

Sustained growth despite margin pressure

DBS Group Holdings First Quarter 2007 financial results

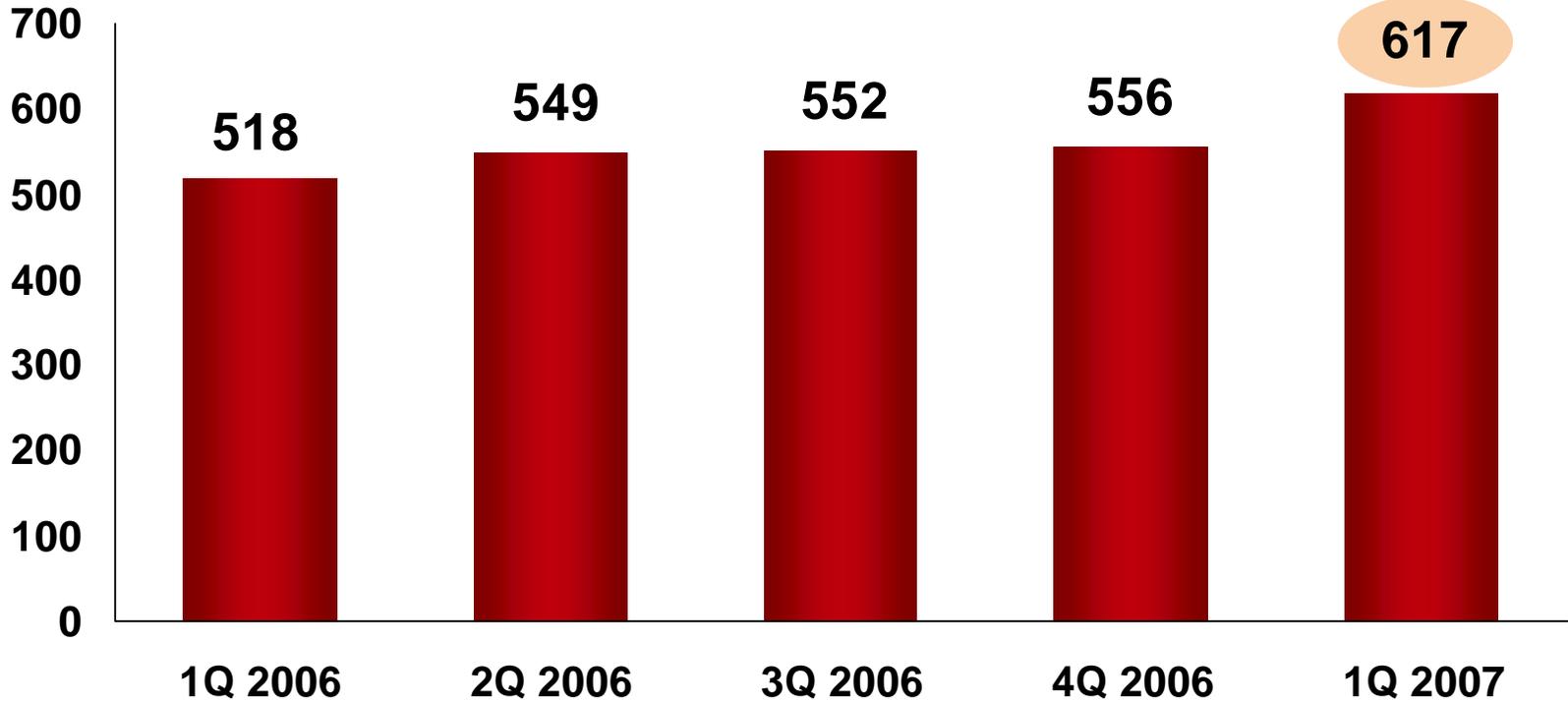
May 4, 2007

Disclaimer: The information contained in this document is intended only for use during the presentation and should not be disseminated or distributed to parties outside the presentation. DBS Bank accepts no liability whatsoever with respect to the use of this document or its contents.



1Q 2007 net profit up 19% YoY and 11% QoQ

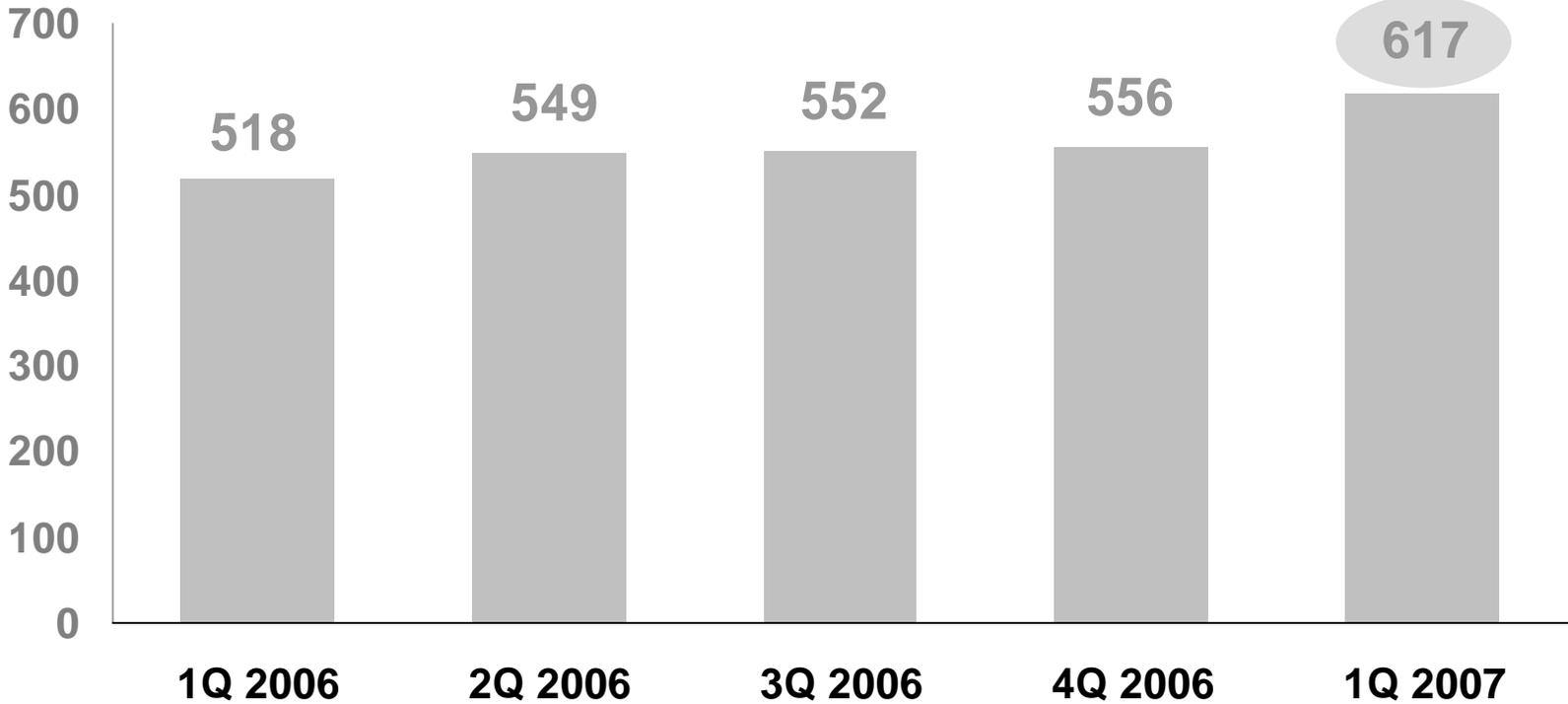
(S\$ million)



Exclude one-off gains, goodwill charge

1Q 2007 net profit up 19% YoY and 11% QoQ

(S\$ million)



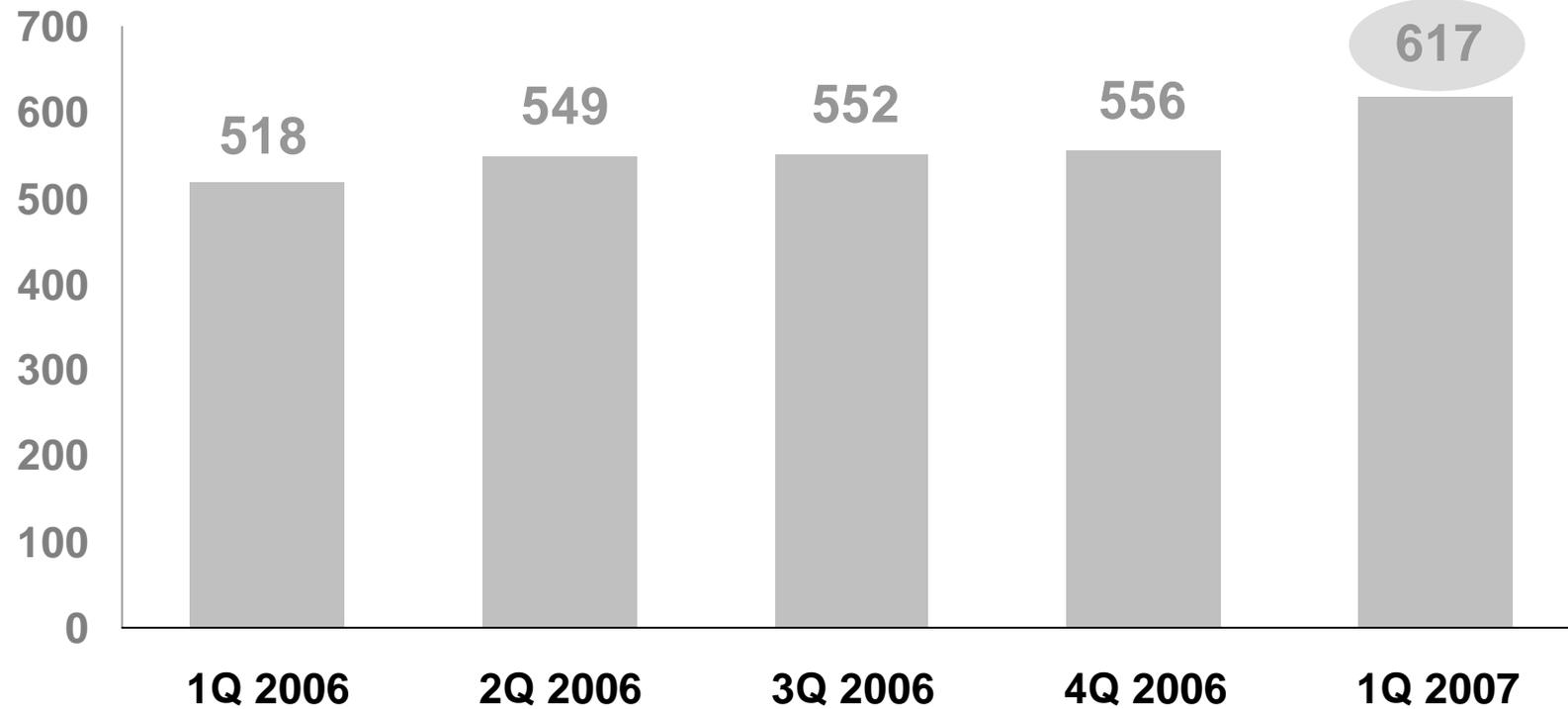
ROE	12.2%	12.7%	12.3%	12.2%	13.0%
------------	--------------	--------------	--------------	--------------	--------------

Exclude one-off gains, goodwill charge



1Q 2007 net profit up 19% YoY and 11% QoQ

(S\$ million)



ROE	12.2%	12.7%	12.3%	12.2%	13.0%
ROA	1.14%	1.18%	1.14%	1.13%	1.21%

Exclude one-off gains, goodwill charge

We set new highs again

**Customer loans
\$94.3 billion**

↑ 20% from 1Q 2006

↑ 9% from 4Q 2006

Loans grew 62% from December 2002

**December
2002
\$58.1 billion**



**March
2007
\$94.3 billion**

We set new highs again

Customer loans
\$94.3 billion

Net interest
income
\$974 million

Nine consecutive quarters of growth

4Q 2004
\$665 million



1Q 2007
\$974 million

↑ 15% from 1Q 2006

↑ 5% from 4Q 2006

We set new highs again

Customer loans
\$94.3 billion

Net interest
income
\$974 million

**Fee income
\$309 million**

↑ 18% from 1Q 2006

↑ 2% from 4Q 2006

3Q 2001
\$168 million

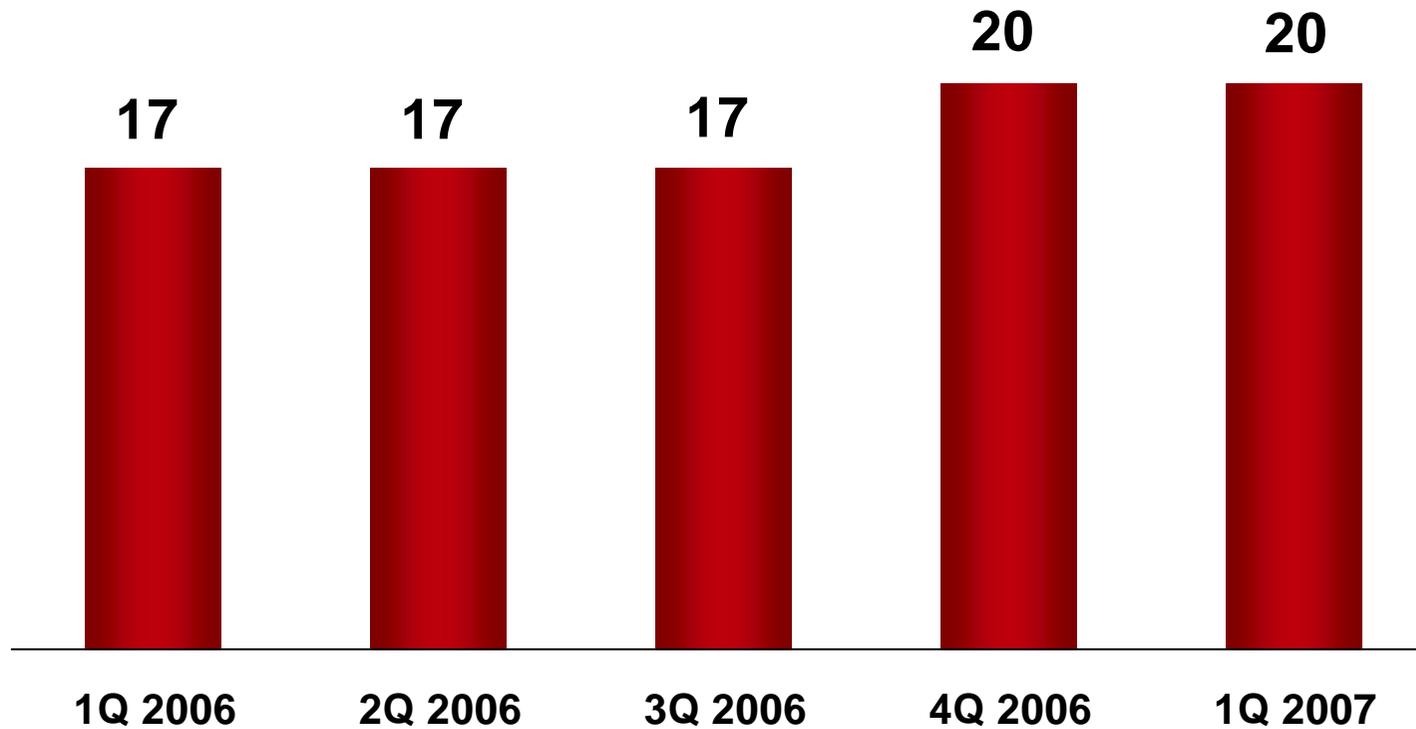
Highest since we started
quarterly reporting



1Q 2007
\$309 million

Dividend policy: paying progressively rising, sustainable dividends

(S¢)



Exclude special dividends of 5 cents per share declared in 4Q 2006

Sustained growth despite margin pressure

DBS Group Holdings First Quarter 2007 financial results

May 4, 2007

Disclaimer: The information contained in this document is intended only for use during the presentation and should not be disseminated or distributed to parties outside the presentation. DBS Bank accepts no liability whatsoever with respect to the use of this document or its contents.



Sustained growth despite margin pressure

- Operating trends sustained
- Improved performance in Hong Kong
- Balance sheet remains strong

Profit before allowances up 25% on year and 14% on quarter

(S\$m)

	1Q 2007	YoY %	QoQ %
Net interest income	974	15	5
Fee income	309	18	2
Trading income	171	45	>100
Other income	88	>100	(11)
Non-interest income	568	35	21
Income	1,542	21	10
Staff expenses	360	20	18
Other expenses	298	13	(7)
Expenses	658	17	5
Profit before allowances	884	25	14
Allowances for credit & other losses	105	>100	>100
Net profit	617	19	11

Excluding one-time gains

Several key ratios improve

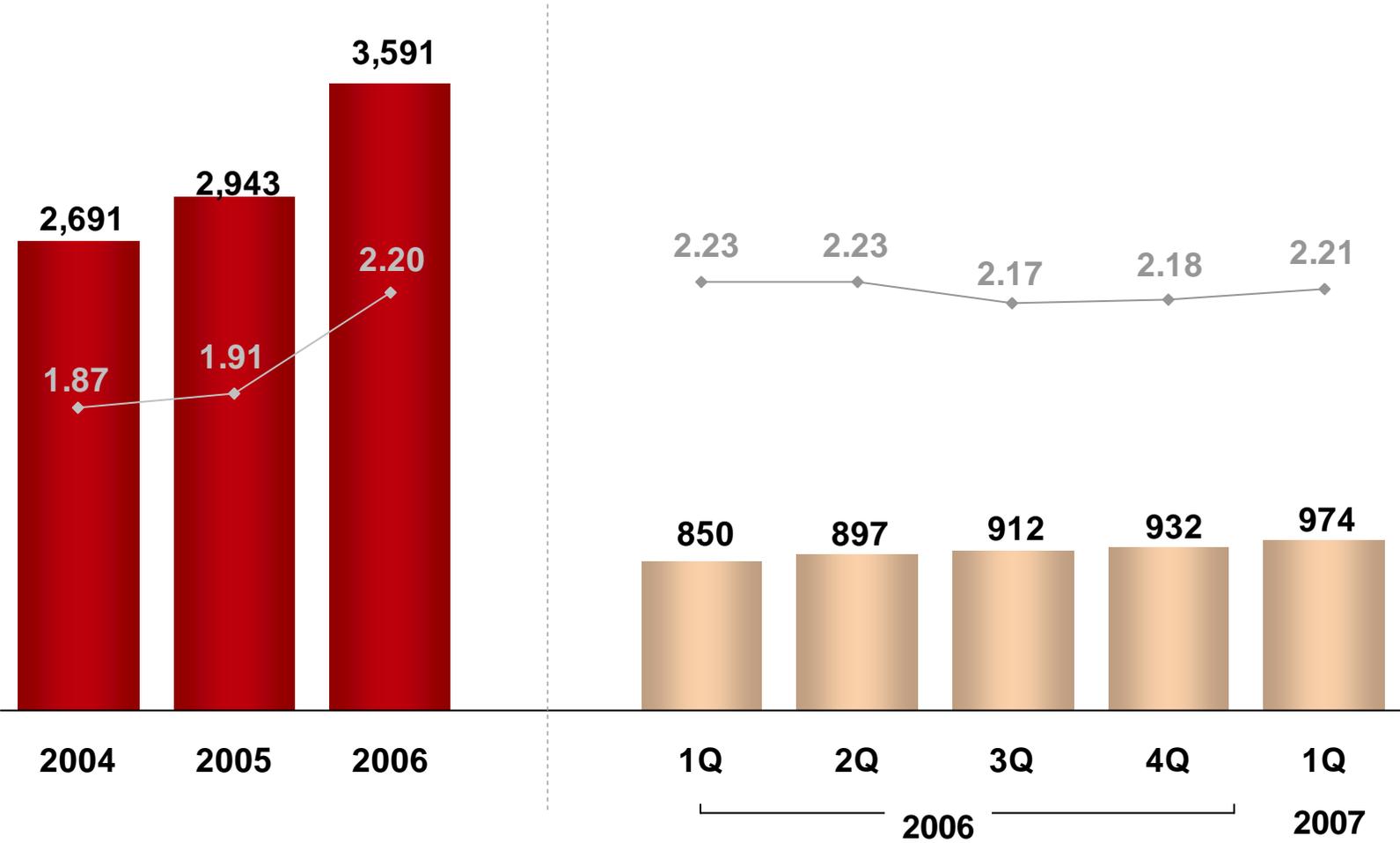
(%)	1Q 2007	4Q 2006	1Q 2006
Net interest margin	2.21	2.18	2.23
Fee income/ total income	20	22	21
Non-interest / total income	37	33	33
Cost/income ratio	43	45	44
ROE	13.0	12.2	12.2
Loans/deposit	69	66	66
NPL ratio	1.5	1.7	2.1

Excluding one-time gains

Interest income at quarterly high

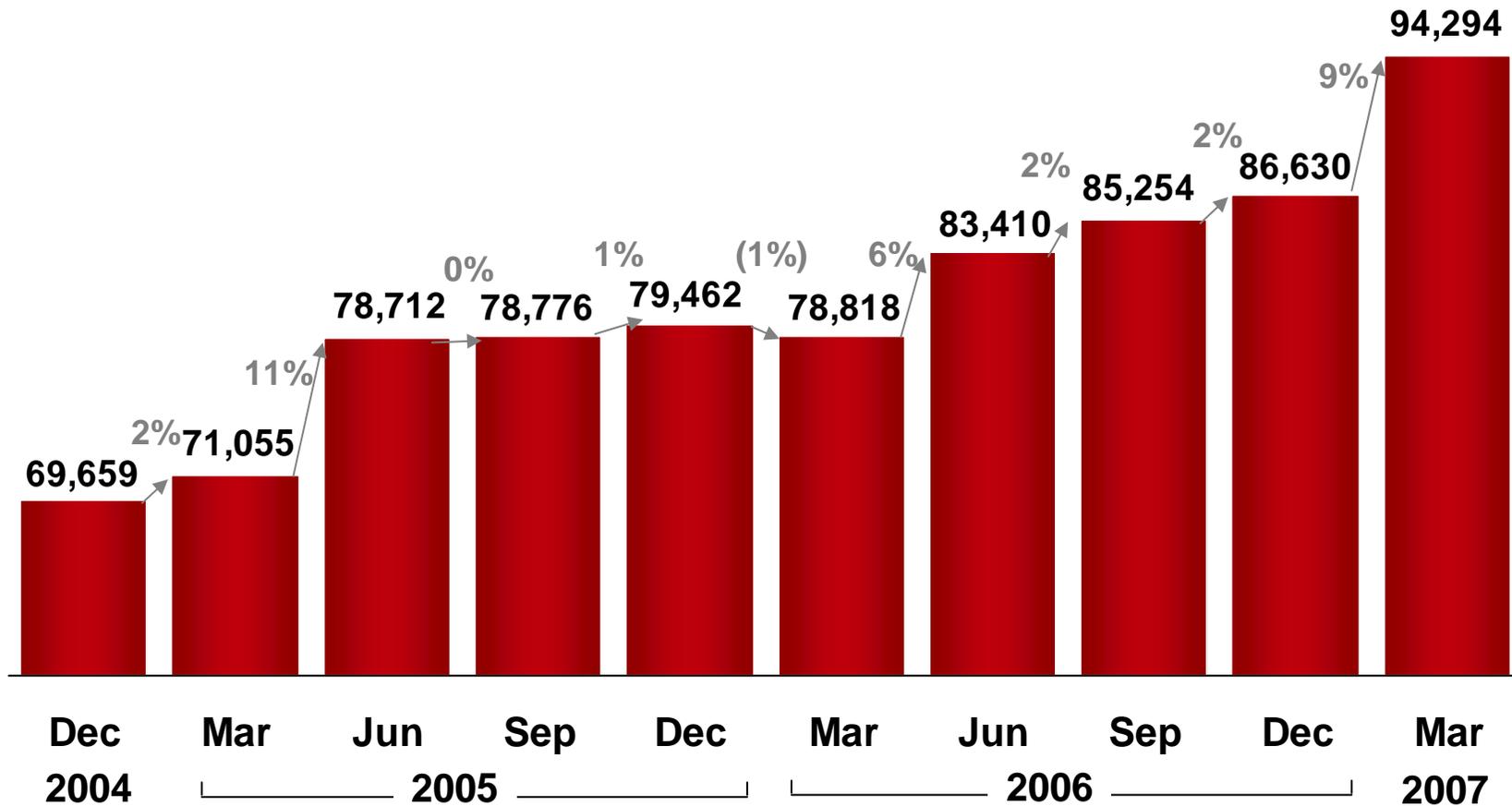
(S\$m)

—◆— Net interest margin (%)



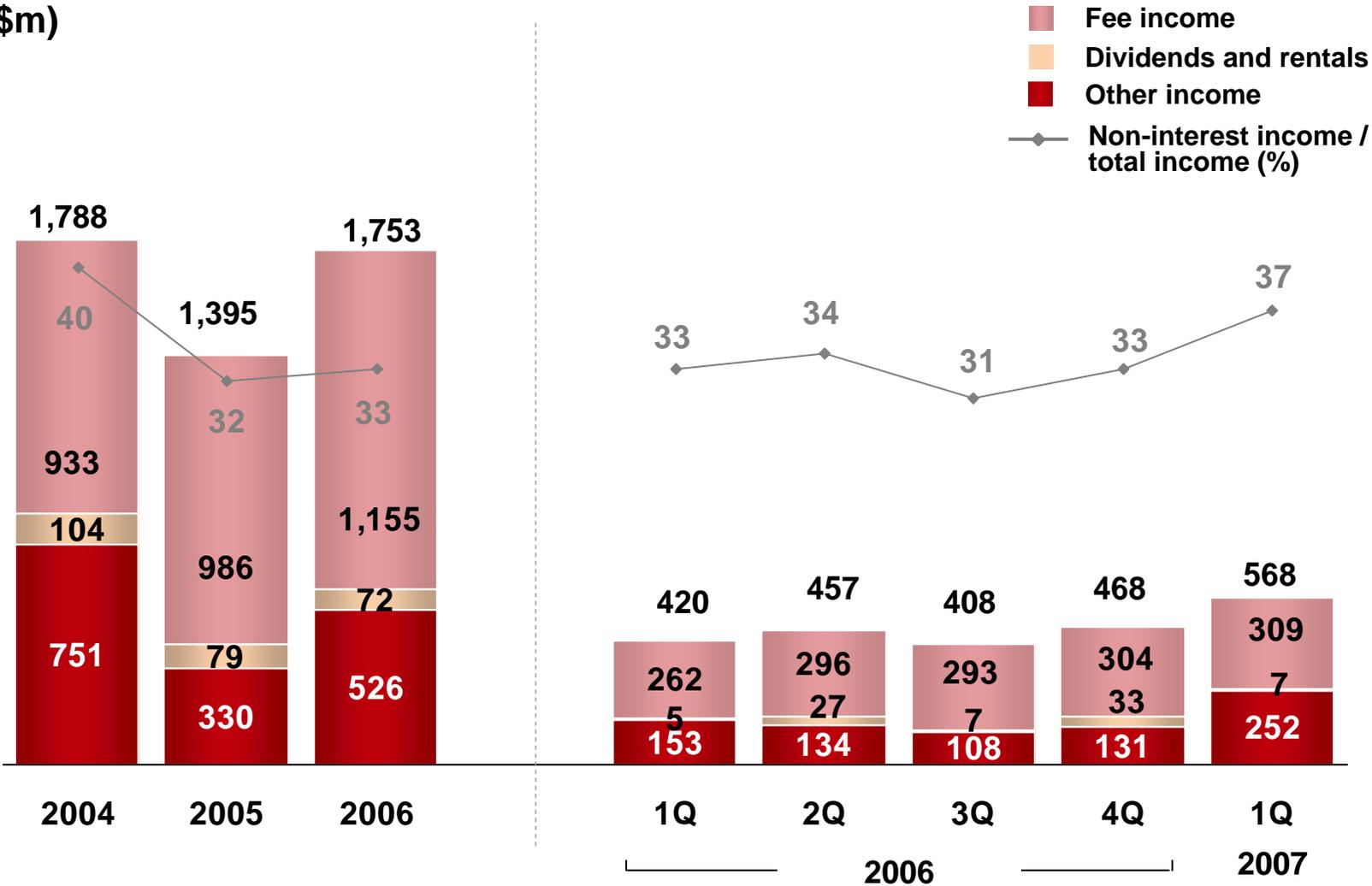
Loans up 9% on quarter

(S\$m)



Non-interest income up 21% on quarter with fee income at record

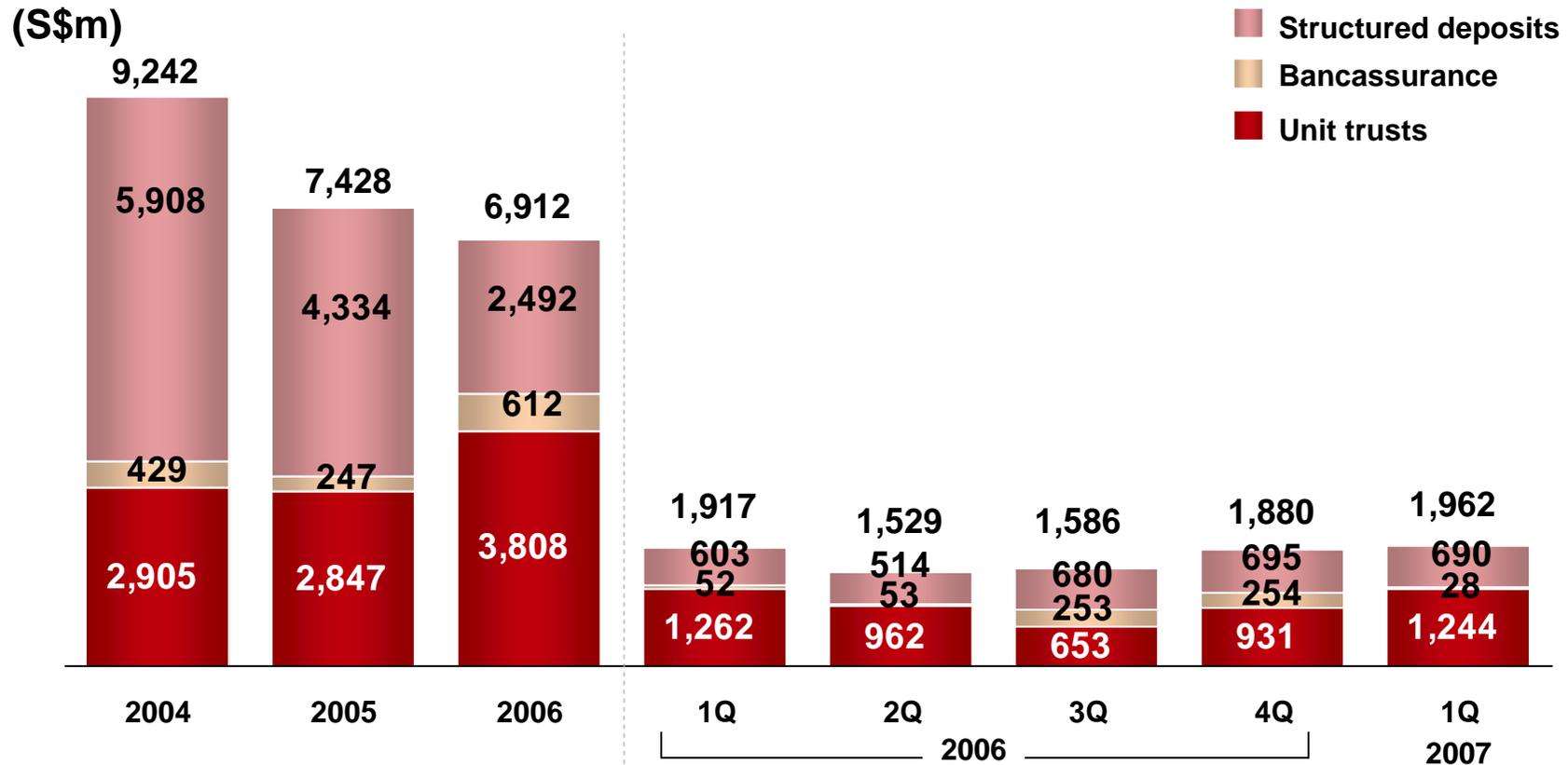
(S\$m)



Excluding one-time gains



Wealth management fees improve on year as unit trust sales rise



Sales (all products)

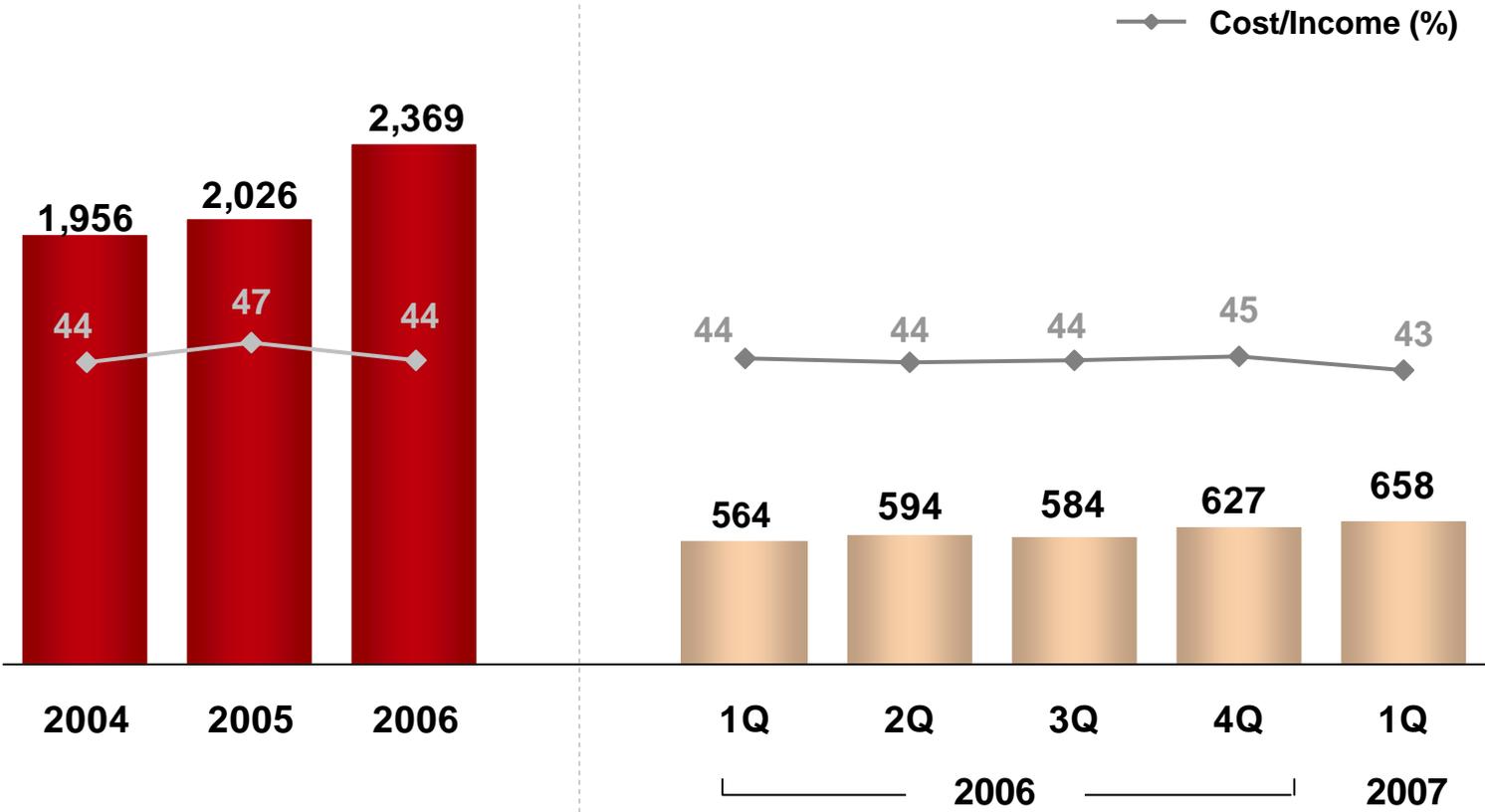
S'pore	3,874	3,560	3,476	1,031	786	718	942	993
HK	5,368	3,868	3,436	886	743	868	938	969

Fees (unit trusts and bancassurance only)

S'pore + HK	119	129	170	42	38	53	37	47
-------------	-----	-----	-----	----	----	----	----	----

Cost-income ratio below 45% target

(S\$m)



Headcount	11,454	12,728	12,907	12,673	12,453	12,670	12,907	13,177
Staff expenses (S\$m)	993	1,052	1,244	300	321	317	306	360

Cost-income ratio excluding one-time gains



All business units record higher profit before allowances from year ago

(S\$m)

	1Q 2007	YoY %	QoQ %
Consumer Banking	328	6	(1)
Enterprise Banking	221	26	8
Corporate and Investment Banking	262	67	11
Global Financial Markets	120	3	38

Profit before allowances is total income excluding one-time gains less expenses



Sustained growth despite margin pressure

- ❑ Operating trends sustained
- ❑ Improved performance in Hong Kong
- ❑ Balance sheet remains strong

Hong Kong's profit before allowances higher

(S\$m)	1Q 2007	YoY %	QoQ %
Net interest income	271	(3)	(7)
Non-interest income	135	50	29
Income	406	10	3
Expenses	170	5	(1)
Profit before allowances	236	15	5
Allowances for credit & other losses	22	16	(24)
Net profit	178	14	9

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



Most key ratios for Hong Kong improve

(%)	1Q 2007	4Q 2006	1Q 2006
Net interest margin	2.34	2.44	2.65
Non-interest / total income	33	27	24
Cost/income ratio	42	43	44
ROA	1.40	1.27	1.34
Loans/deposit	73	73	77

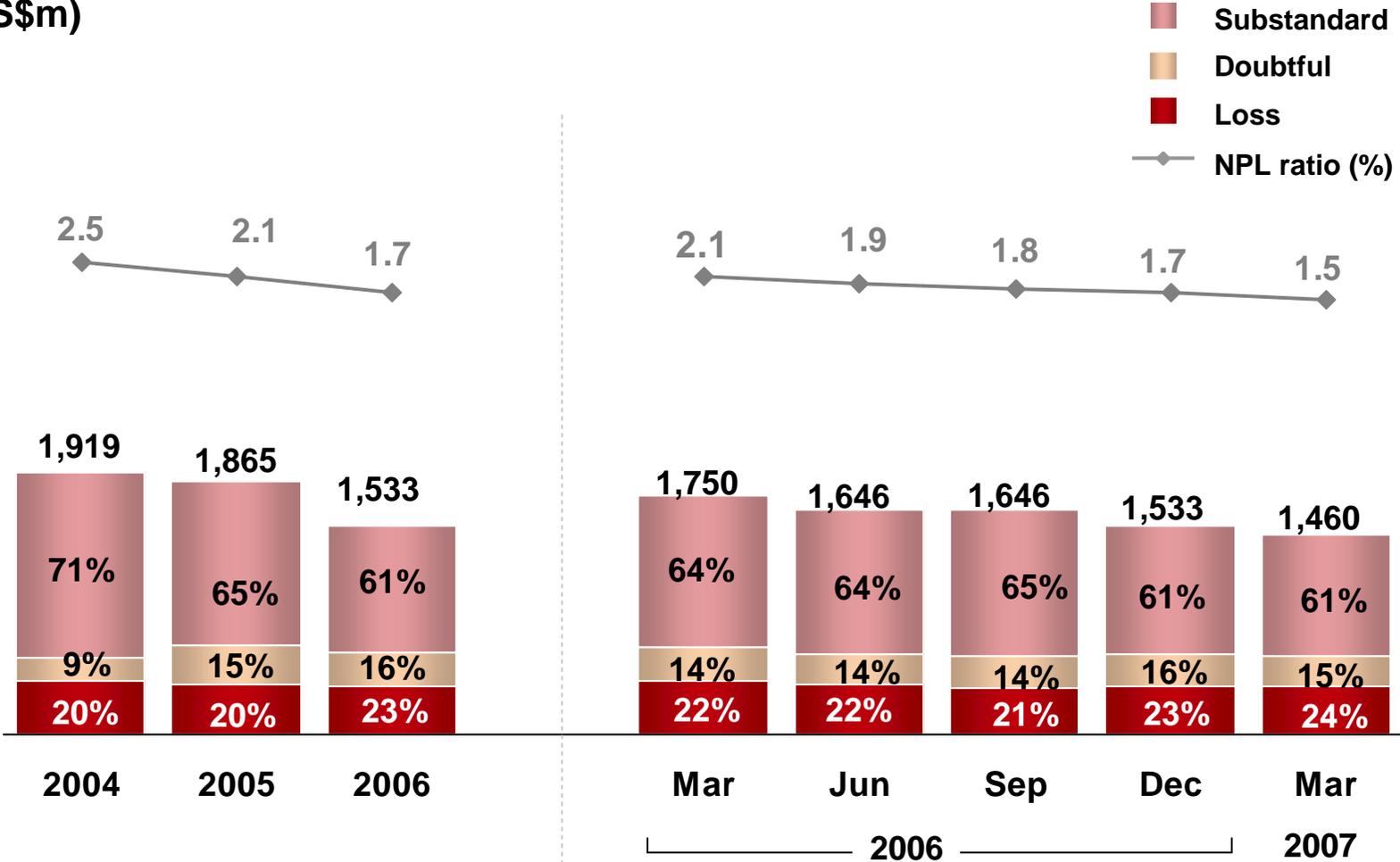
Excluding one-time gains

Sustained growth despite margin pressure

- ❑ Operating trends sustained
- ❑ Improved performance in Hong Kong
- ❑ Balance sheet remains strong

NPL rate improves to 1.5%

(S\$m)



Non-performing assets down 5% on quarter

(S\$m)	1Q 2007	4Q 2006	1Q 2006
NPAs at start of period	1,533	1,646	1,865
New NPAs	90	121	170
Net recoveries of existing NPAs	(125)	(201)	(210)
Write-offs	(38)	(33)	(74)
NPAs at end of period	1,460	1,533	1,750

Specific allowances lower as settlements for existing NPLs rise

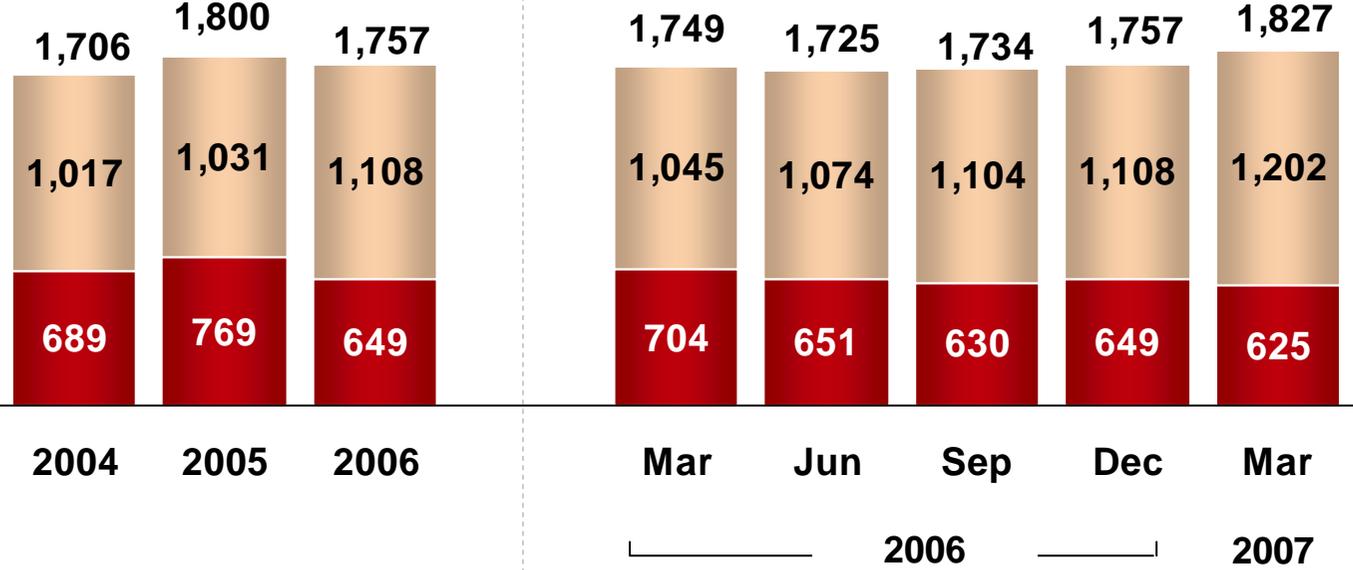
(S\$m)

	1Q 2007	4Q 2006	1Q 2006
<u>Add charges for</u>			
New NPLs	32	42	39
Existing NPLs	21	56	33
	53	98	72
<u>Subtract charges for</u>			
Upgrading	1	1	3
Settlements	44	22	22
Recoveries	7	16	7
	52	39	32
Total specific allowances	1	59	40

Cumulative allowances reach 125% of non-performing assets

(S\$m)

■ General allowances
■ Specific allowances



General and specific allowances as % of:

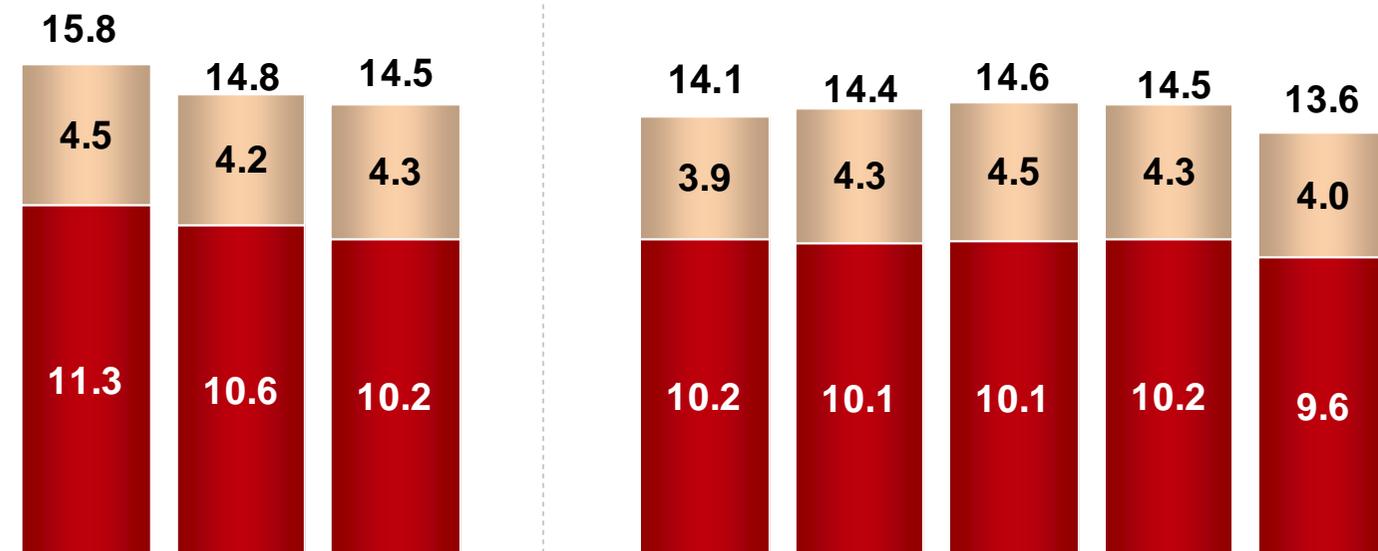
NPAs	89	97	115	100	105	105	115	125
Unsecured NPAs	187	198	237	218	234	237	237	254



CAR declines as RWA increases due to strong credit growth

(%)

Tier-2
Tier-1



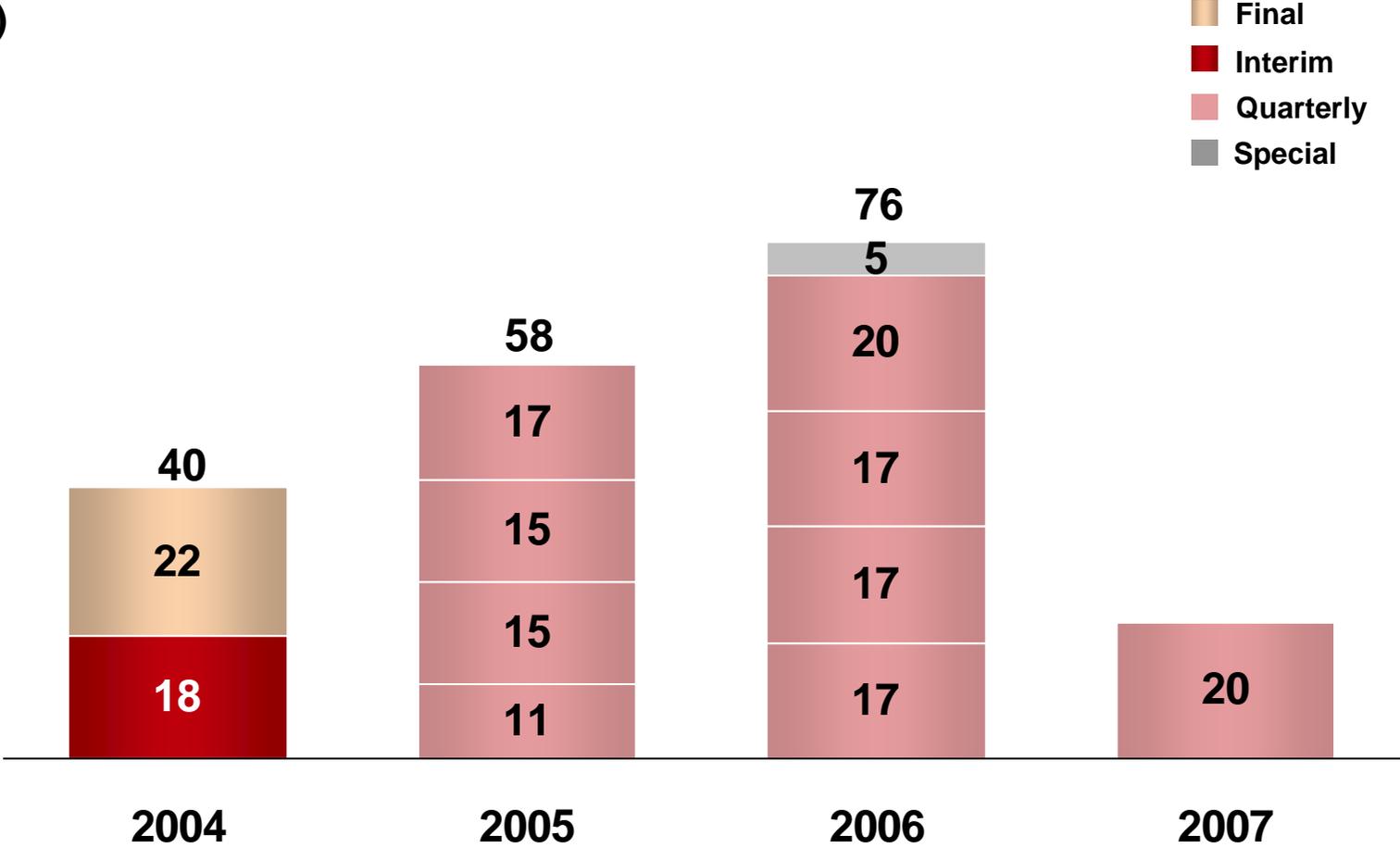
2004 2005 2006 Mar Jun Sep Dec Mar
 _____ 2006 _____ 2007

(S\$bn)

Tier-1 capital	11.8	13.1	14.8	13.5	13.8	14.2	14.8	15.0
RWA	104.0	123.8	144.1	131.8	137.4	140.3	144.1	157.0

1Q dividends up 18% on year to 20 cents per share

(S¢)



Sustained growth despite margin pressure

- ❑ **Operating trends sustained**
- ❑ **Improved performance in Hong Kong**
- ❑ **Balance sheet remains strong**

Sustained growth despite margin pressure

DBS Group Holdings 1Q 2007 financial results

May 4, 2007

Disclaimer: The information contained in this document is intended only for use during the presentation and should not be disseminated or distributed to parties outside the presentation. DBS Bank accepts no liability whatsoever with respect to the use of this document or its contents.

