

Advance Asia Account SGD Equity-Linked Structured Deposit – Tranche B

Quarterly Update – Dec 2010

Product Features¹

Advance Asia Account Tranche B is a 3-Year 11-Month Index-Linked Structured Deposit designed for you seeking alternative investments whose return is linked to the performance of the underlying Equity Indices: the KOSPI 200 Index (KOSPI2), the Hang Seng Index (HSI) and the MSCI Singapore Free Index (SGY).

The Structured Deposit will pay you interest at a rate of 3.88% after 6 months. There are 3 potential Equity Payouts linked to the performance of the 3 underlying Equity Indices at the 1 Year 11 Months, 2 Year 11 Months and 3 Year 11 Months period. The Bank will return your full Principal at maturity.

Equity Payout Rate = $\{(40\% \times \text{AAIR}_{\text{Best}}) + (40\% \times \text{AAIR}_{\text{Second Best}}) + (20\% \times \text{AAIR}_{\text{Least}})\}$

$\text{AAIR}_{\text{Best, Second Best, Least}}$ – Average Annual Index Return of the Best, Second Best and Least Performing Index for the relevant Annual Observation Period

$\text{AAIR} = \frac{1}{4} \times \text{Sum of Quarterly Resettable Index Returns}$

Quarterly Resettable Index Returns = $100\% \times (\text{Closing Level}_{\text{fixing date}} - \text{Closing Level}_{\text{Preceding}}) / \text{Closing Level}_{\text{Preceding}}$
(subject to a minimum of -4.8% and a maximum of 4.8%)

Product Details

Value Date	24 Mar 2008
Maturity Date	9 Mar 2012
Initial Price	100%
Price as at 31 Dec 2010	100.51%
Accumulated Total Coupon (%)	6.6926%
Next Payout Date	10 Mar 2011

Product Update As at 31 Dec 2010, this product paid you a payout of 6.6926% of the principal amount.

The price of this product is affected by many factors including, but not limited to, the prevailing underlying Equity Index levels, and the prevailing interest rates.

Please refer to the appendix for details of the fixings.

This Quarterly Update contains a brief description of the product named herein and is not intended in any way to replace the terms of the product as set out in the relevant termsheet. In the event of any inconsistency between the terms in this Quarterly Update and the provisions in the relevant termsheet, the provisions in the relevant termsheet shall prevail. You should therefore refer to the relevant termsheet for the full details, definitions and terms of the product.

¹ Disclaimer: This document is prepared for information only and is intended solely for the reader who has invested in the product(s) mentioned in this document. This document does not constitute a recommendation to the reader to take any action regarding any of his investments or enter into any transaction in relation to any of his investments and the information herein is not to be taken in substitution for the exercise of judgment by the reader, who should obtain his own advice on relevant matters. DBS Bank Ltd (the **Bank**) is not acting as the reader's adviser or in a fiduciary capacity in respect of this document, and accepts no liability whatsoever for any direct, indirect or consequential loss arising from the use or reliance of this document or its contents, which does not have any regard to the particular needs of any person.

Information provided in this document regarding the product and the entity(ies) underlying the product (if any) are not an indication, prediction or forecast of the future or likely performance of such product and underlying entity(ies) (if any). The opinions expressed herein are subject to change without notice and may involve a number of assumptions, which may not be valid. This document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this document. There can be no assurance that future results or events will be consistent with any description or statement in this document. The information in this document is subject to change without notice, and although the information contained herein has been taken from sources that are believed to be accurate, its accuracy is not guaranteed, and it may be incomplete or condensed. Accordingly, no representation or warranty, express or implied, is made by the Bank as to the accuracy, completeness or correctness of the information in this document.

This document may not be reproduced, redistributed or passed on directly or indirectly, to any other person or published, in whole or in part, for any purpose. By receiving or accessing this document, you agree to be bound by the foregoing restrictions.

Underlying Reference:

Index	Bloomberg Ticker	Exchange
Hang Seng Index	HSI Index	Hong Kong Stock Exchange
MSCI Singapore Free Index	SGY Index	Singapore Stock Exchange
KOSPI 200 Index	KOSPI2 Index	Korea Stock Index

Appendix

Performance of Underlying

Previous Quarterly Resettable Index Returns

	HSI	QTR RETURNS %	SGY	QTR RETURNS %	KOSPI2	QTR RETURNS %
24-Feb-2009	12,798.5200		195.9000		137.8200	
25-May-2009	17,121.8200	4.8000	273.4100	4.8000	178.5700	4.8000
24-Aug-2009	20,535.9400	4.8000	314.5200	4.8000	210.6000	4.8000
24-Nov-2009	22,423.1400	4.8000	334.2500	4.8000	211.9200	0.6268
24-Feb-2010	20,467.7400	-4.8000	331.4800	-0.8287	210.9200	-0.4719
	SUM OF 4 QTRLY INDEX RESETTABLE RETURNS	9.6000		13.5713		9.7549
	AVERAGE ANNUAL INDEX RETURNS	2.4000		3.3928		2.4387

1st Annual Equity Payment made on 10 Mar 2010

$$= \{(40\% \times \text{AAIR}_{\text{Best}}) + (40\% \times \text{AAIR}_{\text{Second Best}}) + (20\% \times \text{AAIR}_{\text{Least}})\} = \mathbf{2.8126}$$

Current Quarterly Resettable Index Returns

	HSI	QTR RETURNS %	SGY	QTR RETURNS %	KOSPI2	QTR RETURNS %
24-Feb-2010	20,467.74		331.48		210.92	
25-May-2010	19,667.76	-3.9085	324.15	-2.2113	210.27	-0.3082
24-Aug-2010	20658.71	4.8000	343.39	4.8000	229.42	4.8000
24-Nov-2010	23023.86	4.8000	368.93	4.8000	252.38	4.8000