

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

UNAUDITED CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED JUNE 30

S\$m	1st Half 2002	2nd Half 2001	1st Half 2001	2nd Qtr 2002	1st Qtr 2002
Interest income	2,266.0	2,845.3	2,425.7	1,099.8	1,166.3
Less: Interest expense	944.6	1,550.0	1,464.2	448.3	496.3
Net interest income	1,321.4	1,295.3	961.5	651.5	670.0
Fee and commission income	402.8	388.4	250.8	210.3	192.6
Dividends	17.8	5.7	21.3	16.0	1.8
Rental income	12.0	16.5	19.7	3.6	8.3
Other income	265.5	310.9	275.0	113.7	151.8
Income before operating expenses	2,019.5	2,016.8	1,528.2	995.1	1,024.4
Less: Staff costs	462.2	476.1	389.4	225.6	236.6
Other operating expenses (excluding goodwill amortisation)	457.4	516.5	359.5	234.8	222.6
Goodwill amortisation	136.5	131.4	-	68.7	67.7
Total operating expenses	1,056.0	1,124.0	748.9	529.1	526.9
Operating profit	963.5	892.9	779.3	466.0	497.5
Less: Provision for possible loan losses and diminution in value of other assets	200.7	332.4	46.5	105.0	95.8
	762.8	560.5	732.8	361.0	401.7
Add: Share of profits less losses of					
- associated companies	26.6	33.5	33.6	13.6	13.0
- joint venture companies	(0.1)	3.0	-	(0.8)	0.7
Net profit before taxation	789.2	597.0	766.4	373.8	415.5
Less: Taxation	177.6	124.8	131.9	80.9	96.7
Share of taxation of associated companies	6.8	6.2	9.3	3.6	3.2
Share of taxation of joint venture companies	-	0.5	-	-	-
Net profit after taxation	604.8	465.4	625.2	289.2	315.6
Less: Minority interests	73.3	95.7	(4.3)	35.8	37.5
Net profit attributable to members (NPAM)	531.4	369.7	629.5	253.4	278.0
NPAM excluding goodwill amortisation	667.9	501.1	629.5	322.1	345.8
Earnings per ordinary share @					
- Basic	72 Cents	54 Cents	102 Cents	69 Cents	75 Cents
- Fully diluted	69 Cents	52 Cents	96 Cents	66 Cents	72 Cents
Earnings (excluding goodwill amortisation) per ordinary share @					
- Basic	91 Cents	76 Cents	102 Cents	88 Cents	94 Cents
- Fully diluted	87 Cents	72 Cents	96 Cents	84 Cents	90 Cents

@ Annualised

Note : Some of the figures in the Appendices may not add up to the relevant totals due to rounding

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

UNAUDITED CONSOLIDATED BALANCE SHEET AS AT PERIOD ENDED

In S\$m	June 30 2002	December 31 2001	June 30 2001		June 30 2002	December 31 2001	June 30 2001
SHARE CAPITAL AND RESERVES				ASSETS			
Share capital	1,554.8	1,538.4	1,308.3	Cash, and balances and placements with central banks	3,000.8	3,591.9	2,709.4
RESERVES							
Share premium account	2,161.3	1,957.9	14.4				
Other reserve	4,271.0	4,271.0	4,273.1	Singapore Government securities and treasury bills	8,596.1	9,185.7	9,223.5
Capital redemption reserve	28.4	28.4	28.4				
Capital reserve	4.4	24.0	11.0	Trading securities	13,447.2	10,777.9	12,203.9
General reserve	1,821.2	1,821.2	1,755.1				
Revenue reserve	4,225.5	3,888.1	3,751.5	Balances, placements with, and loans and advances to banks	42,948.1	41,122.6	48,587.6
	<u>12,511.9</u>	<u>11,990.7</u>	<u>9,833.7</u>				
SHAREHOLDERS' FUNDS	14,066.7	13,529.1	11,142.0				
				Bills receivable from non-bank customers	1,552.7	1,529.7	1,483.4
MINORITY INTERESTS	1,881.0	2,078.3	2,235.6				
				Loans and advances to non-bank customers	63,008.5	66,678.3	68,134.0
LIABILITIES							
Subordinated term debts	5,877.1	6,147.1	6,043.1	Investment securities	3,597.5	4,399.6	4,375.3
Deposits and balances of banks	10,232.5	8,445.7	11,135.2				
Deposits and other accounts of non-bank customers	102,984.1	106,771.3	114,851.4	Other assets	7,886.1	5,665.6	3,131.5
Other debt securities in issue	3,647.0	3,518.0	2,808.6				
Other borrowings	719.9	824.7	535.3	Associated and joint venture companies	547.4	558.3	555.9
Bills payable	431.1	394.8	399.3				
Other liabilities	11,760.7	9,276.9	6,936.6	Goodwill and intangible assets	5,066.8	5,124.2	3,418.7
Current taxation	371.1	270.9	395.4				
Deferred taxation	37.7	37.4	14.5	Fixed assets	2,357.8	2,660.4	2,673.9
	<u>152,008.9</u>	<u>151,294.3</u>	<u>156,497.0</u>		<u>152,008.9</u>	<u>151,294.3</u>	<u>156,497.0</u>
Life fund liabilities to policyholders	-	-	1,583.0	Life fund net assets attributable to policyholders	-	-	1,583.0
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS	<u>152,008.9</u>	<u>151,294.3</u>	<u>158,080.0</u>	TOTAL ASSETS	<u>152,008.9</u>	<u>151,294.3</u>	<u>158,080.0</u>
MEMORANDUM ITEMS							
Contingent liabilities	12,607.5	10,282.8	13,874.6				
Commitments	51,669.6	49,375.1	44,935.2				
	<u>64,277.1</u>	<u>59,658.0</u>	<u>58,809.8</u>				
Financial derivatives	<u>694,729.7</u>	<u>412,153.9</u>	<u>350,510.5</u>				

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED JUNE 30 In S\$m

	June 30 2002	June 30 2001
Cash flows from operating activities		
Profit before taxation and minority interests	789.2	766.4
<u>Adjustments for non-cash items:-</u>		
Provision for possible loan losses and diminution in value of assets	200.7	46.5
Depreciation of fixed assets	92.0	74.1
Amortisation of goodwill	136.5	-
Share of associated companies' profits	(26.5)	(33.6)
Profit on sale of fixed assets	(4.4)	(25.9)
Profit on sale of investment securities	(12.5)	(15.9)
Operating profit before changes in operating assets & liabilities	1,175.0	811.6
Increase/(Decrease) in:		
Deposits and other accounts of non-bank customers	(3,787.2)	9,496.4
Deposits and balances of banks	1,786.8	(2,197.4)
Other liabilities including bills payable	1,173.8	(725.7)
(Increase)/Decrease in:		
Government securities and trading securities	(2,070.2)	(1,245.5)
Accounts receivable and other assets	(795.5)	816.9
Balances, placements with, and loans and advances, to other banks	(1,824.2)	(6,866.0)
Loans and advances to non- bank customers including bills receivable	3,489.5	(1,562.8)
Tax paid	(77.6)	(208.8)
Net cash used in operating activities (1)	(929.5)	(1,681.3)
Cash flows from investing activities		
Acquisition of new subsidiary companies	-	(5,083.6)
Acquisition of additional interest in subsidiary companies	(0.8)	-
Dividends from associated companies	15.2	10.3
Purchase of fixed assets	(36.4)	(105.6)
Purchase of investment securities	(1,313.0)	(110.6)
Proceeds from sale of fixed assets	68.4	65.2
Proceeds from sale of investment securities	1,927.1	58.3
Net cash (used in)/ generated from investing activities (2)	660.4	(5,166.0)
Cash flows from financing activities		
Increase/(Decrease) in:		
Share capital and share premium	14.4	8.7
Debt securities and borrowings	(32.8)	3,597.2
Funds from minority interests	(64.4)	1,090.0
Dividends paid	(219.6)	(295.8)
Net cash generated from financing activities (3)	(302.3)	4,400.0
Exchange translation adjustments (4)	(19.6)	11.0
Net change in cash, and balances and placements with central banks (1)+(2)+(3)+(4)	(591.1)	(2,436.2)
Cash, and balances and placements with central banks as at January 1	3,591.9	5,145.0
Cash, and balances and placements with central banks as at June 30	3,000.8	2,708.8

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE HALF YEAR ENDED JUNE 30

In S\$' m	Share Capital	Share Premium	Other Reserve	Capital Redemption Reserve	Capital Reserve	General Reserve	Revenue Reserve	Total
Balance at January 1, 2002	1,538.4	1,957.9	4,271.0	28.4	24.0	1,821.2	3,888.1	13,529.1
Exercise of share options pursuant to the DBSH Share Option Scheme/DBSH Share Option Plan	1.2	7.9						9.1
Issue of ordinary shares	15.1	195.5						210.7
Net exchange translation adjustments during the period					(19.6)			(19.6)
Net profit attributable to members							531.4	531.4
Final dividends paid on ordinary and preference shares for the previous year							(194.0)	(194.0)
Balance at June 30, 2002	<u>1,554.8</u> [#]	<u>2,161.3</u>	<u>4,271.0</u>	<u>28.4</u>	<u>4.4</u>	<u>1,821.2</u>	<u>4,225.5</u>	<u>14,066.7</u>
Balance at January 1, 2001 (restated)	1,307.2	6.8	4,273.1	28.4	-	1,755.1	3,419.6	10,790.3
Exercise of share options pursuant to the DBSH Share Option Scheme/DBSH Share Option Plan	1.1	7.6						8.7
Net exchange translation adjustments during the period					11.0			11.0
Net profit attributable to members							629.5	629.5
Final dividends paid on ordinary and preference shares for the previous year							(295.8)	(295.8)
Goodwill transferred on disposal of subsidiary companies							(1.8)	(1.8)
Balance at June 30, 2001	<u>1,308.3</u>	<u>14.4</u>	<u>4,273.1</u>	<u>28.4</u>	<u>11.0</u>	<u>1,755.1</u>	<u>3,751.5</u>	<u>11,142.0</u>

During first half 2002, DBS Group Holdings Ltd issued 5,497 ordinary shares upon the conversion of the non-voting convertible preference shares.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share (“EPS”) is calculated by dividing the DBSH Group’s net profit attributable to members and after preference dividends (annualised) by the weighted average number of ordinary shares in issue during the period.

In million	1st Half 2002	1st Half 2001
Weighted average number of ordinary shares in issue (a)	1,454.3	1,216.2
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In S\$m	1st Half 2002	1st Half 2001
Net profit attributable to members (annualised)	1,062.9	1,258.9
Less: Preference dividends (annualised)	20.1	20.7
Net profit attributable to members after adjustment of preference dividends (b)	1,042.7	1,238.2
Add: Goodwill amortisation (annualised)	272.9	-
Net profit attributable to members after adjustment of preference dividends and goodwill amortisation (c)	1,315.6	1,238.2
Basic Earnings Per Ordinary Share (Cents) (b)/(a)	72	102
Basic Earnings Per Ordinary Share (excluding goodwill amortisation) (Cents) (c)/(a)	91	102

For the purpose of calculating the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the exercise of all outstanding share options granted to employees where such shares would be issued at a price lower than fair value (average share price during the financial period) and the full conversion of DBSH Non-voting Convertible Preference Shares (“CPS”) and DBSH Non-voting redeemable CPS to ordinary shares.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

The effect of the exercise of DBSH share options and conversion of DBSH Non-voting CPS and DBSH Non-voting redeemable CPS on the weighted average number of ordinary shares in issue is as follows:

In million	1st Half 2002	1st Half 2001
Weighted average number of ordinary shares in issue	1,454.3	1,216.2
Dilutive effect of share options	0.5	1.1
Full conversion of DBSH Non-voting CPS	19.6	25.1
Full conversion of DBSH Non-voting redeemable CPS	66.5	66.5
Weighted average number of ordinary shares in issue assuming dilution (a)	1,540.8	1,308.9

The effect of the exercise of DBSH share options and conversion of DBSH Non-voting CPS and DBSH Non-voting redeemable CPS on DBSH Group's net profit attributable to members is as follows:

In S\$m	1st Half 2002	1st Half 2001
Net profit attributable to members (annualised)	1,062.9	1,258.9
Less: Preference dividends (annualised)	20.1	20.7
Net profit attributable to members after adjustment of preference dividends	1,042.7	1,238.2
Adjustment to net profit arising from:		
(i) Full conversion of DBSH Non-voting CPS	4.7	5.7
(ii) Full conversion of DBSH Non-voting redeemable CPS	15.5	15.1
Adjusted net profit attributable to members (b)	1,062.9	1,258.9
Add: Goodwill amortisation (annualised)	272.9	-
Cash Basis - Adjusted net profit attributable to members (c)	1,335.9	1,258.9
Diluted Earnings Per Ordinary Share (Cents) (b)/(a)	69	96
Diluted Earnings Per Ordinary Share (excluding goodwill amortisation) (Cents) (c)/(a)	87	96

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

EXPOSURES TO MALAYSIA, INDONESIA, THAILAND, KOREA AND THE PHILIPPINES (REGIONAL COUNTRIES), HONG KONG AND CHINA

DBSH Group has exposures to certain countries in the Asia Pacific region.

The exposures are determined based on the location of the credit risk of the customers and counterparties regardless of where the transactions are booked.

At June 30, 2002, DBSH Group had assets in the Regional Countries, amounting to S\$8,314.7 million and in Hong Kong and China amounting to S\$31,294.2 million.

In S\$'m	DBSH Group					
	June 30, 2002		December 31, 2001		June 30, 2001	
	Assets	NPLs ^(a)	Assets	NPLs ^(a)	Assets	NPLs ^(a)
Malaysia	974.1	370.2	853.6	409.3	660.6	308.9
Indonesia	435.3	105.4	445.1	105.4	501.6	140.6
Thailand (excluding DTDB)	338.1	214.6	301.7	58.8	326.0	36.8
Korea	1,926.7	20.1	1,551.0	27.7	1,385.1	44.4
The Philippines	860.0	27.5	1,011.3	30.4	1,679.3	93.6
	4,534.2	737.9	4,162.7	631.5	4,552.6	624.3
DTDB	3,780.5	972.0	3,627.1	1,003.8	3,251.9	1,142.9
Total Regional Countries	8,314.7	1,709.9	7,789.8	1,635.4	7,804.5	1,767.2
Hong Kong	30,032.3	878.6	31,602.2	1,085.0	31,614.2	1,237.6
China	1,261.9	159.7	1,119.4	117.6	1,033.6	145.4
Total	39,608.8	2,748.1	40,511.4	2,838.0	40,452.3	3,150.2

(a) NPLs include classified bank loans, contingent facilities and debt instruments.

DTDB : DBS Thai Danu Bank Public Company Limited

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

The DBSH Group's exposures to these countries at June 30, 2002 are as follows:

In S\$m	Loans and debt securities			Investments	Total	Less: Loans to/Investments in Financial Subsidiaries/Overseas Branches	Net Exposure	
	Bank	Central Banks & Govt. Securities	Non-Bank ^(a)				Amount	As a % of Total Assets
Assets in	(1)	(2)	(3)	(4)	(5)= (1+2+3+4)	(6)	(7)=(5-6)	(8)
Malaysia	807.0	27.8	828.5	30.8	1,694.1	719.9	974.1	0.7%
Indonesia	123.8	58.9	273.2	44.1	500.0	64.8	435.3	0.3%
Thailand (excluding DTDB)	100.3	22.4	276.7	85.3	484.7	146.5	338.1	0.2%
Korea	1,161.2	426.0	410.0	3.8	2,001.0	74.3	1,926.7	1.3%
The Philippines	65.2	78.3	127.6	594.6	865.7	5.7	860.0	0.6%
SUB-TOTAL	2,257.5	613.4	1,916.0	758.6	5,545.5	1,011.3	4,534.2	3.1%
DTDB	57.5	287.7	3,345.9	89.9	3,781.0	0.5	3,780.5	2.5%
TOTAL REGIONAL COUNTRIES	2,315.0	901.1	5,261.9	848.5	9,326.5	1,011.8	8,314.7	5.5%
Hong Kong ^(b)	2,790.0	3,872.1	23,617.9	10,525.8	40,805.8	10,773.5	30,032.3	19.8%
China	919.7	13.3	880.7	0.4	1,814.1	552.2	1,261.9	0.8%
TOTAL	6,024.6	4,786.5	29,760.5	11,374.7	51,946.3	12,337.5	39,608.8	26.1%

(a) Non-bank loans include loans to government and quasi-government entities.

(b) Includes Dao Heng Bank Group Limited, DBS Kwong On Bank Limited and Hong Kong Branch operations.

DTDB: DBS Thai Danu Bank Public Company Limited

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

The DBSH Group's exposures to these countries at December 31, 2001 are as follows:

In S\$m Assets in	Loans and debt securities			Investments	Total	Less: Loans to/Investments in Financial Subsidiaries/ Overseas Branches	Net Exposure	
	Bank	Central Banks & Govt. securities	Non- Bank ^(a)				Amount	As a % of Total Assets
	(1)	(2)	(3)	(4)	(5)= (1+2+3+4)	(6)	(7)=(5-6)	(8)
Malaysia	730.0	-	727.1	94.6	1,551.7	698.1	853.6	0.6%
Indonesia	160.6	31.4	291.3	37.7	521.1	75.9	445.1	0.3%
Thailand (excluding DTDB)	63.9	9.3	270.9	78.0	422.0	120.3	301.7	0.2%
Korea	1,001.5	193.8	464.3	7.4	1,666.9	115.9	1,551.0	1.1%
The Philippines	74.2	99.2	123.5	720.2	1,017.1	5.8	1,011.3	0.7%
SUB-TOTAL	2,030.2	333.7	1,877.1	937.9	5,178.8	1,016.1	4,162.7	2.8%
DTDB	61.1	285.5	3,185.6	95.4	3,627.6	0.5	3,627.1	2.4%
TOTAL REGIONAL COUNTRIES	2,091.3	619.2	5,062.7	1,033.3	8,806.4	1,016.6	7,789.8	5.1%
Hong Kong ^(b)	1,737.0	4,374.1	25,491.4	10,807.6	42,410.1	10,807.9	31,602.2	20.9%
China	746.1	27.7	930.1	1.8	1,705.7	586.3	1,119.4	0.7%
TOTAL	4,574.4	5,021.0	31,484.2	11,842.6	52,922.2	12,410.8	40,511.4	26.8%

(a) Non-bank loans include loans to government and quasi-government entities.

(b) Includes Dao Heng Bank Group Limited, DBS Kwong On Bank Limited and Hong Kong Branch operations.

DTDB: DBS Thai Danu Bank Public Company Limited

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

The DBSH Group's exposures to these countries at June 30, 2001 are as follows:

In S\$m	Loans and debt securities			Investments	Total	Less: Loans to/Investments in Financial Subsidiaries/Overseas Branches	Net Exposure	
	Assets in	Central Banks & Govt. Securities	Non-Bank ^(a)				Amount	As a % of Total Assets
	(1)	(2)	(3)	(4)	(5)= (1+2+3+4)	(6)	(7)=(5-6)	(8)
Malaysia	552.4	-	588.0	51.3	1,191.7	531.1	660.6	0.4%
Indonesia	209.9	54.1	306.1	32.6	602.7	101.1	501.6	0.3%
Thailand (excluding DTDB)	30.6	9.1	293.0	17.9	350.6	24.6	326.0	0.2%
Korea	638.8	253.7	492.7	14.0	1,398.2	13.1	1,385.1	0.9%
The Philippines	302.2	177.0	542.4	903.0	1,924.6	245.3	1,679.3	1.1%
SUB-TOTAL	1,733.9	493.9	2,221.2	1,018.8	5,467.8	915.2	4,552.6	3.0%
DTDB	67.2	277.5	2,868.5	47.1	3,260.3	8.4	3,251.9	2.1%
TOTAL REGIONAL COUNTRIES	1,801.1	771.4	5,089.7	1,065.9	8,728.1	923.6	7,804.5	5.0%
Hong Kong ^(b)	3,616.9	4,104.0	24,260.2	6,168.5	38,149.6	6,535.4	31,614.2	20.2%
China	729.5	44.8	871.6	5.2	1,651.1	617.5	1,033.6	0.7%
TOTAL	6,147.4	4,920.1	30,221.6	7,239.6	48,528.8	8,076.4	40,452.3	25.8%

(a) Non-bank loans include loans to government and quasi-government entities.

(b) Includes Dao Heng Bank Group Limited, DBS Kwong On Bank Limited and Hong Kong Branch operations.
DTDB: DBS Thai Danu Bank Public Company Limited

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

NON-PERFORMING LOANS AND PROVISIONS

At June 30, 2002, DBSH Group's total non-performing loans amounted to S\$4,360.1 million (December 31, 2001: S\$4,512.2 million, June 30, 2001: S\$4,833.8 million). Non-performing loans ("NPLs") are loans, contingent facilities and debt instruments classified as Substandard, Doubtful or Loss in accordance with MAS Notice 612.

Out of the total NPLs of S\$4,360.1 million:

- S\$3,002.6 million (69%) [December 31, 2001: S\$3,085.5 million (68%); June 30, 2001: S\$3,554.2 million (73%)] were in the substandard category; and
- S\$2,321.7 million (53%) [December 31, 2001: S\$2,604.0 million (58%); June 30, 2001: S\$3,029.5 million (63%)] were secured by collateral.

Total cumulative specific and general provisions at June 30, 2002 amounted to 129% (December 31, 2001: 143%; June 30, 2001: 146%) of unsecured NPLs.

Details of DBSH Group's NPLs and provisions at June 30, 2002 are as follows:

In S\$'m	Regional Countries				Other Countries	Total
	Singapore	Hong Kong ^(b)	DTDB ^(a)	Others		
June 30, 2002						
Non- Performing Loans (NPLs)	1,517.7	878.6	972.0	737.9	254.0	4,360.1
- Substandard	1,175.8	358.6	778.2	517.5	172.4	3,002.6
- Doubtful	33.2	261.7	13.4	89.7	17.5	415.5
- Loss	308.7	258.2	180.4	130.6	64.0	941.9
NPLs as a % of:						
- Total loans in the respective countries	3.7%	3.5%	25.7%	13.3%	0.7%	3.9%
- Group total assets	1.0%	0.6%	0.6%	0.5%	0.2%	2.9%
Non-bank NPLs as a % of non-bank loans in the respective countries	3.8%	3.7%	27.8%	36.3%	7.1%	5.9%
Total Cumulative Provisions	822.4	503.7	684.1	475.6	147.1	2,632.9
- Specific provisions	456.3	273.3	502.2	260.6	109.5	1,601.8
- General provisions	366.1	230.4	181.9	215.0	37.7	1,031.1
Total Cumulative Provisions as a % of:						
- Total loans in the respective countries	2.0%	2.0%	18.1%	8.6%	0.4%	2.4%
- Group total assets	0.5%	0.3%	0.5%	0.3%	0.1%	1.7%
- NPLs in the respective countries	54%	57%	70%	64%	58%	60%
- Unsecured NPLs in the respective countries	147%	171%	145%	94%	71%	129%

(a) Includes special general provisions for regional exposures and additional specific provisions for DBS Thai Danu Bank Public Company Limited (DTDB)'s loans which are booked in Singapore.

(b) Includes Dao Heng Bank Group Limited, DBS Kwong On Bank Limited and Hong Kong Branch operations.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

Details of DBSH Group's NPLs and provisions at December 31, 2001 were as follows:

In S\$'m	Regional Countries				Other Countries	Total
	Singapore	Hong Kong ^(b)	DTDB ^(a)	Others		
December 31, 2001						
Non- Performing Loans (NPLs)	1,527.9	1,085.0	1,003.8	631.5	263.9	4,512.2
- Substandard	1,175.4	529.9	810.0	379.5	190.7	3,085.5
- Doubtful	26.6	344.2	16.5	112.2	21.1	520.6
- Loss	325.9	211.0	177.3	139.8	52.1	906.1
NPLs as a % of:						
- Total loans in the respective countries	3.7%	4.1%	27.7%	12.2%	0.8%	4.0%
- Group total assets	1.0%	0.7%	0.7%	0.4%	0.2%	3.0%
Non-bank NPLs as a % of non-bank loans in the respective countries	3.6%	4.3%	29.8%	26.1%	6.8%	5.7%
Total Cumulative Provisions	837.7	553.2	726.2	460.7	141.0	2,718.7
- Specific provisions	464.6	303.8	544.6	244.1	100.9	1,658.0
- General provisions	373.1	249.4	181.6	216.5	40.1	1,060.7
Total Cumulative Provisions as a % of:						
- Total loans in the respective countries	2.0%	2.1%	20.0%	8.9%	0.4%	2.4%
- Group total assets	0.6%	0.4%	0.5%	0.3%	0.1%	1.8%
- NPLs in the respective countries	55%	51%	72%	73%	53%	60%
- Unsecured NPLs in the respective countries	151%	150%	162%	124%	86%	143%

(a) Includes special general provisions for regional exposures and additional specific provisions for DBS Thai Danu Bank Public Company Limited (DTDB)'s loans which are booked in Singapore.

(b) Includes Dao Heng Bank Group, DBS Kwong On Bank Limited and Hong Kong Branch operations.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

Details of DBSH Group's NPLs and provisions at June 30, 2001 are as follows:

In S\$'m	Regional Countries				Other Countries	Total
	Singapore	Hong Kong ^(b)	DTDB ^(a)	Others		
June 30, 2001						
Non- Performing Loans (NPLs)	1,610.0	1,237.6	1,142.9	624.3	219.0	4,833.8
- Substandard	1,369.4	653.9	943.3	450.3	137.3	3,554.2
- Doubtful	8.2	284.8	6.9	111.2	24.1	435.2
- Loss	232.4	298.8	192.7	62.8	57.6	844.4
NPLs as a % of:						
- Total loans in the respective countries	3.4%	4.7%	35.1%	11.4%	0.6%	4.0%
- Group total assets	1.0%	0.8%	0.7%	0.4%	0.1%	3.1%
Non-bank NPLs as a % of non-bank loans in the respective countries	3.6%	5.2%	38.0%	25.6%	5.2%	6.2%
Total Cumulative Provisions	739.8	550.7	712.3	493.9	146.2	2,642.9
- Specific provisions	339.7	306.3	537.8	196.1	83.6	1,463.4
- General provisions	400.1	244.4	174.5	297.8	62.6	1,179.5
Total Cumulative Provisions as a % of:						
- Total loans in the respective countries	1.6%	2.1%	21.8%	9.0%	0.4%	2.2%
- Group total assets	0.5%	0.4%	0.5%	0.3%	0.1%	1.7%
- NPLs in the respective countries	46%	45%	62%	79%	67%	55%
- Unsecured NPLs in the respective countries	182%	127%	132%	157%	131%	146%

(a) Includes special general provisions for regional exposures and additional specific provisions for DBS Thai Danu Bank Public Company Limited (DTDB)'s loans which are booked in Singapore.

(b) Includes Dao Heng Bank Group Limited, DBS Kwong On Bank Limited and Hong Kong Branch operations.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

INDUSTRY ANALYSIS OF NON-PERFORMING LOANS

The following table shows the industry breakdown of the non-performing loans of DBSH Group:

In S\$'m	June 30, 2002		December 31, 2001		June 30, 2001	
	Outstanding	Specific Provisions	Outstanding	Specific Provisions	Outstanding	Specific Provisions
Manufacturing	1,005.7	446.7	891.3	437.7	895.0	364.0
Building and Construction	649.7	212.5	772.3	246.4	945.5	214.5
Housing Loans	199.3	44.3	310.6	63.0	299.2	55.0
General Commerce	747.5	308.8	754.7	335.3	890.5	328.7
Transportation, Storage and Communications	187.5	46.0	237.2	60.3	280.0	54.2
Financial Institutions, Investment and Holding Companies	432.9	128.9	497.2	156.5	502.9	165.0
Professionals and Private Individuals (except Housing Loans)	422.9	195.0	416.7	167.8	415.1	124.8
Others	714.6	219.6	632.2	191.0	605.6	157.2
Total	4,360.1	1,601.8	4,512.2	1,658.0	4,833.8	1,463.4

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

GOODWILL

The carrying value of goodwill from consolidation is reviewed when circumstances or events indicate that there may be uncertainty over the carrying amount. Goodwill will be written down for impairment when the net present value of the forecast future cash flows of the business are insufficient to support the carrying value.

Set out below is the carrying value after an assessment for impairment of goodwill has been performed:

In S\$'m	June 30, 2002	December 31, 2001
<u>Goodwill arising on consolidation</u>		
Unamortised balance at January 1	5,124.2	-
Acquisition of new subsidiary companies/additional interest in subsidiary companies	79.1	5,255.6*
Amortisation for the financial period	(136.5)	(131.4)
Unamortised balance at June 30/December 31	5,066.8	5,124.2

Comprising :

S\$'m	Date of Acquisition	Amortisation Period	Unamortised balance at June 30 2002	Charge to Profit and Loss Account
<u>At DBS Bank level</u>				
Dao Heng Bank Group Limited	June 29, 2001	20 years	4,889.3	128.4
DBS Vickers Securities Holdings Pte Ltd	September 12, 2001	5/10 years	99.3	7.2
DBS Group Holdings (Hong Kong) Ltd	May 7, 2002	17 years	78.3	0.8
			5,066.8	136.5
<u>Included in DBS Vickers Securities Holding Pte Ltd</u>				
Lum Chang Securities Pte Ltd		5 years	8.0	0.9
DBS Securities Holding Pte Ltd**		5 years	11.7	1.4
			19.7	2.3

* Include the goodwill on acquisition of Dao Heng Bank Group Limited (S\$5,146.6 million) and Vickers Ballas Holdings Limited (S\$98.3 million).

** Eliminated at Group level.