30	771	30	786	-
Other CDOs	171	20	163	20	173	-	179	-
Trading Book	291	-	341	-	975	-	1,120	-
Total	1,425	448	1,455	282	2,186	270	2,360	-

Moody's Ratings

Type of CDO	Aaa	Aa	A	Baa to B	Caa – Ca	Not Rated by Moody's (rated by the other)	Total
Investment Portfolio							
ABS CDO	-	2%	5%	4%	7%	5%	23%
Non-ABS CDO	8%	21%	46%	-	1%	1%	77%
CLO	8%	21%	32%	-	-	1%	62%
Other CDOs	-	-	14%	-	1%	-	15%
Total	8%	23%	51%	4%	8%	6%	100%

Standard & Poor's Ratings

Type of CDO	AAA	AA	A	BBB to B	CC	Not Rated by S&P (rated by the other)	Total
Investment Portfolio							
ABS CDO	2%	6%	2%	3%	8%	2%	23%
Non-ABS CDO	11%	13%	28%	-	-	25%	77%
CLO	11%	13%	28%	-	-	10%	62%
Other CDOs	-	-	-	-	-	15%	15%
Total	13%	19%	30%	3%	8%	27%	100%

The CDO portfolio comprised \$263 million asset-backed (ABS) CDOs and \$871 million non-ABS CDOs in the investment portfolio, and \$291 million of CDOs in the trading portfolio.

The ABS CDOs have mortgage-backed securities (such as US sub-prime mortgages, Alt-A mortgages and ABS CDO tranches) as one of their asset classes, the percentage of which differs among the CDOs. By vintage, 36% of these CDOs were issued in 2004 or earlier, 58% in 2005 and 6% in 2006 or later. These ABS CDOs are 90% covered by allowances since fourth quarter 2007.

Of the non-ABS CDOs in the investment portfolio, a portion was in collateralised loan obligations (CLOs),

which have corporate loans as their dominant underlying collateral. The other CDOs have either credit default swaps or trust preferred securities as their dominant underlying collateral.

Allowances totalling \$213 million or 25% of the portfolio have been made for the non-ABS investment CDOs, of which 97% are rated A or above by Moody's or Standard & Poor's or both.

The CDOs in the trading portfolio, which are designated at fair value, were valued at \$291 million compared to \$341 million in the previous quarter. As they are designated at fair value, no allowances have been taken for them.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

OTHER US SUB-PRIME AND ALT-A EXPOSURE

The Group does not have direct exposure to US sub-prime mortgages and Alt-A mortgages other than through its ABS CDOs as disclosed above.

COMMERCIAL MORTGAGE-BACKED SECURITIES

The Group had \$136 million of investments in commercial mortgage-backed securities, representing less than 0.1% of the Group's total assets. By geography, 87% were in Singapore and 13% were in Hong Kong. By industry, commercial properties accounted for 41% of the portfolio, retail 15%, commercial-cum-retail 35% and industrial 9%.

LEVERAGED FINANCE

Leveraged finance is defined in this disclosure as acquisition financing sponsored by funds (private equity or investment) and supported by leverage. The Group's exposure to such loans, amounting to \$557 million, represented less than 0.3% of its total assets. Of the exposure, 3% was in Singapore, 42% in Rest of Greater China, 35% in South and South-East Asia, and the remaining 20% in other parts of Asia. By industry, they were primarily in finance, media, information technology services and manufacturing.

SPECIAL PURPOSE ENTITIES (SPE)

The list of material operating SPEs is summarised in the following table, all of which are involved in the issuance or distribution of structured investment products. None of the SPEs has any liquidity facility with the Group.

SPE Description	Collateral	Risk Factors
Constellation Investment Ltd (incorporated in Cayman Islands) <ul style="list-style-type: none"> 100% consolidated under INT FRS12 Consolidation-SPE SPE activity: Issuance of structured equity/credit-linked notes to clients SPE size: \$1.6 billion Group's role: Arranger, Market Agent, Calculation Agent, Custodian for assets held as collateral, Swap Counterparty 	Cash deposits, Hong Kong government securities, Hong Kong corporate bonds, structured notes from Zenesis SPC (collateral rated AAA to BBB- by Fitch or S&P, with maturity of up to 6 years)	Investment product risk is borne by clients. Should the structured notes be redeemed early and the unwind cost of the structure be larger than the early redemption value of the collateral, the Group may have to bear the difference
Zenesis SPC (incorporated in Cayman Islands) <ul style="list-style-type: none"> 100% consolidated under INT FRS12 Consolidation-SPE SPE activity: Issuance of rated credit-linked notes to Constellation Investment Ltd and rated/unrated notes to other clients SPE size: \$1.0 billion Group's role: Calculation Agent, Substitution Agent, Swap Counterparty 	Cash deposits, 5-year notes from a Hong Kong bank (bond rating of Aa2 by Moody's and AA- by S&P), FSA-guaranteed bonds	Investment product risk is borne by clients. Should the structured notes be redeemed early and the unwind cost of the structure be larger than the early redemption value of the collateral, the Group may have to bear the difference

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES


CONFIRMATION BY THE BOARD

We, Koh Boon Hwee and Richard D. Stanley, 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 Third Quarter ended 30 September 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



Richard D. Stanley
Chief Executive Officer

6 November 2008
Singapore

**MANAGEMENT'S DISCUSSION AND ANALYSIS FOR
FY2005, FY2006 AND FY2007**

The following statements are extracted from the Company's annual reports for FY2005, FY2006 and FY2007.

FY2007 vs FY2006

OVERVIEW	FY2007	FY2006	% chg
Selected income statement items (S\$m)			
Net interest income	4,108	3,591	14
Net fee and commission income	1,462	1,155	27
Net trading income	180	522	(66)
Net income from financial instruments designated at fair value	(86)	(192)	55
Net income from financial investments	450	229	97
Other income	49	39	26
Total income	6,163	5,344	15
Less: Expenses	2,618	2,369	11
Profit before allowances	3,545	2,975	19
Less: Allowances for credit and other losses	431	135	>100
Share of profits of associates	110	70	57
Profit before tax	3,224	2,910	11
Net profit	2,487	2,175	14
Add: One-time items	(209)	94	nm
Net profit including one-time items and goodwill charges	2,278	2,269	0
Selected balance sheet items (S\$m)			
Customer loans ⁽¹⁾	108,433	86,630	25
Interbank assets ⁽¹⁾	24,564	26,515	(7)
Total assets	233,591	197,372	18
Customer deposits ⁽²⁾	153,572	131,373	17
Total liabilities	210,433	176,326	19
Shareholders' funds	20,481	18,675	10
Key financial ratios (excluding one-time gains and goodwill charges) (%)			
Net interest margin	2.17	2.20	-
Non-interest/total income	33.3	32.8	-
Cost/income ratio	42.5	44.3	-
Return on assets	1.15	1.15	-
Return on equity	12.66	12.33	-
Loan/deposit ratio	70.6	65.9	-
NPL ratio	1.1	1.7	-
Specific allowances (loans)/average loans (bp)	9	19	-
Tier-1 capital adequacy ratio	8.9	10.2	-
Total capital adequacy ratio	13.4	14.5	-
Per share data (S\$)			
Per basic share			
–earnings excluding one-time gains and goodwill charges	1.64	1.44	-
–earnings	1.50	1.50	-

OVERVIEW	FY2007	FY2006	% chg
–net book value	13.20	12.08	-
Per diluted share			
–earnings excluding one-time gains and goodwill charges	1.57	1.39	-
–earnings	1.44	1.45	-
–net book value	12.93	11.84	-

Notes:

- (1) Includes financial assets at fair value through profit or loss.
(2) Includes financial liabilities at fair value through profit or loss.

The Group generated net profit of S\$2,487 million in FY2007 excluding one-time items, a 14% increase over FY2006, and a 14% compounded annual growth over five years, as the Group capitalised on continued economic strength in the region to build its customer franchise.

A one-time net charge of S\$209 million was recorded in FY2007, comprising S\$264 million of impairment charges on the Group's investment in TMB Bank in Thailand offset by a S\$55 million gain from an allowance write-back for a property in Singapore. In comparison, a one-time gain of S\$94 million from the sale of buildings was booked in FY2006. Including these items, the Group's reported net profit amounted to S\$2,278 million in FY2007 compared to S\$2,269 million in FY2006. The following commentary excludes the effects of these non-operating items.

Total income reached S\$6,163 million in FY2007, an increase of 15% compared to FY2006. The rise was driven by higher net interest income and non-interest income. Net interest income grew 14% to S\$4,108 million in FY2007, primarily due to higher loan volumes across most business and geographical segments. For the year, net customer loans expanded 25%, the fastest growth recorded since FY2001.

Non-interest income rose 17% to S\$2,055 million, with higher net fee income and gains on sales of financial investments partially offset by lower trading income. Net fee income rose 27% to S\$1,462 million for a ninth consecutive year of growth as both corporate and consumer activities grew.

Net trading income, affected by US sub-prime mortgage concerns, declined from S\$522 million in FY2006 to S\$180 million in FY2007. Wider spreads in the credit markets led to lower mark-to-market values of trading securities and credit-linked derivatives. The decline in net trading income included S\$136 million of mark-to-market losses for collateralised debt obligations ("CDO") in Red Orchid Secured Assets ("Rosa"), a fully-consolidated conduit. Subsequent to 31 December 2007, Rosa was liquidated, its CDOs dismantled and its component risks transferred to the trading book to be hedged and managed.

Gains on sales of financial investments were S\$450 million in FY2007, up from S\$229 million a year ago, as the Group took profits on some equity positions.

The cost-income ratio improved to 42% from 44% a year ago through continued cost management. Expenses rose 11% to S\$2,618 million. Staff costs increased 11% to S\$1,384 million, reflecting tight labour markets and a 13% increase in headcount to support business expansion.

The credit environment remained benign. The non-performing loan ratio fell to 1.1% in FY2007 from 1.7% in FY2006. Specific allowances for loans fell 42% to S\$92 million. Total allowances, however, increased due to allowances for investment CDOs which amounted to S\$270 million. At the end of FY2007, the Group had set aside allowances amounting to 90% of its investment CDOs with exposure to US sub-prime mortgages.

The Group's return on assets was unchanged from a year ago at 1.15%, while return on equity improved to 12.7% from 12.3%.

There were no significant accounting changes for the year.

Goodwill was tested for impairment using the same methodology and key assumptions as the previous year. Goodwill for all entities tested was found to be intact.

NET INTEREST INCOME

Average balance sheet	FY2007			FY2006		
	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)
Interest-bearing assets						
Customer loans	97,423	5,405	5.55	82,561	4,559	5.52
Interbank assets	37,596	1,261	3.35	30,718	1,001	3.26
Securities	53,996	2,424	4.49	49,908	2,249	4.51
Total	189,015	9,090	4.81	163,187	7,809	4.79
Interest bearing liabilities						
Customer deposits	141,232	3,079	2.18	123,779	2,746	2.22
Other borrowings	38,864	1,903	4.90	31,713	1,472	4.64
Total	180,096	4,982	2.77	155,492	4,218	2.71
Net interest income/margin		4,108	2.17		3,591	2.20

Net interest income rose 14% to S\$4,108 million in FY2007. This amount represented 67% of the Group's total income in FY2007, little changed from a year ago.

Average interest-earning assets expanded 16% to S\$189,015 million, with the asset mix improving as the proportion of customer loans increased.

Overall asset yields rose two basis points to 4.81%, slower than liability costs which rose by six basis points to 2.77%. As a result, the Group's net interest margin narrowed from 2.20% to 2.17%.

The table below indicates that higher volumes had a greater impact on net interest income growth in FY2007 than interest margins.

Volume and rate analysis (\$m)			Net
Increase/(decrease) due to change in	Volume	Rate	Change
Interest income			
Customer loans	821	25	846
Interbank assets	224	36	260
Securities	184	(9)	175
Total	1,229	52	1,281
Interest expense			
Customer deposits	387	(54)	333
Other borrowings	329	102	431
Total	716	48	764
Net interest income	513	4	517

NET FEE AND COMMISSION INCOME

(\$m)	FY2007	FY2006	% chg
Stockbroking	250	141	77
Investment banking	171	150	14
Trade and remittances	206	190	8
Loan related	232	166	40

NET FEE AND COMMISSION INCOME

(S\$m)	FY2007	FY2006	% chg
Guarantees	36	30	20
Deposit related	78	79	(1)
Credit Card	132	115	15
Fund Management	43	62	(31)
Wealth Management	249	170	46
Others	65	52	25
Total	1,462	1,155	27

Net fee and commission income grew 27% from a year ago to S\$1,462 million in FY2007 from a wide range of corporate and consumer activities. Net fee income accounted for 24% of total income in FY2007, above the 22% in FY2006.

Stockbroking commissions climbed 77% to S\$250 million from buoyant equity markets in Singapore and Hong Kong. The Group's growing customer franchise resulted in higher wealth management product sales and credit card transactions. Wealth management fees rose 46% to S\$249 million as unit trust sales grew 51% to S\$5,735 million, while credit card fees rose 15% to S\$132 million as average spend per card increased.

Investment banking and loan-related fees were 14% and 40% higher respectively as capital market activities increased across the region. The Group continued to do well in various domestic league tables during the year, such as bookrunning Singapore dollar bonds, arranging syndicated loans, advising on mergers and acquisitions deals and underwriting real estate investment trusts.

OTHER NON-INTEREST INCOME

(S\$m)	FY2007	FY2006	% chg
Net trading income	180	522	(66)
From trading businesses	196	532	(63)
From other businesses	(16)	(10)	(60)
Net income from financial instruments designated at fair value	(86)	(192)	55
Net income from financial instruments	450	229	97
Net gain from fixed assets	6	10	(40)
Others	43	29	48
Total	593	598	(1)

Other non-interest income fell 1% to S\$593 million as a decline in net trading income from S\$522 million to S\$180 million was offset partially by a net gain in financial investments.

Net trading income decreased as higher trading gains in equity, interest rate and foreign exchange markets were more than offset by mark-to-market losses on structured credit trading activities and CDOs held by Rosa.

Net income from financial investments rose from S\$229 million to S\$450 million as a result of profit taking on some equity holdings.

EXPENSES

(S\$m)	FY2007	FY2006	% chg
Staff	1,384	1,244	11
Occupancy	216	193	12
Computerisation	428	404	6
Revenue-related	135	105	29
Others	455	423	8

EXPENSES (S\$m)	FY2007	FY2006	% chg
Total	2,618	2,369	11

Expenses increased 11% to S\$2,618 million.

Staff costs rose 11% as headcount grew 13% to 14,523. Headcount increased primarily in Singapore, Greater China and Indonesia to support business expansion.

Computerisation expenses were 6% higher due to expenses for major ongoing projects, such as Basel II implementation and core banking.

ALLOWANCES FOR CREDIT AND OTHER LOSSES (S\$m)	FY2007	FY2006	% chg
General allowances ("GP")	202	88	>100
Specific allowances ("SP") for loans	92	159	(42)
Singapore	(22)	79	NM
Hong Kong	69	78	(12)
Other countries	45	2	>100
Specific allowances ("SP") for securities, properties and other assets	137	(112)	NM
Total	431	135	>100

Total allowances increased to S\$431 million from S\$135 million in FY2006.

Part of the increase was due to S\$243 million of allowances charged to the income statement for investment CDOs, comprising S\$93 million in general allowances and S\$150 million in specific allowances.

In addition, there was also an increase in general loan allowances due to the strong growth in loans and commitments during the year.

Specific allowances for loans declined to S\$92 million from S\$159 million in FY2006 as credit conditions remained benign.

There were write-backs in Singapore and lower charges in Hong Kong. By business unit, the decline was due to Consumer Banking and Enterprise Banking. Specific allowances for loans amounted to 9 basis points of average loans, compared to 19 basis points in FY2006.

In FY2006, there had been a net write-back of S\$112 million in specific allowances for the recovery of corporate debt securities and a write-back for buildings in Singapore as market valuations improved.

PERFORMANCE BY BUSINESS UNIT (S\$m)	CBG	EB	CIB	GFM	CTU	Central Ops
FY2007						
Net interest income	1,718	792	736	946	349	(433)
Non-interest income	688	395	552	78	16	326
Total income	2,406	1,187	1,288	1,024	365	(107)
Less: Expenses	1,091	375	421	516	31	184
Profit before allowances	1,315	812	867	508	334	(291)
Less: Allowances	23	103	209	5	262	(171)
Share of Profits of associates	0	0	0	13	0	97

PERFORMANCE BY BUSINESS UNIT (\$m)	CBG	EB	CIB	GFM	CTU	Central Ops
Profit before tax	1,292	709	658	516	72	(23)
Net profit	1,060	583	510	420	51	(137)
FY2006						
Net interest income	1,765	736	592	595	280	(377)
Non-interest income	514	330	585	274	(64)	114
Total income	2,279	1,066	1,177	869	216	(263)
Less: Expenses	985	338	376	411	31	228
Profit before allowances	1,294	728	801	458	185	(491)
Less: Allowances	52	119	77	(3)	(5)	(105)
Share of profits of associates	0	0	0	5	0	65
Profit before tax	1,242	609	724	466	190	(321)
Net profit	1,001	500	603	383	166	(478)

Consumer Banking (“CBG”)

CBG’s total income rose 6% from a year ago as a 3% decline in net interest income was more than offset by a 34% rise in non-interest income. Interest income was lower despite increased loan and deposit volumes as deposit margins in Singapore and loan margins in Hong Kong narrowed. Non-interest income rose from higher wealth management product sales, as well as increased credit card fees.

Expenses grew 11% mainly from higher staff and operating costs in Singapore and Hong Kong. Expenses were also higher in Indonesia where 12 Treasures priority banking centres were opened during the year.

Total allowances fell as higher general allowances for loan growth were more than offset by lower specific allowances in Singapore and Hong Kong as credit quality improved.

Enterprise Banking (“EB”)

EB’s net interest income increased 8% as the benefits of higher loan and deposit volumes in Singapore and Hong Kong more than offset the effects of lower interest margins in Hong Kong. Non-interest income rose 20% led by higher sales of treasury products, such as foreign currency hedging instruments, in Hong Kong.

Expenses grew 11% due to mainly higher wage and operating costs. Total allowances fell 13% as a decline in specific allowances more than offset an increase in general allowances.

Corporate and Investment Banking (“CIB”)

CIB’s net interest income grew 24% from higher loan and deposit volumes, while non-interest income fell 6% as the benefits of higher investment banking and capital market activities across the region were more than offset by marked-to-market losses for Rosa’s CDOs.

Compared to the previous year, expenses rose 12% from higher wage and operating costs.

Total allowances rose due to higher general allowances for loan growth.

Global Financial Markets (“GFM”)

GFM’s total income rose 18%. Net interest income was higher from increased money market activity. Non-interest income declined as losses incurred from marked-to-market losses on credit-linked trading instruments were partially offset by higher stockbroking commissions.

Expenses increased 26% with both wage and non-wage costs contributing to the rise.

Central Treasury (“CTU”) and Central Operations

CTU manages the Group’s asset and liability interest rate positions as well as investments arising from the Group’s excess liquidity. Central Operations encompasses a wide range of activities from corporate decisions, as well as income and expenses not attributable to other business segments. Asset management and private banking activities are also included in this segment.

CTU’s total allowances in FY2007 included the general and specific allowances set aside for investment CDOs.

PERFORMANCE BY GEOGRAPHY (S\$m)	S’pore	Hong Kong	Rest of Greater China	South, S-East Asia	Rest of world
FY2007					
Net interest income	2,719	1,064	100	151	74
Non-interest income	1,223	554	106	118	54
Total income	3,942	1,618	206	269	128
Less: Expenses	1,611	698	109	141	59
Profit before allowances	2,331	920	97	128	69
Less: Allowances	186	96	40	77	32
Share of Profits of associates	10	0	13	87	0
Profit before tax	2,155	824	70	138	37
Net profit	1,627	686	72	106	(4)
FY2006					
Net interest income	2,255	1,145	47	90	54
Non-interest income	1,129	377	100	91	56
Total income	3,384	1,522	147	181	110
Less: Expenses	1,474	668	82	89	56
Profit before allowances	1,910	854	65	92	54
Less: Allowances	26	100	0	(6)	15
Share of profits of associates	10	0	0	60	0
Profit before tax	1,894	754	65	158	39
Net profit	1,345	626	55	127	22

Singapore

Net interest income rose 21% as consumer, corporate and SME loans, as well as savings deposits, grew. The benefits of higher volumes were partially offset by lower corporate loan yields and return on surplus funds in line with a decline in interbank rates.

Non-interest income rose 8% from a wide range of fee income activities and gains from the sale of investment securities. Trading income was weaker due to marked-to-market losses in trading securities and credit-linked derivatives.

Expenses increased 9% from higher wage costs, partly due to a larger headcount, as well as computerisation and revenue related expenses.

Total allowances increased due to charges for CDOs. Allowances for loans decreased as a net write-back in specific allowances was greater than the increase in general allowances for loan growth. In the previous year, there had also been a write-back for properties and securities.

Hong Kong

The results for Hong Kong incorporate the effects of an appreciation of the Singapore dollar against the Hong Kong dollar by 5% in the profit and loss account and 6% in the balance sheet.

Net interest income declined 7% due to lower interest margins and exchange translation effects. The average spread between prime lending rates and cost of funds was lower than a year ago, and this offset the benefit of higher loan volumes.

Non-interest income increased 47%, led by fees from stockbroking as well as higher contributions from the sale of treasury and wealth management products.

Expenses rose 4% primarily due to higher wage and computerisation expenses. Allowances were lower as write-backs increased.

Other regions

The largest earnings contributors outside of Singapore and Hong Kong are Indonesia through a 99%-owned subsidiary, China through a 100%-owned subsidiary, and India where the Group has two branches and a 37.5% stake in Cholamandalam DBS, a non-bank finance company with about 200 branches.

FY2006 vs FY2005

OVERVIEW	FY2006	FY2005	% chg
Selected income statement items (S\$m)			
Net interest income	3,591	2,943	22
Net fee and commission income	1,155	986	17
Net trading income ⁽¹⁾	330	207	59
Net income from financial investments	171	102	68
Other income	97	100	(3)
Total income	5,344	4,338	23
Less: Expenses	2,369	2,026	17
Profit before allowances	2,975	2,312	29
Less: Allowances for credit and other losses	135	203	(33)
Share of profits of associates	70	54	30
Profit before tax	2,910	2,163	35
Net profit	2,175	1,649	32
Add: One-time gains	94	303	(69)
Less: Goodwill charges	0	1,128	(100)
Net profit including one-time gains and goodwill charges	2,269	824	>100
Selected balance sheet items (S\$m)			
Customer loans ⁽²⁾	86,630	79,462	9
Interbank assets ⁽²⁾	26,515	23,816	11
Total assets	197,372	180,204	10
Customer deposits ⁽³⁾	131,373	116,884	12
Total liabilities	176,326	161,014	10
Shareholders' funds	18,675	16,724	12
Key financial ratios (excluding one-time gains and goodwill charges)(%)			
Net interest margin	2.20	1.91	-
Non-interest/total income	32.8	32.2	-

OVERVIEW	FY2006	FY2005	% chg
Cost/income ratio	44.3	46.7	-
Return on assets	1.15	0.93	-
Return on equity	12.33	9.71	-
Loan/deposit ratio	65.9	68.0	
NPL ratio	1.7	2.1	-
Specific allowances (loans) / average loans (bp)	19	26	-
Tier 1 capital adequacy ratio	10.2	10.6	-
Total capital adequacy ratio	14.5	14.8	-
Per share data (S\$)			
Per basic share			
–earnings excluding one-time gains and goodwill charges	1.44	1.10	-
–earnings	1.50	0.54	-
–net book value	12.08	10.87	-
Per diluted share			
–earnings excluding one-time gains and goodwill charges	1.39	1.06	-
–earnings	1.45	0.53	-
–net book value	11.84	10.69	-

Notes:

- (1) Includes net income from financial instruments designated at fair value.
- (2) Includes financial assets at fair value through profit or loss.
- (3) Includes financial liabilities at fair value through profit or loss.

The Group's net profit excluding one-time items rose 32% to S\$2,175 million in FY2006 from S\$1,649 million in FY2005.

A one-time net gain of S\$94 million was recorded in FY2006, compared to S\$303 million in FY2005. In both years, the gains were due to the sale of buildings. In FY2005, there had also been a S\$1,128 million accounting charge to impair a portion of unamortised goodwill arising from the purchase of DBS Hong Kong. Including these items, the Group's reported net profit amounted to S\$2,269 million in FY2006 and S\$824 million in FY2005. The commentary that follows excludes the effects of these non-operating items.

The better operating performance in FY2006 was driven by a broad-based, 23% increase in total income to S\$5,344 million as DBS' expanding customer franchise captured the benefits of the region's strong economic fundamentals. Higher loan volumes and interest margins propelled interest income to a record S\$3,591 million, up 22% from FY2005. Fee income increased 17% to S\$1,155 million for an eighth consecutive year of growth as both business and consumer activities rose. Trading income recovered from the subdued performance in FY2005, rising 59% to S\$330 million. Cost pressures were felt during the year. Expenses rose 17% to S\$2,369 million, led by staff costs as labour markets tightened and computerisation expenses to support business expansion. But as costs rose less quickly than revenues, the cost income ratio improved to 44% from 47% in FY2005.

Asset quality remained healthy. The non-performing loan ratio fell to 1.7% from 2.1% in FY2005. Total allowances amounted to S\$135 million from S\$203 million in FY2005 as a decline in specific allowances was partially offset by an increase in general allowances.

The Group's return on assets improved to 1.15% compared to 0.93% in FY2005, while return on equity rose to 12.3% from 9.7%.

There were no significant accounting changes for the year.

Goodwill was tested for impairment using the same methodology and key assumptions as the previous year. Goodwill for all entities tested was found to be intact.

NET INTEREST INCOME

Average balance sheet	FY2006			FY2005		
	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)
Interest-bearing assets						
Customer loans	82,561	4,559	5.52	75,479	3,152	4.18
Interbank assets	30,718	1,001	3.26	29,072	656	2.26
Securities	49,908	2,249	4.51	49,307	1,734	3.52
Total	163,187	7,809	4.79	153,858	5,542	3.60
Interest bearing liabilities						
Customer deposits	123,779	2,746	2.22	115,814	1,494	1.29
Other borrowings	31,713	1,472	4.64	31,748	1,105	3.48
Total	155,492	4,218	2.71	147,562	2,599	1.76
Net interest income/margin		3,591	2.20		2,943	1.91

Net interest income rose 22% to S\$3,591 million from higher asset volumes and interest spreads.

Average interest-earning assets grew 6% to S\$163,187 million. With most of the increase coming from customer loans, the asset mix also improved during the year.

Interest spreads were significantly higher as asset yields rose faster than funding costs.

In Singapore, corporate and SME customer loan yields increased in line with interbank rates, while board rates for housing loans were raised. Funding costs also rose with a larger proportion of fixed deposits in the funding mix, but by less than asset yields. In Hong Kong, interest margins benefited from the full impact of a series of prime lending rate increases that had started in FY2005.

The improved asset mix and higher interest spreads resulted in the Group's interest margins rising to 2.20% from 1.91% in FY2005.

The following table indicates that higher interest margins had a greater impact on net interest income growth in FY2006 than asset volumes.

Volume and rate analysis (\$m)			
Increase/(decrease) due to change in	Volume	Rate	Net Change
Interest income			
Customer loans	296	1,111	1,407
Interbank assets	37	308	345
Securities	21	494	515
Total	354	1,913	2,267
Interest expense			
Customer deposits	103	1,149	1,252
Other borrowings	(3)	370	367
Total	100	1,519	1,619
Net interest income	254	394	648

NET FEE AND COMMISSION INCOME (\$m)

	FY2006	FY2005	% chg
Stockbroking	141	106	33
Investment banking	150	134	12
Trade and remittances	190	172	10

NET FEE AND COMMISSION INCOME

(S\$m)	FY2006	FY2005	% chg
Loan related	166	157	6
Guarantees	30	28	7
Deposit related	79	77	3
Credit Card	115	90	28
Fund Management	62	53	17
Wealth Management	170	129	32
Others	52	40	30
Total	1,155	986	17

Net fee and commission income rose 17% to S\$1,155 million as contributions from a wide range of activities grew.

Buoyant equity markets boosted investor activity. Stockbroking commissions climbed 33%, while a 34% increase in unit trust sales contributed to a 32% rise in wealth management fees.

Increased consumer confidence contributed to a 28% rise in credit card fees, with much of the growth coming from Singapore, where the number of credit cards issued by DBS rose by 18% to 1,067 million.

Investment banking fees were 12% higher as capital market activities increased across the region. DBS continued to top various domestic league tables during the year, such as bookrunning Singapore dollar bonds, arranging syndicated loans and underwriting real estate investment trusts.

Fee income accounted for 22% of total operating income, slightly below the 23% in FY2005 due to the strong interest income growth in FY2006.

OTHER NON-INTEREST INCOME

(S\$m)	FY2006	FY2005	% chg
Net trading income	330	207	59
From trading businesses	340	187	82
From other businesses	(10)	20	NM
Net income from financial investments	171	102	68
Net gain from fixed assets	10	11	(9)
Others (including dividend and rental income)	87	89	(2)
Total	598	409	46

Other non-interest income rose 46% to S\$598 million as net trading income increased from S\$207 million to S\$330 million. Included in net trading income was a S\$10 million loss in the fair value of market positions to manage the Group's structural risks.

Net trading income from trading businesses rose from S\$187 million to S\$340 million. The better performance was spread across foreign exchange, equity, credit and interest rate instruments, from both customer flows as well as trading activity.

Net income from investment securities rose 68% from the sale of several equity and debt investments during the year. Non-interest income from other sources (including dividends and rental income) was little changed at S\$87 million.

EXPENSES

(S\$m)	FY2006	FY2005	% chg
Staff	1,244	1,052	18
Occupancy	193	186	4
Computerisation	404	308	31
Revenue-related	105	99	6

EXPENSES (S\$m)	FY2006	FY2005	% chg
Others	423	381	11
Total	2,369	2,026	17

Expenses increased 17% to S\$2,369 million.

Staff costs rose 18%. With headcount growing 1% to 12,907, a large part of the staff cost increase was attributable to salary revisions due to competitive pressures for finance sector staff in Singapore and Hong Kong, and to higher bonus accruals in line with the Group's better performance.

Computerisation expenses were 31% higher due to depreciation for equipment and expenses for major ongoing projects, such as Basel II implementation.

ALLOWANCES FOR CREDIT AND OTHER LOSSES (S\$m)	FY2006	FY2005	% chg
General allowances ("GP")	88	0	NM
Specific allowances ("SP") for loans	159	196	(19)
Singapore	79	114	(31)
Hong Kong	78	56	39
Other countries	2	26	(92)
Specific allowances ("SP") for securities, properties and other assets	(112)	7	NM
Total	135	203	(33)

Total allowances amounted to S\$135 million from S\$203 million in FY2005.

General allowances of S\$88 million were made for loan growth during the year. No charges had been taken in FY2005.

Specific allowances for loans fell to S\$159 million from S\$196 million in FY2005 as economic conditions further strengthened during the year. The decline in charges was across corporate, SME and consumer loans. Specific allowances for loans amounted to 19 basis points of average loans, compared to 26 basis points in FY2005.

A net write-back of S\$112 million in specific allowances for securities, properties and other assets was for the recovery of corporate debt securities and included a write-back of S\$69 million for buildings in Singapore as market valuations improved.

PERFORMANCE BY BUSINESS UNIT (S\$m)	CBG	EB	CIB	GFM	CTU	Central Ops
FY2006						
Net interest income	1,765	736	592	595	280	(377)
Non-interest income	514	330	585	274	(64)	114
Total income	2,279	1,066	1,177	869	216	(263)
Less: Expenses	985	338	376	411	31	228
Profit before allowances	1,294	728	801	458	185	(491)
Less: Allowances	52	119	77	(3)	(5)	(105)
Share of Profits of associates	0	0	0	5	0	65
Profit before tax	1,242	609	724	466	190	(321)
Net profit	1,001	500	603	383	166	(478)

PERFORMANCE BY BUSINESS UNIT (\$m)	CBG	EB	CIB	GFM	CTU	Central Ops
FY2005						
Net interest income	1,308	578	475	484	380	(282)
Non-interest income	483	227	462	111	(167)	279
Total income	1,791	805	937	595	213	(3)
Less: Expenses	926	291	319	364	31	95
Profit before allowances	865	514	618	231	182	(98)
Less: Allowances	77	145	144	0	6	(169)
Share of profits of associates	0	0	0	5	0	49
Profit before tax	788	369	474	236	176	120
Net profit	636	305	391	187	150	(20)

The financial data and commentary on the performance by business unit and geography are based on Singapore Generally Accepted Accounting Principles and in accordance with the Group's accounting policies. They include internal allocations of income and cost items and intra-Group eliminations.

CBG

CBG's interest income rose 35% from wider deposit spreads in Singapore and loan spreads in Hong Kong, as well as higher deposit volumes in Singapore and Hong Kong. Non-interest income increased 6%, led by higher wealth management product sales revenue in Hong Kong.

Expenses grew 6% from higher staff and support costs in Singapore and Hong Kong.

Specific allowances were lower in Singapore as economic conditions improved. In Hong Kong, specific allowances rose due to lower write-backs for housing loans. General allowances were little changed.

EB

EB's net interest income increased 27% as loan and deposit volumes in Singapore and Hong Kong rose. Loan and deposit spreads were also higher in Hong Kong. Non-interest income climbed 45% led by higher sales of treasury products, such as foreign currency hedging instruments, in Hong Kong.

Expenses rose 16% due to higher bonus accruals and other costs.

Specific allowances declined 18% as a reduction in Singapore was partially offset by a rise in Hong Kong, which partly resulted from lower write-backs. General allowances were little changed.

CIB

CIB's net interest income grew 25% from higher loan and deposit volumes. Non-interest income benefited from higher investment banking and capital market activities across the region, as well as investment gains and higher dividend income.

Expenses rose 18% from higher bonus accruals and other costs.

Total allowances fell 47% as there was a net write-back of specific allowances. The effect of the write-back was partially offset by higher general allowances for loan growth.

GFM

GFM's total income rose 46%. Interest income benefited from higher interest rates while non-interest income grew from higher trading gains and customer revenues across a wide range of products. Stockbroking commissions were also higher. Expenses increased 13% from higher bonus accruals in line with the better performance.

CTU and Central Operations

CTU manages the Group's asset and liability interest rate positions, as well as investments arising from the Group's excess liquidity. Central Operations encompasses a wide range of activities from corporate decisions as well as income and expenses not attributable to other business segments. Asset management and private banking activities are also included in this segment.

PERFORMANCE BY GEOGRAPHY (\$m)	S'pore	Hong Kong	Rest of Greater China	South, S-East Asia	Rest of world
FY2006					
Net interest income	2,255	1,145	47	90	54
Non-interest income	1,129	377	100	91	56
Total income	3,384	1,522	147	181	110
Less: Expenses	1,474	668	82	89	56
Profit before allowances	1,910	854	65	92	54
Less: Allowances	26	100	0	(6)	15
Share of Profits of associates	10	0	0	60	0
Profit before tax	1,894	754	65	158	39
Net profit	1,345	626	55	127	22
FY2005					
Net interest income	1,808	947	31	94	63
Non-interest income	926	319	61	47	42
Total income	2,734	1,266	92	141	105
Less: Expenses	1,199	653	54	68	52
Profit before allowances	1,535	613	38	73	53
Less: Allowances	83	44	30	4	42
Share of profits of associates	4	0	0	50	0
Profit before tax	1,456	569	8	119	11
Net profit	1,071	481	4	100	(7)

Singapore

Net interest income rose 25% from higher interest margins and loan growth. Corporate, SME and consumer loan yields were repriced upwards in line with interbank rates while funding costs rose less as a result of DBS' leading domestic savings deposits base. Loans rose 8% led by corporates and SMEs, with housing loans picking up towards the second half of the year. Surplus funds benefited from higher interbank rates during the year.

Non-interest income rose 22% from a wide range of fee income activities as well as trading income, which recovered from a subdued performance in FY2005.

Expenses increased 23% from higher wage costs and computerisation expenses. As part of ongoing efforts to improve productivity, headcount in Singapore fell 2% as more stringent hiring processes were put in place.

Specific allowances for loans declined, while general allowances increased.

Hong Kong

The results for Hong Kong incorporate the effects of an appreciation of the Singapore dollar against the Hong Kong dollar by 5% in the profit and loss account and 8% in the balance sheet.

Net interest income rose 21% primarily from higher interest margins and deposit volumes. Prime lending rates were on average higher than the previous year. Deposit volumes grew as higher balances were received from priority consumer banking customers.

Non-interest income increased 18%, led by fee income. Higher contributions were recorded in all activities and were led by stockbroking, investment banking and unit trust sales. Trading income was also higher, although some of the gains were offset by lower marked-to-market values of structured products.

Expenses increased 2% with higher wage, computerisation and occupancy expenses being partially offset by lower advertising costs.

Specific allowances were higher as write-backs fell and charges for SME loans rose. General allowances were also higher.

Other regions

DBS' operations outside Singapore and Hong Kong were in their build-up phase. The largest earnings contribution outside Singapore and Hong Kong was from Indonesia (through a 99%-owned subsidiary).

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PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

1. INTRODUCTION

- 1.1 Entitled Depositors are entitled to receive this Offer Information Statement and the ARE which form part of this Offer Information Statement.
- 1.2 The provisional allotments of Rights Shares are governed by the terms and conditions of this Offer Information Statement, (if applicable) the Memorandum and Articles of Association of the Company and the instructions contained in the ARE.

The number of Rights Shares provisionally allotted to each Entitled Depositor is indicated in the ARE (fractional entitlements, if any, have been disregarded). The Securities Accounts of Entitled Depositors have been credited by CDP with the provisional allotments of Rights Shares as indicated in the ARE. Entitled Depositors may accept their provisional allotments of Rights Shares in whole or in part. Full instructions for the acceptance of and payment for the provisional allotments of Rights Shares are set out in the Offer Information Statement as well as the ARE.

- 1.3 If an Entitled Depositor wishes to accept his provisional allotment of Rights Shares specified in the ARE, in full or in part, and (if applicable) apply for excess Rights Shares in addition to the Rights Shares which have been provisionally allotted to him, he may do so by completing the relevant portions of the ARE or by way of an Electronic Application. An Entitled Depositor should ensure that the ARE is accurately and correctly completed, failing which his acceptance of the provisional allotment of Rights Shares and (if applicable) application for excess Rights Shares may be rejected.

An Entitled Depositor may accept his provisional allotment of Rights Shares specified in his ARE and (if applicable) apply for excess Rights Shares either through CDP or by way of an Electronic Application through an ATM of a Participating Bank as described below.

Where an acceptance, application and/or payment does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS and/or any other application form for Rights Shares and/or excess Rights Shares or is illegible, incomplete or incorrectly completed or is accompanied by an improperly or insufficiently drawn remittance or does not comply with the instructions for Electronic Application, or where the "Free Balance" of the Entitled Depositor's Securities Account is not credited with or is credited with less than the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for as at the last date and time for acceptance, excess application and payment for the Rights Shares, the Company and/or CDP may, at their/its absolute discretion, reject or treat as invalid any such acceptance, application, payment and/or other process of remittance at any time after receipt in such manner as they/it may deem fit.

The Company and CDP shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application for excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Depositor, on its own, without regard to any other application and payment that may be submitted by the same Entitled Depositor. For the avoidance of doubt, insufficient payment for an application may render the application invalid. Evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for excess Rights Shares.

The Company reserves the right to proceed with the Rights Issue notwithstanding a default by any Underwriter in the performance of its obligations under the Underwriting Agreement.

- 1.4 **Members of the Company under the CPF Investment Scheme - Ordinary Account (collectively, "IS Members") may use, subject to applicable CPF rules and regulations, their CPF account savings ("CPF Funds") for the payment of the Issue Price to subscribe for their provisional allotments of Rights Shares and (if applicable) the excess Rights Shares, if they have previously bought their Shares using CPF Funds. IS Members who wish to accept the provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares using CPF Funds will need to instruct their respective approved banks, where such IS Members hold their CPF Investment Accounts, to accept the Rights Shares and (if applicable) apply for the excess Rights Shares on their behalf in accordance with this Offer Information Statement. CPF Funds may not, however, be used for the purchase of the provisional allotments of Rights Shares directly from the market.**
- 1.5 Unless expressly provided to the contrary in this Offer Information Statement, the ARE and/or the ARS, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE and/or the ARS has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained therein, the consent of any third party is not required for any subsequent agreement by the parties thereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

2. MODE OF ACCEPTANCE AND APPLICATION

2.1 Acceptance/Application through CDP

If the Entitled Depositor wishes to accept the provisional allotment of Rights Shares and (if applicable) apply for excess Rights Shares through CDP, he must:

- (a) complete and sign the ARE. In particular, he must state in Section (A) of the ARE the number of Rights Shares accepted and in Section (B) of the ARE the number of excess Rights Shares applied for; and
- (b) deliver the duly completed and signed ARE accompanied by A SINGLE REMITTANCE for payment in full for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for:
 - (i) by hand to **DBS GROUP HOLDINGS LTD C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, 4 SHENTON WAY, #02-01, SGX CENTRE 2, SINGAPORE 068807**; or
 - (ii) by post in the enclosed self-addressed envelope provided, AT THE SENDER'S OWN RISK, to **DBS GROUP HOLDINGS LTD C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147**,

in each case so as to arrive not later than **5.00 p.m. on 20 January 2009**.

The payment for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for at the Issue Price must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP - DBSH RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft. **NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

2.2 **Insufficient Payment**

The attention of the Entitled Depositor is drawn to paragraphs 1.3 and 5.2 of this Appendix E which set out the circumstances and manner in which the Company and CDP shall be entitled to determine and appropriate all amounts received by CDP on the Company's behalf whether under the ARE, the ARS or any other application form for Rights Shares and/or application for excess Rights Shares.

2.3 **Acceptance/Application by way of Electronic Application(s) through an ATM of a Participating Bank**

Instructions for Electronic Applications through ATMs to accept the Rights Shares provisionally allotted or (if applicable) to apply for excess Rights Shares will appear on the ATM screens of the respective Participating Banks. Please refer to Appendix F to this Offer Information Statement for the additional terms and conditions for Electronic Applications through an ATM of a Participating Bank.

If an Entitled Depositor makes Electronic Application(s), he would have irrevocably authorised the Participating Bank to deduct the full amount payable from his bank account with such Participating Bank in respect of such application.

In the case of an Entitled Depositor who has accepted the Rights Shares by way of the ARE and/or the ARS and/or has applied for excess Rights Shares by way of the ARE and also by way of Electronic Application(s), the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their absolute discretion, deem fit.

2.4 **Acceptance of Part of Provisional Allotments of Rights Shares and Trading of Provisional Allotments of Rights Shares**

An Entitled Depositor may choose to accept his provisional allotment of Rights Shares specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Rights Shares and trade the balance of his provisional allotment of Rights Shares on the SGX-ST, he should:

- (a) complete the ARE for the number of Rights Shares provisionally allotted which he wishes to accept and submit the ARE together with payment in the prescribed manner as described in paragraph 2.1 above to CDP; or
- (b) accept and subscribe for that part of his provisional allotment of Rights Shares by way of Electronic Application(s) in the prescribed manner as described in paragraph 2.3 above.

The balance of his provisional allotment of Rights Shares may be sold as soon as dealings therein commence on the SGX-ST.

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the "nil-paid" Rights trading period from 6 January 2009 to 14 January 2009 should note that the provisional allotments of Rights Shares will be tradable in board lots, each board lot comprising provisional allotments of 1,000 Rights Shares, or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST.

Upon the issuance and listing and quotation of the Rights Shares on the Main Board of the SGX-ST, Entitled Depositors who hold odd lots of Shares (that is, lots other than board lots of 1,000 Shares) and who wish to trade in odd lots on the SGX-ST should note that they are able to trade odd lots of Shares on the Unit Share Market. The Unit Share Market is a ready market for trading of odd lots of Shares with a minimum size of one Share.

In addition, the Company has applied for and obtained the approval of the SGX-ST for the establishment of a temporary counter to facilitate the trading of Shares in board lots of 500 Shares per board lot for a period of one month commencing on the first Market Day on which the Rights Shares are listed for quotation on the Main Board of the SGX-ST. The temporary counter is of a provisional nature. Investors who continue to hold odd lots of less than 1,000 Shares after one month from the listing of the Rights Shares may face difficulty and/or have to bear disproportionate transactional costs in realising the fair market price of such Shares.

2.5 Purchasers of Provisional Allotments of Rights Shares

The ARE need not be forwarded to the Purchasers as arrangements will be made by CDP for separate ARS to be issued to the Purchasers. Purchasers should note that CDP will, on behalf of the Company, send the ARS, accompanied by this Offer Information Statement, **by ordinary post and at the Purchasers' own risk**, to their respective Singapore addresses as recorded with CDP. Purchasers should ensure that their ARS are accurately and correctly completed, failing which the acceptances of the provisional allotments of Rights Shares may be rejected. Purchasers who do not receive the ARS, accompanied by this Offer Information Statement, may obtain the same from CDP, the Share Registrar or any stockbroking firm during the period up to **5.00 p.m. on 20 January 2009**.

This Offer Information Statement and its accompanying documents will not be despatched to Foreign Purchasers. Foreign Purchasers who wish to accept the provisional allotments of Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

Purchasers should inform their finance companies or Depository Agents if their purchases of such provisional allotments of Rights Shares are settled through these intermediaries. In such cases, if the Purchasers wish to accept the Rights Shares represented by the provisional allotments of Rights Shares purchased, they need to go through these intermediaries, who will then accept the provisional allotments of Rights Shares on their behalf.

3. COMBINATION APPLICATION

In the event that the Entitled Depositor accepts the Rights Shares by way of the ARE and/or the ARS and/or has applied for excess Rights Shares by way of the ARE and also by way of Electronic Application(s) through an ATM of a Participating Bank, the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor shall be regarded as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance of Rights Shares and/or application for excess Rights Shares (including Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their absolute discretion, deem fit.

4. ILLUSTRATIVE EXAMPLES

As an illustration, if an Entitled Depositor has 100,000 Shares standing to the credit of the "Free Balance" of his Securities Account as at the Books Closure Date, the Entitled Depositor will be provisionally allotted 50,000 Rights Shares as set out in his ARE. The Entitled Depositor's alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

Alternatives

- (a) Accept his entire provisional allotment of Rights Shares and (if applicable) apply for excess Rights Shares

- (b) Accept a portion of his provisional allotment of Rights Shares, for example 30,000 of his entitlement to 50,000 provisionally allotted Rights Shares, not apply for excess Rights Shares and trade the balance on the SGX-ST

Procedures to be taken

- (1) Accept his entire provisional allotment of 50,000 Rights Shares and (if applicable) apply for excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 20 January 2009**; or
- (2) complete the ARE in accordance with the instructions contained therein for the acceptance in full of his provisional allotment of 50,000 Rights Shares and (if applicable) the number of excess Rights Shares applied for and forward the ARE together with a single remittance for S\$271,000 (or, if applicable, such higher amount in respect of the total number of Rights Shares accepted and excess Rights Shares applied for) by way of a Cashier's Order or Banker's Draft drawn in Singapore currency on a bank in Singapore, and made payable to "**CDP — DBSH RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" for the full amount due on acceptance and (if applicable) application, by hand to **DBS GROUP HOLDINGS LTD C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, 4 SHENTON WAY, #02-01, SGX CENTRE 2, SINGAPORE 068807** or by post, AT HIS OWN RISK, in the enclosed self-addressed envelope provided to **DBS GROUP HOLDINGS LTD C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than **5.00 p.m. on 20 January 2009**, and with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

- (1) Accept his provisional allotment of 30,000 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 20 January 2009**; or
- (2) complete the ARE in accordance with the instructions contained therein for the acceptance

of his provisional allotment of 30,000 Rights Shares, and forward the ARE, together with a single remittance for S\$162,600, in the prescribed manner described in alternative (a)(2) above, to CDP, so as to arrive not later than **5.00 p.m. on 20 January 2009**.

The balance of the provisional allotment of 20,000 Rights Shares may be traded on the SGX-ST during the provisional allotment trading period. **Entitled Depositors should note that the provisional allotments of Rights Shares will be tradable in the ready market, with each board lot comprising provisional allotments of 1,000 Rights Shares or any other board lot size which the SGX-ST may require, during the provisional allotment trading period.**

Upon the issuance and listing and quotation of the Rights Shares on the Main Board of the SGX-ST, Entitled Depositors who hold odd lots of Shares (that is, lots other than board lots of 1,000 Shares) and who wish to trade in odd lots on the SGX-ST should note that they are able to trade odd lots of Shares on the Unit Share Market. The Unit Share Market is a ready market for trading of odd lots of Shares with a minimum size of one Share.

In addition, the Company has applied for and obtained the approval of the SGX-ST for the establishment of a temporary counter to facilitate the trading of Shares in board lots of 500 Shares per board lot for a period of one month commencing on the first Market Day on which the Rights Shares are listed for quotation on the Main Board of the SGX-ST. The temporary counter is of a provisional nature. Investors who continue to hold odd lots of less than 1,000 Shares after one month from the listing of the Rights Shares may face difficulty and/or have to bear disproportionate transactional costs in realising the fair market price of such Shares.

- (c) Accept a portion of his provisional allotment of Rights Shares, for example 30,000 of his entitlement to 50,000 provisionally allotted Rights Shares and reject the balance.
- (1) Accept his provisional allotment of 30,000 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 20 January 2009**; or
- (2) complete the ARE in accordance with the instructions contained therein for the acceptance of his provisional allotment of 30,000 Rights Shares and forward the ARE, together with a

single remittance for S\$162,600, in the prescribed manner described in alternative (a)(2) above to CDP so as to arrive not later than **5.00 p.m. on 20 January 2009**.

The balance of the provisional allotment of 20,000 Rights Shares which is not accepted by the Entitled Depositor will be deemed to have been declined and will forthwith lapse and become void, and cease to be capable of acceptance by that Entitled Depositor if an acceptance is not made through an ATM of a Participating Bank by **9.30 p.m. on 20 January 2009**, or if an acceptance is not made through CDP by **5.00 p.m. on 20 January 2009**.

5. TIMING AND OTHER IMPORTANT INFORMATION

5.1 Timing

THE LAST TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES UNDER THE RIGHTS ISSUE IS:

- (A) 5.00 P.M. ON 20 JANUARY 2009, IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH CDP; AND**
- (B) 9.30 P.M. ON 20 JANUARY 2009, IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH AN ATM OF A PARTICIPATING BANK.**

If acceptance and payment for the Rights Shares in the prescribed manner as set out in the ARE or the ARS (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank by **9.30 p.m. on 20 January 2009**, or through CDP by **5.00 p.m. on 20 January 2009**, from any Entitled Depositor or Purchaser, the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void, and cease to be capable of acceptance and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All monies received in connection therewith will be returned or refunded by CDP on behalf of the Company to the Entitled Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom (a) by crediting their bank accounts with the relevant Participating Bank at the Entitled Depositors' or Purchasers' own risk (as the case may be) if they accept and (if applicable) apply by way of Electronic Application through an ATM of a Participating Bank, the receipt by such bank being a good discharge to the Company and CDP for their obligations, if any, thereunder or (b) by means of a crossed cheque drawn on a bank in Singapore and sent BY ORDINARY POST AT THE ENTITLED DEPOSITORS' OR PURCHASERS' OWN RISK (as the case may be) to their mailing addresses as recorded with CDP or in such other manner as the Entitled Depositors or the Purchasers (as the case may be) may have agreed with CDP for the payment of any cash distributions, without interest or any share of revenue or other benefit arising therefrom, if they accept and (if applicable) apply through CDP, within 14 days after the Closing Date.

If any Entitled Depositor or Purchaser is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser.

5.2 Appropriation

Without prejudice to paragraph 1.3 of this Appendix E, an Entitled Depositor should note that:

- (a) by accepting his provisional allotment of Rights Shares and/or applying for excess Rights Shares, he acknowledges that, in the case where:
 - (i) the amount of remittance payable to the Company in respect of his acceptance of the Rights Shares and (if applicable) in respect of his application for excess Rights Shares as per the instructions received by CDP whether under the ARE, the ARS and/or any other application form for Rights Shares and/or excess Rights Shares, differs from the amount actually received by CDP, or
 - (ii) the amount as stated in (A) and (B) in the ARE, (A) in the ARS and/or any other application form for Rights Shares and/or excess Rights Shares differs from the amount received by CDP, or otherwise payable by him in respect of his acceptance of the Rights Shares and (if applicable) in respect of his application for the excess Rights Shares,

the Company and CDP shall be entitled and deemed authorised to determine and appropriate all amounts received by CDP on the Company's behalf for each application on its own whether under the ARE, the ARS and/or any other application form for Rights Shares and/or excess Rights Shares as follows: firstly, towards payment of all amounts payable in respect of his acceptance of the Rights Shares; and secondly, (if applicable) towards payment of all amounts payable in respect of his application for excess Rights Shares. Without prejudice to the above, the Company and CDP shall be entitled to make such appropriation for each application based on the amount received for that application, notwithstanding payment (or overpayment) made in this or other application(s). The determination and appropriation by the Company and/or CDP shall be conclusive and binding; and

- (b) in the event that the Entitled Depositor accepts the Rights Shares by way of the ARE and/or the ARS and/or applies for excess Rights Shares by way of the ARE and/or by way of Electronic Application(s) through an ATM of a Participating Bank, the Company and/or CDP shall be authorised and entitled to accept his instructions in whichever mode or combination as the Company and/or CDP may, in their absolute discretion, deem fit. Without prejudice to the generality of the foregoing, in such a case, the Entitled Depositor shall be deemed as having irrevocably authorised the Company and/or CDP to apply all amounts received whether under the ARE, the ARS and/or any other acceptance of Rights Shares and/or application for excess Rights Shares (including Electronic Application(s)) in whichever mode or combination as the Company and/or CDP may, in their absolute discretion, deem fit.

5.3 Application for Excess Rights Shares

The excess Rights Shares available for application are subject to the terms and conditions contained in the Offer Information Statement, (if applicable) the Memorandum and Articles of Association of the Company, and the instructions contained in the ARE. Applications for excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders and the original allottee(s) or their respective renounee(s) or the Purchaser(s), together with the aggregated fractional entitlements to the Rights Shares, the unsold "nil-paid" provisional allotment of Rights Shares (if any) of Foreign Shareholders and any Rights Shares that are otherwise not allotted for whatever reason, in accordance with the terms and conditions contained in the ARE, and the Offer Information Statement. In the event that applications are received by the Company for more excess Rights Shares than are available, the excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. CDP takes no responsibility for any decisions that the Directors may make. In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders shall rank last in priority. The Company reserves the right to reject any application

for excess Rights Shares, in whole or in part, without assigning any reason whatsoever. In the event that the number of excess Rights Shares allotted to the Entitled Depositor is less than the number of excess Rights Shares applied for, the Entitled Depositor shall be deemed to have accepted the number of excess Rights Shares actually allotted.

If no excess Rights Shares are allotted or if the number of excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application monies, as the case may be, will be returned or refunded to such Entitled Depositors, without interest or any share of revenue or other benefit arising therefrom, within 14 days after the Closing Date, (a) by crediting their bank accounts with the relevant Participating Bank at THEIR OWN RISK if they accept and (if applicable) apply by way of Electronic Application through an ATM of a Participating Bank, the receipt by such bank being a good discharge to the Company and CDP of their obligations, if any, thereunder or (b) by means of a crossed cheque drawn on a bank in Singapore sent BY ORDINARY POST AT THEIR OWN RISK to their mailing address as maintained by CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom, if they accept and (if applicable) apply through CDP.

5.4 Deadlines

It should be particularly noted that unless:

- (a) acceptance of the provisional allotment of Rights Shares is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank and payment of the full amount payable for such Rights Shares is effected by **9.30 p.m. on 20 January 2009**; or
- (b) the duly completed and signed ARE or ARS accompanied by A SINGLE REMITTANCE for the full amount payable for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for at the Issue Price, made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**CDP - DBSH RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" and with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft is submitted by hand to **DBS GROUP HOLDINGS LTD C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, 4 SHENTON WAY, #02-01, SGX CENTRE 2, SINGAPORE 068807** or by post in the enclosed self-addressed envelope provided, AT THE SENDER'S OWN RISK, to **DBS GROUP HOLDINGS LTD C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** by **5.00 p.m. on 20 January 2009**,

the provisional allotment of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void and cease to be capable of acceptance.

All monies received in connection therewith will be returned or refunded to the Entitled Depositors or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom (a) by crediting their bank accounts with the relevant Participating Bank AT THE ENTITLED DEPOSITORS' OR PURCHASERS' OWN RISK (as the case may be) if they accept and (if applicable) apply by way of Electronic Application through an ATM of a Participating Bank, the receipt by such bank being a good discharge to the Company and CDP of their obligations, if any, thereunder or (b) by means of a crossed cheque drawn on a bank in Singapore sent BY ORDINARY POST AT THE ENTITLED DEPOSITORS' OR PURCHASERS' OWN RISK to their mailing address as maintained by CDP (as the case may be) or in such other manner as they may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom, if they accept and (if applicable) apply through CDP, within 14 days after the Closing Date.

NO COMBINED CASHIER'S ORDER OR BANKER'S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM OF A PARTICIPATING BANK

The procedures for Electronic Applications through ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks ("**Steps**"). Please read carefully the terms and conditions of this Offer Information Statement, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. An ATM card issued by one Participating Bank cannot be used to accept provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

Any reference to the "**Applicant**" in the terms and conditions for Electronic Applications and the Steps shall mean the Entitled Depositor or the Purchaser who accepts or (as the case may be) who applies for the Rights Shares through an ATM of a Participating Bank. An Applicant must have an existing bank account with, and be an ATM cardholder of, one of the Participating Banks before he can make an Electronic Application through an ATM of that Participating Bank. The actions that the Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks. Upon the completion of his Electronic Application transaction, the Applicant will receive an ATM transaction slip ("**Transaction Record**"), confirming the details of his Electronic Application. The Transaction Record is for retention by the Applicant and should not be submitted with any ARE and/or ARS.

An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM card issued to him in his own name. Using his own Securities Account number with an ATM card which is not issued to him in his own name will render his acceptance or (as the case may be) excess application liable to be rejected.

The Electronic Application shall be made in accordance with, and subject to, the terms and conditions of this Offer Information Statement including, but not limited to, the terms and conditions appearing below:

1. In connection with his Electronic Application for the Rights Shares, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:
 - (a) **that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance of and (as the case may be) application for the Rights Shares under the Rights Issue and this Offer Information Statement prior to effecting the Electronic Application and agrees to be bound by the same; and**
 - (b) **that he authorises CDP to give, provide, divulge, disclose or reveal any information pertaining to his Securities Account maintained in CDP's record, including without limitation, his name(s), his NRIC number(s) or passport number(s), Securities Account number, address(es), the number of Shares standing to the credit of his Securities Account(s), the number of Rights Shares provisionally allotted to him, his acceptance of his provisional allotment of Rights Shares and (if applicable) application for excess Rights Shares and any other information to the Company, the Underwriters, the Joint Lead Managers, and any other relevant parties as CDP may deem fit for the purpose of the Rights Issue and his acceptance of his provisional allotment of Rights Shares and (if applicable) application for excess Rights Shares.**

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses the “Enter” or “OK” or “Confirm” or “Yes” key. By doing so, the Applicant shall be treated as signifying his confirmation of each of the two statements above. In respect of statement 1(b) above, his confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) and the Third Schedule of the Banking Act to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

2. An Applicant may make an Electronic Application through an ATM of any Participating Bank for the Rights Shares using cash only by authorising such Participating Bank to deduct the full amount payable from his bank account with such Participating Bank.
3. The Applicant irrevocably agrees and undertakes to subscribe for and to accept up to the aggregate of the number of Rights Shares provisionally allotted and excess Rights Shares applied for as stated on the Transaction Record or the number of Rights Shares standing to the credit of the “Free Balance” of his Securities Account as at the Closing Date. In the event that the Company decides to allot any lesser number of excess Rights Shares or not to allot any number of excess Rights Shares to the Applicant, the Applicant agrees to accept the decision as conclusive and binding.
4. If the Applicant’s Electronic Application is successful, his confirmation (by his action of pressing the “Enter” or “OK” or “Confirm” or “Yes” key on the ATM) of the number of Rights Shares accepted his provisional allotment of Rights Shares and (if applicable) excess Rights Shares applied for shall signify and shall be treated as his acceptance of the number of Rights Shares accepted and/or excess Rights Shares applied for that may be allotted to him.
5. In the event that the Applicant accepts the Rights Shares both by way of the ARE and/or the ARS (as the case may be) and/or by way of Electronic Application(s) through an ATM of a Participating Bank, the Company and/or CDP shall be authorised and entitled to accept the Applicant’s instructions in whichever mode or a combination thereof as the Company and/or CDP may, in its absolute discretion, deem fit. In determining the number of Rights Shares which the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the number of provisionally allotted Rights Shares which are standing to the credit of the “Free Balance” of his Securities Account as at the close of the Rights Issue and the aggregate number of Rights Shares which have been accepted by the Applicant by way of the ARE and/or the ARS (as the case may be) and by Electronic Application through an ATM. The Company and/or CDP, in determining the number of Rights Shares which the Applicant has given valid instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Cashier’s Order or Banker’s Draft drawn on a bank in Singapore accompanying the ARE and/or the ARS, or by way of the acceptance through Electronic Application through an ATM of a Participating Bank, which the Applicant has authorised or deemed to have authorised to be applied towards the payment in respect of the Applicant’s acceptance.
6. If applicable, in the event that the Applicant applies for excess Rights Shares both by way of the ARE and/or by way of Electronic Application(s) through an ATM of a Participating Bank, the Company and/or CDP shall be authorised and entitled to accept the Applicant’s instructions in whichever mode or a combination thereof as the Company and/or CDP may, in its absolute discretion, deem fit. In determining the number of excess Rights Shares which the Applicant has given valid instructions for the application of, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of excess Rights Shares not exceeding the aggregate number of excess Rights Shares for which he has applied by way of the ARE and by way of application through Electronic Application through an ATM of a Participating Bank. The Company and/or CDP, in determining the number of excess Rights Shares which the

Applicant has given valid instructions for the application, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application of the excess Rights Shares, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore accompanying the ARE, or by way of application through Electronic Application through an ATM of a Participating Bank, which the Applicant has authorised or deemed to have authorised to be applied towards the payment in respect of the Applicant's application.

7. The Applicant irrevocably requests and authorises the Company to:
 - (a) register or to procure the registration of the Rights Shares and (if applicable) the excess Rights Shares allotted to the Applicant in the name of CDP for deposit into his Securities Account;
 - (b) return or refund (without interest or any share of revenue or other benefit arising therefrom) the acceptance/application monies, should his Electronic Application in respect of the Rights Shares be accepted and/or excess Rights Shares applied for not be accepted by the Company for any reason, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within 14 days after the Closing Date; and
 - (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should his Electronic Application for excess Rights Shares be accepted in part only, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within 14 days after the Closing Date.
8. **BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE RIGHTS SHARES AS A NOMINEE OF ANY OTHER PERSON.**
9. The Applicant irrevocably agrees and acknowledges that his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of the Company, CDP, CPF Board, the Joint Lead Managers, the Underwriters, the Share Registrar and/or the Participating Banks) and any other events whatsoever beyond the control of the Company, CDP, CPF Board, the Joint Lead Managers, the Underwriters, the Share Registrar and/or the Participating Banks, and if, in any such event, the Company, CDP, CPF Board, the Joint Lead Managers, the Underwriters, the Share Registrar and/or the Participating Banks do not record or receive the Applicant's Electronic Application by **9.30 p.m. on 20 January 2009**, or such data or tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application and the Applicant shall have no claim whatsoever against the Company, CDP, CPF Board, the Joint Lead Managers, the Underwriters, the Share Registrar and/or the Participating Banks in respect of any purported acceptance thereof and (if applicable) excess application therefor, or for any compensation, loss or damages in connection therewith or in relation thereto.
10. **Electronic Applications may only be made through ATMs of the Participating Banks from Mondays to Saturdays between 7.00 a.m. to 9.30 p.m., excluding public holidays.**
11. Electronic Applications shall close at **9.30 p.m. on 20 January 2009**.
12. All particulars of the Applicant in the records of his Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application, the Applicant shall promptly notify his Participating Bank.

13. The Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made through an ATM of the Participating Banks which does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.
14. Where an Electronic Application is not accepted, it is expected that the full amount of the acceptance/application monies will be returned or refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's bank account with the relevant Participating Bank within 14 days after the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of acceptance/application monies will be refunded on the same terms.
15. In consideration of the Company arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Issue at **9.30 p.m. on 20 January 2009**, and by making and completing an Electronic Application, the Applicant agrees that:
 - (a) his Electronic Application is irrevocable (whether or not, to the extent permitted by law, any supplementary document or replacement document is lodged with the Authority);
 - (b) his Electronic Application, the acceptance by the Company and the contract resulting therefrom shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;
 - (c) none of the Company, CDP, CPF Board, the Joint Lead Managers, the Underwriters, the Share Registrar nor the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Company or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective control;
 - (d) he will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of the provisionally allotted Rights Shares and (if applicable) acceptance of his application for excess Rights Shares;
 - (e) in respect of the Rights Shares for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company; and
 - (f) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application, a person who is not a party to any contracts made pursuant to this Offer Information Statement and/or the Electronic Application has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties thereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
16. The Applicant should ensure that his personal particulars as recorded by both CDP and the relevant Participating Banks are correct and identical, otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.

17. The existence of a trust will not be recognised. Any Electronic Application by an Applicant must be made in his own name and without qualification. The Company will reject any application by any person acting as nominee.
18. In the event that the Applicant accepts or subscribes for the provisionally allotted Rights Shares or (if applicable) applies for excess Rights Shares, as the case may be, by way of the ARE and/or the ARS and/or by way of Electronic Application through any ATM of the Participating Banks, the provisionally allotted Rights Shares and/or excess Rights Shares will be allotted in such manner as the Company and/or CDP may, in their absolute discretion, deem fit and the surplus acceptance and (if applicable) application monies, as the case may be, will be returned or refunded, without interest or any share of revenue or other benefit arising therefrom, within 14 days after the Closing Date by any one or a combination of the following:
 - (a) by means of a crossed cheque drawn on a bank in Singapore sent BY ORDINARY POST AT HIS OWN RISK to their mailing address as maintained by CDP or in such other manner as he may have agreed with CDP for the payment of any cash distributions without interest or any share of revenue or other benefit arising therefrom, if he accepts and (if applicable) applies through CDP; and
 - (b) by crediting the Applicant's bank account with the relevant Participating Bank AT HIS OWN RISK if he accepts and (if applicable) applies through an ATM of that Participating Bank the receipt by such bank being a good discharge to the Company and CDP for their obligations, if any, thereunder.
19. The Applicant hereby acknowledges that, in determining the total number of Rights Shares represented by the provisional allotment of Rights Shares which he can validly accept, the Company and/or CDP are entitled, and the Applicant hereby authorises the Company and/or CDP, to take into consideration:
 - (a) the total number of Rights Shares represented by the provisional allotment of Rights Shares which the Applicant has validly accepted, whether under the ARE, the ARS, and/or any other form of acceptance (including Electronic Application through an ATM) for Rights Shares and/or excess Rights Shares;
 - (b) the total number of Rights Shares represented by the provisional allotment of Rights Shares standing to the credit of the "Free Balance" of the Applicant's Securities Account with CDP which is available for acceptance; and
 - (c) the total number of Rights Shares represented by the provisional allotment of Rights Shares which has been disposed of by the Applicant.

The Applicant hereby acknowledges that the Company's and/or CDP's determination shall be conclusive and binding on him.

20. The Applicant irrevocably requests and authorises CDP to accept instructions from the Participating Bank through whom the Electronic Application is made in respect of the provisional allotment of Rights Shares accepted by the Applicant and (if applicable) the excess Rights Shares which the Applicant has applied for.
21. Where any acceptance and/or application and/or payment does not conform strictly to the instructions set out under the Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for Rights Shares and/or excess Rights Shares, or is illegible, incomplete or incorrectly completed or is accompanied by an improperly or insufficiently drawn remittance or does not comply with the instructions for Electronic Application, or where the "Free Balance" of the Entitled Depositor's or the Purchaser's (as the case may be) Securities Account is not credited with or is credited with less than the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for as at the last date and time for acceptance, excess application and payment for the Rights Shares, the Company and/or CDP may, at their/its absolute discretion,

reject or treat as invalid any such acceptance, application, payment and/or other process of remittance at any time after receipt in such manner as they/it may deem fit.

The Company and the CDP shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application of excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Depositor, on its own, without regard to any other application and payment that may be submitted by the same Entitled Depositor. For the avoidance of doubt, insufficient payment for an application may render the application invalid. Evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application of Rights Shares and (if applicable) application for excess Rights Shares.

PROCEDURES FOR ACCEPTANCE, SPLITTING, RENUNCIATION, EXCESS APPLICATION AND PAYMENT BY ENTITLED SCRIPHOLDERS

1. INTRODUCTION

- 1.1 Entitled Scripholders are entitled to receive this Offer Information Statement with the following documents which are enclosed with, and are deemed to constitute a part of, this Offer Information Statement:

PAL incorporating:

Form of Acceptance	Form A
Request for Splitting	Form B
Form of Renunciation	Form C
Form of Nomination	Form D
Excess Rights Shares Application Form	Form E

- 1.2 The provisional allotment of the Rights Shares and application for excess Rights Shares are governed by the terms and conditions of this Offer Information Statement, the PAL and (if applicable) the Memorandum and Articles of Association of the Company. The number of Rights Shares provisionally allotted to Entitled Scripholders is indicated in the PAL (fractional entitlements, if any, to be disregarded). Entitled Scripholders may accept their provisional allotments of Rights Shares, in full or in part, and are eligible to apply for Rights Shares in excess of their entitlements under the Rights Issue.
- 1.3 Full instructions for the acceptance of and payment for the Rights Shares provisionally allotted to Entitled Scripholders and the procedures to be adopted should they wish to renounce, transfer or split their provisional allotments are set out in the PAL.
- 1.4 Where any acceptance, application and/or payment does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for Right Shares and/or excess Rights Shares or is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, or does not comply with the instructions for Electronic Application, the Company and/or the Share Registrar may, at their absolute discretion, reject or treat as invalid any such acceptance, payment and/or other process of remittance at any time after receipt in such manner as it may deem fit.
- 1.5 The Company and the Share Registrar shall be entitled to process each application submitted for the acceptance of Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Scripholder, on its own, without regard to any other application and payment that may be submitted by the same Entitled Scripholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid. Evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid acceptance of Rights Shares and (if applicable) application for excess Rights Shares.
- 1.6 The Company reserves the right to proceed with the Rights Issue notwithstanding a default by any Underwriter in the performance of its obligations under the Underwriting Agreement (as defined in the Offer Information Statement).

1.7 **Entitled Scripholders who intend to trade any part of their provisional allotment of Rights Shares on the SGX-ST should note that all dealings in, and transactions of, the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs will not be valid for delivery pursuant to trades done on the SGX-ST.**

1.8 Unless expressly provided to the contrary in this Offer Information Statement and/or the PAL, a person who is not a party to any contracts made pursuant to the Offer Information Statement and/or the PAL has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term contained therein, the consent of any third party is not required for any subsequent agreement by the parties thereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

2. FORM OF ACCEPTANCE (FORM A)

2.1 An Entitled Scripholder who wishes to accept his entire provisional allotment of Rights Shares or to accept any part of it and decline the balance, should:

- (a) complete the Form of Acceptance (Form A) for the number of Rights Shares which he wishes to accept; and
- (b) forward the PAL in its ENTIRETY duly completed and signed together with a single remittance for the full amount due and payable on acceptance in the enclosed self-addressed envelope provided to **DBS GROUP HOLDINGS LTD C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES, 8 CROSS STREET, #11-00 PWC BUILDING, SINGAPORE 048424**, so as to reach the Share Registrar not later than **5.00 P.M. ON 20 JANUARY 2009**.

2.2 Insufficient Payment

The attention of the Entitled Scripholder is also drawn to paragraph 2.3 of this Appendix G entitled "Appropriation" which sets out the circumstances and manner in which the Company and the Share Registrar shall be entitled to determine the number of Rights Shares which the Entitled Scripholder has given instructions to accept.

2.3 Appropriation

An Entitled Scripholder should note that by accepting his provisional allotment of Rights Shares, he acknowledges that, the Company and the Share Registrar, in determining the number of Rights Shares which the Entitled Scripholder has given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore.

3. REQUEST FOR SPLITTING (FORM B) AND RENUNCIATION (FORM C)

3.1 Entitled Scripholders who wish to accept only part and renounce the balance of their provisional allotments of Rights Shares, or who wish to renounce all or part of their provisional allotments of Rights Shares in favour of more than one person, should first, using the Request for Splitting (Form B), request to have their provisional allotments of Rights Shares under the PAL split into separate PALs ("**Split Letters**") according to their requirements. The duly completed Form B together with the PAL in its ENTIRETY should then be returned to **DBS GROUP HOLDINGS LTD C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES, 8 CROSS STREET, #11-00 PWC BUILDING, SINGAPORE 048424**, as soon as possible and in any case, not later than **5.00 P.M. ON 15 JANUARY 2009** (or such other time(s) and/or date(s) as may

be announced from time to time by or on behalf of the Company). Split Letters will then be issued to Entitled Scripholders in accordance with their request. No Split Letters will be issued to Entitled Scripholders if Form B (together with the whole of the PAL) is received after **5.00 p.m. on 15 January 2009**.

- 3.2 The Split Letters representing the number of Rights Shares which Entitled Scripholders intend to renounce may be renounced by completing the Form for Renunciation (Form C) before delivery to the renounee. Entitled Scripholders should complete Form A of the Split Letter(s) representing that part of their provisional allotments of Rights Shares they intend to accept, if any. The said Split Letter(s) together with the remittance for the payment (if required) in the prescribed manner should be forwarded to the Share Registrar so as to arrive not later than **5.00 p.m. on 20 January 2009**.
- 3.3 Entitled Scripholders who wish to renounce their entire provisional allotments of Rights Shares in favour of one person, or renounce any part of it in favour of one person and decline the balance, should complete Form C for the number of provisional allotments of Rights Shares which they wish to renounce and deliver the PAL in its ENTIRETY to the renounees.

4 PAYMENT

- 4.1 Payment in relation to the PALs must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to "**DBSH RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and address of the Entitled Scripholder or acceptor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft. **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.** The completed PAL and the single remittance for the full amount due and payable on acceptance should be addressed and forwarded, AT THE SENDER'S OWN RISK, to **DBS GROUP HOLDINGS LTD C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES, 8 CROSS STREET, #11-00 PWC BUILDING, SINGAPORE 048424**, so as to arrive not later than **5.00 P.M. ON 20 JANUARY 2009**. **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**
- 4.2 If acceptance and (if applicable) application and payment in the prescribed manner as set out in the Offer Information Statement and PAL is not received by **5.00 p.m. on 20 January 2009**, the provisional allotments of Rights Shares will be deemed to have been declined and will forthwith lapse and become void, and cease to be capable of acceptance, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. The Company will return or refund all unsuccessful acceptance and (if applicable) application monies received in connection therewith BY ORDINARY POST at the risk of the Entitled Scripholders or their renounee(s), as the case may be, without interest or any share of revenue or benefit arising therefrom, within 14 days after the Closing Date.

5. APPLICATION FOR EXCESS RIGHTS SHARES

- 5.1 Entitled Scripholders who wish to apply for excess Rights Shares in addition to those which have been provisionally allotted to them may do so by completing the Excess Rights Shares Application Form (Form E) and forwarding it together with the PAL and a **SEPARATE REMITTANCE** for the full amount payable in respect of the excess Rights Shares applied for in the form and manner set out in paragraph 4 above, AT THEIR OWN RISK, to **DBS GROUP HOLDINGS LTD C/O THE SHARE REGISTRAR, TRICOR BARBINDER SHARE REGISTRATION SERVICES, 8 CROSS STREET, #11-00 PWC BUILDING, SINGAPORE 048424**, so as to arrive not later than **5.00 P.M.**

ON 20 JANUARY 2009. NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, A POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

- 5.2 The excess Rights Shares available for application are subject to the terms and conditions contained in the PAL, Form E, this Offer Information Statement and (if applicable) the Memorandum and Articles of Association of the Company. Applications for excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by the Entitled Shareholders and the original allottee(s) or their respective renouncee(s) or the Purchaser(s), together with the aggregated fractional entitlements to the Rights Shares, the unsold "nil-paid" provisional allotment of Rights Shares of Foreign Shareholders (if any) and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE, ARS and/or PAL, Form E, this Offer Information Statement and (if applicable) the Memorandum and Articles of Association of the Company. In the event that applications are received by the Company for more excess Rights Shares than are available, the excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. The Company reserves the right to reject, in whole or in part, any application for excess Rights Shares without assigning any reason whatsoever therefor.
- 5.3 If no excess Rights Shares are allotted to an Entitled Scripholder, his remittance submitted on application for excess Rights Shares will be returned or refunded to him. If the number of excess Rights Shares allotted to an Entitled Scripholder is less than that applied for, the surplus application monies will be refunded to him. These amounts will be returned or refunded, without interest or any share of revenue or other benefit arising therefrom, within fourteen (14) days after the Closing Date. In determining the amount of surplus application monies to be refunded, the aggregate amount payable for the excess Rights Shares allotted to an Entitled Scripholder will be rounded upwards to the nearest whole cent. All monies and documents to be sent to the Entitled Scripholder shall be sent BY ORDINARY POST and AT HIS OWN RISK.

6. GENERAL

- 6.1 No acknowledgements or receipts will be issued for any application or payment received.
- 6.2 **Entitled Scripholders who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser.**
- 6.3 Upon the listing and quotation on the Official List of the SGX-ST, any trading of Rights Shares on the SGX-ST will be via the book-entry (scripless) settlement system. All dealings in, and transactions (including transfers) of, the Rights Shares effected through the SGX-ST and/or CDP shall be in accordance with CDP's "Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited" and "Terms And Conditions for The Central Depository (Pte) Limited to Act as Depository for The Rights Shares", as the same may be amended from time to time, copies of which are available from CDP.
- 6.4 **Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for excess Rights Shares, and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system, should open and maintain Securities Accounts with CDP in their own names (if they do not already maintain such Securities Accounts) before accepting any Rights Shares or applying for any excess Rights Shares, in order for the Rights Shares and, if applicable, the excess Rights Shares that may be allotted to them to their Securities Accounts. Entitled Scripholders and their renounees who wish to accept and/or apply for the excess Rights Shares and have their Rights Shares credited into their**

Securities Accounts must fill in their Securities Account numbers and/or National Registration Identity Card (“NRIC”)/passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts maintained with CDP will be issued physical share certificates in their own names for the Rights Shares allotted to them and if applicable, the excess Rights Shares allotted to them. Such physical share certificates, if issued, will be forwarded to them by ordinary post at their own risk and will not be valid for delivery pursuant to trades done on the SGX-ST under the book-entry (scripless) settlement system, although they will continue to be prima facie evidence of legal title.

- 6.5 If the Entitled Scripholders’ addresses stated in PAL are different from their addresses registered with CDP, they must inform CDP of their updated addresses promptly, failing which the notification letter, on successful allotments will be sent to their addresses last registered with CDP.
- 6.6 A holder of physical share certificate(s), or an Entitled Scripholder who has not deposited his share certificate(s) with CDP but who wishes to trade on the SGX-ST, must deposit with CDP his existing share certificate(s), together with the duly executed instrument(s) of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares or existing Shares, as the case may be, before he can effect the desired trade.
- 6.7 **THE FINAL TIME AND DATE FOR ACCEPTANCES AND/OR APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES AND/OR EXCESS RIGHTS SHARES IS 5.00 P.M. ON 20 JANUARY 2009.**

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LIST OF PARTICIPATING BANKS

PARTICIPATING BANKS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM:

- DBS Bank (including POSB)
- Oversea-Chinese Banking Corporation Limited
- United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited

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FORM OF INVESTOR REPRESENTATION LETTER**Important Note to QIBs:**

If you are subscribing for the Rights Shares and/or applying for the excess Rights Shares through your financial intermediary or nominee in Singapore, please return the signed original investor representation letter together with the duly completed PAL, the ARE and the ARS, as the case may be, to your financial intermediary or nominee in Singapore prior to the date of the commencement of trading of "nil-paid" Rights on the SGX-ST.

Date:

DBS Group Holdings Ltd ("**Company**")
6 Shenton Way,
DBS Building Tower One,
Singapore 068809
Fax: +65 6372 0352
Attention: Mr. Edwin Tan

With a copy to:

6 Shenton Way,
DBS Building Tower One,
Singapore 068809
Fax +65 6223 6840
Attention: Mr. Kenneth Fagan

DBS Bank Ltd. ("**DBS Bank**")
6 Shenton Way,
DBS Building Tower One,
Singapore 068809
Fax: +65 6323 3101
Attention: Mr. Eric Ang

Citigroup Global Markets Singapore Pte. Ltd. ("**Citi**")
3 Temasek Avenue,
#12-00 Centennial Tower,
Singapore 039190
Facsimile No: +65 6722 4330
Attention: Ms. Oh Kim Hong Tracey

Goldman Sachs (Singapore) Pte. ("**Goldman Sachs**")
1 Raffles Link, #07-01
Singapore 039393
Facsimile No: +65 6889 2308
Attention: General Counsel c/o Goldman Sachs (Asia) L.L.C.

J.P. Morgan (S.E.A.) Limited ("**J.P. Morgan**")
168 Robinson Road,
17th Floor Capital Tower,
Singapore 068912
Facsimile No: +65 6882 1589
Attention: Mr. Gan Ker Wei, Vice President

With a copy to:

Facsimile No.: +65 6882 1563
Attention: Ms Ivy Yong — Legal

Morgan Stanley Asia (Singapore) Pte. ("**Morgan Stanley**")
23 Church Street,
#16-01 Capital Square,
Singapore 049481
Facsimile No: +65 6834 6806
Attention: Ms. Sok Cheng — Legal Counsel

With a copy to:

Facsimile No: +852 2848 5653
Attention: Mr. Gokul Laroia — GCM

UBS AG, acting through its business division, UBS Investment Bank ("**UBS**")
One Raffles Quay
#50-01 North Tower
Singapore 048583
Facsimile No: +65 6495 3438
Attention: Mr. Sutha Kandiah

With a copy to:

UBS AG, acting through its business division, UBS Investment Bank
One Raffles Quay
#50-01 North Tower
Singapore 048583
Facsimile No: +65 6495 5031
Attention: Legal Department/Jeffrey Wong

Ladies and Gentlemen:

This letter is delivered in connection with our exercise of subscription rights to subscribe for Shares (the "**Shares**") in the capital of the Company in connection with the rights issue (the "**Rights Issue**") of 760,480,229 rights Shares ("**Rights Shares**"), including the rights in nil paid form to subscribe for Rights Shares ("**Nil-Paid Rights**" and, together with the Rights Shares, the "**Securities**") on the basis of one Rights Share for every two Shares held by or standing to credit of our Securities Account. We hereby represent, warrant and agree that at all times before the settlement of the Rights Issue:

1. We are a "qualified institutional buyer" ("**QIB**") (as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") with the full power and authority to make the acknowledgements, representations and agreements contained herein, and, if we are acquiring the Securities as a fiduciary or agent for one or more investor accounts, each owner of such account is a QIB, we have investment discretion with respect to each such account, and we have the full power and authority to make the acknowledgements, representations and agreements contained herein on behalf of each owner of such account.

2. We are an existing shareholder of the Company and are acquiring the Securities for our own account, or for the account of one or more QIB(s) as to which we have full investment discretion, in each case for investment purposes, and not with a view to any distribution (within the meaning of the U.S. securities laws) of the Securities.
3. We understand, and each beneficial owner has been advised, that the Securities have not been and will not be registered under the Securities Act, and are being offered and sold to us (or such beneficial owner) in a transaction not involving a public offering, or in reliance on an exemption from the registration requirements of the Securities Act.
4. We understand that the Securities are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act and may not be deposited into any unrestricted depository receipt facility, unless at the time of deposit such Securities are no longer “restricted securities” within the meaning of Rule 144(a)(3) of the Securities Act.
5. We acknowledge that the Shares are listed on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and that the Company is therefore required to publish certain business and financial information in accordance with the rules and practices of the SGX-ST (the “**Exchange Information**”) and that we are able to obtain or access such information without undue difficulty. We understand that the Exchange Information has been prepared in accordance with SGX format, style and content, which differs from US format, style and content. We understand that the financial statements included in the OIS (as defined below) were not prepared in connection with an offering registered with the United States Securities and Exchange Commission (the “**SEC**”) under the Securities Act. Furthermore, we understand that the work has not been carried out in accordance with auditing standards generally accepted in the United States of America and accordingly should not be relied upon as if it has been carried out in accordance with those standards.
6. We are not acquiring or subscribing for the Securities as a result of any general solicitation or general advertising, including advertisements, articles, notices, or other communications published in any newspaper, magazine or similar media or broadcast over radio or television; or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.
7. We have read a copy of the offer information statement dated 31 December 2008 relating to the Securities (the “**OIS**”), and have had access to the financial and other information regarding the Company and the Securities as we will have requested in connection with our investment decision to subscribe for and purchase the Securities. We agree that we have held and will hold the OIS in confidence, it being understood that the OIS was received by us solely for our use and that we have not duplicated, distributed, forwarded, transferred or otherwise transmitted the OIS, any provisional allotment letter relating to the Rights Issue, or any other materials concerning the Rights Issue (including electronic copies thereof) to any persons within the United States, and agree that such materials shall not be duplicated, distributed, forwarded, transferred or otherwise transmitted by us. We have not relied on financial or other information supplied to us by any person other than information contained in the OIS or information provided by the Company. We have made our own assessment concerning the relevant tax, legal and other economic considerations relevant to our investment in the Securities including whether the Company and any of its direct or indirect subsidiaries is a “passive foreign investment company” (a “**PFIC**”) within the meaning of section 1297 of the U.S. Internal Revenue Code of 1986, as amended, and the consequences of the acquisition, ownership and disposition of a direct or indirect interest in a PFIC. We understand that if the Company were determined to be a PFIC, there would be adverse tax consequences for a U.S. holder of the Securities.
8. We acknowledge that (a) any information that we have received or will receive relating to the Rights Issue and the Securities, including the OIS and the Exchange Information (collectively, the “**Information**”), has been prepared solely by the Company and (b) that none of DBS Bank, Citi, Goldman Sachs, J.P. Morgan, Morgan Stanley and UBS, or their respective affiliates has verified

such Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by DBS Bank, Citi, Goldman Sachs, J.P. Morgan, Morgan Stanley and UBS or their respective affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by them or their affiliates.

9. Prior to deciding to subscribe for the Securities, we (a) will have consulted with our own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent we have deemed necessary, (b) will have possessed all information relating to the Company and the Securities which we believe is necessary for the purpose of making our investment decision and had a reasonable opportunity to ask questions of and receive answers from officers and representatives of the Company concerning the respective financial condition and results of operations of the Company and the purchase of the Securities, and any such questions have been answered to our satisfaction, (c) will have reviewed all information that we believe is necessary or appropriate in connection with a purchase of the Securities and (d) will have conducted our own due diligence on the Company and the Rights Issue, and will have made our own investment decisions based upon our own judgment, due diligence and advice from such advisers as we have deemed necessary and will have not relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of DBS Bank, Citi, Goldman Sachs, J.P. Morgan, Morgan Stanley and UBS or their respective affiliates (including any research reports).
10. We will not hold DBS Bank, Citi, Goldman Sachs, J.P. Morgan, Morgan Stanley and UBS or any of their respective affiliates responsible for any misstatements in or omissions in the Information or in any other written or oral information provided by the Company to us. We acknowledge that no written or oral information relating to the Rights Issue and the Securities has been provided by DBS Bank, Citi, Goldman Sachs, J.P. Morgan, Morgan Stanley and UBS or any of their respective affiliates to us.
11. We understand and agree that we may not rely, and we have not relied, on any investigation that DBS Bank, Citi, Goldman Sachs, J.P. Morgan, Morgan Stanley and UBS or any of their respective affiliates or any person acting on their behalf has conducted with respect to the Rights Issue or the Securities, and neither of them nor any affiliate thereof, nor any of their respective affiliates, employees, officers, directors or representatives has made any recommendation, promise, representation or warranty to them, express or implied, with respect to the Company, the Rights Issue or the Securities.
12. We have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Securities, and we have the financial ability to bear the economic risk of investment in the Securities and to sustain a complete loss in connection therewith.
13. We agree that in the event that at some future time we wish to reoffer, resell, pledge or otherwise transfer any of the Securities, we will not do so except in accordance with any applicable U.S. federal law or securities laws of any state of the United States and we certify that either:
 - (a) we will transfer the Securities in an offshore transaction in accordance with Rule 903 or 904 of Regulation S under the Securities Act, which includes for the avoidance of doubt a *bona fide* sale on the SGX-ST that has not been pre-arranged with any counterparty thereto;
 - (b) we will transfer the Securities to a person who we reasonably believe is a QIB in transaction meeting the requirements of Rule 144A under the Securities Act;
 - (c) we will transfer the Securities in a transaction exempt from the registration requirements of the Securities Act under Rule 144(e) or Rule 144(k) and provide an opinion of counsel

reasonably satisfactory to the Company which states that the transfer is exempt from the registration requirements of the Securities Act and that the Securities following such transfer are freely transferable; or

(d) we will transfer the Securities pursuant to an effective registration statement under the Securities Act.

14. We acknowledge that the Company, DBS Bank, Citi, Goldman Sachs, J.P. Morgan, Morgan Stanley, UBS, their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

We understand that the Company, DBS Bank, Citi, Goldman Sachs, J.P. Morgan, Morgan Stanley, UBS, and their respective affiliates are relying on this letter in order to comply with U.S. and other securities laws. We irrevocably authorise any depositary, which includes any nominee, custodian or other financial intermediary through which we hold Shares, to provide the Company, DBS Bank, Citi, Goldman Sachs, J.P. Morgan, Morgan Stanley and UBS with a copy of this letter and such information regarding our identity and holding of Shares (including pertinent account information and details of our identity and contact information) as is necessary or appropriate to facilitate our acquisition or exercise of Nil-Paid Rights or purchase of Rights Shares. We also irrevocably authorise the Company, DBS Bank, Citi, Goldman Sachs, J.P. Morgan, Morgan Stanley and UBS to produce this letter or a copy hereof to any interested party in any administrative, arbitration or legal proceeding or official inquiry with respect to the matters set forth herein.

Very truly yours,

By Institution:

Signature

Name:

Title:

Institution's Address:

Daytime Telephone Number:

If signing on behalf of another person, please indicate the capacity in which signed

Name, address and contact details of the financial intermediary or nominee in Singapore through which the Shares are held:

Note: A copy of our ARS/ARE is attached to this QIB Investor Representation Letter. We have forwarded our ARS/ARE, together with this QIB Representation Letter, to our financial intermediary or nominee in Singapore.

Please note that this QIB Investor Representation Letter does not represent an order to subscribe for or purchase Securities.

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Offer Information Statement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Offer Information Statement are fair and accurate in all material respects as at the date of this Offer Information Statement and there are no material facts the omission of which would make any statement in this Offer Information Statement misleading in any material respect. Where information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Offer Information Statement.

For and on behalf of **DBS GROUP HOLDINGS LTD**

Mr. Koh Boon Hwee⁽¹⁾
Chairman

Mr. Richard Daniel Stanley⁽²⁾
Chief Executive Officer

Mr. Ang Kong Hua⁽³⁾
Director

Mr. Andrew Robert Fowell Buxton⁽⁴⁾
Director

Mr. Bart Joseph Broadman⁽⁵⁾
Director

Mr. Christopher Cheng Wai Chee⁽⁶⁾
Director

Ms. Euleen Goh Yiu Kiang⁽⁷⁾
Director

Mr. Kwa Chong Seng⁽⁸⁾
Director

Mr. John Alan Ross⁽⁹⁾
Director

Mr. Wong Ngit Liong⁽¹⁰⁾
Director

Notes:

- (1) Signed by Mrs. Chng Sok Hui for and on behalf of Mr. Koh Boon Hwee pursuant to a Letter of Authority dated 19 December 2008.
- (2) Signed by Mrs. Chng Sok Hui for and on behalf of Mr. Richard Daniel Stanley pursuant to a Letter of Authority dated 16 December 2008.
- (3) Signed by Mrs. Chng Sok Hui for and on behalf of Mr. Ang Kong Hua pursuant to a Letter of Authority dated 16 December 2008.
- (4) Signed by Mrs. Chng Sok Hui for and on behalf of Mr. Andrew Robert Fowell Buxton pursuant to a Letter of Authority dated 16 December 2008.
- (5) Signed by Mrs. Chng Sok Hui for and on behalf of Mr. Bart Joseph Broadman pursuant to a Letter of Authority dated 19 December 2008.
- (6) Signed by Mrs. Chng Sok Hui for and on behalf of Mr. Christopher Cheng Wai Chee pursuant to a Letter of Authority dated 19 December 2008.
- (7) Signed by Mrs. Chng Sok Hui for and on behalf of Ms. Euleen Goh Yiu Kiang pursuant to a Letter of Authority dated 16 December 2008.
- (8) Signed by Mrs. Chng Sok Hui for and on behalf of Mr. Kwa Chong Seng pursuant to a Letter of Authority dated 16 December 2008.
- (9) Signed by Mrs. Chng Sok Hui for and on behalf of Mr. John Alan Ross pursuant to a Letter of Authority dated 16 December 2008.
- (10) Signed by Mrs. Chng Sok Hui for and on behalf of Mr. Wong Ngjit Liong pursuant to a Letter of Authority dated 16 December 2008.

