Management Discussion and Analysis

OVERVIEW

	As reported			Excluding one-time gains and goodwill charges		
	2005	**2004**	**% change**	**2005**	**2004**	**% change**
Selected profit and loss items ($m)						
Net interest income	**2,943**	2,691	9	**2,943**	2,691	9
Net fee and commission income	**986**	933	6	**986**	933	6
Net trading income	**159**	594	(73)	**159**	594	(73)
Net gain from non-trading investments	**102**	644	(84)	**102**	147	(31)
Other income	**451**	114	>100	**148**	114	30
Operating income	**4,641**	4,976	(7)	**4,338**	4,479	(3)
Less: Operating expenses	**2,026**	1,956	4	**2,026**	1,956	4
Operating profit	**2,615**	3,020	(13)	**2,312**	2,523	(8)
Less: Provisions	**203**	63	>100	**203**	63	>100
Associates	**54**	49	10	**54**	49	10
Pretax profit	**2,466**	3,006	(18)	**2,163**	2,509	(14)
Net profit before goodwill	**1,952**	2,435	(20)	**1,649**	1,938	(15)
Less: Goodwill charges	**1,128**	440	NM	**–**	–	–
Net profit	**824**	1,995	(59)	**–**	–	–
Selected balance sheet items ($m)						
Customer loans	**79,462**	69,659	14	**79,462**	69,659	14
Interbank loans	**23,816**	25,169	(5)	**23,816**	25,169	(5)
Total assets	**180,204**	175,671	3	**180,204**	175,671	3
Customer deposits	**116,884**	113,206	3	**116,884**	113,206	3
Total liabilities	**161,014**	156,796	3	**161,014**	156,796	3
Shareholders' funds	**16,724**	16,444	2	**17,549**	16,387	7
Key financial ratios (%)						
Net interest margin	**1.91**	1.87	–	**1.91**	1.87	–
Non-interest/total income	**37**	46	–	**32**	40	–
Cost/income ratio	**44**	39	–	**47**	44	–
Return on assets	**0.46**	1.19	–	**0.93**	1.16	–
Return on equity	**5.0**	12.8	–	**9.7**	12.6	–
Loan/deposit ratio	**68**	62	–	**68**	62	–
NPL ratio	**2.1**	2.5	–	**2.1**	2.5	–
Total capital adequacy ratio	**14.8**	15.8	–	**–**	–	–
Per share data ($)						
Per basic share						
– earnings	**0.54**	1.33	(59)	**1.10**	1.30	(15)
– net book value	**10.87**	10.72	1	**11.42**	10.68	7
Per diluted share						
– earnings	**0.53**	1.29	(59)	**1.06**	1.25	(15)
– net book value	**10.69**	10.55	1	**11.22**	10.51	7

The Group's reported net profit attributable to shareholders fell 59% to $824 million in 2005 from $1,995 million in 2004.

The 2005 results included a $1,128 million accounting charge to impair a portion of unamortised goodwill from the purchase of DBS Hong Kong. Starting from 2005, goodwill ceased to be amortised but continued to be tested annually for impairment. The amount impaired in 2005 was based on five-year cash flow projections, a 4.5% long-term growth rate and a 9.5% discount rate.

The results also included one-time gains, which amounted to $303 million in 2005 from the sale of office buildings in Singapore, compared to $497 million in 2004 from the divestments of the Group's stakes in a subsidiary in Thailand and a non-core holding in Hong Kong.

Excluding goodwill charges and one-time gains in both years, DBS recorded a net profit of $1,649 million in 2005, 15% below the $1,938 million in 2004.

The operating performance in 2005 was characterised by volume growth in most customer segments, which resulted in higher interest and fee income. Net interest income rose 9% to a record $2,943 million from loan expansion, while fee income grew 6% to $986 million, marking the seventh consecutive year of growth. However, these revenue gains were offset by reduced net trading income arising from a flat yield curve. Operating income excluding one-time gains declined 3% to $4,338 million.

With operating expenses rising 4% to $2,026 million, primarily due to higher staff costs, operating profit before provisions and excluding one-time gains declined 8% to $2,312 million.

While the non-performing loan ratio fell to 2.1% from 2.5% in 2004, provision charges rose to $203 million from $63 million in 2004. There were significant write-backs of specific provisions in 2004, which were not repeated in 2005.

Excluding goodwill charges and one-time gains, the Group's return on assets was 0.93% compared to 1.16% in 2004. The return on equity was 9.7% compared to 12.6% in 2004.

NEW ACCOUNTING STANDARDS AND CHANGES IN ACCOUNTING POLICY

DBS adopted several new or revised accounting standards in 2005. Some standards were applied retrospectively, which resulted in restatements of previously published numbers, while others were applied prospectively. A full list of the new or revised standards applying to the Group can be found in Note 2 of the financial accounts.

Three standards had a substantive impact on the financial statements. In addition to changing the basis for recognising income and expense items in the profit and loss account, these standards also resulted in adjustments to various reserve accounts in the balance sheet at 1 January 2005.

Singapore Financial Reporting Standard (FRS) 39 – 'Financial Instruments: Recognition and Measurement', which was applied prospectively, required certain financial assets and liabilities, such as derivatives and investment securities, to be measured at fair value (or marked to market).

FRS 102 – 'Share-based Payment' was adopted retrospectively to all staff remuneration paid in equity instruments granted after 22 November 2002 and not yet vested on 1 January 2005. It required the value of share options to be taken as an expense in the profit and loss account. It also changed the way expenses were computed for shares purchased by the Group for employees as part of their performance incentives.

FRS 103 – 'Business Combinations', which was applied prospectively, discontinued the practice of goodwill amortisation to the profit and loss account. Companies were required to continue testing at least once a year for any potential impairment of unamortised goodwill.

Besides these changes, DBS also adopted the proportionate consolidation method for joint ventures to better reflect their contribution to the Group's performance. Under this method, the Group's share of a joint venture's income and expenses, assets and liabilities were included in the consolidated financial statements on a line-by-line basis. In previous years, joint ventures were equity accounted, under which their net contributions were recorded as a single item in the profit and loss account and in the balance sheet. The proportionate consolidation method has been applied retrospectively.

NET INTEREST INCOME

Average balance sheet	2005 Average balance ($m)	2005 Interest ($m)	2005 Average rate (%)	2004 Average balance ($m)	2004 Interest ($m)	2004 Average rate (%)
Interest-bearing assets						
Customer loans	**75,479**	**3,152**	**4.18**	67,044	2,311	3.45
Interbank assets	**29,072**	**656**	**2.26**	31,347	404	1.29
Securities	**49,307**	**1,734**	**3.52**	45,149	1,328	2.94
Total	**153,858**	**5,542**	**3.60**	143,540	4,043	2.82
Interest-bearing liabilities						
Customer deposits	**115,814**	**1,494**	**1.29**	110,114	752	0.68
Other borrowings	**31,748**	**1,105**	**3.48**	27,820	600	2.16
Total	**147,562**	**2,599**	**1.76**	137,934	1,352	0.98
Net interest income/margin	**–**	**2,943**	**1.91**	–	2,691	1.87

Net interest income rose 9% to $2,943 million from higher customer loan volumes.

The 14% growth in year-end customer loans was led by corporate and SME loans in Singapore, Hong Kong and the region.

The expansion in customer loans boosted the loan-deposit ratio to 68% at end-2005 from 62% a year earlier. The higher proportion of customer loans in the asset mix was the main reason for the better interest margins, which rose to 1.91% from 1.87% in 2004.

Customer loan spreads in 2005 were on average stable compared to 2004. Spreads were compressed in early 2005 but gradually turned around in the second half as mortgage rate competition in Singapore eased and prime rates in Hong Kong progressively increased.

Rising Singapore interbank rates had a beneficial impact on interest income and margins during the year, but the effects were partially offset by a flat yield curve, which curtailed gapping opportunities.

The table below indicates that the change in net interest income in 2005 over 2004 was, on the average for the year, due mainly to volumes than to rates.

Volume and rate analysis ($m)

Increase/(decrease) due to change in	Volume	Rate	Net change
Interest income			
Customer loans	290	551	841
Interbank items	(29)	281	252
Securities	122	284	406
Total	383	1,116	1,499
Interest expense			
Customer deposits	38	704	742
Other borrowings	84	421	505
Total	122	1,125	1,247
Net interest income	261	(9)	252

NET FEE AND COMMISSION INCOME

($m)	2005	2004	% change
Stockbroking	**106**	120	(12)
Investment banking	**134**	98	37
Trade and remittances	**172**	162	6
Loan related	**157**	157	0
Guarantees	**28**	26	8
Deposit related	**77**	82	(6)
Credit card	**90**	87	3
Fund management	**53**	43	23
Wealth management	**129**	119	8
Others	**40**	39	3
Total	**986**	933	6

Fee and commission income rose 6% to $986 million. The increase reflected the higher business activity that DBS was capturing in a wide range of financing and capital market activities across its customer base. Most fee income segments grew.

Investment banking fees rose 37% from an increased flow of debt and equity market deals. DBS benefited from the high level of activity in real estate investment trusts. It also continued to bring regional mid-sized companies for listing in Singapore. DBS led in managing and underwriting IPOs in Singapore in 2005 by value.

Fund management fees rose 23% from higher sales of funds managed by DBS Asset Management.

Wealth management fees from unit trusts and bancassurance rose 8% despite a 7% decline in sales volumes. A larger proportion of higher-margin third-party unit trusts was sold in 2005. Revenues were enhanced by an incentive payment arrangement with a third-party asset manager based on sales targets.

Stockbroking commissions fell 12%. Although overall trading volumes in the Singapore stock market rose, retail activity, a mainstay of DBS Vickers' business, declined compared to 2004. A fall in revenues from parts of the region also contributed to lower stockbroking commissions.

Fee income accounted for 23% of total operating income excluding one-time gains, the highest in DBS' history, compared to 21% in 2004.

OTHER NON-INTEREST INCOME

	As reported			Excluding one-time gains		
($m)	2005	2004	% change	2005	2004	% change
Net trading income	**159**	594	(73)	**159**	594	(73)
From trading businesses	**256**	584	(56)	**256**	584	(56)
From other businesses	**(97)**	10	NM	**(97)**	10	NM
Net gain from non-trading investments	**102**	644	(84)	**102**	147	(31)
Other income	**451**	114	>100	**148**	114	30
Total	**712**	1,352	(47)	**409**	855	(52)

Net trading income fell 73% to $159 million. Included in net trading income was a $97 million decline in the fair value of market positions taken to manage the Group's structural risks.

Net trading income from trading businesses fell 56% to $256 million. A flat yield curve curtailed trading opportunities in interest rate-related instruments, which account for a major part of the Group's net trading income.

One-time gains, amounting to $303 million in 2005 and $497 million in 2004, were recorded as other non-interest income.

OPERATING EXPENSES

($m)	2005	2004	% change
Staff	**1,052**	993	6
Occupancy	**186**	182	2
Computerisation	**308**	312	(1)
Revenue-related	**99**	104	(5)
Others	**381**	365	4
Total	**2,026**	1,956	4

Operating expenses increased 4% to $2,026 million.

Staff costs rose 6%. Headcount grew 11% to 12,728 and was spread across business and support units to support higher volumes in Singapore and Hong Kong and business expansion elsewhere in the region.

Higher external consultancy fees and travel expenses contributed to the rise in non-wage costs. Occupancy and computerisation expenses were stable.

The cost-income ratio (excluding one-time gains) increased to 47% from 44% in 2004 as operating costs rose while non-interest income declined.

PROVISION CHARGES

($m)	2005	2004	% change
General provisions	**0**	(5)	NM
Specific provisions for loans	**196**	93	>100
Singapore	**114**	38	>100
Hong Kong	**56**	61	(8)
Other countries	**26**	(6)	NM
Specific provisions for securities, properties and other assets	**7**	(25)	NM
Total provisions	**203**	63	>100

Total provision charges rose to $203 million from $63 million in 2004.

No general provision charges were taken for 2005. Cumulative general provisions set aside for loans amounted to $851 million, or 1.1% of gross loans, and were sufficient under current regulatory guidelines. Collateral such as cash and residential properties also provided a buffer against inherent credit risks present in the Group's loan portfolio.

Specific provision charges for loans increased to $196 million from $93 million in 2004. Significant write-backs of specific provisions in 2004 were not repeated in 2005. Specific provision charges for loans amounted to 26 basis points of average loans in 2005, compared to 14 basis points in 2004.

The increase in specific provision charges for loans was for corporate and SME loans. Most of the specific provision write-backs in 2004 had been for corporate and SME loan recoveries, which resulted in a low base.

Specific provision charges for consumer loans were lower compared to 2004.

Specific provision charges for non-loan assets such as securities and properties amounted to $7 million, compared to a $25 million net write-back in 2004 arising from a recovery in the valuation of investment securities.

PERFORMANCE BY GEOGRAPHY

Excluding one-time gains and goodwill charges ($m)	Singapore	Hong Kong	Rest of Greater China	South and S-east Asia	Rest of the world
2005					
Net interest income	1,808	947	31	94	63
Non-interest income	926	319	61	47	42
Operating income	2,734	1,266	92	141	105
Less: Operating expense	1,199	653	54	68	52
Operating profit	1,535	613	38	73	53
Less: Provisions	83	44	30	4	42
Associates	4	0	0	50	0
Pretax profit	1,456	569	8	119	11
Net profit	1,071	481	4	100	(7)
2004					
Net interest income	1,594	899	45	100	53
Non-interest income	1,188	485	23	68	24
Operating income	2,782	1,384	68	168	77
Less: Operating expense	1,197	598	33	88	40
Operating profit	1,585	786	35	80	37
Less: Provisions	(82)	104	11	0	30
Associates	8	0	0	41	0
Pretax profit	1,675	682	24	121	7
Net profit	1,219	588	19	111	1

The financial data and commentary on the performance by geographical region and business unit are based on Singapore GAAP and in accordance with the Group's accounting policies. They include internal allocations of income and cost items and intra-Group eliminations.

A description of DBS' reported geographic segments can be found in Note 46.2 of the financial accounts.

Singapore

Net profit before one-time gains and goodwill charges fell 12% to $1,071 million.

Net interest income rose 13%, primarily from loan growth, both Singapore-dollar and foreign-currency. Market share gains were achieved in SME loans as efforts to strengthen DBS' presence in the segment continued to pay off. Mortgage loans, which accounted for slightly less than half of Singapore-dollar loans, grew in line with the industry.

Interest margins improved as a result of a better asset mix. Customer loan spreads were steady as they narrowed initially but subsequently recovered. Mortgage loan yields improved during the second half of the year as rising interbank rates eased competitive pressures.

The loan book was repriced upwards as promotional first-year rates expired and board rates were increased. Corporate and SME loan yields rose in line with interbank rates.

Surplus funds placed in the interbank market benefited from rising interbank rates during the year.

As interest rates rose, competition shifted from loan pricing to deposit pricing. However, with an established savings deposit franchise, DBS' average funding costs rose less quickly than interbank rates.

Non-interest income fell 22% from smaller trading income and lower sales of structured treasury products. Higher fee income from corporate, SME and consumer customers only partially offset the decline in trading income.

Specific provision charges for corporate and SME loans increased as significant write-backs for such loans in 2004 created a low base. Specific provision charges for unsecured consumer loans were lower.

Hong Kong

Net profit before one-time gains and goodwill charges fell 18% to $481 million.

Net interest income rose 5%. Loan growth of 14% was partially offset by lower margins. The increase in loans was due to higher SME loans as residential mortgages were flat, in line with the industry. Credit card receivables were also little changed.

Interest margins fell as average spreads between prime rates and funding costs for the year were narrower, and mortgage spreads were also tighter. However, interest margins reached their low point around the middle of the year and turned around in the second half as prime rates increased.

Non-interest income fell 34%. Fee and commission income rose slightly as higher contributions from trade finance and bancassurance product sales were largely offset by a decline in loan-related fees. However, other non-interest income was significantly lower as sales volumes and margins for treasury structured products fell. In addition, the value of marked-to-market treasury positions and structured deposits declined.

Operating expenses increased 9%. The biggest cost pressures were felt in wages as headcount and salaries rose.

Specific provision charges were lower from a net write-back for mortgages and credit card loans, while charges for SME loans increased moderately.

Other Regions

DBS' operations outside Singapore and Hong Kong are in their build-up phase and do not yet have a significant impact on the Group. The largest earnings contributions are currently from Indonesia (through a 99%-owned subsidiary) and The Philippines (through a 20% associate stake in Bank of Philippine Islands).

KEY PROFIT AND LOSS ITEMS BY BUSINESS UNIT

Excluding one-time gains and goodwill charges ($m)	CBG	EB	CIB	GFM	CTU	Central Ops
2005						
Operating income	1,731	738	818	618	187	246
Operating profit	804	450	498	186	155	219
Provisions	71	138	137	0	6	(149)
Pretax profit	792	373	473	235	176	114
Net profit	638	307	390	187	151	(24)
2004						
Operating income	1,594	744	706	961	361	113
Operating profit	671	484	450	553	327	38
Provisions	111	128	(6)	(1)	4	(173)
Pretax profit	571	366	500	578	332	162
Net profit	462	304	415	477	275	5

A description of DBS' reported business unit segments can be found in Note 46.1 of the financial accounts.

Consumer Banking (CBG)

CBG's operating income rose mainly due to higher net interest income in Singapore, where interest margins increased due to a widening spread between interbank rates and deposit costs. The improved contribution from Singapore was moderated by lower interest income from Hong Kong where mortgage yields declined and funding costs rose.

Operating expenses were stable. An increase in advertising expenses in Singapore and wage costs in Hong Kong was offset by a reclassification of some customer acquisition costs as interest expense under FRS 39.

Specific provisions were lower in both locations as charges for mortgages and credit card loans fell in Hong Kong, while charges for unsecured consumer loans declined in Singapore.

Enterprise Banking (EB)

EB's operating income rose in Singapore as loans expanded and fee-based activities increased. This was offset by a fall in operating income in Hong Kong as the spread between prime rates and funding costs narrowed.

Operating profit declined as operating expenses rose faster than operating income. In both locations, the higher operating expenses were due mainly to rising wage costs as headcount rose.

An increase in specific provision charges in both locations was moderated by a reduction in general provisions, whose computation took into account the value of collateral pledged for loans.

Commercial and Investment Banking (CIB)
CIB's operating income rose. Both interest and non-interest income increased as loans and fee-based activities increased in Singapore and across the region. The improvement in operating income was offset by higher operating expenses from a higher headcount.

General provisions rose as a result of loan growth in the region. Specific provisions were also higher compared to a net write-back in 2004.

Global Financial Markets (GFM)
GFM's performance was affected by lower trading income in foreign exchange, interest rate and equity products, as well as higher operating costs. Stockbroking commissions also declined.

Central Treasury (CTU) and Central Operations
CTU's operating income was affected by fewer gapping opportunities. Higher revenues from Private Banking and Asset Management contributed to the rise in operating income for Central Operations.

CUSTOMER LOANS

($m)	2005	2004	% change
By geography			
Singapore	**45,280**	41,261	10
Hong Kong	**27,548**	24,104	14
Rest of Greater China	**2,074**	1,302	59
South and South-east Asia	**2,287**	2,021	13
Rest of the world	**3,760**	2,333	61
By business unit			
Consumer Banking	**29,686**	28,584	4
Enterprise Banking	**19,234**	16,684	15
Corporate and Investment Banking	**26,478**	21,532	23
Others	**5,551**	4,221	32

Loan growth was broadly distributed across geographical regions. The classification of loans by geography given in the table above is based on the booking location of the loan.

Loans booked in Singapore, comprising both Singapore-dollar and foreign-currency loans, rose 10% to $45,280 million, driven by corporate and SME borrowing for domestic and regional activities. DBS' Singapore-dollar loans were little changed at $33,571 million, in line with industry trends. DBS' overall share of Singapore-dollar loans was at 18%.

In Hong Kong, loans grew 14% from SME borrowing, particularly for trade finance and loans for use in the mainland, which were two loan segments that DBS gained market share in during the year. DBS' overall share of Hong Kong-dollar loans remained at 5%.

With a smaller base, loans in other regions grew faster than in Singapore and Hong Kong as DBS expanded its banking franchise to other parts of Asia.

By customer segment, loan growth was led by corporate and SME borrowing. Consumer Banking loans grew 4%. Mortgage and credit card loans in Hong Kong were largely unchanged. In Singapore, residential mortgages grew 4%, in line with the industry.

NON-PERFORMING LOANS AND PROVISION COVERAGE

	2005			2004		
	NPL ($m)	NPL (% of loans)	(GP+SP)/ NPL (%)	NPL ($m)	NPL (% of loans)	(GP+SP)/ NPL (%)
By geography						
Singapore	**883**	**2.1**	**94**	851	2.2	85
Hong Kong	**395**	**1.5**	**109**	468	2.0	93
Rest of Greater China	**91**	**3.2**	**65**	73	5.0	57
South and South-east Asia	**131**	**3.7**	**98**	172	6.3	67
Rest of the world	**191**	**3.7**	**65**	199	4.6	66
Total non-performing loans	**1,691**	**2.1**	**93**	1,763	2.5	82
Debt securities	**130**	**–**	**99**	138	–	90
Contingent liabilities	**44**	**–**	**227**	18	–	689
Total non-performing assets	**1,865**	**–**	**97**	1,919	–	89
By business unit						
Consumer Banking	**344**	**1.2**	**118**	356	1.2	111
Enterprise Banking	**691**	**3.6**	**68**	592	3.5	67
Corporate and Investment Banking	**573**	**2.2**	**92**	674	3.1	73
Others	**83**	**1.5**	**196**	141	3.4	118
Total non-performing loans	**1,691**	**2.1**	**93**	1,763	2.5	82
Debt securities	**130**	**–**	**99**	138	–	90
Contingent liabilities	**44**	**–**	**227**	18	–	689
Total non-performing assets	**1,865**	**–**	**97**	1,919	–	89

The Group's non-performing loans (NPLs) fell to $1,691 million from $1,763 million in 2004 even as loan volumes expanded. As a percentage of loans, the NPL rate declined to 2.1% from 2.5% in 2004.

Including debt securities and contingent liabilities, the amount of non-performing assets fell to $1,865 million from $1,919 million in 2004.

NPL rates for all geographical regions improved in 2005, with the biggest reductions coming from outside Singapore and Hong Kong. The NPL classification by geographical region given in the table above is based on the borrower's country of incorporation, in line with Monetary Authority of Singapore guidelines.

NPL rates for consumer loans remained the lowest among the various business units. The NPL rate for SME loans was little changed from 2004, while the rate for corporate loans improved.

Overall provision coverage increased to 97% of total non-performing assets from 89% in 2004. As a percentage of non-performing loans only, provision coverage rose to 93% from 82% in 2004.

Slightly more than half of all non-performing assets were secured against collateral.

($m)	2005	2004
Unsecured non-performing assets	**911**	913
Secured non-performing assets by collateral type		
Properties	**675**	821
Shares and debentures	**69**	64
Fixed deposits	**35**	7
Others	**175**	114
Total	**1,865**	1,919

FUNDING SOURCES

($m)	2005	2004	% change
Customer deposits	**116,884**	113,206	3
Interbank liabilities	**8,959**	10,939	(18)
Other borrowings and liabilities	**37,637**	35,082	7
Shareholders' funds	**16,724**	16,444	2
Total	**180,204**	175,671	3

The Group's total funding rose 3% to $180,204 million. DBS' major funding source, customer deposits, also grew 3%.

Singapore-dollar deposits increased 3% to $64,112 million. DBS' market share for Singapore-dollar deposits declined slightly to 29% from 30% in 2004 as competition for deposits, particularly savings, intensified. DBS continued to have the largest market share of deposits in Singapore, and retained its leadership in savings deposits. Hong Kong-dollar deposits rose 10% to $19,736 million, with DBS' market share stable at just under 4%.

In line with industry trends in both locations, the proportion of fixed deposits increased and savings deposits declined as customers sought higher yields in a rising interest rate environment.

CAPITAL ADEQUACY RATIOS

($m)	2005	2004
Tier 1		
Paid-up ordinary and preference shares	**1,564**	1,559
Disclosed reserves and others	**17,377**	17,146
Less: Goodwill	**(5,823)**	(6,931)
Total	**13,118**	11,774
Tier 2		
Cumulative general provisions	**963**	971
Subordinated debts	**4,222**	4,371
Others	**13**	(674)
Total	**5,198**	4,668
Total capital	**18,316**	16,442
Risk-weighted assets	**123,847**	103,987

Based on regulatory guidelines, the Group's total capital adequacy ratio fell to 14.8% from 15.8% at end-2004. Tier-1 capital also declined to 10.6% from 11.3% at end-2004.

The decline in the Group's total capital adequacy ratios is due to an increase in both risk-weighted assets and the amount of dividends distributed in 2005.

VALUATION SURPLUS

($m)	2005	2004
Properties	**416**	653
Non-trading investments	**25**	531
Total	**441**	1,184

The amount of unrealised valuation surpluses amounted to $441 million at end-2005 compared to $1,184 million at end-2004. The amount of valuation surpluses for properties fell due to the sale of office buildings in Singapore in 2005, while most non-trading investments were now marked to market under FRS 39 with their value already reflected in the balance sheet.