



NOTIFICATION OF PRODUCT RISK RATING CHANGES

Client Frequently Asked Questions

Q1: Why are you informing me about changes to your product risk rating?

We aim to provide relevant and timely information to our clients. This helps our clients understand the appropriateness of a product relative to their risk appetite. In this way, our clients are able to make informed financial decisions with respect to their investment objectives, financial situation and needs.

Q2: How are products risk rated?

The product risk rating is based on the Bank's proprietary risk rating methodology which takes into consideration a variety of qualitative and quantitative factors. All investment products are rated on 5 risk levels (1 to 5; 1 being the lowest risk level, 5 being the highest risk level).

For any queries on the product risk ratings, you may wish to contact your Relationship Manager.

Q3: What are the key reasons for changes in the product risk rating?

The product risk ratings are reviewed from time to time based on (among other things) the latest information concerning the product to determine if a change to the product risk rating is warranted.

Separately, to stay relevant to the prevailing market conditions and new product innovations, the risk rating methodology is also subject to review periodically. A change in risk rating methodology may result in a change of risk rating of the product even though nothing specific about the product has changed.

Q4: Does the change in product risk rating affect the valuation or the outlook of the product that I have bought?

Product risk rating is an independent assessment of the product's investment risk based on historical information. It is not a forward-looking indicator nor predictor of the product's future performance. Product risk rating is primarily used as a guide for assessment of investment suitability. By itself, a change in product risk rating does not change nor affect the product's features and valuation.

Therefore, before making any decision on your product(s) based solely on the Bank's notification of product risk rating change(s), please contact your Relationship Manager who would be able to assist you with any queries you have with respect to your investment objectives, financial situation and particular needs.



Q5: How often will the Bank review and update the product risk rating?

The review is usually performed semi-annually, but selected products may be subject to more regular or ad-hoc review.

The risk rating methodology is also subject to regular review and revision, and product risk rating may be impacted arising from a change in the methodology. There is no pre-determined frequency for updating the methodology.

Q6: I have bought a similar investment product from the Bank and another bank. Why do they have different risk rating?

Each investment product typically faces a variety of quantitative and qualitative investment risk. Each financial institution has its own proprietary product risk rating methodology that focuses on different aspects of investment risks.

More importantly, risk calibration scales may also differ, e.g. some other banks may not have 5 risk levels which the Bank currently adopts. Among the other banks with 5 risk levels, the risk calibration between the risk levels may also differ. These differences may result in a different product risk rating, even if the same factors are used to determine the risk rating.

Important Note:

Although DBS Bank Ltd. (the "Bank") has its own internal guidelines relating to the sale or distribution of products to help customers assess the suitability of the investment products against their risk appetite, financial needs and investment objectives before they make any investment decision, customers are entirely responsible for assessing, satisfying and determining for themselves if any investment to be entered into is in their best interest. The Bank does not assume any fiduciary responsibility or liability for any investment decision made by customers.

The Notification of Product Risk Rating changes and FAQ publication are meant to be informative and for general purposes only. They do not constitute an offer, invitation, recommendation or solicitation of any action based upon it and should not be viewed as identifying or suggesting all risks, direct or indirect, that may be associated with any investment decision. They do not take into account customers' individual needs, investment objectives and specific financial circumstances and customers should read the relevant offering documents (including the prospectus, if any) and/or obtain separate legal or financial advice regarding the suitability of the product, having regard to their specific investment objective, financial situation and particular needs before deciding to subscribe for or purchase any product. Customers should consider the suitability of the investment product, taking into account their specific investment objectives, market events, financial situation, particular needs and the risk factors contained in the relevant offer documents.