



To: Shareholders

The DBS Group Holdings Ltd ("DBSH" or "the Company") Board of Directors report unaudited financial results for the third quarter ended September 30, 2005.

For the third quarter of 2005, the Directors have declared an interim gross preference dividend of 4 cents for each DBSH non-voting convertible preference share ("CPS") and each DBSH non-voting redeemable CPS, and an interim gross ordinary dividend of 15 cents for each DBSH ordinary share (second quarter 2005 : 15 cents ; third quarter 2004: not applicable^{1/}).

The third quarter 2005 dividends will be paid less 20% Singapore income tax.

The third quarter 2005 dividends will be payable on November 28, 2005. DBS shares will be quoted ex-dividend on November 11, 2005. Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on November 16, 2005. Duly completed transfers received by the Company's Registrar, Barbinder & Co Pte Ltd of 8 Cross Street #11-00 PWC Building, Singapore 048424 up to 5.00 p.m. on November 15, 2005 will be registered to determine shareholders' entitlement to the third quarter 2005 dividends. In respect of ordinary shares in the securities accounts with The Central Depository (Pte) Limited ("CDP"), the third quarter 2005 dividends will be paid by DBSH to CDP, which will in turn distribute the dividend entitlements to shareholders.

By order of the Board

Heng Lee Cheng (Ms)
Group Secretary

October 28, 2005
Singapore

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

1/ DBS Group Holdings Ltd adopted quarterly dividend payments in 2005. There was no dividend paid in third quarter 2004.



Performance Summary

Unaudited Financial Results
for the Third Quarter ended
September 30, 2005

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Financial Highlights

DBS Group Holdings Ltd (“DBSH”) prepares its consolidated DBSH Group (“Group”) financial statements in accordance with Singapore Financial Reporting Standards (“FRS”).

In \$ millions	3rd Qtr 2005	3rd Qtr 2004	+/(-) %	2nd Qtr 2005	9 Mths 2005	9 Mths 2004	+/(-) %
For the period							
Operating income	1,079	1,098	(2)	1,092	3,249	3,940	(18)
Operating profit before provisions and goodwill amortisation	550	595	(8)	592	1,709	2,427	(30)
Net profit attributable to shareholders (before goodwill amortisation)	446	459	(3)	441	1,299	2,002	(35)
Net profit attributable to shareholders	446	349	28	441	1,299	1,672	(22)
At period-end							
Equity attributable to shareholders	17,336	16,117	8	17,040	17,336	16,117	8
Customer loans ^{1/}	78,776	67,216	17	78,712	78,776	67,216	17
Customer deposits	114,918	107,008	7	115,933	114,918	107,008	7
Total assets	182,577	165,971	10	183,674	182,577	165,971	10
Per share (in \$)							
Basic earnings excluding goodwill amortisation ^{2/}	1.18	1.22	(3)	1.17	1.15	1.67	(31)
Basic earnings ^{2/}	1.18	0.93	27	1.17	1.15	1.38	(17)
Diluted earnings ^{2/}	1.14	0.90	27	1.12	1.11	1.33	(17)
Net asset value at period-end ^{3/}							
(i) based on existing ordinary share capital	11.29	10.51	7	11.11	11.29	10.51	7
(ii) assuming non-voting convertible preference shares (“CPS”) and non-voting redeemable CPS are converted to ordinary shares	11.09	10.34	7	10.92	11.09	10.34	7
Performance ratios							
(%)	3rd Qtr 2005	3rd Qtr 2004		2nd Qtr 2005	9 Mths 2005	9 Mths 2004	
On a GAAP basis							
Return on assets ^{2/}	0.98	0.83		0.96	0.97	1.27	
Return on equity ^{2/ 3/}	10.39	8.68		10.42	10.28	13.34	
Excluding goodwill amortisation							
Return on assets ^{2/}	0.98	1.09		0.96	0.97	1.54	
Return on equity ^{2/ 3/}	10.39	11.42		10.42	10.28	16.19	
Efficiency and revenue mix ratios							
Cost-to-income ratio (excluding goodwill amortisation)	49.0	45.8		45.8	47.4	38.4	
As a percentage of total operating income:							
- net interest income	67.5	59.4		63.6	64.4	49.5	
- non-interest income	32.5	40.6		36.4	35.6	50.5	
Capital adequacy ratios (at period-end)							
- Tier 1 capital	10.4	11.8		10.6	10.4	11.8	
- Total capital	14.7	15.4		14.7	14.7	15.4	

Notes:

1/ After deducting cumulative provisions.

2/ Earnings per share, return on assets and return on equity for the periods are computed on an annualised basis.

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

Financial Review

For the third quarter of 2005, DBSH Group's net profit attributable to shareholders ("net profit") was \$446 million, up 28% from the corresponding period last year.

Compared to second quarter 2005, net profit for third quarter 2005 went up 1% as higher net interest income and lower provisions were offset by lower non-interest income and higher operating expenses.

- Operating income of \$1.079 billion decreased marginally by 2% from third quarter 2004 due to lower non-interest income, partially offset by higher net interest income. Similarly, operating income declined marginally by 1% from last quarter. Net interest margins rose 2 basis points from third quarter 2004 and 7 basis points from second quarter 2005 to 1.87%. Non-interest income fell in third quarter 2005 as compared to last year due to lower net gains from treasury-related activities, cushioned by higher fee and commission income. Compared to second quarter 2005, fee and commission income was lower.
- Operating expenses rose 5% from third quarter 2004 and 6% from second quarter 2005 to \$529 million due to higher computerisation and advertising expenses, resulting in a higher cost-to-income ratio of 49.0% as compared to last quarter's 45.8%.
- Provisions of \$4 million for the third quarter 2005 were lower than that for a year ago and for last quarter due to write-backs in general provisions (consistent with MAS guidelines under Notice 612). In addition, specific provisions for loans were lower compared to second quarter 2005 with a reducing quantum of non-performing loans. By comparison, provision charges were \$28 million in third quarter 2004 and \$81 million in second quarter 2005.

Profit and Loss Account ^{1/}

In \$ millions	3rd Qtr 2005	3rd Qtr 2004	+ / (-) %	2nd Qtr 2005	9 Mths 2005	9 Mths 2004	+ / (-) %
Net interest income	728	652	12	695	2,093	1,951	7
Non-interest income	351	446	(21)	397	1,156	1,989	(42)
Operating income	1,079	1,098	(2)	1,092	3,249	3,940	(18)
Operating expenses	(529)	(503)	5	(500)	(1,540)	(1,513)	2
Operating profit before provisions ^{2/}	550	595	(8)	592	1,709	2,427	(30)
Provisions	(4)	(28)	(86)	(81)	(148)	(93)	59
Operating profit ^{2/}	546	567	(4)	511	1,561	2,334	(33)
Share of profits less losses of associated companies	17	18	(6)	22	51	52	(2)
Net profit before taxation ^{2/}	563	585	(4)	533	1,612	2,386	(32)
Taxation	(101)	(113)	(11)	(79)	(271)	(345)	(21)
Net profit after taxation ^{2/}	462	472	(2)	454	1,341	2,041	(34)
Minority interests	(16)	(13)	23	(13)	(42)	(39)	8
Net profit attributable to shareholders (before goodwill amortisation)	446	459	(3)	441	1,299	2,002	(35)
Goodwill amortisation	-	(110)	NM	-	-	(330)	NM
Net profit attributable to shareholders	446	349	28	441	1,299	1,672	(22)

NM: Not meaningful

Notes:

1/ Figures for prior periods have been restated to reflect the change in accounting policies (Appendix VI, note 4).

2/ Goodwill amortisation in 2004 are excluded from these profit numbers to allow better comparability with third quarter 2005 and 9 months 2005.

3/ Excluding one-time gains of \$497 million from DBS Thai Danu Public Company Limited ("DTDB") merger and the divestment of the Group's stake in Wing Lung Bank, the following profit and loss items would have been:

In \$ millions	3rd Qtr 2005	3rd Qtr 2004	+ / (-) %	2nd Qtr 2005	9 Mths 2005	9 Mths 2004	+ / (-) %
Non-interest income	351	446	(21)	397	1,156	1,492	(23)
Operating income	1,079	1,098	(2)	1,092	3,249	3,443	(6)
Net profit attributable to shareholders (before goodwill amortisation)	446	459	(3)	441	1,299	1,505	(14)
Goodwill amortisation	-	(110)	NM	-	-	(330)	NM
Net profit attributable to shareholders	446	349	28	441	1,299	1,175	11

Net Interest Income and Net Interest Margin

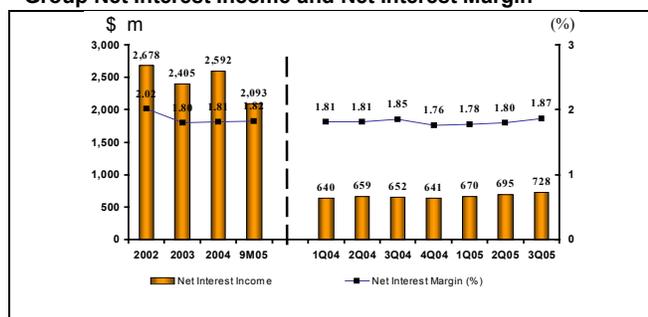
 Table 1
Group Net Interest Income and Net Interest Margin ^{1/}

In \$ millions	3rd Qtr 2005			3rd Qtr 2004			2nd Qtr 2005		
	Average balance	Interest	Average rate (%)	Average balance	Interest	Average rate (%)	Average balance	Interest	Average rate (%)
Customer loans and advances	78,339	845	4.28	65,988	572	3.45	74,336	724	3.91
Interbank placements and loans	24,099	142	2.34	27,905	83	1.18	30,806	169	2.20
Securities	51,785	453	3.47	46,232	337	2.90	49,483	425	3.45
Total interest bearing assets	154,223	1,440	3.70	140,125	992	2.82	154,625	1,318	3.42
Customer deposits	115,775	396	1.36	106,978	184	0.69	116,310	335	1.16
Debt securities and bank borrowings	33,478	316	3.75	27,694	156	2.25	33,312	288	3.47
Total interest bearing liabilities	149,253	712	1.89	134,672	340	1.00	149,622	623	1.67
Net interest income/margin		728	1.87		652	1.85		695	1.80

In \$ millions	9 Mths 2005			9 Mths 2004		
	Average balance	Interest	Average rate (%)	Average balance	Interest	Average rate (%)
Customer loans and advances	74,444	2,185	3.92	66,449	1,717	3.45
Interbank placements and loans	30,092	492	2.19	31,242	272	1.16
Securities	49,205	1,258	3.42	44,875	970	2.89
Total interest bearing assets	153,741	3,935	3.42	142,566	2,959	2.77
Customer deposits	115,629	995	1.15	109,800	522	0.64
Debt securities and bank borrowings	33,118	847	3.42	28,600	486	2.27
Total interest bearing liabilities	148,747	1,842	1.66	138,400	1,008	0.97
Net interest income/margin		2,093	1.82		1,951	1.83

Note:

1/ Net interest margin is net interest income expressed as a percentage of average interest-earning assets. It is computed on an annualised basis.

 Exhibit 1
Group Net Interest Income and Net Interest Margin


Net interest income grew 12% over third quarter 2004 to \$728 million in third quarter 2005. Compared to second quarter 2005, net interest income increased 5%.

- The increase in net interest income over third quarter 2004 was largely due to increased lending volumes, as end-period customer loans grew 17% year-on-year.
- Net interest margin for third quarter 2005 was 1.87%, 2 basis points higher than 1.85% for third quarter 2004. Compared to second quarter 2005, net interest margin improved 7 basis points with more funds deployed to higher yielding customer loans and debt securities. The widening spread between Prime rate and HIBOR in Hong Kong also contributed to the increase in net interest margin.

Non-Interest Income

 Table 2
Group Non-Interest Income

In \$ millions	3rd Qtr 2005	3rd Qtr 2004	+/(-) %	2nd Qtr 2005	9 Mths 2005	9 Mths 2004	+/(-) %
Fee and commission income							
Stockbroking	52	41	27	36	135	153	(12)
Investment banking	30	21	43	37	90	69	30
Trade and remittances	46	43	7	46	131	122	7
Loan related	29	39	(26)	55	129	124	4
Guarantees	8	6	33	6	22	20	10
Deposit related	19	20	(5)	19	57	62	(8)
Credit card	25	21	19	25	67	64	5
Fund management	12	9	33	19	41	33	24
Wealth management	34	42	(19)	37	108	100	8
Others	11	10	10	10	30	30	-
Total	<u>266</u>	<u>252</u>	6	<u>290</u>	<u>810</u>	<u>777</u>	4
Dividend and rental income	27	31	(13)	36	75	88	(15)
Other income							
Net gain on treasury related activities	26	144	(82)	27	164	497	(67)
Net gain on investment securities	27	20	35	40	92	619 ^{1/}	(85)
Net gain on fixed assets	4	(1)	NM	1	8	4	100
Others	1	-	NM	3	7	4	75
Total	<u>58</u>	<u>163</u>	(64)	<u>71</u>	<u>271</u>	<u>1,124</u>	(76)
Total non-interest income	<u>351</u>	<u>446</u>	(21)	<u>397</u>	<u>1,156</u>	<u>1,989</u>	(42)
Non-interest income as a percentage of operating income (%)	32.5	40.6		36.4	35.6	50.5	

Note:

1/ Includes one-time gains of \$497 million.

Third quarter 2005 non-interest income of \$351 million was 21% lower than third quarter 2004. Compared to second quarter 2005, non-interest income was 12% lower.

- Fee and commission income in the third quarter 2005 grew 6% to \$266 million compared to the same quarter last year, due to higher fees earned from stockbroking and investment banking activities, partially offset by lower fees from loan syndication and wealth management activities. Compared to the stronger showing in second quarter 2005, loan syndication activity slowed, resulting in an 8% decrease in fee and commission income. Stockbroking fees were higher in third quarter 2005, following a comparatively more buoyant equity market in Singapore led by interest in property counters.
- Third quarter other income declined 64% to \$58 million as compared to third quarter last year. Net gain on treasury activities was lower in a lacklustre trading environment. Compared to the previous quarter which saw higher gains from sale of investment securities, other income declined \$13 million.

Operating Expenses

Table 3

Group Operating Expenses

In \$ millions	3rd Qtr 2005	3rd Qtr 2004	+/(-) %	2nd Qtr 2005	9 Mths 2005	9 Mths 2004	+/(-) %
Staff costs	255	247	3	253	773	736	5
Occupancy expenses	48	49	(2)	43	134	141	(5)
Computerisation expenses	82	74	11	71	227	230	(1)
Revenue-related expenses	46	44	5	44	137	147	(7)
Others	98	89	10	89	269	259	4
Total operating expenses	529	503	5	500	1,540	1,513	2
Cost-to-income ratio (%)	49.0	45.8		45.8	47.4	38.4 ^{1/}	
Staff headcount number (at period-end)	12,562	11,083		12,090	12,562	11,083	

Note:

1/ Income includes one-time gains of \$497 million.

Operating expenses for third quarter 2005 was \$529 million, an increase of 5% when compared to third quarter 2004 and 6% when compared to second quarter 2005.

- Staff costs increased 3% from third quarter 2004 due to higher headcount and wage pressures in 2005. The increase was marginal compared to second quarter 2005 as performance-related bonus accruals were lower.
- Computerisation expenses increased 11% as we continue to make investments in system initiatives.
- General expenses increased in line with higher headcount, as well as higher occupancy and promotional and advertising expenses.

Provision Charge

Table 4

Group Provision Charge

In \$ millions	3rd Qtr 2005	3rd Qtr 2004	+/(-) %	2nd Qtr 2005	9 Mths 2005	9 Mths 2004	+/(-) %
Specific provision ("SP")							
Loans							
Singapore	10	(18)	NM	26	58	12	>100
Hong Kong	17	17	-	10	39	59	(34)
Other countries	3	-	NM	15	28	(15)	NM
Sub-Total	30	(1)	>100	51	125	56	>100
Securities, properties and other assets	10	13	(23)	9	23	28	(18)
Total Specific provision	40	12	>100	60	148	84	76
General provision	(36)	16	NM	21	-	9	NM
Total provision charge	4	28	(86)	81	148	93	59
SP (loans) / Average loan (basis point)	15	-1		27	22	11	

NM: Not meaningful

Total provision charge for third quarter 2005 was \$4 million, compared to \$28 million for third quarter 2004 and \$81 million for second quarter 2005.

- Specific provision charge for loans in third quarter 2005 increased to \$30 million compared to a write-back of \$1 million in the same quarter last year. This was mainly due to higher loan recoveries in third quarter 2004. Compared to second quarter 2005, specific provision charge for loans in this quarter was lower by \$21 million.
- The Group sets its general provisions relative to its exposures in accordance with MAS Notice 612. During the quarter, \$36 million of general provisions were reversed as collateral values improved with a stronger economic outlook as compared to the first half of the year, and the Group's general provisions level was ascertained to be adequate relative to exposures. The \$36 million reversal is equal to the general provisions taken in the first half 2005. No change was made to general provisions taken in previous years.

Balance Sheet

Table 5
Group Key Balance Sheet Items

In \$ millions	Sep 30 2005	Jun 30 2005	Dec 31 2004	Sep 30 2004
Total assets	182,577	183,674	175,438	165,971
Customer loans ^{1/}	78,776	78,712	69,659	67,216
Customer deposits	114,918	115,933	113,206	107,008
Loan-to-deposit ratio (%)	68.6	67.9	61.5	62.8

Note:

1/ After deducting cumulative provisions.

At September 30, 2005, total assets were \$182.6 billion.

- Compared to end June 2005, customer loans grew marginally by \$0.1 billion to \$78.8 billion. Customer deposits declined by \$1.0 billion to \$114.9 billion due to decline in foreign currency deposits.
- The Group's loan-to-deposit ratio improved 0.7% to 68.6% at end September 2005.

Asset Quality

Exhibit 2
Group Non-Performing Loans

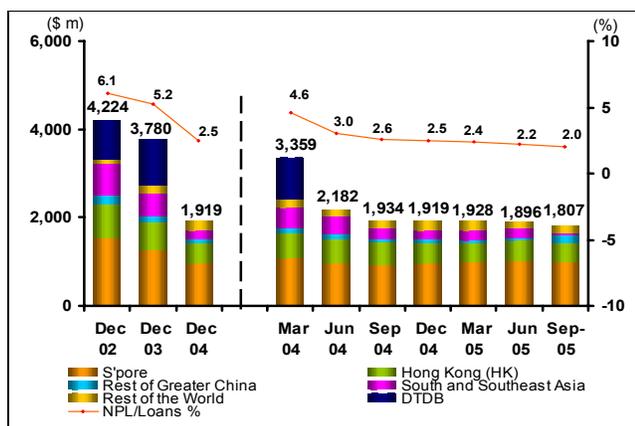


Table 6
Group Geographical NPL Rate
(Based on MAS standard)

(%)	Sep 30 2005	Jun 30 2005	Dec 31 2004	Sep 30 2004
Singapore	2.1	2.1	2.2	2.2
Hong Kong	1.6	1.8	2.0	2.2
South and Southeast Asia	3.6	4.6	6.3	7.1
Rest of Greater China	2.5	2.8	5.0	5.0
Rest of the World	2.5	2.7	4.6	5.3
Group NPL rate	2.0	2.2	2.5	2.6

Note:

1/ NPL rate is computed based on total non-bank customer NPLs (excluding non-performing debt securities and contingent items) divided by total gross non-bank customer loans.

- Non-performing loans ("NPLs") continued to trend downwards to \$1.8 billion at end September 2005. Out of the \$1.8 billion NPLs, \$0.5 billion or 28% were restructured NPLs.
- Singapore NPLs were \$1.0 billion and accounted for 55% of the Group's NPLs, while Hong Kong NPLs of \$0.4 billion accounted for 24%.
- The ratio of NPLs to total non-bank loans ("NPL rate") further improved from 2.2% at end June 2005 to 2.0% at end September 2005. NPL rates across countries were either stable or improved.

Loan Grading

Of the total \$1.8 billion NPLs at end September 2005, 68% were classified as substandard, 14% as doubtful and the remaining 18% in the loss category. 53% of the NPLs were secured by collateral.

Cumulative Specific and General Provisions

Total cumulative specific and general provisions at end September 2005 were 206.8% of unsecured NPLs, and 97.2% of total NPLs.

Exhibit 3
Group Non-Performing Loans – by Loan Grading

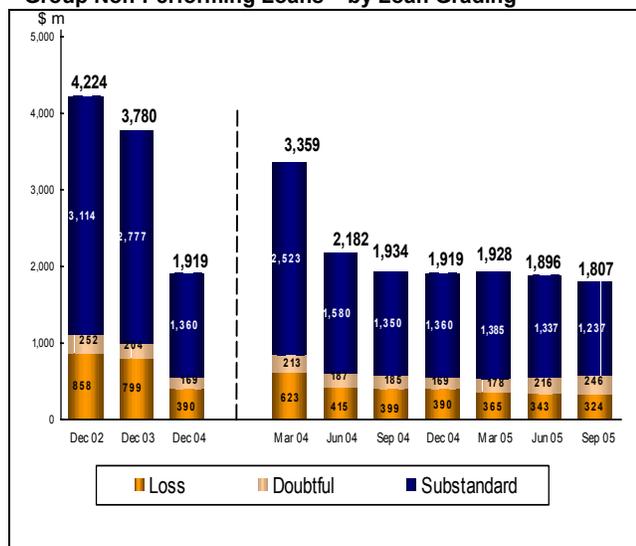
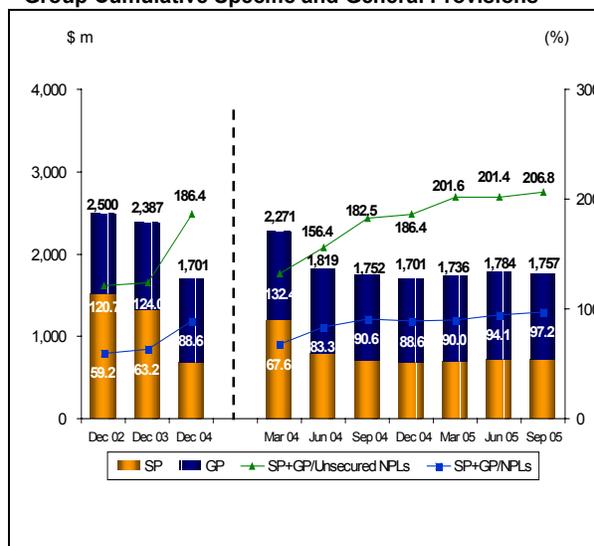


Exhibit 4
Group Cumulative Specific and General Provisions



Restructured Loans

Table 7
Loans that were restructured and classified

In \$ millions	Sep 30, 2005		Jun 30, 2005		Dec 31, 2004		Sep 30, 2004	
	NPLs	Specific provisions						
Substandard	446	83	503	96	351	34	375	33
Doubtful	23	31	19	19	10	10	13	13
Loss	43	44	45	45	58	58	78	78
Total	512	158	567	160	419	102	466	124

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

Table 8
Group Customer Loans

In \$ millions	Sep 30 2005	Jun 30 2005	Dec 31 2004	Sep 30 2004
Gross	80,241	80,172	71,021	68,694
Less:				
Specific provisions	600	576	557	581
General provisions	865	884	805	897
Net total	78,776	78,712	69,659	67,216

Analysed by Industry

Manufacturing	8,684	8,275	7,268	6,983
Building & Construction	8,590	9,009	6,902	7,021
Housing Loans	25,448	25,291	24,091	23,746
General Commerce	8,800	8,383	7,297	6,910
Transportation, Storage & Communications	7,012	6,636	5,259	5,249
Financial Institutions, Investment & Holding Companies	8,553	9,226	7,467	5,739
Professionals & Private Individuals (except Housing Loans)	7,251	7,090	7,038	7,061
Others	5,903	6,262	5,699	5,985
Total (Gross)	80,241	80,172	71,021	68,694

Analysed by Currency and Fixed / Variable Rates

Fixed rate^{1/}

Singapore dollar	8,776	9,804	10,046	9,987
Hong Kong dollar	381	464	458	412
US dollar	144	109	82	24
Others	430	240	342	296
Sub-total	9,731	10,617	10,928	10,719

Variable rate^{2/}

Singapore dollar	27,174	26,177	23,899	22,802
Hong Kong dollar	24,011	23,639	21,432	21,433
US dollar	13,913	14,890	10,464	9,817
Others	5,412	4,849	4,298	3,923
Sub-total	70,510	69,555	60,093	57,975
Total (Gross)	80,241	80,172	71,021	68,694

Notes:

- 1/ Fixed rate loans refer to long-term loans where the interest rates are fixed for the initial 1 to 3 years for certain mortgage loans, and over the entire loan period for other loans.
- 2/ Variable rate loans refer to loans that are pegged to prime, short-term cost of funds or inter-bank rates.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

Table 9
Total Group Deposits

In \$ millions	Sep 30 2005	Jun 30 2005	Dec 31 2004	Sep 30 2004
Deposits of non-bank customers	114,918	115,933	113,206	107,008
Deposits and balances of banks	9,995	12,053	10,939	10,453
Total	124,913	127,986	124,145	117,461

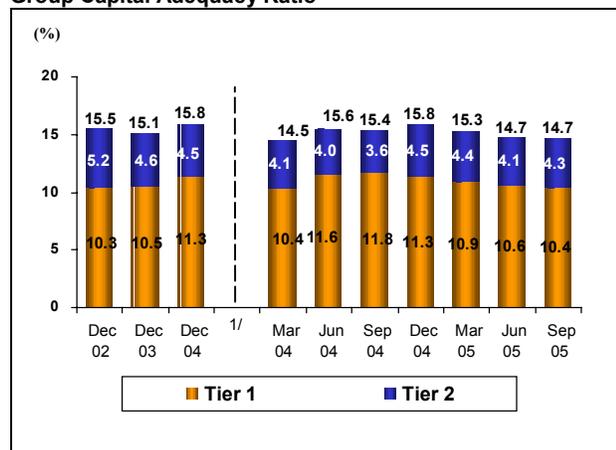
Table 10
Group Customer Deposits

In \$ millions	Sep 30 2005	Jun 30 2005	Dec 31 2004	Sep 30 2004
<i>Analysed by Currency</i>				
Singapore dollar	62,922	62,916	62,052	59,580
US dollar	21,645	23,527	23,709	21,247
Hong Kong dollar	20,066	18,540	17,900	17,215
Others	10,285	10,950	9,545	8,966
Total	114,918	115,933	113,206	107,008
<i>Analysed by Product</i>				
Savings accounts (include S\$ autosave)	46,264	46,817	49,697	47,858
Current accounts	11,796	12,470	11,694	11,603
Fixed deposits	53,612	50,640	45,767	43,812
Other deposits	3,246	6,006	6,048	3,735
Total	114,918	115,933	113,206	107,008

Capital Adequacy Ratio

Exhibit 5

Group Capital Adequacy Ratio



At September 30, 2005, the total Capital Adequacy Ratio (“CAR”) for DBSH Group was 14.7% based on MAS capital framework (MAS Notice 637). Tier 1 CAR was 10.4%.

Table 11

Group Capital

In \$ millions	Sep 30 2005	Jun 30 2005	Dec 31 2004	Sep 30 2004
Tier 1 Capital				
Paid ordinary/preference shares	1,563	1,561	1,559	1,559
Disclosed reserves/others	17,989	17,563	17,146	16,938
Goodwill	(6,931)	(6,931)	(6,931)	(7,043)
	12,621	12,193	11,774	11,454
Tier 2 Capital				
Cumulative general provisions	965	1,002	971	980
Subordinated debts	4,336	4,343	4,371	3,260
Others	(124)	(624)	(674)	(700)
	5,177	4,721	4,668	3,540
Total Capital	17,798	16,914	16,442	14,994
Risk Weighted Assets	121,165	114,845	103,987	97,502

Note:

1/ With effect from 2004, ratios were computed based on MAS Notice 637. Comparatives for 2003 and before were not restated and were computed using the Bank for International Settlements (“BIS”) guidelines.

Unrealised Valuation Surpluses

Table 12

Group Unrealised Valuation Surpluses

In \$ millions	Sep 30 2005	Jun 30 2005	Dec 31 2004	Sep 30 2004
Properties	756	751	653	566
Quoted investments	45	40	531	402
Total	801	791	1,184	968

Note:

1/ The decline in unrealised valuation surpluses of quoted investments from end December 2004 was mainly due to the recognition of fair value changes in available-for-sale investments in balance sheet reserves with the adoption of FRS 39 from January 1, 2005.

Unrealised valuation surpluses in properties and quoted investment securities not recognised in the financial statements amounted to \$0.8 billion at end September 2005.

Business Segment Analysis

The business segment results represent the customer segments of the respective businesses and are determined by:

- Income and direct expenses attributable to each customer and other segment; and
- Management accounting policies relating to the allocation of indirect expenses and funds transfer pricing between the central treasury unit and customer/other segments.

The various customer segments are described below, along with a description of the change in net profit after taxation for third quarter 2005 over third quarter 2004 and for first nine months 2005 over first nine months 2004.

• **Consumer Banking**

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

Quarter-on-quarter, net profit after taxation increased (\$30 million, 25%) on the back of higher net interest income resulting from higher interbank rates.

Year-on-year, the increase in net profit after taxation (\$108 million, 31%) was also due to higher net interest income resulting from higher interbank rates as well as growth in customer loan and deposit volumes.

• **Enterprise Banking**

Enterprise Banking provides financial services and products to small and medium-sized businesses. The products and services offered to customers include credit facilities (overdraft, factoring/accounts receivable purchase, trade services and financing, commercial/industrial property financing, hire purchase and government financing and assistance schemes), deposit, payment and collection services and treasury products.

Net profit after taxation was in line with third quarter 2004.

Year-on-year, the increase in net profit after taxation (\$6 million, 3%) was mainly attributable to lower provisions.

• **Corporate and Investment Banking**

Corporate and Investment Banking provides tailored and unique financial solutions to large corporate and institutional clients. The products and services offered to customers include direct lending, 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, and private equity.

Quarter-on-quarter, the decrease in net profit after taxation (\$39 million, 30%) was mainly due to higher provisions.

Year-on-year, the decrease in net profit after taxation (\$74 million, 22%) was also largely due to higher provisions.

The other segments of the analysis are:

- **Global Financial Markets**

Global Financial Markets 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 financial products and services relating to other customer segments, e.g. Consumer Banking, Enterprise Banking and Corporate and Investment Banking, is reflected in the respective customer segments.

Global Financial Markets also provides equity services through DBS Vickers Securities (“DBSV”). DBSV offers a wide range of services including research, sales and trading for institutional, corporate and private clients and share placement.

Quarter-on-quarter, the decrease in net profit after taxation (\$79 million, 66%) was largely due to lower gains from foreign exchange, equity and interest rate products.

Year-on-year, the decrease in net profit after taxation (\$284 million, 65%) was also mainly due to lower gains from foreign exchange, equity and interest rate products.

- **Central Treasury Unit**

Central Treasury Unit 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.

Quarter-on-quarter, net profit after taxation was in line with third quarter 2004.

Year-on-year, the decrease in net profit after taxation (\$75 million, 37%) was due to lower gapping income resulting from flattening of interest rate yield curves and first quarter 2004 benefiting from profit on sales of bonds.

- **Central Operations**

Central Operations encompass a range of activities resulting from central corporate decisions and the related income and expenses not attributed to business segments. These include funding costs of DBSH Group's associated and subsidiary companies and gains/losses on properties. Private banking activities and asset management activities are included in this segment.

Quarter-on-quarter, the increase in net profit after taxation was largely due to higher income from private banking and asset management activities, coupled with lower centralized expenses and provisions.

The decline in net profit after taxation for nine months 2005 as compared to the previous year was largely due to last year's one-off gains of \$497 million from the sale of the Group's stake in DBS Thai Danu Bank and Wing Lung Bank.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

The following table analyses the results, total assets and total liabilities by business segments:

Table 13
Group Business Segments (3rd Qtr 2005)

In \$ millions	Consumer Banking	Enterprise Banking	Corporate and Investment Banking	Global Financial Markets	Central Treasury Unit	Central Operations	Total
Operating income	423	188	175	155	64	74	1,079
Operating profit before provisions and goodwill amortisation	183	114	94	47	55	57	550
Net profit before taxation and goodwill amortisation	185	101	110	51	63	53	563
Taxation	(36)	(18)	(18)	(10)	(7)	(12)	(101)
Net profit after taxation and before goodwill amortisation	149	83	92	40	56	26	446
Goodwill amortisation							-
Net profit attributable to shareholders							446
<i>Other Information</i>							
Total assets before goodwill	30,081	19,090	32,094	68,486	23,934	1,961	175,646
Goodwill							6,931
Total assets							182,577
Total liabilities	67,827	17,488	14,314	39,829	2,131	22,503	164,092
Capital expenditure	3	3	1	3	1	36	47
Depreciation	7	4	1	4	2	18	36

Group Business Segments (3rd Qtr 2004)

In \$ millions	Consumer Banking	Enterprise Banking	Corporate and Investment Banking	Global Financial Markets	Central Treasury Unit	Central Operations	Total
Operating income	409	186	176	238	73	16	1,098
Operating profit before provisions and goodwill amortisation	177	122	114	145	65	(28)	595
Net profit before taxation and goodwill amortisation	146	101	163	153	66	(44)	585
Taxation	(28)	(18)	(32)	(34)	(12)	11	(113)
Net profit after taxation and before goodwill amortisation	119	82	131	119	54	(46)	459
Goodwill amortisation							(110)
Net profit attributable to shareholders							349
<i>Other Information</i>							
Total assets before goodwill	27,796	15,854	25,615	62,458	24,061	3,144	158,928
Goodwill							7,043
Total assets							165,971
Total liabilities	64,007	14,714	12,930	34,991	2,677	19,398	148,717
Capital expenditure	2	1	1	3	1	16	24
Depreciation	7	4	1	5	1	17	35

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

Table 13

Group Business Segments (9 Mths 2005)

In \$ millions	Consumer Banking	Enterprise Banking	Corporate and Investment Banking	Global Financial Markets	Central Treasury Unit	Central Operations	Total
Operating income	1,263	548	578	469	165	226	3,249
Operating profit before provisions and goodwill amortisation	580	338	349	158	141	143	1,709
Net profit before taxation and goodwill amortisation	568	285	324	188	152	95	1,612
Taxation	(110)	(51)	(54)	(36)	(24)	4	(271)
Net profit after taxation and before goodwill amortisation	458	234	270	151	128	58	1,299
Goodwill amortisation							-
Net profit attributable to shareholders							1,299
<i>Other Information</i>							
Total assets before goodwill	30,081	19,090	32,094	68,486	23,934	1,961	175,646
Goodwill							6,931
Total assets							182,577
Total liabilities	67,827	17,488	14,314	39,829	2,131	22,503	164,092
Capital expenditure	12	7	4	12	3	56	94
Depreciation	22	12	2	15	6	56	113

Group Business Segments (9 Mths 2004)

In \$ millions	Consumer Banking	Enterprise Banking	Corporate and Investment Banking	Global Financial Markets	Central Treasury Unit	Central Operations	Total
Operating income	1,187	555	543	814	276	565	3,940
Operating profit before provisions and goodwill amortisation	512	365	359	512	250	429	2,427
Net profit before taxation and goodwill amortisation	432	274	415	526	251	488	2,386
Taxation	(79)	(51)	(72)	(90)	(48)	(5)	(345)
Net profit after taxation and before goodwill amortisation	350	228	344	435	203	442	2,002
Goodwill amortisation							(330)
Net profit attributable to shareholders							1,672
<i>Other Information</i>							
Total assets before goodwill	27,796	15,854	25,615	62,458	24,061	3,144	158,928
Goodwill							7,043
Total assets							165,971
Total liabilities	64,007	14,714	12,930	34,991	2,677	19,398	148,717
Capital expenditure	10	6	3	9	2	36	66
Depreciation	25	12	3	15	5	57	117

Geographical Segment Analysis

The following table analyses total assets, operating income and net profit by geographical segments. Unless otherwise stated, the analysis of geographical segments is generally based on the location of the office recording the transactions. The total assets, operating income and net profit are stated after elimination of inter-group assets and revenues.

Table 14
Group Geographical Segments

In \$ millions	Total assets	Distribution (%)	Year-to-date Operating income	Distribution (%)	Year-to-date Net profit	Distribution (%)
Sep 30, 2005						
Singapore	116,894	67	2,069	64	867	67
Hong Kong	42,408	24	929	29	364	28
Rest of Greater China	5,247	3	62	2	(4)	(0)
South and Southeast Asia	3,773	2	108	3	84	6
Rest of the World	7,324	4	81	2	(12)	(1)
Sub-total	175,646	100	3,249	100	1,299	100
Goodwill	6,931		-		-	
Total	182,577		3,249		1,299	
Sep 30, 2004						
Singapore	106,590	67	2,632	67	1,409 ^{1/}	70
Hong Kong	40,286	25	1,053	27	457	23
Rest of Greater China	4,134	3	51	1	17	1
South and Southeast Asia ^{2/}	2,249	1	141	3	94	5
Rest of the World	5,669	4	63	2	25	1
Sub-total	158,928	100	3,940	100	2,002	100
Goodwill	7,043		-		(330)	
Total	165,971		3,940		1,672	

Notes:

1/ Includes one-time gains of \$497 million.

2/ Year-to-date operating income and net profit include contributions from DTDB, which was deconsolidated on June 25, 2004.

DBSH Group operates in five main geographical areas :

- “**Singapore**”, which includes operations generated in Singapore.
- “**Hong Kong**”, which includes branch and subsidiary operations in Hong Kong.
- “**Rest of Greater China**”, which includes branch operations in China and Taiwan.
- “**South and Southeast Asia**”, which includes branch and subsidiary operations in India, Indonesia, Malaysia, Thailand and the Philippines.
- “**Rest of the World**”, which are mainly branch operations in South Korea, Japan, United States and United Kingdom.

Comparatives

Where necessary, comparative figures were adjusted in order to provide proper comparison with current periods' presentation.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

Unaudited Consolidated Profit and Loss Account ^{1/}

In \$ millions	3rd Qtr 2005	3rd Qtr 2004	+ / (-) %	2nd Qtr 2005	9 Mths 2005	9 Mths 2004	+ / (-) %
Interest income	1,491	993	50	1,318	3,987	2,959	35
Less: Interest expense	763	341	124	623	1,894	1,008	88
Net interest income	728	652	12	695	2,093	1,951	7
Fee and commission income	266	252	6	290	810	777	4
Dividend income	16	22	(27)	29	50	63	(21)
Rental income	10	9	11	7	25	25	-
Other income	59	163	(64)	71	271	1,124	(76)
Operating income	1,079	1,098	(2)	1,092	3,249	3,940	(18)
Less: Staff costs	255	247	3	253	773	736	5
Depreciation	36	35	3	39	113	117	(3)
Other operating expenses	238	221	8	208	654	660	(1)
Goodwill amortisation	-	110	NM	-	-	330	NM
Operating expenses	529	613	(14)	500	1,540	1,843	(16)
Operating profit before provisions	550	485	13	592	1,709	2,097	(19)
Less: Provision for loan losses and diminution in value of other assets	4	28	(86)	81	148	93	59
Operating profit	546	457	19	511	1,561	2,004	(22)
Add: Share of profits less losses of associated companies	17	18	(6)	22	51	52	(2)
Net profit before taxation	563	475	19	533	1,612	2,056	(22)
Less: Taxation	97	109	(11)	74	259	332	(22)
Share of taxation of associated companies	4	4	-	5	12	13	(8)
Net profit after taxation	462	362	28	454	1,341	1,711	(22)
Attributable to:							
Shareholders	446	349	28	441	1,299	1,672	(22)
Minority interest	16	13	23	13	42	39	8
	462	362	28	454	1,341	1,711	(22)

NM: Not meaningful

Note:

1/ Figures for prior periods have been restated to reflect the change in accounting policies (Appendix VI, note 4).

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

Unaudited Consolidated Balance Sheet as at ^{1/}

In \$ millions	Sep 30 2005	Jun 30 2005	Dec 31 2004	Sep 30 2004	In \$ millions	Sep 30 2005	Jun 30 2005	Dec 31 2004	Sep 30 2004
Equity Attributable to Equity Holders of the Parent					ASSETS				
Share capital	1,563	1,561	1,559	1,559	Cash, and balances and placements with central banks	5,881	10,080	10,479	5,699
Share premium account	2,256	2,228	2,208	2,201	Singapore Government securities and treasury bills	11,431	11,626	11,194	13,431
Treasury shares	(117)	(117)	(126)	(126)	Trading securities	16,831	16,788	11,695	10,980
Non-distributable reserves	6,875	6,868	6,628	6,548	Balances, placements with, and loans and advances to banks	19,748	17,529	25,169	23,176
Revenue reserve	6,759	6,500	6,153	5,935	Bills receivable from non-bank customers	2,960	3,042	2,333	2,325
	<u>17,336</u>	<u>17,040</u>	<u>16,422</u>	<u>16,117</u>	Loans and advances to non-bank customers	75,816	75,670	67,326	64,891
Minority Interests	1,149	1,132	1,128	1,137	Investment securities	25,849	25,370	24,208	23,985
TOTAL EQUITY	<u>18,485</u>	<u>18,172</u>	<u>17,550</u>	<u>17,254</u>	Associated companies	517	520	491	521
LIABILITIES					Goodwill	6,931	6,931	6,931	7,043
Deposits and balances of banks	9,995	12,053	10,939	10,453	Fixed assets	1,812	1,786	1,798	1,832
Deposits and other accounts of non-bank customers	114,918	115,933	113,206	107,008	Deferred tax assets	63	70	103	128
Bills payable	358	491	350	389	Other assets	14,738	14,262	13,711	11,960
Current taxation	641	641	631	661					
Deferred tax liabilities	60	56	62	71					
Other liabilities	22,914	21,273	18,712	17,851					
Other borrowings and debt securities in issue ^{2/}	8,308	8,054	7,624	7,011					
- due within one year	2,868	3,128	3,145	2,552					
- due after one year	5,440	4,926	4,479	4,459					
Subordinated term debts due after one year (unsecured)	6,898	7,001	6,364	5,273					
TOTAL EQUITY AND LIABILITIES	<u>182,577</u>	<u>183,674</u>	<u>175,438</u>	<u>165,971</u>	TOTAL ASSETS	<u>182,577</u>	<u>183,674</u>	<u>175,438</u>	<u>165,971</u>
OFF BALANCE SHEET ITEMS									
Contingent liabilities	8,450	8,552	8,529	7,960					
Commitments	80,210	79,387	70,774	70,182					
Financial derivatives	1,561,972	1,576,375	1,518,507	1,664,247					

Notes:

1/ Figures for prior periods have been restated to reflect the change in accounting policies (Appendix VI, note 4).

2/ Includes secured amount of \$1,992 million as at September 30, 2005 (June 30, 2005: \$1,927 million; December 31, 2004: \$1,814 million; September 30, 2004: \$1,549 million). These are mainly secured by properties and securities.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

Unaudited Balance Sheet of DBS Group Holdings Ltd as at ^{1/}

In \$ millions	Sep 30 2005	Jun 30 2005	Dec 31 2004	Sep 30 2004	In \$ millions	Sep 30 2005	Jun 30 2005	Dec 31 2004	Sep 30 2004
EQUITY					ASSETS				
Share capital	1,563	1,561	1,559	1,559	Balances, placements with, and loans and advances to non-bank customers	-	3	3	3
Share premium account	2,256	2,228	2,208	2,201	Subsidiary companies	6,818	6,780	6,832	6,821
Capital redemption reserve	28	28	28	28					
Share option plan reserve	45	41	35	28					
Revenue reserve	2,920	2,919	3,000	3,000					
TOTAL EQUITY	6,812	6,777	6,830	6,816					
LIABILITIES									
Current liabilities	6	6	5	8					
Deferred tax liabilities	#	#	#	#					
TOTAL EQUITY AND LIABILITIES	6,818	6,783	6,835	6,824	TOTAL ASSETS	6,818	6,783	6,835	6,824
Other Information									
Net asset value per ordinary share (\$)									
(i) Based on existing ordinary share capital	4.50	4.49	4.50	4.50					
(ii) Assuming non-voting convertible preference shares ("CPS") and non- voting redeemable CPS are converted to ordinary shares	4.36	4.34	4.36	4.35					

Notes:

1/ Figures for prior periods have been restated to reflect the change in accounting policies (Appendix VI, note 4).

2/ #: Insignificant

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

Unaudited Consolidated Statement of Changes in Shareholders' Equity^{1/}

In \$ millions	Attributable to Shareholders						Total Equity
	Share Capital	Share Premium	Treasury Shares	Non-distributable Reserves	Revenue Reserve	Minority Interests	
Balance at January 1, 2005	1,559	2,208	-	6,585	6,150	1,128	17,630
Adjustment due to change in accounting policies			(126)	43	3		(80)
Balance at January 1, 2005 (restated)	1,559	2,208	(126)	6,628	6,153	1,128	17,550
On adoption of FRS 39 at January 1, 2005				292	(100)		192
Exercise of share options pursuant to the DBSH Share Option Plan	4	46					50
Net exchange translation adjustments during the period				(4)			(4)
Share of associated companies' Capital Reserves				1			1
Cost of share-based payments		2	9	20			31
Net unrealised loss on financial instruments				(62)			(62)
Final and interim dividends paid on ordinary and preference shares					(593)		(593)
Dividends paid to minority interests						(26)	(26)
Change in minority interests						5	5
Net profit after taxation					1,299	42	1,341
Balance at September 30, 2005	1,563	2,256	(117)	6,875	6,759	1,149	18,485
Balance at January 1, 2004	1,556	2,171	-	6,499	4,670	1,125	16,021
Adjustment due to change in accounting policies			(138)	11	34		(93)
Balance at January 1, 2004 (restated)	1,556	2,171	(138)	6,510	4,704	1,125	15,928
Exercise of share options pursuant to the DBSH Share Option Plan	3	30					33
Net exchange translation adjustments during the period				(3)			(3)
Cost of share-based payments			12	23			35
Goodwill transferred on disposal of subsidiary company				18	(18)		-
Final and interim dividends paid on ordinary and preference shares					(423)		(423)
Dividends paid to minority interests						(27)	(27)
Net profit after taxation					1,672	39	1,711
Balance at September 30, 2004	1,559	2,201	(126)	6,548	5,935	1,137	17,254

Note:

1/ Figures for prior periods have been restated to reflect the change in accounting policies (Appendix VI, note 4).

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

Unaudited Statement of Changes in Shareholders' Equity of DBS Group Holdings Ltd ^{1/}

In \$ millions	Share Capital	Share Premium	Capital Redemption Reserve	Share Option Plan Reserve	Revenue Reserve	Total Equity
Balance at January 1, 2005	1,559	2,208	28	-	3,000	6,795
Adjustment due to change in accounting policies				35		35
Balance at January 1, 2005 (restated)	<u>1,559</u>	<u>2,208</u>	<u>28</u>	<u>35</u>	<u>3,000</u>	<u>6,830</u>
Exercise of share options pursuant to the DBSH Share Option Plan	4	46				50
Cost of share-based payments		2		10		12
Final and interim dividends paid on ordinary and preference shares					(593)	(593)
Net profit after taxation					513	513
Balance at September 30, 2005	<u>1,563</u>	<u>2,256</u>	<u>28</u>	<u>45</u>	<u>2,920</u>	<u>6,812</u>
Balance at January 1, 2004	1,556	2,171	28	-	3,001	6,756
Adjustment due to change in accounting policies				9		9
Balance at January 1, 2004 (restated)	<u>1,556</u>	<u>2,171</u>	<u>28</u>	<u>9</u>	<u>3,001</u>	<u>6,765</u>
Exercise of share options pursuant to the DBSH Share Option Plan	3	30				33
Cost of share-based payments				19		19
Final and interim dividends paid on ordinary and preference shares					(423)	(423)
Net profit after taxation					422	422
Balance at September 30, 2004	<u>1,559</u>	<u>2,201</u>	<u>28</u>	<u>28</u>	<u>3,000</u>	<u>6,816</u>

Note:

1/ Figures for prior periods have been restated to reflect the change in accounting policies (Appendix VI, note 4).

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

Unaudited Consolidated Cash Flow Statement ^{1/}

In \$ millions	9 Mths 2005	9 Mths 2004
Cash flows from operating activities		
Net profit before taxation	1,612	2,056
<i>Adjustments for non-cash items:</i>		
Provision for loan losses and diminution in value of other assets	148	93
Depreciation of fixed assets	113	117
Goodwill amortisation	-	330
Share of profits of associated companies	(51)	(52)
Net gain on disposal of fixed assets	(8)	(4)
Net gain on disposal of investment securities	(92)	(619)
Operating profit before changes in operating assets & liabilities	1,722	1,921
<i>Increase/(Decrease) in:</i>		
Deposits and other accounts of non-bank customers	1,712	2,401
Deposits and balances of banks	(944)	3,104
Other liabilities including bills payable	4,206	2,251
<i>(Increase)/Decrease in:</i>		
Singapore Government securities and treasury bills	(237)	(1,993)
Trading securities	(5,136)	(4,547)
Accounts receivable and other assets	(805)	168
Balances, placements with, and loans and advances to other banks	5,421	4,177
Loans and advances to non-bank customers including bills receivable	(9,297)	(6,214)
Tax paid	(266)	(171)
Net cash used in/ generated from operating activities (1)	(3,624)	1,097
Cash flows from investing activities		
Dividends from associated companies	30	21
Purchase of fixed assets	(94)	(66)
Net increase in investment securities	(1,577)	(1,158)
Proceeds from sale of subsidiary	-	(69)
Proceeds from disposal of fixed assets	25	37
Net cash used in investing activities (2)	(1,616)	(1,235)
Cash flows from financing activities		
Increase in share capital and share premium	52	33
Net increase in debt securities and borrowings	1,218	1,232
Dividends paid to shareholders of DBSH	(593)	(423)
Dividends paid to minority interests	(26)	(27)
Net cash generated from financing activities (3)	651	815
Exchange translation adjustments (4)	(9)	15
Net change in cash, and balances and placements with central banks (1)+(2)+(3)+(4)	(4,598)	692
Cash, and balances and placements with central banks as at January 1	10,479	5,007
Cash, and balances and placements with central banks as at September 30	5,881	5,699

Note:

1/ Figures for prior periods have been restated to reflect the change in accounting policies (Appendix VI, note 4).

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

Selected Notes to the Accounts

1. Issuance of Ordinary Shares

Details of issue of new ordinary shares of \$1.00 each are as follows:

Particulars	Number of new ordinary shares issued between July 1, 2005 and September 30, 2005	Number of new ordinary shares that would have been issued upon the conversion/exercise of all outstanding non-voting convertible preference shares ("CPS")/non-voting redeemable CPS/executive share options		
		Sep 30, 2005	Jun 30, 2005	Sep 30, 2004
Conversion of non-voting CPS	-	120,436	120,436	120,436
Conversion of non-voting redeemable CPS	-	66,475,374	66,475,374	66,475,374
Exercise of executive share options	2,382,529	41,692,146	46,156,505	48,215,063

2. Non-Performing Loans and Provisions

At September 30, 2005, DBSH Group's total non-performing loans ("NPLs") amounted to \$1.807 billion. Out of the total NPLs, \$0.957 billion or 53% were secured by collateral.

Details of DBSH Group's NPLs and provisions at September 30, 2005 are as follows:

In \$ millions	Singapore	Hong Kong	South and Southeast Asia	Rest of Greater China	Rest Of the World	Total
Non-Performing Loans	998	426	177	65	141	1,807
- Substandard	645	313	103	35	141	1,237
- Doubtful	175	60	7	4	-	246
- Loss	178	53	67	26	-	324
NPLs as a % of Group total assets	0.5%	0.2%	0.1%	0.0%	0.1%	1.0%
Non-bank NPLs as a % of non-bank loans in the respective countries ^{1/}	2.1%	1.6%	3.6%	2.5%	2.5%	2.0%
Total Cumulative Provisions	933	435	161	68	160	1,757
- Specific provisions	407	148	82	39	50	726
- General provisions	526	287	79	29	110	1,031
Total Cumulative Provisions as a % of:						
- Group total assets	0.5%	0.2%	0.1%	0.0%	0.1%	1.0%
- NPLs in the respective countries	94%	102%	91%	106%	112%	97%
- Unsecured NPLs in the respective countries	207%	239%	176%	155%	196%	207%

Note:

^{1/} Computed based on total non-bank customer NPLs (excluding non-performing debt securities and contingent items) divided by total gross non-bank customer loans.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

2. Non-Performing Loans and Provisions (Continued)

Details of DBSH Group's NPLs and provisions at June 30, 2005 are as follows:

In \$ millions	Singapore	Hong Kong	South and Southeast Asia	Rest of Greater China	Rest Of the World	Total
Non-Performing Loans	1,013	473	207	61	142	1,896
- Substandard	697	359	104	35	142	1,337
- Doubtful	131	58	24	3	-	216
- Loss	185	56	79	23	-	343
NPLs as a % of Group total assets	0.5%	0.3%	0.1%	0.0%	0.1%	1.0%
Non-bank NPLs as a % of non-bank loans in the respective countries ^{1/}	2.1%	1.8%	4.6%	2.8%	2.7%	2.2%
Total Cumulative Provisions	967	436	163	64	154	1,784
- Specific provisions	389	146	100	36	45	716
- General provisions	578	290	63	28	109	1,068
Total Cumulative Provisions as a % of:						
- Group total assets	0.5%	0.2%	0.1%	0.0%	0.1%	1.0%
- NPLs in the respective countries	95%	92%	79%	105%	109%	94%
- Unsecured NPLs in the respective countries	218%	236%	134%	119%	190%	201%

Details of DBSH Group's NPLs and provisions at December 31, 2004 are as follows:

In \$ millions	Singapore	Hong Kong	South and Southeast Asia	Rest of Greater China	Rest Of the World	Total
Non-Performing Loans	958	471	218	73	199	1,919
- Substandard	674	341	107	39	199	1,360
- Doubtful	80	51	23	15	-	169
- Loss	204	79	88	19	-	390
NPLs as a % of Group total assets	0.5%	0.3%	0.1%	0.0%	0.1%	1.1%
Non-bank NPLs as a % of non-bank loans in the respective countries ^{1/}	2.2%	2.0%	6.3%	5.0%	4.6%	2.5%
Total Cumulative Provisions	905	443	150	67	136	1,701
- Specific provisions	359	159	97	44	28	686
- General provisions	546	284	53	23	108	1,015
Total Cumulative Provisions as a % of:						
- Group total assets	0.5%	0.3%	0.1%	0.0%	0.1%	1.0%
- NPLs in the respective countries	94%	94%	69%	91%	69%	89%
- Unsecured NPLs in the respective countries	221%	257%	125%	99%	95%	186%

Note:

^{1/} Computed based on total non-bank customer NPLs (excluding non-performing debt securities and contingent items) divided by total gross non-bank customer loans.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

2. Non-Performing Loans and Provisions (Continued)

Details of DBSH Group's NPLs and provisions at September 30, 2004 are as follows:

In \$ millions	Singapore	Hong Kong	South and Southeast Asia	Rest of Greater China	Rest Of the World	Total
Non-Performing Loans	935	516	233	75	175	1,934
- Substandard	645	370	119	41	175	1,350
- Doubtful	99	47	25	14	-	185
- Loss	191	99	89	20	-	399
NPLs as a % of Group total assets	0.6%	0.3%	0.1%	0.0%	0.1%	1.2%
Non-bank NPLs as a % of non-bank loans in the respective countries ^{1/}	2.2%	2.2%	7.1%	5.0%	5.3%	2.6%
Total Cumulative Provisions	765	420	262	105	200	1,752
- Specific provisions	369	178	103	43	22	715
- General provisions	396	242	159	62	178	1,037
Total Cumulative Provisions as a % of:						
- Group total assets	0.5%	0.3%	0.2%	0.1%	0.1%	1.1%
- NPLs in the respective countries	82%	81%	112%	140%	115%	91%
- Unsecured NPLs in the respective countries	194%	217%	205%	153%	115%	183%

Note:

^{1/} Computed based on total non-bank customer NPLs (excluding non-performing debt securities and contingent items) divided by total gross non-bank customer loans.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

2. Non-Performing Loans and Provisions (Continued)

Analysis of Non-Performing Loans by Industry

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

In \$ millions	September 30, 2005		June 30, 2005		December 31, 2004		September 30, 2004	
	NPLs	Specific Provisions	NPLs	Specific Provisions	NPLs	Specific Provisions	NPLs	Specific Provisions
Customer loans								
Manufacturing	380	207	449	190	365	175	409	180
Building and Construction	152	38	161	38	237	58	239	60
Housing Loans	245	63	248	65	253	67	266	73
General Commerce	277	122	245	110	186	75	187	79
Transportation, Storage and Communications	23	6	33	11	27	10	31	9
Financial Institutions, Investment and Holding Companies	192	50	189	53	201	58	122	46
Professionals and Private Individuals (except Housing Loans)	220	98	237	111	239	105	227	103
Others	154	68	173	69	255	78	282	88
Sub-total	1,643	652	1,735	647	1,763	626	1,763	638
Debt securities	136	58	127	51	138	52	145	65
Contingent items	28	16	34	18	18	8	26	12
Total	1,807	726	1,896	716	1,919	686	1,934	715

Analysis of Non-Performing Loans by Period Overdue

In \$ millions	September 30, 2005	June 30, 2005	December 31, 2004	September 30, 2004
Non-default	665	675	744	646
Default loans	1,142	1,221	1,175	1,288
Less than 3 months	310	411	339	288
3 to 6 months	270	169	157	242
Over 6 months	562	641	679	758
Total	1,807	1,896	1,919	1,934

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

3. Value at Risk and Trading Income

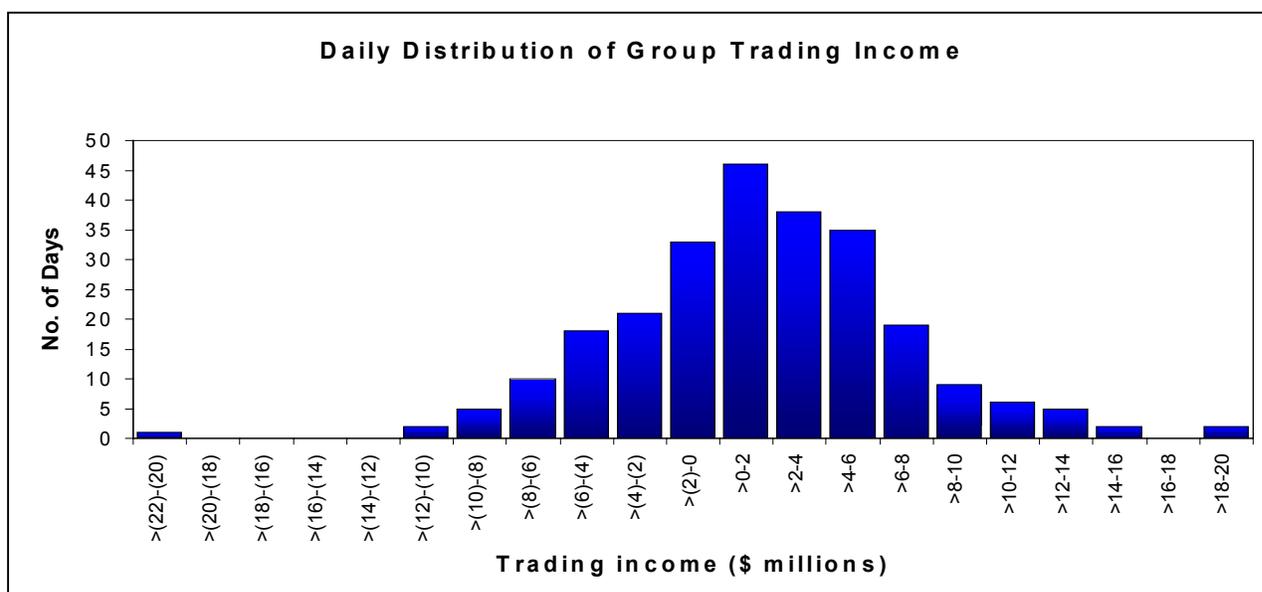
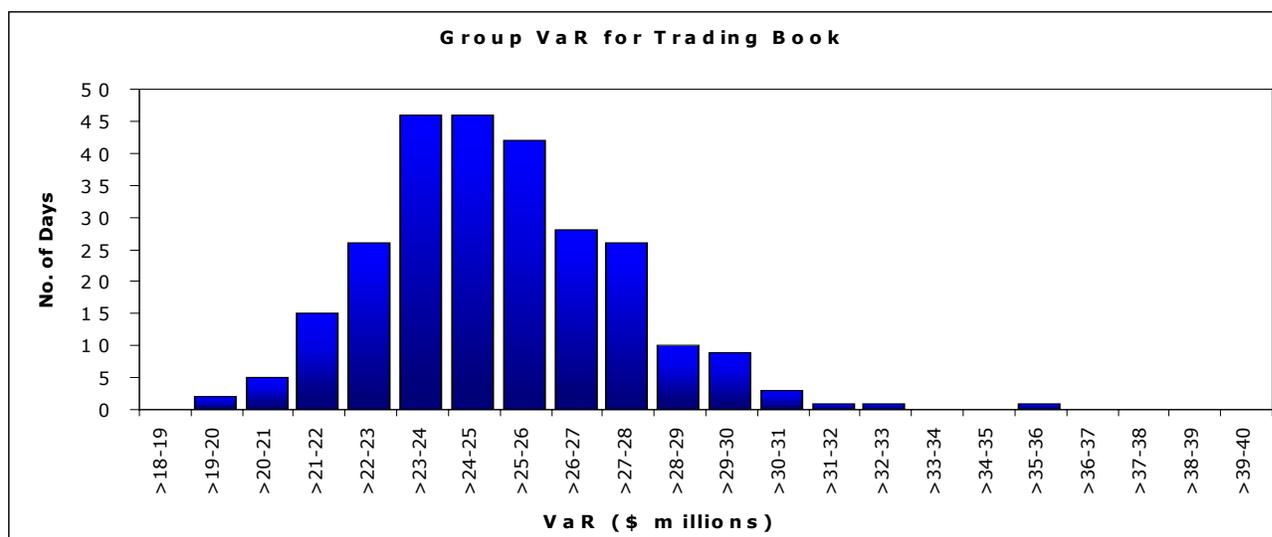
The Group uses a Value at Risk (“VaR”) measure as one mechanism for controlling trading risk. The VaR is calculated using a one-day time horizon and a 99% confidence interval. The following table shows the period-end, average, high and low VaR for the trading risk exposure of the DBSH Group for the period from October 1, 2004 to September 30, 2005.

In \$ millions	As at September 30, 2005	October 1, 2004 to September 30, 2005		
		Average	High ^{1/}	Low ^{1/}
Interest rate	24.0	26.9	33.2	20.7
FX	5.0	6.6	15.6	2.7
Equity	5.3	6.9	28.0	3.1
Diversification effect	(12.3)	(15.4)	-	-
Total	22.0	25.0	35.5	19.6

Note:

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

The charts below provide the range of VaR and the daily distribution of trading income in the trading portfolio for the period from October 1, 2004 to September 30, 2005.



DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

4. Change in Accounting Policies

a. In second quarter 2005, DBSH Group changed its accounting policy for investments in joint venture companies. These investments are accounted for by proportionate consolidation, whereby the Group's share of joint venture companies' income and expenses, assets and liabilities are included in the consolidated financial statements on a line-by-line basis. The change better reflects the substance and economic reality of the Group's interests in joint venture companies. Prior to the change, the equity method of accounting was adopted. The accounting policy change has been applied retrospectively, and the comparable financial results have been restated to conform to the new policy.

b. In addition, the Council on Corporate Disclosure and Governance ("CCDG") adopted several new and revised Financial Reporting Standards ("FRS"), which are effective January 1, 2005 for DBSH Group, including:

- FRS 39 Financial Instruments: Recognition and Measurement (revised)
- FRS 102 Share-based Payment
- FRS 103 Business Combinations
- Interpretation of FRS ("INT FRS") 12 Consolidation – Special Purpose Entities (revised)
- FRS 1 Presentation of Financial Statements (revised)

Except for the prospective application of FRS 39 and FRS 103, the other accounting standard changes are applied retrospectively, with the comparative financial results restated to conform to the new accounting standards.

Financial Reporting Standards ("FRS") 39, Financial Instruments: Recognition and Measurement

The implementation of FRS 39 had a significant impact on certain financial assets and liabilities. An opening adjustment was made, representing unrealised gains or losses on certain financial assets and financial liabilities including derivatives to be measured at fair value on January 1, 2005. The differences between carrying amount and fair value were adjusted to revaluation and revenue reserves. FRS 39 is applied prospectively, and the comparative figures for 2004 are not restated as prescribed by the Standard.

FRS 102, Share-based Payment

FRS 102 requires an expense to be recognised where DBSH Group pays for goods or services using shares or other equity instruments (equity-settled transactions), or using other assets equivalent in value to a given number of shares or other equity instruments (cash-settled transactions).

DBSH Group is required to expense off share options and shares awarded to staff and directors under its share-based incentive plans (namely DBSH Share Option Plan; DBSH Performance Share Plan; DBSH Employee Share Plan) with a corresponding increase in equity.

FRS 103, Business Combinations

The effect of the adoption of FRS 103 is that upon acquisition of subsidiaries or business undertakings, DBSH Group will include items like intangible assets and contingent liabilities as part of the identifiable assets and liabilities acquired, at their fair values as at the acquisition date.

Additionally, the adoption of FRS 103 requires DBSH Group to cease goodwill amortisation to the profit and loss account. Goodwill should also be reviewed for impairment annually (unless an event occurs during the year which requires the goodwill to be tested more frequently) in accordance with FRS 36, "Impairment of Assets" (revised in 2004), from January 1, 2005 onwards.

Interpretation of FRS ("INT FRS") 12, Consolidation – Special Purpose Entities

- The revised INT FRS 12 has been amended to mandate the consolidation of employee benefit trusts set up for the purpose of an entity's share-based payment arrangement(s). Arising from consolidation of these trusts, the DBSH shares held by the trusts will be accounted for as "Treasury Shares" in accordance with FRS 32 "Financial Instruments: Disclosure and Presentation".

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

FRS 1, Presentation of Financial Statements

The revised FRS 1 requires disclosure on the face of the income statement of the following:

- the profit or loss for the period, and
- the allocation of this amount between that attributable to minority interest and that attributable to Shareholders.

A similar requirement has been added for the statement of changes in equity. FRS 1 also requires disclosure, on the face of the statement of changes in equity, of total income and expenses for the period, showing separately the amounts attributable to Shareholders and to minority interest.

The financial statements presented conform to the revised FRS 1 requirements.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARY COMPANIES

Hong Kong Country Results

For third quarter 2005, net profit after taxation for Hong Kong operations on a Singapore GAAP basis declined 14% from third quarter 2004 to \$125 million mainly due to lower operating income, higher operating expenses, partly offset by lower provision charges. Compared to second quarter 2005, net profit after taxation increased 6% mainly due to higher operating income, partly offset by higher operating expenses.

- Net interest income was up 10% from third quarter 2004 mainly due to an increase in customer loans, partly offset by narrower spread between the HKD Prime rate and HIBOR^{1/}. Compared to second quarter 2005, net interest income was up 12% mainly due to increase in customer loans and wider spread between the HKD Prime rate and HIBOR.
- Non-interest income declined by 34% from third quarter 2004. This is mainly due marked-to-market losses on derivatives which do not qualify as hedges under FRS39 and a decline in income from sales of treasury investment products. Compared to second quarter 2005, non-interest income was comparable.
- Operating expenses were 10% higher compared to third quarter 2004 and 8% higher compared to second quarter mainly due to higher wage costs and higher revenue-related expenses.
- Provision charge decreased 68% from third quarter 2004 reflecting the stronger economic environment and property market.

Profit and Loss Account (Based on Singapore Generally Accepted Accounting Principles)

In \$ millions	3rd Qtr 2005	3rd Qtr 2004	+/(-) %	2nd Qtr 2005	9 Mths 2005	9 Mths 2004	+/(-) %
Net interest income	247	224	10	220	673	688	(2)
Non-interest income	78	118	(34)	80	256	365	(30)
Operating income	325	342	(5)	300	929	1,053	(12)
Operating expenses	(168)	(153)	10	(156)	(476)	(445)	7
Operating profit before provisions	157	189	(17)	144	453	608	(25)
Provisions	(7)	(22)	(68)	(4)	(20)	(80)	(75)
Operating profit	150	167	(10)	140	433	528	(18)
Net profit before taxation	150	167	(10)	140	433	528	(18)
Net profit after taxation	125	146	(14)	118	364	457	(20)

Note:

1/ HIBOR: Hong Kong Interbank Offer Rate