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DBS GROUP HOLDINGS LTD.

(Registration No. 199901152M)

(Incorporated in the Republic of Singapore)

Trading Update 22 December 2008

This statement has been prepared by DBS in connection with its underwritten rights issue of new ordinary shares, details of which are released in a separate announcement. All comparisons are made on a quarter-on-quarter basis unless otherwise stated.

DBS' customer-related businesses have remained resilient while markets-related activities continued to be impacted by the effects of the disruptions in global financial markets.

Total income has been relatively stable reflecting the core strength of the DBS franchise, although certain revenue components may be marginally impacted by market movements through the end of the year. Net interest income is expected to increase, driven by higher asset and customer deposit volumes. While slower macroeconomic conditions are expected to moderate loan demand in the coming quarters, loan growth has continued to benefit from the momentum of previous quarters. Liquidity continues to be strong with ongoing net inflows of customer deposits, especially in Singapore. Net interest margins have been stable as the benefits of higher loan spreads have offset the impact of lower benchmark interest rates. Fee income has declined primarily as a consequence of a slowdown in markets-related activities. Management of market and counterparty risks continues to be a priority.

Expenses are expected to increase from the previous quarter due to a normalisation of wage bonus accruals from lower levels in the third quarter. Savings from the recent headcount reduction have not been fully felt during the fourth quarter. The cost-income ratio for the full year of 2008 is expected to remain broadly in line with the previous year. Costs continue to be closely managed. While investments in emerging markets and other strategic initiatives have continued, costs from core markets have been reduced through measures to enhance productivity.

While the amount of non-performing assets has continued to rise moderately, allowance coverage remains well above 100%. In line with DBS' conservative stance in risk management, a significant proportion of assets classified as non-performing are still current in interest and principal payments. Loan-to-valuations for property-related portfolios remain at comfortable levels. Specific allowances have risen. As in recent quarters, the increases have come largely from SME loans in Hong Kong and Greater China as well as private banking loans. With no material charges for CDOs (collateralized debt obligations) in view of the adequate general allowances that have already been taken, overall allowance charges are expected to be modestly below the third quarter.

Prior to one-time charges, fourth quarter net profit could end up moderately lower than in the previous quarter.

One-time items in the fourth quarter are expected to comprise charges for the recent staff restructuring of approximately SGD 45 million and for a further impairment of the bank's investment in TMB Bank PCL. A review of the carrying value of DBS' investment in Cholamandalam DBS Finance Ltd (at SGD 103 million) is also being undertaken for the fourth quarter results in view of the liquidity stress experienced by non-bank financial companies in India.

Capital ratios remain above regulatory requirements, with the consolidated Tier 1 ratio at 9.7% as of 30 September 2008 before the Rights Issue and at a *pro forma* of 11.8% after the Rights Issue.

While market and economic conditions remain very uncertain, DBS expects to continue to grow its net interest income in 2009 as a result of modest volume growth and higher loan spreads. Non-interest income is expected to remain stable subject to market uncertainties. The Company continues to actively manage its cost base. The recent headcount reduction is expected to result in meaningful recurrent cost savings from 1Q09 onward. Credit costs are expected to rise in 2009 although the extent of the increase is difficult to assess. Despite the current challenging environment, DBS expects to benefit from the conservative credit underwriting standards it has practised in prior years. The Company continues to vigilantly monitor credit trends in its loan portfolio.

In summary, DBS continues to meet the challenges of the current difficult environment. Its broad-based customer businesses have continued to perform well, while the cost structure has been realigned for the new environment. Careful management of credit, market and operational risks has maintained the strength of the balance sheet.

Further Information

For further information, please contact the following:

Edna Koh
Group Strategic Marketing and Communications
Email: ednakoh@dbs.com
Tel: (65) 6878 8134
Fax: (65) 6222 4478
Mob: (65) 9753 0117

Michael Sia/Gary Kung
Investor Relations
Email: michaelsia@dbs.com, garykung@dbs.com
Tel: (65) 6878 4751/6878 8530
Fax: (65) 6226 3702
Mob: (65) 9636 9472/9836 6032

By Order of the Board of
DBS GROUP HOLDINGS LTD.

Linda Hoon
Company Secretary
22 December 2008

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This statement contains or incorporates by reference "forward-looking statements" regarding the belief or current expectations of DBS, the Board and other members of its senior management about the DBS Group's businesses and the transactions described in this statement. Generally, words such as ''may'', ''could'', ''will'', ''expect'', ''intend'', ''estimate'', ''anticipate'', ''believe'', ''plan'', ''seek'', ''continue'' or similar expressions identify forward-looking statements. These forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of DBS and are difficult to predict, that may cause actual results to differ materially from any future results or developments expressed or implied from the forward-looking statements. Such risks and uncertainties include the effects of continued or increasing volatility in international financial markets, economic conditions both internationally and in individual markets in which the DBS Group operates, and other factors affecting the level of the DBS Group's business activities and the costs and availability of financing for the DBS Group's activities. Any forward-looking statement contained in this statement based on past or current trends and/or activities of the DBS Group should not be taken as a representation that such trends or activities will continue in the future. No statement herein is intended to be a profit forecast or to imply that the earnings of DBS for the current year or future years will necessarily match or exceed the historical or published earnings of DBS. Each forward-looking statement speaks only as of the date of the particular statement. DBS expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in DBS' expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.