



Operating trends remain healthy

**DBS Group Holdings
4Q 2009 financial results
Feb 5, 2010**

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Operating trends remain healthy

- Revenue growth and stable costs
- Hong Kong's performance improves
- Prudent NPL classification, asset quality trends improving

Full-year profit before allowances at record

(S\$m)	FY 2009	FY 2008	YoY %
Net interest income	4,455	4,301	4
Fee income	1,394	1,274	9
Trading income	433	23	>100
Other income	321	433	(26)
Non-interest income	2,148	1,730	24
Income	6,603	6,031	9
Staff expenses	1,292	1,256	3
Other expenses	1,312	1,354	(3)
Expenses	2,604	2,610	(0)
Profit before allowances	3,999	3,421	17
Allowances	1,529	784	95
Net profit	2,064	2,056	0

Excluding one-time gains and charges

Net profit rises 29% on year

(S\$m)	4Q 2009	4Q 2008	YoY %	3Q 2009	QoQ %
Net interest income	1,127	1,115	1	1,140	(1)
Fee income	358	263	36	361	(1)
Trading income	55	(25)	nm	56	(2)
Other income	32	118	(73)	20	60
Non-interest income	445	356	25	437	2
Income	1,572	1,471	7	1,577	(0)
Staff expenses	313	346	(10)	322	(3)
Other expenses	387	343	13	313	24
Expenses	700	689	2	635	10
Profit before allowances	872	782	12	942	(7)
Allowances	384	269	43	265	45
Net profit	493	383	29	563	(12)

Excluding one-time gains and charges

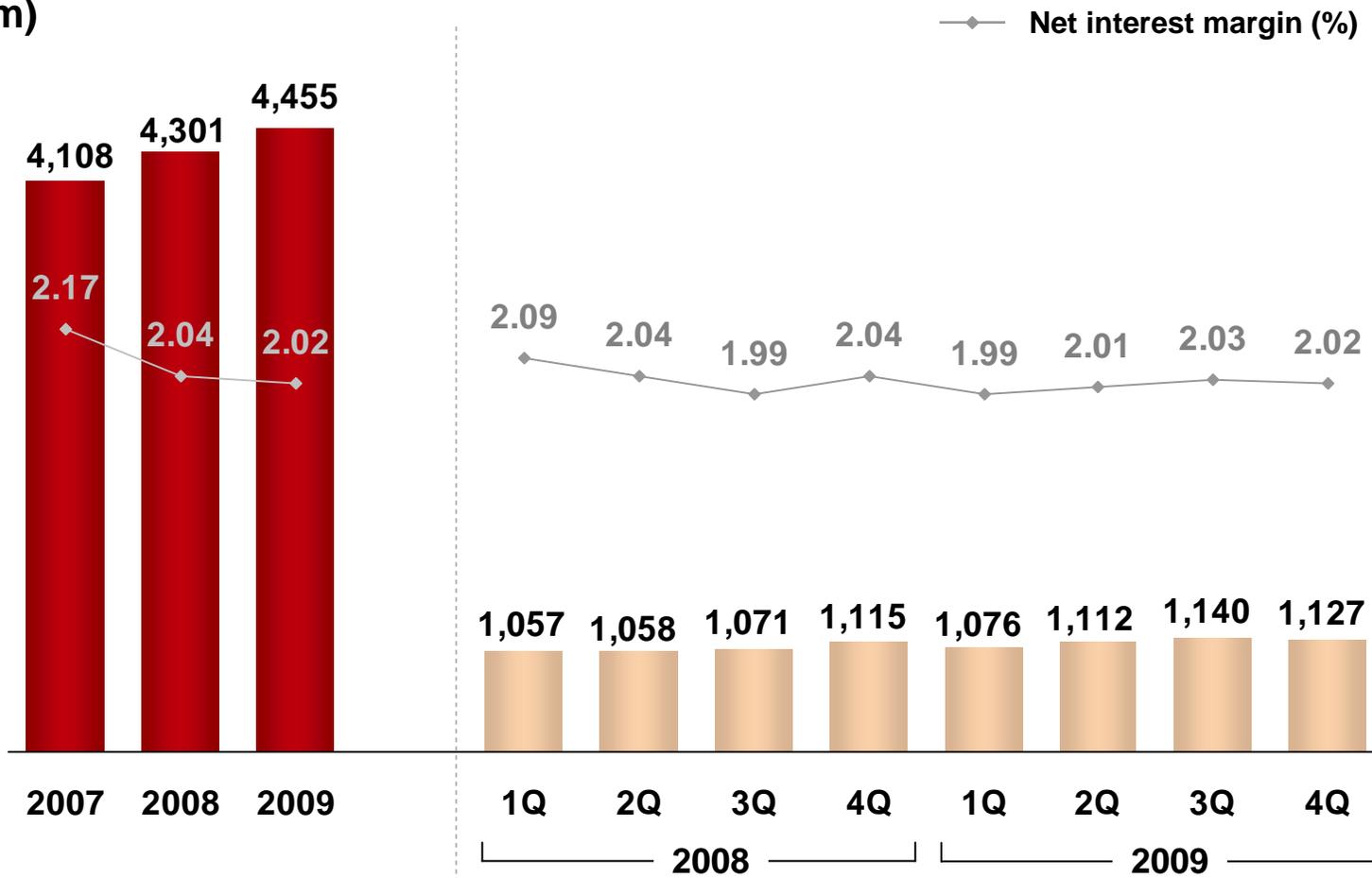
Operating ratios improve on year

(%)	4Q 2009	3Q 2009	4Q 2008	FY 2009	FY 2008
Net interest margin	2.02	2.03	2.04	2.02	2.04
Fee income/total income	23	23	18	21	21
Non-interest income/total income	28	28	24	33	29
Cost/income	45	40	47	39	43
ROE	7.8	9.1	7.6	8.4	10.1
Loans/deposits	71	71	74	71	74
SP/average loans (bp)	116	70	69	85	35
NPL ratio	2.9	2.6	1.5	2.9	1.5

Excluding one-time gains and charges

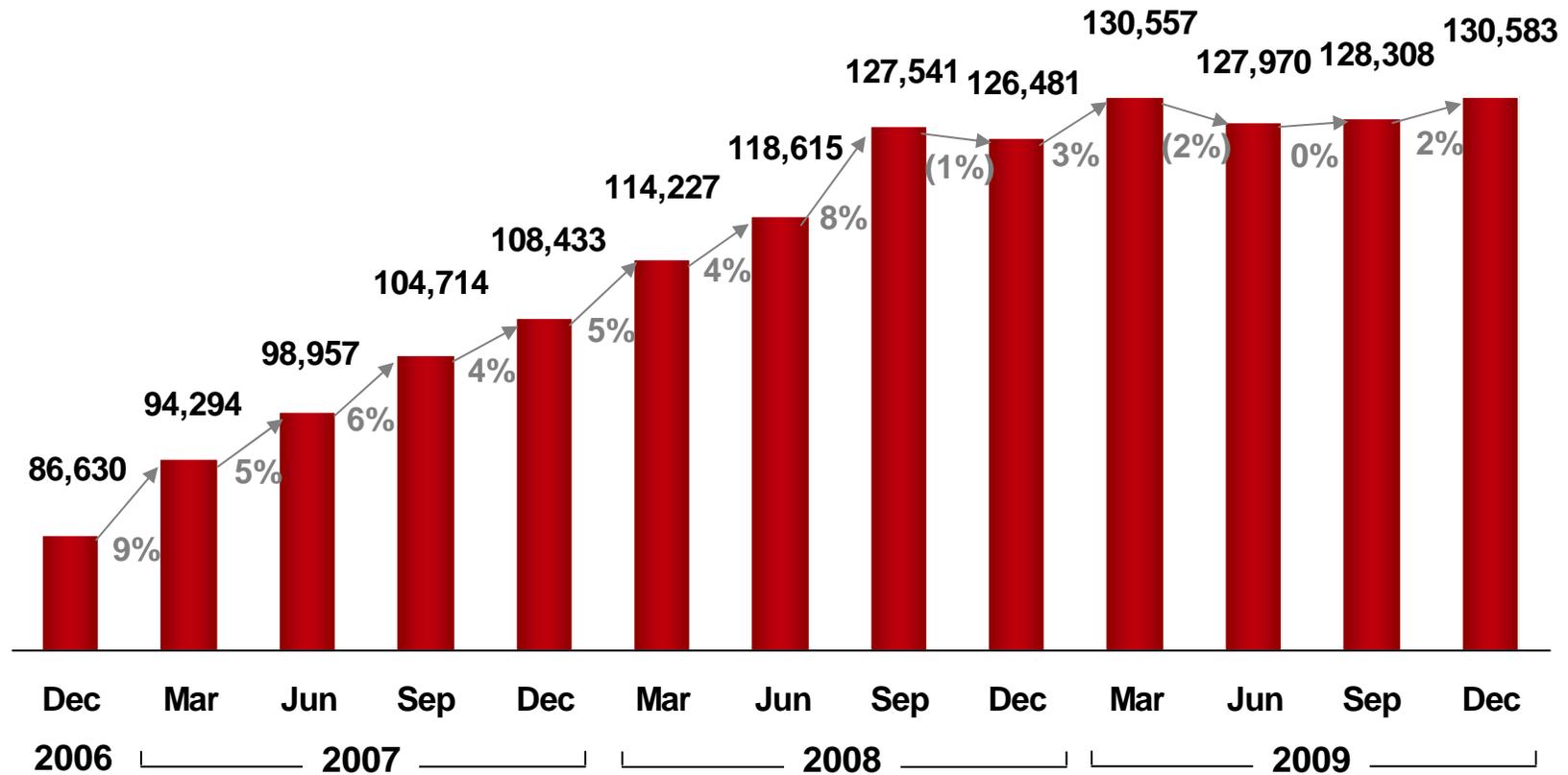
Net interest income and margins remain firm

(S\$m)



Loans up 2% on quarter and 3% on year

(S\$m)



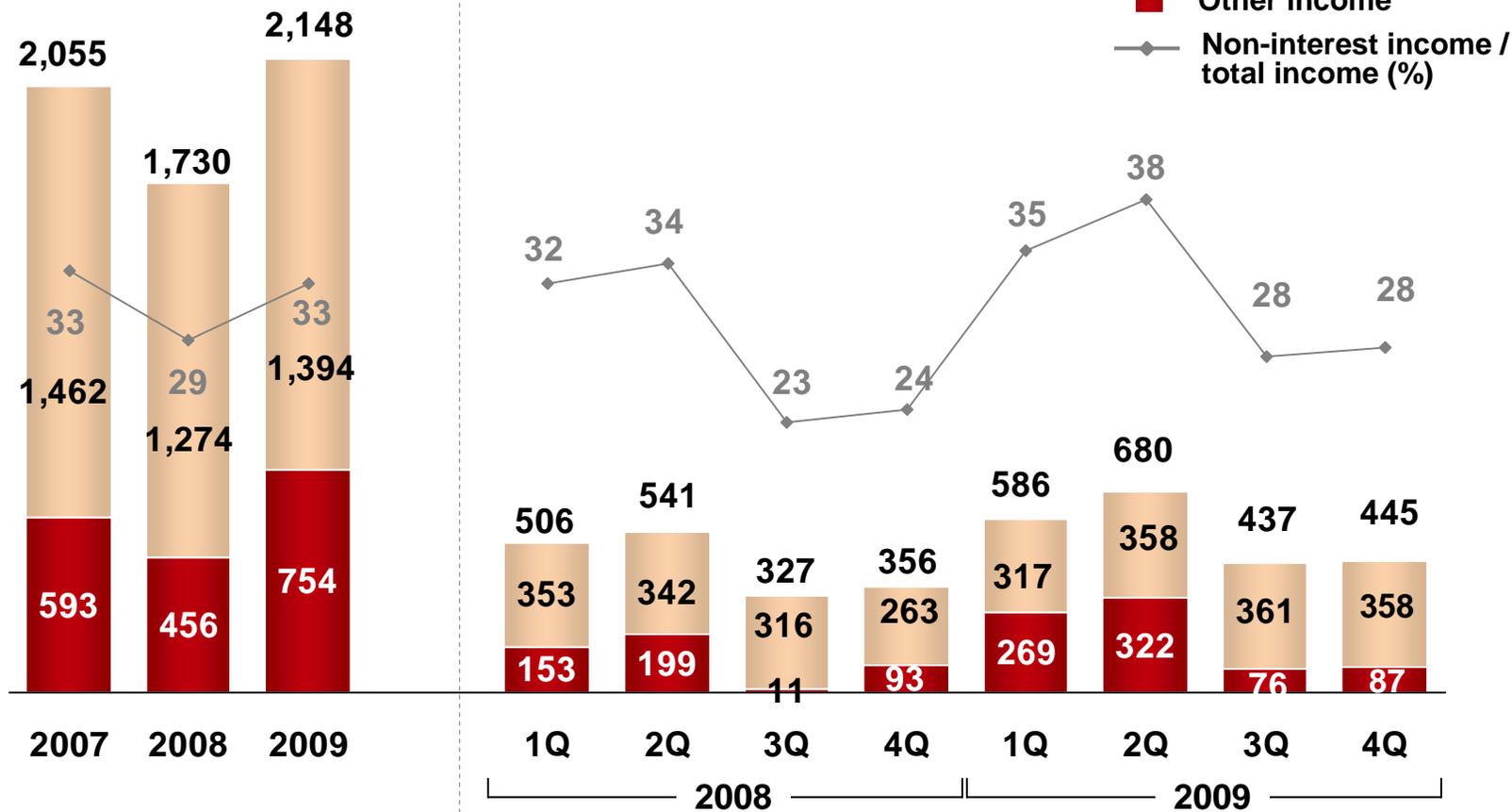
Underlying loans and deposits up 2% on quarter

	Dec 09 (S\$m)	Sep 09 (S\$m)	Reported QoQ (%)	Underlying QoQ (%)
<u>Loans</u>				
SGD	56,712	56,556	0	0
HKD	30,274	29,042	4	5
USD	29,449	27,773	6	7
Others	16,985	17,492	(3)	(3)
Total	133,420	130,863	2	2
<u>Deposits</u>				
SGD	103,842	99,475	4	4
HKD	23,625	25,047	(6)	(5)
USD	29,018	30,523	(5)	(4)
Others	26,947	25,140	7	6
Total	183,432	180,185	2	2

Underlying excluding currency translation effects

Fees and other income resilient on quarter

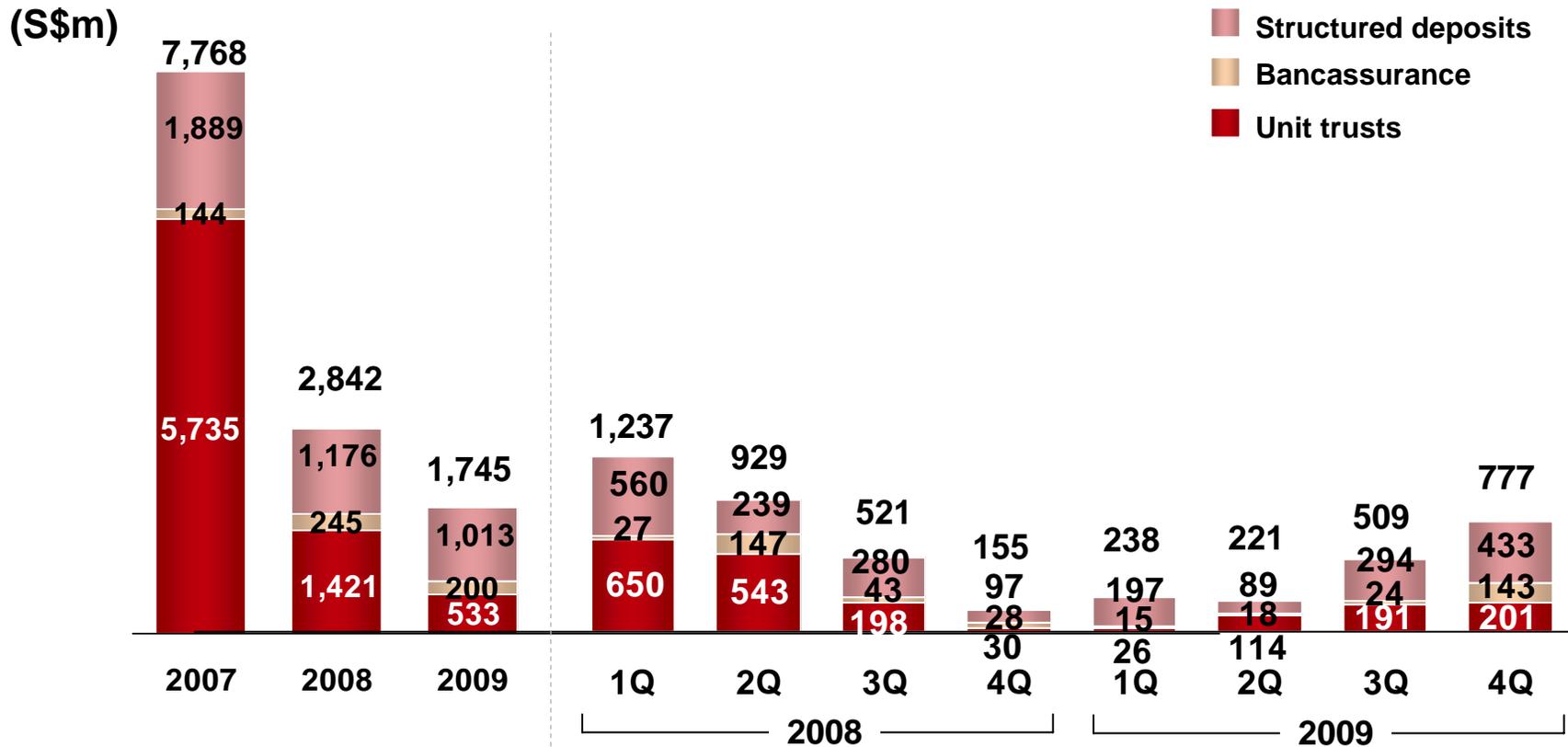
(S\$m)



Excluding one-time gains



Wealth management product sales improve



Sales (all products)

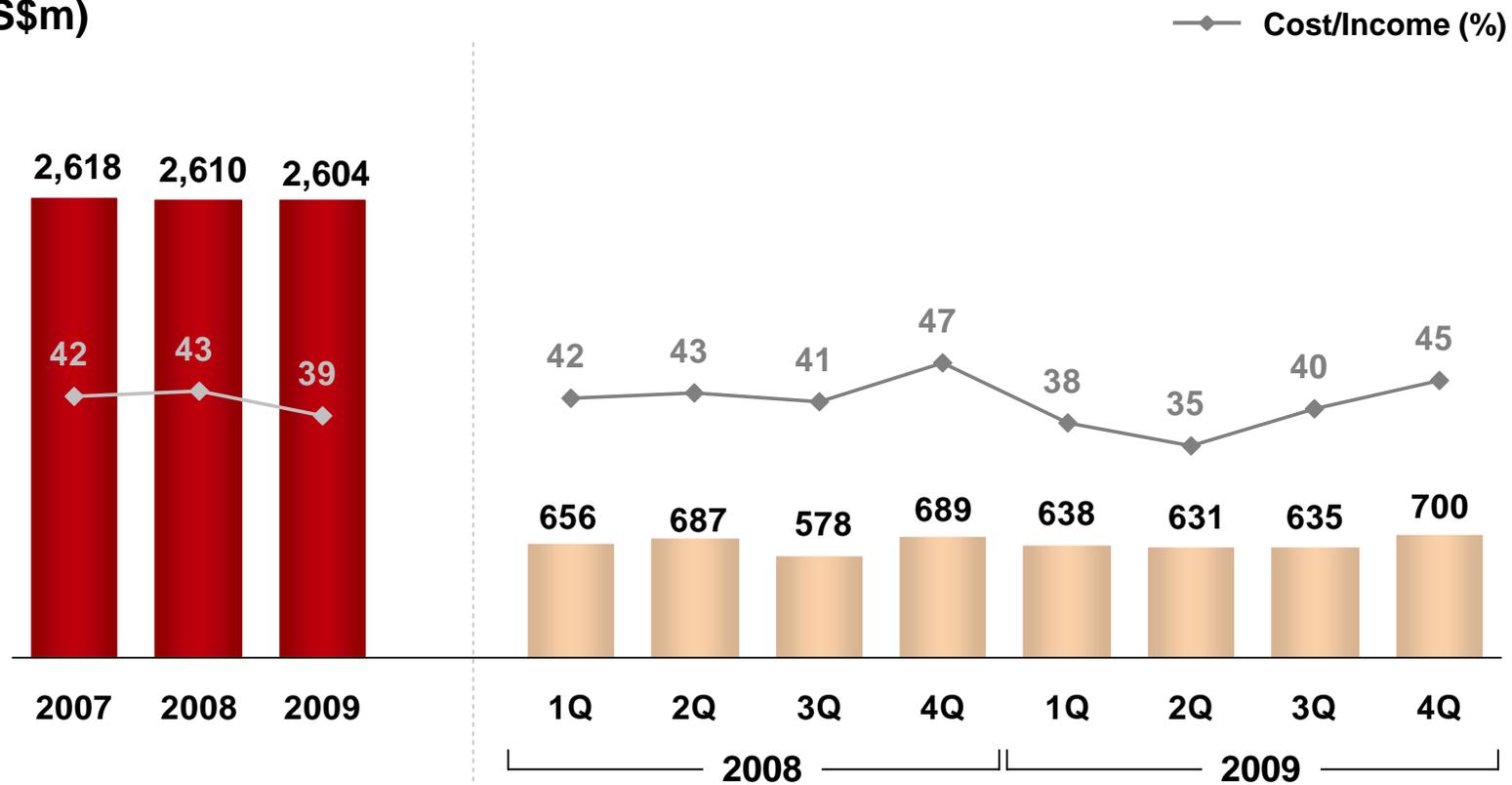
S'pore	3,924	1,587	775	662	480	334	111	123	112	238	303
HK	3,844	1,255	970	575	449	187	44	115	109	271	474

Fees (unit trusts and bancassurance only)

S'pore + HK	249	137	101	40	45	35	17	16	21	34	30
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Full-year expenses stable

(S\$m)



Cost-income ratio excluding one-time gains and charges



Operating trends remain healthy

- ❑ Revenue growth and stable costs

- ❑ Hong Kong's performance improves

- ❑ Prudent NPL classification, asset quality trends improving

Hong Kong's full-year earnings up 19%

(S\$m)	FY 2009	FY 2008	YoY %
Net interest income	888	873	2
Non-interest income	478	538	(11)
Income	1,366	1,411	(3)
Expenses	600	723	(17)
Profit before allowances	766	688	11
Allowances	210	233	(10)
Net profit	464	390	19

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



Hong Kong's earnings up strongly on year, down 10% on quarter

(S\$m)	4Q 2009	4Q 2008	YoY %	3Q 2009	QoQ %
Net interest income	216	221	(2)	226	(4)
Non-interest income	126	114	11	105	20
Income	342	335	2	331	3
Expenses	154	205	(25)	145	6
Profit before allowances	188	130	45	186	1
Allowances	37	112	(67)	14	>100
Net profit	128	16	>100	143	(10)

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



Hong Kong's ratios improve on year

(%)	4Q 2009	3Q 2009	4Q 2008	FY 2009	FY 2008
Net interest margin	1.89	1.94	1.82	1.92	1.86
Non-interest income/total income	37	32	34	35	38
Cost/income	45	44	62	44	51
ROA	1.01	1.09	0.11	0.89	0.74
Loans/deposits	90	82	84	90	84

Excluding one-time gains and charges

Regional operations continue to grow

(S\$m)	FY 2009	FY 2008	YoY %
Net interest income	829	559	48
Non-interest income	417	389	7
Income	1,246	948	31
Expenses	492	420	17
Profit before allowances	754	528	43
Allowances	285	128	>100
Net profit	414	322	29

(%)	FY 2009	FY 2008
Cost/income	39	44
Net profit contribution to Group	20	16

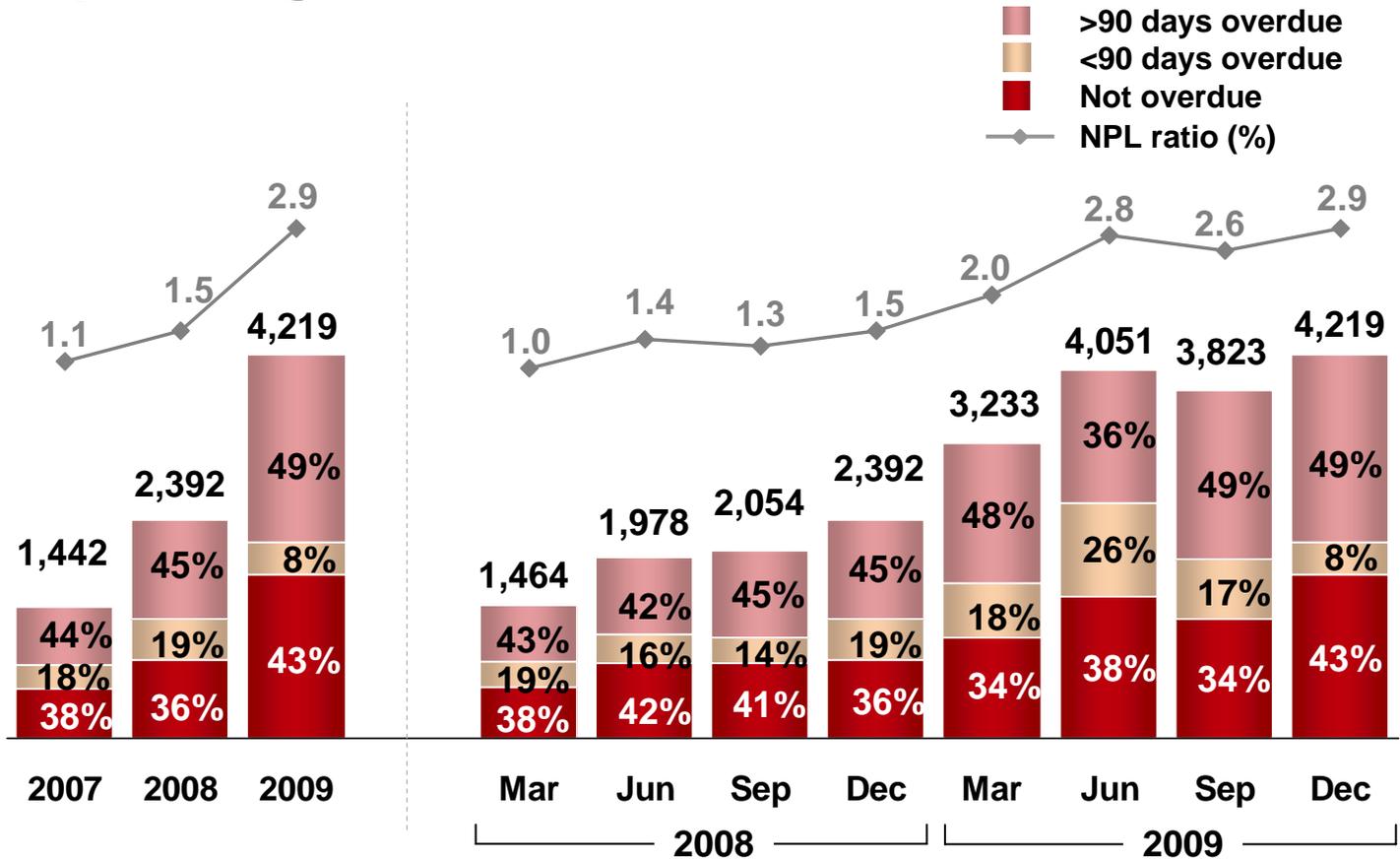
Figures for operations outside of Singapore and Hong Kong. Excluding one-time gains and charges

Operating trends remain healthy

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NPAs rise on prudent classification, asset quality trends improving

(S\$m)



Cumulative general and specific allowances as % of:

NPAs	135	114	83	138	116	123	114	97	81	90	83
Unsecured NPAs	245	176	108	241	195	209	176	156	119	128	108

NPA recoveries remain healthy

(S\$m)	4Q 2009	3Q 2009	4Q 2008
NPAs at start of period	3,823	4,051	2,054
New NPAs	787	208	539
Net recoveries of existing NPAs	(266)	(325)	(117)
Write-offs	(125)	(111)	(84)
NPAs at end of period	4,219	3,823	2,392

Higher specific allowances for new and existing NPLs outside of Asia

(S\$m)

	4Q 2009	3Q 2009	4Q 2008
<u>Add charges for</u>			
New NPLs	125	55	198
Existing NPLs	345	265	109
	470	320	307
<u>Subtract charges for</u>			
Upgrading	0	5	0
Settlements	77	72	62
Recoveries	6	14	21
	83	91	83
Total SP charges	387	229	224
SP / Average loans (bp)	116	70	69

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

	Dec 09 (S\$m)	Sep 09 (S\$m)
Singapore government securities	13,245	11,964
Other government securities	7,539	5,863
Corporate debt securities	12,121	12,569
Equities	1,016	918
Total	33,921	31,314

CDO portfolio reduced with divestments

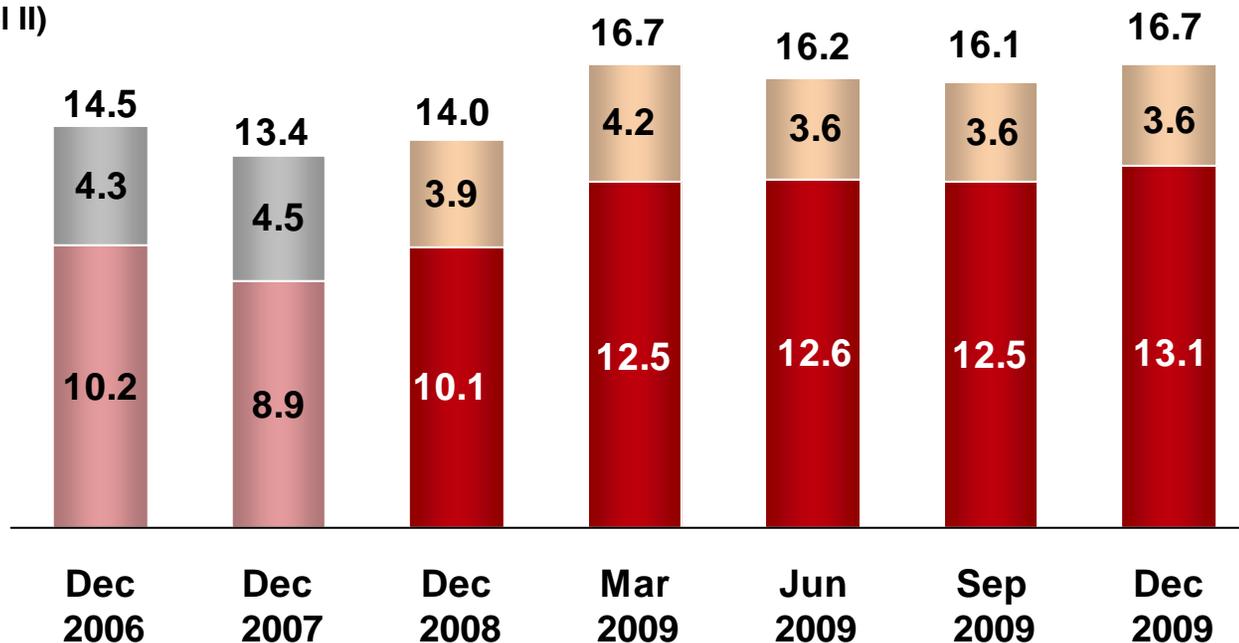
(S\$m)	Amount as at		Cumulative allowances	% coverage
	Dec 09	Sep 09		
Investment portfolio	195	859	137	70
ABS CDOs	150	152	137	91
Non-ABS CDOs	45	707	0	0
– CLOs	31	679	0	0
– Others	14	28	0	0
Trading portfolio	91	91	–	–
Total	286	950	137	–

Remaining S\$45m of non-ABS CDOs scheduled to mature by 2011

Capital ratios remain strong

(%)

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



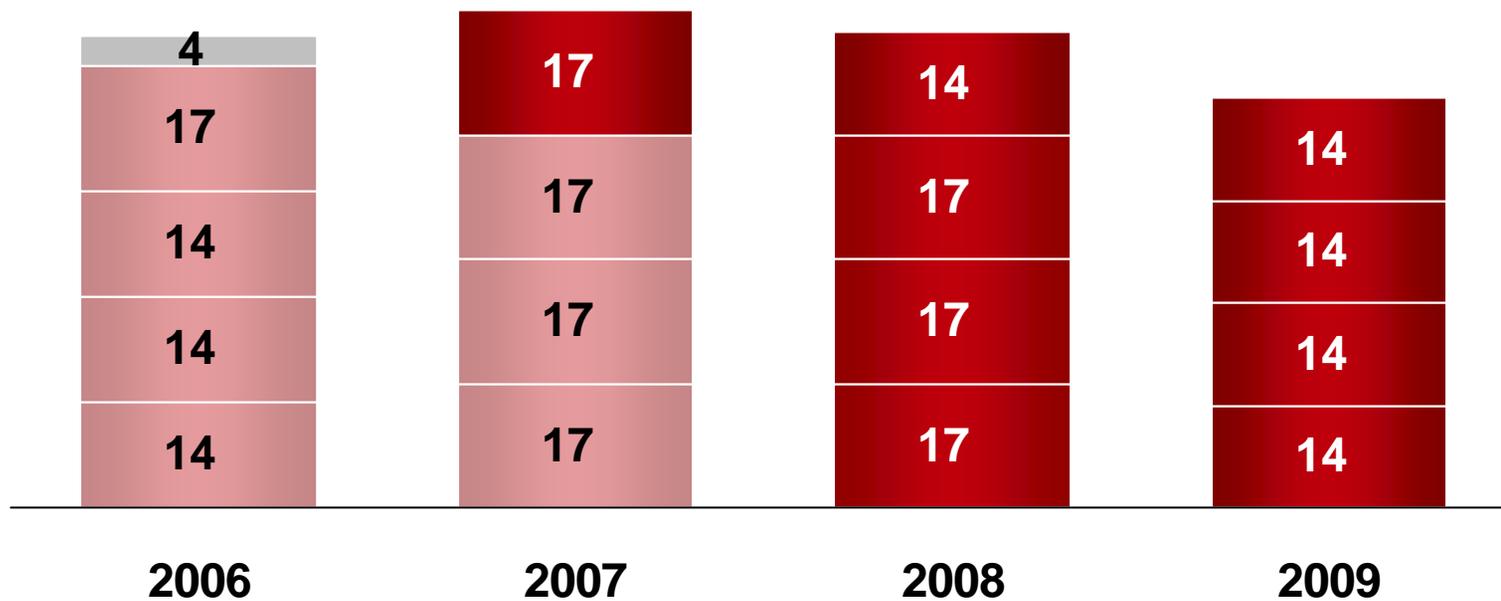
(S\$bn)

Tier-1 capital	14.8	16.4	18.4	22.8	22.9	23.1	23.3
RWA	144.1	184.6	182.7	181.9	182.6	185.2	177.2

Proposed final dividend of 14 cents per share

(S¢)

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



Adjusted for rights issue

In summary – operating trends remain healthy

Record profit before allowances in 2009 reflect strong franchise

Prudent approach to classifying non-performing assets

Balance sheet strength well positions Group to capture growth opportunities



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