

To: Shareholders

The DBS Group Holdings Ltd (“DBSH” or “the Company”) Board of Directors report audited financial results for the year ended 31 December 2006.

The Directors have recommended a final gross dividend of 20 cents and a special dividend of 5 cents for each DBSH ordinary share. All dividends will be paid less 20% Singapore income tax. Details of the proposed dividends in respect of the financial year ended 31 December are as follows:

<u>In \$ millions</u>	<u>2006</u>	<u>2005</u>
DBSH Non-voting Convertible Preference Share (“CPS”)		
Interim dividend* of 30 cents less 20% tax (2005: 30 cents less 20% tax)	(a)	(a)
DBSH Non-voting redeemable CPS		
Interim dividend* of 30 cents less 20% tax (2004: 30 cents less 20% tax)	16	16
DBSH Ordinary share		
Interim dividend* of 51 cents less 20% tax (2005: 41 cents less 20% tax)	613	488
Final dividend of 20 cents less 20% tax (2005: 17 cents less 20% tax)	242	204
Special dividend of 5 cents less 20% tax (2005: nil)	60	-
	<u>915</u>	<u>692</u>

* Interim dividends were paid to entitled shareholders during the year

(a) Amounts under \$500,000

The 2006 final and special dividend will be payable on 25 April 2007, subject to shareholders’ approval at the Annual General Meeting to be held on 4 April 2007. The DBSH shares will be quoted ex-dividend on 10 April 2007. Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 13 April 2007. Duly completed transfers received by the Company’s Registrar, Tricor Barbinder Share Registration Services of 8 Cross Street #11-00 PWC Building, Singapore 048424 up to 5.00 p.m. on 12 April 2007 will be registered to determine shareholders’ entitlement to the 2006 final and special dividend. In respect of ordinary shares in the securities accounts with The Central Depository (Pte) Limited (“CDP”), the 2006 final and special dividend 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

15 February 2007
 Singapore

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

Independent Auditors' Report

To the Members of DBS Group Holdings Ltd (incorporated in Singapore)

We have audited the accompanying financial statements of DBS Group Holdings Ltd (the "Company") and its subsidiaries (the "Group") set out on pages 1 to 44 *, which comprise the balance sheets of the Group and the Company as at 31 December 2006, consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

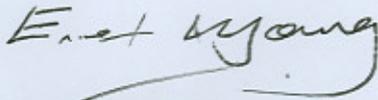
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

- (i) the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards, including the modification of the requirements of FRS 39 Financial Instruments: Recognition and Measurement in respect of loan loss provisioning by Notice of Banks No. 612 "Credit Files, Grading and Provisioning" issued by the Monetary Authority of Singapore, so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2006 and the results, changes in equity and cash flows of the Group for the year ended on that date; and
- (ii) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



ERNST & YOUNG
Certified Public Accountants

15 February 2007
Singapore

* These page numbers are as stated in the Independent Auditors' Report dated 15 February 2007 included in DBS Group Holdings Ltd's financial statements for the financial year ended 31 December 2006.



Performance Summary

Financial Results for the Fourth Quarter ended
31 December 2006 (Unaudited) and
for the Year 2006 (Audited)

DBS Group Holdings Ltd
Incorporated in the Republic of Singapore
Company Registration Number: 199901152M

Contents	Page
<hr/>	
Overview.....	2
Net Interest Income.....	3
Net Fee and Commission Income.....	6
Other Non-Interest Income.....	6
Expenses.....	7
Allowances for credit and other losses.....	7
Performance by Business Unit.....	8
Performance by Geography.....	10
Customer Loans.....	12
Non-Performing Assets and Loss Allowance Coverage.....	13
Funding Sources.....	16
Customer Deposits.....	16
Value at Risk and Trading Income.....	17
Capital Adequacy.....	18
Unrealised Valuation Surplus.....	18
Audited Consolidated Income Statement.....	19
Audited Balance Sheets.....	20
Audited Consolidated Statement of Changes in Equity.....	21
Unaudited Statement of Changes in Equity.....	22
Audited Consolidated Cash Flow Statement.....	23
Additional Information	
Issuance of Ordinary Shares.....	24

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

OVERVIEW

DBS Group Holdings Ltd ("DBSH") prepares its consolidated DBSH Group ("Group") financial statements in accordance with Singapore Financial Reporting Standard ("FRS"), as modified by the requirements of Notice to Banks No. 612 "Credit Files, Grading and Provisioning" issued by the Monetary Authority of Singapore. The accounting policies and methods of computation applied for the current financial periods are consistent with those applied for the financial year ended 31 December 2005, with the exception of the adoption of revised FRS and FRS interpretation which did not result in substantial changes to the accounting policies.

	4th Qtr 2006	4th Qtr 2005 ^{1/}	% chg	3rd Qtr 2006	Year 2006	Year 2005 ^{1/}	% chg
Selected income items (\$m)							
Net interest income	932	800	17	912	3,591	2,943	22
Net fee and commission income	304	241	26	293	1,155	986	17
Net trading income ^{2/}	29	1	>100	76	330	207	59
Net income from financial investments	92	33	>100	29	171	102	68
Other income	43	39	10	10	97	100	(3)
Income	1,400	1,114	26	1,320	5,344	4,338	23
Less: Expenses	627	551	14	584	2,369	2,026	17
Profit before allowances	773	563	37	736	2,975	2,312	29
Less: Allowances for credit and other losses	1	55	(98)	41	135	203	(33)
Share of profits of associates	20	15	33	18	70	54	30
Profit before tax	792	523	51	713	2,910	2,163	35
Net profit attributable to shareholders ("Net profit")	556	384	45	552	2,175	1,649	32
Add: One-time gains ^{3/}	40	303	(87)	-	94	303	(69)
Less: Goodwill charges	-	1,128	(100)	-	-	1,128	(100)
Net profit including one-time gains and goodwill charges	596	(441)	NM	552	2,269	824	>100
Selected balance sheet items (\$m)							
Customer loans ^{4/}	86,630	79,462	9	85,254	86,630	79,462	9
Interbank assets ^{4/}	26,515	23,816	11	30,712	26,515	23,816	11
Total assets	197,372	180,204	10	197,086	197,372	180,204	10
Customer deposits ^{4/}	131,373	116,884	12	127,541	131,373	116,884	12
Total liabilities	176,326	161,014	10	176,601	176,326	161,014	10
Shareholders' funds	18,675	16,724	12	18,096	18,675	16,724	12
Key financial ratios (%) (excluding one-time gains) ^{5/}							
Net interest margin	2.18	2.06		2.17	2.20	1.91	
Non-interest/total income	33.4	28.2		30.9	32.8	32.2	
Cost/income ratio	44.8	49.5		44.2	44.3	46.7	
Return on assets	1.13	0.85		1.14	1.15	0.93	
Return on equity ^{6/}	12.15	8.77		12.34	12.33	9.71	
Loan/deposit ratio	65.9	68.0		66.8	65.9	68.0	
NPL ratio	1.7	2.1		1.8	1.7	2.1	
Specific allowances (loans)/average loans (bp)	27	35		12	19	26	
Tier 1 capital adequacy ratio	10.2	10.6		10.1	10.2	10.6	
Total capital adequacy ratio	14.5	14.8		14.6	14.5	14.8	
Per share data (\$)							
Per basic share							
– earnings excluding one-time gains and goodwill charges	1.47	1.02		1.46	1.44	1.10	
– earnings	1.50	0.47		1.46	1.50	0.54	
– net book value ^{6/}	12.08	10.87		11.73	12.08	10.87	
Per diluted share							
– earnings excluding one-time gains and goodwill charges	1.41	0.98		1.40	1.39	1.06	
– earnings	1.44	0.45		1.40	1.45	0.53	
– net book value ^{6/}	11.84	10.69		11.51	11.84	10.69	

Notes:

1/ Figures for 2005 have been reclassified to make them consistent with the current year's presentation

2/ Includes net income from financial instruments designated at fair value

3/ One-time gains include net gains from sale of buildings in Singapore and Hong Kong

4/ Includes financial assets/liabilities at fair value through profit or loss

5/ Return on assets, return on equity, specific allowances (loan)/average loan and per share data for the quarters are computed on an annualised basis

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

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Fourth-quarter net profit of \$556 million was 45% higher than a year ago and 1% better than the previous quarter.

A separate one-time net gain of \$40 million relating to the sale of buildings in Singapore was recorded during the quarter. The following commentary excludes the effects of this non-operating item.

Operating trends in the earlier quarters of 2006 were sustained in the fourth quarter. Income increased 26% from a year ago to \$1.40 billion with net interest and fee income reaching new highs.

Net interest income rose 17% from a year ago and 2% from the previous quarter to \$932 million as customer loans continued to expand. Higher contributions from a wide range of corporate and consumer businesses boosted net fee income by 26% from a year ago and 4% from the previous quarter to \$304 million. Net trading income of \$29 million was also better than the \$1 million a year ago. Compared to the previous quarter, a higher gain in investment securities was offset by a decline in net trading income.

Expenses increased 14% from a year ago and 7% from the previous quarter to \$627 million. Computerisation charges were higher than in recent periods as investments continued to be made to support business expansion and

Basel II implementation. The cost-income ratio, however, improved to 45% from 49% a year ago and was just above the previous quarter's 44%.

Recent asset quality trends were maintained. The non-performing loan ratio declined from 2.1% a year ago and 1.8% in the previous quarter to 1.7%. Specific allowances fell to 27 basis points of average loans compared to 35 basis points a year ago, but they were higher than the 12 basis points in the previous quarter. The fourth quarter's total allowance of \$1 million included a \$69 million write-back for Singapore properties as market valuations improved.

The results included additional tax provisions following a recent review.

Return on assets of 1.13% was better than the 0.85% a year ago and similar to the previous quarter. Return on equity rose to 12.2% compared to 8.8% a year ago but was slightly below the previous quarter's 12.3%.

For the full year, net profit rose 32% to \$2.18 billion, underpinned by customer business expansion and record net interest and fee income. Income grew 23%, faster than the 17% increase in expenses, while loss allowances also declined. Return on assets increased from 0.93% to 1.15%, and return on equity from 9.7% to 12.3%.

NET INTEREST INCOME

Average balance sheet	4th Qtr 2006			4th Qtr 2005			3rd Qtr 2006		
	Average balance (\$m)	Average Interest (\$m)	Average rate (%)	Average balance (\$m)	Average Interest (\$m)	Average rate (%)	Average balance (\$m)	Average Interest (\$m)	Average rate (%)
Interest-bearing assets									
Customer loans	86,136	1,212	5.58	78,891	967	4.86	84,118	1,176	5.54
Interbank assets	33,514	306	3.63	25,105	164	2.59	30,512	251	3.26
Securities	49,812	560	4.46	50,109	476	3.77	51,958	638	4.87
Total	169,462	2,078	4.87	154,105	1,607	4.14	166,588	2,065	4.92
Interest-bearing liabilities									
Customer deposits	128,915	756	2.33	116,054	500	1.71	126,797	757	2.37
Other borrowings	31,453	390	4.92	31,646	307	3.85	33,133	396	4.75
Total	160,368	1,146	2.83	147,700	807	2.17	159,930	1,153	2.86
Net interest income/margin ^{1/}		932	2.18		800	2.06		912	2.17

Note:

^{1/} Net interest margin is net interest income expressed as a percentage of average interest-earning assets

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Average balance sheet	Year 2006			Year 2005		
	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)
Interest-bearing assets						
Customer loans	82,561	4,559	5.52	75,479	3,152	4.18
Interbank assets	30,718	1,001	3.26	29,072	656	2.26
Securities	49,908	2,249	4.51	49,307	1,734	3.52
Total	163,187	7,809	4.79	153,858	5,542	3.60
Interest-bearing liabilities						
Customer deposits	123,779	2,746	2.22	115,814	1,494	1.29
Other borrowings	31,713	1,472	4.64	31,748	1,105	3.48
Total	155,492	4,218	2.71	147,562	2,599	1.76
Net interest income/margin ^{1/}		3,591	2.20		2,943	1.91

Note:

^{1/} Net interest margin is net interest income expressed as a percentage of average interest-earning assets

Net interest income of \$932 million was 17% higher than a year ago due to higher asset volumes and interest margins.

Average asset volumes rose 10% from a year ago to \$169.5 billion as both customer and interbank loans expanded. At the same time, asset yields increased faster than funding costs in Singapore and Hong Kong, contributing to a 12 basis point improvement in interest margins from a year ago to 2.18%.

The rate and volume analysis below indicates that higher asset volumes played twice as large a role as interest margins in growing net interest income from a year ago.

Compared to the previous quarter, net interest income rose 2% from customer and interbank loans growth.

Interest margins were stable as customer loan yields and customer deposit costs were little changed from the previous quarter.

The rate and volume analysis below indicates that the increase in net interest income over the previous quarter was due to higher asset volumes.

For the full year, net interest income rose 22% to \$3.59 billion from higher interest margins and customer loan volumes. Interest margins, which rose from 1.91% to 2.20% as a result of higher interest rates in Singapore and prime lending rates in Hong Kong, played a larger role than the increase in asset volumes in growing net interest income for the full year.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Volume and rate analysis (\$m) Increase/(decrease) due to change in	4th Qtr 2006 versus 4th Qtr 2005			4th Qtr 2006 versus 3rd Qtr 2006		
	Volume	Rate	Net change	Volume	Rate	Net change
Interest income						
Customer loans	89	156	245	28	8	36
Interbank assets	55	87	142	25	30	55
Securities	(3)	87	84	(26)	(52)	(78)
Total	141	330	471	27	(14)	13
Interest expense						
Customer deposits	55	201	256	13	(14)	(1)
Other borrowings	(2)	85	83	(19)	13	(6)
Total	53	286	339	(6)	(1)	(7)
Net impact on interest income	88	44	132	33	(13)	20

Volume and rate analysis (\$m) Increase/(decrease) due to change in	Year 2006 versus Year 2005		
	Volume	Rate	Net change
Interest income			
Customer loans	296	1,111	1,407
Interbank assets	37	308	345
Securities	21	494	515
Total	354	1,913	2,267
Interest expense			
Customer deposits	103	1,149	1,252
Other borrowings	(3)	370	367
Total	100	1,519	1,619
Net impact on interest income	254	394	648

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NET FEE AND COMMISSION INCOME

(\$m)	4th Qtr 2006	4th Qtr 2005	% chg	3rd Qtr 2006	Year 2006	Year 2005	% chg
Stockbroking	43	24	79	28	141	106	33
Investment banking	47	45	4	40	150	134	12
Trade and remittances	51	41	24	48	190	172	10
Loan related	41	28	46	41	166	157	6
Guarantees	7	6	17	8	30	28	7
Deposit related	18	20	(10)	21	79	77	3
Credit card	34	23	48	29	115	90	28
Fund management	13	12	8	12	62	53	17
Wealth management	37	32	16	53	170	129	32
Others	13	10	30	13	52	40	30
Total	304	241	26	293	1,155	986	17

Net fee and commission income grew 26% from a year ago to \$304 million as regional economic conditions continued to strengthen. The increase was led by stockbroking, loan syndication, trade and remittances and credit cards, reflecting increased activity in a broad range of corporate and consumer fee businesses from a year ago.

Compared to the previous quarter, net fee and commission income was 4% higher, with increases in stockbroking, investment banking and credit cards being

partially offset by lower contributions from wealth management. In the previous quarter, wealth management fees had been boosted by a \$13 million lump-sum payment from a product manufacturer for having achieved a certain level of sales in a prior period.

For the full year, net fee and commission income rose 17% to \$1.16 billion. Buoyant equity markets during the year lifted stockbroking commissions by 33% and wealth management fees by 32%, while higher retail spending boosted credit card fees by 28%.

OTHER NON-INTEREST INCOME

(\$m)	4th Qtr 2006	4th Qtr 2005	% chg	3rd Qtr 2006	Year 2006	Year 2005	% chg
Net trading income	29	1	>100	76	330	207	59
From trading businesses	32	24	33	71	340	187	82
From other businesses	(3)	(23)	87	5	(10)	20	NM
Net income on financial investments	92	33	>100	29	171	102	68
Net gain on fixed assets ^{1/}	5	3	67	3	10	11	(9)
Others (include dividend and rental income)	38	36	6	7	87	89	(2)
Total	164	73	>100	115	598	409	46

Note:

^{1/} Excludes one-time net gains

Net trading income from trading businesses amounted to \$32 million compared to \$24 million a year ago. However, it was lower than the \$71 million in the previous quarter as trading activity slowed in the fourth quarter. There were lower trading gains in foreign exchange, interest rate and equity instruments than the previous quarter.

Net gain in investment securities amounted to a significantly higher \$92 million as capital gains were recorded for the sale of debt and equity investments.

Income from other sources, including dividend and rental income, amounted to \$38 million compared to \$7

million in the previous quarter. The fourth quarter's dividend income included a special payout from an investment holding. A special dividend from an investment holding had also been received in fourth quarter 2005.

For the full year, net trading income from trading businesses rose 82% to \$340 million as a result of higher customer flows and trading gains from foreign exchange, interest rate, equity and credit products. Net gain in investment securities was also higher, rising 68% to \$171 million. Income from other sources, including dividends and rentals, was little changed for the full year.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

EXPENSES

(\$m)	4th Qtr 2006	4th Qtr 2005	% chg	3rd Qtr 2006	Year 2006	Year 2005	% chg
Staff	306	279	10	317	1,244	1,052	18
Occupancy	55	52	6	47	193	186	4
Computerisation	121	81	49	94	404	308	31
Revenue-related	30	27	11	26	105	99	6
Others	115	112	3	100	423	381	11
Total	627	551	14	584	2,369	2,026	17
Staff headcount at period-end	12,907	12,728	1	12,670	12,907	12,728	1

Expenses increased 14% from a year ago and 7% from the previous quarter to \$627 million.

Computerisation costs rose 49% from a year ago and 29% from the previous quarter as investments in technology continued to be made.

Staff costs were 10% higher than a year ago as a result of a higher salary base due to tight labour markets and higher bonus accruals in line with the Group's better financial performance. However, they were slightly below

the previous quarter. Headcount rose 1% from a year ago and 2% from the previous quarter.

Other expenses were little changed from a year ago, but were 15% above the previous quarter as a result of advertising and promotion costs during the year-end festive period.

For the full year, expenses increased 17% to \$2.37 billion, with the growth led by computerisation and staff costs. As income increased at a faster rate, the cost-income ratio improved from 47% to 44%.

ALLOWANCES FOR CREDIT AND OTHER LOSSES

(\$m)	4th Qtr 2006	4th Qtr 2005	% chg	3rd Qtr 2006	Year 2006	Year 2005	% chg
General allowances ("GP")	11	-	NM	29	88	-	NM
Specific allowances ("SP") for loans	59	71	(17)	27	159	196	(19)
Singapore	35	56	(38)	8	79	114	(31)
Hong Kong	21	17	24	20	78	56	39
Other countries	3	(2)	NM	(1)	2	26	(92)
Specific allowances ("SP") for securities, properties and other assets	(69)	(16)	>100	(15)	(112)	7	NM
Total	1	55	(98)	41	135	203	(33)

Total loss allowances fell to \$1 million from \$55 million a year ago and \$41 million in the previous quarter. A \$69 million allowance write-back was made for buildings in Singapore as market valuations improved.

Specific allowances for loans fell to \$59 million from \$71 million a year ago as charges for new and existing NPLs declined. A general allowance of \$11 million was also taken.

Compared to the previous quarter, specific allowances for loans were higher.

For the full year, total allowances fell 33% to \$135 million as improved economic conditions resulted in lower specific allowances for loans and a net write-back for properties and securities. They were partially offset by a general allowance of \$88 million.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

PERFORMANCE BY BUSINESS UNIT

(\$m)	CBG	EB	CIB	GFM	CTU	Central Ops	Total
Selected income items							
4th Qtr 2006 ^{1/}							
Net interest income	464	199	160	155	66	(112)	932
Non-interest income	127	88	174	33	4	42	468
Expenses	259	83	99	98	7	81	627
Allowances for credit and other losses	18	53	20	(1)	(2)	(87)	1
Profit before tax	314	151	215	91	65	(44)	792
3rd Qtr 2006							
Net interest income	446	189	158	144	66	(91)	912
Non-interest income	135	83	137	79	(51)	25	408
Expenses	251	88	95	107	6	37	584
Allowances for credit and other losses	16	25	25	(2)	(2)	(21)	41
Profit before tax	314	159	175	119	11	(65)	713
4th Qtr 2005 ^{1/}							
Net interest income	369	162	130	162	94	(117)	800
Non-interest income	122	53	150	(27)	(48)	64	314
Expenses	245	79	91	107	8	21	551
Allowances for credit and other losses	23	50	40	(3)	(1)	(54)	55
Profit before tax	223	86	149	33	39	(7)	523
Year 2006 ^{1/}							
Net interest income	1,765	736	592	595	280	(377)	3,591
Non-interest income	514	330	585	274	(64)	114	1,753
Expenses	985	338	376	411	31	228	2,369
Allowances for credit and other losses	52	119	77	(3)	(5)	(105)	135
Profit before tax	1,242	609	724	466	190	(321)	2,910
Year 2005 ^{1/}							
Net interest income	1,308	578	475	484	380	(282)	2,943
Non-interest income	483	227	462	111	(167)	279	1,395
Expenses	926	291	319	364	31	95	2,026
Allowances for credit and other losses	77	145	144	-	6	(169)	203
Profit before tax	788	369	474	236	176	120	2,163
Selected balance sheet and other items							
Dec 31, 2006							
Total assets before goodwill	30,655	20,067	40,090	69,426	28,119	3,175	191,532
Total liabilities	76,237	18,827	19,733	36,114	998	24,418	176,327
Capital expenditure for 4th Qtr 2006	20	1	32	4	-	56	113
Depreciation for 4th Qtr 2006	10	1	3	2	-	19	35
Sep 30, 2006							
Total assets before goodwill	29,615	20,322	40,337	68,325	28,165	4,489	191,253
Total liabilities	73,949	18,855	21,177	38,177	1,750	22,693	176,601
Capital expenditure for 3rd Qtr 2006	15	-	2	3	-	15	35
Depreciation for 3rd Qtr 2006	7	2	2	5	2	14	32

Note:

^{1/} Income and profits exclude one-time gains

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	CBG	EB	CIB	GFM	CTU	Central Ops	Total
Dec 31, 2005							
Total assets before goodwill	29,539	18,486	32,824	67,107	24,047	2,398	174,401
Total liabilities	68,903	17,871	17,953	30,974	1,417	23,896	161,014
Capital expenditure for 4th Qtr 2005	22	12	3	11	6	75	129
Depreciation for 4th Qtr 2005	7	3	1	5	1	18	35

Consumer Banking's (CBG) net interest income rose 4% from the previous quarter and 26% from a year ago as deposits in Singapore and Hong Kong increased. Adjusting for a lump-sum incentive payment from a wealth management product manufacturer in the previous quarter, non-interest income was little changed from both comparative periods. Expenses were higher this quarter than both comparative periods due to increased support costs. Loss allowances were little changed from both comparative periods.

Enterprise Banking's (EB) net interest income grew 5% from the previous quarter as interest spreads improved. It rose 23% from a year ago due to better spreads as well as higher loan and deposit volumes. Non-interest income rose 6% from the previous quarter and 66% from a year ago due to higher fee activities and treasury product sales, particularly in Hong Kong. Specific allowances in Singapore were higher than the previous quarter.

Corporate and Investment Banking's (CIB) net interest income was little changed from the previous quarter and

rose 23% from a year ago due to higher loan and deposit volumes partially offset by lower interest spreads. Non-interest income was augmented in the fourth quarter by capital gains from the sale of equity investments. Expenses were higher this quarter than both comparative periods while both general and specific allowances were lower than a year ago.

Global Financial Markets' (GFM) non-interest income fell 58% from the previous quarter due to lower trading gains in foreign exchange, interest rate and equity instruments, but was better than a year ago.

Central Treasury Unit (CTU) manages the Group's asset and liability interest rate positions as well as investments of the Group's excess liquidity. Central Operations encompasses a range of activities from corporate decisions and income and expenses not attributed to other business segments. Asset management and private banking activities are included in this segment.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

PERFORMANCE BY GEOGRAPHY

(\$m)	S'pore	Hong Kong	Rest of Greater China	South and South-east Asia	Rest of world	Total
Selected income items						
4th Qtr 2006 ^{1/}						
Net interest income	593	290	12	23	14	932
Non-interest income	287	105	31	24	21	468
Expenses	392	171	24	24	16	627
Allowances for credit and other losses	(28)	29	(2)	(5)	7	1
Profit before tax	520	195	21	44	12	792
3rd Qtr 2006						
Net interest income	574	291	15	21	11	912
Non-interest income	254	95	19	27	13	408
Expenses	353	171	23	23	14	584
Allowances for credit and other losses	9	27	(1)	5	1	41
Profit before tax	470	188	12	34	9	713
4th Qtr 2005 ^{1/}						
Net interest income	471	275	9	29	16	800
Non-interest income	216	65	21	4	8	314
Expenses	316	179	17	23	16	551
Allowances for credit and other losses	24	25	5	3	(2)	55
Profit before tax	349	136	8	20	10	523
Year 2006 ^{1/}						
Net interest income	2,255	1,145	47	90	54	3,591
Non-interest income	1,129	377	100	91	56	1,753
Expenses	1,474	668	82	89	56	2,369
Allowances for credit and other losses	26	100	-	(6)	15	135
Profit before tax	1,894	754	65	158	39	2,910
Year 2005 ^{1/}						
Net interest income	1,808	947	31	94	63	2,943
Non-interest income	926	319	61	47	42	1,395
Expenses	1,199	653	54	68	52	2,026
Allowances for credit and other losses	83	44	30	4	42	203
Profit before tax	1,456	569	8	119	11	2,163
Total assets before goodwill						
Dec 31, 2006	126,499	44,868	7,792	5,131	7,242	191,532
Sep 30, 2006	123,895	45,630	7,606	5,427	8,695	191,253
Dec 31, 2005	116,087	41,393	5,861	3,781	7,279	174,401

Note:

^{1/} Income and profits exclude one-time gains

Singapore

Profit before tax was boosted by gains from the sale of investment securities and specific allowance write-back for properties. Compared to the previous quarter, these gains were partially offset by a decline in trading income, resulting in profit before tax rising 11% from third quarter 2006. Compared to a year ago, these gains, together with higher net interest income, lifted profit before tax by 49%.

Net interest income rose 3% from the previous quarter and 26% from a year ago from higher loan and deposit volumes. Excluding gains from the sale of investment securities, non-interest income was lower than the previous quarter as trading activity slowed, but was higher than a year ago.

Expenses increased 11% from the previous quarter and 24% from a year ago as computerisation costs increased. Wage costs were also higher than a year ago.

Excluding the write-back of properties, loan allowances were little changed from a year ago but were higher than the previous quarter. There had been a specific allowance write-back in third quarter 2006.

Hong Kong

The fourth quarter's results incorporate an appreciation of the Singapore dollar against Hong Kong dollar of 2% from third quarter 2006 and 9% from fourth quarter 2005.

Profit before tax increased 4% from the previous quarter and 43% from a year ago to \$195 million as income increased.

Net interest income was comparable to the previous quarter. It was 5% higher than a year ago from higher interest spreads as well as loan and deposit volumes. Non-interest income increased 11% from the previous quarter and 62% from a year ago due to higher income from wealth management product sales, stockbroking and investment banking.

Expenses were little changed from both comparative periods. Loss allowances were 16% higher than a year ago due to higher specific allowances for SME and corporate loans.

Other regions

DBS' operations outside Singapore and Hong Kong are in their build-up phase. The largest contributions are from Indonesia and Greater China.

CUSTOMER LOANS

(\$m)	31 Dec 2006	30 Sep 2006	31 Dec 2005
Gross	88,080	86,673	80,949
Less:			
Specific allowances	564	546	636
General allowances	886	873	851
Net total	86,630	85,254	79,462
By business unit			
Consumer Banking	29,538	28,878	29,686
Enterprise Banking	20,101	20,023	19,234
Corporate and Investment Banking	33,764	33,086	26,478
Others	4,677	4,686	5,551
Total (Gross)	88,080	86,673	80,949
By geography			
Singapore	48,789	47,727	45,280
Hong Kong	27,216	27,170	26,669
Rest of Greater China	4,443	4,135	2,953
South and South-east Asia	2,993	3,064	2,287
Rest of the world	4,639	4,577	3,760
Total (Gross)	88,080	86,673	80,949
By industry			
Manufacturing	10,867	11,296	8,536
Building and construction	10,883	10,147	8,958
Housing loans	25,043	24,240	25,005
General commerce	8,930	9,040	8,639
Transportation, storage & communications	7,709	7,298	6,884
Financial institutions, investment & holding companies	9,827	10,313	9,785
Professionals & private individuals (except housing loans)	8,110	7,965	7,204
Others	6,711	6,374	5,938
Total (Gross)	88,080	86,673	80,949
By currency			
Singapore dollar	35,708	35,629	33,571
Hong Kong dollar	24,942	25,194	24,721
US dollar	15,895	15,041	16,214
Others	11,535	10,809	6,443
Total (Gross)	88,080	86,673	80,949

Customer loans rose 2% from the previous quarter.

The growth was led by Singapore housing loans, which rose for a second consecutive quarter as disbursements further increased and early repayments stabilised.

In Hong Kong, loans rose 5% in local currency terms during the quarter, with the growth accounted for by corporates and SMEs. Housing loans were little changed in Hong Kong dollar terms during the quarter.

Corporate loan growth during the quarter was led by borrowing outside Singapore. SME loans were little changed during the quarter as an increase in Singapore was offset by a decline in Hong Kong due to exchange translation effects.

For the full year, customer loans grew 9% from corporate borrowing across the region and SME loans in Hong Kong and Singapore.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NON-PERFORMING ASSETS AND LOSS ALLOWANCE COVERAGE

By business unit	NPA (\$m)	SP (\$m)	GP (\$m)	NPL (% of loans)	(GP+SP)/NP A (%)	(GP+SP)/ unsecured NPA (%)
Dec 31, 2006						
Consumer Banking	307	95	294	1.0	127	356
Enterprise Banking	691	324	198	3.4	76	150
Corporate and Investment Banking	396	183	336	1.2	131	224
Others	66	23	100	1.4	185	499
Total non-performing loans ("NPL")	1,460	625	928	1.7	106	217
Debt securities	36	15	66	-	223	531
Contingent liabilities	37	9	114	-	327	1,173
Total non-performing assets ("NPA")	1,533	649	1,108	-	115	237
Sep 30, 2006						
Consumer Banking	320	101	288	1.1	122	335
Enterprise Banking	732	289	198	3.7	67	148
Corporate and Investment Banking	426	186	329	1.3	121	228
Others	98	30	95	2.1	127	396
Total non-performing loans	1,576	606	910	1.8	96	216
Debt securities	38	15	68	-	224	542
Contingent liabilities	32	9	126	-	415	997
Total non-performing assets	1,646	630	1,104	-	105	237
Dec 31, 2005						
Consumer Banking	344	111	296	1.2	118	326
Enterprise Banking	691	283	190	3.6	68	144
Corporate and Investment Banking	573	267	262	2.2	92	155
Others	83	32	132	1.5	196	480
Total non-performing loans	1,691	693	880	2.1	93	190
Debt securities	130	57	71	-	99	209
Contingent liabilities	44	19	80	-	227	451
Total non-performing assets	1,865	769	1,031	-	97	198

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

By geography

	NPA (\$m)	SP (\$m)	GP (\$m)	NPL (% of loans)	(GP+SP)/NPA (%)	(GP+SP)/ unsecured NPA (%)
Dec 31, 2006						
Singapore	811	359	443	1.8	99	212
Hong Kong	363	150	278	1.3	118	245
Rest of Greater China	68	20	56	1.3	112	358
South and South-east Asia	112	61	72	2.5	119	161
Rest of the World	106	35	79	1.6	109	199
Total non-performing loans	1,460	625	928	1.7	106	217
Debt securities	36	15	66	-	223	531
Contingent liabilities	37	9	114	-	327	1,173
Total non-performing assets	1,533	649	1,108	-	115	237
Sep 30, 2006						
Singapore	854	341	445	1.8	92	216
Hong Kong	405	146	281	1.5	106	240
Rest of Greater China	72	18	45	1.7	88	291
South and South-east Asia	129	71	79	2.6	126	188
Rest of the World	116	30	60	2.2	78	150
Total non-performing loans	1,576	606	910	1.8	96	216
Debt securities	38	15	68	-	224	542
Contingent liabilities	32	9	126	-	415	997
Total non-performing assets	1,646	630	1,104	-	105	237
Dec 31, 2005						
Singapore	883	382	449	2.1	94	203
Hong Kong	395	139	291	1.5	109	263
Rest of Greater China	91	36	23	3.2	65	88
South and South-east Asia	131	68	60	3.7	98	166
Rest of the World	191	68	57	3.7	65	92
Total non-performing loans	1,691	693	880	2.1	93	190
Debt securities	130	57	71	-	99	209
Contingent liabilities	44	19	80	-	227	451
Total non-performing assets	1,865	769	1,031	-	97	198

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

By industry (\$m)	31 Dec 2006		30 Sep 2006		31 Dec 2005	
	NPA	SP	NPA	SP	NPA	SP
Manufacturing	314	170	344	168	434	225
Building and construction	107	50	128	41	103	37
Housing loans	224	56	225	60	256	66
General commerce	336	146	345	131	367	150
Transportation, storage & communications	25	12	26	12	30	13
Financial institutions, investment & holding companies	173	47	179	48	164	47
Professionals & private individuals (except housing loans)	142	65	184	75	204	84
Others	139	79	145	71	133	71
Total non-performing loans	1,460	625	1,576	606	1,691	693
Debt securities	36	15	38	15	130	57
Contingent liabilities	37	9	32	9	44	19
Total non-performing assets	1,533	649	1,646	630	1,865	769

By loan classification (\$m)	31 Dec 2006		30 Sep 2006		31 Dec 2005	
	NPA	SP	NPA	SP	NPA	SP
Non-performing assets						
Substandard	939	82	1,081	88	1,220	156
Doubtful	243	216	225	202	276	244
Loss	351	351	340	340	369	369
Total	1,533	649	1,646	630	1,865	769
Restructured assets						
Substandard	218	29	295	43	429	85
Doubtful	66	48	57	36	26	27
Loss	42	42	38	38	41	41
Total	326	119	390	117	496	153

By collateral type (\$m)	31 Dec 2006		30 Sep 2006		31 Dec 2005	
	NPA		NPA		NPA	
Unsecured non-performing assets			740		732	911
Secured non-performing assets by collateral type						
Properties			556		657	675
Shares and debentures			46		45	68
Fixed deposits			38		41	36
Others			153		171	175
Total			1,533		1,646	1,865

By period overdue

(\$m)	31 Dec 2006 NPA	30 Sep 2006 NPA	31 Dec 2005 NPA
Not overdue	413	431	697
<90 days overdue	332	332	353
91-180 days overdue	128	191	157
>180 days overdue	660	692	658
Total	1,533	1,646	1,865

Non-performing loans fell 7% from the previous quarter and 14% from a year ago to \$1.46 billion on an enlarged loan base. Compared to the previous quarter, NPL rates improved for all business segments and regions.

the previous quarter and 18% from a year ago to \$1.53 billion.

Loss allowance coverage rose to 115% of NPAs from 105% in the previous quarter and 97% a year ago.

Including debt securities and contingent liabilities, the amount of non-performing assets (NPAs) fell 7% from

FUNDING SOURCES

(\$m)	31 Dec 2006	30 Sep 2006	31 Dec 2005
Customer deposits	131,373	127,541	116,884
Interbank liabilities	8,537	12,389	8,959
Other borrowings and liabilities	38,787	39,060	37,637
Shareholders' funds	18,675	18,096	16,724
Total	197,372	197,086	180,204

CUSTOMER DEPOSITS

(\$m)	31 Dec 2006	30 Sep 2006	31 Dec 2005
By currency			
Singapore dollar	71,242	68,820	64,112
US dollar	23,979	22,828	22,676
Hong Kong dollar	23,059	23,121	19,736
Others	13,093	12,772	10,360
Total	131,373	127,541	116,884
By product			
Savings accounts	47,491	44,679	45,409
Current accounts	14,109	13,855	14,004
Fixed deposits	66,718	66,353	54,585
Other deposits	3,055	2,654	2,886
Total	131,373	127,541	116,884

Customer deposits rose 3% from the previous quarter and 12% from a year ago to \$131.4 billion. While the growth in recent periods was in fixed deposits, the increase in the fourth quarter was led by savings accounts in Singapore.

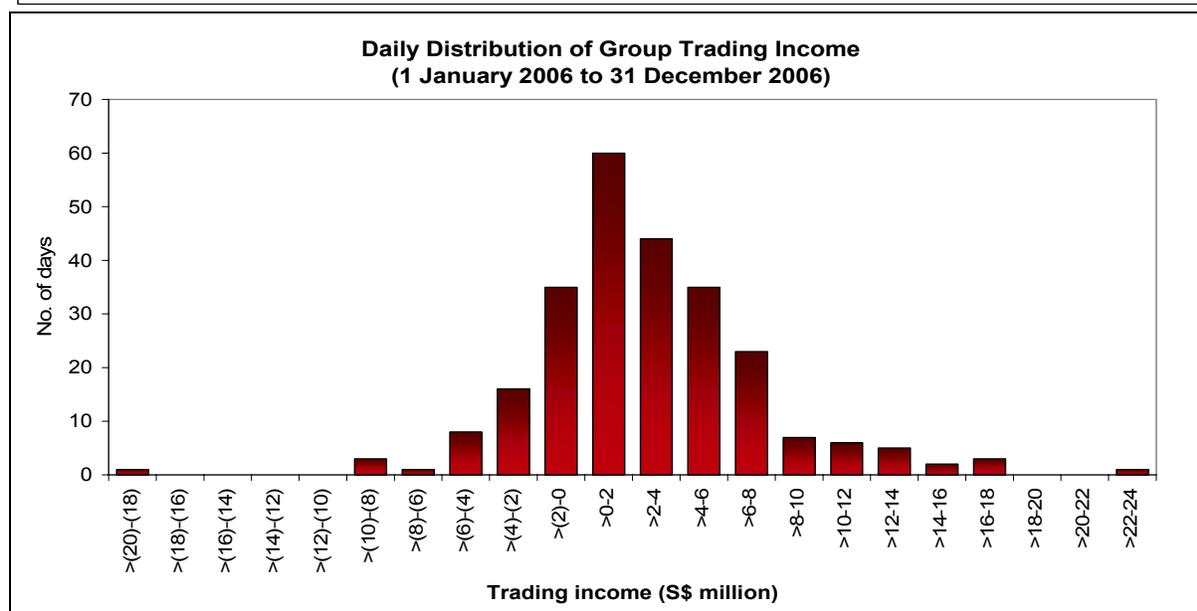
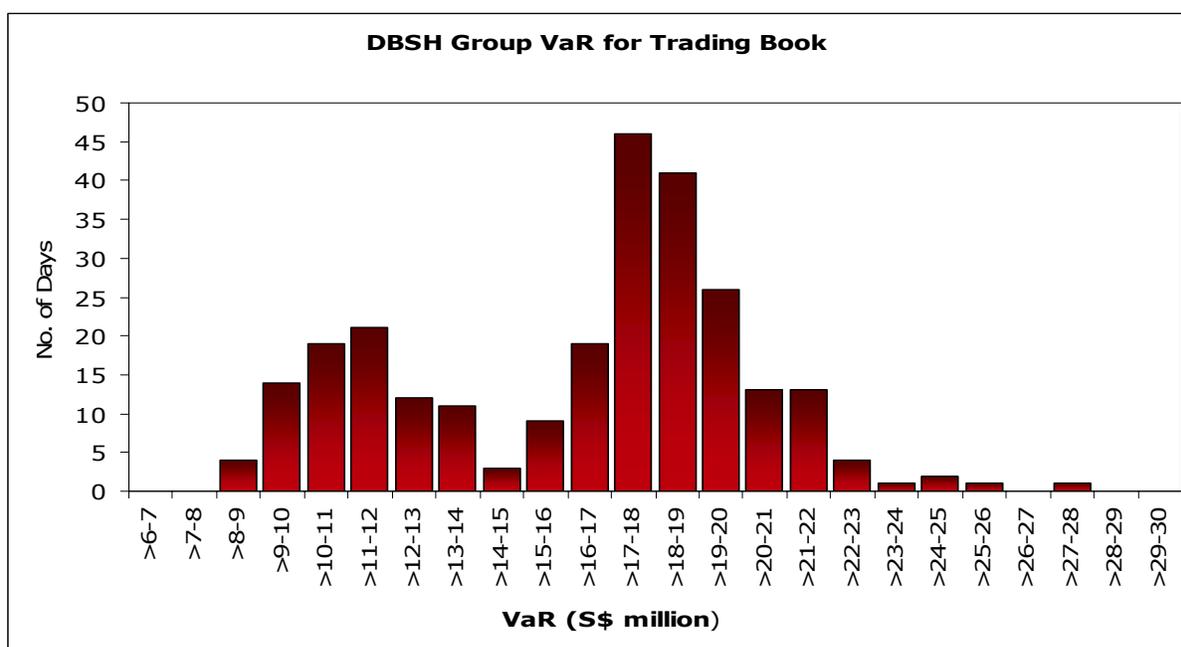
Singapore-dollar customer deposits increased 4% from the previous quarter and 11% from a year ago to \$71.2 billion. In Hong Kong, total deposits rose 8% for the quarter and 27% for the year.

VALUE AT RISK AND TRADING INCOME

The Group uses a Value at Risk (“VaR”) measure as one mechanism for monitoring and 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 1 January 2006 to 31 December 2006. DBS changed its trading book VaR methodology from Parametric VaR (PVaR) to Historical Simulation VaR (HSVaR) in September 2006. The histogram below which is based on PVaR for the period from January to August 2006 and HSVaR from September to December.

(\$m)	As at 31 December 2006	1 January 2006 to 31 December 2006		
		Average	High	Low
Total	10	16	28	8

The charts below provide the range of VaR and the daily distribution of trading income in the trading portfolio for the period from 1 January 2006 to 31 December 2006.



CAPITAL ADEQUACY

(\$m)	31 Dec 2006	30 Sep 2006	31 Dec 2005
Tier 1			
Share capital	4,042	3,971	3,861
Disclosed reserves and others	16,556	16,066	15,080
Less: Goodwill	(5,840)	(5,834)	(5,823)
Total	14,758	14,203	13,118
Tier 2			
Cumulative general allowances	1,033	1,031	963
Subordinated debts	5,038	5,208	4,222
Others	103	54	13
Total	6,174	6,293	5,198
Total capital	20,932	20,496	18,316
Risk-weighted assets	144,086	140,250	123,847
Capital adequacy ratio (%)			
Tier I ratio	10.2	10.1	10.6
Tier II ratio	4.3	4.5	4.2
Total (Tier I & II) ratio	14.5	14.6	14.8

Based on regulatory guidelines, the Group's tier-1 and tier-2 capital adequacy ratios were little changed from the previous quarter and a year ago.

UNREALISED VALUATION SURPLUS

(\$m)	31 Dec 2006	30 Sep 2006	31 Dec 2005
Properties	371	417	416
Financial investments	11	15	25
Total	382	432	441

The amount of unrealised valuation surplus for properties declined from the previous quarter as part of the valuation surplus for properties was written back to the balance sheet as market valuations improved.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Audited Consolidated Income Statement

In \$ millions	4th Qtr 2006 ^{1/}	4th Qtr 2005 ^{1/}	+/(-) %	3rd Qtr 2006 ^{1/}	Year 2006	Year 2005	+/(-) %
Income							
Interest income	2,078	1,607	29	2,065	7,809	5,542	41
Interest expense	1,146	807	42	1,153	4,218	2,599	62
Net interest income	932	800	17	912	3,591	2,943	22
Net fee and commission income	304	241	26	293	1,155	986	17
Net trading income ^{2/}	29	1	>100	76	330	207	59
Net income from financial investments	92	33	>100	29	171	102	68
Other income	83	342	(76)	10	191	403	(53)
Total income	1,440	1,417	2	1,320	5,438	4,641	17
Expenses							
Employee benefits	306	279	10	317	1,244	1,052	18
Depreciation of properties and other fixed assets	35	35	-	32	130	148	(12)
Other expenses	286	237	21	235	995	826	20
Goodwill charges	-	1,128	(100)	-	-	1,128	(100)
Allowances for credit and other losses	1	55	(98)	41	135	203	(33)
Total expenses	628	1,734	(64)	625	2,504	3,357	(25)
Profit	812	(317)	NM	695	2,934	1,284	>100
Share of profits of associates	20	15	33	18	70	54	30
Profit before tax	832	(302)	NM	713	3,004	1,338	>100
Income tax expense	184	94	96	127	575	353	63
Net profit	648	(396)	NM	586	2,429	985	>100
Attributable to:							
Shareholders	596	(441)	NM	552	2,269	824	>100
Minority interests	52	45	16	34	160	161	(1)
	648	(396)	NM	586	2,429	985	>100

Note:

1/ Unaudited

2/ Includes net income from financial instruments designated at fair value

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Audited Balance Sheets

In \$ millions	GROUP			COMPANY		
	31 Dec 2006	30 Sep 2006 ^{1/}	31 Dec 2005	31 Dec 2006	30 Sep 2006 ^{1/}	31 Dec 2005
ASSETS						
Cash and balances with central banks	11,846	5,948	4,986			
Singapore Government securities and treasury bills	12,843	13,921	9,846			
Due from banks	25,273	28,142	22,129			
Financial assets at fair value through profit or loss	16,496	17,073	18,502			
Positive replacement values	8,215	7,924	8,792			
Loans and advances to customers	85,149	84,569	77,636	-	-	-
Financial investments	22,261	23,229	23,102			
Securities pledged	2,866	3,239	2,380			
Subsidiaries	-	-	-	6,927	6,854	6,790
Investments in associates	603	575	585			
Goodwill on consolidation	5,840	5,833	5,803			
Properties and other fixed assets	1,481	1,549	1,662			
Deferred tax assets	20	29	51			
Other assets	4,479	5,055	4,730			
TOTAL ASSETS	197,372	197,086	180,204	6,927	6,854	6,790
LIABILITIES						
Due to banks	7,863	11,619	8,950			
Due to non-bank customers	122,092	117,474	106,431			
Financial liabilities at fair value through profit or loss	19,708	20,858	22,823			
Negative replacement values	7,873	8,093	8,537			
Bills payable	511	426	378			
Current tax liabilities	766	735	557			
Deferred tax liabilities	137	54	58	-	-	-
Other liabilities	6,677	7,118	5,475	8	8	6
Other debt securities in issue ^{2/}	3,950	3,237	2,440			
Subordinated term debts	6,749	6,987	5,365			
TOTAL LIABILITIES	176,326	176,601	161,014	8	8	6
NET ASSETS	21,046	20,485	19,190	6,919	6,846	6,784
EQUITY						
Share capital	4,042	3,971	1,564	4,042	3,971	1,564
Share premium	-	-	2,269	-	-	2,269
Treasury shares	(111)	(111)	(117)	-	-	-
Other reserves	7,182	7,024	6,841	53	52	77
Revenue reserves	7,562	7,212	6,167	2,824	2,823	2,874
SHAREHOLDERS' FUNDS	18,675	18,096	16,724	6,919	6,846	6,784
Minority interests	2,371	2,389	2,466			
TOTAL EQUITY	21,046	20,485	19,190	6,919	6,846	6,784
OFF BALANCE SHEET ITEMS						
Contingent liabilities	12,187	11,373	8,769			
Commitments	86,065	80,022	75,804			
Financial derivatives	1,378,916	1,407,293	1,359,935			
OTHER INFORMATION ^{1/}						
Net asset value per ordinary share (\$)						
(i) Based on existing ordinary share capital				4.54	4.49	4.48
(ii) Assuming conversion of outstanding preference shares to ordinary shares				4.39	4.34	4.34

Notes:

1/ Unaudited

2/ Includes secured amount of \$2,743 million as at 31 December 2006 (30 September 2006: \$2,635 million; 31 December 2005: \$2,018 million). These are mainly secured by properties and securities

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Audited Consolidated Statement of Changes in Equity

GROUP								
In \$ millions	Ordinary shares	Convertible preference shares	Share premium	Treasury shares	Other reserves	Revenue reserves	Minority interests	Total equity
Balance at 1 January 2006	1,498	66	2,269	(117)	6,841	6,167	2,466	19,190
Exercise of share options	165		7					172
Effects of Companies (Amendment) Act 2005	2,304		(2,276)		(28)			-
Net exchange translation adjustments					(6)		(103)	(109)
Share of associates' reserves					21	18		39
Cost of share-based payments					28			28
Draw-down of reserves upon vesting of performance shares				6	(6)			-
Reclassification of reserves upon exercise of share options	9				(9)			-
Available-for-sale investments/Cash flow hedge:								
- Net valuation taken to equity					425			425
- Transferred to income statement on sale					(101)			(101)
- Tax on items taken directly to or transferred from equity					(44)			(44)
Net profit for the year						2,269	160	2,429
Appropriation from income statement					61	(61)		-
Final dividends paid for previous year						(203)		(203)
Interim dividends paid for current year						(628)		(628)
Dividends paid to minority interests							(147)	(147)
Change in minority interests							(5)	(5)
Balance at 31 December 2006	3,976	66	-	(111)	7,182	7,562	2,371	21,046
Balance at 1 January 2005	1,493	66	2,208	-	6,585	6,150	1,128	17,630
Effects on adoption of new or revised FRS				(126)	42	26	1,303	1,245
Balance at 1 January 2005 (restated)	1,493	66	2,208	(126)	6,627	6,176	2,431	18,875
On adoption of FRS 39 at 1 January 2005					292	(25)		267
Exercise of share options	5		59					64
Net exchange translation adjustments					7		21	28
Share of associates' reserves					8			8
Cost of share-based payments					41			41
Draw-down of reserves upon vesting of performance shares				9	(9)			-
Reclassification of reserves upon exercise of share options			2		(2)			-
Available-for-sale investments/Cash flow hedge:								
- Net valuation taken to equity					(59)			(59)
- Transferred to income statement on sale					(88)			(88)
- Tax on items taken directly to or transferred from equity					(11)			(11)
Net profit for the year						824	161	985
Appropriation from income statement					35	(35)		-
Final dividends paid for previous year						(269)		(269)
Interim dividends paid for current year						(504)		(504)
Dividends paid to minority interests							(151)	(151)
Change in minority interests							4	4
Balance at 31 December 2005	1,498	66	2,269	(117)	6,841	6,167	2,466	19,190

Unaudited Statement of Changes in Equity

COMPANY						
In \$ millions	Ordinary shares	Convertible preference shares	Share premium	Other reserves	Revenue reserve	Total equity
Balance at 1 January 2006	1,498	66	2,269	77	2,874	6,784
Exercise of share options	165		7			172
Effects of Companies (Amendment) Act 2005	2,304		(2,276)	(28)		-
Cost of share-based payments				13		13
Reclassification of reserves upon exercise of share options	9			(9)		-
Net profit for the period					784	784
Final dividends paid for previous year					(204)	(204)
Interim dividends paid for current year					(630)	(630)
Balance at 31 December 2006	3,976	66	-	53	2,824	6,919
Balance at January 1, 2005	1,493	66	2,208	28	3,000	6,795
Effects on adoption of new or revised FRS				34		34
Balance at January 1, 2005 (restated)	1,493	66	2,208	62	3,000	6,829
Exercise of share options	5		59			64
Cost of share-based payments				17		17
Reclassification of reserves upon exercise of share options			2	(2)		-
Net profit for the period					650	650
Final dividends paid for previous year					(269)	(269)
Interim dividends paid for current year					(507)	(507)
Balance at 31 December 2005	1,498	66	2,269	77	2,874	6,784

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Audited Consolidated Cash Flow Statement

In \$ millions	Year 2006	Year 2005
Cash flows from operating activities		
Profit before tax	3,004	1,338
<i>Adjustments for non-cash items:</i>		
Allowances for credit and other losses	135	203
Depreciation of properties and other fixed assets	130	148
Goodwill charges	-	1,128
Share of profits of associates	(70)	(54)
Net gain on disposal of properties and other fixed assets	(104)	(314)
Net gain on disposal of financial investments	(171)	(121)
Profit before changes in operating assets & liabilities	2,924	2,328
<i>(Decrease)/Increase in:</i>		
Due to banks	(1,087)	(1,989)
Due to non-bank customers	15,661	(6,775)
Financial liabilities at fair value through profit or loss	(3,115)	22,823
Other liabilities including bills payable	163	(5,427)
Debt securities and borrowings	1,471	(4,503)
<i>(Increase)/Decrease in:</i>		
Change in restricted balances with central banks	(95)	(938)
Singapore Government securities and treasury bills	(3,936)	1,337
Due from banks	(3,134)	3,028
Financial assets at fair value through profit or loss	1,890	(15,877)
Other financial securities at fair value through profit or loss	-	7,942
Loans and advances to customers	(7,741)	(8,212)
Financial investments	1,392	(1,346)
Other assets	297	2,894
Tax paid	(300)	(440)
Net cash generated from / (used in) operating activities (1)	4,390	(5,155)
Cash flows from investing activities		
Dividends from associates	37	40
Purchase of properties and other fixed assets	(239)	(225)
Proceeds from disposal of associates	4	-
Proceeds from disposal of properties and other fixed assets	387	733
Acquisition of interest in associates	(6)	(42)
Net cash generated from investing activities (2)	183	506
Cash flows from financing activities		
Increase in share capital and share premium	172	66
Proceeds from issuance of subordinated term debts	1,928	-
Dividends paid to shareholders of the Company	(831)	(773)
Dividends paid to minority interests	(147)	(151)
Net cash generated from / (used in) financing activities (3)	1,122	(858)
Exchange translation adjustments (4)	15	15
Net change in cash and cash equivalents (1)+(2)+(3)+(4)	5,710	(5,492)
Cash and cash equivalents at 1 January 2006	9,408	14,900
Cash and cash equivalents at 31 December 2006	15,118	9,408

Additional Information

Issuance of Ordinary Shares

(a) The movement in the number of issued and fully paid-up ordinary shares for the year ended 31 December 2006 is as follows:

At 1 January 2006	1,497,857,345
Exercise of share options pursuant to the DBSH Share Option Plan	<u>12,977,688</u>
At 31 December 2006	<u>1,510,835,033</u>

Weighted average number of shares for year 2006

- ordinary shares	1,503,685,094
- fully diluted	1,573,627,356

The fully diluted shares took into account the effect of a full conversion of non-voting convertible preference shares ("CPS") and non-voting redeemable CPS, and the exercise of all outstanding share options granted to employees when such shares would be issued to a price lower than the average share price during the period.

(b) New ordinary shares that would have been issued on conversion of preference shares and exercise of share option are as follows:

(Number)	<u>31 Dec 2006</u>	<u>30 Sep 2006</u>	<u>31 Dec 2005</u>
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 share options	25,014,807	29,769,925	39,474,281