

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

Financial Performance Summary For 9 Months 2001

	9 Months 2000	9 Months 2001	Incr/ (Decr)	Incr/ (Decr) excluding Dao Heng
Profit and Loss Account	S\$'m	S\$'m	%	%
Net interest income	1,559	1,550	(0.6)	(10.2)
Non-interest income	653	1,022	56.7	45.2
Fee and commission income	392	425	8.5	(4.5)
Dividends	30	27	(10.3)	(14.4)
Rental income	25	28	14.1	13.3
Other income	206	542	163.3	152.4
Income before operating expenses	2,212	2,572	16.3	6.1
Operating expenses	(934)	(1,219)	30.5	19.1
Staff costs	(460)	(634)	37.8	25.6
Other operating expenses	(474)	(585)	23.4	12.8
Operating profit	1,278	1,353	5.9	(3.3)
Goodwill amortisation	-	(64)	NM	NM
Provisions	(38)	(292)	678.5	615.5
Associated companies	29	55	90.7	78.3
Net profit before tax	1,269	1,052	(17.0)	(24.8)
Taxation	(237)	(183)	(22.7)	(28.9)
Minority interests	10	(39)	NM	NM
Net profit attributable to members	1,042	830	(20.3)	(26.0)
	As at Sep 30 2000	As at Sep 30 2001	Incr/ (Decr)	Incr/ (Decr) excluding Dao Heng
	S\$'m	S\$'m	%	%
Key Balance Sheet Data				
Total assets	107,269	147,414	37.4	0.1
Customer loans	50,797	67,958	33.8	2.1
Customer deposits	78,235	105,835	35.3	7.4
Shareholders' funds	10,456	11,184	7.0	7.0
Goodwill	-	5,022	NM	NM
Key Ratios				
Return on Assets (%) ^{@+}	1.30	0.94		
Return on Equity (%) ^{@+}	12.83	10.34		
Cost-to-Income (%)	42.2	47.4		
Loan-to-Deposit (%)	64.9	64.2		
@ Annualised + Computed on cash basis Dao Heng : Dao Heng Bank Group Limited NM: Not meaningful				

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

Financial Performance Summary For 3rd Quarter 2001

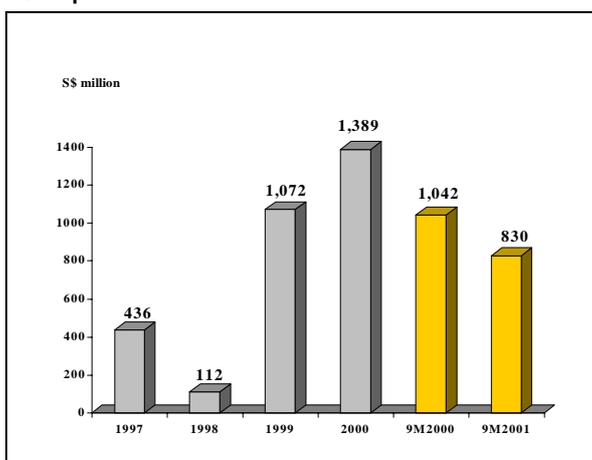
	3 rd Qtr 2000	3 rd Qtr 2001	Incr/ (Decr)	Dao Heng 3 rd Qtr 2001	Incr/ (Decr) excl Dao Heng	2 nd Qtr 2001	Incr/ (Decr)	Incr/ (Decr) excl Dao Heng
	S\$'m	S\$'m	%	S\$'m	%	S\$'m	%	%
Profit and Loss Account								
Net interest income	513	588	14.7	150	(14.5)	472	24.6	(7.1)
Non-interest income	210	456	116.7	74	81.1	248	83.9	53.7
Fee and commission income	131	174	32.7	51	(6.2)	133	30.8	(7.6)
Dividends	4	6	48.3	1	16.1	18	(67.8)	(74.8)
Rental income	8	9	0.9	-	(1.4)	10	(10.4)	(12.4)
Other income	67	267	300.3	22	266.7	87	206.2	180.6
Income before operating expenses	723	1,044	44.4	224	13.3	720	45.0	13.8
Operating expenses	(340)	(470)	38.1	(106)	6.9	(366)	28.5	(0.6)
Staff costs	(178)	(244)	36.7	(56)	5.3	(177)	38.1	6.4
Other operating expenses	(162)	(226)	39.7	(50)	8.6	(189)	19.4	(7.2)
Operating profit	383	574	49.9	118	19.0	354	62.0	28.6
Goodwill amortisation	-	(64)	NM	-	NM	-	NM	NM
Provisions	26	(246)	NM	(24)	NM	(8)	2,678.9	2,411.3
Associated companies	7	22	218.6	4	165.5	19	12.8	(6.0)
Net profit before tax	416	286	(31.2)	98	(54.8)	365	(21.4)	(48.4)
Taxation	(76)	(42)	(44.8)	(14)	(64.0)	(63)	(32.8)	(56.2)
Net profit after tax	340	244	28.2	84	(52.9)	302	(19.2)	(47.0)
Minority interests	(2)	(43)	NM	-	NA	6	NM	NA
Net profit attributable to members	338	201	(40.5)	NA	NA	308	(34.8)	NA
	As at Sep 30 2000	As at Sep 30 2001	Incr/ (Decr)	Dao Heng as at Sep 30 2001	Incr/ (Decr) excl Dao Heng	As at Jun 30 2001	Incr/ (Decr)	Incr/ (Decr) excl Dao Heng
	S\$'m	S\$'m	%	S\$'m	%	S\$'m	%	%
Key Balance Sheet Data								
Total assets	107,269	147,414	37.4	40,044	0.1	156,497	(5.8)	-
Customer loans	50,797	67,958	33.8	16,076	2.1	69,617	(2.4)	-
Customer deposits	78,235	105,835	35.3	21,824	7.4	114,851	(7.9)	-
Shareholders' funds	10,456	11,184	7.0	-	-	11,142	0.4	-

Dao Heng : Dao Heng Bank Group Limited
 NM : Not meaningful
 NA : Not applicable

Consolidation of Dao Heng

At September 30, 2001, DBS Bank through DBS Diamond Holdings Ltd. had effective holding of 71.6% in Dao Heng Bank Group Limited (DHG). DHG's contribution was included in DBSH Group's Profit & Loss Statement from July 1, 2001.

Exhibit 1
Group Net Profit Attributable to Members

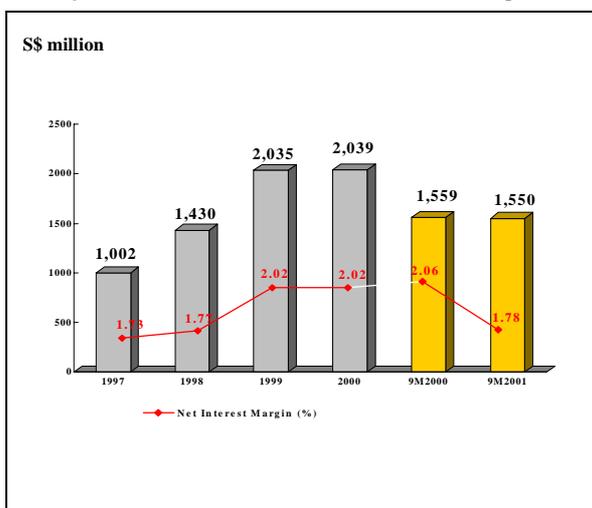


Profit and Loss

DBSH Group's net profit attributable to members for 9 months 2001 decreased 20.3% to S\$830 million. On a cash basis, DBSH Group's net profit attributable to members for 9 months 2001 would decrease 14.2% to S\$894 million.

Income before operating expenses showed an increase of 16.3%. Excluding DHG's contribution, income before operating expenses increased by 6.1%, mainly due to higher treasury income and inclusion of profits from sales of shares in The Insurance Corporation of Singapore (ICS) (S\$120 million) and Keppel Capital (S\$61 million).

Exhibit 2
Group Net Interest Income and Net Interest Margin



Net Interest Income and Net Interest Margin

Net interest income declined marginally by 0.6% to S\$1,550 million for 9 months 2001. Net interest margin decreased to 1.78% as compared to 2.06% for 9 months 2000. The lower net interest margin was due to higher volume of lower-yielding interbank lendings reflecting the weak demand for corporate loans. Intensified market competition also resulted in narrower interest margin for housing loans.

Third quarter 2001 (3Q01) net interest income of S\$588 million was 24.6% and 14.7% higher than second quarter 2001 (2Q01) and third quarter 2000 (3Q00) respectively, largely due to the consolidation of DHG.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

Table 1

Group Fee and Commission Income			
(S\$ million)	9M 2000	9M 2001	% Change
Deposit-related	42	72	70.6
Trade-related	55	71	30.3
Loan-related	37	56	52.5
Investment Banking	77	54	(29.7)
Credit Card	25	51	102.8
Fund Management	52	50	(3.9)
Stockbroking	65	31	(52.3)
Others	39	40	1.3
Total	392	425	8.5
Fee-to-Income Ratio (%)	17.7	16.5	

Fee and Commission Income

Fee and commission income increased 8.5% to S\$425 million, due mainly to a S\$30 million increase in deposit-related fees and a S\$19 million increase in loan-related fees. The increase was partially offset by lower investment banking fees and stockbroking fees as a result of weak stock market and capital market condition.

DHG accounted for S\$51 million of the increase, mainly from trade-related and credit card fees.

Table 2

Group Other Income			
(S\$ million)	9M 2000	9M 2001	% Change
Net gains on treasury activities	86	141	64.1
- foreign exchange	39	158	306.1
- trading securities and derivatives			
Net gains on sale of government securities and equities	25	58	130.5
Net gains on disposal of investment securities	27	135	401.3
Net gains on disposal of fixed assets	4	24	533.5
Others	25	26	4.4
Total	206	542	163.3
Non-interest Income to Operating Income Ratio (%)	29.5	39.7	

Other Income

Other income increased substantially by 163.3% to S\$542 million, due to higher gains from treasury activities (S\$174 million) and profits from sales of shares in ICS (S\$120 million) and Keppel Capital (S\$61 million). These increases were partially offset by the loss from sale of K1 Ventures shares (S\$18 million). Non-interest income to operating income ratio increased from 29.5% to 39.7% for 9 months 2001.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

Table 3

Group Operating Expenses			
(\$ million)	9 M 2000	9M 2001	% Change
DBSH Group (excluding DHG)			
Staff costs	460	567	23.2
Occupancy expenses	110	120	9.2
Technology-related expenses	99	121	21.9
Professional and consultancy fees	54	44	(18.6)
Others	211	250	18.5
	934	1,102	17.9
Restructuring costs	-	11	NM
Total (excluding DHG)	934	1,113	19.1
DHG	-	106	NM
Total	934	1,219	30.5
Cost-to-Income Ratio (%)	42.2	47.4	

Table 4

Group Provisions			
(\$ million)	9M 2000	9M 2001	% Change
DBS Bank	25	263	947.9
- Loans	20	132	554.7
- Equities	4	123	2,653.1
- Others	-	8	NM
Dao Heng Bank	-	24	NM
DBS Kwong On Bank	-	13	NM
DBS Thai Danu Bank (DTDB)	19	12	(34.4)
DBS China Square	22	16	(26.7)
Others	16	21	27.0
Specific Provisions	82	349	325.8
General Provisions	(44)	(58)	28.3
Total	38	292	678.5

Operating Expenses

Operating expenses increased 30.5% to S\$1,219 million, mainly due to higher staff costs of S\$107 million and the consolidation of DHG (S\$106 million). The increase in staff costs was mainly due to the recruitment of additional staff, salary increments and higher variable bonus provisions on an enlarged pool of staff. In addition, higher technology-related expenses (S\$22 million) were incurred for various business initiatives. Restructuring costs of S\$11 million were incurred as severance payment to staff due to a rightsizing exercise carried out at DBS Bank.

Excluding DHG's operating expenses and the restructuring costs, operating expenses showed a smaller increase of 17.9%.

In 3Q01, operating expenses (excluding DHG) decreased by 0.6% compared to 2Q01, resulting from the implementation of various cost control initiatives. Compared to 3Q00, operating expenses (excluding DHG) increased by 6.9%.

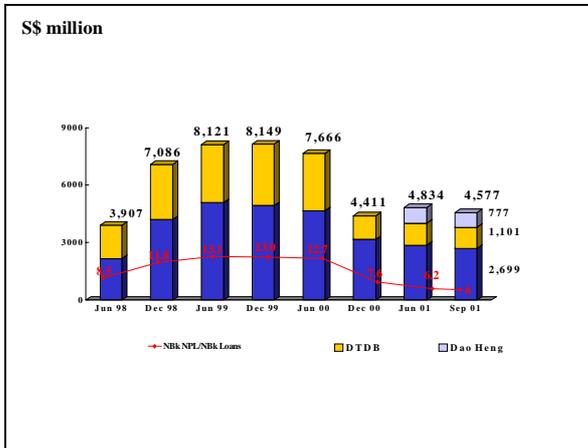
Provisions

Provisions increased significantly to S\$292 million. The increase was mainly due to higher specific provision for loans (S\$164 million) and investments (S\$103 million). Specific provisions amounting to S\$239 million were made in 3Q01 compared to S\$86 million in 2Q01 and S\$1 million in 3Q00. The adverse economic condition had affected the valuation of loan collateral as well as equity prices.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

Exhibit 3

Group Non-Performing Loans



Asset Quality

At end-September 2001, non-bank non-performing loans (NPLs) as a percentage of total non-bank loans stood at 6.0%, an improvement compared to 6.2% at end-June 2001 and 7.6% at end-December 2000. Excluding DHG, non-bank NPLs as a percentage of total non-bank loans would have been 6.4%. This improvement reflects DBSH's continuous effort in managing its NPLs in an increasingly difficult environment.

Of the total S\$4,577 million in NPLs, 71% were in the substandard category and 59% were secured by collateral.

Approximately 9% of the NPLs that had been classified as substandard were "performing" NPLs. These loans were classified due to weak financials although debt servicing was still current.

Exhibit 4

Group Non-Performing Loans – by Loan Grading

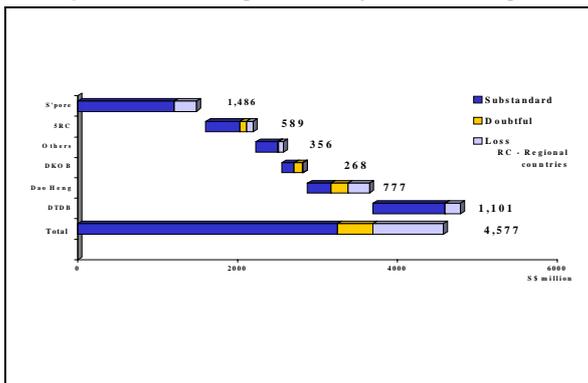
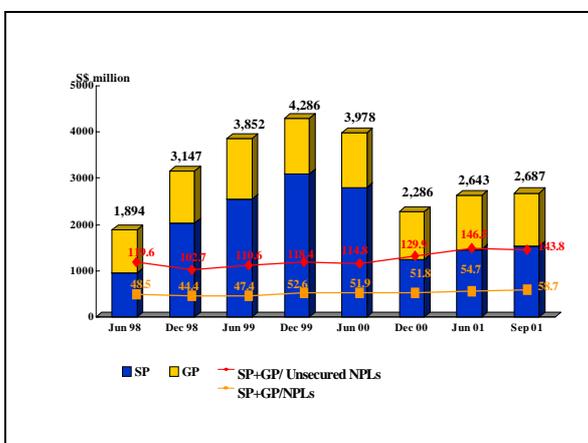


Exhibit 5

Group Cumulative Specific and General Provisions



Cumulative Specific and General Provisions

Total cumulative specific and general provisions at end-September 2001 amounted to 144% of unsecured NPLs, and 59% of total NPLs (or 63% of total NPLs of S\$4,268 million under US SEC guidelines).

Based on MAS guidelines, Group loan loss reserve coverage for DBS Thai Danu's NPLs was 64%.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

Table 5

Key Balance Sheet Items

(S\$ million)	Jun 30 2001	Sep 30 2000	Sep 30 2001	% Change (yoy)
Total Assets	156,497	107,269	147,414	37.4
Customer Loans and Advances	69,617	50,797	67,958	33.8
Customer Deposits	114,851	78,235	105,835	35.3
Loan-to-Deposit Ratio (%)	60.6	64.9	64.2	

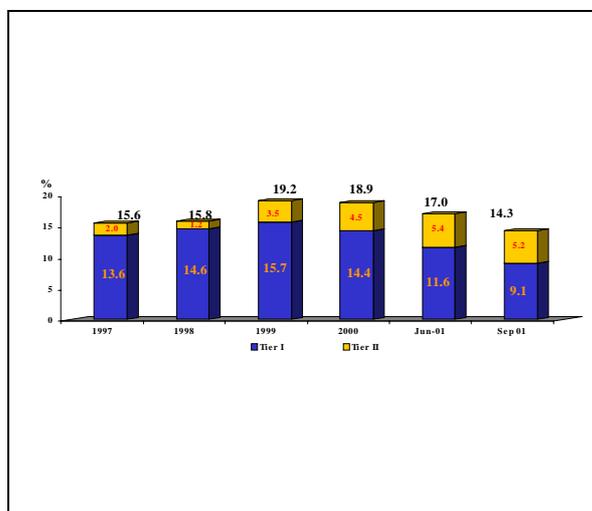
Table 6

Capital

(S\$ million)	Jun 30 2001	Sep 30 2001
Tier I	10,645	8,104
Tier II	5,007	4,662
Total Capital	15,652	12,766
Risk Weighted Assets, including Market Risks	91,972	89,586

Exhibit 6

Capital Adequacy Ratio (CAR)



Balance Sheet

The consolidation of DHG contributed to the increase in DBSH Group assets. Total assets were up 37.4% to S\$147 billion. Customer loans increased by 33.8% to S\$68 billion. Excluding DHG, customer loans increased by S\$1 billion despite a weak loan market. Customer deposits registered a 35.3% increase to S\$106 billion. Excluding DHG, the increase was S\$6 billion. The loan-to-deposit ratio was 64.2%, as compared to 64.9% for 9 months 2000.

Capital Adequacy Ratio (CAR)

Combined Tier I and II CAR, measured according to the Bank of International Settlements (BIS) guidelines was 14.3%. Of the total, 9.1% is in the form of Tier I capital.

Goodwill of S\$5.0 billion in connection with the acquisition of DHG was deducted from Tier I capital.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

Table 7

Group Key Financial Indicators

Ratios	1997	1998	1999	2000	9M 2000	9M 2001
Return on Equity (%)	6.19	1.29	10.35	12.89	12.83	10.34
Return on Assets (%)	0.72	0.14	1.04	1.28	1.30	0.94
Earnings per Share - Basic (S\$)	0.52	0.10	0.97	1.13	1.14	0.90

Financial Indicators

On a cash basis, Return on Equity (ROE) was 10.34% compared to 12.83% achieved for 9 months 2000. Return on Assets (ROA) was 0.94% compared to 1.30% registered for 9 months 2000. On a non-cash basis, ROE and ROA would be 9.16% and 0.83% respectively for 9 months 2001.