



Operating trends remain healthy

DBS Group Holdings
3Q 2009 financial results
Nov 6, 2009

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Operating trends remain healthy

- Key operating trends maintained as asset quality stabilises**
- Earnings from Hong Kong improve while growth in other regions sustained**
- Balance sheet well buffered against risks**

Net profit up 40% on year and 2% on quarter

(S\$m)	3Q 2009	YoY %	QoQ %
Net interest income	1,140	6	3
Fee income	361	14	1
Trading income	56	nm	(67)
Other income	20	(17)	(87)
Non-interest income	437	34	(36)
Income	1,577	13	(12)
Staff expenses	322	71	(2)
Other expenses	313	(20)	4
Expenses	635	10	1
Profit before allowances	942	15	(19)
Allowances for credit & other losses	265	(17)	(43)
Net profit	563	40	2

Excluding one-time gains and impairment charges

Stronger 9M profit before allowances offset by higher allowances

(S\$m)	9M 2009	YoY %
Net interest income	3,328	4
Fee income	1,036	2
Trading income	378	>100
Other income	289	(8)
Non-interest income	1,703	24
Income	5,031	10
Staff expenses	979	8
Other expenses	925	(9)
Expenses	1,904	(1)
Profit before allowances	3,127	18
Allowances for credit & other losses	1,145	>100
Net profit	1,571	(6)

Excluding one-time gains and impairment charges

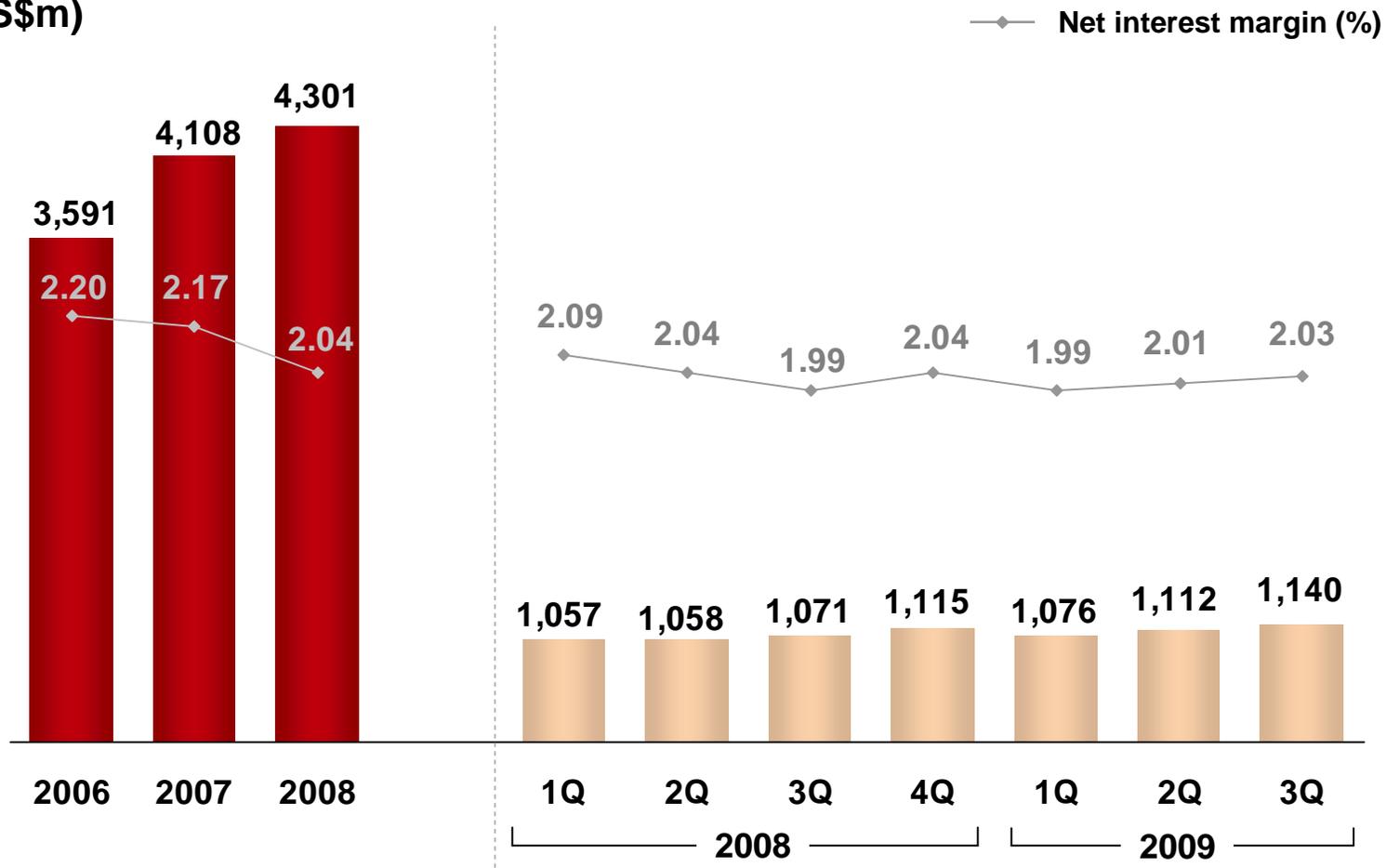
Operating ratios generally maintained

(%)	3Q 2009	2Q 2009	3Q 2008	9M 2009	9M 2008
Net interest margin	2.03	2.01	1.99	2.02	2.04
Fee income/total income	23	20	23	21	22
Non-interest income/total income	28	38	23	34	30
Cost/income	40	35	41	38	42
ROE	9.1	9.1	7.9	8.7	10.9
Loans/deposits	71	71	77	71	77
SP/average loans (bp)	70	83	34	75	22
NPL ratio	2.6	2.8	1.3	2.6	1.3

Excluding one-time gains and impairment charges

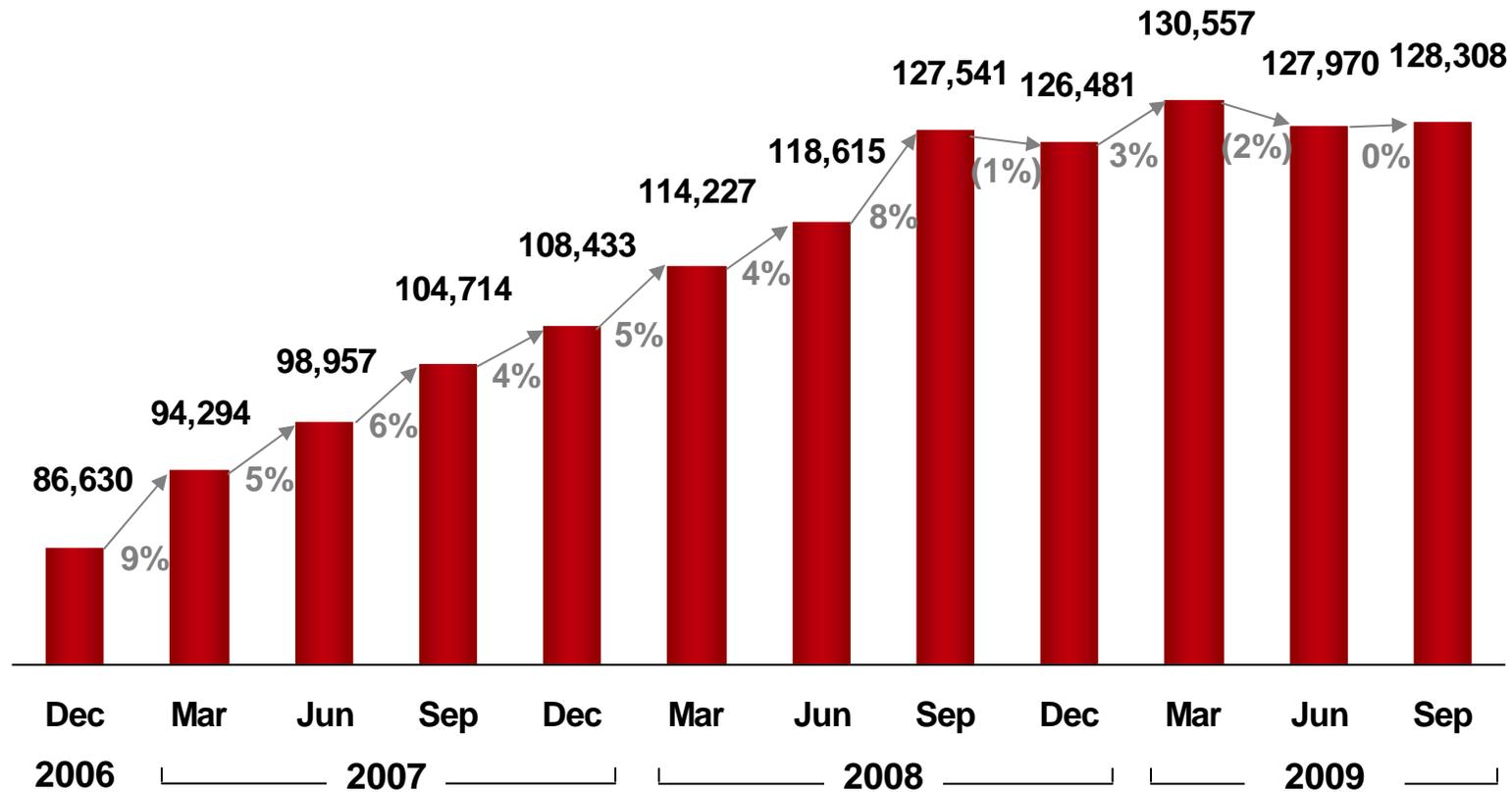
Net interest income at quarterly high

(S\$m)



Loans flat on quarter, up 1% on year

(S\$m)



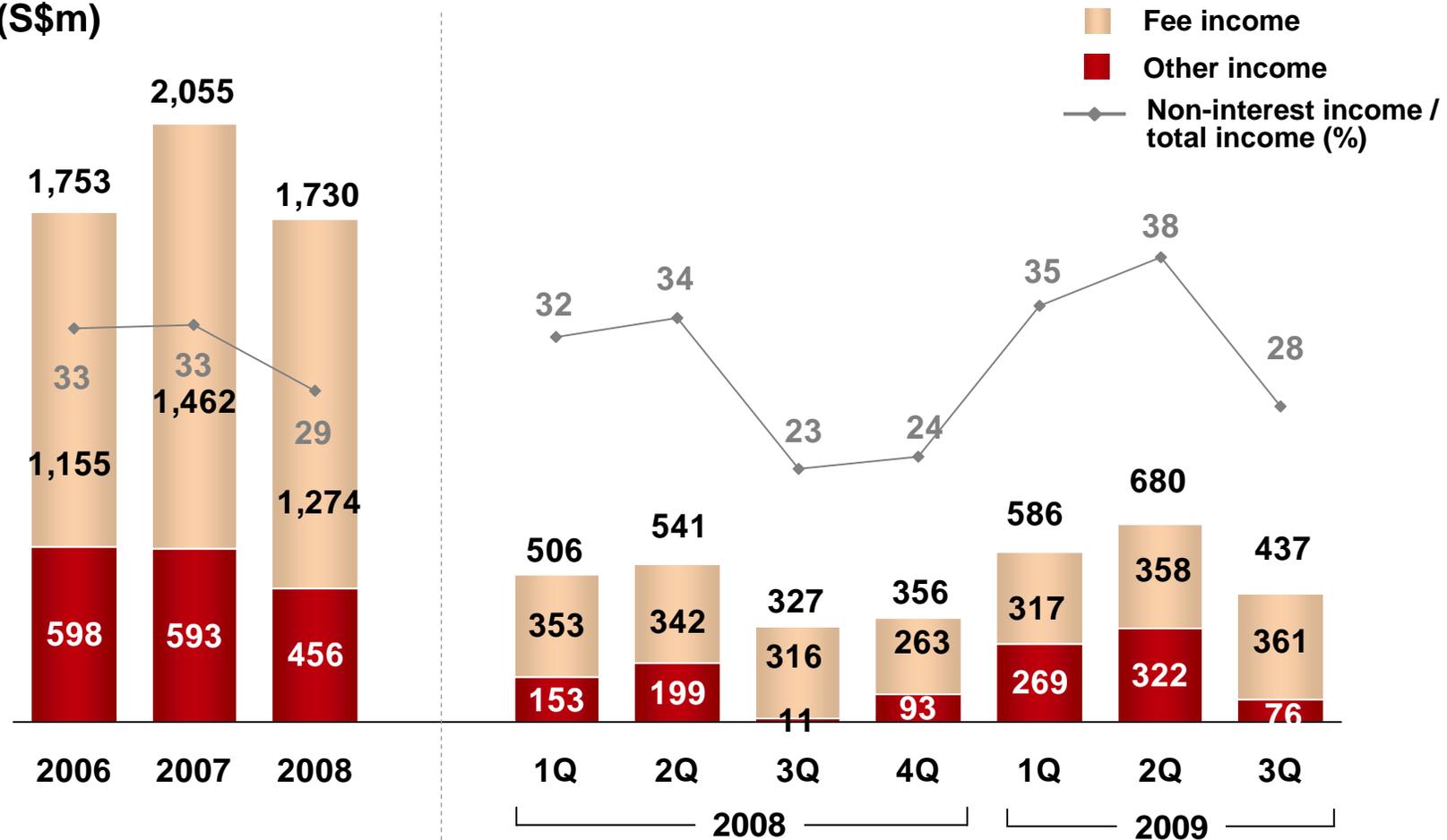
Loans and deposits up 1% on quarter excluding currency translation effects

	Sep 09 (S\$m)	Jun 09 (S\$m)	Reported QoQ (%)	Underlying QoQ (%)
Loans				
SGD	56,556	56,448	0	0
HKD	29,042	29,141	(0)	2
USD	27,773	28,076	(1)	1
Others	17,492	16,741	4	5
Total	130,863	130,406	0	1
Deposits				
SGD	99,475	99,415	0	0
HKD	25,047	25,414	(1)	1
USD	30,523	29,013	5	8
Others	25,140	25,191	(0)	(0)
Total	180,185	179,033	1	1

Underlying excluding currency translation effects

Fees resilient while trading and investment income decline on quarter

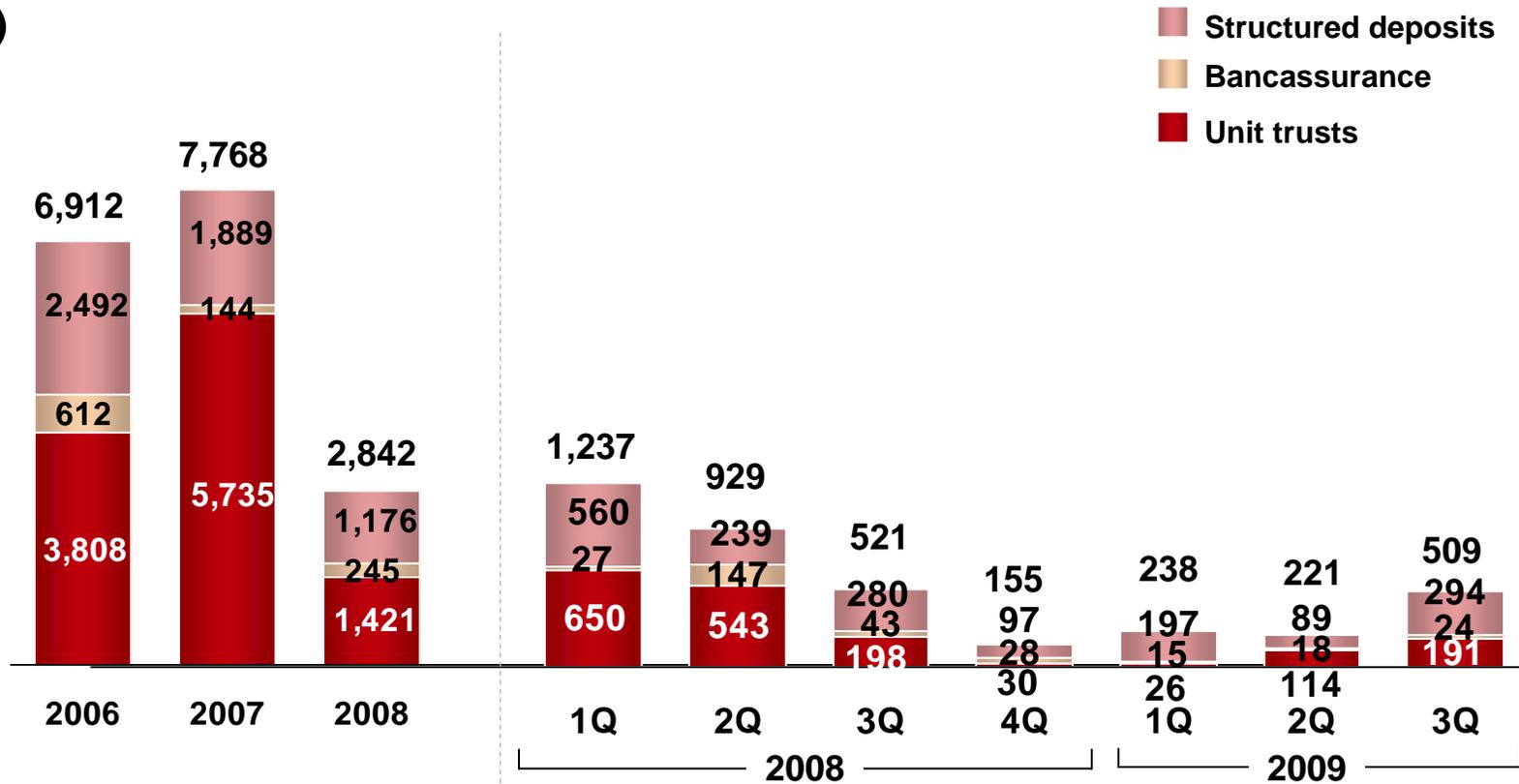
(S\$m)



Excluding one-time gains

Wealth management product sales improve

(S\$m)



Sales (all products)

S'pore	3,477	3,924	1,587	662	480	334	111	123	112	238
HK	3,435	3,844	1,255	575	449	187	44	115	109	271

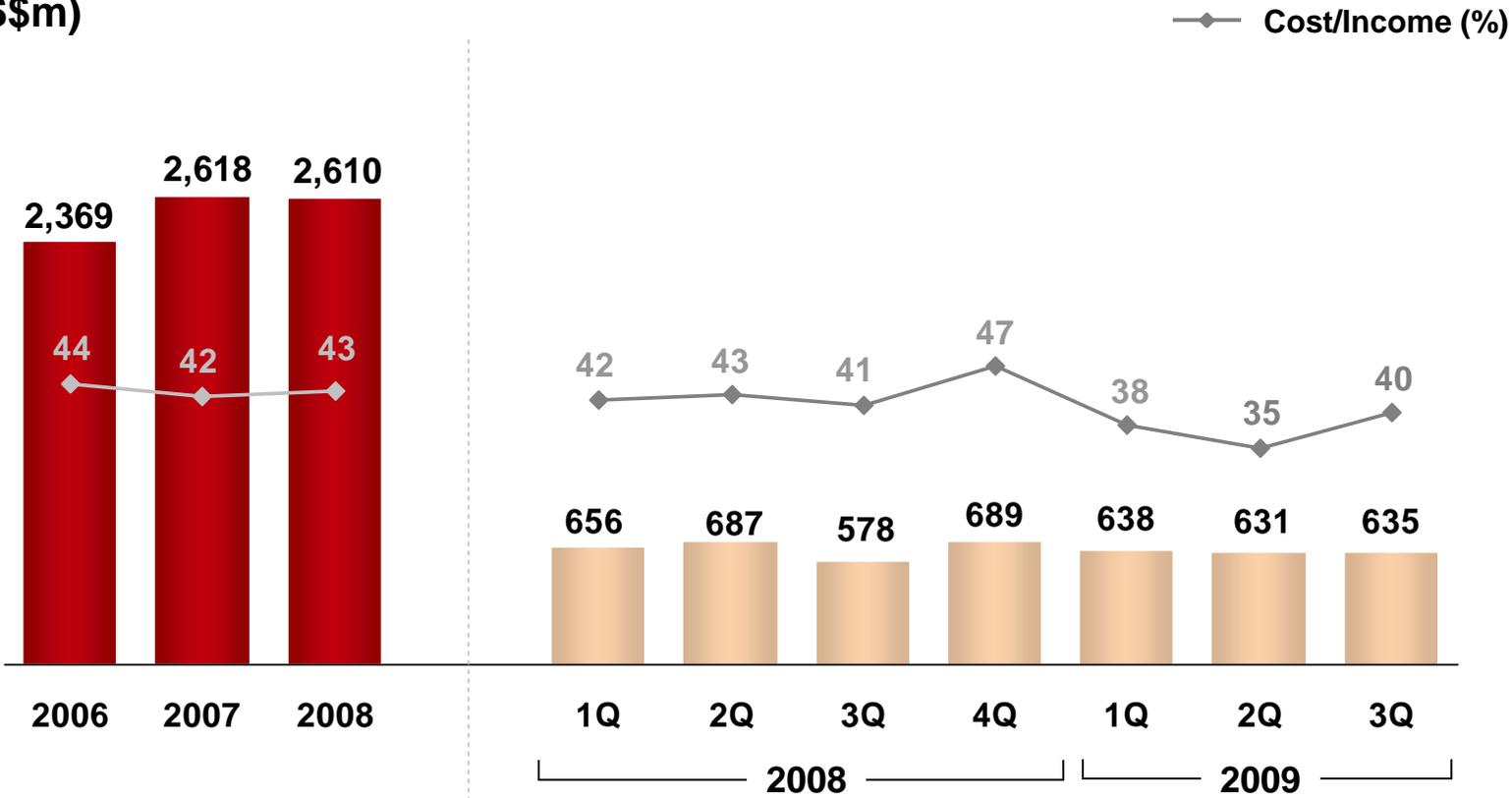
Fees (unit trusts and bancassurance only)

S'pore + HK	170	249	137	40	45	35	17	16	21	34
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Expenses maintained at recent quarters' level

(S\$m)



Cost-income ratio excluding one-time gains and charges



Operating trends remain healthy

- ❑ Key operating trends maintained as asset quality stabilises

- ❑ Earnings from Hong Kong improve while growth in other regions sustained

- ❑ Balance sheet well buffered against risks

Hong Kong's earnings up 88% on year and 44% on quarter

(S\$m)	3Q 2009	YoY %	QoQ %
Net interest income	226	6	2
Non-interest income	105	(4)	(13)
Income	331	3	(3)
Expenses	145	(15)	(4)
Profit before allowances	186	22	(3)
Allowances for credit & other losses	14	(77)	(80)
Net profit	143	88	44

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



Hong Kong's 9M net profit down 10% on year due to higher allowances

(S\$m)	9M 2009	YoY %
Net interest income	672	3
Non-interest income	352	(17)
Income	1,024	(5)
Expenses	446	(14)
Profit before allowances	578	4
Allowances for credit & other losses	173	43
Net profit	336	(10)

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

Hong Kong's ratios generally maintained

(%)	3Q 2009	2Q 2009	3Q 2008	9M 2009	9M 2008
Net interest margin	1.94	1.94	1.81	1.93	1.86
Non-interest income/total income	32	35	34	34	40
Cost/income	44	43	53	44	48
ROA	1.09	0.77	0.58	0.85	0.94
Loans/deposits	82	81	86	82	86

Excluding one-time gains

9M regional earnings continue to grow

(S\$m)	9M 2009	YoY %
Net interest income	622	52
Non-interest income	348	45
Income	970	50
Expenses	356	17
Profit before allowances	614	78
Allowances for credit & other losses	147	>100
Net profit	384	62

(%)	9M 2009	9M 2008
Cost/income	37	47
Net profit contribution to Group	24	14

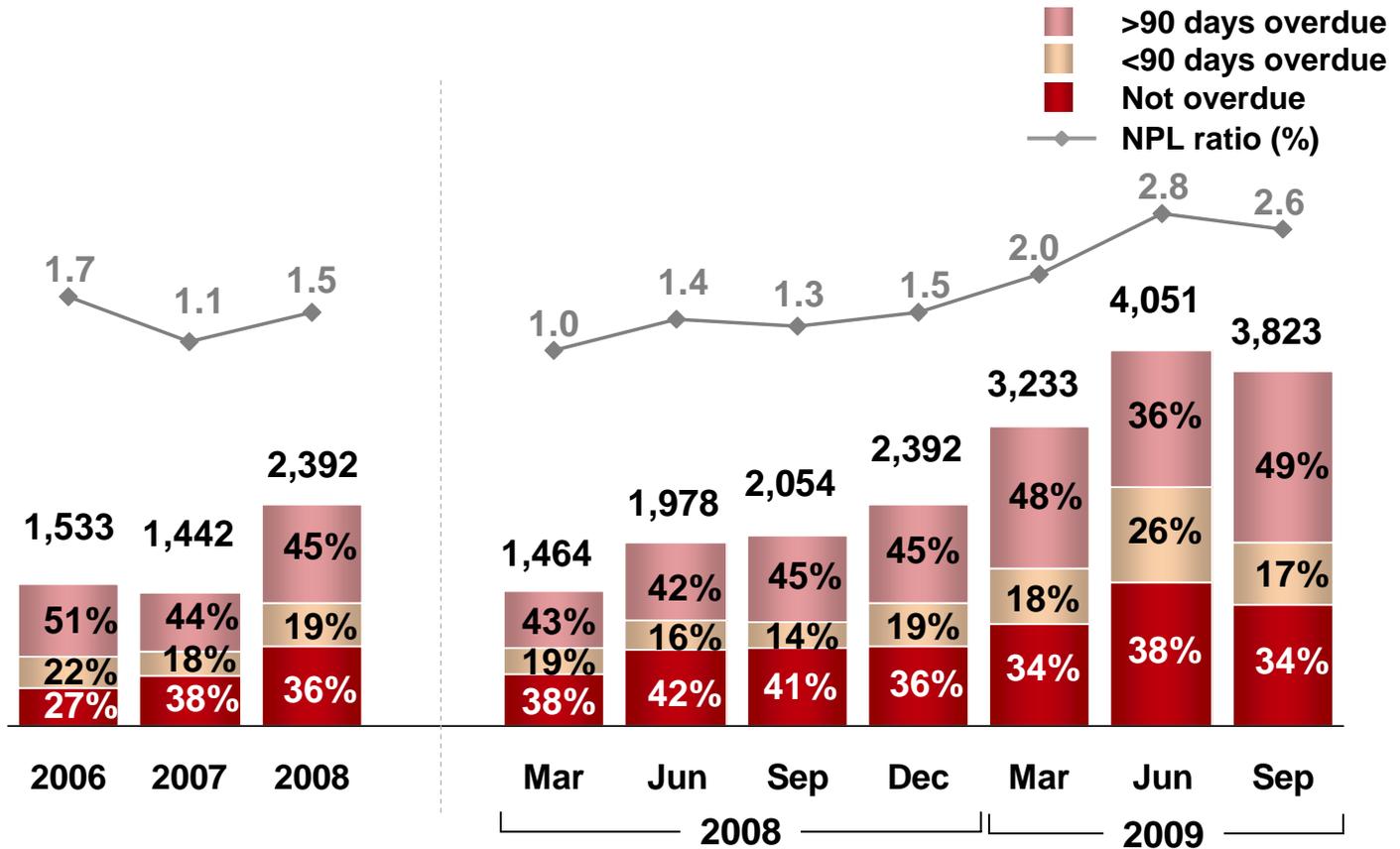
Figures for operations outside of Singapore and Hong Kong. Excluding one-time gains and charges

Operating trends remain healthy

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NPAs decline while allowance coverage improves

(S\$m)



Cumulative general and specific allowances as % of:

NPAs	115	135	114	138	116	123	114	97	81	90
Unsecured NPAs	237	245	176	241	195	209	176	156	119	128

New NPA formation declines

(S\$m)	3Q 2009	2Q 2009	3Q 2008
NPAs at start of period	4,051	3,233	1,978
New NPAs	208	1,451	311
Net recoveries of existing NPAs	(325)	(313)	(91)
Write-offs	(111)	(320)	(144)
NPAs at end of period	3,823	4,051	2,054

Specific loan allowances decline

(S\$m)	3Q 2009	2Q 2009	3Q 2008
<u>Add charges for</u>			
New NPLs	55	176	74
Existing NPLs	265	153	65
	320	329	139
<u>Subtract charges for</u>			
Upgrading	5	0	1
Settlements	72	50	28
Recoveries	14	7	4
	91	57	33
Total SP charges	229	272	106
SP / Average loans (bp)	70	83	34

AFS portfolio well-balanced between investment-grade government and corporate debt

	Sep 09 (S\$m)	Jun 09 (S\$m)
Singapore government securities	11,964	12,805
Other government securities	5,863	6,650
Corporate debt securities	12,569	12,805
Equities	918	865
Total	31,314	33,125

CDO allowance coverage adequate

(S\$m)	Amount as at		Cumulative allowances	% coverage
	Sep 09	Jun 09		
Investment portfolio	859	869	399	46
ABS CDOs	152	154	137	90
Non-ABS CDOs	707	715	262	37
– CLOs	679	686	242	36
– Others	28	29	20	71
Trading portfolio	91	302	–	–
Total	950	1,171	399	–

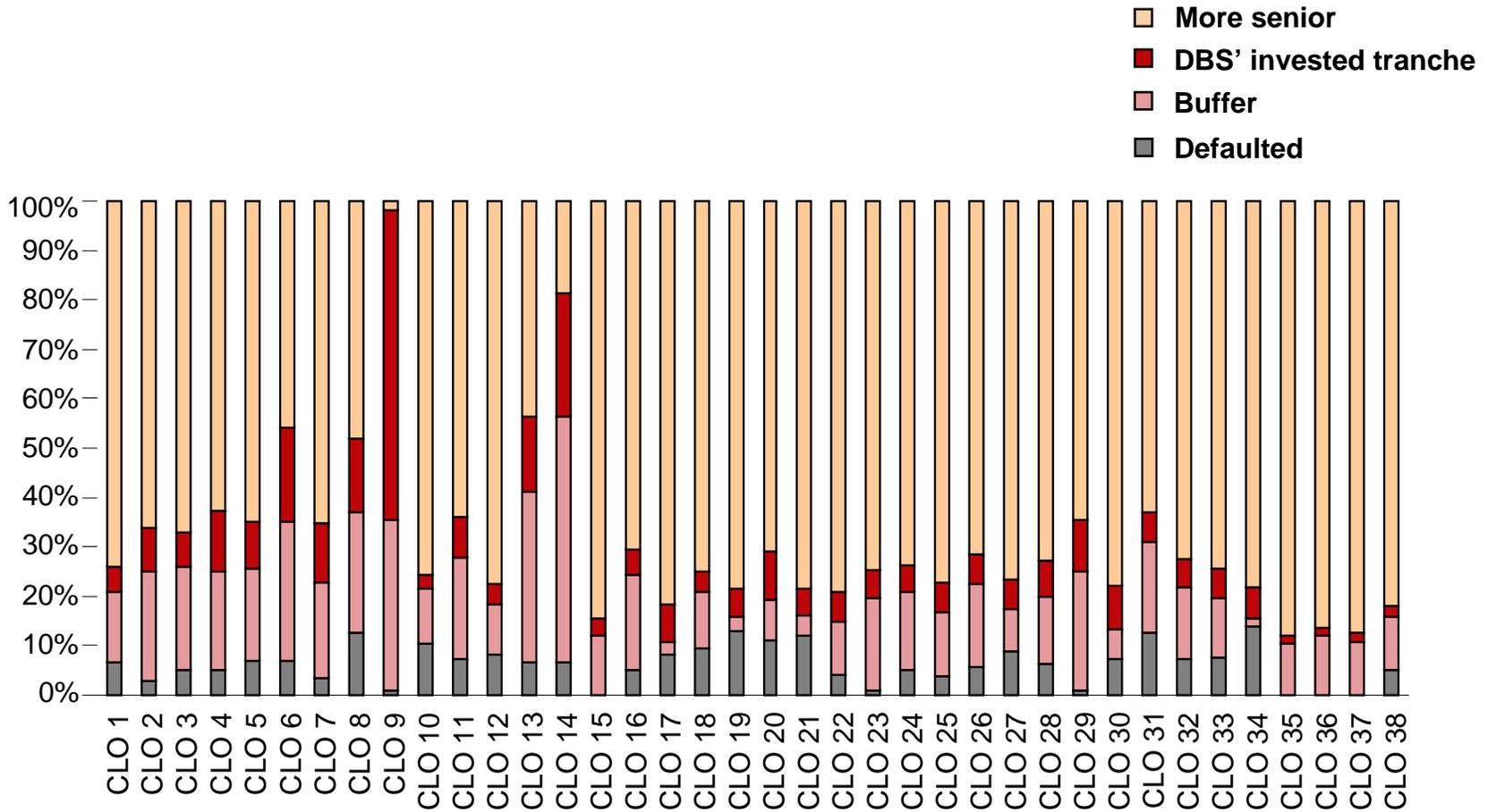
Trading portfolio reduced due to disposals

Non-ABS CDOs in investment portfolio

68% classified as investment grade by Moody's

Hedges amounting to S\$219m of exposure in place

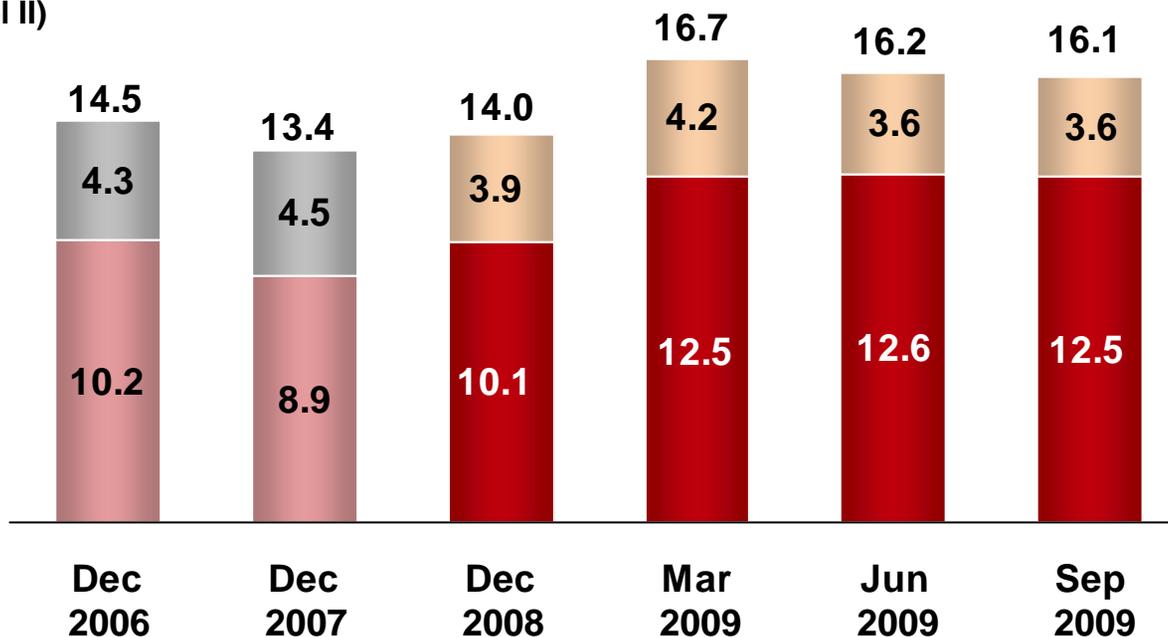
All CLOs still current



Capital ratios remain strong

(%)

- Tier 2 (Basel I)
- Tier 1 (Basel I)
- Tier 2 (Basel II)
- Tier 1 (Basel II)



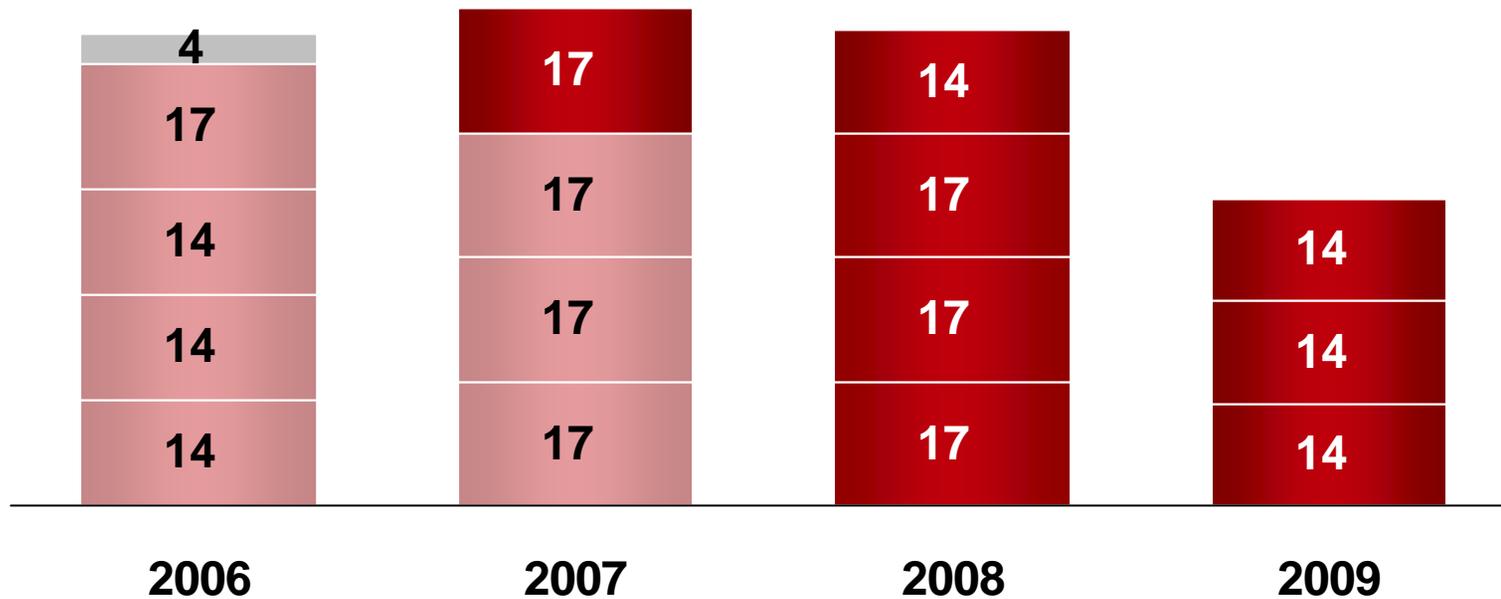
(S\$bn)

	Dec 2006	Dec 2007	Dec 2008	Mar 2009	Jun 2009	Sep 2009
Tier-1 capital	14.8	16.4	18.4	22.8	22.9	23.1
RWA	144.1	184.6	182.7	181.9	182.6	185.2

Quarterly dividend of 14 cents per share

(S¢)

- Special (gross)
- Ordinary (gross)
- Ordinary (one-tier)



Adjusted for rights issue

In summary – operating trends remain healthy, asset quality stabilises

Operating trends remain healthy

Continued efforts to strengthen franchise by focusing on customer

Asset quality stabilises, balance sheet remains strong

Well-positioned to capture growth opportunities



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