

Sustained customer franchise growth

DBS Group Holdings 1Q 2006 financial results

April 28, 2006

First quarter net profit up 39%

(S\$m)	1Q 2006	1Q 2005	% change
Net profit	518	373	 39%
Return on equity	12.2%	9.0%	 3.2% pts
Return on assets	1.14%	0.83%	 0.31% pts

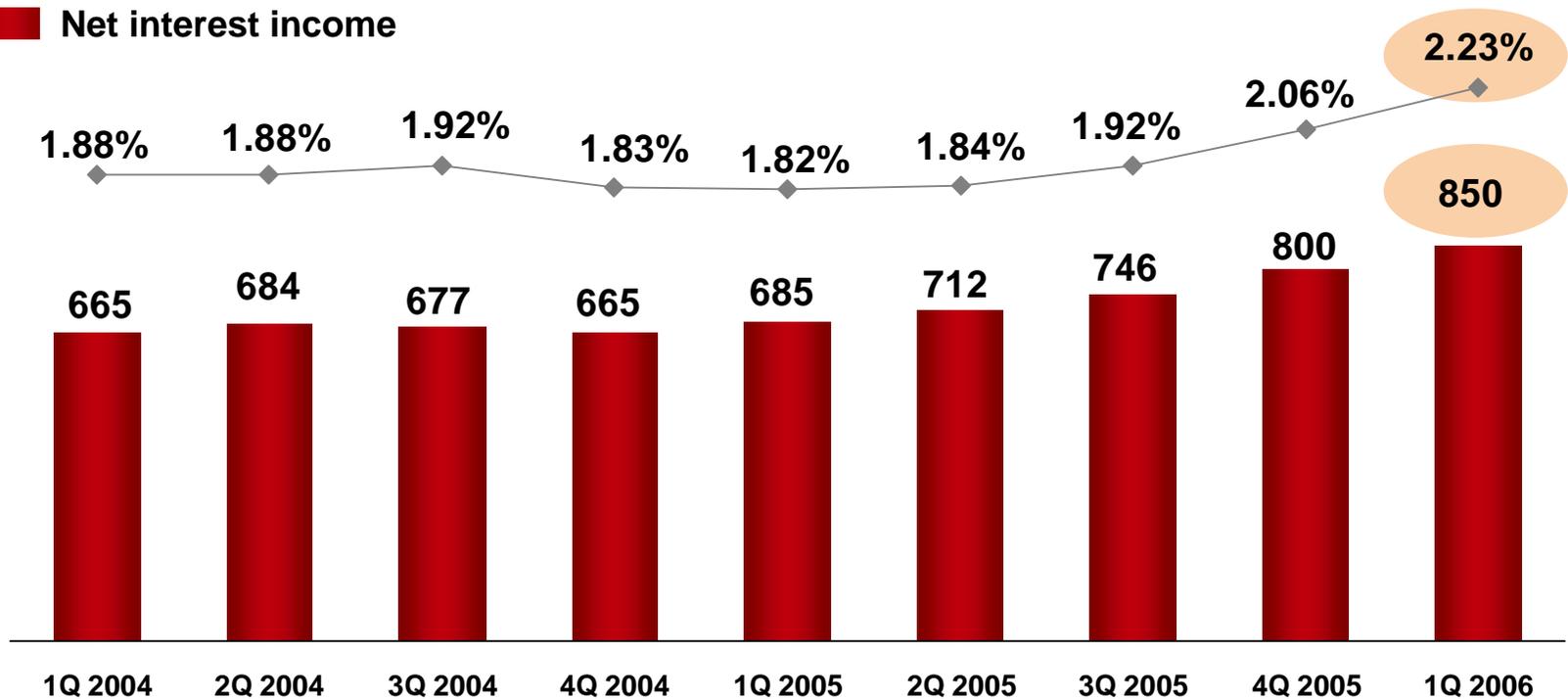
Strong operating trends; net interest income, net interest margin at record high

- Net interest income: \$850 million, a record high,  24% from previous year
- Net interest margin: 2.23%, highest since we started quarterly reporting in September 2001

(S\$m)

—◆— Net interest margin (%)

■ Net interest income

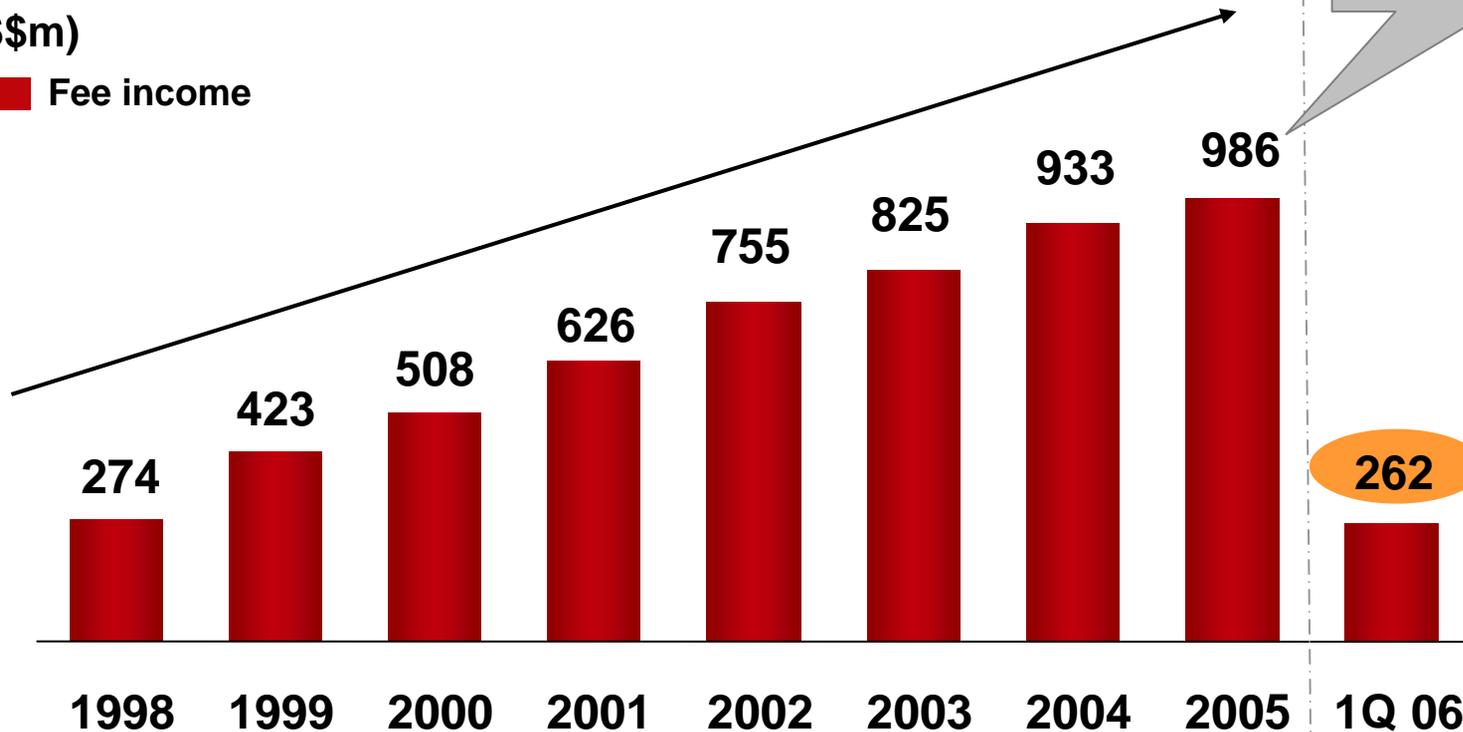


Strong operating trends; continued fee income growth

- Fee income:  14% from previous year

(S\$m)

 Fee income



Fee income reached a record high, rose for seven consecutive years to achieve 20% CAGR (1998 – 2005)

Higher contribution from customer franchise

	<u>Operating profit</u>		
■ Customer franchise	\$623 million	↑	68%
⇒ Consumer	\$304 million	↑	64%
⇒ SME	\$150 million	↑	50%
⇒ Corporate and Investment Banking	\$169 million	↑	99%

Operating profit is operating income excluding one-time gains less operating expenses and provisions

Asset quality, credit ratings remain strong

- **One of the best asset quality among Asian banks**
 - ⇒ **NPL rate of 2.1%**
 - ⇒ **Provision coverage of 100%**
- **Strong capital ratios**
 - ⇒ **Tier 1: 10.2%**
 - ⇒ **Overall: 14.1%**
- **One of the highest credit ratings among Asian banks**
 - ⇒ **DBS Bank: Moody's Aa2, S&P's AA- , Fitch's AA-**
 - ⇒ **DBS Hong Kong (Limited): Moody's A2, S&P's AA-, Fitch's AA-**

Delivering progressively rising dividends

- First-quarter dividend of 17 cents per share,  from 11 cents per share a year-ago, same as previous quarter
- Dividend policy reflects our policy of rewarding shareholders with sustainable, progressively rising dividends

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Strong growth in interest and non-interest income boost operating profit by 28% on year

(S\$m)

	1Q 2006	YoY %	QoQ %
Net interest income	850	24	6
Fee income	262	14	9
Trading income	108	32	na
Other income	50	19	(45)
Non-interest income	420	19	34
Operating income	1,270	22	14
Staff costs	300	13	8
Other expenses	264	19	(3)
Operating expenses	564	16	2
Operating profit	706	28	25
Provisions	31	(51)	(44)
Net profit	518	39	35

Excluding one-time gains and goodwill charges

Key ratios improve

(%)

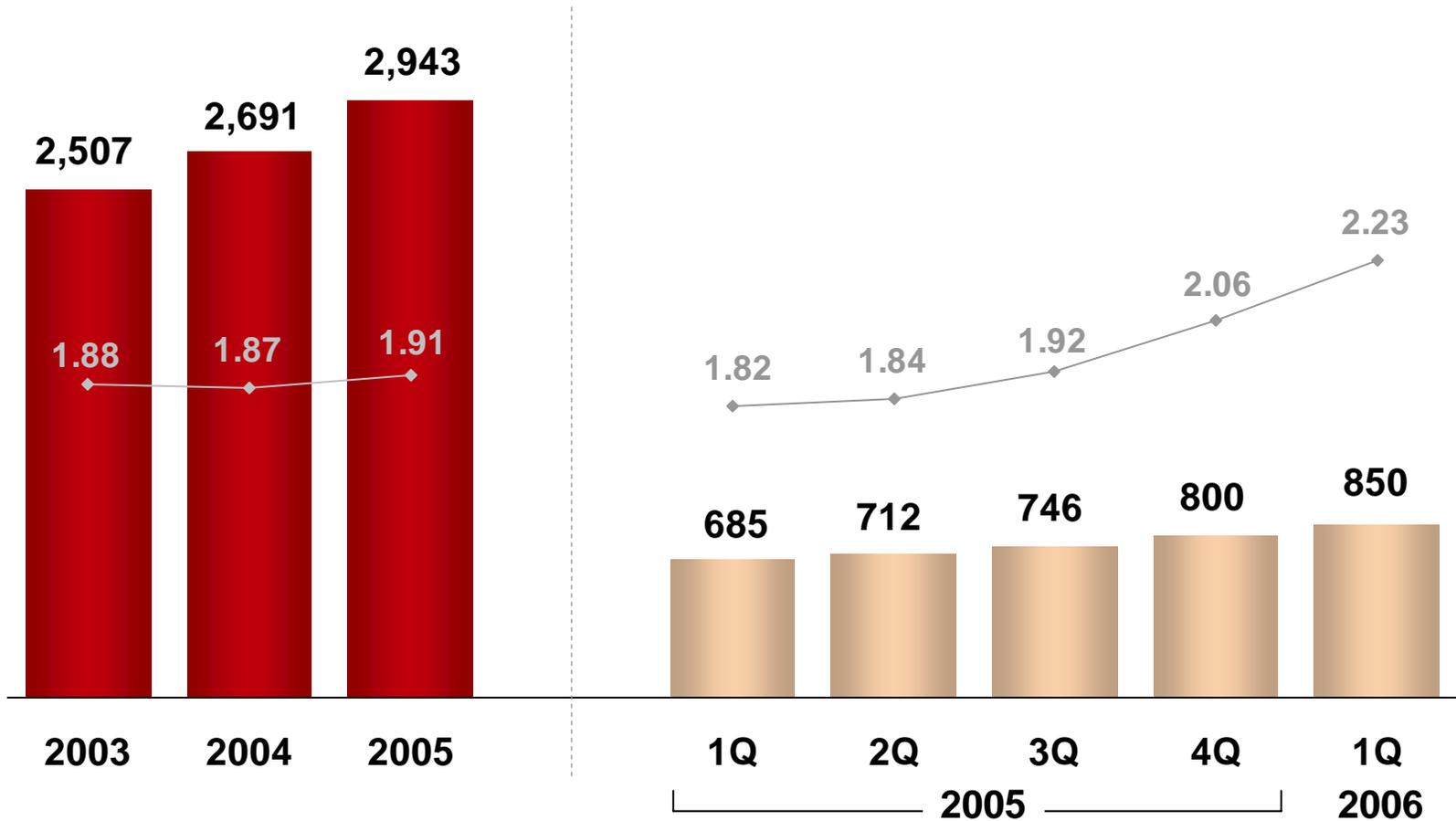
	1Q 2006	4Q 2005	1Q 2005
Net interest margin	2.23	2.06	1.82
Fee income/total income	21	22	22
Non-interest income/total income	33	28	34
Cost/income	44	49	47
ROE	12.2	8.8	9.0
Loans/deposits	66	68	61
NPL ratio	2.1	2.1	2.4

Excluding one-time gains and goodwill charges

Interest income at quarterly record as margins rise

(S\$m)

—◆— Net interest margin (%)



Operating profit higher on year and on quarter

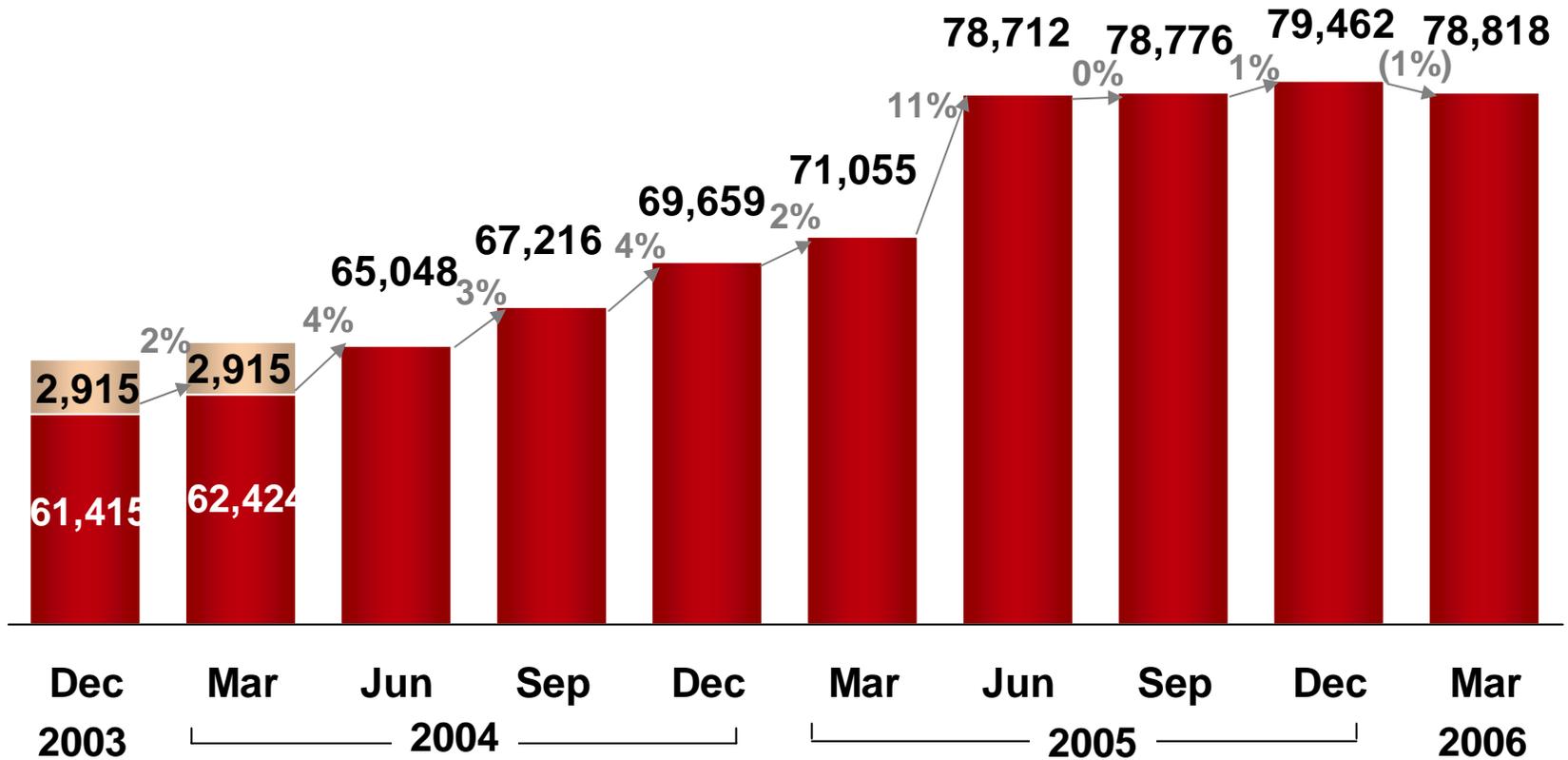
(S\$m)	1Q 2006	YoY %	QoQ %
Consumer Banking	307	51	26
Enterprise Banking	170	39	28
Corporate and Investment Banking	152	28	(18)
Global Financial Markets	118	42	>100
Central Treasury Unit	70	100	84
Central Operations	(111)	nm	nm
Total	706	28	25

Operating profit is operating income excluding one-time gains less operating expenses

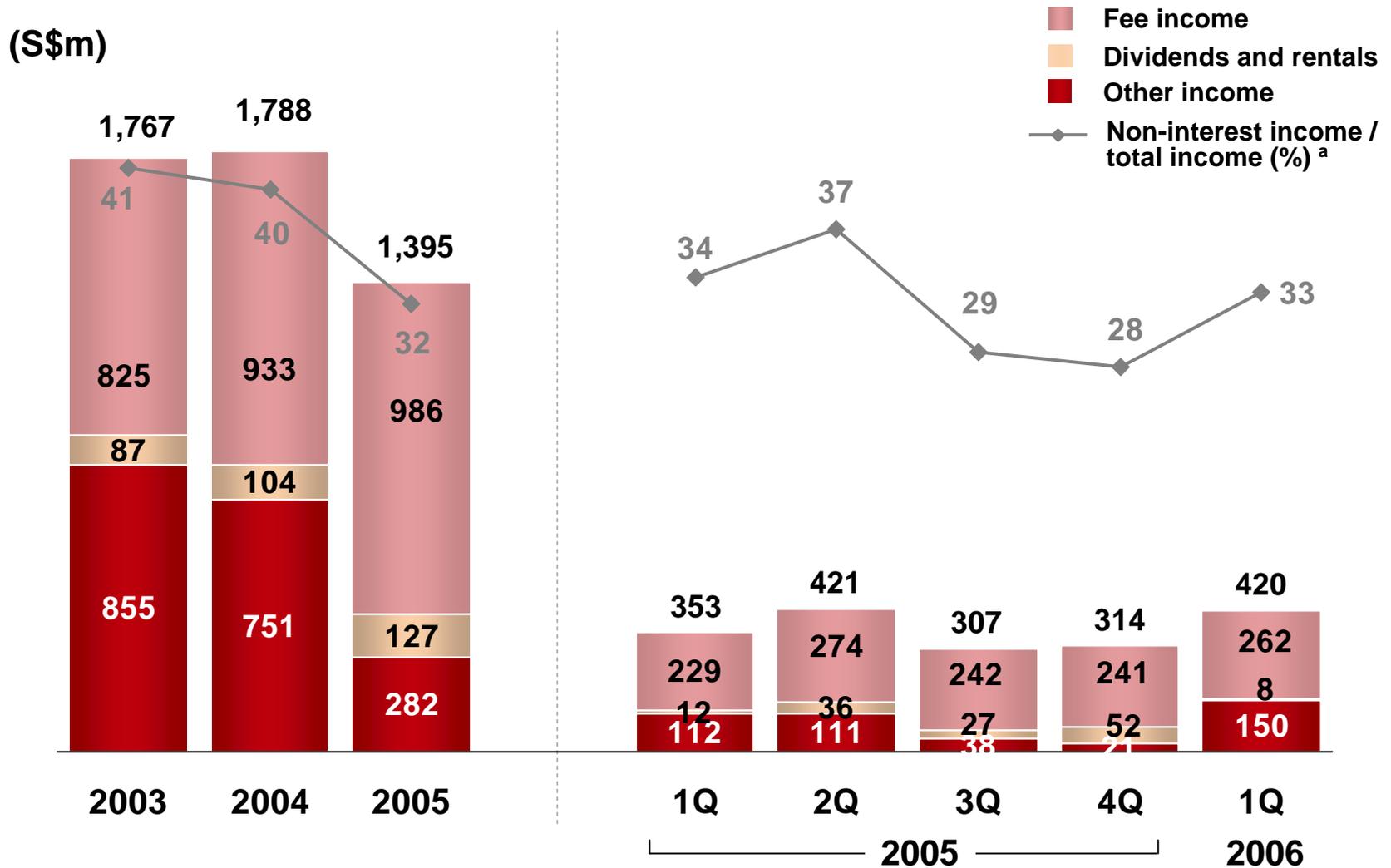
Loans expand 11% on year

(S\$m)

DTDB loans



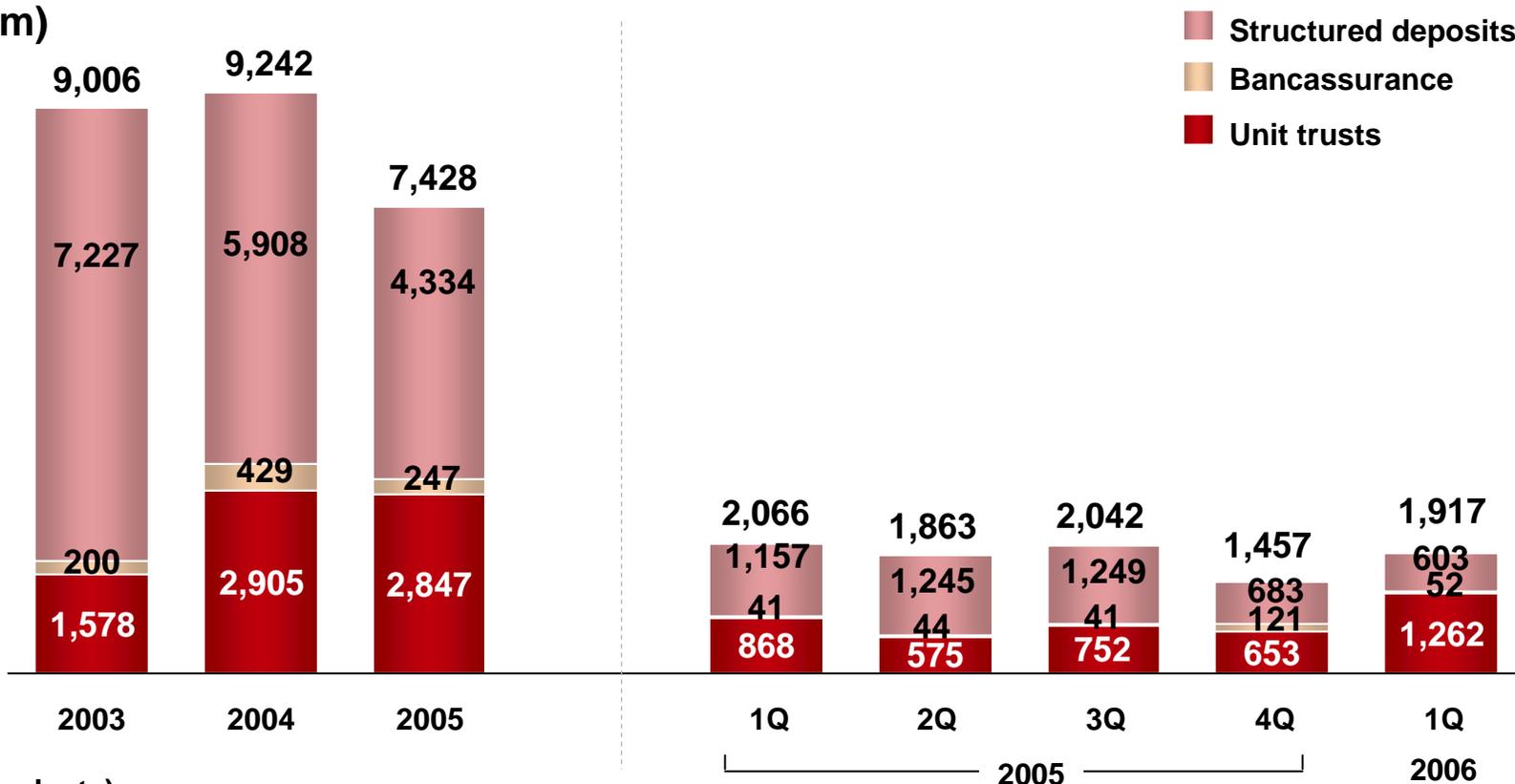
Fee income up 14% on year



Excluding one-time gains

Wealth management revenues increase

(S\$m)



Sales (all products)

S'pore	4,162	3,874	3,560
HK	4,844	5,368	3,868

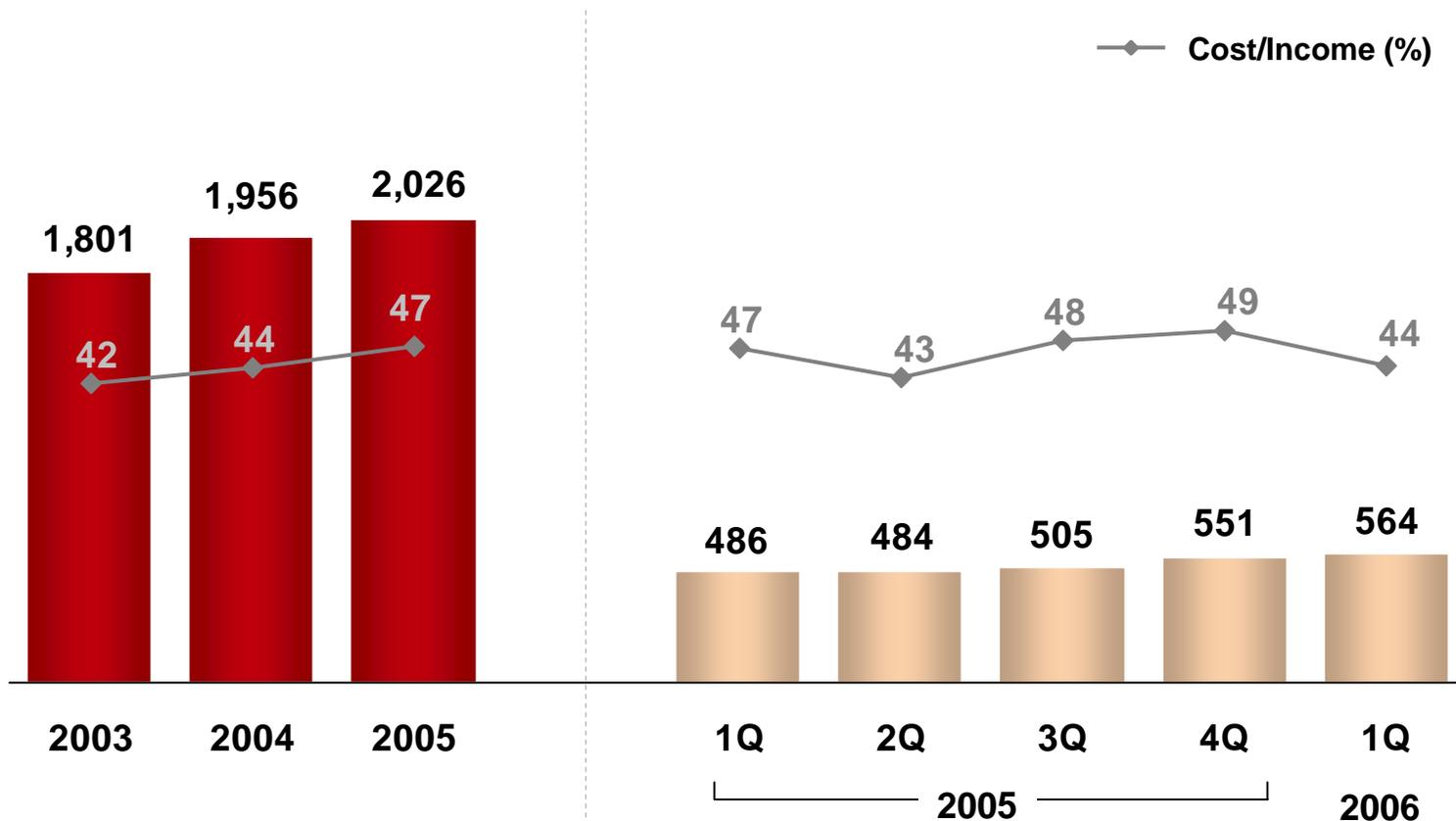
Fees (unit trusts and bancassurance only)

S'pore + HK	90	119	129
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Year	Unit trusts	Bancassurance	Structured deposits	Total
2005 (1Q)	868	41	1,157	2,066
2005 (2Q)	575	44	1,245	1,863
2005 (3Q)	752	41	1,249	2,042
2005 (4Q)	653	121	683	1,457
2006 (1Q)	1,262	52	603	1,917

Cost-income ratio falls to 44%

(S\$m)



Headcount	12,144	11,454	12,728	11,649	12,090	12,562	12,728	12,673
Staff costs (S\$m)	876	993	1,052	265	253	255	279	300

Cost-income ratio excludes one-time gains

Hong Kong's operating profit up 36% on year

(S\$m)

	1Q 2006	YoY %	QoQ %
Net interest income	278	36	1
Non-interest income	90	(8)	38
Operating income	368	21	8
Operating expenses	162	7	(9)
Operating profit	206	36	28
Provisions	19	>100	(24)
Net profit after tax	156	29	33

Figures for Hong Kong geographical basis and converted to S\$ using monthly closing rates.
Based on Singapore GAAP

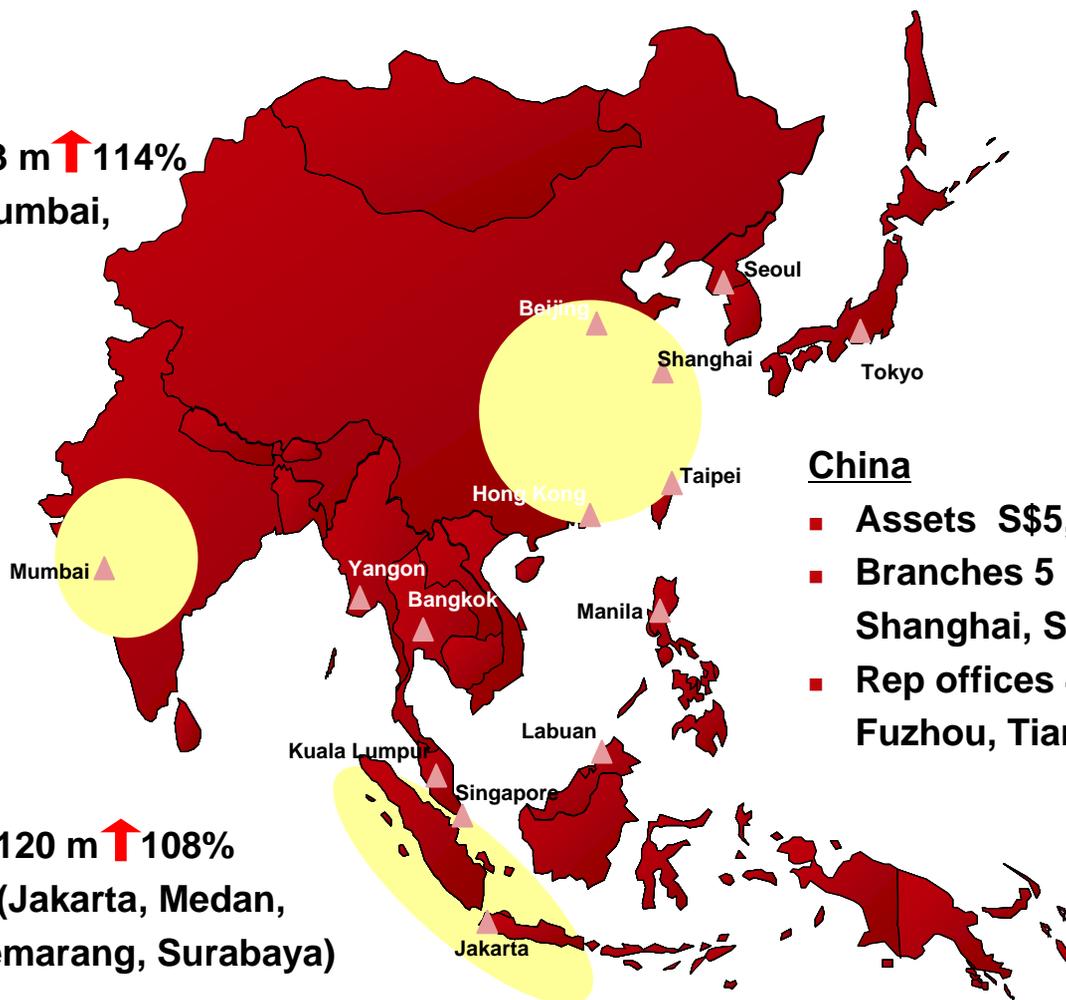
Key Hong Kong ratios improve

(%)	1Q 2006	4Q 2005	1Q 2005
Net interest margin	2.64	2.42	1.98
Non-interest income/total income	24	20	32
Cost/income	44	53	50
ROA	1.34	0.94	1.07
Loans/deposits	77	78	75

Continued organic regional growth through branch network

India

- Assets S\$1,263 m **↑**114%
- Branches 2 (Mumbai, New Delhi)



China

- Assets S\$5,806 m **↑**13%
- Branches 5 (Beijing, Guangzhou, Shanghai, Shenzhen, Suzhou)
- Rep offices 4 (Dongguan, Fuzhou, Tianjin, Hangzhou)

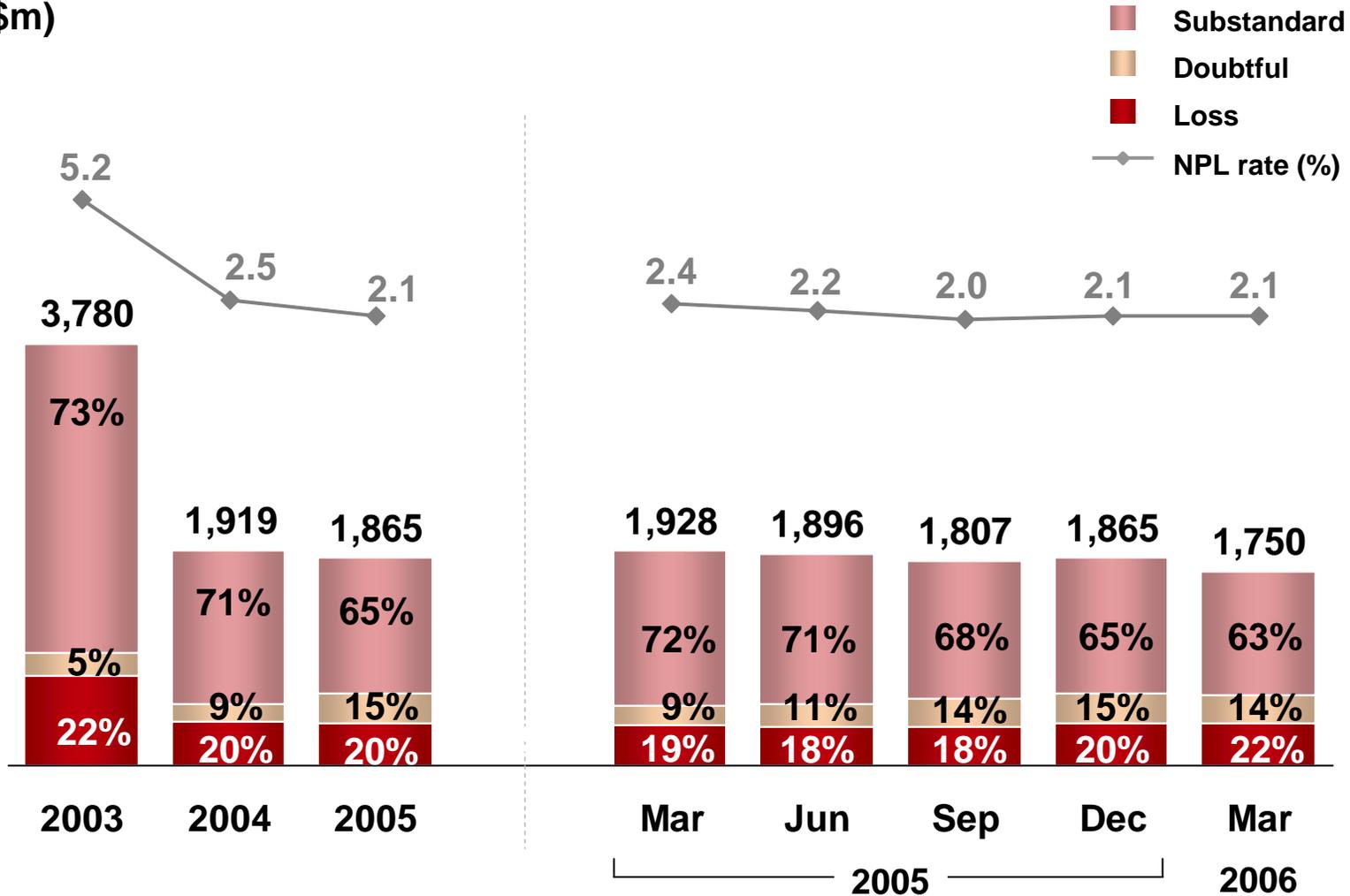
Indonesia

- Assets S\$2,120 m **↑**108%
- Branches 5 (Jakarta, Medan, Bandung, Semarang, Surabaya)

Assets as at March 31, 2006. Growth rates are year-on-year

NPL rate stable at 2.1%

(S\$m)



New NPAs decline, recoveries rise

(S\$m)

	1Q 2006	1Q 2005	4Q 2005
NPAs at start of period	1,865	1,919	1,807
New NPAs	170	185	250
Net recoveries of existing NPAs	(210)	(135)	(150)
Write-offs	(75)	(41)	(42)
NPAs at end of period	1,750	1,928	1,865

Specific provision charges for loans decline

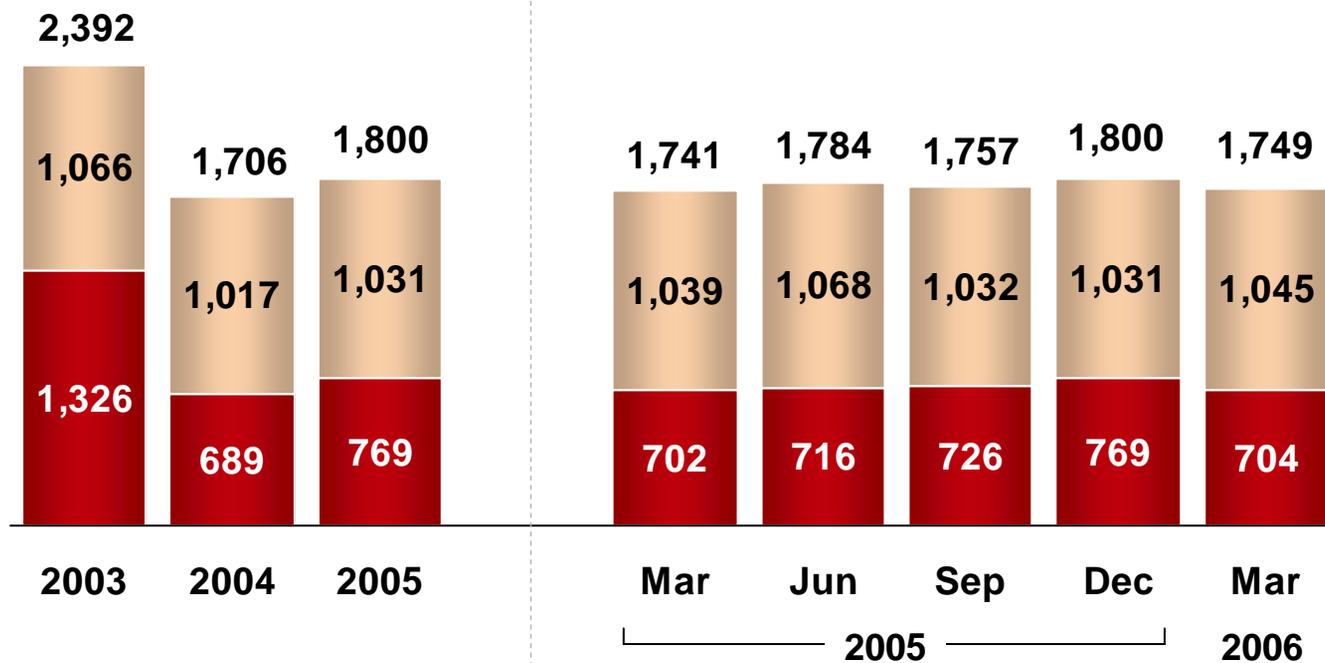
(S\$m)

	1Q 2006	1Q 2005	4Q 2005
<u>Add charges for</u>			
New NPLs	39	53	86
Existing NPLs	33	33	33
	72	86	119
<u>Subtract charges for</u>			
Upgrading	3	2	1
Settlements	22	34	41
Recoveries	7	6	6
	32	42	48
Total SP charges	40	44	71

Provision coverage rises to 100%

(S\$m)

GP
SP



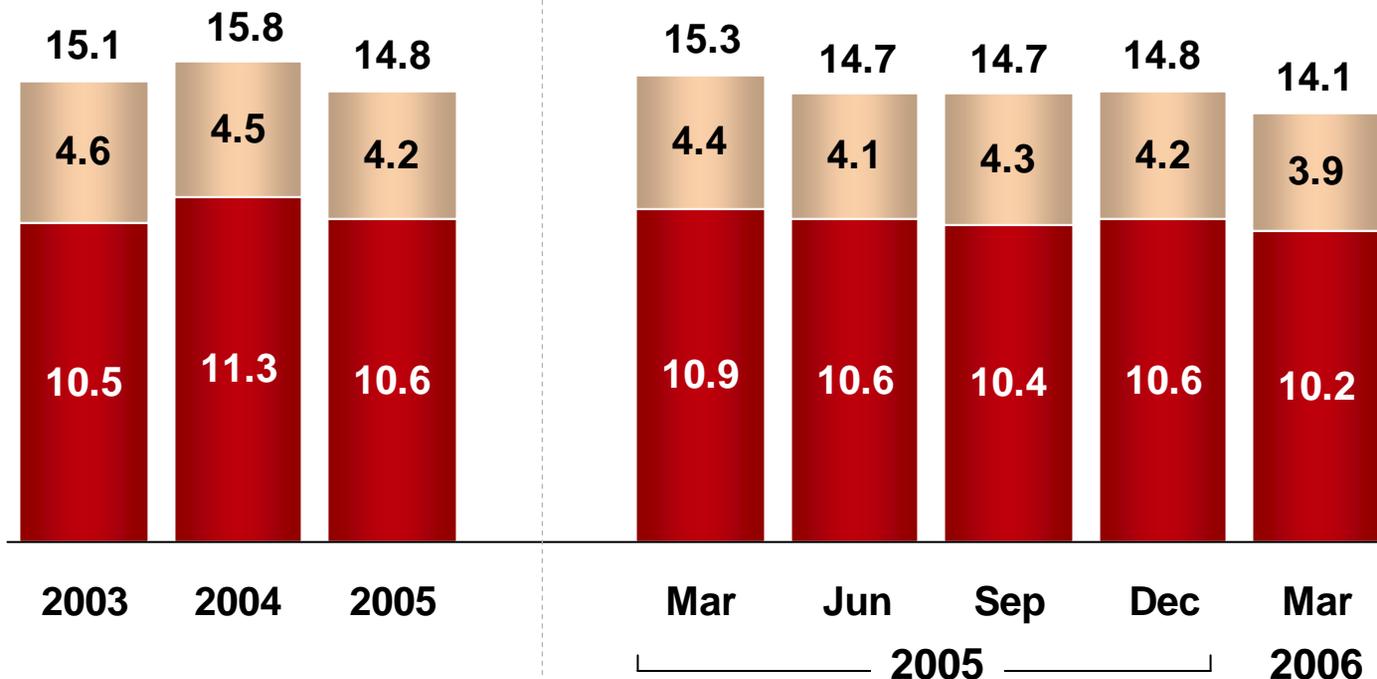
Coverage ratios (%)

SP+GP / Unsec NPAs	124	187	198	202	201	207	198	218
SP+GP / NPAs	63	89	97	90	94	97	97	100

CAR lower as RWA expands

(%)

■ Tier-2
■ Tier-1

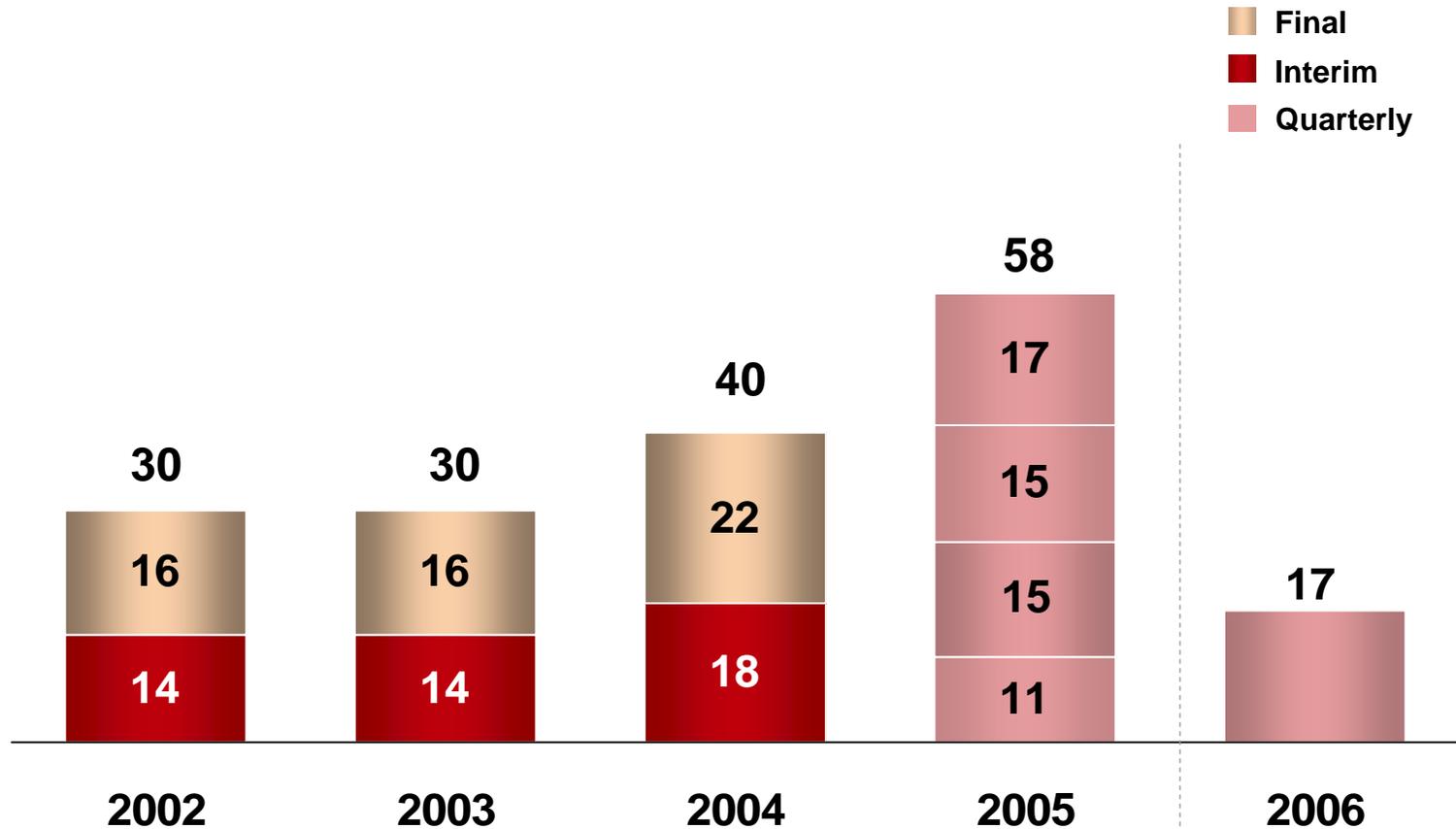


(S\$bn)

	2003	2004	2005	2005 (Mar)	2005 (Jun)	2005 (Sep)	2005 (Dec)	2006 (Mar)
Tier-1 capital	9.6	11.8	13.1	11.8	12.2	12.6	13.1	13.5
RWA	92.1	104.0	123.8	108.8	114.8	121.2	123.8	131.8

Dividend up 55% on year to 17 cents per share

(S¢)



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