

Underlying business trends sustained

DBS Group Holdings
4Q 2007 financial results
February 15, 2008

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Underlying business trends sustained

- CDO exposure reduced
- Operating trends sustained
- Hong Kong trends unchanged
- Balance sheet remains strong

Allowance coverage for investment CDOs with US sub-prime exposure at 90%

(S\$m)	Amount as at:		4Q allowance charges	Cumulative allowances	% coverage
	31 Dec	30 Sep			
ABS CDOs (with US sub-prime)	267	275	170	240	90
Other CDOs	944	970	30	30	3

Rosa to be liquidated

On 30 Jan 2008, Rosa sold its assets to DBS Bank at fair value

Profit and loss impact

	(S\$m)
Total loss to DBS Group	232
Incurred in 2007	136
Incurred in prior years	10
To be incurred in January 2008	86

Balance sheet impact

CDOs amounting to S\$347m have been transferred to DBS Bank

Remaining CDOs have been dismantled into their trading components and the related swaps extinguished

DBS' CDO exposure reduced

Current total CDO exposure reduced to S\$1.50 billion, comprising:

	(S\$m)
<u>ABS CDO portfolio</u>	
Current exposure	<u>267</u>
<u>Non-ABS CDO portfolio</u>	
As at 31 Dec 2007	944
Repayment in January 2008	(59)
Transferred from Rosa in January 2008	<u>347</u>
Current exposure	<u>1,232</u>
of which	
– Investment portfolio	907
– Trading portfolio	325

90% of ABS CDO portfolio covered by allowances

Ratings distribution for non-ABS CDOs – 15% AAA, 42% AA, 42% A, 1% BBB

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Profit before allowances up 14% on year

(S\$m)	4Q 2007	YoY %	QoQ %
Net interest income	1,059	14	1
Fee income	379	25	(6)
Trading income	(25)	nm	nm
Other income	120	21	(19)
Non-interest income	474	1	(3)
Income	1,533	10	(0)
Staff expenses	323	6	(7)
Other expenses	325	1	7
Expenses	648	3	(1)
Profit before allowances	885	14	0
Allowances for credit & other losses	182	>100	>100
Net profit	558	0	(14)

Excluding one-time gains and impairment charges

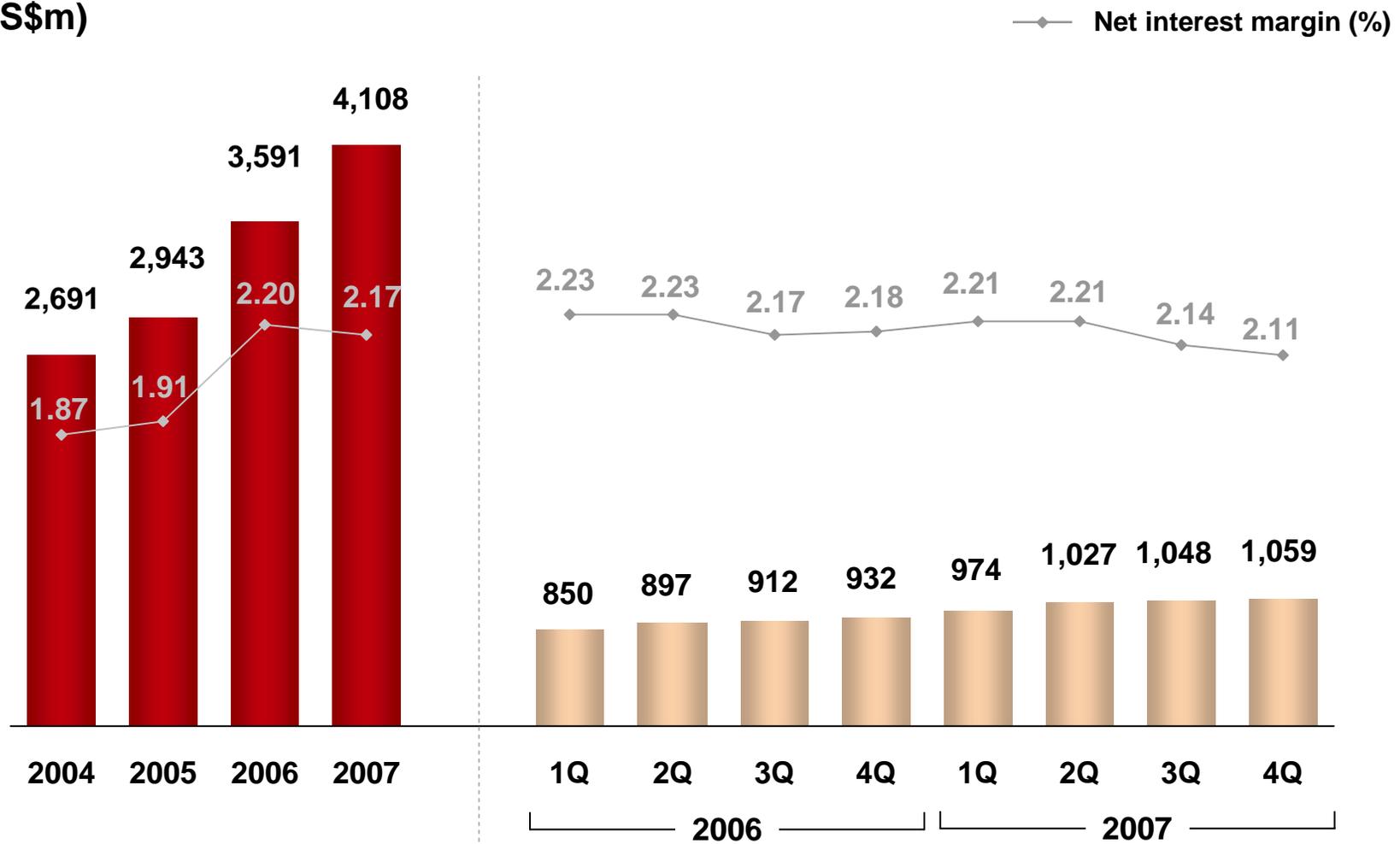
Most key ratios improve on year

(%)	4Q 2007	3Q 2007	4Q 2006
Net interest margin	2.11	2.14	2.18
Fee income/total income	25	26	22
Non-interest income/total income	31	32	33
Cost/income	42	42	45
ROE	10.9	13.0	12.2
Loans/deposits	71	73	66
NPL ratio	1.1	1.2	1.7

Excluding one-time gains and impairment charges

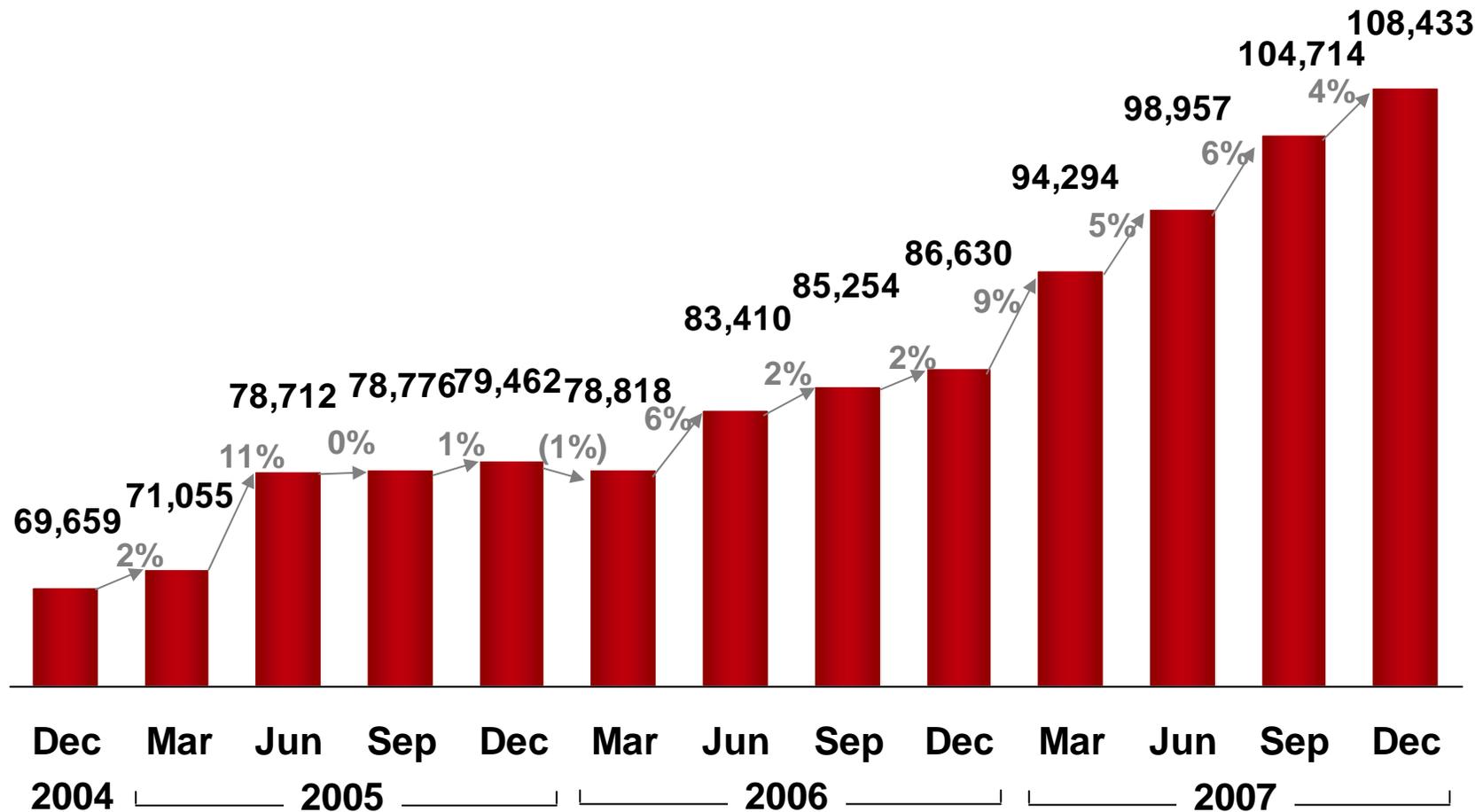
Net interest income at annual and quarterly high

(S\$m)



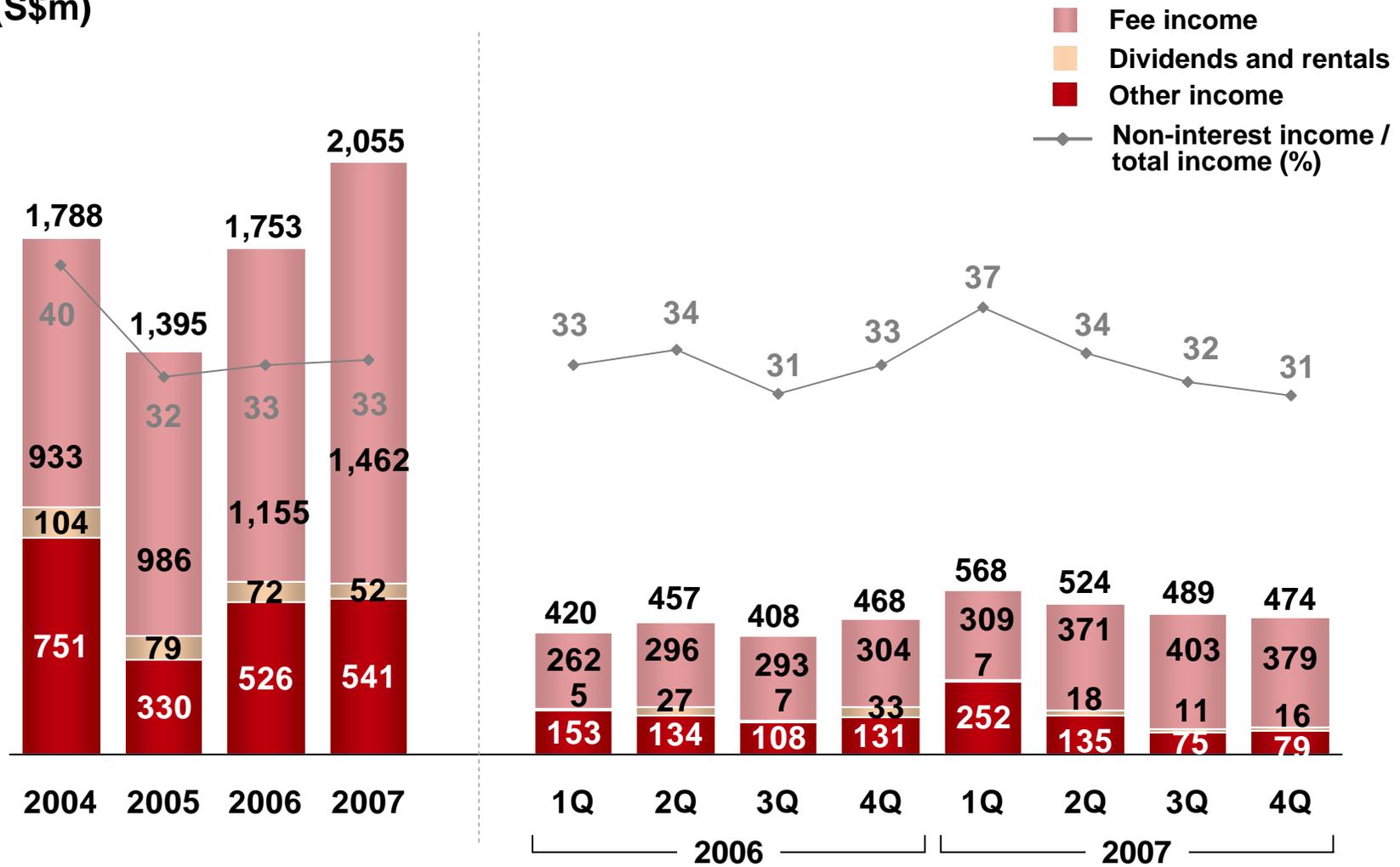
Loans up 25% on year

(S\$m)



Fee income up 25% on year

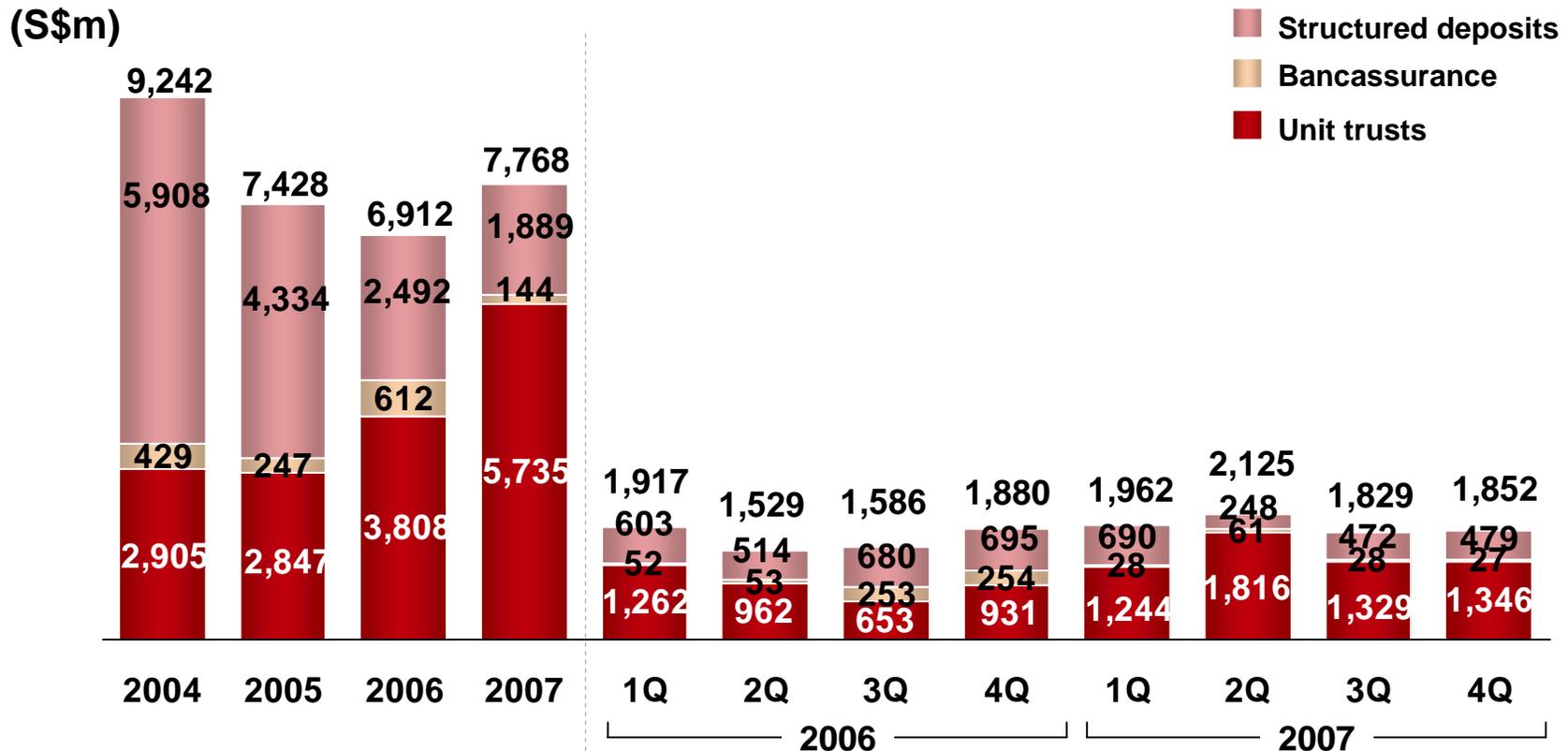
(S\$m)



Excluding one-time gains



Wealth management fees up 89% on year



Sales (all products)

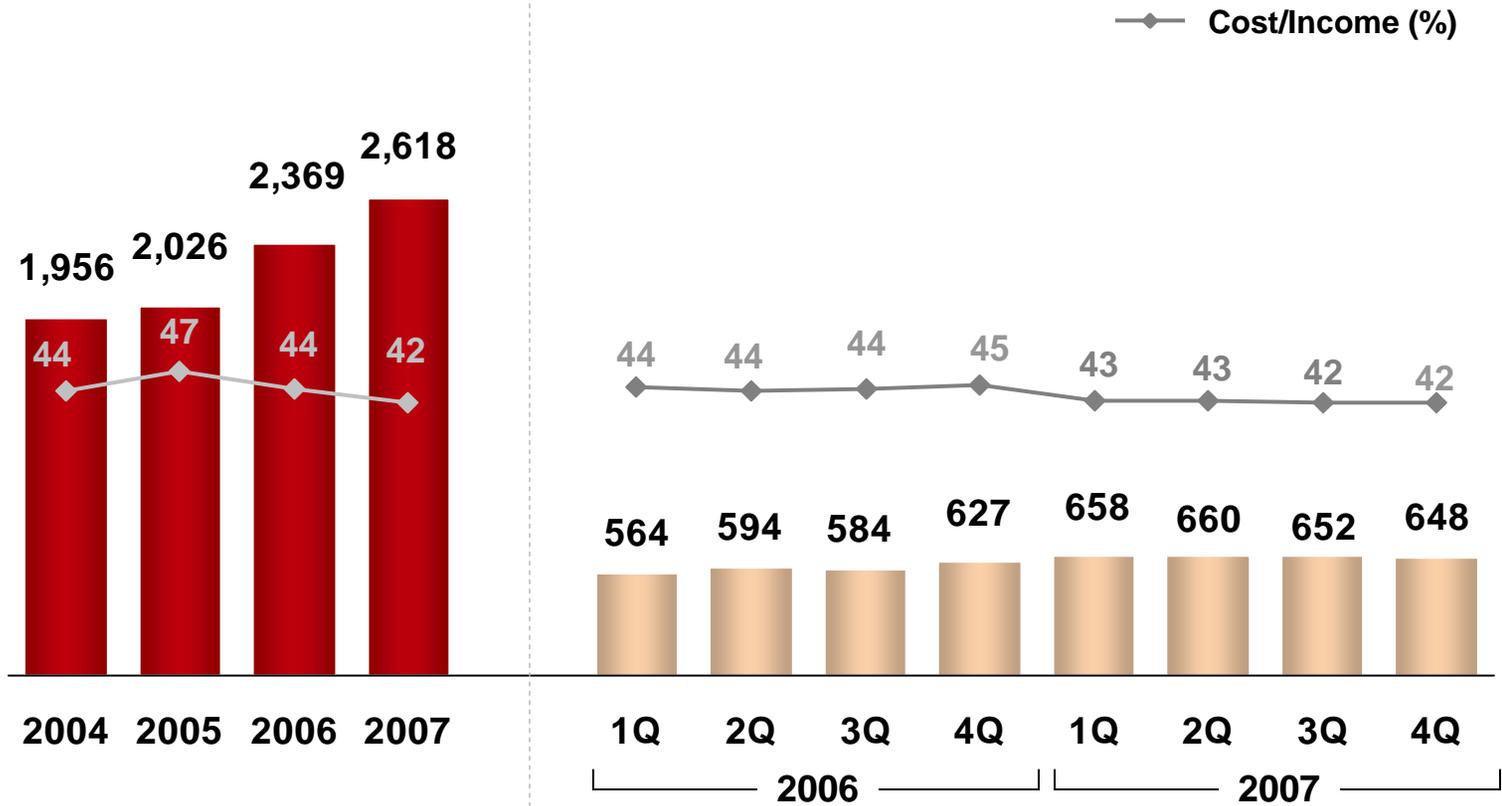
S'pore	3,874	3,560	3,477	3,924	1,031	786	718	942	993	1,116	958	857
HK	5,368	3,868	3,435	3,844	886	743	868	938	969	1,009	871	995

Fees (unit trusts and bancassurance only)

S'pore + HK	119	129	170	249	42	38	53	37	47	68	64	70
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Cost-income ratio improves to 42%

(S\$m)



Headcount	11,454	12,728	12,907	14,523
Staff expenses (S\$m)	993	1,052	1,244	1,384

12,673	12,453	12,670	12,907	13,177	13,364	13,842	14,523
300	321	317	306	360	354	347	323

Cost-income ratio excluding one-time gains



Full-year profit before allowances up 19%

(S\$m)	2007	YoY %
Net interest income	4,108	14
Fee income	1,462	27
Trading income	180	(66)
Other income	413	>100
Non-interest income	2,055	17
Income	6,163	15
Staff costs	1,384	11
Other expenses	1,234	10
Expenses	2,618	11
Profit before allowances	3,545	19
Allowances for credit & other losses	431	>100
Net profit	2,487	14

Excluding one-time gains and impairment charges

Most full-year key ratios improve

(%)

	2007	2006
Net interest margin	2.17	2.20
Fee income/total income	24	22
Non-interest income/total income	33	33
Cost/income	42	44
ROE	12.7	12.3
Loans/deposits	71	66
NPL ratio	1.1	1.7

Excluding one-time gains and impairment charges

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Hong Kong's net profit in Singapore-dollar terms down 2% on year

(S\$m)	4Q 2007	YoY %	QoQ %
Net interest income	251	(13)	(5)
Non-interest income	156	49	15
Income	407	3	1
Expenses	189	11	7
Profit before allowances	218	(3)	(3)
Allowances for credit & other losses	27	(7)	4
Net profit	160	(2)	(3)

Based on Singapore GAAP. Excluding one-time gains. Figures incorporate appreciation of Singapore dollar against Hong Kong dollar of 4% QoQ and 7% YoY



Hong Kong's key ratios mixed

(%)	4Q 2007	3Q 2007	4Q 2006
Net interest margin	2.03	2.16	2.44
Non-interest income/total income	38	34	27
Cost/income	47	44	43
ROA	1.15	1.20	1.27
Loans/deposits	72	79	73

Excluding one-time gains

Hong Kong's full-year net profit in Singapore-dollar terms up 10% on year

(S\$m)	2007	YoY %
Net interest income	1,064	(7)
Non-interest income	554	47
Income	1,618	6
Expenses	698	4
Profit before allowances	920	8
Allowances for credit & other losses	96	(4)
Net profit	686	10

Based on Singapore GAAP. Excluding one-time gains. Figures incorporate appreciation of Singapore dollar against Hong Kong dollar of 5% YoY



Hong Kong's full-year key ratios mixed

(%)	2007	2006
Net interest margin	2.21	2.53
Non-interest income/total income	34	25
Cost/income	43	44
ROA	1.28	1.26
Loans/deposits	72	73

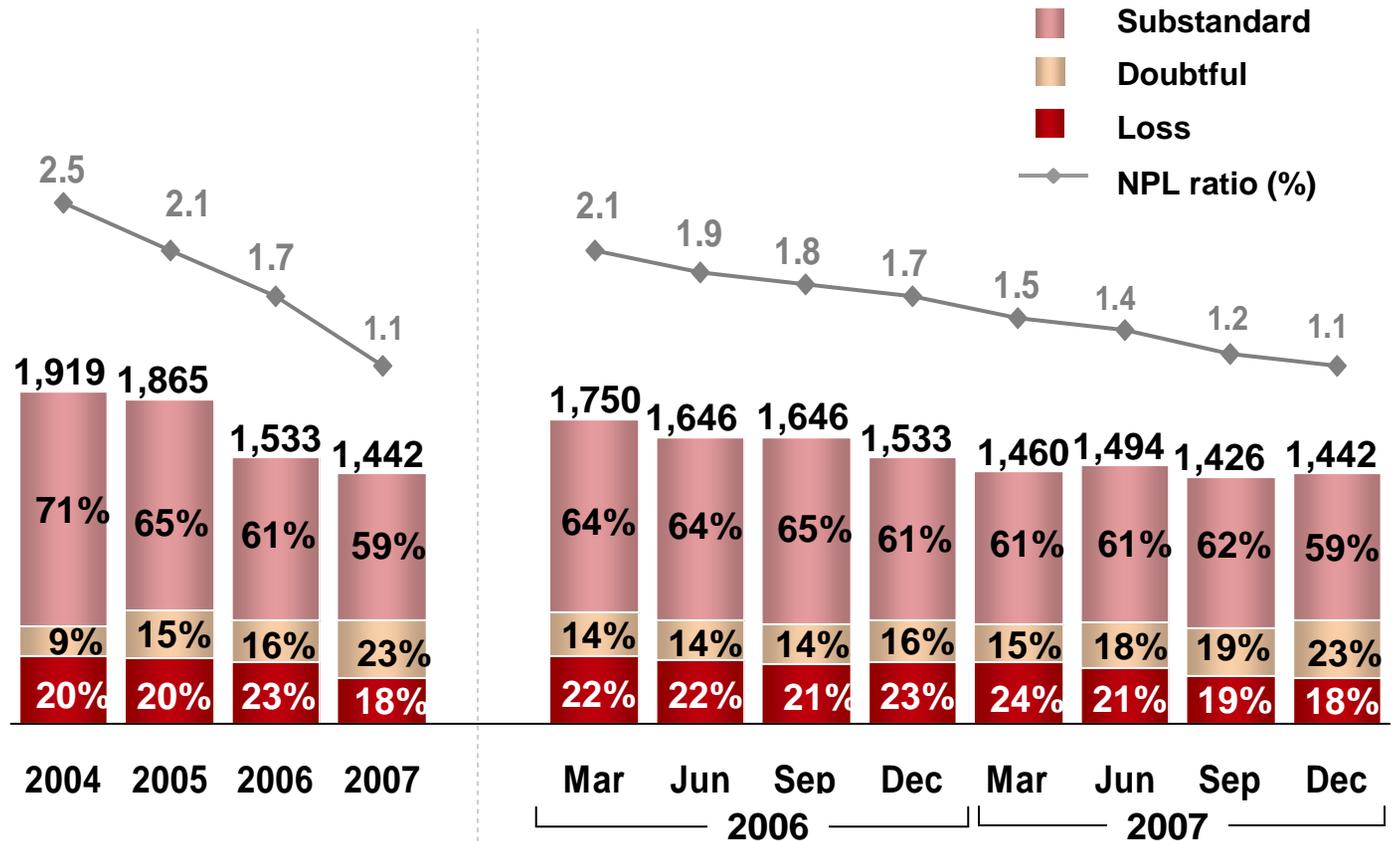
Excluding one-time gains

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NPL rate improves to 1.1%, allowance coverage rises to 135%

(S\$m)



Cumulative general and specific allowances as % of:

NPAs	89	97	115	135	100	105	105	115	125	124	130	135
Unsecured NPAs	187	198	237	245	218	234	237	237	254	254	256	245

Non-performing assets rise due to CDOs

(S\$m)	4Q 2007	3Q 2007	4Q 2006
NPAs at start of period	1,426	1,494	1,646
New NPAs	270	188	121
Net recoveries of existing NPAs	(162)	(177)	(201)
Write-offs	(92)	(79)	(33)
NPAs at end of period	1,442	1,426	1,533

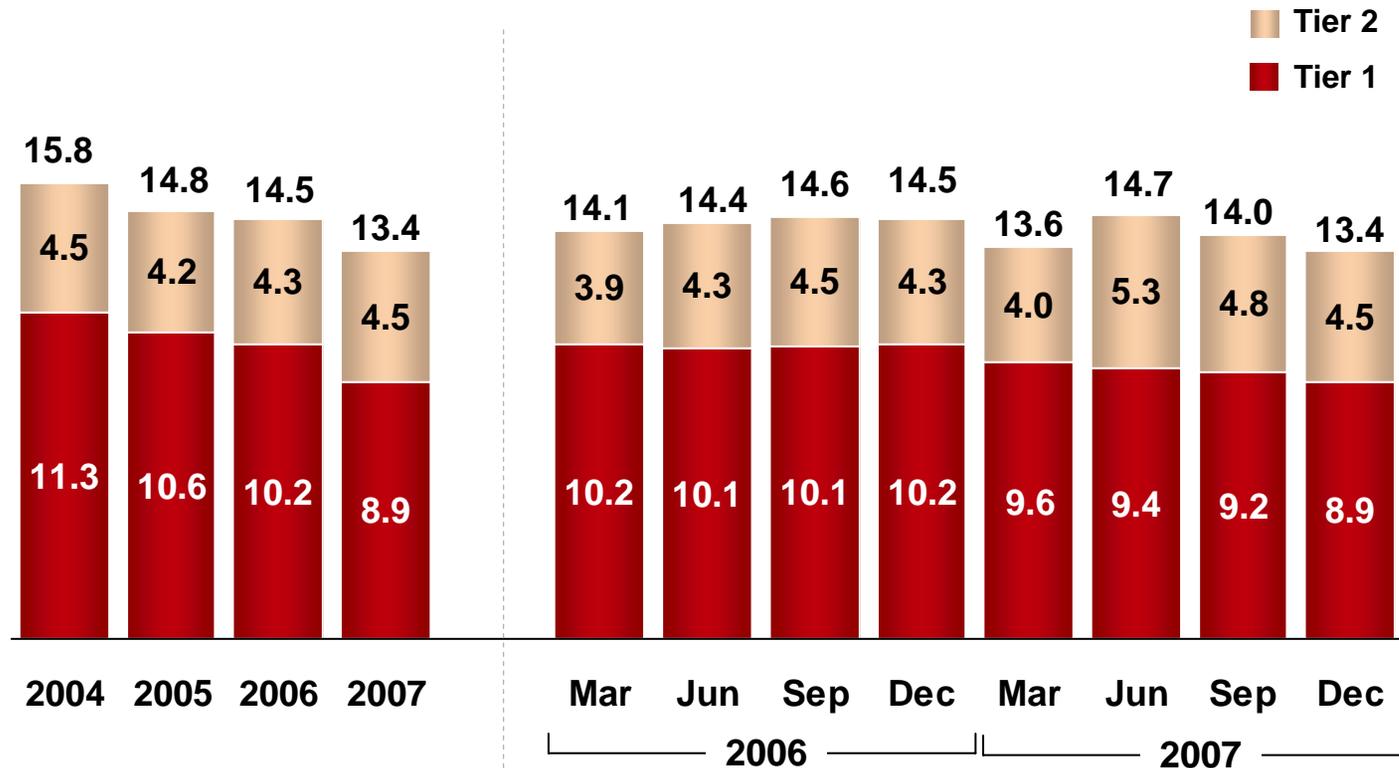
Specific allowances for loans remain low

(S\$m)

	4Q 2007	3Q 2007	4Q 2006
<u>Add charges for</u>			
New NPLs	42	40	42
Existing NPLs	38	50	56
	80	90	98
<u>Subtract charges for</u>			
Upgrading	1	2	1
Settlements	55	51	22
Recoveries	8	9	16
	63	62	39
Total SP charges	16	28	59

CAR declines as RWA increases due to loan growth

(%)



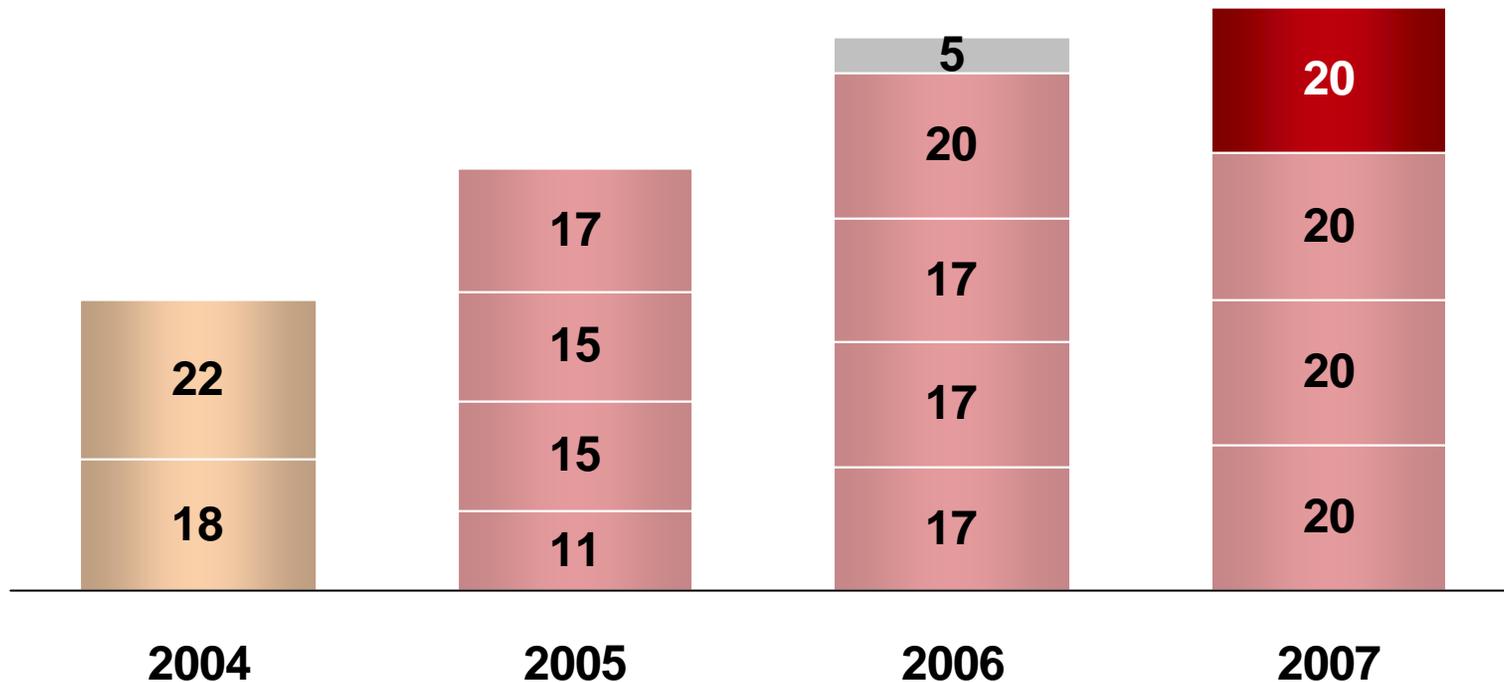
(S\$bn)

Tier-1 capital	11.8	13.1	14.8	16.4	13.5	13.8	14.2	14.8	15.0	15.8	16.2	16.4
RWA	104.0	123.8	144.1	184.6	131.8	137.4	140.3	144.1	157.0	167.8	176.5	184.6

4Q one-tier dividends of 20 cents

(S¢)

- Half-yearly (gross)
- Quarterly (gross)
- Special (gross)
- Quarterly (one-tier)



Bowa boosts Greater China strategy

Transaction highlights

Acquired Bowa's "good bank assets" of S\$2.9 billion net loans, S\$4.1 billion deposits, 43 distribution outlets, and a payment from the CDIC

Enhanced regional presence

Good size of branch network to build presence in Taiwan
100% control, branches will be re-branded as DBS branches

Greater China play

Capture growing trade and investment flows between Taiwan, Hong Kong and China

Enhanced Taiwan presence to target SME, mass affluent segments more effectively

Larger talent pool and professional expertise to develop Greater China franchise

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