

Honey Account Tranche B SGD Equity-Linked Structured Deposit –

Quarterly Update – Dec 2010

Product Features¹

Honey Account Tranche B is a 6-Year Equity-Linked Structured Deposit designed for you seeking alternative investments whose return is linked to the performance of 20 underlying shares.

The Structured Deposit will pay you interest at a rate of 3.8% on 14 December 2005. There are 5 Potential Payouts on the 28th day of September in each year from 2007 to 2011, provided there is no Early Redemption by the Bank.

The Potential Payout Rate is the Annual Returns of all 20 Shares for each Potential Payout Date, subject to a minimum of 0%.

Annual Return: (a) 4.5% if the Average Price of that Share is for the first time, above its Initial Price

(b) Individual Stock Return, if the Average Price of that Share is equal to or below its Initial Price

Provided that once a Share is assigned an Annual Return of 4.5% on any Potential Payout Date, the Annual Return of that Share for all subsequent Potential Payout Dates will be 4.5%, regardless of how the Average Price of that Share for the subsequent dates compares with its Initial Price

Individual Stock Return: $(\text{Average price} - \text{Initial Price}) / \text{Initial Price}$

Average Price: the arithmetic mean of the official closing prices of such Share quoted by the relevant Stock Exchange on each of the 3 Fixing Dates immediately such Potential Payout Date

Initial Price: the closing price of such Share quoted by the relevant Exchange on the Deposit Value Date

Early Redemption occurs when the average of the Annual Returns of the 5 Least performing Shares is equal or higher than -5% on any Potential Payout Date

5 Least Performing Shares: the 5 Shares with the lowest Annual Return for that Potential Payout Date

In the event of an Early Redemption, the Bank will fully redeem the Structured Deposit and pay the Bonus Payout, which is 4.5% of the Principal Amount.

The Bank will return your full Principal at maturity or (if applicable) upon Early Redemption by the Bank.

Product Details

Value Date	14 Sep 2005
Maturity Date	28 Sep 2011
Initial Price	100%
Price as at 31 Dec 2010	98.56%
Accumulated Total Coupon (%)	4.2569%
Next Payout Date	28 Sep 2011

Product Update
As at 31 Dec 2010, this product paid you a fixed payout of 4.2569% of the principal amount.

The price of this product is affected by many factors including, but not limited to, the prevailing underlying Share prices.

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.

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Underlying Reference:

Share Issuer	Bloomberg Ticker	Exchange
Apple Computer Inc	AAPL UQ	NASDAQ Stock Exchange
Caterpillar Inc	CAT UN	New York Stock Exchange
China Mobile Hong Knog Ltd	941 HK	Hong Kong Stock Exchange
E.ON AG	EOA GY	Xetra Stock Exchange
Exxon Mobile Corp	XOM UN	New York Stock Exchange
Motorola Inc	MOT UN	New York Stock Exchange
Newmont Mining Corp	NEM UN	New York Stock Exchange
Nippon Steel Corp	5401 JT	Tokyo Stock Exchange
Oil Service Holdrs Trust	OIH UA	American Sotck Exchange
Phelps Dodge Corp	PD UN	New York Stock Exchange
Philips Electonics NV	PHIA NA	EN Amsterdam
Schlumberger Ltd	SLB UN	New York Stock Exchange
Suez SA	SZE FP	Euronext Paris
Sun Hung Kai Properties Ltd	16 HK	Hong Kong Stock Exchange
Texas Instruments Inc	TXN UN	New York Stock Exchange
Toshiba Corp	6502 JT	Tokyo Stock Exchange
UnitedHealth Group Inc	UNH UN	New York Stock Exchange
Wal-Mart Stores Inc	WMT UN	New York Stock Exchange
Wyeth	WYE UN	New York Stock Exchange
Yahoo! Inc	THOO UQ	NASDAQ Stock Exchange

Appendix

Payout History Fixing for First Potential Payout

	Fixing date	Apple Computer Inc	Caterpillar Inc	China Mobile Hong Kong Ltd	E.ON AG	Exxon Mobil Corp	Motorola Inc	Newmont Mining Corp	Nippon Steel Corp	Oil Service Holdrs Trust	Freeport-McMoRan Copper & Gold Inc	Philips Electronics NV	Schlumberger Ltd	Suez SA	Sun Hung Kai Properties Ltd	Texas Instruments Inc	Toshiba Corp	UnitedHealth Group Inc	Wal-Mart Stores Inc	Wyeth	Yahoo! Inc
Initial Price	14-Sep-05	49.6100	58.3000	34.7500	77.5500	62.4700	23.8700	43.9400	336.0000	118.5300	26.8868	22.2500	41.4250	24.0600	82.2500	33.9500	471.0000	52.9400	44.7000	45.2000	33.8000
Fixing Date for 1 st Potential Payout	14-Sep-07	138.8100	73.1600	108.5000	125.8200	88.6700	16.9700	45.3500	776.0000	184.4000	97.7000	30.5000	100.3700	38.8400	121.0000	34.6800	949.0000	49.9100	43.3200	46.3400	24.7300
	17-Sep-07	138.4100	73.6900	106.8000	126.7300	89.2600	16.8300	45.2100	760.0000	182.7300	97.0700	30.1900	99.6300	38.9000	115.6000	34.6800	949.0000	49.9500	43.3200	45.6500	24.9500
	18-Sep-07	140.9200	77.4600	106.2000	125.8100	91.7600	17.2300	45.9900	794.0000	186.1000	103.3200	30.6000	104.9300	39.3300	115.9000	34.7800	986.0000	50.1000	44.4400	45.7000	25.0600
Average Price of such Share as of such Interest Payment Date / Return (%)		139.3800	74.7700	107.1667	126.1200	89.8967	17.0100	45.5167	776.6667	185.0767	99.3633	30.4300	101.6433	39.0233	117.5000	34.6800	961.3333	49.9867	43.6933	45.8967	24.9133
		180.9514	26.2504	208.3933	62.6306	43.9037	-28.7390	3.5882	131.1508	56.1433	269.5618	36.7640	145.3671	62.1917	42.8571	2.1502	104.1047	-5.5786	-2.2521	1.5413	-26.2919
Boost (%)		4.5000	4.5000	4.5000	4.5000	4.5000	-28.7390	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	-5.5786	-2.2521	4.5000	-26.2919

Total Return of 20 underlying shares = (4.50% x 16) + (-28.7390%) + (-5.5786%) + (-2.2521%) + (-26.2919%) = 9.1384%

Average Annual Return = 9.1384%/20 = 0.4569%

Therefore the 1st potential payout paid on 28 September 2007 = 0.4569%

Please note the following:

Schlumberger Ltd – Initial price was divided by 2 following the 2 for 1 stock split on 10 April 2006

* Phelps Dodge Corp has been replaced by Freeport-McMoRan Copper & Gold Inc due to the delisting of Phelps Dodge Corp on 20 March 2007 following the acquisition by Freeport-McMoRan Copper & Gold Inc.

Fixing for Second Potential Payout

	Fixing date	Apple Computer Inc	Caterpillar Inc	China Mobile Hong Kong Ltd	E.ON AG [@]	Exxon Mobil Corp	Motorola Inc	Newmont Mining Corp	Nippon Steel Corp	Oil Service Holdrs Trust	Freeport-McMoRan Copper & Gold Inc [#]	Philips Electronics NV	Schlumberger Ltd [#]	GSZ FPA [^]	Sun Hung Kai Properties Ltd	Texas Instruments Inc	Toshiba Corp	UnitedHealth Group Inc	Wal-Mart Stores Inc	Wyeth	Yahoo! Inc
Initial Price							23.8700											52.9400			33.8000
Fixing Date for 2 nd Potential Payout	15-Sep-08						7.6500											28.0100			18.8500
	16-Sep-08						7.2400											26.7800			19.2600
Payout	17-Sep-08			Not applicable			6.8200						Not applicable					25.5100	Not applicable		18.8200
Average Price							7.2367											26.7667			18.9767
Individual Stock Return (%)							-69.6830											-49.4396			-43.8560
Enriching Honey Effect (%)		4.5000	4.5000	4.5000	4.5000	4.5000	-69.6830	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	-49.4396	4.5000	4.5000	-43.8560

Total Return of 20 underlying shares = (4.50% x 17) + (-69.6830%) + (-49.4396%) + (-43.8560%) = -86.4786%

Average Annual Return = -86.4786%/20 = -4.3239%

Therefore the 2nd potential payout paid on 28 September 2008 = 0.0000%

Please note the following:

Schlumberger Ltd – Initial price was divided by 2 following the 2 for 1 stock split on 10 April 2006

* Phelps Dodge Corp has been replaced by Freeport-McMoRan Copper & Gold Inc due to the delisting of Phelps Dodge Corp on 20 March 2007 following the acquisition by Freeport-McMoRan Copper & Gold Inc.

^ Suez SA has been replaced by GDF Suez following the merger with Gaz de France on 22 July 2008.

@ E.ON AG - 3 for 1 stock split on 4 August 2008

Fixing for Third Potential Payout

	Fixing date	Apple Computer Inc	Caterpillar Inc	China Mobile Hong Kong Ltd	E.ON AG [@]	Exxon Mobil Corp	Motorola Inc	Newmont Mining Corp	Nippon Steel Corp	Oil Service Holdrs Trust	Freeport-McMoRan Copper & Gold Inc [*]	Philips Electronics NV	Schlumberger Ltd [#]	GSZ FP [^]	Sun Hung Kai Properties Ltd	Texas Instruments Inc	Toshiba Corp	UnitedHealth Group Inc	Wal-Mart Stores Inc	Wyeth	Yahoo! Inc	
Initial Price							23.8700															
Fixing Date for 2nd Potential Payout	15-Sep-09						8.7900															
	16-Sep-09						9.2000															
	17-Sep-09						9.1600															
Average Price							9.0500															
Individual Stock Return (%)							-62.0863															
Enriching Honey Effect (%)		4.5000	4.5000	4.5000	4.5000	4.5000	-62.0863	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	4.5000	-46.0081	4.5000	4.5000	-51.7061

Total Return of 20 underlying shares = (4.50% x 17) + (-62.0863%) + (-46.0081%) + (-51.7061%) = -83.3005%

Average Annual Return = -83.3005%/20 = -4.165%

Therefore the 3rd potential payout paid on 28 September 2009 = 0.0000%

Please note the following:

[#] Schlumberger Ltd – Initial price was divided by 2 following the 2 for 1 stock split on 10 April 2006

^{*} Phelps Dodge Corp has been replaced by Freeport-McMoRan Copper & Gold Inc due to the delisting of Phelps Dodge Corp on 20 March 2007 following the acquisition by Freeport-McMoRan Copper & Gold Inc.

[^] Suez SA has been replaced by GDF Suez following the merger with Gaz de France on 22 July 2008.

[@] E.ON AG - 3 for 1 stock split on 4 August 2008

Fixing for Fourth Potential Payout

	Fixing date	Apple Computer Inc	Caterpillar Inc	China Mobile Hong Kong Ltd	E.ON AG [@]	Exxon Mobil Corp	Motorola Inc	Newmont Mining Corp	Nippon Steel Corp	Oil Service Holdrs Trust	Freeport-McMoRan Copper & Gold Inc [*]	Philips Electronics NV	Schlumberger Ltd [#]	GSZ FP [^]	Sun Hung Kai Properties Ltd	Texas Instruments Inc	Toshiba Corp	UnitedHealth Group Inc	Wal-Mart Stores Inc	Wyeth	Yahoo! Inc	
Initial Price							23.87															
Fixing Date for 2nd Potential Payout	14-Sep-10						8.25															
	15-Sep-10						8.36															
	16-Sep-10						8.41															
Average Price							8.3400															
Individual Stock Return (%)							-65.0607															
Enriching Honey Effect (%)		4.50	4.50	4.50	4.50	4.50	-65.0607	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	-35.0711	4.50	4.50	-58.4615
Total Return of all 20 Shares (%)																						
Average Annual Return (%)																						
Potential Payout Date																						

Total Return of 20 underlying shares = (4.50% x 17) + (-65.0607%) + (-35.0711%) + (-58.4615%) = -82.0934%

Average Annual Return = -82.0934%/20 = -4.1047%

Therefore the 4th potential payout paid on 28 September 2010 = 0.0000%

Please note the following:

[#] Schlumberger Ltd – Initial price was divided by 2 following the 2 for 1 stock split on 10 April 2006

^{*} Phelps Dodge Corp has been replaced by Freeport-McMoRan Copper & Gold Inc due to the delisting of Phelps Dodge Corp on 20 March 2007 following the acquisition by Freeport-McMoRan Copper & Gold Inc.

[^] There is a corporate action on Freeport-McMoran Equity (FCX US) for Special Cash: USD 1 on Ex-Div Date: 09 Dec 2010.

[^] Suez SA has been replaced by GDF Suez following the merger with Gaz de France on 22 July 2008.

[@] E.ON AG - 3 for 1 stock split on 4 August 2008

Performance Update

The zero payout was due to the negative returns of Motorola, United Health Group Inc and Yahoo! Inc. Please see below for more news on the three companies.

1. Motorola Solutions Inc (MSI US) (Source: Bloomberg 16 Nov 2010, 1 Dec 2010, 4 Jan 2011)

Motorola Solutions, Inc., formerly Motorola, Inc., completed its spinoff into Motorola Mobility and Motorola Solutions on 4 January 2011. Under the terms of the distribution, Motorola, Inc. stockholders received 1 share of Motorola Mobility common stock for every 8 shares of Motorola common stock they held. Motorola, Inc. also effected a 1-for – 7 reverse stock split of Motorola common stock on the same day. Despite the spinoff and stock split, the share price remained sluggish as it faced continuous competition in the cell phone handset arena. Motorola was running in second place globally in the handset business as late as 2007 but it has since tumbled to a current seventh place.

2. United Health Group Inc (UNH US) (Source: Bloomberg 23 Dec 2010)

Despite UnitedHealth Group significant market presence, strong earnings from diversified health care operations in multiple states as well as from a growing non-regulated business, its share price remained below its initial price levels registered in 2005. Offsetting factors include its high financial leverage, which stood at 30.1% as at 30 September 2010. Its high level of goodwill to equity ratio (above 100%) due to the organization's numerous acquisitions also weighed on its share price. Aside, there is concern that United Health's future regulated earning may decline driven by mandatory rebates and higher medical loss ratios. Its share closed at USD36.11 at the end of 2010.

3. Yahoo! Inc (YHOO US) (Source: Bloomberg 13 Dec 2010, 30 Dec 2010, 2 Jan 2011)

Yahoo! Inc. continued its slide from its position as the world's dominant search engine (in the late 1990s). Following the footsteps of Google and Microsoft, Facebook overthrew Yahoo to become the world's third largest website. As measured by ComScore, Yahoo's visitor numbers remained flat (around 630 million per month) over the past year while Facebook grew to 648 million per month. Despite its many rounds of restructuring and layoffs, it still faces an uphill challenge to spur growth and increase revenue. Its margin from its display advertising market will continue to come under pressure, especially from competitors such as Google and Facebook. Its share price closed at USD 16.63 at the end of 2010.

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