

**GOLD FUND STRUCTURED NOTE**  
**FINAL TERM-SHEET<sup>1</sup>**  
**Principal Indicative Terms and Conditions**

**IMPORTANT:**

If you are in doubt as to any aspect of this offer, you should consult a licensed securities dealer, bank manager, solicitor, certified public accountant, tax adviser or other professional adviser.

**GENERAL TERMS**

<b>Issuer:</b>	DBS Bank Ltd (incorporated in 1968 in Singapore with limited liability) <sup>2</sup> , including its successors and assigns.
<b>Form:</b>	Notes in Registered form.
<b>Status of the Notes:</b>	The Notes are direct, unsecured and unsubordinated obligations of the Issuer and rank <i>pari passu</i> without any preference among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
<b>Permissible Investment Amount:</b>	In integral multiples of USD 1,000.

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<sup>1</sup>This term-sheet is strictly confidential and may not be reproduced.

This term-sheet is provided to you on the understanding that (i) you have sufficient knowledge, experience, and professional advice to make your own evaluation of the merits and risks of a transaction of this type and (ii) you are not relying on us or on any of our affiliates for information, advice or recommendations of any sort.

Although the information contained herein is believed to be reliable, we make no representation as to the accuracy or completeness of any information contained herein or otherwise provided by us. We are not acting as your advisor or agent. This termsheet does not purport to identify the risks (direct or indirect) or other material considerations which may be associated with you entering into the proposed transaction. Prior to entering into any proposed transaction, you should determine (after consultation with your own advisors if you deem fit), without reliance upon us or our affiliates, the economic risks and merits, as well as the legal, tax, accounting or other material characterisations and consequences of the transaction and that you are able to assume these risks.

The proposed transaction may be subject to the risk of loss of the entire principal or notional amount of the transaction, the risk that we will fail to perform obligations when due and/or given that the transaction is or may be linked to the credit of one or more entities, the deterioration of the credit of any of these entities may result in the loss of your principal or notional amount. Further, the proposed transaction may leverage exposures to currency exchange rates, interest rates, indices or the prices of certain securities and, as a result, any changes in the value of the underlying securities, currency exchange rates, interest rates, indices or prices may cause proportionally greater (positive and negative) movements in the value of the transaction, pose convexity or gamma risk, volatility risk, time decay (theta) risk, basis risk, correlation risk, amortisation risk and/or prepayment risk, any or all of which may affect the payments received or made by you and could result in loss to you.

We, and/or our affiliates, may hold, or trade, or act as market-maker, in any securities or other financial instruments mentioned in this term-sheet or related derivatives. We, and/or our affiliates conduct many businesses and activities that may relate to issuers mentioned in this term-sheet and may provide broking, banking and other financial services to such issuers.

Any securities described herein are being offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities and Futures Act, Chapter 289 of Singapore and the Securities and Futures Ordinance (Cap 571) of Hong Kong. Such securities have not been and will not be registered under the securities laws of any country, and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, any such registration or other requirements. This term-sheet may not be distributed and does not constitute the distribution of any information or the making of any offer or solicitation by anyone in any jurisdiction in which such distribution or offer is not authorised or to any person to whom it is unlawful to distribute such a document or to make such an offer or solicitation.

<sup>2</sup>The registered office of DBS Bank Ltd. in Singapore is 6 Shenton Way, DBS Building Tower One, Singapore 068809 and the address of its Hong Kong Branch is 18th Floor, Man Yee Building, 68 Des Voeux Road, Central, Hong Kong.

<b>Aggregate Principal Amount:</b>	USD 81,000, being an amount in the Specified Currency equal to the total number of Notes issued multiplied by the Specified Denomination on the Issue Date.
<b>Specified Denomination(s):</b>	USD 1,000.
<b>Specified Currency(ies):</b>	US Dollars (USD).
<b>Issue Price:</b>	In respect of each Note, 100 per cent. of the Specified Denomination.
<b>Trade Date:</b>	20 April 2012.
<b>Issue Date:</b>	2 May 2012.
<b>Maturity Date:</b>	24 April 2014, provided that the Issuer may extend the Maturity Date to a later date at its sole discretion after notifying in writing the Noteholders 15 Business Days before the original Maturity Date, and provided that if the Scheduled Valuation Date is postponed pursuant to the “ <b>Valuation Date</b> ” provision below, it shall be the third Payment Day following such postponed Valuation Date. For avoidance of doubt, the Issuer may extend the Maturity Date more than once.
<b>Underlying Equity<sup>3</sup>:</b>	Underlying Equity: SPDR Gold Trust Bloomberg Ticker: GLD UP Equity
<b>Exchange:</b>	NYSE Arca, Inc.
<b>Related Exchange:</b>	All Exchanges.
<b><u>Redemption:</u></b>	(a) If Mandatory Redemption does not apply, the Issuer shall redeem all outstanding Notes at the Final Redemption Amount on the Maturity Date; or (b) if Mandatory Redemption applies, the Issuer shall redeem all outstanding Notes pursuant to the provisions under “Mandatory Redemption” below.
<b>Final Redemption Amount:</b>	In respect of each outstanding Note, an amount in the Specified Currency, rounded down to the nearest cent, determined as follows: Note Executed Price on the Valuation Date
<b>Valuation Date:</b>	The third Scheduled Trading Day preceding the Maturity Date (the “ <b>Scheduled Valuation Date</b> ”); unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then subject to the following paragraph, the Actual Executed Price of the Underlying Equity shall be determined on the first succeeding Scheduled Trading Day that is not a Disrupted Day unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) the eighth Scheduled Trading Day shall be deemed to be the Valuation Date notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent will determine its good faith estimate of the Actual Executed Price of the Underlying Equity on that eighth

<sup>3</sup> The prospectus for the Underlying Equity is available at the following respective websites:  
<https://www.spdrs.com/product/fund.seam?ticker=GLD>

Scheduled Trading Day.

Where the Actual Executed Price has been already been obtained or is otherwise available or determined as a result of the Issuer selling or disposing of the required amount of the Underlying Equity at any time on the relevant day, then notwithstanding the relevant day is a Disrupted Day, the Actual Executed Price shall be effective for the purposes of any calculation under these Notes and the Calculation Agent shall not be bound to postpone the Valuation Date in accordance with the above provision.

For the purposes of determining the Maturity Date, if the Scheduled Valuation Date is a Disrupted Day, then the Valuation Date shall be postponed to such date on which the Actual Executed Price of the Underlying Equity is determined and the Maturity Date shall be the third Payment Day immediately following such postponed Valuation Date.

For the avoidance of doubt, no interest or compensation will be payable by the Issuer notwithstanding any postponement of the Maturity Date.

**Note Executed Price:** In respect of each Note, an amount in the Specified Currency, rounded down to the nearest cent, determined as follows:

Specified Denomination x (Participation Rate x Performance Rate – Aggregate Administrative Rate)

If the result calculated based on the above formula is less than zero, the Note Executed Price shall be zero.

**Participation Rate:** 99.50%

**Performance Rate:** In respect of a Scheduled Trading Day on which the Note Executed Price is to be determined (a “**Note Execution Date**”), a percentage determined as follows:

$(\text{Actual Executed Price on that Note Execution Date} / \text{Initial Price}) \times 100\%$

**Initial Price:** USD 159.54, being the Actual Executed Price per Share or Unit (as the case may be) of the Underlying Equity on the Initial Price Fixing Date as determined by the Calculation Agent.

**Initial Price Fixing Date:** 20 April 2012, or if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day (the “**Scheduled Initial Price Fixing Date**”), unless, in the opinion of the Calculation Agent, such day is a Disrupted Day, in which case the Initial Price of the Underlying Equity shall be determined on the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following that Scheduled Initial Price Fixing Date is a Disrupted Day. In that case, the Issuer will redeem all Notes pursuant to the provisions under “Mandatory Redemption” above.

**Actual Executed Price:** The actual executed price per Share or Unit (as the case may be) of the Underlying Equity at which the Issuer acquires or sells the required amount of the Underlying Equity at any time on the relevant date, as determined by the Calculation Agent in its sole discretion. For the avoidance of doubt, the Calculation Agent may (but is not obliged to) determine the Actual Executed Price based on the volume weighted average of the actual executed prices at which the Issuer acquires or sells the required amount of the Underlying Equity at any relevant time

	on the relevant date.
<b>Aggregate Administrative Rate:</b>	In respect of a Note Execution Date, the aggregate sum of each relevant Period Administrative Rate applicable from the Initial Price Fixing Date to that Note Execution Date.
<b>Period Administrative Rate:</b>	In respect of each Administrative Period, a percentage determined by the Calculation Agent as follows: 0.62% x the Administrative Fixing Rate applicable in such Administrative Period x Applicable Period Days / 360
<b>Administrative Period:</b>	A period beginning from (and including) the first Annual Fixing Date to (but excluding) the second Annual Fixing Date, and each successive period (if any) from (and including) an Annual Fixing Date to (but excluding) the next succeeding Annual Fixing Date, with No Adjustment. "No Adjustment" means with respect to any Annual Fixing Date for the purpose of determining an Administrative Period, no adjustment will be made to the Annual Fixing Date notwithstanding that the Annual Fixing Date occurs on a day which is not a Scheduled Trading Day.
<b>Applicable Period Days:</b>	In respect of each Administrative Period and a Note Execution Date, the number of calendar days from (and including) the first day of such Administrative Period to (but excluding) (a) the first day of the immediately succeeding Administrative Period or (b) the Note Execution Date (if any), whichever is earlier.
<b>Administrative Fixing Rate:</b>	In respect of each Administrative Period, a percentage determined by the Calculation Agent as follows: (The price of the Underlying Equity quoted on the Exchange at the Scheduled Closing Time on the Annual Fixing Date in respect of such Administrative Period / Initial Price) x 100% provided that the Administrative Fixing Rate for the first Administrative Period will always be 100%.
<b>Annual Fixing Date:</b>	(a) In respect of the first Administrative Period, the Initial Price Fixing Date; and (b) in respect of any succeeding Administrative Period, each anniversary of the Initial Price Fixing Date, provided that: (i) if such day is not a Scheduled Trading Day, then for the purpose of determining the Administrative Fixing Rate for that Annual Fixing Date, the Annual Fixing Date shall be the next following day that is a Scheduled Trading Day; and (ii) if the Issuer extends the Maturity Date for a period of more than one year, the final Annual Fixing Date shall be the anniversary date of the Initial Price Fixing Date immediately preceding the extended Maturity Date.
<b>Disruption of any of Annual Fixing Dates other than the first Annual Fixing Date:</b>	If any of the Annual Fixing Dates other than the first Annual Fixing Date is, in the sole opinion of the Calculation Agent, a Disrupted Day, then for the purpose of determining the Administrative Fixing Rate for that Annual Fixing Date, the Calculation Agent will determine its good faith estimate of the value for the Underlying Equity as of the Valuation Time on that Annual Fixing Date.

<b>Mandatory Redemption:</b>	<p>If the Initial Price Fixing Date cannot be determined on or before the eighth Scheduled Trading Day immediately following the Scheduled Initial Price Fixing Date (the “<b>Eighth Disrupted Day</b>”) pursuant to the “<b>Initial Price Fixing Date</b>” provisions above, the Issuer will redeem all outstanding Notes by paying the Mandatory Redemption Amount to the Noteholder no later than the Mandatory Redemption Date.</p> <p>Upon the occurrence of such mandatory redemption by the Issuer, the Noteholder shall have no other or further rights against the Issuer after the Mandatory Redemption Date. For the avoidance of doubt, the Noteholder will not be entitled to receive any Final Redemption Amount after the Mandatory Redemption Date.</p>
<b>Mandatory Redemption Amount:</b>	In respect of each Note, 100% of the Specified Denomination.
<b>Mandatory Redemption Date:</b>	The third Payment Day after the Eighth Disrupted Day.
<b>Interest:</b>	Not applicable.

## ADJUSTMENTS AND EXTRAORDINARY EVENTS

<b>Potential Adjustment Events:</b>	<p>Applicable. Following the declaration by an Equity Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will, in good faith acting in a commercially reasonable manner, determine whether such Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the relevant Underlying Equity and, if so, will (i) make the corresponding adjustment, if any, to any terms of the Notes as the Calculation Agent in good faith acting in a commercially reasonable manner determines appropriate to account for that diluting, concentrative or other effect and (ii) determine the effective date of that adjustment. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Underlying Equity traded on that options exchange. In its determination of the existence and extent of any dilutive, concentrative or other effect on the theoretical value of the relevant Underlying Equity of any Potential Adjustment Event, and any related adjustments to the terms of the Notes, the Calculation Agent shall take into account any amounts of Local Taxes that would, in the determination of the Calculation Agent, be withheld from or paid or otherwise incurred by the Issuer in connection with such Potential Adjustment Event.</p>
<b>Delisting, Merger Event, Tender Offer, Nationalisation, Insolvency and Insolvency Filing:</b>	<p>Applicable. Following the occurrence of such an event, the Calculation Agent will, in good faith acting in a commercially reasonable manner, determine the appropriate adjustment (which shall <u>not</u> include a substitution of the relevant Underlying Equity pursuant to Condition 7(f)), if any, to be made to any terms of the Notes to account for such event, and determine the effective date of that adjustment. If the Calculation Agent determines that no adjustment that it could make will produce a commercially reasonable result, the Issuer will redeem all, but not some only, of the Notes, at the Early Redemption Amount. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment (if any) in respect of the Delisting, Merger Event, Tender Offer, Nationalisation, Insolvency or</p>

<b>Extraordinary Fund Event:</b>	<p>Insolvency Filing made by an options exchange to options on the relevant Underlying Equity traded on that options exchange.</p> <p>Applicable if the Underlying Equity is a Unit. Following the occurrence of such an event, the Calculation Agent will, in good faith acting in a commercially reasonable manner, determine the appropriate adjustment (which shall <u>not</u> include a substitution of the relevant Underlying Equity pursuant to Condition 7(f)), if any, to be made to any terms of the Notes to account for such event, and determine the effective date of that adjustment. If the Calculation Agent determines that no adjustment that it could make will produce a commercially reasonable result, the Issuer will redeem all, but not some only, of the Notes, at the Early Redemption Amount. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment (if any) in respect of the Extraordinary Fund Event made by an options exchange to options on the relevant Underlying Equity traded on that options exchange.</p>
<b>Change in Law and Hedging Disruption:</b>	<p>Applicable. Following the occurrence of such an event, the Calculation Agent will, in good faith acting in a commercially reasonable manner, determine the appropriate adjustment (which shall <u>not</u> include a substitution of the relevant Underlying Equity pursuant to Condition 7(f)), if any, to be made to any terms of the Notes to account for such event, and determine the effective date of that adjustment. If the Calculation Agent determines that no adjustment that it could make will produce a commercially reasonable result, the Issuer will redeem all, but not some only, of the Notes, at the Early Redemption Amount.</p>
<b>Early Redemption Amount:</b>	<p>Fair market value of each Note on such day as shall be selected by the Calculation Agent in good faith acting in a commercially reasonable manner, adjusted downward to take account fully for any Hedging Costs, all as determined by the Calculation Agent in good faith acting in a commercially reasonable manner.</p>
<b>Correction of Prices:</b>	<p>In the event that any price quoted on an Exchange and which is utilised for any calculation or determination under the Notes is subsequently corrected and the correction is published by the Exchange within one Settlement Cycle after the original publication, the Issuer may (but shall not be obliged to) notify Noteholders of that correction and, in such case, the Calculation Agent will determine the amount that is payable to or by Noteholders as a result of that correction, and the adjustment, if any, to be made to any terms of the Notes as the Calculation Agent in good faith acting in a commercially reasonable manner determines appropriate as a result of that correction.</p>

#### OTHER TERMS AND CONDITIONS

<b>Business Centre(s) relating to Business Days:</b>	New York and Beijing.
<b>Financial Centre(s) relating to Payment Days:</b>	New York and Beijing.
<b>Calculation Agent:</b>	DBS Bank Ltd.
<b>Clearing System:</b>	Euroclear.

**Documentation:**

The Notes will be issued under DBS Bank Ltd's US\$3,000,000,000 Structured Note Programme (the "**Programme**"). A copy of the offering circular dated 17 December 2009 (as may be updated, amended or supplemented from time to time) (the "**Offering Circular**") relating to the Programme is available on request at the following location(s) :

DBS Bank Ltd.  
6 Shenton Way  
#34-08 DBS Building Tower Two  
Singapore 068809

Your attention is drawn in particular to the sections in the Offering Circular entitled "Summary of the Programme", "Risk Factors", "Singapore Taxation" and "Selling Restrictions".

The Notes will be issued on the terms set out in the Offering Circular and the Conditions Supplement (together the "**Offering Documents**"). By subscribing for the Notes, each investor is deemed to have agreed to subscribe for and purchase the Notes upon and subject to the terms and conditions set out in the Offering Documents.

In the event of any inconsistency between the terms and conditions set out in this Termsheet and the Offering Documents, the terms and conditions set out in the Offering Documents shall prevail.

**Governing Law:**

English law.

**Listing and Rating:**

The Notes will not be listed and will not be rated.

**Additional Selling Restrictions:**

**In respect of Notes offered in Singapore**, the Notes are being offered and sold by the Issuer pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities and Futures Act, Chapter 289 of Singapore ("**SFA**"), specifically, pursuant to **Section 275(1)** and **Section 275(1A)**, and in accordance with the conditions specified in Section 275, and otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Section 275(1) of the SFA provides that, other than Section 257, Subdivisions (2) and (3) of Division 1 of Part XIII of the SFA shall not apply to an offer of securities, whether or not they have been previously issued, where the offer is made to a relevant person (as defined in Section 275(2) of the SFA), if :

- (a) the offer is not accompanied by an advertisement making an offer or calling attention to the offer or intended offer;
- (b) no selling or promotional expenses are paid or incurred in connection with the offer other than those incurred for administrative or professional services, or by way of commission or fee for services rendered by:
  - (i) the holder of a capital markets services licence to deal in securities;
  - (ii) an exempt person in respect of dealing in securities; or
  - (iii) a person who is licensed, approved, authorised or otherwise regulated under the laws, codes or other requirements of any foreign jurisdiction in respect of dealing in securities, or who is exempted therefrom in respect of such dealing ; and
- (c) no prospectus in respect of the offer has been registered by the Monetary Authority of Singapore (the "**Authority**") or, where a

prospectus has been registered :

- (i) the prospectus has expired pursuant to section 250 of the SFA; or
- (ii) the person making the offer has before making the offer :
  - (A) informed the Authority by notice in writing of its intent to make the offer in reliance on the exemption under this subsection; and
  - (B) taken reasonable steps to inform in writing the person to whom the offer is made that the offer is made in reliance on the exemption under this subsection.

Section 275(1A) of the SFA provides that, other than Section 257, Subdivisions (2) and (3) of Division 1 of Part XIII of the SFA shall not apply to an offer of securities to a person who acquires the securities as principal, whether or not the securities have been previously issued, if:

- (a) the offer is on terms that the securities may only be acquired at a consideration of not less than SGD200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets;
- (b) the offer is not accompanied by an advertisement making an offer or calling attention to the offer or intended offer;
- (c) no selling or promotional expenses are paid or incurred in connection with the offer other than those incurred for administrative or professional services, or by way of commission or fee for services rendered by:
  - (i) the holder of a capital markets services licence to deal in securities;
  - (ii) an exempt person in respect of dealing in securities; or
  - (iii) a person who is licensed, approved, authorised or otherwise regulated under the laws, codes or other requirements of any foreign jurisdiction in respect of dealing in securities, or who is exempted therefrom in respect of such dealing; and
- (d) no prospectus in respect of the offer has been registered by the Authority or, where a prospectus has been registered :
  - (i) the prospectus has expired pursuant to section 250 of the SFA; or
  - (ii) the person making the offer has before making the offer :
    - (A) informed the Authority by notice in writing of its intent to make the offer in reliance on the exemption under this subsection; and
    - (B) taken reasonable steps to inform in writing the person to whom the offer is made that the offer is made in reliance on the exemption under this subsection.

Section 276 of the SFA provides, inter alia, that where securities initially acquired pursuant to an offer made in reliance on an exemption under Section 275 are sold within the period of 6 months from the date of the initial acquisition to any person other than: :

- (a) an institutional investor;
- (b) a relevant person as defined in Section 275(2) of the SFA, or
- (c) any person pursuant to an offer referred to in Section 275(1A) of



the SFA,  
then Subdivisions (2) and (3) of Division 1 of Part XIII of the SFA shall apply to the offer resulting in that sale.

**Noteholders should take note of the above on-selling restrictions.**

**In respect of Notes offered outside of Singapore**, the Notes are being offered and sold by the Issuer pursuant to the exemption(s) from, or in a transaction not subject to, the registration requirements under the applicable laws and regulations of the relevant jurisdiction. No action has been taken by the Issuer that would permit the Notes to be offered or sold, or any offering materials relating to the Notes to be possessed or distributed, in any jurisdiction where action for that purpose is required. No purchase, offer, sale, resale or delivery of the Notes or distribution of any offering materials relating to the Notes may be made in or from any jurisdiction except in circumstances which will result in compliance with all applicable laws and regulations and which will not impose any obligation on the Issuer.

**Terms of Sale:** The Notes are being sold to the investor on a principal to principal basis for the investor's own account.

**Buy Back Arrangements:** The investor may request the Issuer to buy back the Notes with a minimum buy back amount of at least 1 Note and subsequent integral multiples of 1 Note, by submitting a written request to the Issuer.

The investor's request to sell the Notes must be submitted to the Issuer no later than 1:00 p.m. Hong Kong time on the day of the intended sale that is a Scheduled Trading Day (the "**Buy-Back Date**").

The Note Executed Price for the Notes will be determined by the Market Agent at its sole discretion at the relevant time on the Buy-Back Date, and notified to the investor as soon as practicable after the later of the Scheduled Closing Times of the Exchanges. In respect of each Note, the Issuer will pay the Note Executed Price to the Noteholder no later than three Payment Days after the relevant Buy-Back Date.

For avoidance of doubt, the Note Executed Price determined by the Market Agent may differ from the indicative bid price of the Notes quoted by the Issuer (if any). To the extent that the Issuer is prevented for any reason whatsoever from dealing in the Underlying Equity, investors' requests to sell the Notes will be effected on a "first-come-first-served" basis.

**Disruption of a Buy-Back Date:** If a Buy-Back Date on which the Note Executed Price is to be determined is a Disrupted Day, then subject to the following paragraph, the Market Agent will determine the Note Executed Price on the first succeeding Scheduled Trading Day that is not a Disrupted Day.

Where the Note Executed Price has been already been obtained or is otherwise available or determined at any time on the relevant day, then notwithstanding the relevant day is a Disrupted Day, the Note Executed Price shall be effective for such Buy-Back Date and the Market Agent shall not be bound to postpone the Buy-Back Date in accordance with the above provision.

For the purpose of determining the payment date of Note Executed Price, if a Buy-Back Date is a Disrupted Day, then the Issuer will pay the Note Executed Price to the Noteholder no later than three Payment Days immediately following such postponed date on which the Note Executed Price is determined.

**Market Agent:**

DBS Bank Ltd.

**Further Issues:**

The investor should note that the Issuer has the right to issue further notes from time to time so as to be consolidated and form a single Series with the Notes pursuant to Condition 18.

## **ADDITIONAL RISK FACTORS**

In addition to the risk factors mentioned in the section on “Risk Factors” in the Offering Circular, the investor should also consider the following additional risk factors in relation to the Notes.

### **Market Risks**

- **Investing in equity-linked Notes involves market risk. Changes in the price, level or value of the Underlying Equity can be unpredictable, sudden and large. Such changes may result in the price or value of the Notes moving adversely to the interests of the investor and negatively impacting upon the return on, or redemption of, the Notes. In extreme circumstances, the investor may lose all, or a significant proportion of, the original investment.**
- **A prospective investor in any equity-linked Notes should be experienced with dealing in these types of products and should understand the risks associated with dealing in such products. A prospective investor should reach an investment decision only after careful consideration, with advisers (where appropriate), of the suitability of the Notes in light of the investor’s particular financial position, experience, objectives and other relevant circumstances, the information regarding the Notes, the particular Underlying Equity to which the Notes relate, any related transaction costs, and the creditworthiness of the Issuer.**
- **The Issuer and/or its affiliates may enter into hedging transactions in the market to enable the Issuer to fulfill its obligations under the Notes. These transactions typically involve contracts for the purchase and/or sale of the Underlying Equity and the establishment of long and/or short positions in the Underlying Equity which may be constantly adjusted. The unwinding or adjustment of the positions in the Underlying Equity shortly before a fixing date may affect the closing market price of the relevant Underlying Equity recorded on such date, particularly if there is otherwise low trading volume in the relevant Underlying Equity at that time. It is thus possible that this activity could affect the closing market price of the relevant Underlying Equity, whether by pushing it down to a level below or up above the relevant stipulated benchmark (as the case may be) or otherwise.**
- **The investor takes the risk that he may not receive 100 per cent. of the original investment amount on the Maturity Date.**
- **Investor’s attention is drawn to the following (which is not exhaustive):**
  - (i) **No interest in the Underlying Equity.** The Notes are debentures and do not confer on or transfer to investors any right to or interest in the Underlying Equity during the term of the Notes. Investors will therefore not be entitled to receive any dividends, distributions or enjoy any other shareholder or unitholder entitlement during the tenor of the Notes.
  - (ii) **Credit Risk of the Equity Issuer.** As the value of the Notes is directly linked to the performance of the Underlying Equity, investors are subject to the credit risk of the Equity Issuer to the extent that the value of the Underlying Equity may be affected by the activities undertaken by the Equity Issuer or any financial or economic difficulties the Equity Issuer may face. A change in the value of the Underlying Equity will directly affect the value of the Notes.
  - (iii) **Market Access Notes.** The Notes are structured as market access notes. This means that although investors do not have any interest in the Underlying Equity, investors are nevertheless subject to all risks relating to the Underlying Equity (including but not limited to illiquidity and trading suspension of the Underlying Equity, equity price risk etc.) as of the Issue Date.
  - (iv) **Extension of Maturity Date.** The Issuer has a right (which may be exercised more than once) to extend the Maturity Date to such later date after the original scheduled maturity

date and in such circumstance, investors will only receive their Final Redemption Amount on such later maturity date.

#### **Buy back Arrangements**

- The Issuer may quote an indicative bid price for the Notes when the investor requests the Issuer to buy back the Notes. The price at which such buy-back will take place is the Note Executed Price. If a Buy-Back Date on which the Note Executed Price is to be determined is a Disrupted Day, then unless the Note Executed Price has already been determined in accordance with the terms of the Notes, the Market Agent will determine the Note Executed Price on the first succeeding Scheduled Trading Day that is not a Disrupted Day.

#### **Risk relating to synthetic Exchange Traded Funds**

- Where the Underlying Equity is an exchange-traded fund (“ETF”) designed to replicate the performance of an underlying index (or in some cases, a group of assets such as commodities) and exposure to the underlying index or assets is achieved by investing in derivative instruments designed to replicate the performance of the index or assets, such ETF will face the credit risk of its counterparties issuing such derivative instruments. Accordingly, investors in the Notes are also exposed to the credit risk of the counterparties who issued the derivatives in addition to the risks associated with the underlying index the performance of which the ETF is designed to replicate.

#### **Potential Adjustment Events, Extraordinary Events and Disrupted Day**

- If certain Potential Adjustment Events or Extraordinary Events occur, the Calculation Agent may be required or, as the case may be, permitted to make certain adjustments or amendments to the terms and conditions of the Notes. However, the Calculation Agent is not required to make an adjustment for every such event.
- In the case of Extraordinary Events, if the Calculation Agent determines that no adjustment that it could make will produce a commercially reasonable result, the Issuer will redeem all outstanding Notes, at the Early Redemption Amount. The Early Redemption Amount is likely to be substantially less than the original amount invested.
- Extraordinary Events include a Hedging Disruption. The Issuer may, from time to time, be restricted from dealing in certain stocks in compliance with applicable law, including any applicable code on take-overs and mergers. Given that the Issuer is an associated company of Temasek Holdings Private Limited (“Temasek”) and the holdings of the Issuer in any stocks may have to be aggregated with the holdings of Temasek and its numerous concert parties as defined in any applicable law (which may include its subsidiaries and associated companies) in such stocks, the Issuer may be more susceptible to restrictions in dealing in stocks. A Hedging Disruption may therefore be more likely to occur in respect of the Notes.
- If the Valuation Date is a Disrupted Day, then unless the Actual Executed Price has already been determined in accordance with the terms of the Notes: (i) the Actual Executed Price of the Underlying Equity shall be fixed on the first succeeding Scheduled Trading Day that is not a Disrupted Day, and (ii) if each of the eight Scheduled Trading Days immediately following the original date is a Disrupted Day, the Calculation Agent shall determine its good faith estimate of the Actual Executed Price of the Underlying Equity on that eighth Scheduled Trading Day. Where the Valuation Date is a Disrupted Day, the Maturity Date will also be postponed to the [third] Payment Day following such postponed Valuation Date. The investor will not be entitled to receive any further interest or compensation in respect of such postponement.

#### **Credit risk**

- The Notes are not secured by any collateral. The investor is taking on the credit risk of DBS Bank Ltd (as the Issuer of the Notes) with respect to all payments due under the Notes and the Equity Issuers. For more information on DBS Bank Ltd, including its financial conditions, you may go to [www.dbs.com](http://www.dbs.com) where you can obtain its latest annual statutory accounts. A printed copy of such statutory accounts is also available upon request.
- In the worst case scenario, where DBS Bank Ltd defaults on its payment obligations under the Notes, the investor will receive no interest payments and lose his original investment amount.

**Potential and Actual Conflicts of Interest**

- The Issuer plays a variety of roles in relation to the Notes, including acting as issuer of the Notes and Calculation Agent and hedging its obligations under the Notes. The Issuer and/or its subsidiaries and affiliates may also enter into, adjust and unwind transactions relating to the relevant Underlying Equity, whether for its or their proprietary accounts or for accounts under management or to facilitate transactions on behalf of customers or otherwise. The economic interests of the Issuer and/or its subsidiaries and affiliates in each such capacity may be opposed to the interests of the investors and potential and actual conflicts of interests may arise from the different roles played by the Issuer and its subsidiaries and affiliates. As a result, investors will be exposed to the operational risks arising from the potential or actual conflicts of interests of the Issuer and/or its subsidiaries and affiliates in assuming their duties and obligations in relation to and under any Notes.