



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

To: Shareholders

The DBS Group Holdings Ltd ("DBSH" or "the Company") Board of Directors report unaudited financial results for the first quarter ended 31 March 2009.

For the first quarter of 2009, the Directors have declared an interim one-tier tax-exempt dividend of 14 cents (first quarter 2008: 17 cents) for each DBSH non-voting convertible preference share ("CPS") and an interim one-tier tax-exempt dividend of 14 cents (first quarter 2008: 17 cents) for each DBSH non-voting redeemable CPS, and an interim one-tier tax-exempt dividend of 14 cents (first quarter 2008: 17 cents) for each DBSH ordinary share. Historical comparisons have been adjusted for the one-for-two rights issue.

The first quarter 2009 dividends will be payable on 4 June 2009. The DBSH shares will be quoted ex-dividend on 20 May 2009. Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 25 May 2009. 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 22 May 2009 will be registered to determine shareholders' entitlement to the first quarter 2009 dividend. In respect of ordinary shares in the securities accounts with The Central Depository (Pte) Limited ("CDP"), the first quarter 2009 dividend will be paid by DBSH to CDP, which will in turn distribute the dividend entitlements to shareholders.

By order of the Board

Linda Hoon  
Group Secretary

7 May 2009  
Singapore

*More information on the above announcement is available at [www.dbs.com/investor](http://www.dbs.com/investor)*



## **Performance Summary**

Unaudited Financial Results  
For the First Quarter ended  
31 March 2009

DBS Group Holdings Ltd  
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# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## OVERVIEW

DBS Group Holdings Ltd (“DBSH”) prepares its condensed consolidated DBSH Group (“Group”) interim financial statements in accordance with Singapore Financial Reporting Standard (“FRS”) No. 34 Interim Financial Reporting, as modified by the requirements of Notice to Banks No. 612 “Credit Files, Grading and Provisioning” issued by the Monetary Authority of Singapore. The accounting policies and methods of computation applied for the current financial periods are consistent with those applied for the financial year ended 31 December 2008, with the exception of the adoption of new or revised FRS and Interpretations to FRS (“INT FRS”).

On 1 January 2009, the Group adopted the following new or revised FRS and INT FRS that are issued by the Accounting Standard Council (ASC), and are relevant for the Group.

- FRS 1: Presentation of Financial Statements
- FRS 1 Presentation of Financial Statements & FRS 32 Financial Instruments: Presentation – Puttable Financial Instruments and Obligations Arising on Liquidation
- FRS 27: Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- FRS 102 Share-based Payments – Vesting Conditions and Cancellations
- FRS 107 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments
- FRS 108: Operating Segments
- Improvements to FRSs (where applicable)
- INT FRS 113: Customer Loyalty Programmes
- INT FRS 116: Hedges of a Net Investment in a Foreign Operation

Refer to page 25 for more information.

|  | 1st Qtr<br>2009 | 1st Qtr<br>2008 | % chg | 4th Qtr<br>2008 | % chg |
|--|-----------------|-----------------|-------|-----------------|-------|
| <b>Selected income statement items (\$m)</b>                             |                 |                 |       |                 |       |
| Net interest income  | 1,076           | 1,057           | 2     | 1,115           | (3)   |
| Net fee and commission income  | 317             | 353             | (10)  | 263             | 21    |
| Other non-interest income  | 269             | 153             | 76    | 93              | >100  |
| Total income   | 1,662           | 1,563           | 6     | 1,471           | 13    |
| Expenses   | 638             | 656             | (3)   | 689             | (7)   |
| Profit before allowances   | 1,024           | 907             | 13    | 782             | 31    |
| Allowances for credit and other losses                                   | 414             | 140             | >100  | 269             | 54    |
| Profit before tax  | 630             | 790             | (20)  | 523             | 20    |
| Net profit   | 456             | 603             | (24)  | 383             | 19    |
| One-time items <sup>1/</sup>   | (23)            | -               | NM    | (88)            | 74    |
| Net profit including one-time items                                      | 433             | 603             | (28)  | 295             | 47    |
| <b>Selected balance sheet items (\$m)</b>                                |                 |                 |       |                 |       |
| Customer loans <sup>2/</sup>   | 130,557         | 114,227         | 14    | 126,481         | 3     |
| Interbank assets <sup>3/</sup>   | 30,261          | 28,606          | 6     | 22,159          | 37    |
| Total assets   | 273,252         | 251,453         | 9     | 256,718         | 6     |
| Customer deposits <sup>4/</sup>  | 179,818         | 157,379         | 14    | 169,858         | 6     |
| Total liabilities  | 244,923         | 227,996         | 7     | 232,715         | 5     |
| Shareholders' funds  | 24,042          | 20,850          | 15    | 19,819          | 21    |
| <b>Key financial ratios (%) (excluding one-time items) <sup>5/</sup></b> |                 |                 |       |                 |       |
| Net interest margin  | 1.99            | 2.09            |       | 2.04            |       |
| Non-interest/total income  | 35.3            | 32.4            |       | 24.2            |       |
| Cost/income ratio  | 38.4            | 42.0            |       | 46.8            |       |
| Return on assets   | 0.69            | 0.99            |       | 0.59            |       |
| Return on equity <sup>6/</sup>   | 8.01            | 11.61           |       | 7.64            |       |
| Loan/deposit ratio   | 72.6            | 72.6            |       | 74.5            |       |
| NPL ratio  | 2.0             | 1.0             |       | 1.5             |       |
| Specific allowances (loans)/average loans (bp)                           | 70              | 13              |       | 69              |       |
| Tier 1 capital adequacy ratio  | 12.5            | 9.2             |       | 10.1            |       |
| Total capital adequacy ratio   | 16.7            | 13.4            |       | 14.0            |       |

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

|  | 1st Qtr<br>2009 | 1st Qtr<br>2008 | 4th Qtr<br>2008 |
|--|-----------------|-----------------|-----------------|
| <b>Per share data (\$) <sup>7/</sup></b>         |                 |                 |                 |
| Per basic share                                  |                 |                 |                 |
| – earnings excluding one-time items and goodwill | 0.85            | 1.34            | 0.85            |
| – earnings                                       | 0.84            | 1.34            | 0.80            |
| – net book value <sup>6/</sup>                   | 10.27           | 10.71           | 10.25           |
| Per diluted share                                |                 |                 |                 |
| – earnings excluding one-time items and goodwill | 0.83            | 1.29            | 0.82            |
| – earnings                                       | 0.82            | 1.29            | 0.78            |
| – net book value <sup>6/</sup>                   | 10.10           | 10.59           | 10.14           |

**Notes:**

- 1/ One-time items include restructuring costs, impairment charges for Thai investment and gains on sale of office buildings in Hong Kong  
2/ Includes customer loans classified as financial assets at fair value through profit or loss on the balance sheet  
3/ Includes interbank assets classified as financial assets at fair value through profit or loss on the balance sheet  
4/ Includes customer deposits classified as financial liabilities at fair value through profit or loss on the balance sheet  
5/ Return on assets, return on equity, specific allowances (loan)/average loan and per share data for the quarters are computed on an annualised basis  
6/ Minority interests are not included as equity in the computation of net book value and return on equity  
7/ Adjusted for shares arising from the rights issue in January 2009  
NM Not Meaningful

First-quarter net profit rose 19% from the previous quarter to \$456 million but was 24% below a year ago. The performance was marked by strong revenues and productivity savings through cost discipline measures. Earnings before allowances reached a record \$1.02 billion for the first quarter. Additional general allowances were taken to further bolster the balance sheet against economic uncertainties in the operating environment.

Revenues rose 6% from a year ago and 13% from the previous quarter to \$1.66 billion as trading income improved from earlier periods. Net interest income rose 2% from a year ago and fell 3% from the previous quarter as lower interbank rates dampened net interest margins, but this was partially offset by higher credit spreads and wider prime-Hibor spreads in Hong Kong. Net fee income rose 21% from the previous quarter on better loan related revenues, but was 10% below a year ago as capital market activities remained weak.

Expenses fell 7% from the previous quarter and 3% from a year ago as ongoing efforts to improve workflow and productivity yielded savings, partially offset by continued investments in systems infrastructure and in operations outside Singapore and Hong Kong. The cost-income ratio fell to 38% from 47% in the previous quarter and 42% a year ago.

Allowances rose to \$414 million, 54% above the previous quarter and three times the amount a year ago. They included specific loan allowances of \$225 million or 70 basis points of average loans, which were stable from the previous quarter but significantly above the 13 basis points a year ago. The increased charges were for SME loans in Hong Kong and corporate loans in Rest of the World. The non-performing loan rate rose from 1.5% to 2.0%.

Balance sheet strength was maintained. The total capital adequacy ratio stood at 16.7% with tier-1 at 12.5%. Total cumulative allowances amounted to 97% of non-performing assets and 156% if collateral was considered.

Return on assets was 0.69% compared to 0.59% in the previous quarter and 0.99% a year ago. Return on equity improved to 8.0% from 7.6% in the prior quarter but fell from 11.6% a year ago.

An impairment charge of \$23 million for the bank's investment in TMB Bank was taken during the quarter, which if included would result in net profit of \$433 million.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## NET INTEREST INCOME

| Average balance sheet                           | 1st Qtr 2009          |                |                  | 1st Qtr 2008          |                |                  | 4th Qtr 2008          |                |                  |
|---|-----------------------|----------------|------------------|-----------------------|----------------|------------------|-----------------------|----------------|------------------|
|   | Average balance (\$m) | Interest (\$m) | Average rate (%) | Average balance (\$m) | Interest (\$m) | Average rate (%) | Average balance (\$m) | Interest (\$m) | Average rate (%) |
| <b>Interest-bearing assets</b>                  |                       |                |                  |                       |                |                  |                       |                |                  |
| Customer loans                                  | 128,695               | 1,107          | 3.49             | 111,027               | 1,308          | 4.74             | 128,582               | 1,335          | 4.13             |
| Interbank assets                                | 41,384                | 107            | 1.05             | 38,219                | 258            | 2.72             | 38,675                | 164            | 1.69             |
| Securities                                      | 49,044                | 441            | 3.65             | 54,256                | 581            | 4.31             | 49,801                | 517            | 4.13             |
| <b>Total</b>                                    | <b>219,123</b>        | <b>1,655</b>   | <b>3.06</b>      | <b>203,502</b>        | <b>2,147</b>   | <b>4.24</b>      | <b>217,058</b>        | <b>2,016</b>   | <b>3.69</b>      |
| <b>Interest-bearing liabilities</b>             |                       |                |                  |                       |                |                  |                       |                |                  |
| Customer deposits                               | 175,464               | 387            | 0.90             | 154,445               | 673            | 1.75             | 170,719               | 654            | 1.52             |
| Other borrowings                                | 28,227                | 192            | 2.76             | 39,979                | 417            | 4.19             | 34,228                | 247            | 2.87             |
| <b>Total</b>                                    | <b>203,691</b>        | <b>579</b>     | <b>1.15</b>      | <b>194,424</b>        | <b>1,090</b>   | <b>2.26</b>      | <b>204,947</b>        | <b>901</b>     | <b>1.75</b>      |
| <b>Net interest income/margin <sup>1/</sup></b> |                       | <b>1,076</b>   | <b>1.99</b>      |                       | <b>1,057</b>   | <b>2.09</b>      |                       | <b>1,115</b>   | <b>2.04</b>      |

Note:

<sup>1/</sup> Net interest margin is net interest income expressed as a percentage of average interest-earning assets

Net interest income fell 3% from the previous quarter to \$1.08 billion as interest margins declined five basis points to 1.99%. Average asset volumes were little changed.

Partially offsetting these pressures were higher credit spreads and an improvement in Hong Kong margins as the prime-Hibor spread widened.

The lower margins were due largely to a fall in Singapore interbank rates. The inflow of funds from the equity rights issue that closed in January and from customer deposits also exerted some margin pressures, but the impact was largely offset by managing down other forms of funding.

Compared to a year ago, net interest income was 2% higher as the impact of higher customer loans was offset by lower margins due primarily to lower Singapore interbank rates.

| Volume and rate analysis (\$m)       | 1st Qtr 2009 versus 1st Qtr 2008 |              |              | 1st Qtr 2009 versus 4th Qtr 2008 |              |              |
|--------------------------------------|----------------------------------|--------------|--------------|----------------------------------|--------------|--------------|
|                                      | Volume                           | Rate         | Net change   | Volume                           | Rate         | Net change   |
| <b>Interest income</b>               |                                  |              |              |                                  |              |              |
| Customer loans                       | 204                              | (370)        | (166)        | 1                                | (205)        | (204)        |
| Interbank assets                     | 23                               | (196)        | (173)        | 12                               | (66)         | (54)         |
| Securities                           | (56)                             | (79)         | (135)        | (8)                              | (58)         | (66)         |
| <b>Total</b>                         | <b>171</b>                       | <b>(645)</b> | <b>(474)</b> | <b>5</b>                         | <b>(329)</b> | <b>(324)</b> |
| <b>Interest expense</b>              |                                  |              |              |                                  |              |              |
| Customer deposits                    | 92                               | (374)        | (282)        | 18                               | (276)        | (258)        |
| Other borrowings                     | (124)                            | (99)         | (223)        | (41)                             | (10)         | (51)         |
| <b>Total</b>                         | <b>(32)</b>                      | <b>(473)</b> | <b>(505)</b> | <b>(23)</b>                      | <b>(286)</b> | <b>(309)</b> |
| <b>Net impact on interest income</b> | <b>203</b>                       | <b>(172)</b> | <b>31</b>    | <b>28</b>                        | <b>(43)</b>  | <b>(15)</b>  |
| Due to change in number of days      |                                  |              | (12)         |                                  |              | (24)         |
| <b>Net Interest Income</b>           |                                  |              | <b>19</b>    |                                  |              | <b>(39)</b>  |

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## NET FEE AND COMMISSION INCOME

| (\$m)                 | 1st Qtr<br>2009 | 1st Qtr<br>2008 | % chg       | 4th Qtr<br>2008 | % chg     |
|-----------------------|-----------------|-----------------|-------------|-----------------|-----------|
| Stockbroking          | 28              | 50              | (44)        | 32              | (13)      |
| Investment banking    | 17              | 29              | (41)        | 16              | 6         |
| Trade and remittances | 66              | 52              | 27          | 56              | 18        |
| Loan related          | 96              | 90              | 7           | 50              | 92        |
| Guarantees            | 15              | 11              | 36          | 11              | 36        |
| Deposit related       | 20              | 19              | 5           | 21              | (5)       |
| Credit card           | 33              | 31              | 6           | 36              | (8)       |
| Fund management       | 5               | 14              | (64)        | 5               | -         |
| Wealth management     | 16              | 40              | (60)        | 17              | (6)       |
| Others                | 21              | 17              | 24          | 19              | 11        |
| <b>Total</b>          | <b>317</b>      | <b>353</b>      | <b>(10)</b> | <b>263</b>      | <b>21</b> |

Net fee and commission income rose 21% from the previous quarter to \$317 million. This was due primarily to higher revenues from loan related activities as market opportunities were captured.

Capital market activities – comprising stockbroking, investment banking, wealth management product sales and fund management – remained subdued and were at previous quarter's level.

Compared to a year ago, fee income was 10% lower from a decline of revenues from capital market activities, partially offset by higher revenues from activities outside of capital markets.

## OTHER NON-INTEREST INCOME

| (\$m)   | 1st Qtr<br>2009 | 1st Qtr<br>2008 | % chg     | 4th Qtr<br>2008 | % chg          |
|---|-----------------|-----------------|-----------|-----------------|----------------|
| Net trading income/(loss)   | 204             | (161)           | NM        | 144             | 42             |
| From trading businesses   | 259             | (152)           | NM        | 135             | 92             |
| From other businesses   | (55)            | (9)             | (>100)    | 9               | NM             |
| Net (loss)/income from financial instruments designated at fair value | (54)            | 85              | NM        | (169)           | 68             |
| Net income on financial investments                                   | 106             | 211             | (50)      | 104             | 2              |
| Net gain on fixed assets <sup>1/</sup>                                | -               | 3               | NM        | -               | -              |
| Others (include rental income)  | 13              | 15              | (13)      | 14              | (7)            |
| <b>Total</b>  | <b>269</b>      | <b>153</b>      | <b>76</b> | <b>93</b>       | <b>&gt;100</b> |

Notes:

<sup>1/</sup> Exclude one-time items

NM Not Meaningful

Other non-interest income rose from \$93 million in the previous quarter to \$269 million, boosted by gains from trading activities.

Trading activities registered a gain of \$150 million. The improvement was led by interest rate and foreign exchange activities supported by strong customer flows.

Net gain on investment securities of \$106 million was similar to the previous quarter but lower compared to a year ago. This quarter's gains were largely from the sale of fixed-income securities.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## EXPENSES

| (\$m)                         | 1st Qtr<br>2009 | 1st Qtr<br>2008 | % chg      | 4th Qtr<br>2008 | % chg      |
|-------------------------------|-----------------|-----------------|------------|-----------------|------------|
| Staff <sup>1/</sup>           | 327             | 352             | (7)        | 346             | (5)        |
| Occupancy                     | 71              | 58              | 22         | 68              | 4          |
| Computerisation               | 112             | 102             | 10         | 126             | (11)       |
| Revenue-related               | 33              | 34              | (3)        | 35              | (6)        |
| Others                        | 95              | 110             | (14)       | 114             | (17)       |
| <b>Total</b>                  | <b>638</b>      | <b>656</b>      | <b>(3)</b> | <b>689</b>      | <b>(7)</b> |
| Staff headcount at period-end | 14,082          | 14,082          | -          | 14,312          | (2)        |

Included in the above table were:

|   |    |    |    |    |    |
|---|----|----|----|----|----|
| Depreciation of properties and other fixed assets | 41 | 34 | 21 | 36 | 14 |
| Director's fees                                   | 1  | 1  | -  | 1  | -  |
| Audit fees payable                                | 2  | 2  | -  | 2  | -  |

Note:

<sup>1/</sup> Exclude one-time items

Expenses fell 7% from the previous quarter to \$638 million. Expenses declined as ongoing efforts to improve productivity yielded cost savings, partially offset by continued investment for technology improvements and emerging markets.

Staff costs declined 5% as headcount fell 2% during the quarter due to a fall in the number of contract staff hired for seasonal activities. The reduction in staff costs was also due to the full quarter impact of an organisational streamlining in the previous quarter.

Non-staff costs were 9% lower compared to previous quarter and 2% higher compared to a year ago. Cost discipline will continue to be exercised and investments will be made where there are revenue opportunities.

**ALLOWANCES FOR CREDIT AND OTHER LOSSES**

| (\$m)   | 1st Qtr<br>2009 | 1st Qtr<br>2008 | % chg          | 4th Qtr<br>2008 | % chg     |
|---|-----------------|-----------------|----------------|-----------------|-----------|
| General allowances (GP)   | 182             | 90              | >100           | 46              | >100      |
| <b>Specific allowances (SP) for loans</b>   | 225             | 37              | >100           | 224             | -         |
| Singapore   | 64              | 23              | >100           | 67              | (4)       |
| Hong Kong   | 93              | 15              | >100           | 111             | (16)      |
| Other countries   | 68              | (1)             | NM             | 46              | 48        |
| Specific allowances (SP) for securities, properties<br>and other assets <sup>1/</sup> | 7               | 13              | (46)           | (1)             | NM        |
| <b>Total</b>  | <b>414</b>      | <b>140</b>      | <b>&gt;100</b> | <b>269</b>      | <b>54</b> |

Notes:

1/ Exclude one-time items

NM Not Meaningful

Specific allowances for loans amounted to \$225 million, little changed from the previous quarter.

In Hong Kong, specific loan allowances fell from \$111 million in the previous quarter to \$93 million. There were higher charges for SME loans but the increase was more than offset by a sharp decline in charges for private banking loans. Charges for Hong Kong SME loans are expected to remain at elevated levels.

The increase in specific loan allowances in other countries was due to corporate loans in Rest of the World. Specific allowances for corporate and SME loans in Rest of Greater China declined from the previous quarter as the credit environment improved.

Specific allowances for Singapore loans were little changed from the previous quarter.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## PERFORMANCE BY BUSINESS SEGMENTS

| (\$m)   | CBG     | IBG     | GFM    | CTU    | Central<br>Ops | Total   |
|---|---------|---------|--------|--------|----------------|---------|
| <b>Selected income items</b>                                |         |         |        |        |                |         |
| <b>1st Qtr 2009 <sup>1/</sup></b>                           |         |         |        |        |                |         |
| Net interest income   | 192     | 467     | 287    | 173    | (43)           | 1,076   |
| Non-interest income   | 113     | 286     | 101    | 130    | (44)           | 586     |
| Total income  | 305     | 753     | 388    | 303    | (87)           | 1,662   |
| Expenses  | 238     | 178     | 120    | 11     | 91             | 638     |
| Allowances for credit and other losses                      | 10      | 198     | 7      | 50     | 149            | 414     |
| Share of profits of associates                              | -       | -       | 1      | -      | 19             | 20      |
| Profit before tax   | 57      | 377     | 262    | 242    | (308)          | 630     |
| Income tax expense  | 9       | 88      | 59     | 36     | (77)           | 115     |
| Net profit  | 48      | 289     | 203    | 206    | (290)          | 456     |
| <b>4th Qtr 2008 <sup>1/</sup></b>                           |         |         |        |        |                |         |
| Net interest income   | 243     | 482     | 309    | 177    | (96)           | 1,115   |
| Non-interest income   | 125     | 200     | (159)  | 98     | 92             | 356     |
| Total income  | 368     | 682     | 150    | 275    | (4)            | 1,471   |
| Expenses  | 258     | 164     | 65     | (3)    | 205            | 689     |
| Allowances for credit and other losses                      | 12      | 145     | 14     | 4      | 94             | 269     |
| Share of profits of associates                              | -       | -       | -      | -      | 10             | 10      |
| Profit before tax   | 98      | 373     | 71     | 274    | (293)          | 523     |
| Income tax expense  | 17      | 76      | 43     | 38     | (97)           | 77      |
| Net profit  | 81      | 297     | 28     | 236    | (259)          | 383     |
| <b>1st Qtr 2008</b>   |         |         |        |        |                |         |
| Net interest income   | 326     | 396     | 325    | 130    | (120)          | 1,057   |
| Non-interest income   | 160     | 278     | (20)   | 40     | 48             | 506     |
| Total income  | 486     | 674     | 305    | 170    | (72)           | 1,563   |
| Expenses  | 255     | 192     | 132    | 13     | 64             | 656     |
| Allowances for credit and other losses                      | 5       | 91      | 23     | 13     | 8              | 140     |
| Share of profits of associates                              | -       | -       | 2      | -      | 21             | 23      |
| Profit before tax   | 226     | 391     | 152    | 144    | (123)          | 790     |
| Income tax expense  | 38      | 76      | 49     | 20     | (32)           | 151     |
| Net profit  | 188     | 315     | 103    | 124    | (127)          | 603     |
| <b>Selected balance sheet and other items <sup>2/</sup></b> |         |         |        |        |                |         |
| <b>31 Mar 2009</b>  |         |         |        |        |                |         |
| Total assets before goodwill                                | 37,407  | 100,493 | 91,310 | 32,350 | 5,845          | 267,405 |
| Goodwill on consolidation                                   |         |         |        |        |                | 5,847   |
| Total assets  |         |         |        |        |                | 273,252 |
| Total liabilities   | 101,680 | 63,392  | 49,734 | 2,898  | 27,219         | 244,923 |
| Capital expenditure for 1st Qtr 2009                        | 4       | 5       | 3      | -      | 37             | 49      |
| Depreciation for 1st Qtr 2009                               | 11      | 4       | 3      | -      | 23             | 41      |
| Goodwill charge for 1st Qtr 2009                            |         |         |        |        |                | -       |

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

| (\$m)                                | CBG    | IBG    | GFM    | CTU    | Central<br>Ops | Total   |
|--------------------------------------|--------|--------|--------|--------|----------------|---------|
| <b>31 Dec 2008</b>                   |        |        |        |        |                |         |
| Total assets before goodwill         | 36,004 | 96,586 | 86,760 | 26,344 | 5,177          | 250,871 |
| Goodwill on consolidation            |        |        |        |        |                | 5,847   |
| Total assets                         |        |        |        |        |                | 256,718 |
| Total liabilities                    | 95,537 | 60,390 | 48,930 | 1,496  | 26,362         | 232,715 |
| Capital expenditure for 4th Qtr 2008 | 32     | 7      | 3      | -      | 12             | 54      |
| Depreciation for 4th Qtr 2008        | 6      | 3      | 2      | -      | 25             | 36      |
| Goodwill charge for 4th Qtr 2008     |        |        |        |        |                | -       |
| <b>31 Mar 2008</b>                   |        |        |        |        |                |         |
| Total assets before goodwill         | 32,874 | 87,995 | 91,445 | 28,734 | 4,564          | 245,612 |
| Goodwill on consolidation            |        |        |        |        |                | 5,841   |
| Total assets                         |        |        |        |        |                | 251,453 |
| Total liabilities                    | 85,003 | 56,564 | 58,315 | 1,837  | 26,277         | 227,996 |
| Capital expenditure for 1st Qtr 2008 | 5      | 3      | 1      | -      | 5              | 14      |
| Depreciation for 1st Qtr 2008        | 7      | 2      | 3      | -      | 22             | 34      |
| Goodwill charge for 1st Qtr 2008     |        |        |        |        |                | -       |

**Notes:**

1/ Expenses, allowances for credit and other losses and profits exclude one-time items

2/ Refer to sections on Customer Loans and Non-Performing Assets and Loss Allowance Coverage for more information on business segments

The business segment results are prepared based on the Group's internal management reporting which reflects the organisation management reporting structure. As the activities of the Group are highly integrated, internal allocation has been made in preparing the segment information. Amounts for each business segment are shown after the allocation of certain centralised costs, funding income and the application of transfer pricing, where appropriate. Transactions between segments are recorded within the segment as if they are third party transactions and are eliminated on consolidation.

The various business segments are described below:

### Consumer Banking (CBG)

CBG provides individual customers with a diverse range of banking and related financial services. The products and services available to customers include current and savings accounts, fixed deposits, loans and home finance, cards, payments and investment products.

CBG's net interest income fell 21% from the previous quarter and 41% from a year ago as short-term interbank rates in Singapore declined to recent lows. Interbank rates also fell in Hong Kong and in other parts of Asia where CBG has operations in. Non-interest income was lower than both comparative periods due mainly to lower wealth management product sales in Singapore and Hong Kong. Expenses fell 8% from the previous quarter and 7% from a year ago due to productivity gains in core markets, partially offset by investments in Indonesia, China and Taiwan. Allowances were little changed from the previous quarter as the credit quality of consumer loans remained healthy. Allowances were higher compared to a year ago due to a mixture of higher allowances and lower recoveries.

### Institutional Banking (IBG)

IBG provides financial services and products to large corporate, institutional clients and small and medium-sized businesses. The products and services available to customers include corporate finance and advisory banking services for mergers and acquisitions, capital raising through debt and equity markets, capital restructuring, syndicated finance, securities and fiduciary services, cash management and trade services, private equity and credit facilities, deposit and treasury products.

IBG's net interest income was higher than a year ago from higher loan volumes and interest spreads but declined from the previous quarter as lower interbank rates lowered loan yields. Non-interest income compared positively against previous quarter from higher income from fee-based activities and sales of treasury products. In line with increased customer volumes, operating expenses were higher than the previous quarter. Total allowances were higher than the previous quarter due to higher charges for the SME portfolio in Hong Kong and for the corporate portfolio in Rest of the World.

### Global Financial Markets (GFM)

GFM provides treasury services to corporations, institutional and private investors, financial institutions and other market participants. It is primarily involved in market making, structuring, equity and debt sales and trading across a broad range of financial products including foreign exchange, interest rate/credit/equity and other structured derivatives. Income from these financial products and services offered to the customer of other business segments, such as Consumer Banking and Institutional Banking, is reflected in the respective segments. GFM also provides equity services through DBS Vickers Securities (DBSV). DBSV offers a wide range of services to retail and corporate customers including research, sales and trading, share placement, nominees and

securities custodian services and distribution of primary and secondary issues.

GFM's net interest income declined while non-interest income recovered from losses in both comparative periods. Interest rate and foreign exchange activities continued to record gains in the first quarter. Expenses were higher compared to the previous quarter as staff costs increased in line with higher revenues.

### **Central Treasury Unit (CTU)**

CTU is responsible for the management of the Group's asset and liability interest rate positions and investment of the Group's excess liquidity and shareholders' funds.

### **Central Operations**

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

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## PERFORMANCE BY GEOGRAPHY

| (\$m)   | S'pore  | Hong Kong | Rest of Greater China | South and South-east Asia | Rest of world | Total   |
|---|---------|-----------|-----------------------|---------------------------|---------------|---------|
| <b>Selected income items</b>                      |         |           |                       |                           |               |         |
| <b>1st Qtr 2009 <sup>1/</sup></b>                 |         |           |                       |                           |               |         |
| Net interest income                               | 655     | 224       | 80                    | 73                        | 44            | 1,076   |
| Non-interest income                               | 304     | 127       | 37                    | 82                        | 36            | 586     |
| Total income                                      | 959     | 351       | 117                   | 155                       | 80            | 1,662   |
| Expenses  | 375     | 150       | 60                    | 41                        | 12            | 638     |
| Allowances for credit and other losses            | 226     | 88        | 12                    | 34                        | 54            | 414     |
| Share of profits of associates                    | 3       | -         | 3                     | 14                        | -             | 20      |
| Profit before tax                                 | 361     | 113       | 48                    | 94                        | 14            | 630     |
| Income tax expense                                | 43      | 19        | 9                     | 31                        | 13            | 115     |
| Net profit  | 259     | 94        | 39                    | 63                        | 1             | 456     |
| <b>4th Qtr 2008 <sup>1/</sup></b>                 |         |           |                       |                           |               |         |
| Net interest income                               | 743     | 221       | 71                    | 44                        | 36            | 1,115   |
| Non-interest income                               | 93      | 114       | 55                    | 59                        | 35            | 356     |
| Total income                                      | 836     | 335       | 126                   | 103                       | 71            | 1,471   |
| Expenses  | 368     | 205       | 65                    | 34                        | 17            | 689     |
| Allowances for credit and other losses            | 101     | 112       | 40                    | 13                        | 3             | 269     |
| Share of profits of associates                    | 6       | -         | -                     | 4                         | -             | 10      |
| Profit before tax                                 | 373     | 18        | 21                    | 60                        | 51            | 523     |
| Income tax expense                                | 28      | 2         | (2)                   | 24                        | 25            | 77      |
| Net profit  | 282     | 16        | 23                    | 36                        | 26            | 383     |
| <b>1st Qtr 2008</b>                               |         |           |                       |                           |               |         |
| Net interest income                               | 721     | 225       | 41                    | 41                        | 29            | 1,057   |
| Non-interest income                               | 247     | 177       | 36                    | 40                        | 6             | 506     |
| Total income                                      | 968     | 402       | 77                    | 81                        | 35            | 1,563   |
| Expenses  | 401     | 173       | 34                    | 34                        | 14            | 656     |
| Allowances for credit and other losses            | 97      | 19        | 12                    | 7                         | 5             | 140     |
| Share of profits of associates                    | 3       | -         | 2                     | 18                        | -             | 23      |
| Profit before tax                                 | 473     | 210       | 33                    | 58                        | 16            | 790     |
| Income tax expense                                | 90      | 30        | 8                     | 14                        | 9             | 151     |
| Net profit  | 347     | 180       | 25                    | 44                        | 7             | 603     |
| <b>Selected balance sheet items <sup>2/</sup></b> |         |           |                       |                           |               |         |
| <b>31 Mar 2009</b>                                |         |           |                       |                           |               |         |
| Total assets before goodwill                      | 180,978 | 46,173    | 14,438                | 12,898                    | 12,918        | 267,405 |
| Goodwill on consolidation                         | 198     | 5,649     | -                     | -                         | -             | 5,847   |
| Total assets                                      | 181,176 | 51,822    | 14,438                | 12,898                    | 12,918        | 273,252 |
| Non-current assets <sup>3/</sup>                  | 1,580   | 611       | 25                    | 67                        | 2             | 2,285   |

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

| (\$m)                            | S'pore  | Hong Kong | Rest of Greater China | South and South-east Asia | Rest of world | Total   |
|----------------------------------|---------|-----------|-----------------------|---------------------------|---------------|---------|
| <b>31 Dec 2008</b>               |         |           |                       |                           |               |         |
| Total assets before goodwill     | 170,132 | 44,119    | 16,563                | 9,889                     | 10,168        | 250,871 |
| Goodwill on consolidation        | 198     | 5,649     | -                     | -                         | -             | 5,847   |
| Total assets                     | 170,330 | 49,768    | 16,563                | 9,889                     | 10,168        | 256,718 |
| Non-current assets <sup>3/</sup> | 1,575   | 570       | 23                    | 38                        | 2             | 2,208   |
| <b>31 Mar 2008</b>               |         |           |                       |                           |               |         |
| Total assets before goodwill     | 165,837 | 47,670    | 11,667                | 8,817                     | 11,621        | 245,612 |
| Goodwill on consolidation        | 192     | 5,649     | -                     | -                         | -             | 5,841   |
| Total assets                     | 166,029 | 53,319    | 11,667                | 8,817                     | 11,621        | 251,453 |
| Non-current assets <sup>3/</sup> | 1,546   | 555       | 12                    | 29                        | 4             | 2,146   |

**Notes:**

1/ Expenses, allowances for credit and other losses and profits exclude one-time items

2/ Refer to sections on Customer Loans and Non-Performing Assets and Loss Allowance Coverage for more information on business segments

3/ Includes investment in associates, properties and other fixed assets, and investment properties

The performance by geography is classified based on the location in which income and assets are recorded.

### Singapore

Net profit fell to \$259 million from \$282 million in the previous quarter and \$347 million a year ago. The results reflected weaker economic conditions as net interest income was affected by lower market interest rates and higher general allowances were taken.

Net interest income fell 12% from the previous quarter as lower market interest rates reduced yields on corporate loans, interbank assets and securities without effecting a similar decline in deposit costs. An improvement in loan credit spreads was not sufficient to compensate fully.

Non-interest income was significantly better than the previous quarter due mainly to strong trading gains in foreign exchange and interest rate activities. Fee income also improved as higher investment banking and loan syndication revenues were partially offset by lower trade and remittances and credit card transactions.

Expenses were stable from the previous quarter as lower non-staff costs were offset by higher bonus accruals in line with the stronger revenues.

The increase in allowances from the previous quarter was due mainly to the increase in general allowances. Specific allowances were little changed.

### Hong Kong

The first quarter's results incorporate a depreciation of the Singapore dollar against the Hong Kong dollar of 3%

from the previous quarter and 10% from a year ago. The results occurred against the backdrop of a softer economy.

Net profit rose to \$94 million from \$16 million in the previous quarter but was half the \$180 million a year ago. Compared to the previous quarter, revenues rose 5% from higher treasury contributions while expenses and provisions declined 27% and 21% respectively.

Net interest income was slightly higher than the previous quarter as interest margins improved 9 basis points to 1.91% with a widening of prime-Hibor spreads and better loan pricing being partially offset by lower yields on Hibor-linked assets, including surplus funds.

Non-interest income rose 11% from the previous quarter from stronger corporate customer flows for foreign exchange hedging products and from higher trading gains. Fee income fell moderately from lower stockbroking commissions in line with market turnover and from lower trade and remittance revenues. Their impact was partially offset by higher loan syndication fees. Fee income from investment banking and wealth management continued to be weak.

Expenses fell 27% from the previous quarter due to tighter spending on controllable expenditure, including advertising and travel.

Allowances were 21% lower than the previous quarter due to sharply lower charges for private banking loans. Specific allowances for SMEs were higher and accounted for a majority of the allowance charges in the first quarter.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## CUSTOMER LOANS <sup>1/</sup>

| (\$m)  | 31 Mar 2009    | 31 Dec 2008    | 31 Mar 2008    |
|--|----------------|----------------|----------------|
| Gross  | 132,784        | 128,365        | 115,660        |
| Less:  |                |                |                |
| Specific allowances  | 1,051          | 868            | 437            |
| General allowances   | 1,176          | 1,016          | 996            |
| <b>Net total</b>   | <b>130,557</b> | <b>126,481</b> | <b>114,227</b> |
| <b>By business unit</b>                                    |                |                |                |
| Consumer Banking   | 35,237         | 34,758         | 31,116         |
| Institutional Banking                                      | 91,184         | 87,415         | 77,915         |
| Others   | 6,363          | 6,192          | 6,629          |
| <b>Total (Gross)</b>                                       | <b>132,784</b> | <b>128,365</b> | <b>115,660</b> |
| <b>By geography</b>  |                |                |                |
| Singapore  | 74,981         | 74,377         | 67,294         |
| Hong Kong  | 32,814         | 32,085         | 29,423         |
| Rest of Greater China                                      | 9,439          | 9,683          | 6,916          |
| South and South-east Asia                                  | 7,920          | 5,557          | 5,198          |
| Rest of the world  | 7,630          | 6,663          | 6,829          |
| <b>Total (Gross)</b>                                       | <b>132,784</b> | <b>128,365</b> | <b>115,660</b> |
| <b>By industry</b>   |                |                |                |
| Manufacturing  | 16,946         | 15,958         | 15,457         |
| Building and construction                                  | 18,786         | 17,931         | 14,403         |
| Housing loans  | 29,882         | 29,375         | 26,581         |
| General commerce   | 12,426         | 13,075         | 11,057         |
| Transportation, storage & communications                   | 13,073         | 12,457         | 11,511         |
| Financial institutions, investment & holding companies     | 16,988         | 14,490         | 14,236         |
| Professionals & private individuals (except housing loans) | 10,346         | 10,478         | 10,022         |
| Others   | 14,337         | 14,601         | 12,393         |
| <b>Total (Gross)</b>                                       | <b>132,784</b> | <b>128,365</b> | <b>115,660</b> |
| <b>By currency and fixed/variable pricing</b>              |                |                |                |
| Singapore dollar   | 56,469         | 53,527         | 45,902         |
| Fixed rates  | 17,628         | 15,795         | 11,769         |
| Floating or adjustable rates                               | 38,841         | 37,732         | 34,133         |
| Hong Kong dollar   | 30,272         | 29,347         | 26,344         |
| Fixed rates  | 680            | 664            | 608            |
| Floating or adjustable rates                               | 29,592         | 28,683         | 25,736         |
| US dollar  | 29,194         | 28,123         | 27,406         |
| Fixed rates  | 1,686          | 1,736          | 1,992          |
| Floating or adjustable rates                               | 27,508         | 26,387         | 25,414         |
| Others   | 16,849         | 17,368         | 16,008         |
| Fixed rates  | 2,436          | 2,695          | 2,711          |
| Floating or adjustable rates                               | 14,413         | 14,673         | 13,297         |
| <b>Total (Gross)</b>                                       | <b>132,784</b> | <b>128,365</b> | <b>115,660</b> |

Note:

1/ Includes customer loans classified as financial assets at fair value through profit or loss on the balance sheet

Gross customer loans rose 3% from the previous quarter. Excluding currency translation effects, the growth was due largely to Singapore-dollar corporate borrowing for infrastructure projects. DBS increased its market share of Singapore-dollar loans from 20% in the previous quarter to 21%.

Loans in Hong Kong fell 3% in local currency terms during the quarter, led by a decline in trade finance loans. DBS maintained its market share at 5% of industry loans.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## NON-PERFORMING ASSETS AND LOSS ALLOWANCE COVERAGE <sup>1/</sup>

| By business unit                     | NPA<br>(\$m) | SP<br>(\$m) | GP<br>(\$m) | NPL<br>(% of loans) | (GP+SP)/NPA<br>(%) | (GP+SP)/<br>unsecured<br>NPA<br>(%) |
|--------------------------------------|--------------|-------------|-------------|---------------------|--------------------|-------------------------------------|
| <b>31 Mar 2009</b>                   |              |             |             |                     |                    |                                     |
| Consumer Banking                     | 326          | 81          | 351         | 0.9                 | 133                | 289                                 |
| Institutional Banking                | 2,028        | 830         | 904         | 2.2                 | 86                 | 144                                 |
| Others                               | 367          | 204         | (79)        | 5.8                 | 34                 | 48                                  |
| Total non-performing<br>loans (NPL)  | 2,721        | 1,115       | 1,176       | 2.0                 | 84                 | 142                                 |
| Debt securities                      | 293          | 251         | 338         | -                   | 201                | 216                                 |
| Contingent liabilities &<br>others   | 219          | 54          | 213         | -                   | 122                | 202                                 |
| Total non-performing<br>assets (NPA) | 3,233        | 1,420       | 1,727       | -                   | 97                 | 156                                 |
| <b>31 Dec 2008</b>                   |              |             |             |                     |                    |                                     |
| Consumer Banking                     | 290          | 76          | 347         | 0.8                 | 146                | 311                                 |
| Institutional Banking                | 1,467        | 684         | 867         | 1.7                 | 106                | 169                                 |
| Others                               | 201          | 160         | (198)       | 3.3                 | (19)               | (23)                                |
| Total non-performing<br>loans (NPL)  | 1,958        | 920         | 1,016       | 1.5                 | 99                 | 159                                 |
| Debt securities                      | 277          | 236         | 288         | -                   | 189                | 193                                 |
| Contingent liabilities &<br>others   | 157          | 52          | 220         | -                   | 173                | 421                                 |
| Total non-performing<br>assets (NPA) | 2,392        | 1,208       | 1,524       | -                   | 114                | 176                                 |
| <b>31 Mar 2008</b>                   |              |             |             |                     |                    |                                     |
| Consumer Banking                     | 229          | 62          | 311         | 0.7                 | 163                | 379                                 |
| Institutional Banking                | 897          | 378         | 775         | 1.2                 | 129                | 235                                 |
| Others                               | 62           | 53          | (32)        | 0.9                 | 34                 | 41                                  |
| Total non-performing<br>loans (NPL)  | 1,188        | 493         | 1,054       | 1.0                 | 130                | 242                                 |
| Debt securities                      | 167          | 160         | 182         | -                   | 205                | 212                                 |
| Contingent liabilities               | 109          | 7           | 130         | -                   | 125                | 344                                 |
| Total non-performing<br>assets (NPA) | 1,464        | 660         | 1,366       | -                   | 138                | 241                                 |

Note:

<sup>1/</sup> Allowances for credit and other losses exclude one-time items

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

| By geography                    | NPA<br>(\$m) | SP<br>(\$m) | GP<br>(\$m) | NPL<br>(% of loans) | (GP+SP)/NPA<br>(%) | (GP+SP)/<br>unsecured<br>NPA<br>(%) |
|---------------------------------|--------------|-------------|-------------|---------------------|--------------------|-------------------------------------|
| <b>31 Mar 2009</b>              |              |             |             |                     |                    |                                     |
| Singapore                       | 747          | 316         | 359         | 1.3                 | 90                 | 160                                 |
| Hong Kong                       | 860          | 381         | 324         | 2.6                 | 82                 | 152                                 |
| Rest of Greater China           | 494          | 249         | 115         | 4.7                 | 74                 | 122                                 |
| South and South-east Asia       | 184          | 72          | 183         | 1.7                 | 139                | 181                                 |
| Rest of the World               | 436          | 97          | 195         | 2.3                 | 67                 | 101                                 |
| Total non-performing loans      | 2,721        | 1,115       | 1,176       | 2.0                 | 84                 | 142                                 |
| Debt securities                 | 293          | 251         | 338         | -                   | 201                | 216                                 |
| Contingent liabilities & others | 219          | 54          | 213         | -                   | 122                | 202                                 |
| Total non-performing assets     | 3,233        | 1,420       | 1,727       | -                   | 97                 | 156                                 |
| <b>31 Dec 2008</b>              |              |             |             |                     |                    |                                     |
| Singapore                       | 678          | 271         | 316         | 1.0                 | 87                 | 151                                 |
| Hong Kong                       | 587          | 313         | 343         | 1.7                 | 112                | 176                                 |
| Rest of Greater China           | 457          | 241         | 117         | 4.3                 | 78                 | 128                                 |
| South and South-east Asia       | 133          | 59          | 159         | 1.2                 | 164                | 171                                 |
| Rest of the World               | 103          | 36          | 81          | 1.3                 | 114                | 252                                 |
| Total non-performing loans      | 1,958        | 920         | 1,016       | 1.5                 | 99                 | 159                                 |
| Debt securities                 | 277          | 236         | 288         | -                   | 189                | 193                                 |
| Contingent liabilities & others | 157          | 52          | 220         | -                   | 173                | 421                                 |
| Total non-performing assets     | 2,392        | 1,208       | 1,524       | -                   | 114                | 176                                 |
| <b>31 Mar 2008</b>              |              |             |             |                     |                    |                                     |
| Singapore                       | 494          | 227         | 425         | 0.8                 | 132                | 255                                 |
| Hong Kong                       | 419          | 186         | 284         | 1.5                 | 112                | 202                                 |
| Rest of Greater China           | 76           | 28          | 94          | 0.9                 | 159                | 438                                 |
| South and South-east Asia       | 65           | 42          | 137         | 0.8                 | 275                | 339                                 |
| Rest of the World               | 134          | 10          | 114         | 1.2                 | 93                 | 173                                 |
| Total non-performing loans      | 1,188        | 493         | 1,054       | 1.0                 | 130                | 242                                 |
| Debt securities                 | 167          | 160         | 182         | -                   | 205                | 212                                 |
| Contingent liabilities & others | 109          | 7           | 130         | -                   | 125                | 344                                 |
| Total non-performing assets     | 1,464        | 660         | 1,366       | -                   | 138                | 241                                 |

## DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

| By industry<br>(\$m)                                       | 31 Mar 2009  |              | 31 Dec 2008  |              | 31 Mar 2008  |            |
|--|--------------|--------------|--------------|--------------|--------------|------------|
|  | NPA          | SP           | NPA          | SP           | NPA          | SP         |
| Manufacturing  | 824          | 381          | 720          | 351          | 328          | 156        |
| Building and construction                                  | 258          | 44           | 96           | 30           | 73           | 18         |
| Housing loans  | 214          | 42           | 193          | 43           | 145          | 32         |
| General commerce   | 472          | 226          | 381          | 187          | 273          | 138        |
| Transportation, storage & communications                   | 29           | 7            | 24           | 6            | 8            | 4          |
| Financial institutions, investment & holding companies     | 433          | 141          | 145          | 66           | 114          | 9          |
| Professionals & private individuals (except housing loans) | 299          | 151          | 223          | 129          | 127          | 56         |
| Others   | 192          | 123          | 176          | 108          | 120          | 80         |
| <b>Total non-performing loans</b>                          | <b>2,721</b> | <b>1,115</b> | <b>1,958</b> | <b>920</b>   | <b>1,188</b> | <b>493</b> |
| Debt securities  | 293          | 251          | 277          | 236          | 167          | 160        |
| Contingent liabilities & others                            | 219          | 54           | 157          | 52           | 109          | 7          |
| <b>Total non-performing assets</b>                         | <b>3,233</b> | <b>1,420</b> | <b>2,392</b> | <b>1,208</b> | <b>1,464</b> | <b>660</b> |

| By loan classification<br>(\$m) | 31 Mar 2009  |              | 31 Dec 2008  |              | 31 Mar 2008  |            |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|------------|
|                                 | NPA          | SP           | NPA          | SP           | NPA          | SP         |
| <b>Non-performing assets</b>    |              |              |              |              |              |            |
| Substandard                     | 1,931        | 219          | 1,328        | 213          | 846          | 63         |
| Doubtful                        | 950          | 849          | 800          | 730          | 373          | 351        |
| Loss                            | 352          | 352          | 264          | 265          | 245          | 246        |
| <b>Total</b>                    | <b>3,233</b> | <b>1,420</b> | <b>2,392</b> | <b>1,208</b> | <b>1,464</b> | <b>660</b> |
| <b>Restructured assets</b>      |              |              |              |              |              |            |
| Substandard                     | 282          | 61           | 213          | 46           | 171          | 22         |
| Doubtful                        | 61           | 51           | 57           | 49           | 30           | 27         |
| Loss                            | 44           | 44           | 49           | 46           | 37           | 37         |
| <b>Total</b>                    | <b>387</b>   | <b>156</b>   | <b>319</b>   | <b>141</b>   | <b>238</b>   | <b>86</b>  |

| By collateral type<br>(\$m)                             | 31 Mar 2009  | 31 Dec 2008  | 31 Mar 2008  |
|---|--------------|--------------|--------------|
|   | NPA          | NPA          | NPA          |
| Unsecured non-performing assets                         | 2,018        | 1,554        | 842          |
| <b>Secured non-performing assets by collateral type</b> |              |              |              |
| Properties  | 817          | 556          | 385          |
| Shares and debentures                                   | 121          | 43           | 19           |
| Fixed deposits  | 18           | 16           | 9            |
| Others  | 259          | 223          | 209          |
| <b>Total</b>  | <b>3,233</b> | <b>2,392</b> | <b>1,464</b> |

## DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

### By period overdue

| (\$m)               | 31 Mar 2009  | 31 Dec 2008  | 31 Mar 2008  |
|---------------------|--------------|--------------|--------------|
|                     | NPA          | NPA          | NPA          |
| Not overdue         | 1,107        | 857          | 559          |
| <90 days overdue    | 589          | 463          | 284          |
| 91-180 days overdue | 495          | 326          | 108          |
| >180 days overdue   | 1,042        | 746          | 513          |
| <b>Total</b>        | <b>3,233</b> | <b>2,392</b> | <b>1,464</b> |

Non-performing loans rose 39% from the previous quarter to \$2.72 billion or 2.0% of the loan portfolio, with SME loans in Hong Kong and corporate loans in Rest of the World accounting for the majority of the increase. Including debt securities and contingent liabilities, non-performing assets amounted to \$3.23 billion, of which 34% were still current in principal and interest and were classified for prudent reasons.

Allowance coverage for non-performing assets decreased to 97% from 114% in the previous quarter. If collateral was considered, the coverage was 156%.

### FUNDING SOURCES

| (\$m)  | 31 Mar 2009    | 31 Dec 2008    | 31 Mar 2008    |
|--|----------------|----------------|----------------|
| Customer deposits <sup>1/</sup>                | 179,818        | 169,858        | 157,379        |
| Interbank liabilities <sup>2/</sup>            | 12,327         | 9,571          | 21,376         |
| Other borrowings and liabilities <sup>2/</sup> | 57,065         | 57,470         | 51,848         |
| Shareholders' funds                            | 24,042         | 19,819         | 20,850         |
| <b>Total</b>                                   | <b>273,252</b> | <b>256,718</b> | <b>251,453</b> |

Notes:

1/ Includes customer deposits classified as financial liabilities at fair value through profit or loss on the balance sheet

2/ Includes liabilities classified as financial liabilities at fair value through profit or loss on the balance sheet

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## CUSTOMER DEPOSITS <sup>1/</sup>

| (\$m)                          | 31 Mar 2009    | 31 Dec 2008    | 31 Mar 2008    |
|--------------------------------|----------------|----------------|----------------|
| <b>By currency and product</b> |                |                |                |
| Singapore dollar               | 98,356         | 93,957         | 88,440         |
| Fixed deposits                 | 19,692         | 20,645         | 27,523         |
| Savings accounts               | 65,803         | 62,068         | 49,772         |
| Current accounts               | 12,198         | 10,359         | 10,512         |
| Others                         | 663            | 885            | 633            |
| Hong Kong dollar               | 25,147         | 23,536         | 22,706         |
| Fixed deposits                 | 15,579         | 15,721         | 15,402         |
| Savings accounts               | 6,537          | 5,030          | 4,618          |
| Current accounts               | 2,702          | 2,211          | 1,904          |
| Others                         | 329            | 574            | 782            |
| US dollar                      | 30,615         | 28,247         | 27,489         |
| Fixed deposits                 | 19,926         | 19,365         | 18,688         |
| Savings accounts               | 2,607          | 2,040          | 1,791          |
| Current accounts               | 7,309          | 5,982          | 4,772          |
| Others                         | 773            | 860            | 2,238          |
| Others                         | 25,700         | 24,118         | 18,744         |
| Fixed deposits                 | 20,693         | 20,043         | 13,653         |
| Savings accounts               | 1,441          | 1,231          | 683            |
| Current accounts               | 2,295          | 2,178          | 2,164          |
| Others                         | 1,271          | 666            | 2,244          |
| <b>Total</b>                   | <b>179,818</b> | <b>169,858</b> | <b>157,379</b> |
| Fixed deposits                 | 75,890         | 75,774         | 75,266         |
| Savings accounts               | 76,388         | 70,369         | 56,864         |
| Current accounts               | 24,504         | 20,730         | 19,352         |
| Others                         | 3,036          | 2,985          | 5,897          |

Note:

<sup>1/</sup> Includes customer deposits classified as financial liabilities at fair value through profit or loss on the balance sheet

Customer deposits rose 6% from the previous quarter to \$179.8 billion. Excluding exchange translation effects, the increase was largely due to Singapore-dollar savings and current account deposits.

Hong Kong-dollar deposits rose 1% in local currency terms during the quarter, also due to savings and current accounts.

The Group's deposit mix improved further during the quarter, with savings and current accounts generally rising across currencies.

## OTHER BORROWINGS & LIABILITIES

| (\$m)                                 | 31 Mar 2009   | 31 Dec 2008   | 31 Mar 2008   |
|---------------------------------------|---------------|---------------|---------------|
| Subordinated term debts <sup>1/</sup> | 9,539         | 9,085         | 8,704         |
| Other debt securities in issue        |               |               |               |
| Due within 1 year                     | 310           | 263           | 974           |
| Due after 1 year                      | 502           | 375           | 366           |
| Comprising:                           |               |               |               |
| Secured <sup>2/</sup>                 | 419           | 333           | 425           |
| Unsecured                             | 393           | 305           | 915           |
| Others                                | 46,714        | 47,747        | 41,804        |
| <b>Total</b>                          | <b>57,065</b> | <b>57,470</b> | <b>51,848</b> |

Notes:

<sup>1/</sup> All subordinated term debts issued are unsecured and due after 1 year

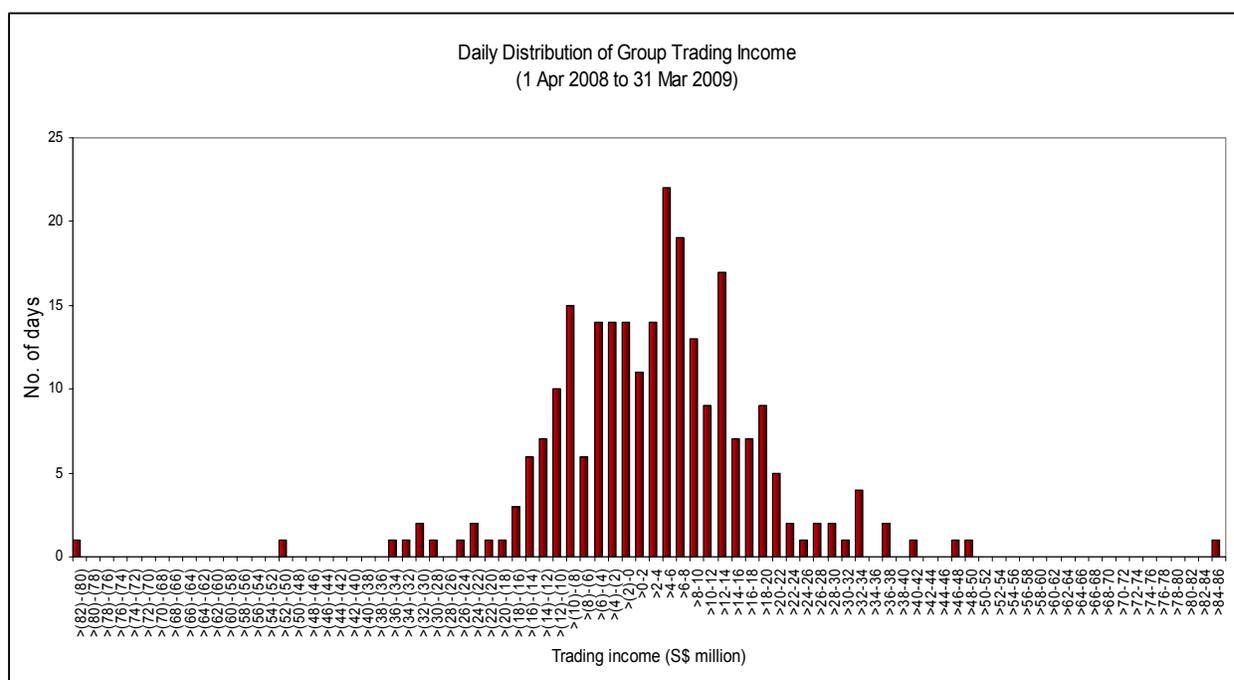
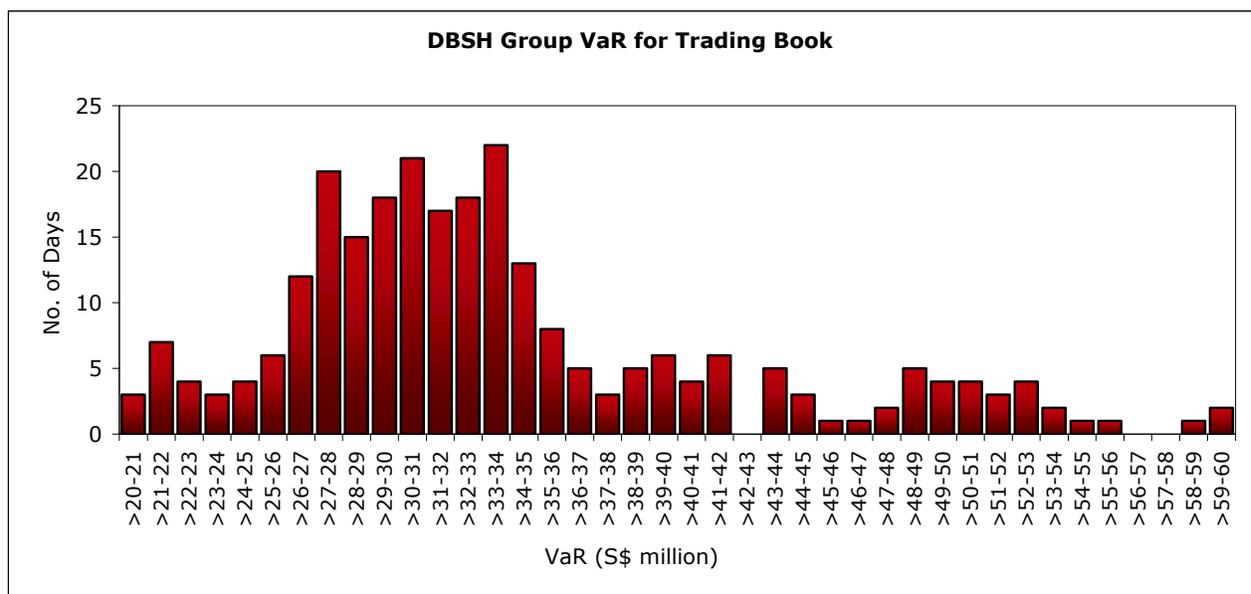
<sup>2/</sup> These are mainly secured by properties and securities

**VALUE AT RISK AND TRADING INCOME**

The Group uses a Value at Risk (VaR) measure as one mechanism for monitoring and 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 Group for the period from 1 April 2008 to 31 March 2009. The Group's trading book VaR methodology is based on Historical Simulation VaR.

| (\$m) | As at 31 March 2009 | 1 April 2008 to 31 March 2009 |      |     |
|-------|---------------------|-------------------------------|------|-----|
|       |                     | Average                       | High | Low |
| Total | 26                  | 34                            | 60   | 21  |

The charts below provide the range of VaR and the daily distribution of trading income in the trading portfolio for the period from 1 April 2008 to 31 March 2009.



# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## CAPITAL ADEQUACY

| (\$m)                                      | 31 Mar 2009 | 31 Dec 2008 | 31 Mar 2008 |
|--|-------------|-------------|-------------|
| <b>Tier 1</b>                              |             |             |             |
| Share capital                              | 8,423       | 4,215       | 4,178       |
| Disclosed reserves and others              | 20,429      | 20,180      | 18,289      |
| Less: Tier 1 Deductions                    | (6,034)     | (6,022)     | (5,999)     |
| Eligible Tier 1                            | 22,818      | 18,373      | 16,468      |
| <b>Tier 2</b>                              |             |             |             |
| Loan allowances admitted as Tier 2         | 734         | 656         | 583         |
| Subordinated debts                         | 6,901       | 6,571       | 6,890       |
| Revaluation surplus from equity securities | 16          | 27          | 100         |
| Less: Tier 2 Deductions                    | (112)       | (106)       | (114)       |
| Total eligible capital                     | 30,357      | 25,521      | 23,927      |
| Risk-weighted assets                       | 181,875     | 182,685     | 178,678     |
| <b>Capital adequacy ratio (%)</b>          |             |             |             |
| Tier 1 ratio                               | 12.5        | 10.1        | 9.2         |
| Tier 2 ratio                               | 4.2         | 3.9         | 4.2         |
| Total (Tier 1 & 2) ratio                   | 16.7        | 14.0        | 13.4        |

The Group's capital adequacy ratio rose from 14.0% (Tier 1 at 10.1%) in the previous quarter to 16.7% (Tier 1 at 12.5%) due primarily to the rights issue in January 2009.

## UNREALISED VALUATION SURPLUS/(LOSSES)

| (\$m)                 | 31 Mar 2009 | 31 Dec 2008 | 31 Mar 2008 |
|-----------------------|-------------|-------------|-------------|
| Properties            | 513         | 532         | 677         |
| Financial investments | (321)       | (246)       | (29)        |
| Total                 | 192         | 286         | 648         |

The amount of unrealised valuation surplus decreased from \$286 million in the previous quarter to \$192 million as the surplus on property investments declined and losses on financial investments rose.

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## Unaudited Consolidated Income Statement

| In \$ millions  | 1st Qtr<br>2009 | 1st Qtr<br>2008 | +/(-) %     | 4th Qtr<br>2008 | +/(-) %   |
|---|-----------------|-----------------|-------------|-----------------|-----------|
| <b>Income</b>   |                 |                 |             |                 |           |
| Interest income   | 1,655           | 2,147           | (23)        | 2,016           | (18)      |
| Interest expense  | 579             | 1,090           | (47)        | 901             | (36)      |
| Net interest income   | 1,076           | 1,057           | 2           | 1,115           | (3)       |
| Net fee and commission income   | 317             | 353             | (10)        | 263             | 21        |
| Net trading income/(loss)   | 204             | (161)           | NM          | 144             | 42        |
| Net (loss)/income from financial instruments designated at fair value | (54)            | 85              | NM          | (169)           | 68        |
| Net income from financial investments                                 | 106             | 211             | (50)        | 104             | 2         |
| Other income  | 13              | 18              | (28)        | 18              | (28)      |
| <b>Total income</b>   | <b>1,662</b>    | <b>1,563</b>    | <b>6</b>    | <b>1,475</b>    | <b>13</b> |
| <b>Expenses</b>   |                 |                 |             |                 |           |
| Employee benefits   | 327             | 352             | (7)         | 391             | (16)      |
| Depreciation of properties and other fixed assets                     | 41              | 34              | 21          | 36              | 14        |
| Other expenses  | 270             | 270             | -           | 307             | (12)      |
| Allowances for credit and other losses                                | 437             | 140             | >100        | 316             | 38        |
| <b>Total expenses</b>   | <b>1,075</b>    | <b>796</b>      | <b>35</b>   | <b>1,050</b>    | <b>2</b>  |
| <b>Profit</b>   | <b>587</b>      | <b>767</b>      | <b>(23)</b> | <b>425</b>      | <b>38</b> |
| Share of profits of associates  | 20              | 23              | (13)        | 10              | 100       |
| <b>Profit before tax</b>  | <b>607</b>      | <b>790</b>      | <b>(23)</b> | <b>435</b>      | <b>40</b> |
| Income tax expense  | 115             | 151             | (24)        | 77              | 49        |
| <b>Net profit</b>   | <b>492</b>      | <b>639</b>      | <b>(23)</b> | <b>358</b>      | <b>37</b> |
| Attributable to:  |                 |                 |             |                 |           |
| Shareholders  | 433             | 603             | (28)        | 295             | 47        |
| Minority interests  | 59              | 36              | 64          | 63              | (6)       |
|   | 492             | 639             | (23)        | 358             | 37        |

## Unaudited Consolidated Statement of Comprehensive Income

| In \$ millions   | 1st Qtr<br>2009 | 1st Qtr<br>2008 | +/(-) %     | 4th Qtr<br>2008 | +/(-) %        |
|--|-----------------|-----------------|-------------|-----------------|----------------|
| <b>Net profit</b>  | <b>492</b>      | <b>639</b>      | <b>(23)</b> | <b>358</b>      | <b>37</b>      |
| <b>Other comprehensive income:</b>                               |                 |                 |             |                 |                |
| Foreign currency translation differences for foreign operations  | 135             | (79)            | NM          | (47)            | NM             |
| Share of other comprehensive income of associates                | 6               | (19)            | NM          | (16)            | NM             |
| Available-for-sale financial assets                              |                 |                 |             |                 |                |
| <i>Net valuation taken to equity</i>                             | (392)           | (97)            | (>100)      | (225)           | (74)           |
| <i>Transferred to income statement due to impairment</i>         | -               | -               | -           | 5               | NM             |
| <i>Transferred to income statement on sale</i>                   | (112)           | (193)           | 42          | (95)            | (18)           |
| <i>Tax on items taken directly to or transferred from equity</i> | 46              | 74              | (38)        | 83              | (45)           |
| <b>Other comprehensive income, net of tax</b>                    | <b>(317)</b>    | <b>(314)</b>    | <b>(1)</b>  | <b>(295)</b>    | <b>(7)</b>     |
| <b>Total comprehensive income</b>                                | <b>175</b>      | <b>325</b>      | <b>(46)</b> | <b>63</b>       | <b>&gt;100</b> |
| Attributable to:   |                 |                 |             |                 |                |
| Shareholders   | 27              | 353             | (92)        | (10)            | NM             |
| Minority interests   | 148             | (28)            | NM          | 73              | >100           |
|  | 175             | 325             | (46)        | 63              | >100           |

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## Unaudited Balance Sheets

| In \$ millions   | GROUP          |                              |                | COMPANY        |                              |                |
|--|----------------|------------------------------|----------------|----------------|------------------------------|----------------|
|  | 31 Mar<br>2009 | 31 Dec<br>2008 <sup>1/</sup> | 31 Mar<br>2008 | 31 Mar<br>2009 | 31 Dec<br>2008 <sup>1/</sup> | 31 Mar<br>2008 |
| <b>ASSETS</b>  |                |                              |                |                |                              |                |
| Cash and balances with central banks   | 18,292         | 15,790                       | 13,274         |                |                              |                |
| Singapore Government securities and treasury bills                           | 14,312         | 14,797                       | 17,604         |                |                              |                |
| Due from banks   | 28,331         | 20,467                       | 26,874         |                |                              |                |
| Financial assets at fair value through profit or loss <sup>2/</sup>          | 10,890         | 9,401                        | 17,675         |                |                              |                |
| Positive replacement values for financial derivatives                        | 30,153         | 32,328                       | 23,053         |                |                              |                |
| Loans and advances to customers  | 129,936        | 125,841                      | 113,624        |                |                              |                |
| Financial investments  | 25,025         | 22,782                       | 21,264         |                |                              |                |
| Securities pledged   | 1,181          | 997                          | 2,345          |                |                              |                |
| Subsidiaries   | -              | -                            | -              | 10,959         | 6,745                        | 6,758          |
| Investments in associates  | 640            | 604                          | 656            |                |                              |                |
| Goodwill on consolidation  | 5,847          | 5,847                        | 5,841          |                |                              |                |
| Properties and other fixed assets  | 1,364          | 1,311                        | 1,205          |                |                              |                |
| Investment properties  | 281            | 293                          | 285            |                |                              |                |
| Deferred tax assets  | 219            | 171                          | 21             |                |                              |                |
| Other assets   | 6,781          | 6,089                        | 7,732          | 99             | 154                          | -              |
| <b>TOTAL ASSETS</b>  | <b>273,252</b> | <b>256,718</b>               | <b>251,453</b> | <b>11,058</b>  | <b>6,899</b>                 | <b>6,758</b>   |
| <b>LIABILITIES</b>   |                |                              |                |                |                              |                |
| Due to banks   | 11,839         | 9,021                        | 20,590         |                |                              |                |
| Due to non-bank customers  | 174,914        | 163,359                      | 150,558        |                |                              |                |
| Financial liabilities at fair value through profit or loss <sup>3/</sup>     | 9,492          | 11,282                       | 15,062         |                |                              |                |
| Negative replacement values for financial derivatives                        | 29,406         | 31,918                       | 22,534         |                |                              |                |
| Bills payable  | 870            | 714                          | 499            |                |                              |                |
| Current tax liabilities  | 822            | 779                          | 925            |                |                              |                |
| Deferred tax liabilities   | 46             | 45                           | 97             |                |                              |                |
| Other liabilities  | 7,183          | 5,874                        | 7,687          | 3              | 5                            | 4              |
| Other debt securities in issue   | 812            | 638                          | 1,340          |                |                              |                |
| Subordinated term debts  | 9,539          | 9,085                        | 8,704          |                |                              |                |
| <b>TOTAL LIABILITIES</b>   | <b>244,923</b> | <b>232,715</b>               | <b>227,996</b> | <b>3</b>       | <b>5</b>                     | <b>4</b>       |
| <b>NET ASSETS</b>  | <b>28,329</b>  | <b>24,003</b>                | <b>23,457</b>  | <b>11,055</b>  | <b>6,894</b>                 | <b>6,754</b>   |
| <b>EQUITY</b>  |                |                              |                |                |                              |                |
| Share capital  | 8,423          | 4,215                        | 4,178          | 8,423          | 4,215                        | 4,178          |
| Treasury shares  | (120)          | (154)                        | (105)          | -              | -                            | (30)           |
| Other reserves   | 5,870          | 6,322                        | 7,435          | 43             | 89                           | 37             |
| Revenue reserves   | 9,869          | 9,436                        | 9,342          | 2,589          | 2,590                        | 2,569          |
| <b>SHAREHOLDERS' FUNDS</b>   | <b>24,042</b>  | <b>19,819</b>                | <b>20,850</b>  | <b>11,055</b>  | <b>6,894</b>                 | <b>6,754</b>   |
| Minority interests   | 4,287          | 4,184                        | 2,607          |                |                              |                |
| <b>TOTAL EQUITY</b>  | <b>28,329</b>  | <b>24,003</b>                | <b>23,457</b>  | <b>11,055</b>  | <b>6,894</b>                 | <b>6,754</b>   |
| <b>OFF BALANCE SHEET ITEMS</b>   |                |                              |                |                |                              |                |
| Contingent liabilities and commitments                                       | 99,438         | 92,656                       | 101,793        |                |                              |                |
| Financial derivatives  | 1,697,178      | 1,704,717                    | 1,937,019      |                |                              |                |
| <b>OTHER INFORMATION</b>   |                |                              |                |                |                              |                |
| Net asset value per ordinary share (\$)                                      |                |                              |                |                |                              |                |
| (i) Based on existing ordinary share capital                                 |                |                              |                | 4.74           | 4.48                         | 4.39           |
| (ii) Assuming conversion of outstanding preference shares to ordinary shares |                |                              |                | 4.64           | 4.34                         | 4.26           |

Notes:

1/ Audited

2/ Includes customer loans, interbank assets, other government securities and treasury bills, corporate debt securities and equity securities

3/ Includes customer deposits, interbank liabilities, other debt securities in issue and other financial liabilities

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## Unaudited Consolidated Statement of Changes in Equity

### GROUP

| In \$ millions   | Ordinary shares | Convertible preference shares | Treasury shares | Other reserves | Revenue reserves | Total         | Minority interests | Total equity  |
|--|-----------------|-------------------------------|-----------------|----------------|------------------|---------------|--------------------|---------------|
| Balance at 1 January 2009                                | 4,149           | 66                            | (154)           | 6,322          | 9,436            | 19,819        | 4,184              | 24,003        |
| Cost of share-based payments                             |                 |                               |                 | 9              |                  | 9             |                    | 9             |
| Draw-down of reserves upon vesting of performance shares |                 |                               | 55              | (55)           |                  | -             |                    | -             |
| Purchase of Treasury shares                              |                 |                               | (21)            |                |                  | (21)          |                    | (21)          |
| Issue of shares  | 4,029           | 181                           |                 |                |                  | 4,210         |                    | 4,210         |
| Share issues expenses                                    | (2)             |                               |                 |                |                  | (2)           |                    | (2)           |
| Dividends paid to minority interests                     |                 |                               |                 |                |                  |               | (45)               | (45)          |
| Total comprehensive income                               |                 |                               |                 | (406)          | 433              | 27            | 148                | 175           |
| <b>Balance at 31 March 2009</b>                          | <b>8,176</b>    | <b>247</b>                    | <b>(120)</b>    | <b>5,870</b>   | <b>9,869</b>     | <b>24,042</b> | <b>4,287</b>       | <b>28,329</b> |
| Balance at 1 January 2008                                | 4,098           | 66                            | (102)           | 7,680          | 8,739            | 20,481        | 2,677              | 23,158        |
| Exercise of share options                                | 14              |                               |                 |                |                  | 14            |                    | 14            |
| Cost of share-based payments                             |                 |                               |                 | 5              |                  | 5             |                    | 5             |
| Share buyback during the period                          |                 |                               | (3)             |                |                  | (3)           |                    | (3)           |
| Dividends paid to minority interests                     |                 |                               |                 |                |                  |               | (41)               | (41)          |
| Change in minority interests                             |                 |                               |                 |                |                  |               | (1)                | (1)           |
| Total comprehensive income                               |                 |                               |                 | (250)          | 603              | 353           | (28)               | 325           |
| <b>Balance at 31 March 2008</b>                          | <b>4,112</b>    | <b>66</b>                     | <b>(105)</b>    | <b>7,435</b>   | <b>9,342</b>     | <b>20,850</b> | <b>2,607</b>       | <b>23,457</b> |

## Unaudited Statement of Changes in Equity

### COMPANY

| In \$ millions   | Ordinary shares | Convertible preference shares | Treasury shares | Other reserves | Revenue reserves | Total equity  |
|--|-----------------|-------------------------------|-----------------|----------------|------------------|---------------|
| Balance at 1 January 2009                                | 4,149           | 66                            | -               | 89             | 2,590            | 6,894         |
| Cost of share-based payments                             |                 |                               |                 | 9              |                  | 9             |
| Draw-down of reserves upon vesting of performance shares |                 |                               |                 | (55)           |                  | (55)          |
| Issue of shares  | 4,029           | 181                           |                 |                |                  | 4,210         |
| Share issues expenses                                    | (2)             |                               |                 |                |                  | (2)           |
| Total comprehensive income                               |                 |                               |                 |                | (1)              | (1)           |
| <b>Balance at 31 March 2009</b>                          | <b>8,176</b>    | <b>247</b>                    | <b>-</b>        | <b>43</b>      | <b>2,589</b>     | <b>11,055</b> |
| Balance at 1 January 2008                                | 4,098           | 66                            | (27)            | 37             | 2,567            | 6,741         |
| Exercise of share options                                | 14              |                               |                 |                |                  | 14            |
| Share buyback during the period                          |                 |                               | (3)             |                |                  | (3)           |
| Total comprehensive income                               |                 |                               |                 |                | 2                | 2             |
| <b>Balance at 31 March 2008</b>                          | <b>4,112</b>    | <b>66</b>                     | <b>(30)</b>     | <b>37</b>      | <b>2,569</b>     | <b>6,754</b>  |

# DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

## Unaudited Consolidated Cash Flow Statement

| In \$ millions  | 1st Qtr<br>2009 | 1st Qtr<br>2008 <sup>1/</sup> |
|---|-----------------|-------------------------------|
| <b>Cash flows from operating activities</b>                       |                 |                               |
| Net profit for the year   | 492             | 639                           |
| <i>Adjustments for non-cash items:</i>                            |                 |                               |
| Allowances for credit and other losses                            | 437             | 140                           |
| Depreciation of properties and other fixed assets                 | 41              | 34                            |
| Share of profits of associates                                    | (20)            | (23)                          |
| Net gain on disposal of properties and other fixed assets         | -               | (3)                           |
| Net gain on disposal of financial investments                     | (106)           | (211)                         |
| Income tax expense  | 115             | 151                           |
| Profit before changes in operating assets & liabilities           | 959             | 727                           |
| <i>Increase/(Decrease) in:</i>                                    |                 |                               |
| Due to banks  | 2,818           | 5,126                         |
| Due to non-bank customers   | 11,555          | 5,190                         |
| Financial liabilities at fair value through profit or loss        | (1,790)         | (3,180)                       |
| Other liabilities including bills payable                         | (554)           | 10,223                        |
| Debt securities and borrowings                                    | 131             | 242                           |
| <i>(Increase)/Decrease in:</i>                                    |                 |                               |
| Change in restricted balances with central banks                  | (447)           | (379)                         |
| Singapore Government securities and treasury bills                | 485             | (2,171)                       |
| Due from banks  | (7,864)         | (3,568)                       |
| Financial assets at fair value through profit or loss             | (1,489)         | 1,868                         |
| Loans and advances to customers                                   | (4,460)         | (7,424)                       |
| Financial investments   | (2,215)         | (2,155)                       |
| Other assets  | 837             | (10,042)                      |
| Tax paid  | (73)            | (105)                         |
| <b>Net cash used in operating activities (1)</b>                  | <b>(2,107)</b>  | <b>(5,648)</b>                |
| <b>Cash flows from investing activities</b>                       |                 |                               |
| Dividends from associates   | 19              | 35                            |
| Purchase of properties and other fixed assets                     | (49)            | (14)                          |
| Proceeds from disposal of properties and other fixed assets       | 4               | 2                             |
| <b>Net cash (used in)/generated from investing activities (2)</b> | <b>(26)</b>     | <b>23</b>                     |
| <b>Cash flows from financing activities</b>                       |                 |                               |
| Increase in share capital and share premium                       | 4,208           | 14                            |
| Purchase of treasury shares                                       | (21)            | -                             |
| Dividends paid to minority interests                              | (45)            | (41)                          |
| <b>Net cash provided by/(used in) financing activities (3)</b>    | <b>4,142</b>    | <b>(27)</b>                   |
| Exchange translation adjustments (4)                              | 46              | (17)                          |
| <b>Net change in cash and cash equivalents (1)+(2)+(3)+(4)</b>    | <b>2,055</b>    | <b>(5,669)</b>                |
| <b>Cash and cash equivalents at 1 January</b>                     | <b>12,678</b>   | <b>15,953</b>                 |
| <b>Cash and cash equivalents at 31 March</b>                      | <b>14,733</b>   | <b>10,284</b>                 |

Note:

1/ Figures have been restated to make them consistent with current period's presentation

**Additional Information**

**ISSUANCE OF ORDINARY SHARES**

- (a) The movement in the number of issued and fully paid-up ordinary shares for the first quarter ended 31 March 2009 is as follows:

|  |                      |
|--|----------------------|
| At 1 January 2009  | 1,520,960,458        |
| Issue of rights shares                                   | 760,480,229          |
| At 31 March 2009   | <u>2,281,440,687</u> |
| Weighted average number of shares for first quarter 2009 |                      |
| - ordinary shares  | 2,036,397,058        |
| - fully diluted  | 2,136,290,773        |

The fully diluted shares 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 period.

On 30 January 2009, the Group issued 760,480,229 rights shares on the basis of one rights share for every two ordinary shares held on 31 December 2008.

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

| (Number)                                | <u>31 Mar 2009</u> | <u>31 Dec 2008</u> | <u>31 Mar 2008</u> |
|---|--------------------|--------------------|--------------------|
| Conversion of non-voting CPS            | 180,654            | 120,436            | 120,436            |
| Conversion of non-voting redeemable CPS | 99,713,061         | 66,475,374         | 66,475,374         |
| Exercise of share options               | 16,844,741         | 14,373,192         | 16,674,753         |

- (c) The movement in the number of treasury shares for the first quarter ended 31 March 2009 is as follows:

|                               |                  |
|-------------------------------|------------------|
| At 1 January 2009             | 8,112,401        |
| Purchase of treasury shares   | 3,871,658        |
| Vesting of performance shares | (3,783,349)      |
| At 31 March 2009              | <u>8,200,710</u> |

**ADOPTION OF NEW OR REVISED FRS AND INT FRS**

***FRS 1: Presentation of Financial Statements***

The amended FRS 1 separates owner and non-owner changes in equity and introduces the statement of comprehensive income. The statement of comprehensive income presents all items of income and expense recognised in profit or loss, together with all other items of unrecognised income and expense, such as available-for-sale revaluation reserves, capital reserves, etc. The adoption of the revised FRS 1 creates additional disclosure requirements for the Group's financial statements.

***FRS 27: Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate***

The standard removes the requirement to differentiate pre-acquisition from post-acquisition dividends. Dividends received will be treated as revenue. The changes introduced are to be applied prospectively and will affect how dividends received in the future are accounted for.

***FRS 107: Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments***

The amendments to FRS 107 are intended to enhance disclosures on fair value measurement and liquidity risk. The adoption of the revised FRS 107 creates additional disclosure requirements for the Group's financial statements.

***FRS 108: Operating Segments***

FRS 108 replaces a current accounting standard, FRS 14 – Segment Reporting. FRS 108 introduces the management approach to segment reporting and a single set of operating segments will replace the primary and secondary segments. Information reviewed by the chief operating decision-maker will determine the segments, the measure of segment performance and disclosures. The adoption of FRS 108 creates additional disclosure requirements for the Group's financial statements.

There is no expected material impact on the Group's financial statements from the adoption of all the other new or revised FRS and INT FRS highlighted on page 2.

**DISCLOSURE ON CERTAIN FINANCIAL INSTRUMENTS**

At the request of the G7 Finance Ministers and Central Bank Governors, the Financial Stability Forum issued a report in April 2008 on enhancing market and institutional resilience. Among its recommendations, it

encouraged enhanced disclosure of certain financial instruments. The following disclosures are made in keeping with these developments.

**COLLATERALISED DEBT/LOAN OBLIGATIONS (CDO)**

| Type of CDO<br>(\$m)        | 31 Mar 2009  |            | 31 Dec 2008  |            | 31 Mar 2008  |            |
|-----------------------------|--------------|------------|--------------|------------|--------------|------------|
|                             | Exposure     | Allowance  | Exposure     | Allowance  | Exposure     | Allowance  |
| <b>Investment Portfolio</b> | <b>1,012</b> | <b>520</b> | <b>1,056</b> | <b>459</b> | <b>1,134</b> | <b>282</b> |
| ABS CDO                     | 276          | 257        | 264          | 246        | 259          | 232        |
| Non-ABS CDO                 | 736          | 263        | 792          | 213        | 875          | 50         |
| CLO                         | 706          | 243        | 691          | 193        | 709          | 30         |
| Other CDOs                  | 30           | 20         | 101          | 20         | 166          | 20         |
| <b>Trading Book</b>         | <b>218</b>   | <b>-</b>   | <b>206</b>   | <b>-</b>   | <b>303</b>   | <b>-</b>   |
| Total                       | 1,230        | 520        | 1,262        | 459        | 1,437        | 282        |

**Moody's Ratings**

| Type of CDO                 | Aaa | Aa  | A   | Baa | Ba to B | Caa to Ca | Not Rated by<br>Moody's (rated<br>by the other) | Total |
|-----------------------------|-----|-----|-----|-----|---------|-----------|---|-------|
| <b>Investment Portfolio</b> |     |     |     |     |         |           |   |       |
| ABS CDO                     | -   | -   | -   | -   | 2%      | 19%       | 6%  | 27%   |
| Non-ABS CDO                 | 5%  | 25% | 11% | 14% | 17%     | 1%        | -   | 73%   |
| CLO                         | 5%  | 25% | 11% | 12% | 17%     | -         | -   | 70%   |
| Other CDOs                  | -   | -   | -   | 2%  | -       | 1%        | -   | 3%    |
| Total                       | 5%  | 25% | 11% | 14% | 19%     | 20%       | 6%  | 100%  |

**Standard & Poor's Ratings**

| Type of CDO                 | AAA | AA  | A   | BBB | BB to B | CC  | Not Rated by<br>S&P (rated by<br>the other) | Total |
|-----------------------------|-----|-----|-----|-----|---------|-----|---|-------|
| <b>Investment Portfolio</b> |     |     |     |     |         |     |   |       |
| ABS CDO                     | -   | 3%  | 3%  | -   | 4%      | 15% | 2%  | 27%   |
| Non-ABS CDO                 | 12% | 14% | 33% | -   | -       | -   | 14%   | 73%   |
| CLO                         | 12% | 14% | 33% | -   | -       | -   | 11%   | 70%   |
| Other CDOs                  | -   | -   | -   | -   | -       | -   | 3%  | 3%    |
| Total                       | 12% | 17% | 36% | -   | 4%      | 15% | 16%   | 100%  |

The CDO portfolio comprised \$276 million asset-backed (ABS) CDOs and \$736 million non-ABS CDOs in the investment portfolio, and \$218 million of CDOs in the trading portfolio.

The ABS CDOs have mortgage-backed securities (such as US sub-prime mortgages, Alt-A mortgages and ABS CDO tranches) as one of their asset classes, the percentage of which differs among the CDOs. By vintage, 35% of these CDOs were issued in 2004 or earlier, 59% in 2005 and 6% in 2006 or later. These ABS CDOs are at least 90% covered by allowances since fourth quarter 2007.

Of the non-ABS CDOs in the investment portfolio, a portion was in collateralised loan obligations (CLOs), which have corporate loans as their dominant underlying collateral. The other CDOs have either credit default swaps or trust preferred securities as their dominant underlying collateral.

Allowances totalling \$263 million or 36% of the portfolio have been made for the non-ABS investment CDOs, of which 75% are rated Baa or above under Moody's revised methodology.

The CDOs in the trading portfolio, which are designated at fair value, were valued at \$218 million compared to \$206 million in the previous quarter. As they are designated at fair value, no allowances have been taken for them.

## **OTHER US SUB-PRIME AND ALT-A EXPOSURE**

The Group does not have direct exposure to US sub-prime mortgages and Alt-A mortgages other than through its ABS CDOs as disclosed above.

## **COMMERCIAL MORTGAGE-BACKED SECURITIES**

The Group had \$78 million of investments in commercial mortgage-backed securities, representing less than 0.1% of the Group's total assets. By geography, 77% were in Singapore and 23% were in Hong Kong. By industry, retail accounted for 27% of the portfolio, commercial-cum-retail 59% and industrial 14%. All the securities are rated A or above by Moody's or Standard & Poor's or both, with 88.5% rated AA or higher.

## **LEVERAGED FINANCE**

Leveraged finance is defined in this disclosure as acquisition financing sponsored by funds (private equity or investment) and supported by leverage. The Group's exposure to such loans, amounting to \$513 million, represented less than 0.2% of its total assets. Of the exposure, 4% was in Singapore, 45% in Rest of Greater China, 30% in South and South-East Asia, and the remaining 21% in other parts of Asia. By industry, they were primarily in finance, media, information technology services and manufacturing.

## **SPECIAL PURPOSE ENTITIES (SPE)**

The list of material operating SPEs is summarised in the following table, all of which are involved in the issuance or distribution of structured investment products. None of the SPEs has any liquidity facility with the Group.

| <b>SPE Description</b>  | <b>Collateral</b>   | <b>Risk Factors</b>  |
|---|---|--|
| Constellation Investment Ltd (incorporated in Cayman Islands) <ul style="list-style-type: none"> <li>• 100% consolidated under INT FRS12 Consolidation-SPE</li> <li>• SPE activity: Issuance of structured equity/credit-linked notes to clients</li> <li>• SPE size: \$0.6 billion</li> <li>• Group's role: Arranger, Market Agent, Calculation Agent, Custodian for assets held as collateral, Swap Counterparty</li> </ul> | Cash deposits, Hong Kong government securities, structured notes from Zenesis SPC (collateral rated AAA to BB- by Fitch or S&P) | Investment product risk is borne by clients. Should the structured notes be redeemed early and the unwind cost of the structure be larger than the early redemption value of the collateral, the Group may have to bear the difference |
| Zenesis SPC (incorporated in Cayman Islands) <ul style="list-style-type: none"> <li>• 100% consolidated under INT FRS12 Consolidation-SPE</li> <li>• SPE activity: Issuance of rated credit-linked notes to Constellation Investment Ltd and rated/unrated notes to other clients</li> <li>• SPE size: \$0.5 billion</li> <li>• Group's role: Calculation Agent, Substitution Agent, Swap Counterparty</li> </ul>             | Cash deposits, Corporate bond (rated AA- by S&P), FSA-guaranteed bonds  | Investment product risk is borne by clients. Should the structured notes be redeemed early and the unwind cost of the structure be larger than the early redemption value of the collateral, the Group may have to bear the difference |

**CONFIRMATION BY THE BOARD**

We, Koh Boon Hwee and Ang Kong Hua, being two directors of DBS Group Holdings Ltd (the Company), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the First Quarter ended 31 March 2009 Unaudited Financial Results of the Company and of the Group to be false or misleading in any material aspect.

On behalf of the board of directors



Koh Boon Hwee  
Chairman



Ang Kong Hua  
Director

7 May 2009  
Singapore