



To: Shareholders

The DBS Group Holdings Ltd (“DBSH” or “the Company”) Board of Directors report audited financial results for the year ended 31 December 2007.

For the fourth quarter of 2007, the Directors have recommended a final one-tier tax exempt dividend of 20 cents for each DBSH ordinary share. Details of the proposed dividends in respect of the financial year ended 31 December are as follows:

<u>In \$ millions</u>	<u>2007</u>	<u>2006</u>
DBSH Non-voting Convertible Preference Share (“CPS”)		
Interim dividend* of 30 cents less 18% tax (2006: 30 cents less 20% tax)	(a)	(a)
DBSH Non-voting redeemable CPS		
Interim dividend* of 30 cents less 18% tax (2006: 30 cents less 20% tax)	16	16
DBSH Ordinary share		
Interim dividend* of 60 cents less 18% tax (2006: 51 cents less 20% tax)	746	613
Final one-tier tax exempt dividend of 20 cents (2006: Final dividend of 20 cents less 20% tax and Special dividend of 5 cents less 20% tax)	304	302
	<u>1,050</u>	<u>915</u>

* Interim dividends were paid to entitled shareholders during the year

(a) Amounts under \$500,000

The 2007 final one-tier tax exempt dividend will be payable on 22 April 2008, subject to shareholders’ approval at the Annual General Meeting to be held on 2 April 2008. The DBSH shares will be quoted ex-dividend on 7 April 2008. Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 10 April 2008. 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 9 April 2008 will be registered to determine shareholders’ entitlement to the 2007 final one-tier tax exempt dividend. In respect of ordinary shares in the securities accounts with The Central Depository (Pte) Limited (“CDP”), the 2007 final one-tier tax exempt 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

14 February 2008
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 54*, which comprise the balance sheets of the Group and the Company as at 31 December 2007, 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.

* These page numbers are as stated in the Independent Auditors' Report dated 14 February 2008 included in DBS Group Holdings Ltd's financial statements for the financial year ended 31 December 2007.

Independent Auditors' Report (cont'd)

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 to 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 2007 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

14 February 2008
Singapore



Performance Summary

Financial Results for the Fourth Quarter ended
31 December 2007 (Unaudited) and
For the Year 2007 (Audited)

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

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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 2006, with the exception of the adoption of new or revised FRS and Interpretations to FRS (INT FRS) which did not result in substantial changes to the accounting policies.

The Council on Corporate Disclosure and Governance (CCDG) issued several new or revised FRS and INT FRS, which are effective 1 January 2007 for the Group.

- Amendment to FRS 1: Presentation of Financial Statements – Capital Disclosures
- FRS 32 (revised): Financial Instruments – Presentation
- FRS 40 (new): Investment Property
- FRS 107 (new): Financial Instruments – Disclosures
- INT FRS 108: Scope of FRS 102 – Share-based Payment
- INT FRS 109: Reassessment of Embedded Derivatives
- INT FRS 110: Interim Financial Reporting and Impairment

	4th Qtr 2007	4th Qtr 2006 ^{1/}	% chg	3rd Qtr 2007 ^{1/}	Year 2007	Year 2006 ^{1/}	% chg
Selected income statement items (\$m)							
Net interest income	1,059	932	14	1,048	4,108	3,591	14
Net fee and commission income	379	304	25	403	1,462	1,155	27
Net trading income	(25)	65	NM	(63)	180	522	(66)
Net income from financial instruments designated at fair value	4	(36)	NM	5	(86)	(192)	55
Net income from financial investments	104	121	(14)	128	450	229	97
Other income	12	14	(14)	16	49	39	26
Total income	1,533	1,400	10	1,537	6,163	5,344	15
Less: Expenses	648	627	3	652	2,618	2,369	11
Profit before allowances	885	773	14	885	3,545	2,975	19
Less: Allowances for credit and other losses	182	1	>100	80	431	135	>100
Share of profits of associates	32	20	60	27	110	70	57
Profit before tax	735	792	(7)	832	3,224	2,910	11
Net profit attributable to shareholders (Net profit)	558	556	-	648	2,487	2,175	14
Add: One-time items ^{2/}	(67)	40	NM	(38)	(209)	94	NM
Net profit including one-time items and goodwill charges	491	596	(18)	610	2,278	2,269	-
Selected balance sheet items (\$m)							
Customer loans ^{3/}	108,433	86,630	25	104,714	108,433	86,630	25
Interbank assets ^{4/}	24,564	26,515	(7)	32,478	24,564	26,515	(7)
Total assets	233,591	197,372	18	230,577	233,591	197,372	18
Customer deposits ^{5/}	153,572	131,373	17	144,185	153,572	131,373	17
Total liabilities	210,433	176,326	19	207,548	210,433	176,326	19
Shareholders' funds	20,481	18,675	10	20,311	20,481	18,675	10
Key financial ratios(%) (excluding one-time items) ^{6/}							
Net interest margin	2.11	2.18		2.14	2.17	2.20	
Non-interest/total income	30.9	33.4		31.8	33.3	32.8	
Cost/income ratio	42.3	44.8		42.4	42.5	44.3	
Return on assets	0.96	1.13		1.14	1.15	1.15	
Return on equity ^{7/}	10.88	12.15		12.96	12.66	12.33	
Loan/deposit ratio	70.6	65.9		72.6	70.6	65.9	
NPL ratio	1.1	1.7		1.2	1.1	1.7	
Specific allowances (loans)/average loans (bp)	6	27		11	9	19	
Tier 1 capital adequacy ratio	8.9	10.2		9.2	8.9	10.2	
Total capital adequacy ratio	13.4	14.5		14.0	13.4	14.5	

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

	4th Qtr 2007	4th Qtr 2006 ^{1/}	% chg	3rd Qtr 2007 ^{1/}	Year 2007	Year 2006 ^{1/}	% chg
Per share data (\$)							
Per basic share							
– earnings excluding one-time items and goodwill charges	1.47	1.47		1.70	1.64	1.44	
– earnings	1.42	1.50		1.68	1.50	1.50	
– net book value ^{7/}	13.20	12.08		13.10	13.20	12.08	
Per diluted share							
– earnings excluding one-time items and goodwill charges	1.41	1.41		1.63	1.57	1.39	
– earnings	1.37	1.44		1.61	1.44	1.45	
– net book value ^{7/}	12.93	11.84		12.82	12.93	11.84	

Notes:

- 1/ Figures have been reclassified to make them consistent with the current year's or quarter's presentation
- 2/ One-time items include gains from sale of buildings in Hong Kong, allowance write-back for a Singapore property, and impairment charges for Thai investment
- 3/ Includes customer loans classified as financial assets at fair value through profit or loss on the balance sheet
- 4/ Includes interbank assets classified as financial assets at fair value through profit or loss on the balance sheet
- 5/ Includes customer deposits classified as financial liabilities at fair value through profit or loss on the balance sheet
- 6/ Return on assets, return on equity, specific allowances (loan)/average loan and per share data for the quarters are computed on an annualised basis
- 7/ Minority interests are not included as equity in the computation of net asset value and return on equity

Fourth-quarter net profit of \$558 million was similar to a year ago and 14% below the previous quarter as higher allowances were made for the bank's investments in collateralised debt obligations (CDOs). The strength in underlying business trends seen in recent quarters was sustained during the fourth quarter. Total income and profit before allowances were similar to the third quarter and were respectively 10% and 14% higher than a year ago.

Net interest income reached a new quarterly record, rising 14% from a year ago and 1% from the previous quarter to \$1.06 billion as corporate loans increased. The benefit of higher asset volumes was partially offset by a three basis points decline in interest margins from the previous quarter to 2.11% as interest rate margins in Hong Kong narrowed.

Net fee income rose 25% from a year ago to \$379 million. However, it was 6% below the previous quarter's record with lower fees from investment banking and loan syndication.

Net trading losses narrowed to \$25 million from \$63 million in the previous quarter. Higher income from foreign exchange, interest rate and equity trading was offset by an additional marked-to-market loss of \$91 million for CDOs held by Red Orchid Secured Assets (Rosa), a fully-consolidated conduit.

Expenses were kept in check, falling 1% from the previous quarter to \$648 million. Compared to a year ago, expenses rose 3%, a lower rate than the 10% increase in revenues. The cost-income ratio fell from 45% a year ago to 42%, similar to the previous quarter.

Asset quality remained good, with the non-performing loan (NPL) rate improving further to 1.1% from 1.2% in the previous quarter. Specific loan allowances fell to six basis points from 27 basis points a year ago and were below the average of nine basis points for full-year 2007.

Additional allowances for \$1.21 billion of investment CDOs were made in the fourth quarter. For the \$267 million of CDOs with exposure to US sub-prime mortgages, further specific and general allowances of \$170 million were taken during the fourth quarter, bringing cumulative allowances for such CDOs to \$240 million, translating into a coverage of 90% for CDOs with exposures to US sub-prime mortgages. For the remaining \$944 million of investment CDOs, \$30 million was taken as general allowances during the quarter as a prudential measure. These CDOs have as collateral high grade loans and bonds and are largely rated 'A' and above.

An impairment charge of \$67 million was taken for DBS' 6.8% investment in TMB Bank in Thailand to reflect the reduction in its market valuation during the quarter. Including this charge, net profit for the fourth quarter would be \$491 million.

For the full year, net profit rose 14% to \$2.49 billion before one-time items as customer business expansion resulted in net interest and fee incomes reaching new annual highs. Costs were also better managed, with the cost-income ratio improving from 44% in 2006 to 42%. These gains were partially offset by higher allowances for CDOs. Return on assets was unchanged from the previous year at 1.15% while return on equity improved from 12.3% to 12.7%.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

QUARTERLY BREAKDOWN

(\$m)	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year
Net interest income					
2006	850	897	912	932	3,591
2007	974	1,027	1,048	1,059	4,108
% chg	15	14	15	14	14
Non interest income					
2006	420	457	408	468	1,753
2007	568	524	489	474	2,055
% chg	35	15	20	1	17
Total income					
2006	1,270	1,354	1,320	1,400	5,344
2007	1,542	1,551	1,537	1,533	6,163
% chg	21	15	16	10	15
Expenses					
2006	564	594	584	627	2,369
2007	658	660	652	648	2,618
% chg	17	11	12	3	11
Allowances for credit and other losses					
2006	31	62	41	1	135
2007	105	64	80	182	431
% chg	>100	3	95	>100	>100
Profit before tax					
2006	687	718	713	792	2,910
2007	805	852	832	735	3,224
% chg	17	19	17	(7)	11
Net profit					
2006	518	549	552	556	2,175
2007	617	664	648	558	2,487
% chg	19	21	17	-	14
Add: One-time items^{1/}					
2006	-	54	-	40	94
2007	-	(104)	(38)	(67)	(209)
% chg	-	NM	NM	NM	NM
Net profit including one-time items and goodwill charges					
2006	518	603	552	596	2,269
2007	617	560	610	491	2,278
% chg	19	(7)	11	(18)	-

Notes:

^{1/} One-time items include gains from sale of buildings in Hong Kong, allowance write-back for a Singapore property, and impairment charges for Thai investment

Quarterly total income was stable during the year, averaging \$1.54 billion per quarter. A progressive rise in net interest income over the four quarters was offset by more volatile non-interest income from trading markets. Net interest income rose year-on-year by 14-15% for each of the four quarters. Non-interest income for each of the four quarters in 2007 was higher than the year-ago period.

Quarterly expenses were maintained with small variations around an average of \$655 million. There was a positive

jaw between percentage increases in income and expenses for all four quarters averaging five percentage points.

Quarterly total allowances were higher than the year-ago period. The increase in the first quarter was due to general loan allowances as loans grew, while the increases in the third and fourth quarter were mostly CDO-related allowances.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NET INTEREST INCOME

Average balance sheet	4th Qtr 2007			4th Qtr 2006			3rd Qtr 2007		
	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)
Interest-bearing assets									
Customer loans	105,474	1,430	5.38	86,136	1,212	5.58	100,608	1,405	5.54
Interbank assets	39,260	312	3.16	33,514	306	3.63	39,693	344	3.44
Securities	53,984	609	4.48	49,812	560	4.46	54,344	613	4.47
Total	198,718	2,351	4.69	169,462	2,078	4.87	194,645	2,362	4.81
Interest-bearing liabilities									
Customer deposits	147,861	801	2.15	128,915	756	2.33	142,616	777	2.16
Other borrowings	42,725	491	4.56	31,453	390	4.92	42,880	537	4.97
Total	190,586	1,292	2.69	160,368	1,146	2.83	185,496	1,314	2.81
Net interest income/margin ^{1/}		1,059	2.11		932	2.18		1,048	2.14

Average balance sheet	Year 2007			Year 2006		
	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)
Interest-bearing assets						
Customer loans	97,423	5,405	5.55	82,561	4,559	5.52
Interbank assets	37,596	1,261	3.35	30,718	1,001	3.26
Securities	53,996	2,424	4.49	49,908	2,249	4.51
Total	189,015	9,090	4.81	163,187	7,809	4.79
Interest-bearing liabilities						
Customer deposits	141,232	3,079	2.18	123,779	2,746	2.22
Other borrowings	38,864	1,903	4.90	31,713	1,472	4.64
Total	180,096	4,982	2.77	155,492	4,218	2.71
Net interest income/margin ^{1/}		4,108	2.17		3,591	2.20

Note:

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

The increase in net interest income from both a year ago and the previous quarter was due to a rise in asset volumes, particularly customer loans. The contribution of higher asset volumes to net interest income more than offset the impact of lower margins.

Compared to the previous quarter, interest margins declined three basis points to 2.11% as interest margins in Hong Kong fell due to lower prime lending rates. Interbank asset yields were also lower but were offset by reduced costs for other borrowings. Customer deposit costs were stable.

Compared to a year ago, interest margins fell seven basis points as lower loan yields and interbank yields were partially compensated by a decline in customer deposit and other funding costs.

For the full year, net interest margins fell three basis points to 2.17% due to lower interest margins in Hong Kong. The volume and rate analysis below shows that the increase in full-year net interest income was almost wholly due to higher asset volumes.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Volume and rate analysis (\$m) Increase/(decrease) due to change in	4th Qtr 2007 versus 4th Qtr 2006			4th Qtr 2007 versus 3rd Qtr 2007		
	Volume	Rate	Net change	Volume	Rate	Net change
Interest income						
Customer loans	272	(54)	218	68	(43)	25
Interbank assets	52	(46)	6	(4)	(28)	(32)
Securities	47	2	49	(4)	-	(4)
Total	371	(98)	273	60	(71)	(11)
Interest expense						
Customer deposits	111	(66)	45	28	(4)	24
Other borrowings	143	(42)	101	(4)	(42)	(46)
Total	254	(108)	146	24	(46)	(22)
Net impact on interest income	117	10	127	36	(25)	11
Due to change in number of days			-			-
Net Interest Income			127			11

Volume and rate analysis (\$m) Increase/(decrease) due to change in	Year 2007 versus Year 2006		
	Volume	Rate	Net change
Interest income			
Customer loans	821	25	846
Interbank assets	224	36	260
Securities	184	(9)	175
Total	1,229	52	1,281
Interest expense			
Customer deposits	387	(54)	333
Other borrowings	329	102	431
Total	716	48	764
Net impact on interest income	513	4	517
Due to change in number of days			-
Net Interest Income			517

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NET FEE AND COMMISSION INCOME

(\$m)	4th Qtr 2007	4th Qtr 2006	% chg	3rd Qtr 2007	Year 2007	Year 2006	% chg
Stockbroking	67	43	56	72	250	141	77
Investment banking	36	47	(23)	57	171	150	14
Trade and remittances	56	51	10	52	206	190	8
Loan related	53	41	29	66	232	166	40
Guarantees	10	7	43	9	36	30	20
Deposit related	17	18	(6)	20	78	79	(1)
Credit card	35	34	3	36	132	115	15
Fund management	11	13	(15)	10	43	62	(31)
Wealth management	70	37	89	64	249	170	46
Others	24	13	85	17	65	52	25
Total	379	304	25	403	1,462	1,155	27

The 25% increase in net fee and commission income from a year ago was broad based, with stockbroking and wealth management leading the increase as equity market activity and consumer demand for investment products were strong.

Net fee and commission income declined 6% from the previous quarter's record as investment banking and

stockbroking activities fell due to increased uncertainty in capital markets. Loan syndication activity was also lower.

For the full year, net fee and commission income rose 27% with almost all segments contributing to the increase. Stockbroking and wealth management made the largest contribution to the increase.

OTHER NON-INTEREST INCOME

(\$m)	4th Qtr 2007	4th Qtr 2006 ^{1/}	% chg	3rd Qtr 2007 ^{1/}	Year 2007	Year 2006 ^{1/}	% chg
Net trading income	(25)	65	NM	(63)	180	522	(66)
From trading businesses	(26)	68	NM	(47)	196	532	(63)
From other businesses	1	(3)	NM	(16)	(16)	(10)	(60)
Net income from financial instruments designated at fair value	4	(36)	NM	5	(86)	(192)	55
Net income on financial investments	104	121	(14)	128	450	229	97
Net gain on fixed assets ^{2/}	-	5	NM	2	6	10	(40)
Others (include rental income)	12	9	33	14	43	29	48
Total	95	164	(42)	86	593	598	(1)

Note:

^{1/} Figures have been reclassified to make them consistent with the current year's or quarter's presentation

^{2/} Excludes one-time items

Net trading income recorded a loss of \$25 million as marked-to-market losses of \$91 million for Rosa were partially offset by trading gains and customer flows in foreign exchange, interest rate and equity instruments. The loss was narrower than the \$63 million incurred in the previous quarter.

Net income from the sale of financial investments amounted to \$104 million as profits were recorded for the sale of equity and debt instruments.

For the year, net trading income fell to \$180 million from \$522 million a year ago as the fall-out from the US sub-prime mortgages impacted the credit trading portfolio and structured credit business. This was further compounded by marked-to-market losses from Rosa's CDOs. Lower net trading income for the year was offset by an increase in net income from the sale of financial investments, which rose to \$450 million from \$229 million.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

EXPENSES

(\$m)	4th Qtr 2007	4th Qtr 2006	% chg	3rd Qtr 2007	Year 2007	Year 2006	% chg
Staff	323	306	6	347	1,384	1,244	11
Occupancy	59	55	7	53	216	193	12
Computerisation	99	121	(18)	106	428	404	6
Revenue-related	37	30	23	38	135	105	29
Others	130	115	13	108	455	423	8
Total	648	627	3	652	2,618	2,369	11
Staff headcount at period-end	14,523	12,907	13	13,842	14,523	12,907	13

Included in the above table were:

Depreciation of properties and other fixed assets	32	35	(9)	32	126	130	(3)
Director's fees	1	#	NM	#	2	1	100
Audit fees payable	2	2	0	2	7	6	17

Amount under \$500,000

Expenses fell 1% from the previous quarter as lower wage accruals and computerisation charges were partially offset by higher marketing costs during the year-end period.

Compared to a year ago, costs rose 3% with a decline in computerisation charges offsetting increases in other expense categories.

For the year, expenses rose 11%, with both wage and non-wage costs contributing evenly to the increase.

ALLOWANCES FOR CREDIT AND OTHER LOSSES

(\$m)	4th Qtr 2007	4th Qtr 2006	% chg	3rd Qtr 2007	Year 2007	Year 2006	% chg
General allowances (GP)	66	11	>100	10	202	88	>100
Specific allowances (SP) for loans	16	59	(73)	28	92	159	(42)
Singapore	(5)	35	NM	(8)	(22)	79	NM
Hong Kong	15	21	(29)	17	69	78	(12)
Other countries	6	3	100	19	45	2	>100
Specific allowances (SP) for securities, properties and other assets ^{1/}	100	(69)	NM	42	137	(112)	NM
Total	182	1	>100	80	431	135	>100

Note:

1/ Excludes one-time items

Specific allowances for loans fell to \$16 million, one of the lowest amounts in recent quarters as loan asset quality remained strong. Singapore continued to have write-backs on its loans while charges in other locations fell from the previous quarter.

Specific allowances for non-loan assets of \$100 million included a \$117 million charge for the \$267 million of investment CDOs with exposure to US sub-prime mortgages.

General allowances of \$66 million included \$53 million for investment CDOs with exposure to US sub-prime mortgages and another \$30 million for the balance \$944 million of investment CDOs.

For the full year, total allowances rose to \$431 million from \$135 million in 2006 as general and specific allowances for CDO securities increased. They were partially offset by lower specific allowances for loans.

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 2007 ^{1/}							
Net interest income	418	202	218	276	98	(153)	1,059
Non-interest income	187	97	38	25	12	115	474
Expenses	289	105	126	155	5	(32)	648
Allowances for credit and other losses	4	21	48	-	194	(85)	182
Profit before tax	312	173	82	148	(89)	109	735
3rd Qtr 2007 ^{1/}							
Net interest income	427	195	188	254	95	(111)	1,048
Non-interest income	182	89	134	(66)	(6)	156	489
Expenses	278	92	105	108	6	63	652
Allowances for credit and other losses	5	19	82	1	68	(95)	80
Profit before tax	326	173	135	81	15	102	832
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
Year 2007 ^{1/}							
Net interest income	1,718	792	736	946	349	(433)	4,108
Non-interest income	688	395	552	78	16	326	2,055
Expenses	1,091	375	421	516	31	184	2,618
Allowances for credit and other losses	23	103	209	5	262	(171)	431
Profit before tax	1,292	709	658	516	72	(23)	3,224
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
Selected balance sheet and other items							
31 Dec 2007							
Total assets before goodwill	32,148	22,738	56,569	84,444	27,930	3,920	227,749
Total liabilities	83,171	21,311	30,733	47,667	1,458	26,093	210,433
Capital expenditure for Year 2007	62	3	10	17	-	104	196
Depreciation for Year 2007	25	3	6	11	-	81	126
Capital expenditure for 4th Qtr 2007	27	1	3	4	-	42	77
Depreciation for 4th Qtr 2007	6	1	2	3	-	20	32
30 Sep 2007							
Total assets before goodwill	32,116	22,599	52,061	86,083	28,007	3,868	224,734
Total liabilities	80,457	20,122	24,809	53,119	1,791	27,250	207,548
Capital expenditure for 3rd Qtr 2007	11	1	1	2	-	38	53
Depreciation for 3rd Qtr 2007	6	1	2	3	-	20	32

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	CBG	EB	CIB	GFM	CTU	Central Ops	Total
31 Dec 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 Year 2006	50	8	37	18	3	123	239
Depreciation for Year 2006	29	10	7	15	6	63	130
Capital expenditure for 4th Qtr 2006	20	1	32	4	-	56	113
Depreciation for 4th Qtr 2006	10	1	3	2	-	19	35

Note:

1/ Income, allowances for credit and other losses and profits exclude one-time items

Consumer Banking's (CBG) net interest income was lower than a year ago as the benefits of higher loan and deposit volumes in Singapore and Hong Kong were more than offset by a decline in loan margins in Hong Kong and deposit margins in Singapore. Net interest income fell from the previous quarter due to lower deposit margins in Singapore. Non-interest income was higher than a year ago due to higher sales of wealth management products. The increase in expenses from both comparative periods was due to higher operating costs. Both specific and general allowances were lower than a year ago.

Enterprise Banking's (EB) net interest income was higher than a year ago due to increased loan and deposit volumes in Singapore and Hong Kong, partially offset by lower interest margins in Hong Kong. The increase in net interest income from the previous quarter was due to higher deposit volumes in both locations with better interest margins in Singapore offsetting a decline in Hong Kong. Expenses rose as a result of higher operating costs compared to the previous quarter and to a year ago. Total allowances were lower than a year ago as specific allowances in Singapore declined.

Corporate and Investment Banking's (CIB) net interest income was higher than both comparative periods as

loan and deposit volumes increased while interest margins were stable. Against both comparative periods, non-interest income fell due to an increase in marked-to-market losses in Rosa's CDOs while expenses were higher due to increased operating costs. Allowances were higher than a year ago due to increased general allowances, but both general and specific allowances fell from the previous quarter.

Global Financial Markets' (GFM) net interest income rose from both comparative periods while non-interest income recovered from a loss in the previous quarter.

Central Treasury Unit (CTU) manages the Group's asset and liability interest rate positions as well as investments of the Group's excess liquidity. Allowances increased compared to the previous quarter and a year ago as allowances were made for investment CDOs with exposures to US sub-prime mortgages.

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 2007 ^{1/}						
Net interest income	706	251	35	44	23	1,059
Non-interest income	260	156	26	18	14	474
Expenses	371	189	30	41	17	648
Allowances for credit and other losses	112	27	13	22	8	182
Profit before tax	486	191	24	22	12	735
3rd Qtr 2007 ^{1/}						
Net interest income	693	265	23	50	17	1,048
Non-interest income	303	136	24	14	12	489
Expenses	398	176	29	35	14	652
Allowances for credit and other losses	23	26	6	28	(3)	80
Profit before tax	581	199	18	16	18	832
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
Year 2007 ^{1/}						
Net interest income	2,719	1,064	100	151	74	4,108
Non-interest income	1,223	554	106	118	54	2,055
Expenses	1,611	698	109	141	59	2,618
Allowances for credit and other losses	186	96	40	77	32	431
Profit before tax	2,155	824	70	138	37	3,224
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
Total assets before goodwill						
31 Dec 2007	149,462	47,664	10,905	8,199	11,519	227,749
30 Sep 2007	146,606	49,937	10,045	7,631	10,515	224,734
31 Dec 2006	126,499	44,868	7,792	5,131	7,242	191,532

Note:

1/ Income, allowances for credit and other losses and profits exclude one-time items

Singapore

Net interest income was higher than both comparative periods as loans and deposits in Singapore expanded, while non-interest income fell due to marked-to-market losses for Rosa's CDOs and lower trading income.

Expenses fell from the previous quarter due to lower wage costs and were lower than a year ago due to lower computerisation costs.

Allowances were higher due to higher charges for CDOs.

Hong Kong

The fourth quarter's results incorporate an appreciation of the Singapore dollar against the Hong Kong dollar of 4% from the previous quarter and 7% from a year ago.

Net interest income was below both comparative periods as higher loan and deposit volumes were more than offset by a decline in interest margins.

Non-interest income was higher than a year ago as well as the previous quarter from higher stockbroking commissions and revenue from sales of treasury and wealth management products.

The increase in expenses from both comparative periods was due to higher wage and operating costs such as computerisation expenses.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CUSTOMER LOANS ^{1/}

(\$m)	31 Dec 2007	30 Sep 2007	31 Dec 2006
Gross	109,774	106,161	88,080
Less:			
Specific allowances	436	505	564
General allowances	905	942	886
Net total	108,433	104,714	86,630
By business unit			
Consumer Banking	31,213	31,367	29,538
Enterprise Banking	22,334	22,531	20,101
Corporate and Investment Banking	48,940	45,675	33,764
Others	7,287	6,588	4,677
Total (Gross)	109,774	106,161	88,080
By geography			
Singapore	62,019	57,996	48,789
Hong Kong	29,141	31,254	27,216
Rest of Greater China	6,371	5,473	4,443
South and South-east Asia	4,737	4,425	2,993
Rest of the world	7,506	7,013	4,639
Total (Gross)	109,774	106,161	88,080
By industry			
Manufacturing	14,469	13,948	10,867
Building and construction	13,004	12,225	10,883
Housing loans	26,306	26,494	25,043
General commerce	10,042	9,865	8,930
Transportation, storage & communications	11,169	10,075	7,709
Financial institutions, investment & holding companies	13,919	13,781	9,827
Professionals & private individuals (except housing loans)	9,758	9,770	8,110
Others	11,107	10,003	6,711
Total (Gross)	109,774	106,161	88,080
By currency and fixed/variable pricing			
Singapore dollar	42,675	41,974	35,708
Fixed rates	10,597	9,735	7,941
Floating or adjustable rates	32,078	32,239	27,767
Hong Kong dollar	26,012	28,317	24,942
Fixed rates	614	783	633
Floating or adjustable rates	25,398	27,534	24,309
US dollar	25,595	20,461	15,895
Fixed rates	1,595	559	229
Floating or adjustable rates	24,000	19,902	15,666
Others	15,492	15,409	11,535
Fixed rates	2,858	1,451	819
Floating or adjustable rates	12,634	13,958	10,716
Total (Gross)	109,774	106,161	88,080

Note:

^{1/} Includes customer loans classified as financial assets at fair value through profit or loss on the balance sheet

Net customer loans expanded 4% from the previous quarter to \$108.4 billion. The growth during the quarter was led by foreign-currency borrowings in Singapore and by borrowings in Greater China. Loans in Hong Kong were little changed in local-currency terms after adjusting for short-term IPO financing loans in the previous quarter.

Loans rose 25% for the year. By business unit, the increase was led by corporates across a wide range of industries. Consumer loan growth was led by Singapore housing loans. By region, Singapore loans rose 27% while Hong Kong loans increased by 14% in local currency terms.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NON-PERFORMING ASSETS AND LOSS ALLOWANCE COVERAGE ^{1/}

By business unit	NPA (\$m)	SP (\$m)	GP (\$m)	NPL (% of loans)	(GP+SP)/NPA (%)	(GP+SP)/ unsecured NPA (%)
31 Dec 2007						
Consumer Banking	238	65	312	0.8	158	368
Enterprise Banking	690	342	220	3.1	82	154
Corporate and Investment Banking	178	50	489	0.4	302	641
Others	62	34	(41)	0.9	(10)	(13)
Total non-performing loans (NPL)	1,168	491	980	1.1	126	246
Debt securities	160	152	192	-	215	224
Contingent liabilities	114	9	120	-	113	304
Total non-performing assets (NPA)	1,442	652	1,292	-	135	245
30 Sep 2007						
Consumer Banking	258	69	315	0.8	149	360
Enterprise Banking	726	350	235	3.2	81	153
Corporate and Investment Banking	246	116	439	0.5	225	426
Others	35	30	6	0.5	106	164
Total non-performing loans	1,265	565	995	1.2	123	243
Debt securities	42	36	114	-	357	416
Contingent liabilities	119	9	130	-	117	318
Total non-performing assets	1,426	610	1,239	-	130	256
31 Dec 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	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

Note:

^{1/} Allowances for credit and other losses exclude one-time items

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 (%)
31 Dec 2007						
Singapore	533	237	414	1.0	122	244
Hong Kong	418	174	284	1.5	109	190
Rest of Greater China	80	28	87	1.0	144	463
South and South-east Asia	71	41	116	0.9	221	281
Rest of the World	66	11	79	0.5	137	849
Total non-performing loans	1,168	491	980	1.1	126	246
Debt securities	160	152	192	-	215	224
Contingent liabilities	114	9	120	-	113	304
Total non-performing assets	1,442	652	1,292	-	135	245
30 Sep 2007						
Singapore	627	273	421	1.2	111	228
Hong Kong	352	159	310	1.1	133	257
Rest of Greater China	77	27	79	1.1	138	446
South and South-east Asia	138	94	106	1.9	146	170
Rest of the World	71	12	79	0.8	127	682
Total non-performing loans	1,265	565	995	1.2	123	243
Debt securities	42	36	114	-	357	416
Contingent liabilities	119	9	130	-	117	318
Total non-performing assets	1,426	610	1,239	-	130	256
31 Dec 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

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

By industry	31 Dec 2007		30 Sep 2007		31 Dec 2006	
(\$m)	NPA	SP	NPA	SP	NPA	SP
Manufacturing	336	160	361	212	314	170
Building and construction	69	19	81	25	107	50
Housing loans	152	35	168	37	224	56
General commerce	286	143	290	143	336	146
Transportation, storage & communications	21	5	29	12	25	12
Financial institutions, investment & holding companies	54	8	82	11	173	47
Professionals & private individuals (except housing loans)	126	55	134	60	142	65
Others	124	66	120	65	139	79
Total non-performing loans	1,168	491	1,265	565	1,460	625
Debt securities	160	152	42	36	36	15
Contingent liabilities	114	9	119	9	37	9
Total non-performing assets	1,442	652	1,426	610	1,533	649

By loan classification	31 Dec 2007		30 Sep 2007		31 Dec 2006	
(\$m)	NPA	SP	NPA	SP	NPA	SP
Non-performing assets						
Substandard	845	73	878	63	939	82
Doubtful	338	319	276	275	243	216
Loss	259	260	272	272	351	351
Total	1,442	652	1,426	610	1,533	649
Restructured assets						
Substandard	168	27	189	24	218	29
Doubtful	25	23	32	37	66	48
Loss	38	38	28	28	42	42
Total	231	88	249	89	326	119

By collateral type	31 Dec 2007		30 Sep 2007		31 Dec 2006	
(\$m)						
	NPA		NPA		NPA	
Unsecured non-performing assets	794		722		740	
Secured non-performing assets by collateral type						
Properties	376		410		556	
Shares and debentures	24		40		46	
Fixed deposits	13		8		38	
Others	235		246		153	
Total	1,442		1,426		1,533	

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

By period overdue

(\$m)	31 Dec 2007 NPA	30 Sep 2007 NPA	31 Dec 2006 NPA
Not overdue	542	400	413
<90 days overdue	255	246	332
91-180 days overdue	94	180	128
>180 days overdue	551	600	660
Total	1,442	1,426	1,533

Non-performing loans (NPLs) fell 20% from a year ago and 8% from the previous quarter to \$1.17 billion. NPL rates for all regions and businesses were better than the previous quarter except for Hong Kong which rose and CBG which was stable.

Including debt securities and contingent liabilities, the amount of non-performing assets fell 6% from a year ago and rose 1% from the previous quarter to \$1.44 billion.

Cumulative allowances rose to 135% of non-performing assets from 130% in the previous quarter and 115% a year ago.

FUNDING SOURCES

(\$m)	31 Dec 2007	30 Sep 2007	31 Dec 2006
Customer deposits ^{1/}	153,572	144,185	131,373
Interbank liabilities ^{2/}	16,481	15,360	8,537
Other borrowings and liabilities ^{2/}	43,057	50,721	38,787
Shareholders' funds	20,481	20,311	18,675
Total	233,591	230,577	197,372

Notes:

1/ Includes customer deposits classified as financial liabilities at fair value through profit or loss on the balance sheet

2/ Includes liabilities classified as financial liabilities at fair value through profit or loss on the balance sheet

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CUSTOMER DEPOSITS ^{1/}

(\$m)	31 Dec 2007	30 Sep 2007	31 Dec 2006
By currency and product			
Singapore dollar	84,099	78,493	71,242
Fixed deposits	27,708	23,082	21,940
Savings accounts	46,622	45,733	40,838
Current accounts	9,258	9,029	8,030
Others	511	649	434
Hong Kong dollar	24,775	24,274	23,059
Fixed deposits	17,302	17,448	15,905
Savings accounts	4,556	3,967	4,472
Current accounts	1,935	1,777	2,024
Others	982	1,082	658
US dollar	28,507	28,073	24,758
Fixed deposits	20,375	19,798	18,061
Savings accounts	1,849	2,143	1,627
Current accounts	3,976	3,628	3,394
Others	2,307	2,504	1,676
Others	16,191	13,345	12,314
Fixed deposits	13,152	10,756	10,812
Savings accounts	778	492	554
Current accounts	1,477	1,489	661
Others	784	608	287
Total	153,572	144,185	131,373
Fixed deposits	78,537	71,084	66,718
Savings accounts	53,805	52,335	47,491
Current accounts	16,646	15,923	14,109
Others	4,584	4,843	3,055

Note:

^{1/} Includes customer deposits classified as financial liabilities at fair value through profit or loss on the balance sheet

Customer deposits rose 7% from the previous quarter as Singapore-dollar fixed deposits increased. Compared to a year ago, customer deposits rose 17%, with Singapore-dollar fixed and savings deposits leading the increase.

Hong Kong-dollar deposits rose 6% in local currency terms during the quarter with savings accounts accounting for most of the increase. For the full year, Hong Kong-dollar deposits rose 14% in local currency terms.

OTHER BORROWINGS & LIABILITIES

(\$m)	31 Dec 2007	30 Sep 2007	31 Dec 2006
Subordinated term debts^{1/}			
Due within 1 year	-	-	401
Due after 1 year	8,954	9,171	6,348
Other debt securities in issue			
Due within 1 year	960	4,705	3,682
Due after 1 year	239	403	268
Comprising:			
Secured ^{2/}	369	1,106	2,743
Unsecured	830	4,002	1,207
Others	32,904	36,442	28,088
Total	43,057	50,721	38,787

Note:

^{1/} All subordinated term debts issued are unsecured

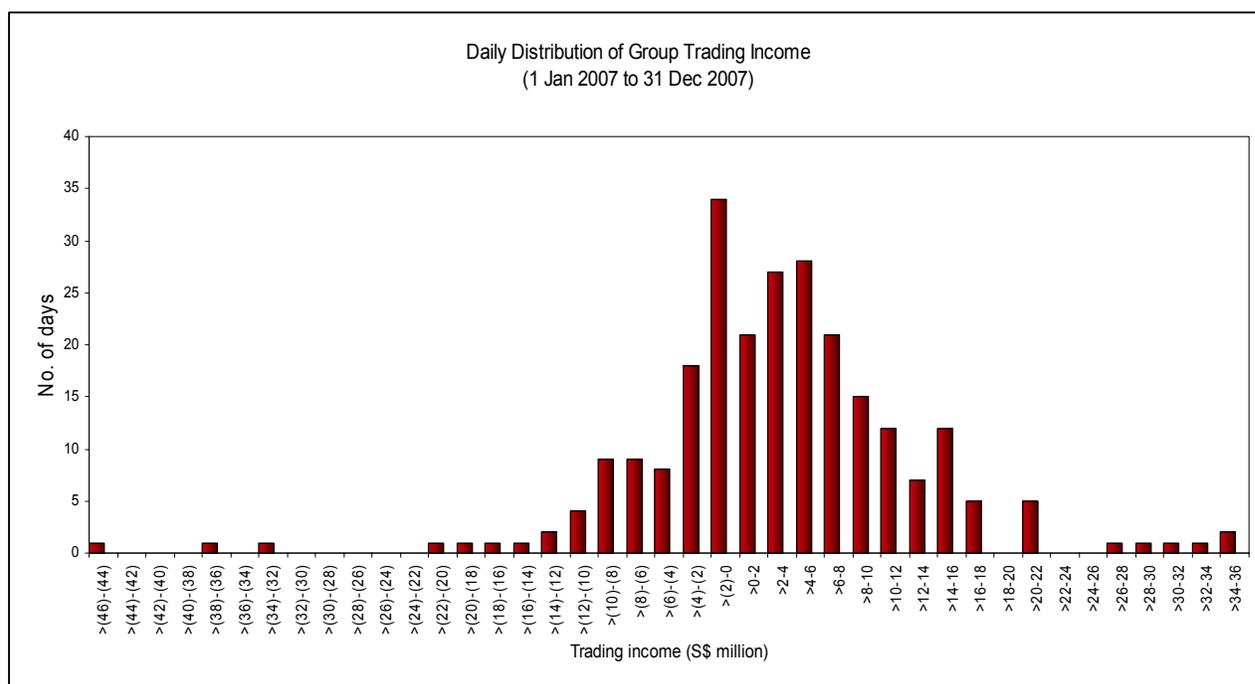
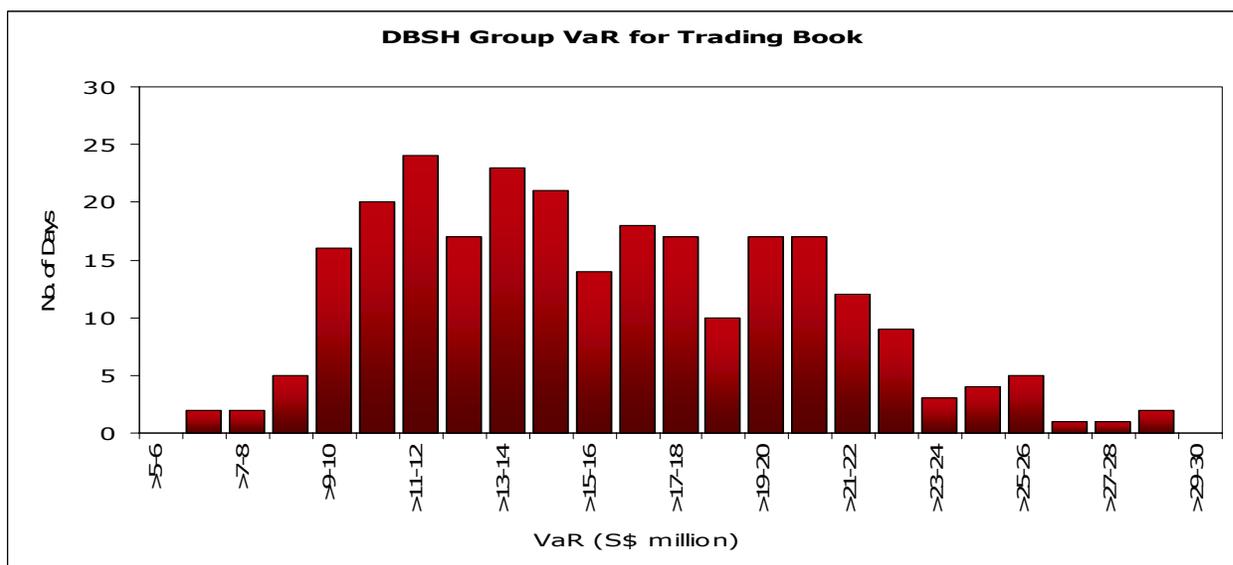
^{2/} These are mainly secured by properties and securities

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 Group for the period from 1 January 2007 to 31 December 2007. The Group's trading book VaR methodology is based on Historical Simulation VaR (HSVaR).

(\$m)	As at 31 December 2007	1 January 2007 to 31 December 2007		
		Average	High	Low
Total	22	16	28	6

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 2007 to 31 December 2007.



DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CAPITAL ADEQUACY

(\$m)	31 Dec 2007	30 Sep 2007	31 Dec 2006
Tier 1			
Share capital	4,164	4,138	4,042
Disclosed reserves and others	18,040	17,879	16,556
Less: Goodwill	(5,845)	(5,845)	(5,840)
Total	16,359	16,172	14,758
Tier 2			
Cumulative general allowances	1,210	1,170	1,033
Subordinated debts	7,087	7,254	5,038
Others	75	138	103
Total	8,372	8,562	6,174
Total capital	24,731	24,734	20,932
Risk-weighted assets	184,601	176,533	144,086
Capital adequacy ratio (%)			
Tier I ratio	8.9	9.2	10.2
Tier II ratio	4.5	4.8	4.3
Total (Tier I & II) ratio	13.4	14.0	14.5

Based on regulatory guidelines, the Group's tier-1 fell to 8.9% from 9.2% in the previous quarter as the amount of risk-weighted assets increased with a higher customer loan base.

UNREALISED VALUATION SURPLUS/(LOSSES)

(\$m)	31 Dec 2007	30 Sep 2007	31 Dec 2006
Properties	650	423	371
Financial investments	43	(73)	11
Total	693	350	382

The amount of unrealised valuation surplus for properties rose from the the previous quarter as market valuations improved. The valuation surplus for financial investments increased as provision charges taken during the quarter lowered the carrying value.

SUBSEQUENT EVENTS

(1) Subsequent to 31 December 2007, a decision was taken to put Rosa, a consolidated conduit of the Group, into liquidation. As a first step, on 30 January 2008, Rosa sold its assets to DBS Bank Ltd (Bank), a subsidiary of the Group, at a fair value of \$1.04 billion, incurring a loss of \$232 million. Of this loss, \$136 million has been reflected in the Group's 2007 income statement as a charge to trading income and \$10 million was incurred prior to 2007 in the Group's income statement. The remaining loss of \$86 million will be reflected in the Group's income statement in January 2008.

Among the transferred assets were CDOs with a fair value of \$347 million, which were being managed by the bank as at the date of the 2007 results release. The remaining balance of transferred assets has been dismantled into their trading components and the related swaps extinguished.

(2) On 1 February 2008, the Group successfully bid for selected assets and liabilities of Bowa Bank in Taiwan, including approximately \$2.9 billion of net loans, \$4.1 billion of deposits and 43 distribution outlets, with a payment of approximately \$2.0 billion from the Taiwanese government's Central Deposit Insurance Corporation. The transaction, which is scheduled to be completed in May 2008, is not expected to have a significant impact on the Group's financial performance in the near term. The Group will have full control of the assets acquired.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Audited Consolidated Income Statement

In \$ millions	4th Qtr 2007 ^{2/}	4th Qtr 2006 ^{1/2/}	+/()%	3rd Qtr 2007 ^{1/2/}	Year 2007	Year 2006 ^{1/}	+/()%
Income							
Interest income	2,352	2,078	13	2,362	9,090	7,809	16
Interest expense	1,293	1,146	13	1,314	4,982	4,218	18
Net interest income	1,059	932	14	1,048	4,108	3,591	14
Net fee and commission income	379	304	25	403	1,462	1,155	27
Net trading income	(25)	65	NM	(63)	180	522	(66)
Net income from financial instruments designated at fair value	4	(36)	NM	5	(86)	(192)	55
Net income from financial investments	104	121	(14)	128	450	229	97
Other income	12	54	(78)	16	49	133	(63)
Total income	1,533	1,440	6	1,537	6,163	5,438	13
Expenses							
Employee benefits	323	306	6	347	1,384	1,244	11
Depreciation of properties and other fixed assets	32	35	(9)	32	126	130	(3)
Other expenses	293	286	2	273	1,108	995	11
Allowances for credit and other losses	249	1	>100	118	617	135	>100
Total expenses	897	628	43	770	3,235	2,504	29
Profit	636	812	(22)	767	2,928	2,934	-
Share of profits of associates	32	20	60	27	110	70	57
Profit before tax	668	832	(20)	794	3,038	3,004	1
Income tax expense	140	184	(24)	146	589	575	2
Net profit	528	648	(19)	648	2,449	2,429	1
Attributable to:							
Shareholders	491	596	(18)	610	2,278	2,269	-
Minority interests	37	52	(29)	38	171	160	7
	528	648	(19)	648	2,449	2,429	1

Note:

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

2/ Unaudited

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Audited Balance Sheets

In \$ millions	GROUP			COMPANY		
	31 Dec 2007	30 Sep 2007 ^{1/2/}	31 Dec 2006 ^{1/}	31 Dec 2007	30 Sep 2007 ^{2/}	31 Dec 2006 ^{1/}
ASSETS						
Cash and balances with central banks	18,564	8,450	11,846			
Singapore Government securities and treasury bills	15,433	16,646	12,843			
Due from banks	23,304	30,465	25,273			
Financial assets at fair value through profit or loss ^{3/}	19,543	20,748	16,496			
Positive replacement values	13,119	10,925	8,215			
Loans and advances to customers	106,344	103,405	85,149			
Financial investments	19,182	21,855	22,261			
Securities pledged	4,115	2,706	2,866			
Subsidiaries	-	-	-	6,748	6,736	6,927
Investments in associates	715	666	603			
Goodwill on consolidation	5,842	5,843	5,840			
Properties and other fixed assets	1,534	1,511	1,481			
Deferred tax assets	25	17	20			
Other assets	5,871	7,340	4,479			
TOTAL ASSETS	233,591	230,577	197,372	6,748	6,736	6,927
LIABILITIES						
Due to banks	15,464	13,678	7,863			
Due to non-bank customers	145,368	133,941	122,092			
Financial liabilities at fair value through profit or loss ^{4/}	18,242	23,271	19,708			
Negative replacement values	12,554	10,863	7,873			
Bills payable	380	590	511			
Current tax liabilities	882	943	766			
Deferred tax liabilities	172	191	137			
Other liabilities	7,218	9,792	6,677	7	7	8
Other debt securities in issue	1,199	5,108	3,950			
Subordinated term debts	8,954	9,171	6,749			
TOTAL LIABILITIES	210,433	207,548	176,326	7	7	8
NET ASSETS	23,158	23,029	21,046	6,741	6,729	6,919
EQUITY						
Share capital	4,164	4,138	4,042	4,164	4,138	4,042
Treasury shares	(102)	(74)	(111)	(27)	-	-
Other reserves	7,680	7,751	7,182	37	53	53
Revenue reserves	8,739	8,496	7,562	2,567	2,538	2,824
SHAREHOLDERS' FUNDS	20,481	20,311	18,675	6,741	6,729	6,919
Minority interests	2,677	2,718	2,371	-	-	-
TOTAL EQUITY	23,158	23,029	21,046	6,741	6,729	6,919
OFF BALANCE SHEET ITEMS						
Contingent liabilities	14,656	13,808	12,187			
Commitments	92,305	90,334	86,065			
Financial derivatives	1,816,007	1,887,740	1,378,916			
OTHER INFORMATION						
Net asset value per ordinary share (\$)						
(i) Based on existing ordinary share capital				4.39	4.39	4.54
(ii) Assuming conversion of outstanding preference shares to ordinary shares				4.25	4.25	4.39

Notes:

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

2/ Unaudited

3/ Includes customer loans, interbank assets, other government securities and treasury bills, corporate debt securities and equity securities

4/ Includes customer deposits, interbank liabilities, other debt securities in issue and other financial liabilities

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 reserve	Minority interests	Total equity
Balance at 1 January 2007	3,976	66	-	(111)	7,182	7,562	2,371	21,046
Exercise of share options	106							106
Net exchange translation adjustments					(38)		(73)	(111)
Share of associates' reserves					37			37
Cost of share-based payments					34			34
Draw-down of reserves upon vesting of performance shares				36	(36)			-
Share buyback during the year				(27)				(27)
Reclassification of reserves upon exercise of share options	16				(16)			-
Available-for-sale investments/Cash flow hedge:								
- Net valuation taken to equity					940			940
- Transferred to income statement on sale					(395)			(395)
- Tax on items taken directly to or transferred from equity					(58)			(58)
Net profit for the period						2,278	171	2,449
Appropriation from income statement ^{1/}					30	(30)		-
Final dividends paid for previous year						(310)		(310)
Interim dividends paid for current year						(761)		(761)
Dividends paid to minority interests							(143)	(143)
Change in minority interests							351	351
Balance at 31 December 2007	4,098	66	-	(102)	7,680	8,739	2,677	23,158
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 period						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

Note:

1/ Includes appropriation from prior year's net profit

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Unaudited Statement of Changes in Equity

COMPANY

In \$ millions	Ordinary shares	Convertible preference shares	Share premium	Other reserves	Treasury Shares	Revenue reserve	Total equity
Balance at 1 January 2007	3,976	66	-	53	-	2,824	6,919
Exercise of share options	106						106
Cost of share-based payments				#			#
Reclassification of reserves upon exercise of share options	16			(16)			-
Net profit for the period						816	816
Share buyback during the year					(27)		(27)
Final dividends paid for previous year						(310)	(310)
Interim dividends paid for current year						(763)	(763)
Balance at 31 December 2007	4,098	66	-	37	(27)	2,567	6,741
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

Note:
Amount under \$500,000

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Audited Consolidated Cash Flow Statement

In \$ millions	Year 2007	Year 2006 ^{1/}
Cash flows from operating activities		
Profit before tax	3,038	3,004
<i>Adjustments for non-cash items:</i>		
Allowances for credit and other losses	617	135
Depreciation of properties and other fixed assets	126	130
Share of profits of associates	(110)	(70)
Net gain on disposal of properties and other fixed assets	(6)	(104)
Net gain on disposal of financial investments	(450)	(229)
Profit before changes in operating assets & liabilities	3,215	2,866
<i>Increase/(Decrease) in:</i>		
Due to banks	7,601	(1,087)
Due to non-bank customers	23,276	15,661
Financial liabilities at fair value through profit or loss	(1,466)	(3,115)
Other liabilities including bills payable	4,578	163
Debt securities and borrowings	(2,647)	1,471
<i>(Increase)/Decrease in:</i>		
Change in restricted balances with central banks	(55)	(95)
Singapore Government securities and treasury bills	(2,341)	(3,936)
Due from banks	1,936	(3,134)
Financial assets at fair value through profit or loss	(2,804)	1,890
Loans and advances to customers	(21,323)	(7,741)
Financial investments	3,539	1,450
Other assets	(7,265)	297
Tax paid	(501)	(300)
Net cash generated from operating activities (1)	5,743	4,390
Cash flows from investing activities		
Dividends from associates	61	37
Purchase of properties and other fixed assets	(196)	(239)
Proceeds from disposal of associates	-	4
Proceeds from disposal of properties and other fixed assets	74	387
Acquisition of interest in associates	(39)	(6)
Net cash (used in) / generated from investing activities (2)	(100)	183
Cash flows from financing activities		
Increase in share capital and share premium	122	172
Proceeds from issuance of subordinated term debts	3,044	1,928
Payment upon maturity of subordinated term debts	(402)	-
Dividends paid to shareholders of the Company	(1,071)	(831)
Dividends paid to minority interests	(143)	(147)
Net cash generated from financing activities (3)	1,550	1,122
Exchange translation adjustments (4)	(38)	15
Net change in cash and cash equivalents (1)+(2)+(3)+(4)	7,155	5,710
Cash and cash equivalents at 1 January 2007	15,118	9,408
Cash and cash equivalents at 31 December 2007	22,273	15,118

Note:

1/ Figures for 2006 have been reclassified to make them consistent with the current year's presentation

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 2007 is as follows:

At 1 January 2007	1,510,835,033
Exercise of share options pursuant to the DBSH Share Option Plan	<u>6,951,829</u>
At 31 December 2007	<u>1,517,786,862</u>
Weighted average number of shares for year 2007	
- ordinary shares	1,515,570,538
- fully diluted	1,587,223,114

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 2007</u>	<u>30 Sep 2007</u>	<u>31 Dec 2006</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	17,776,673	18,474,907	25,014,807

- (c) The movement in the number of treasury shares for the year ended 31 December 2007 is as follows:

At 1 January 2007	5,285,596
Vesting of performance shares	(1,752,195)
Share buyback	<u>1,400,000</u>
At 31 December 2007	<u>4,933,401</u>

ADOPTION OF NEW OR REVISED FRS AND INT FRS

Amendment to FRS 1: Presentation of Financial Statements – Capital Disclosures

The amendment to FRS 1 introduces disclosures about the level of an entity's capital and how the capital is managed. The amendment to FRS 1 creates additional disclosure requirements for the Group's financial statements.

FRS 40 (new): Investment Property

There is no material impact on the Group's financial statements arising from FRS 40. The Group's current policy is to carry its investment properties at historical cost less accumulated depreciation and impairment losses.

FRS 32 (revised): Financial Instruments - Presentation

FRS 107(new): Financial Instruments - Disclosures

FRS 107 introduces new disclosure requirements regarding financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including minimum disclosures about credit risk, liquidity risk and market risk. The disclosure requirements currently in FRS 32: Financial Instruments: Disclosure and Presentation have been relocated to FRS 107. The adoption of FRS 107 creates additional disclosure requirements for the Group's financial statements.

INT FRS 108: Scope of FRS 102 – Share-based Payment

INT FRS 108 clarifies the scope of FRS 102 to include transactions in which the entity cannot identify specifically some or all of the goods and services received. There is no material impact on the Group's financial statements arising from this new INT FRS.

INT FRS 109: Reassessment of Embedded Derivatives

INT FRS 109 establishes that the date to assess the existence of an embedded derivative is the date an entity first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. There is no material impact on the Group's financial statements arising from this new INT FRS.

INT FRS 110: Interim Financial Reporting and Impairment

INT FRS 110 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance date. There is no material impact on the Group's financial statements arising from this new INT FRS.

CONFIRMATION BY THE BOARD

We, Koh Boon Hwee and Frank Wong Kwong Shing, being two directors of DBS Group Holdings Ltd ("the Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the Fourth Quarter ended 31 December 2007 Unaudited Financial Results and the Year 2007 Audited Financial Results of the Company and of the Group to be false or misleading in any material aspect.

On behalf of the board of directors



Koh Boon Hwee
Chairman



Frank Wong Kwong Shing
Chief Operating Officer

14 February 2008
Singapore