

Executing against strategy

DBS Group Holdings
FY2010 Financial Results
11 February 2011

2010 core earnings up 28% year on year

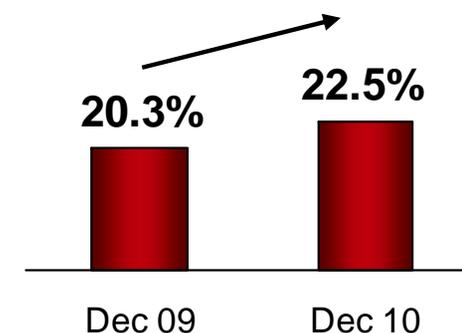
- Record high revenue of SGD 7.1 billion, up 7% yoy
- Higher non-interest income of SGD 2.75 billion, up 28% yoy
- Stronger net profit of SGD 2.65 billion, excluding DBS HK goodwill impairment charge
- ROE at 10.2%, up from 8.4%
- NPL rate declined to 1.9% from 2.9% in Dec 10

Strong year for Institutional Banking

Institutional Banking		
Revenue:	S\$3.5 b	↑ 11% yoy
Net profit:	S\$1.36 b	↑ 40% yoy

- Broad-based growth across customer segments, countries, products
- Large corporate business continued to contribute to >50% of revenues
- Double-digit revenue growth in mid-caps, SMEs
- Gained market share in S\$ business loans
- Growing fast in Hong Kong, China, Taiwan, India
- Led by Treasury & Markets (T&M) cross-sell

SGD business loan market share



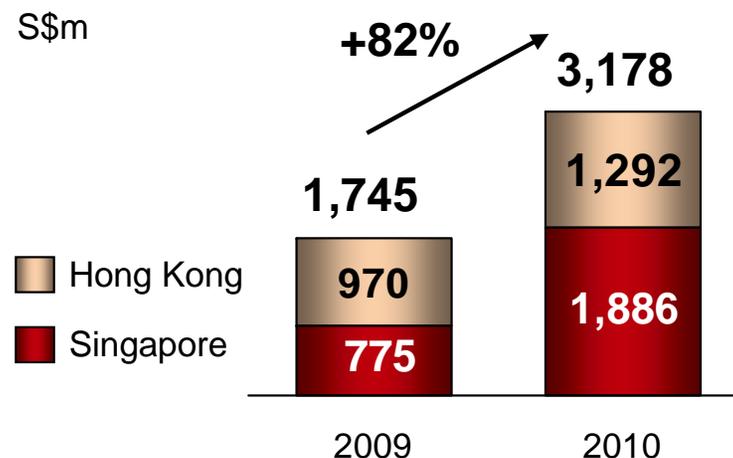
Grew 24% yoy vs market's 12%

Made progress in Consumer Banking

Consumer Banking		
Revenue:	S\$2.1 b	↑ 3% yoy
Net profit:	S\$458 m	↓ 20% yoy

- Healthy growth in assets in Singapore and Hong Kong
- Gained momentum in Wealth in second half of the year
- Continued to grow deposits in a soft interest rate environment
- Invested in improving service and driving innovation

Wealth management product sales*



* Includes structured deposits, bancassurance, unit trusts

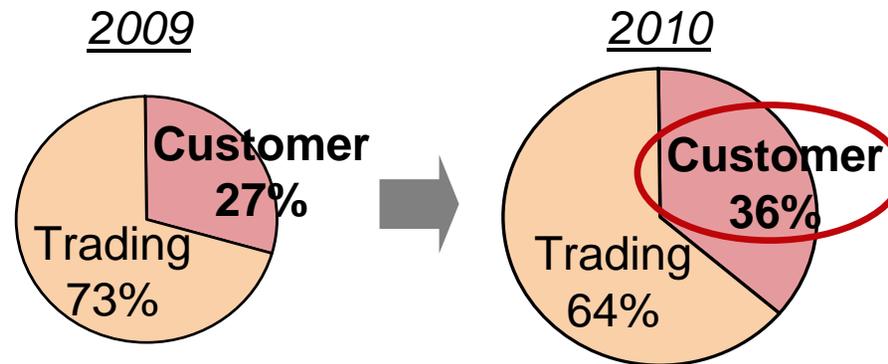
Continued strong momentum in T&M cross-sell

Treasury & Markets

Revenue*: S\$1.9 b  12% yoy

Focused on de-risking T&M business

- Increased cross-sell: customer revenue up 48%



- Improved balance sheet management

* Include customer revenue and other income principally from balance sheet management, market-making and warehousing

The Asian Bank of Choice for the New Asia

1 *Geographies*

1. Entrench leadership in Singapore
2. Re-energise Hong Kong
3. Rebalance geographic mix of our business

2 *Regional Businesses*

4. Build a leading SME business
5. Strengthen wealth proposition
6. Build-out GTS and T&M cross-sell business

3 *Enablers*

7. Place customers at the heart of the banking experience
8. Focus on management processes, people and culture
9. Strengthen technology and infrastructure platform

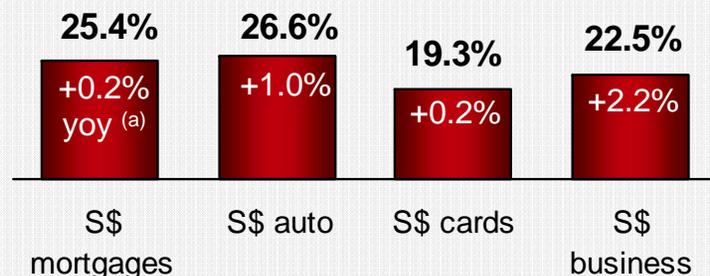
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Geographies



1. Entrench leadership in Singapore

- Gained market share in S\$ loans



- Piloted new retail branch operating model
- Made significant upgrade to customer experience through network enhancements
 - 1,100 ATMs now
- Maintained leadership in equity, bond, REIT capital markets league tables
- Big strides with online banking
 - Strong take-up in mobile banking; 225,000 new users
 - 1.5 m internet banking users, up 15% yoy
- Set up Singapore country organisation

- Continue to grow S\$ loan market share:
 - IBG business loans
 - CBG mortgage and unsecured loans
- Complete roll-out of retail branch operating model
- Optimise Singapore country organisation

(a) Absolute increase / decrease in market share

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Geographies

2 Regional Businesses

3 Enablers

2. Re-energise Hong Kong

- **Strengthened management team**
- **Improved position in red chips space**
 - Doubled customer base
 - 80% growth in assets
 - Revenue up 190% yoy
- **Leading position in RMB business**
 - Over 10bn RMB deposits
 - Acquired 1,900 RMB corporate accounts this year
 - Among the first to offer CNH yield enhancement deposit
 - First to complete offshore USD / RMB FX swap and cross currency swap
 - ~ 20% share in offshore RMB interbank market
- **Strong growth momentum in unsecured loans, investments / insurance sales**
 - Unsecured loans ENR up 30% yoy
 - Made HK\$760m unit trust sales in October; matched 2008 monthly record high
- **Develop Greater China strategy**
- **Lead in offshore RMB business**
- **Develop funding plan**

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Geographies

3. Rebalance geographic mix of our business



China

- **Significantly improved loan-to-deposit ratio**
 - Doubled deposit base
 - Loans grew 34% yoy
- **Strong cross-sell momentum in T&M, GTS**
 - Non-loan revenue grew 63% yoy
- **RBS integration on track**

- **Continue roll-out of growth strategies in:**
 - **China -- RBS integration**
 - **Taiwan -- subsidiarisation**



Taiwan

- **Turned around franchise ahead of plan**
 - Revenue grew 23% yoy
 - Loans up 39% yoy
 - Deposits grew 38% yoy
- **Focused on customer acquisition**
 - Grew Treasures customers by ~9,000

2
Regional
Businesses

3
Enablers

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Geographies



India

- **Grew IBG business by 22% yoy, diversified revenue streams**
 - 30% increase in cash mandates
 - 78% growth in trade volume
- **Won Best Small Bank / Fastest Growing Small Bank awards**



Indonesia

- **Gaining traction in 4Q10**
 - Highest quarterly revenue / NPAM
- **Rolling out SME strategy**
 - Launched parameterized lending, Heavy Equipment lending program
 - Loans grew 22% qoq for 4Q10
- **Strong capital market pipeline**
- **Good growth in wealth management sales**

- **Continue roll-out of growth strategies in:**
 - **India – accelerated growth**
 - **Indonesia**

2
Regional
Businesses

3
Enablers

The Asian Bank of Choice for the New Asia

1 Geographies

Regional Businesses

3 Enablers

4. Build a leading SME business

- Strengthened regional management team
- Started work on regional SME strategic blueprint
- Finalise and roll out SME blue print

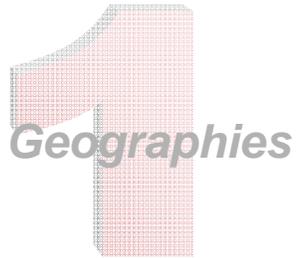
5. Strengthen wealth proposition

- Strengthened regional management team
- Started work on regional Wealth strategic blueprint
- Finalise and roll out Wealth blue print

6. Build-out GTS and T&M cross-sell business

- GTS liabilities grew 23%, trade assets up 54%
- Introduced RMB trade settlement program in Singapore and Hong Kong
 - Booked US\$1.3b trade assets
- Opened > 12,000 accounts for new and existing customers
- Internet banking platform used by 80,000 corporate customers, linking in from 105 countries
- Achieved strong T&M cross-sell momentum
- Complete build-out of cash management capabilities
- Improve cash/trade sales process
- Build robust e-platform for FX and strengthen distribution capabilities

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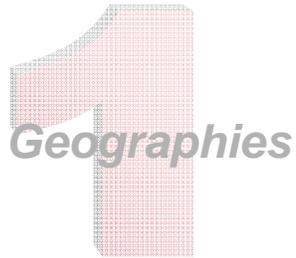


Enablers

7. Place customers at the heart of the banking experience

- **Established Customer Experience Council**
 - Created and rolled out process improvement methodology
 - Fixed big and obvious issues
 - Branch Q-times: Met '80% in 15 minutes' for past 5 months with average q-time of 8.5 minutes
 - ATM Q-times: Piloted 'cash and dash' express ATMs; q-times for these ATMs down by 50%
 - Developed Asian Service Program, identified RED service values
- **Roll out service values, continue process improvement efforts**
- **Build robust Customer Analytics platform**
- **Embed appropriate sales culture and processes**
- **Create standardised service architecture for IBG**
- **Rolled out MIS framework for managing regional corporate clients**

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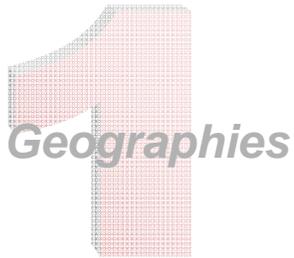


Enablers

8. Focus on management processes, people and culture

- **Established a regional management framework**
 - Streamlined matrix organization
 - Standardized country governance framework
 - Set up regional policy framework – Accounting and Operations Standardisation Team, Risk Policy Unit
- **Created a strong Corporate Treasury function**
 - Created framework to manage capital, returns and liquidity
- **Put in place a balanced scorecard and aligned incentives**
- **Drew up talent management framework**
- **Set up DBS Academy**
- **Drive process standardisation**
- **Refine risk architecture, risk appetite, improve risk models**
- **Continue capital and balance sheet management efforts**
- **Strengthen talent management programme**
- **Drive culture of individual excellence and accountability, and fun**

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Enablers

9. Strengthen technology and infrastructure platform

- **Developed technology blueprint**
- **Rolled out significant software applications across the Group**
 - Building consistency in regional applications platform
 - Core banking system (Finacle)
 - Trade system (IMEX)
 - Wealth system (Avaloq)
- **Put in place resiliency improvement plan to enhance availability of our services**
 - Completed efforts to improve availability and disaster recovery capabilities for major applications
 - Work in progress to further enhance mainframe resiliency
- **Make progress on strategic systems roadmap for Singapore, Hong Kong**
- **Complete targeted applications rollouts**
- **Complete resiliency plan**
- **Gain traction on innovation efforts**

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