

Consistency and sustained growth

DBS Group Holdings 3Q 2006 financial results

October 27, 2006

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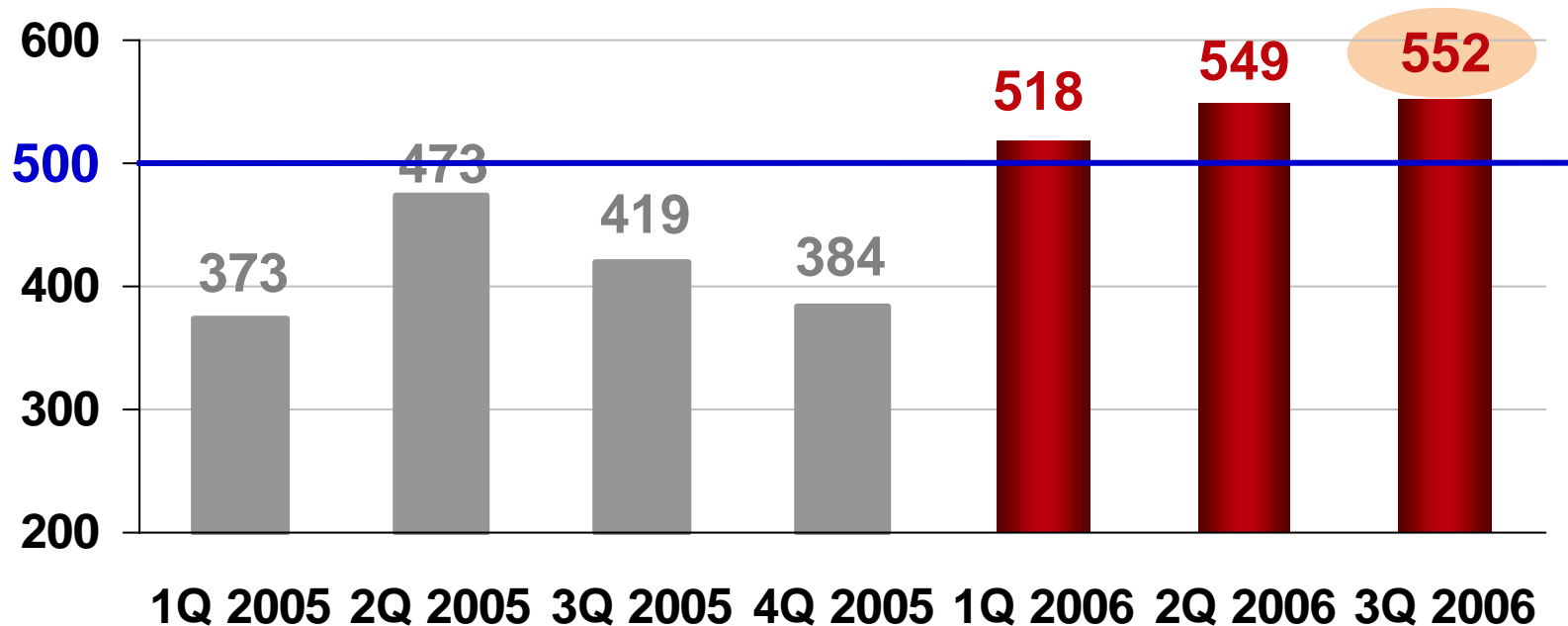
Quarterly net profit surpassed \$500 million for three consecutive quarters

3Q 2006 net profit

↑ 1% from 2Q 2006

↑ 32% from 3Q 2005

(S\$ million) (a)



(a) Net profit excludes one-off gains and goodwill charge

Nine Months 2006 net profit almost the same as full-year 2005; up 28% from a year ago

(S\$ million)	FY 2005	9M 2006	9M 2005	YoY % Growth
Net profit (a)	1,649	1,619	1,265	↑ 28%
Return on equity	9.7%	12.4%	10.0%	↑ 2.4% ^(b)
Return on assets	0.93%	1.14%	0.94%	↑ 0.20% ^(b)

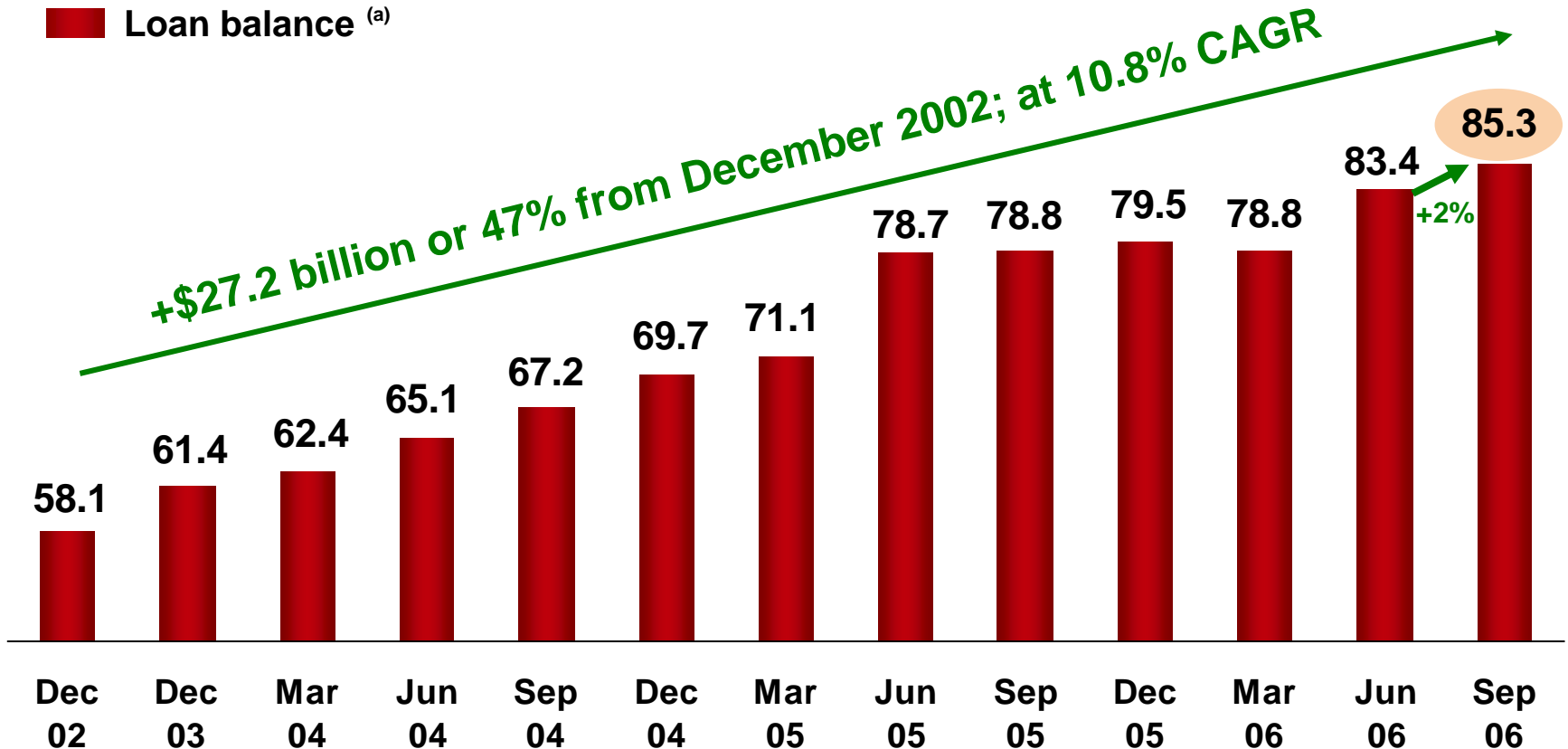
(a) Net profit excludes one-off gains and goodwill charge

(b) Growth rate refers to absolute change

Sustained growth: DBS customer loans grew \$27 billion or 47% since December 2002

(S\$ billion)

■ Loan balance ^(a)



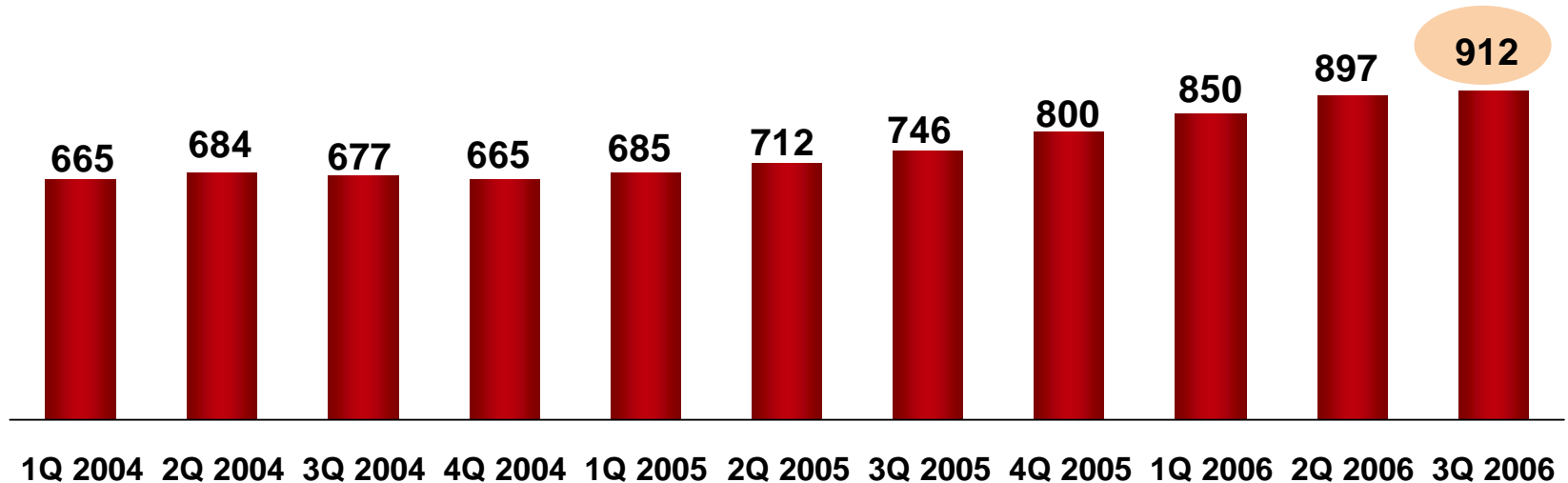
(a) Loan balance excludes DBS Thai Danu Bank's loans (deconsolidated in June 2004)

Sustained growth: Net interest income supported by margins and continued customer loan growth

- Net interest income rose seven consecutive quarters to \$912 million, a new record

(S\$ million)

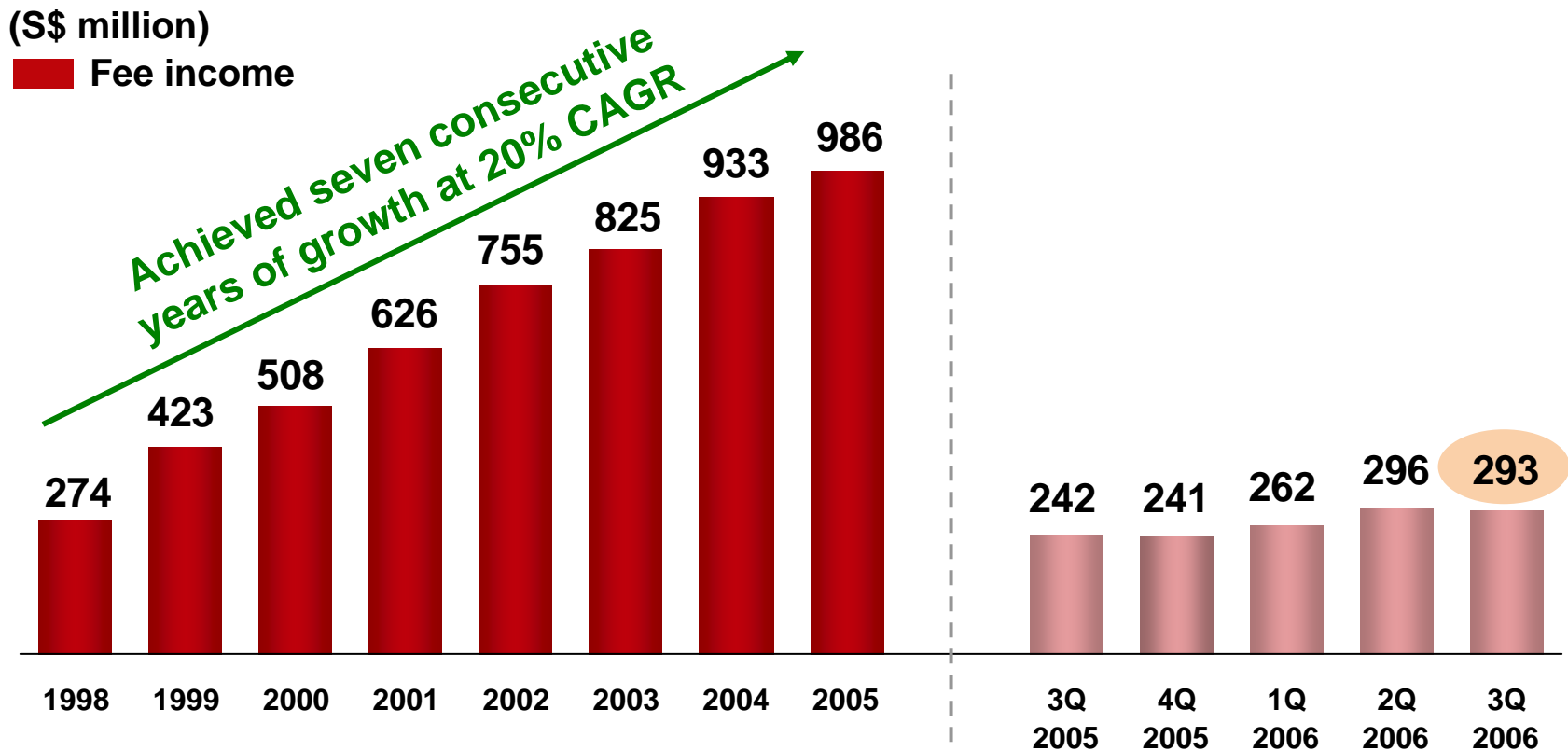
■ Net interest income



- Net interest margin at 2.17%; higher than 2005

Sustained growth: Fee income maintained at previous quarter's record level

- Fee income: \$293 million,  21% from a year ago
- Quarterly fee income now more than fees earned for full-year 1998



Continued strong operating results reflects commitment to be disciplined, consistent in performance

- **Customer franchise delivered broad-based loan growth, record net interest income, and sustained fee income**
- **Continued strong asset quality gives us latitude to support customers' growth throughout the region**

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Consistency and sustained growth

- Strong operating trends sustained**
- Better performance in Hong Kong**
- Balance sheet remains strong**

Operating profit up 34% on year as income trends sustained

(S\$m)

	3Q 2006	YoY %	QoQ %
Net interest income	912	22	2
Fee income	293	21	(1)
Trading income	70	>100	(33)
Other income	45	(30)	(20)
Non-interest income	408	33	(11)
Operating income	1,320	25	(3)
Staff costs	317	24	(1)
Other expenses	267	7	(2)
Operating expenses	584	16	(2)
Operating profit	736	34	(3)
Provisions	41	>100	(34)
Net profit	552	32	1

Excluding one-time gains

9M operating profit up 26% on year

(S\$m)

	9M 2006	YoY %
Net interest income	2,659	24
Fee income	851	14
Trading income	283	60
Other income	151	(5)
Non-interest income	1,285	19
Operating income	3,944	22
Staff costs	938	21
Other expenses	804	15
Operating expenses	1,742	18
Operating profit	2,202	26
Provisions	134	(9)
Net profit	1,619	28

Excluding one-time gains

Key 3Q and 9M ratios improve on year

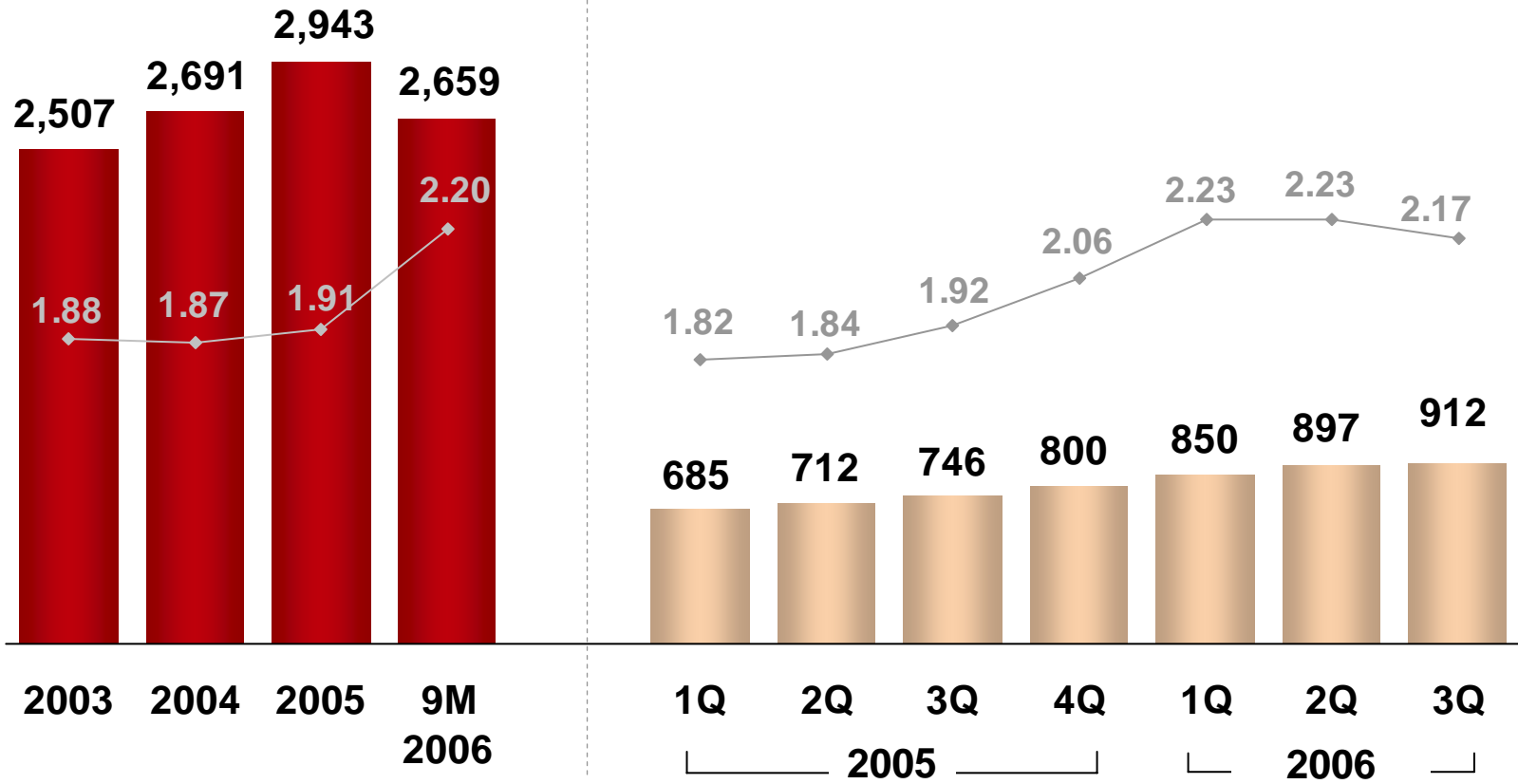
(%)	3Q 2006	2Q 2006	3Q 2005	9M 2006	9M 2005
Net interest margin	2.17	2.23	1.92	2.20	1.86
Fee income/total income	22	22	23	22	23
Non-interest income/total income	31	34	29	33	34
Cost/income	44	44	48	44	46
ROE	12.3	12.7	9.7	12.4	10.0
Loans/deposits	67	69	69	67	69
NPL ratio	1.8	1.9	2.0	1.8	2.0

Excluding one-time gains

Interest income at quarterly record

(S\$m)

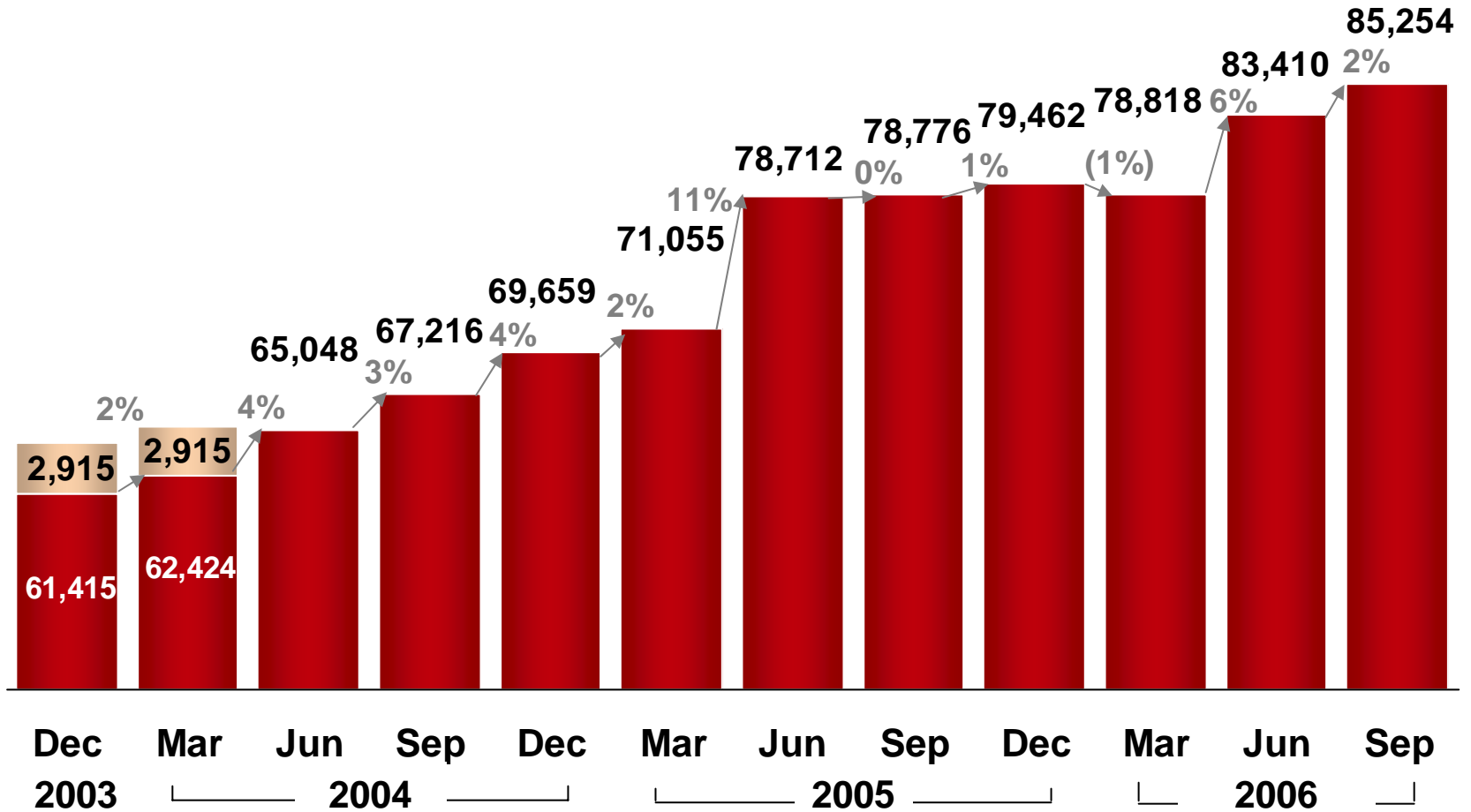
—◆— Net interest margin (%)



Loans up 8% on year

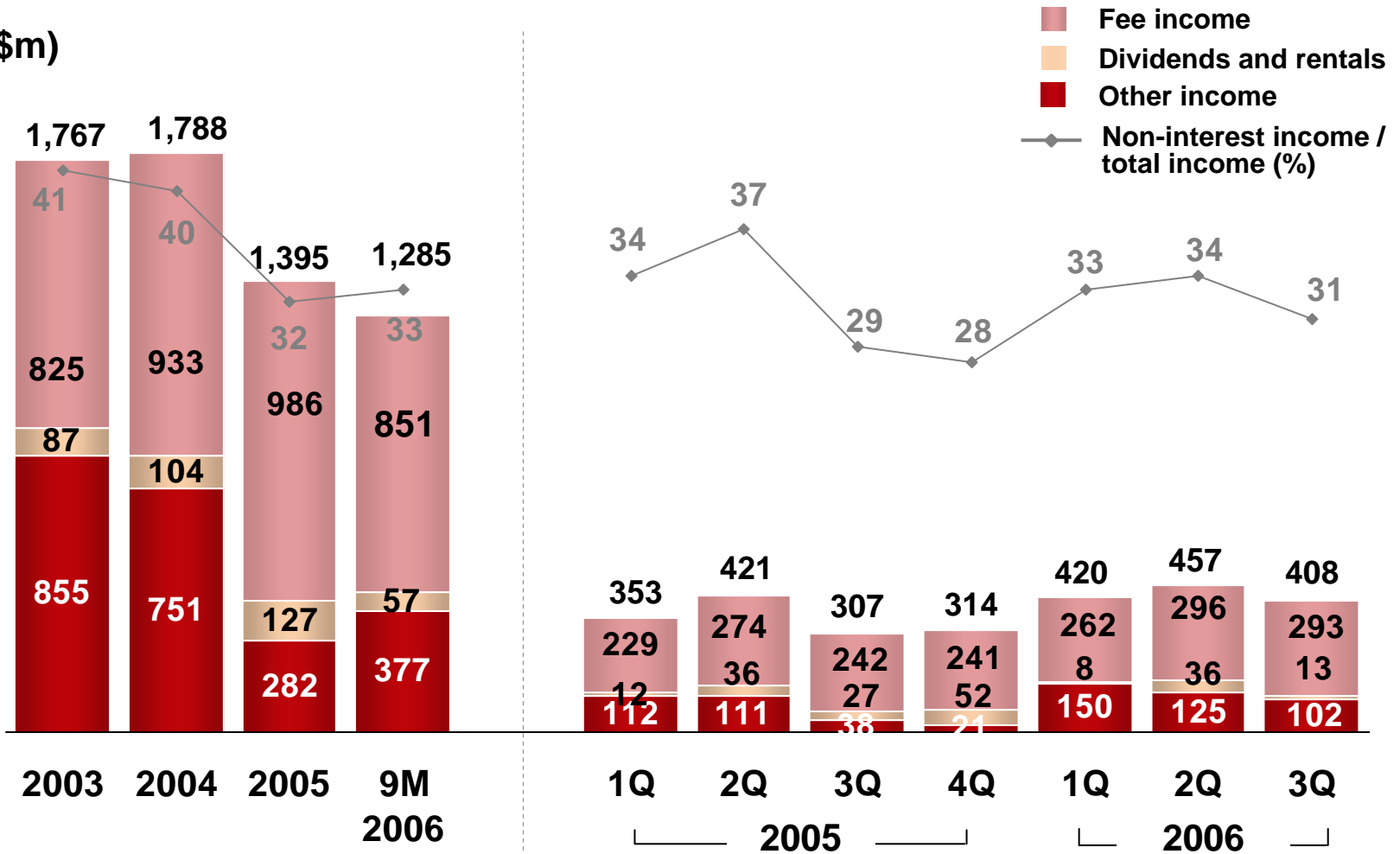
(S\$m)

DTDB loans



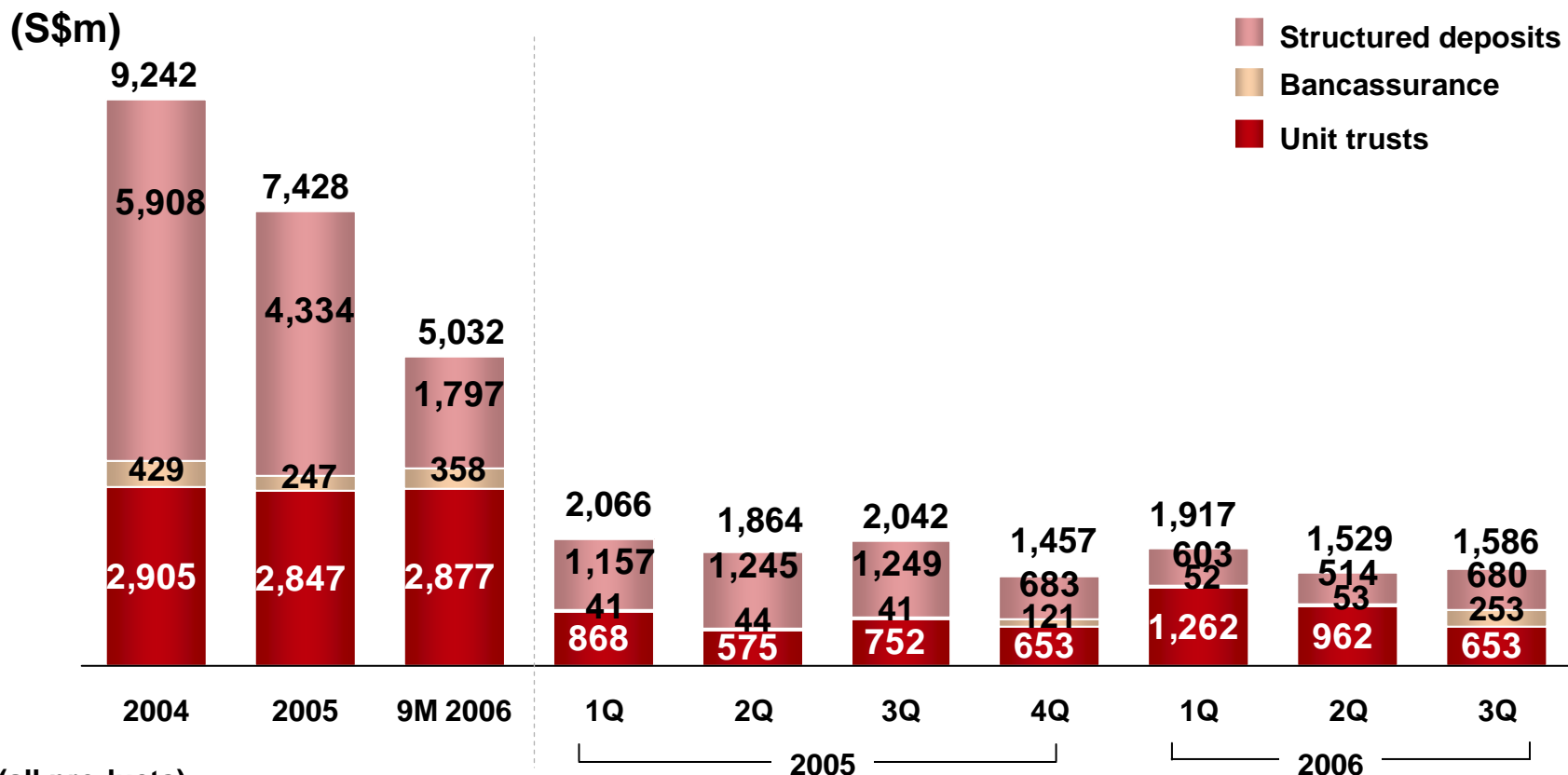
Fee income up 21% on year

(S\$m)



Excluding one-time gains

Wealth management sales slightly higher on quarter



Sales (all products)

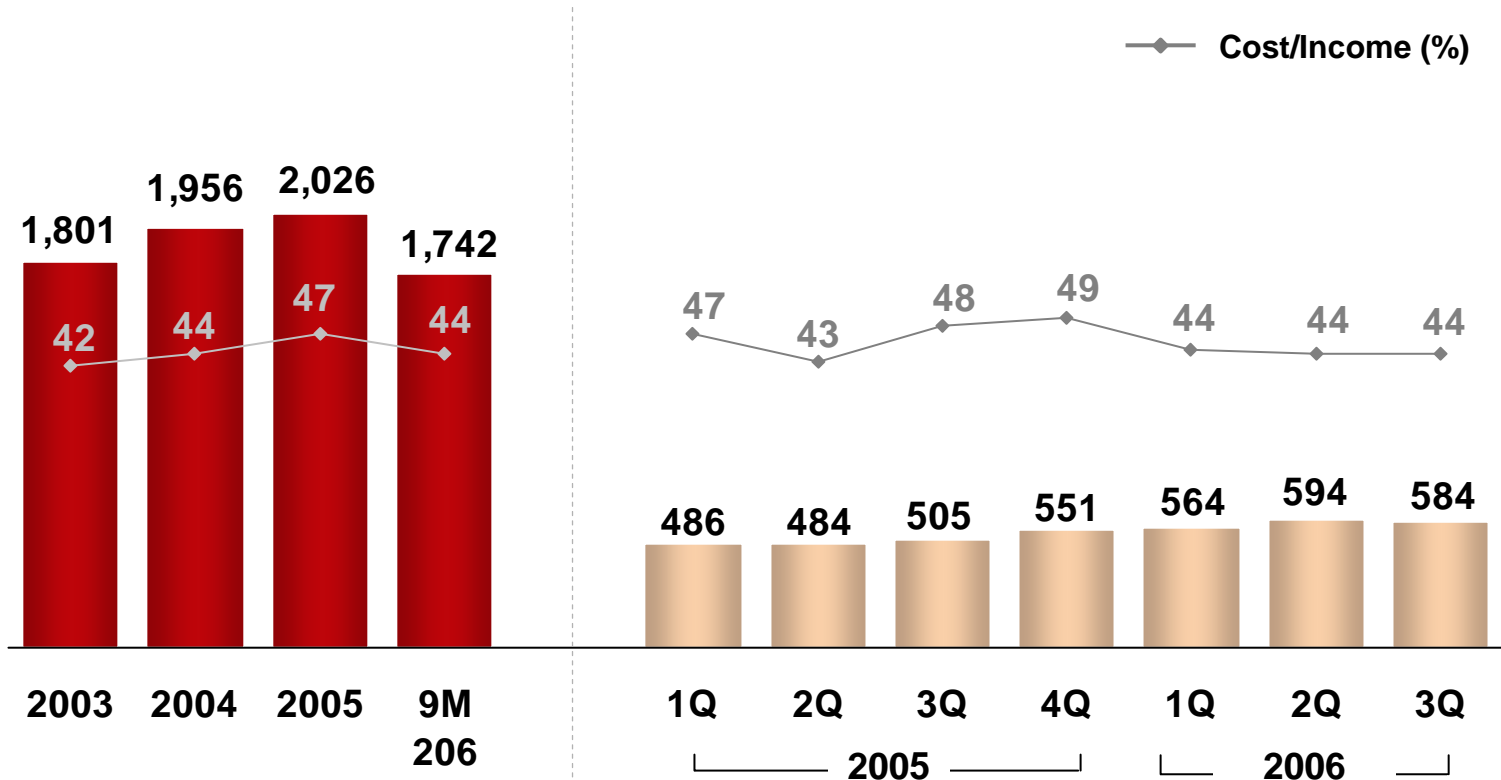
	2004	2005	9M 2006	2005 1Q	2005 2Q	2005 3Q	2005 4Q	2006 1Q	2006 2Q	2006 3Q
S'pore	3,874	3,560	2,535	963	794	1,128	675	1,031	786	718
HK	5,368	3,868	2,497	1,103	1,069	914	782	886	743	868

Fees (unit trusts and bancassurance only)

	2004	2005	9M 2006	2005 1Q	2005 2Q	2005 3Q	2005 4Q	2006 1Q	2006 2Q	2006 3Q
S'pore + HK	119	140	133	35	38	33	34	42	38	53

Cost-income ratio stable at 44%

(S\$m)



Headcount	12,144	11,454	12,728	12,670	11,649	12,090	12,562	12,728	12,673	12,453	12,670
Staff costs (S\$m)	876	993	1,052	938	265	253	255	279	300	321	317

Excluding one-time gains

Consistency and sustained growth

- ❑ Strong operating trends sustained
- ❑ Better performance in Hong Kong
- ❑ Balance sheet remains strong

Hong Kong's operating profit up 37% on year as recent performance sustained

(S\$m)

	3Q 2006	YoY %	QoQ %
Net interest income	291	18	2
Non-interest income	95	23	9
Operating income	386	19	3
Operating expenses	171	2	4
Operating profit	215	37	3
Provisions	27	>100	8
Net profit after tax	156	25	3

Figures for Hong Kong geographical basis and converted to S\$ using monthly closing rates.
Based on Singapore GAAP. Excluding one-time gains

Hong Kong's 9M operating profit up 39%

(S\$m)

	9M 2006	YoY %
Net interest income	855	27
Non-interest income	272	7
Operating income	1,127	22
Operating expenses	497	5
Operating profit	630	39
Provisions	71	>100
Net profit after tax	463	27

Figures for Hong Kong geographical basis and converted to S\$ using monthly closing rates.
Based on Singapore GAAP. Excluding one-time gains

Hong Kong's key ratios improve on year

(%)	3Q 2006	2Q 2006	3Q 2005	9M 2006	9M 2005
Net interest margin	2.49	2.56	2.26	2.56	2.10
Non-interest income/total income	25	23	24	24	27
Cost/income	44	44	52	44	51
ROA	1.22	1.23	1.02	1.26	1.03
Loans/deposits	75	76	77	75	77

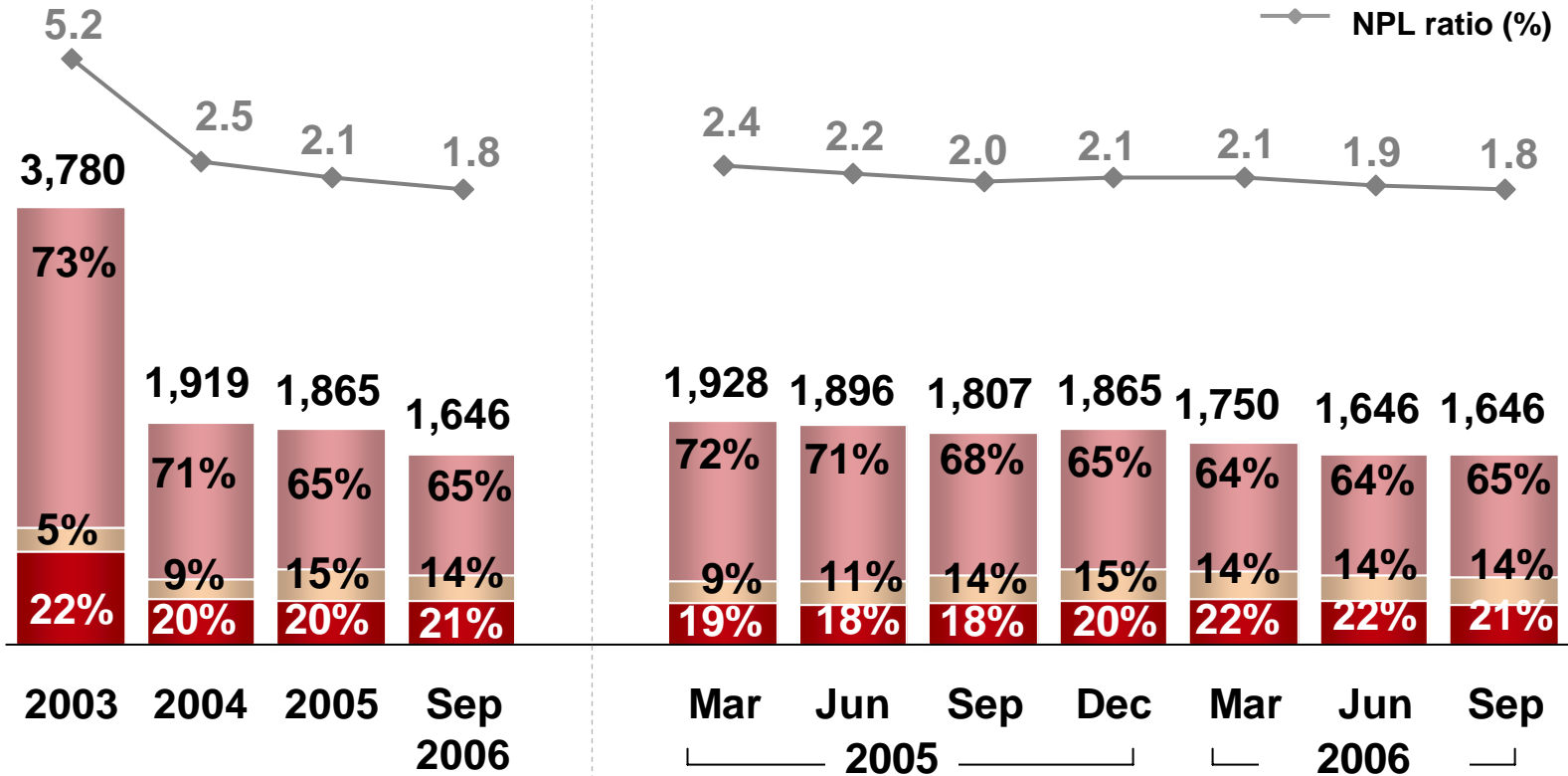
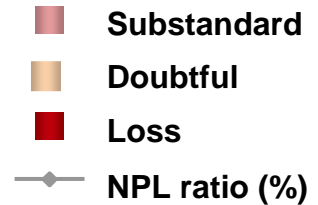
Excluding one-time gains

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NPL rate improves to 1.8%

(S\$m)



Non-performing assets unchanged on quarter

(S\$m)

	3Q 2006	2Q 2006	3Q 2005
NPAs at start of period	1,646	1,750	1,896
New NPAs	160	132	180
Net recoveries of existing NPAs	(99)	(163)	(225)
Write-offs	(61)	(73)	(44)
NPAs at end of period	1,646	1,646	1,807

Specific provision charges for loans are little changed

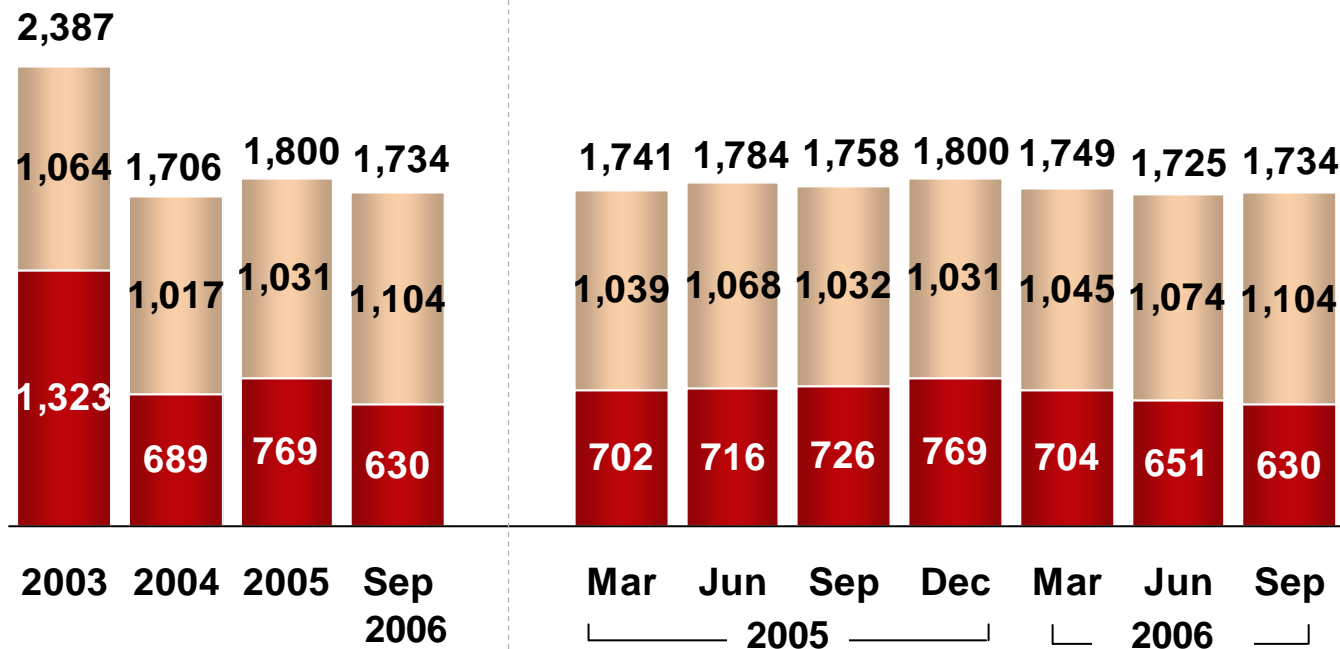
(S\$m)

	3Q 2006	2Q 2006	3Q 2005
<u>Add charges for</u>			
New NPLs	43	34	40
Existing NPLs	22	25	49
	65	59	89
<u>Subtract charges for</u>			
Upgrading	2	2	1
Settlements	32	19	39
Recoveries	4	5	19
	38	26	58
Total SP charges	27	33	30

Provision coverage at 105%

(S\$m)

GP
SP



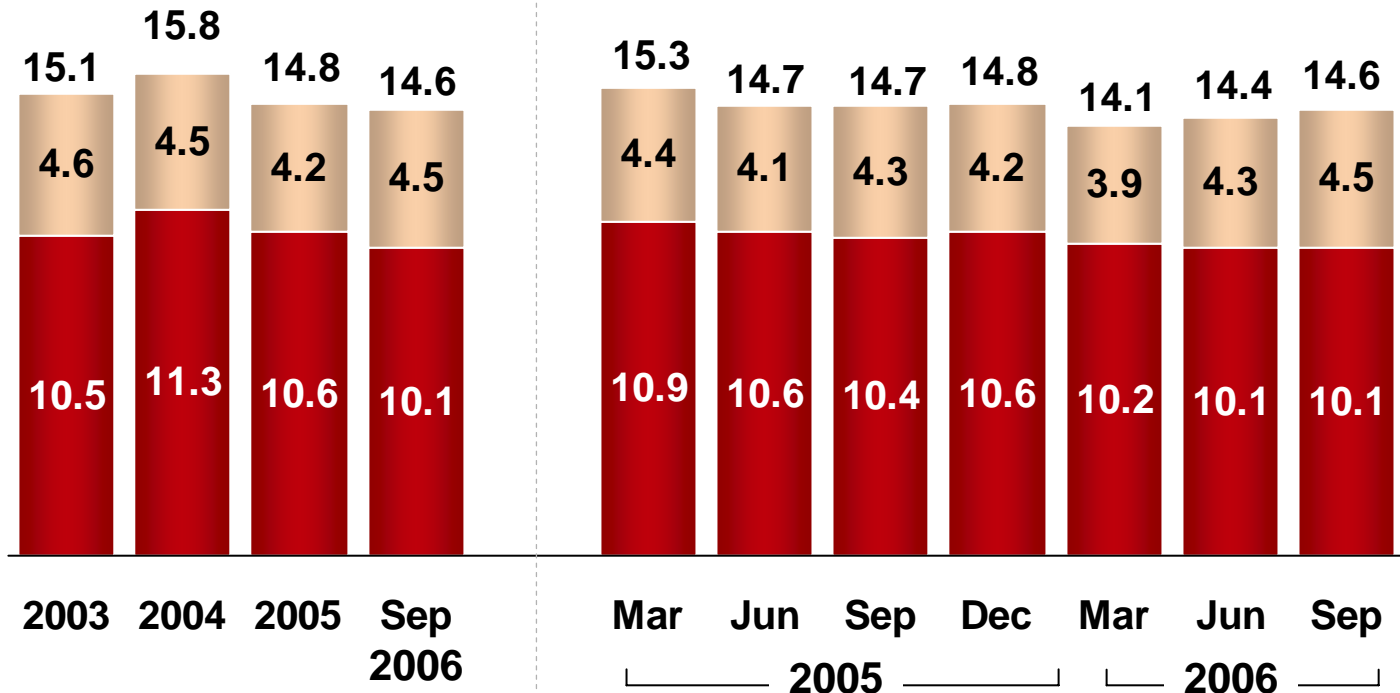
Coverage ratios (%)

SP+GP / Unsec NPAs	124	187	198	237	202	201	207	198	218	234	237
SP+GP / NPAs	63	89	97	105	90	94	97	97	100	105	105

CAR rises on quarter from new tier-2 issue

(%)

■ Tier-2
■ Tier-1

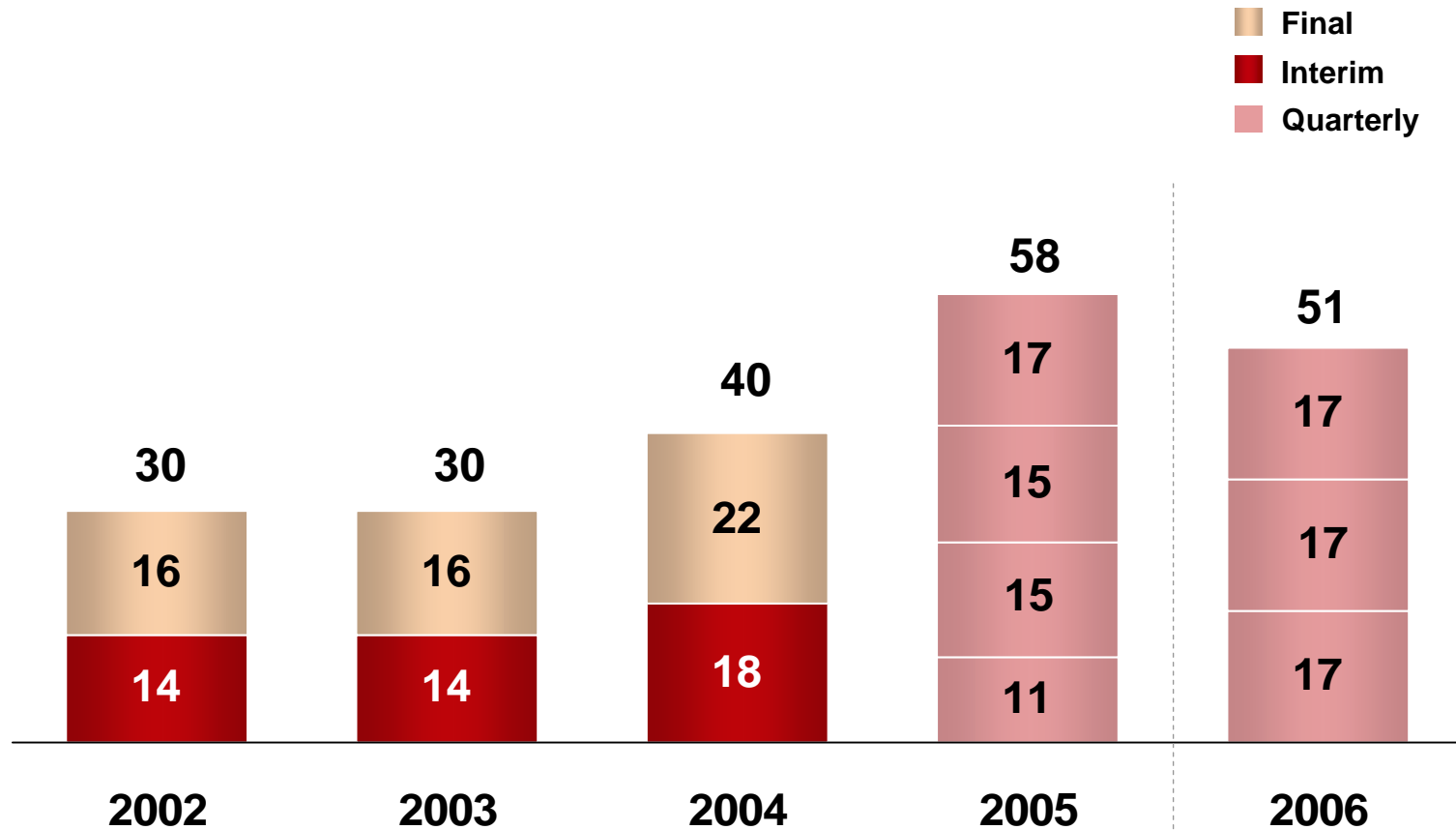


(S\$bn)

	2003	2004	2005	Sep 2006	Mar 2006	Jun 2006	Sep 2006				
Tier-1 capital	9.6	11.8	13.1	14.2	11.8	12.2	12.6	13.1	13.5	13.8	14.2
RWA	92.1	104.0	123.8	140.3	108.8	114.8	121.2	123.8	131.8	137.4	140.3

9M dividends up 24% to 51 cents per share

(S¢)



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