

To: Shareholders

The DBS Group Holdings Ltd ("DBSH" or "the Company") Board of Directors report unaudited financial results for the first quarter ended March 31, 2006.

For the first quarter of 2006, the Directors have declared an interim gross dividend of 17 cents for each DBSH non-voting convertible preference share ("CPS"), each DBSH non-voting redeemable CPS, and for each DBSH ordinary share (first quarter 2005: 11 cents).

The first quarter 2006 dividends will be paid less 20% Singapore income tax.

The first quarter 2006 dividends will be payable on May 26, 2006. DBS shares will be quoted ex-dividend on May 11, 2006. Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on May 17, 2006. Duly completed transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services of 8 Cross Street #11-00 PWC Building, Singapore 048424 up to 5.00 p.m. on May 16, 2006 will be registered to determine shareholders' entitlement to the first quarter 2006 dividends. In respect of ordinary shares in the securities accounts with The Central Depository (Pte) Limited ("CDP"), the first quarter 2006 dividends will be paid by DBSH to CDP, which will in turn distribute the dividend entitlements to shareholders.

By order of the Board

Heng Lee Cheng (Ms)
Group Secretary

April 28, 2006
Singapore

More information on the above announcement is available at www.dbs.com/investor



Performance Summary

Unaudited Financial Results
for the First Quarter ended
March 31, 2006

DBS Group Holdings Ltd
Incorporated in the Republic of Singapore
Company Registration Number: 199901152M

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

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DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

OVERVIEW

DBS Group Holdings Ltd (“DBSH”) prepares its consolidated DBSH Group (“Group”) financial statements in accordance with Singapore Financial Reporting Standards (“FRS”), as modified by the requirements of Notice to Banks No. 612 “Credit Files, Grading and Provisioning” issued by the Monetary Authority of Singapore.

	1st Qtr 2006	1st Qtr 2005 ^{1/}	% chg	4th Qtr 2005	% chg
Selected profit and loss items (\$m)					
Net interest income	850	685	24	800	6
Net fee and commission income	262	229	14	241	9
Net trading income	108	82	32	(18)	>100
Net gain from non-trading investments	38	25	52	33	15
Other income	12	17	(29)	58	(79)
Operating income	1,270	1,038	22	1,114	14
Less: Operating expenses	564	486	16	551	2
Operating profit before provisions	706	552	28	563	25
Less: Provisions	31	63	(51)	55	(44)
Associates	12	9	33	15	(20)
Operating profit before tax	687	498	38	523	31
Net profit attributable to shareholders (“Net profit”) before goodwill	518	373	39	384	35
Add: One-time gain ^{2/}	-	-	-	303	NM
Less: Goodwill charges	-	-	-	1,128	NM
Net profit/(loss)	518	373	39	(441)	>100
Selected balance sheet items (\$m)					
Customer loans	78,818	71,055	11	79,462	(1)
Interbank loans	22,647	27,851	(19)	23,816	(5)
Total assets	183,870	182,239	1	180,204	2
Customer deposits	119,067	115,931	3	116,884	2
Total liabilities	164,104	162,882	1	161,014	2
Shareholders’ funds	17,348	16,923	3	16,724	4
Key financial ratios (%) (excluding one-time gain and goodwill charges)					
Net interest margin	2.23	1.82	23	2.06	8
Non-interest/total income	33.1	34.0	(3)	28.2	17
Cost/income ratio	44.4	46.8	(5)	49.5	(10)
Return on assets	1.14	0.83	37	0.85	34
Return on equity ^{3/}	12.15	8.96	36	8.77	39
Loan/deposit ratio	66.2	61.3	8	68.0	(3)
NPL ratio	2.1	2.4	(13)	2.1	-
Specific provisions (loan)/average loan	20bp	25bp	(20)	35bp	(43)
Tier 1 capital adequacy ratio	10.2	10.9	(6)	10.6	(4)
Total capital adequacy ratio	14.1	15.3	(8)	14.8	(5)
Per share data (\$)					
Per basic share					
– earnings excluding one-time gain and goodwill charges	1.37	0.99	38	1.02	34
– earnings	1.37	0.99	38	0.47	>100
– net book value ^{3/}	11.27	11.03	2	10.87	4
Per diluted share					
– earnings excluding one-time gain and goodwill charges	1.32	0.96	38	0.98	35
– earnings	1.32	0.96	38	0.45	>100
– net book value ^{3/}	11.07	10.84	2	10.69	4

NM: Not meaningful

Notes:

1/ Figures for 1st Quarter 2005 have been restated to make them consistent with the current year’s presentation.

2/ One-time gain of \$303 million from the sale of office buildings in Singapore was recorded in 4th Quarter 2005.

3/ Minority interests are not included as equity in the computation of net asset value and return on equity.

4/ Return on assets, return on equity, specific provisions (loan)/average loan and per share data for the quarters are computed on an annualised basis.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

The Group's net profit attributable to shareholders ("net profit") rose 39% to \$518 million in first quarter 2006 from \$373 million in first quarter 2005.

Compared to fourth quarter 2005, net profit was 35% higher if a one-time gain of \$303 million from the sale of office buildings in Singapore and a \$1,128 million accounting charge to impair a portion of unamortised goodwill for the purchase of DBS Hong Kong were excluded in the previous quarter. Comparisons with the previous quarter in the rest of the commentary exclude the effects of the one-time gain and goodwill charge.

Total operating income increased 22% from a year ago and 14% from the previous quarter to \$1,270 million. The improvement was broad-based. As in recent quarters, interest and fee income continued to grow while trading income recovered after several quarters of subdued market activity.

Net interest income grew 24% to \$850 million from first quarter 2005 and 6% from the previous quarter as margins rose. Fee income amounted to \$262 million, up 14% from a year ago and 9% from the previous quarter. Better equity markets boosted stockbroking and asset

management fees. Trading income grew significantly to \$108 million from both comparative periods as a result of higher customer activities and better trading opportunities in the foreign exchange, credit and interest rate markets.

Operating expenses rose 16% from a year ago and 2% from the previous quarter to \$564 million as a result of higher staff costs and computerisation expenses. However, as operating expenses did not grow as quickly as operating income, the cost-income ratio of 44% was better than both comparative periods.

Asset quality remained healthy. The non-performing loan (NPL) ratio of 2.1% was unchanged from the previous quarter and below the 2.4% a year ago. Provision charges of \$31 million were also below both comparative periods as fewer new non-performing loans were recorded and the amount of loan and debt recoveries was higher.

The Group's return on assets improved to 1.14% compared to 0.83% in first quarter 2005 and 0.85% in the previous quarter. Return on equity rose to 12.2% compared to 9.0% a year ago and 8.8% in fourth quarter 2005.

NET INTEREST INCOME

Average balance sheet	1st Qtr 2006			1st Qtr 2005			4th Qtr 2005		
	Average balance (\$m)	Average Interest (\$m)	Average rate (%)	Average balance (\$m)	Average Interest (\$m)	Average rate (%)	Average balance (\$m)	Average Interest (\$m)	Average rate (%)
Interest-bearing assets									
Customer loans	79,042	1,038	5.33	70,876	616	3.52	78,891	967	4.86
Interbank assets	27,216	194	2.89	35,554	181	2.06	25,105	164	2.59
Securities	48,604	503	4.20	46,602	380	3.31	50,109	476	3.77
Total	154,862	1,735	4.54	153,032	1,177	3.12	154,105	1,607	4.14
Interest-bearing liabilities									
Customer deposits	117,495	568	1.96	114,953	264	0.93	116,054	500	1.71
Other borrowings	30,142	317	4.27	31,987	228	2.89	31,646	307	3.85
Total	147,637	885	2.43	146,940	492	1.36	147,700	807	2.17
Net interest income/margin ^{1/}		850	2.23		685	1.82		800	2.06

Note:

^{1/} Net interest margin is net interest income expressed as a percentage of average interest-earning assets.

Net interest income was 24% higher than a year ago from both a better asset mix and higher interest spreads. Customer loans rose 11%, boosting the loan-deposit ratio to 66% from 61% a year earlier. Interest spreads were significantly higher as loan yields rose faster than funding costs.

In Singapore, floating-rate corporate and SME loans rose in line with higher interbank rates, while housing loan yields increased with board rates. In Hong Kong, the spread between Hong Kong prime rates and Hibor was also significantly higher. The spread has been rising since first quarter 2005.

Compared to the previous quarter, the 6% improvement in net interest income was also due to better spreads as loan yields rose at a quicker pace than funding costs. Customer loans fell 1% during the quarter.

The following table shows that, against both comparative periods, the rise in net interest income has been due more to improved margins, reflecting DBS' deposit franchise in Singapore as well as the increase in Hong Kong interest rate spreads.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Volume and rate analysis (\$m) Increase/(decrease) due to change in	1st Qtr 2006 versus 1st Qtr 2005			1st Qtr 2006 versus 4th Qtr 2005		
	Volume	Rate	Net change	Volume	Rate	Net change
Interest income						
Customer loans	71	352	423	2	92	94
Interbank items	(42)	55	13	14	21	35
Securities	16	107	123	(14)	52	38
Total	45	514	559	2	165	167
Interest expense						
Customer deposits	6	298	304	7	74	81
Other borrowings	(12)	102	90	(14)	31	17
Total	(6)	400	394	(7)	105	98
Net impact on interest income	51	114	165	9	60	69
Due to change in number of days			-			(19)
Net interest income			165			50

NET FEE AND COMMISSION INCOME

(\$m)	1st Qtr 2006	1st Qtr 2005	% chg	4th Qtr 2005	% chg
Stockbroking	43	28	54	24	79
Investment banking	19	22	(14)	45	(58)
Trade and remittances	44	39	13	41	7
Loan related	34	45	(24)	28	21
Guarantees	8	8	-	6	33
Deposit related	19	19	-	20	(5)
Credit card	24	17	41	23	4
Fund management	22	10	>100	12	83
Wealth management	36	32	13	32	13
Others	13	9	44	10	30
Total	262	229	14	241	9

The biggest contributors to the improvement in fee income were stockbroking and asset management. Buoyant regional equity markets boosted DBS Vickers' trading volumes as well as fund inflows into asset management.

Fees from trade and remittances, credit cards and wealth management also increased. Unit trust sales rose 45%

from a year ago and 93% from the previous quarter to \$1.26 billion and were the highest in several quarters. Investment banking fees, however, were below the previous quarter when IPO activity was substantially higher.

OTHER NON-INTEREST INCOME

(\$m)	1st Qtr 2006	1st Qtr 2005	% chg	4th Qtr 2005	% chg
Net trading income	108	82	32	(18)	>100
From trading businesses	113	73	55	5	>100
From other businesses	(5)	9	(>100)	(23)	78
Net gain on non-trading investments	38	25	52	33	15
Net gain on fixed assets ^{1/}	-	3	(100)	3	(100)
Others (include dividend and rental income)	12	14	(14)	55	(78)
Total	158	124	27	73	>100

Note:

1/ Exclude one-time gain of \$303 million from the sale of office buildings in Singapore in 4th Quarter 2005.

Net trading income from trading businesses amounted to \$113 million for first quarter 2006, higher than the \$73 million a year ago and the \$5 million in the previous quarter. The current quarter benefited from increased trading opportunities in all markets and higher demand from corporate and SME clients to hedge their foreign exchange risks.

Other income declined \$43 million as the previous quarter included one-time special dividends received from two equity holdings. Rental income was lower compared to a year ago following the sale of office buildings in Singapore in December 2005.

OPERATING EXPENSES

(\$m)	1st Qtr 2006	1st Qtr 2005	% chg	4th Qtr 2005	% chg
Staff	300	265	13	279	8
Occupancy	46	43	7	52	(12)
Computerisation	92	74	24	81	14
Revenue-related	23	22	5	27	(15)
Others	103	82	26	112	(8)
Total	564	486	16	551	2
Staff headcount at period-end	12,673	11,649	9	12,728	(1)

Operating expenses increased 16% from a year ago and 2% from the previous quarter to \$564 million.

12,673 to support higher business volumes but was down slightly from the previous quarter.

Staff costs rose 13% from a year ago due to an increase in headcount and, with the stronger performance this quarter, a higher variable bonus. Compared to the previous quarter, staff costs were 8% higher amid a tight labour market. Headcount grew 9% from a year ago to

Expenses for computerisation were higher than both comparative periods as a result of higher IT depreciation and expenses on major projects such as Basel 2. Advertising and external consultancy fees were also higher compared to a year ago, but were lower compared to the previous quarter.

PROVISION CHARGES

(\$m)	1st Qtr 2006	1st Qtr 2005	% chg	4th Qtr 2005	% chg
General provisions	14	15	(7)	-	NM
Specific provisions for loans	40	44	(9)	71	(44)
Singapore	13	22	(41)	56	(77)
Hong Kong	18	12	50	17	6
Other countries	9	10	(10)	(2)	>100
Specific provisions for securities, properties and other assets	(23)	4	(>100)	(16)	(44)
Total	31	63	(51)	55	(44)

Total provision charges decreased to \$31 million from \$63 million a year ago and \$55 million in the previous quarter.

A general provision charge of \$14 million was taken in first quarter 2006 for higher off-balance sheet liabilities.

Specific provision charges for loans amounted to \$40 million compared to \$44 million for first quarter 2005 and

\$71 million in fourth quarter 2005. Specific provision charges for consumer and SME loans were lower compared to the previous quarter.

The write-back in specific provisions for securities, properties and other assets of \$23 million during the quarter was for a recovery of a corporate debt security.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

PERFORMANCE BY BUSINESS UNIT

(\$m)	CBG	EB	CIB	GFM	CTU	Central Ops	Total
Selected profit and loss items							
1st Qtr 2006							
Net interest income	417	167	127	145	69	(75)	850
Non-interest income	122	84	113	68	10	23	420
Operating expenses	232	81	88	96	9	58	564
Provisions	3	20	(17)	0	0	25	31
Operating profit before tax	304	150	169	118	70	(124)	687
4th Qtr 2005 ^{1/}							
Net interest income	367	159	127	161	94	(108)	800
Non-interest income	121	53	149	(26)	(48)	65	314
Operating expenses	245	79	91	106	8	22	551
Provisions	20	47	36	(4)	(1)	(43)	55
Operating profit before tax	223	86	149	33	39	(7)	523
1st Qtr 2005							
Net interest income	310	132	101	94	70	(22)	685
Non-interest income	114	57	90	76	(28)	44	353
Operating expenses	221	67	72	88	7	31	486
Provisions	18	22	34	(2)	0	(9)	63
Operating profit before tax	185	100	85	84	35	9	498
Selected balance sheet items							
Mar 31, 2006							
Total assets before goodwill	28,897	18,094	32,668	72,037	24,058	2,282	178,036
Total liabilities	70,922	18,192	17,816	35,929	1,749	19,496	164,104
Capital expenditure for 1st Qtr 2006	3	2	2	6	1	25	39
Depreciation for 1st Qtr 2006	6	3	1	5	2	16	33
Dec 31, 2005							
Total assets before goodwill	29,518	18,396	32,824	68,758	24,047	858	174,401
Total liabilities	68,415	17,862	17,953	32,980	1,417	22,387	161,014
Capital expenditure for 4th Qtr 2005	22	12	3	11	6	75	129
Depreciation for 4th Qtr 2005	7	3	1	5	1	18	35
Mar 31, 2005							
Total assets before goodwill	28,885	17,043	28,640	73,980	24,436	2,324	175,308
Total liabilities	66,603	16,454	18,110	40,578	2,442	18,695	162,882
Capital expenditure for 1st Qtr 2005	6	1	1	3	-	10	21
Depreciation for 1st Qtr 2005	7	4	1	6	2	18	38

Note:

^{1/} 4th Quarter 2005 income and profits exclude one-time gain and goodwill charges.

Consumer Banking's (CBG) net interest income was higher than both comparative periods as customer deposit volumes grew in Hong Kong and especially Singapore. Interest spreads were also higher in both locations. Operating expenses declined from the previous quarter as advertising costs fell, but rose from a year ago as staff and non-staff costs increased.

Enterprise Banking's (EB) loan volumes and interest spreads were higher in Singapore compared to the previous quarter. Net interest income was higher than a year ago as loan and deposit volumes in Singapore and Hong Kong grew. Non-interest income was boosted by sales of foreign exchange products in Hong Kong.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Corporate and Investment Banking's (CIB) interest income was stable from the previous quarter as loans were largely unchanged, but higher than a year ago due to higher loan volumes. Non-interest income was lower compared to the previous quarter due to a decline in IPO activity.

Global Financial Markets (GFM) had higher net interest income from its interest rate and other trading activities compared to a year ago. Non-interest income this quarter also incorporated higher stockbroking commissions.

Compared to the previous quarter and a year ago, Central Treasury (CTU) had higher gains in interest rate positions and from investment sales.

Central Operations encompasses a range of activities resulting from corporate decisions and income and expenses not attributed to other business segments. Asset management and private banking activities are also included in this segment.

PERFORMANCE BY GEOGRAPHY

(\$m)	S'pore	Hong Kong	Rest of Greater China	South and South-east Asia	Rest of world	Total
Selected profit and loss items						
1st Qtr 2006						
Net interest income	526	278	9	22	15	850
Non-interest income	290	90	19	14	7	420
Operating expenses	355	162	14	22	11	564
Provisions	(5)	19	6	(1)	12	31
Operating profit before tax	463	187	8	30	(1)	687
4th Qtr 2005 ^{1/}						
Net interest income	471	275	9	29	16	800
Non-interest income	216	65	21	4	8	314
Operating expenses	316	179	17	23	16	551
Provisions	24	25	5	3	(2)	55
Operating profit before tax	349	136	8	20	10	523
1st Qtr 2005						
Net interest income	437	205	8	19	16	685
Non-interest income	217	98	11	15	12	353
Operating expenses	302	152	8	12	12	486
Provisions	29	8	11	3	12	63
Operating profit before tax	324	143	-	27	4	498
Total assets before goodwill						
Mar 31, 2006	116,690	42,831	5,806	4,383	8,326	178,036
Dec 31, 2005	116,087	41,393	5,861	3,781	7,279	174,401
Mar 31, 2005	117,922	41,496	5,153	3,148	7,589	175,308

Note:

^{1/} 4th Quarter 2005 income and profits exclude one-time gain and goodwill charges.

Singapore

Operating profit before tax increased 33% from the previous quarter and 43% from a year ago to \$463 million.

The improvement was due to higher net interest income and non-interest income, partially offset by higher operating expenses.

Net interest income rose 12% from the previous quarter due to better margins. Compared to a year ago, net

interest income was up 20% as loan and deposit volumes increased and margins rose.

Non-interest income increased 34% from both comparative periods as fee income and trading gains were higher.

Operating expenses increased 12% from the previous quarter as staff cost and computerisation expenses increased. Compared to a year ago, the increase of 18%

was due to higher staff costs, computerisation expenses, advertising and professional fees.

Hong Kong

Operating profit before tax increased 38% from fourth quarter 2005 and 31% from first quarter 2005 to \$187 million. The current quarter's results incorporate a 3% appreciation in the Singapore dollar against the Hong Kong dollar compared to fourth quarter 2005. Exchange translation effects were insignificant compared to first quarter 2005.

Net interest income was up 1% from the previous quarter and 36% from a year ago due to a wider spread between prime lending rates and funding costs.

Non-interest income increased 38% from higher sales of wealth management and foreign exchange products compared to fourth quarter 2005. Compared to a year ago, non-interest income declined 8%. Higher fee income

was partially offset by the impact of FRS39 on marked-to-market positions. In addition, there had been an \$11 million one-time gain from the divestment of a stake in Banco de Oro, a bank in the Philippines, in first quarter 2005.

Operating expenses were 9% lower from the previous quarter due partly to seasonal factors, but up 7% from a year ago from higher staff costs. Provision charge doubled from a year ago due to a general provision write-back in first quarter 2005.

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 the Philippine Islands).

CUSTOMER LOANS

(\$m)	Mar 31, 2006	Dec 31, 2005	Mar 31, 2005
Gross	80,267	80,949	72,453
Less:			
Specific provisions ("SP")	611	636	573
General provisions ("GP")	838	851	825
Net total	78,818	79,462	71,055
By business unit			
Consumer Banking	28,914	29,686	28,989
Enterprise Banking	19,123	19,234	17,087
Corporate and Investment Banking	26,542	26,478	22,913
Others	5,688	5,551	3,464
Total (Gross)	80,267	80,949	72,453
By geography			
Singapore	44,381	45,280	40,361
Hong Kong	26,198	26,669	24,672
Rest of Greater China	3,120	2,953	2,187
South and South-east Asia	2,492	2,287	2,196
Rest of the world	4,076	3,760	3,037
Total (Gross)	80,267	80,949	72,453
By industry			
Manufacturing	9,010	8,536	7,697
Building and construction	9,772	8,958	8,725
Housing loans	24,388	25,005	24,412
General commerce	8,343	8,639	7,486
Transportation, storage & communications	6,717	6,884	5,203
Financial institutions, investment & holding companies	9,734	9,785	6,212
Professionals & private individuals (except housing loans)	7,340	7,204	7,047
Others	4,963	5,938	5,671
Total (Gross)	80,267	80,949	72,453
By currency			
Singapore dollar	33,395	33,571	34,419
Hong Kong dollar	24,187	24,721	23,055
US dollar	14,714	16,214	10,830
Others	7,971	6,443	4,149
Total (Gross)	80,267	80,949	72,453

Compared to December 2005, customer loans fell 1% as housing loans declined 2% due to higher repayments in Singapore and competitive pressures in Hong Kong. SME loans rose in both Singapore and Hong Kong, but SME loans in Hong Kong fell in Singapore-dollar terms due to exchange translation effects. Corporate loans were flat as drawdowns were offset by several large loan maturities.

Compared to December 2005, a fall in customer loans in Singapore and Hong Kong was partially offset by higher volumes in other regions.

Loans booked in Singapore fell 2% to \$44,381 million mainly due to a decline in foreign-currency loans. DBS' Singapore-dollar loans were little changed at \$33,395 million.

Loans booked in Hong Kong fell 2% to \$26,198 million due to exchange rate effects. In Hong Kong dollar terms, they were slightly higher.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NON-PERFORMING ASSETS AND PROVISION COVERAGE

By business unit						
	NPA (\$m)	SP (\$m)	GP (\$m)	NPL (% of loans)	(GP+SP)/NPA (%)	(GP+SP)/ unsecured NPA (%)
Mar 31, 2006						
Consumer Banking	339	110	288	1.2	117	322
Enterprise Banking	740	294	189	3.9	65	144
Corporate and Investment Banking	509	235	263	1.9	98	184
Others	80	32	140	1.4	214	521
Total non-performing loans ("NPL")	1,668	671	880	2.1	93	204
Debt securities	37	18	71	-	239	490
Contingent liabilities	45	15	94	-	244	714
Total non-performing assets ("NPA")	1,750	704	1,045	-	100	218
Dec 31, 2005						
Consumer Banking	344	111	296	1.2	118	326
Enterprise Banking	691	283	190	3.6	68	144
Corporate and Investment Banking	573	267	262	2.2	92	155
Others	83	32	132	1.5	196	480
Total non-performing loans	1,691	693	880	2.1	93	190
Debt securities	130	57	71	-	99	209
Contingent liabilities	44	19	80	-	227	451
Total non-performing assets	1,865	769	1,031	-	97	198
Mar 31, 2005						
Consumer Banking	350	112	289	1.2	115	342
Enterprise Banking	590	239	169	3.5	69	155
Corporate and Investment Banking	697	234	227	3.0	66	131
Others	133	54	163	3.9	163	391
Total non-performing loans	1,770	639	848	2.4	84	189
Debt securities	138	53	73	-	90	204
Contingent liabilities	20	10	118	-	632	1,135
Total non-performing assets	1,928	702	1,039	-	90	202

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

By geography	NPA (\$m)	SP (\$m)	GP (\$m)	NPL (% of loans)	(GP+SP)/NPA (%)	(GP+SP)/ unsecured NPA
Mar 31, 2006						
Singapore	903	375	440	2.2	90	201
Hong Kong	396	139	278	1.5	105	258
Rest of Greater China	89	38	35	2.9	82	191
South and South-east Asia	123	20	61	3.1	65	112
Rest of the World	157	99	66	3.2	105	196
Total non-performing loans	1,668	671	880	2.1	93	204
Debt securities	37	18	71	-	239	490
Contingent liabilities	45	15	94	-	244	714
Total non-performing assets	1,750	704	1,045	-	100	218
Dec 31, 2005						
Singapore	883	382	449	2.1	94	203
Hong Kong	395	139	291	1.5	109	263
Rest of Greater China	91	36	23	3.2	65	88
South and South-east Asia	131	68	60	3.7	98	166
Rest of the World	191	68	57	3.7	65	92
Total non-performing loans	1,691	693	880	2.1	93	190
Debt securities	130	57	71	-	99	209
Contingent liabilities	44	19	80	-	227	451
Total non-performing assets	1,865	769	1,031	-	97	198
Mar 31, 2005						
Singapore	872	338	400	2.3	85	194
Hong Kong	456	174	269	1.8	97	262
Rest of Greater China	63	16	24	3.6	63	70
South and South-east Asia	171	83	38	5.5	71	117
Rest of the World	208	28	117	4.3	70	186
Total non-performing loans	1,770	639	848	2.4	84	189
Debt securities	138	53	73	-	90	204
Contingent liabilities	20	10	118	-	632	1,135
Total non-performing assets	1,929	702	1,039	-	90	202

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

By industry (\$m)	Mar 31, 2006		Dec 31, 2005		Mar 31, 2005	
	NPA	SP	NPA	SP	NPA	SP
Manufacturing	358	186	434	225	406	172
Building and construction	125	42	103	37	177	55
Housing loans	257	68	256	66	242	67
General commerce	405	165	367	150	238	98
Transportation, storage & communications	31	14	30	13	25	9
Financial institutions, investment & holding companies	176	46	164	47	193	56
Professionals & private individuals (except housing loans)	193	81	204	84	245	110
Others	123	69	133	71	244	72
Total non-performing loans	1,668	671	1,691	693	1,770	639
Debt securities	37	18	130	57	138	53
Contingent liabilities	45	15	44	19	20	10
Total non-performing assets	1,750	704	1,865	769	1,928	702

By loan classification (\$m)	Mar 31, 2006		Dec 31, 2005		Mar 31, 2005	
	NPA	SP	NPA	SP	NPA	SP
Non-performing assets						
Substandard	1,109	94	1,220	156	1,385	188
Doubtful	249	223	276	244	178	149
Loss	392	387	369	369	365	365
Total	1,750	704	1,865	769	1,928	702
Restructured assets						
Substandard	345	45	429	85	531	106
Doubtful	79	50	26	27	11	11
Loss	44	44	41	41	45	44
Total	468	139	496	153	587	161

By collateral type (\$m)	Mar 31, 2006	Dec 31, 2005	Mar 31, 2005
	NPA	NPA	NPA
Unsecured non-performing assets	803	911	861
Secured non-performing assets by collateral type			
Properties	683	675	809
Shares and debentures	51	68	125
Fixed deposits	33	36	9
Others	180	175	124
Total	1,750	1,865	1,928

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

By period overdue

(\$m)	Mar 31, 2006 NPAs	Dec 31, 2005 NPAs	Mar 31, 2005 NPAs
Not overdue	519	697	800
<90 days overdue	377	353	303
91-180 days overdue	205	157	143
>180 days overdue	649	658	682
Total	1,750	1,865	1,928

The Group's NPLs fell to \$1,668 million from \$1,691 million in December 2005 and \$1,770 million in March 2005. As a percentage of loans, the NPL rate was unchanged at 2.1% from the previous quarter and lower than the 2.4% a year ago.

Including debt securities and contingent liabilities, the amount of non-performing assets (NPAs) fell to \$1,750 million from \$1,865 million in the previous quarter and \$1,928 million a year ago.

NPL rates improved in all geographical regions from a year ago. Compared to the previous quarter, NPL rates outside of Singapore and Hong Kong were better.

By business unit, the NPL rate for consumer loans remained the lowest. The rate for corporate loans improved slightly over both comparative periods, while the rate for SME loans deteriorated marginally.

The proportion of NPAs in the substandard category fell to 63% from 65% in the previous quarter and 72% a year ago. Most of the NPA recoveries over the past year have been from the substandard category. The amount of doubtful and loss NPAs has remained stable.

Provision coverage increased to 100% of NPAs from 97% in the previous quarter and 90% at a year ago.

FUNDING SOURCES

(\$m)	Mar 31, 2006	Dec 31, 2005	Mar 31, 2005
Customer deposits	119,067	116,884	115,931
Interbank liabilities	10,674	8,959	13,708
Other borrowings and liabilities	36,781	37,637	35,677
Shareholders' funds	17,348	16,724	16,923
Total	183,870	180,204	182,239

CUSTOMER DEPOSITS

(\$m)	Mar 31, 2006	Dec 31, 2005	Mar 31, 2005
By currency			
Singapore dollar	65,400	64,112	65,046
US dollar	21,838	22,676	24,071
Hong Kong dollar	20,521	19,736	18,180
Others	11,308	10,360	8,634
Total	119,067	116,884	115,931
By product			
Savings accounts	45,402	45,409	48,823
Current accounts	13,945	14,004	13,077
Fixed deposits	57,145	54,585	48,839
Other deposits	2,575	2,886	5,192
Total	119,067	116,884	115,931

The Group's total funding rose 2% from the previous quarter and 1% from a year ago to \$183,870 million.

Compared to end December 2005, Singapore-dollar deposits increased 2% to \$65,400 million. Hong Kong-dollar deposits rose 4% to \$20,521 million.

The proportion of fixed deposits continued to increase as customers sought higher yields in a rising interest rate environment.

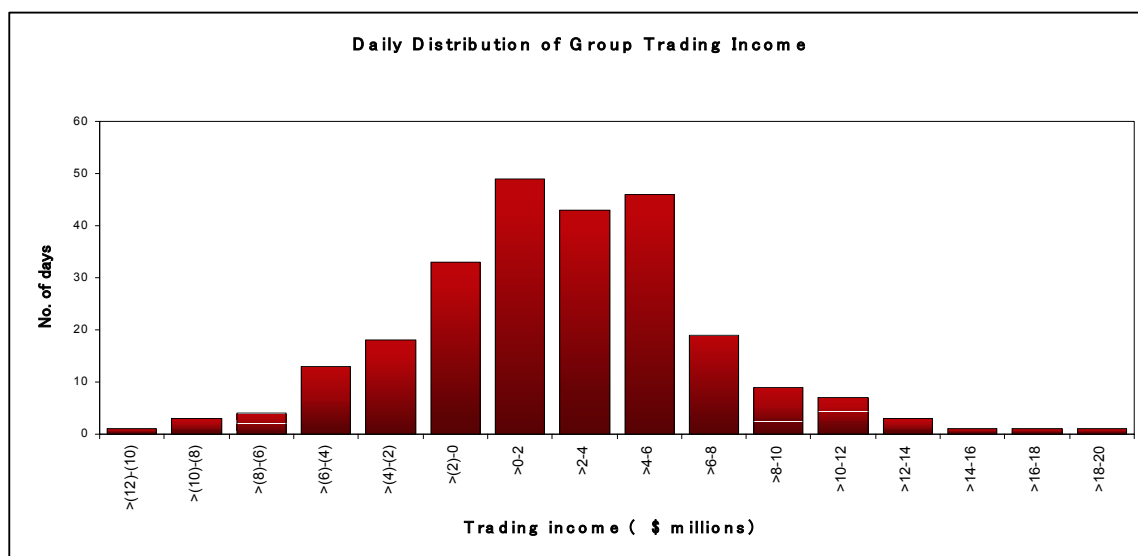
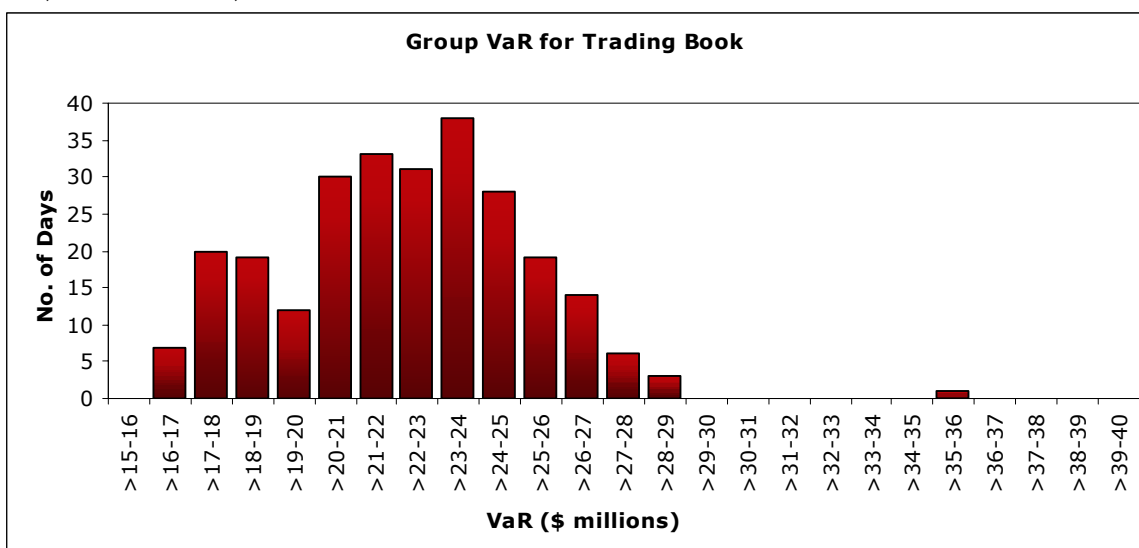
VALUE AT RISK AND TRADING INCOME

The Group uses a Value at Risk (“VaR”) measure as one mechanism for controlling trading risk. The VaR is calculated using a one-day time horizon and a 99% confidence interval. The following table shows the period-end, average, high and low VaR for the trading risk exposure of the DBSH Group for the period from April 1, 2005 to March 31, 2006.

(\$m)	As at March 31, 2006	April 1, 2005 to March 31, 2006		
		Average	High ^{1/}	Low ^{1/}
Interest rate	19.1	23.5	31.9	17.5
FX	7.4	6.6	15.5	1.7
Equity	5.6	6.0	28.0	3.0
Diversification effect	(12.9)	(13.9)	-	-
	19.2	22.2	35.5	16.1

Note:
^{1/} The high (& low) VaR figures reported for each risk class did not necessarily occur on the same day as the high (& low) reported for total. A corresponding diversification effect cannot be calculated and is therefore omitted from the table.

The charts below provide the range of VaR and the daily distribution of trading income in the trading portfolio for the period from April 1, 2005 to March 31, 2006.



DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CAPITAL ADEQUACY

(\$m)	Mar 31, 2006	Dec 31, 2005	Mar 31, 2005
Tier 1			
Paid-up ordinary and preference shares	1,567	1,564	1,561
Disclosed reserves and others	17,728	17,377	17,197
Less: Goodwill	(5,834)	(5,823)	(6,931)
Total	13,461	13,118	11,827
Tier 2			
Cumulative general provisions	976	963	971
Subordinated debts	4,034	4,222	4,416
Others	84	13	(613)
Total	5,094	5,198	4,774
Total capital	18,555	18,316	16,601
Risk-weighted assets	131,810	123,847	108,847
Capital adequacy ratio (%)			
Tier I ratio	10.2	10.6	10.9
Tier II ratio	3.9	4.2	4.4
Total (Tier I & II) ratio	14.1	14.8	15.3

Based on regulatory guidelines, the Group's total capital adequacy ratio fell to 14.1% from 14.8% at end December 2005. Tier 1 capital also declined to 10.2% from 10.6% at end December 2005.

The decline in the Group's total capital adequacy ratio was due to an increase in risk-weighted assets and the accrual of dividends for fourth quarter 2005.

UNREALISED VALUATION SURPLUS

(\$m)	Mar 31, 2006	Dec 31, 2005	Mar 31, 2005
Properties	425	416	734
Non-trading investments	15	25	60
Total	440	441	794

The amount of unrealised valuation surpluses fell from \$794 million a year ago to \$440 million due to the sale of office buildings in Singapore in December 2005.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Unaudited Consolidated Income Statement

In \$ millions	1st Qtr 2006	1st Qtr 2005	+/()%	4th Qtr 2005	+/()%
Operating income					
Interest income	1,735	1,177	47	1,607	8
Interest expense	885	492	80	807	10
Net interest income	850	685	24	800	6
Net fee and commission income	262	229	14	241	9
Net trading income	108	82	32	(18)	>100
Net gain from non-trading investments	38	25	52	33	15
Other income	12	17	(29)	361	(97)
Total operating income	1,270	1,038	22	1,417	(10)
Operating expenses					
Personnel expenses	300	265	13	279	8
General and administrative expenses	231	183	26	237	(3)
Depreciation of properties and other fixed assets	33	38	(13)	35	(6)
Goodwill charges	-	-	NM	1,128	NM
Provisions for credit and other losses	31	63	(51)	55	(44)
Total operating expenses	595	549	8	1,734	(66)
Operating profit/(loss)	675	489	38	(317)	>100
Share of profits of associates	12	9	33	15	(20)
Operating profit/(loss) before tax	687	498	38	(302)	>100
Income tax expense	133	88	51	94	41
Net profit/(loss)	554	410	35	(396)	>100
Attributable to:					
Shareholders	518	373	39	(441)	>100
Minority interests	36	37	(3)	45	(20)
	554	410	35	(396)	>100

NM: Not meaningful

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Unaudited Balance Sheet as at

In \$ millions	GROUP			COMPANY		
	Mar 31 2006	Dec 31 2005 ^{1/}	Mar 31 2005	Mar 31 2006	Dec 31 2005 ^{1/}	Mar 31 2005
ASSETS						
Cash and balances with central banks	9,210	4,986	9,935			
Singapore Government securities and treasury bills	10,999	9,846	11,386			
Due from banks	22,647	23,816	27,851			
Other financial securities at fair value through profit or loss	15,574	14,989	12,593			
Positive replacement values	9,608	8,792	9,450			
Loans and advances to customers	78,818	79,462	71,055	-	-	3
Non-trading investments	22,452	23,102	21,846			
Securities pledged	2,548	2,380	4,412			
Subsidiaries	-	-	-	6,822	6,790	6,850
Investments in associates	550	585	512			
Goodwill on consolidation	5,834	5,803	6,931			
Properties and other fixed assets	1,638	1,662	1,785			
Deferred tax assets	38	51	91			
Other assets	3,954	4,730	4,392			
TOTAL ASSETS	183,870	180,204	182,239	6,822	6,790	6,853
LIABILITIES						
Due to banks	10,674	8,959	13,708			
Negative replacement values	9,570	8,537	9,291			
Due to non-bank customers	119,067	116,884	115,931			
Bills payable	362	378	390			
Current tax liabilities	589	557	690			
Deferred tax liabilities	81	58	61	-	-	-
Other liabilities	10,728	12,274	10,114	5	6	5
Other debt securities in issue ^{2/}	7,956	8,002	7,325			
- due within one year	2,756	2,664	2,941			
- due after one year	5,200	5,338	4,384			
Subordinated term debts	5,077	5,365	5,372			
TOTAL LIABILITIES	164,104	161,014	162,882	5	6	5
NET ASSETS	19,766	19,190	19,357	6,817	6,784	6,848
EQUITY						
Share capital	8,165	8,132	8,083	3,894	3,861	3,812
Treasury shares	(117)	(117)	(117)	-	-	-
Other reserves	2,615	2,542	2,417	50	49	37
Revenue reserve	6,685	6,167	6,540	2,873	2,874	2,999
SHAREHOLDERS' FUNDS	17,348	16,724	16,923	6,817	6,784	6,848
Minority interests	2,418	2,466	2,434	-	-	-
TOTAL EQUITY	19,766	19,190	19,357	6,817	6,784	6,848
OFF BALANCE SHEET ITEMS						
Contingent liabilities	10,002	8,769	7,633			
Commitments	76,401	75,804	63,497			
Financial derivatives	1,444,019	1,359,935	1,583,295			
OTHER INFORMATION						
Net asset value per ordinary share (\$)						
(i) Based on existing ordinary share capital				4.50	4.48	4.54
(ii) Assuming conversion of outstanding preference shares to ordinary shares				4.35	4.34	4.39

Notes:

1/ Audited

2/ Includes secured amount of \$2,204 million as at March 31, 2006 (December 31, 2005: \$2,018 million; March 31, 2005: \$1,795 million). These are mainly secured by properties and securities.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Unaudited Statement of Changes in Equity

GROUP In \$ millions	Attributable to Shareholders					Total equity
	Share capital ^{1/}	Treasury shares	Other reserves	Revenue reserve	Minority interests	
Balance at January 1, 2006	8,132	(117)	2,542	6,167	2,466	19,190
Exercise of share options	33					33
Net exchange translation adjustments			12		(36)	(24)
Share of associates' capital reserves			2			2
Cost of share-based payments			5			5
Available-for-sale investments/Cash flow hedge:						
- Net valuation taken to equity			56			56
- Transferred to income statement on sale			33			33
- Tax on items taken directly to or transferred from equity			(35)			(35)
Net profit for the period				518	36	554
Dividends paid to minority interests					(48)	(48)
Balance at March 31, 2006	8,165	(117)	2,615	6,685	2,418	19,766
Balance at January 1, 2005	8,066	(126)	2,328	6,176	2,431	18,875
On adoption of FRS 39 at January 1, 2005			292	(9)		283
Exercise of share options	15					15
Net exchange translation adjustments			7		14	21
Share of associates' capital reserves			2			2
Cost of share-based payments			10			10
Draw-down of reserves upon vesting of performance shares		9	(9)			-
Reclassification of reserves upon exercise of share options	2		(2)			-
Available-for-sale investments/Cash flow hedge:						
- Net valuation taken to equity			(257)			(257)
- Transferred to income statement on sale			27			27
- Tax on items taken directly to or transferred from equity			19			19
Net profit for the period				373	37	410
Dividends paid to minority interests					(48)	(48)
Balance at March 31, 2005	8,083	(117)	2,417	6,540	2,434	19,357

COMPANY

COMPANY In \$ millions	Share capital ^{1/}	Other reserves	Revenue reserve	Total equity
Balance at January 1, 2006	3,861	49	2,874	6,784
Exercise of share options	33			33
Cost of share-based payments		1		1
Net loss for the period			(1)	(1)
Balance at March 31, 2006	3,894	50	2,873	6,817
Balance at January 1, 2005	3,795	35	3,000	6,830
Exercise of share options	15			15
Cost of share-based payments		4		4
Reclassification of reserves upon exercise of share options		(2)		-
Net loss for the period			(1)	(1)
Balance at March 31, 2005	3,812	37	2,999	6,848

Note:

1/ Share capital included Capital redemption reserves and Share premium of DBS Bank prior to restructuring of DBS Bank under a financial services holding company, DBSH, pursuant to a scheme of arrangement under Section 210 of Singapore Companies Act on 26 June 1999 (previously disclosed under Non-distributable reserves).

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Unaudited Consolidated Statement of Cash Flows

In \$ millions	1st Qtr 2006	1st Qtr 2005
Cash flows from operating activities		
Operating profit before tax	687	498
<i>Adjustments for non-cash items:</i>		
Provisions for credit and other losses	31	63
Depreciation of properties and other fixed assets	33	38
Share of profits of associates	(12)	(9)
Net gain on disposal of properties and other fixed assets	-	(3)
Net gain on disposal of non-trading investments	(38)	(25)
Operating profit before changes in operating assets & liabilities	701	562
<i>Increase/(Decrease) in:</i>		
Change in restricted balances with central banks	811	(60)
Due to non-bank customers	2,183	2,725
Due to banks	1,715	2,769
Other liabilities including bills payable	(502)	59
<i>(Increase)/Decrease in:</i>		
Singapore Government securities and treasury bills	(1,107)	370
Other financial securities at fair value through profit or loss	2,202	(920)
Other assets	(239)	382
Due from banks	1,163	(2,683)
Loans and advances to customers	608	(1,456)
Net cash generated from operating activities (1)	7,535	1,748
Cash flows from investing activities		
Dividends from associates	16	11
Purchase of properties and other fixed assets	(39)	(21)
Net increase/(decrease) in non-trading investments	716	(178)
Proceeds from disposal of properties and other fixed assets	3	4
Net cash generated from/(used in) investing activities (2)	696	(184)
Cash flows from financing activities		
Increase in share capital	33	17
Net (decrease)/increase in debt securities and borrowings	(364)	473
Dividends paid to minority interests	(48)	(48)
Net cash (used in)/generated from financing activities (3)	(379)	442
Exchange translation adjustments (4)	16	8
Net change in cash and cash equivalents (1)+(2)+(3)+(4)	7,868	2,014
Cash and cash equivalents at January 1	9,408	14,900
Cash and cash equivalents at March 31	17,276	16,914

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Selected Notes to the Accounts

Issuance of Ordinary Shares

There were 1,497,857,345 issued and fully paid-up ordinary shares at December 31, 2005. During the quarter from January 1, 2006 to March 31, 2006, the Group issued 2,641,403 ordinary shares upon the exercise of share options pursuant to the DBSH Share Option Plan, bringing the total outstanding number of ordinary shares to 1,500,498,748 at March 31, 2006. The weighted average number of ordinary shares was 1,498,839,593 for the quarter ended March 31, 2006. On a dilutive basis, the weighted average number of ordinary shares was 1,569,210,731 for the current quarter. This took into account the effect of a full conversion of non-voting convertible preference shares ("CPS") and non-voting redeemable CPS, and the exercise of all outstanding share options granted to employees when such shares would be issued to a price lower than the average share price during the quarter.

New ordinary shares that would have been issued on conversion of preference shares and exercise of share option are as follows:

(Number)	<u>Mar 31, 2006</u>	<u>Dec 31, 2005</u>	<u>Mar 31, 2005</u>
Conversion of non-voting CPS	120,436	120,436	120,436
Conversion of non-voting redeemable CPS	66,475,374	66,475,374	66,475,374
Exercise of share options	36,506,393	39,474,281	47,944,623