

Operating trends strengthen

DBS Group Holdings
1Q 2010 financial results
May 7, 2010

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Operating trends strengthen

- Business volumes grow, revenues higher**
- Better performance in Hong Kong**
- NPL rate and allowance coverage improve**

Net profit up 17% on year and 8% on quarter

(S\$m)	1Q 2010	1Q 2009	YoY %	4Q 2009	QoQ %
Net interest income	1,066	1,076	(1)	1,127	(5)
Fee income	341	317	8	358	(5)
Trading income	230	150	53	55	>100
Other income	76	119	(36)	32	>100
Non-interest income	647	586	10	445	45
Income	1,713	1,662	3	1,572	9
Staff expenses	338	327	3	313	8
Other expenses	364	311	17	387	(6)
Expenses	702	638	10	700	0
Profit before allowances	1,011	1,024	(1)	872	16
Allowances	355	414	(14)	384	(8)
Net profit	532	456	17	493	8

Excluding one-time gains and charges

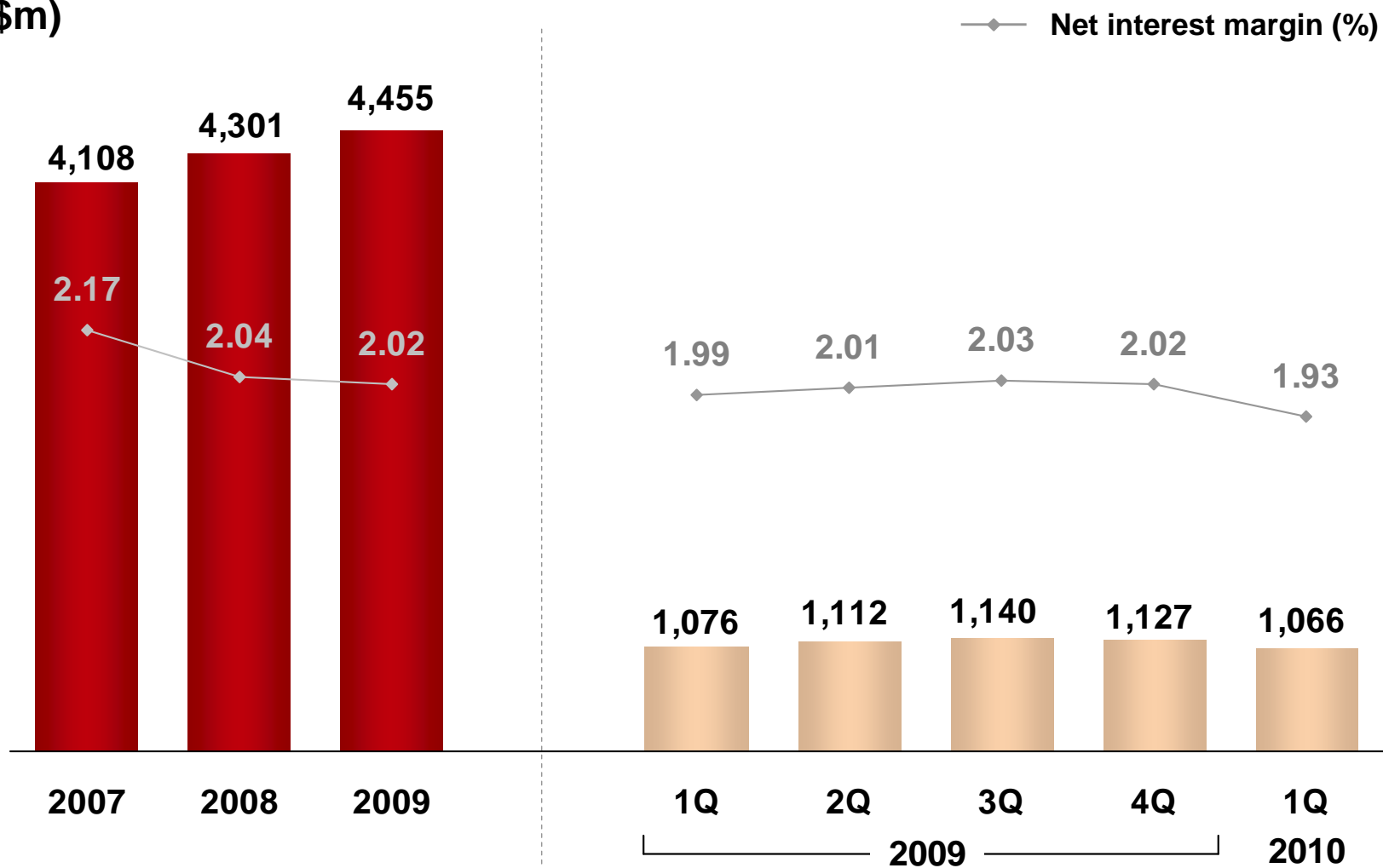
Several key ratios improve

(%)	1Q 2010	4Q 2009	1Q 2009
Net interest margin	1.93	2.02	1.99
Fee income/total income	20	23	19
Non-interest income/total income	38	28	35
Cost/income	41	45	38
ROE	8.2	7.8	8.0
Loans/deposits	74	71	73
SP/average loans (bp)	97	116	70
NPL ratio	2.7	2.9	2.0

Excluding one-time gains and charges

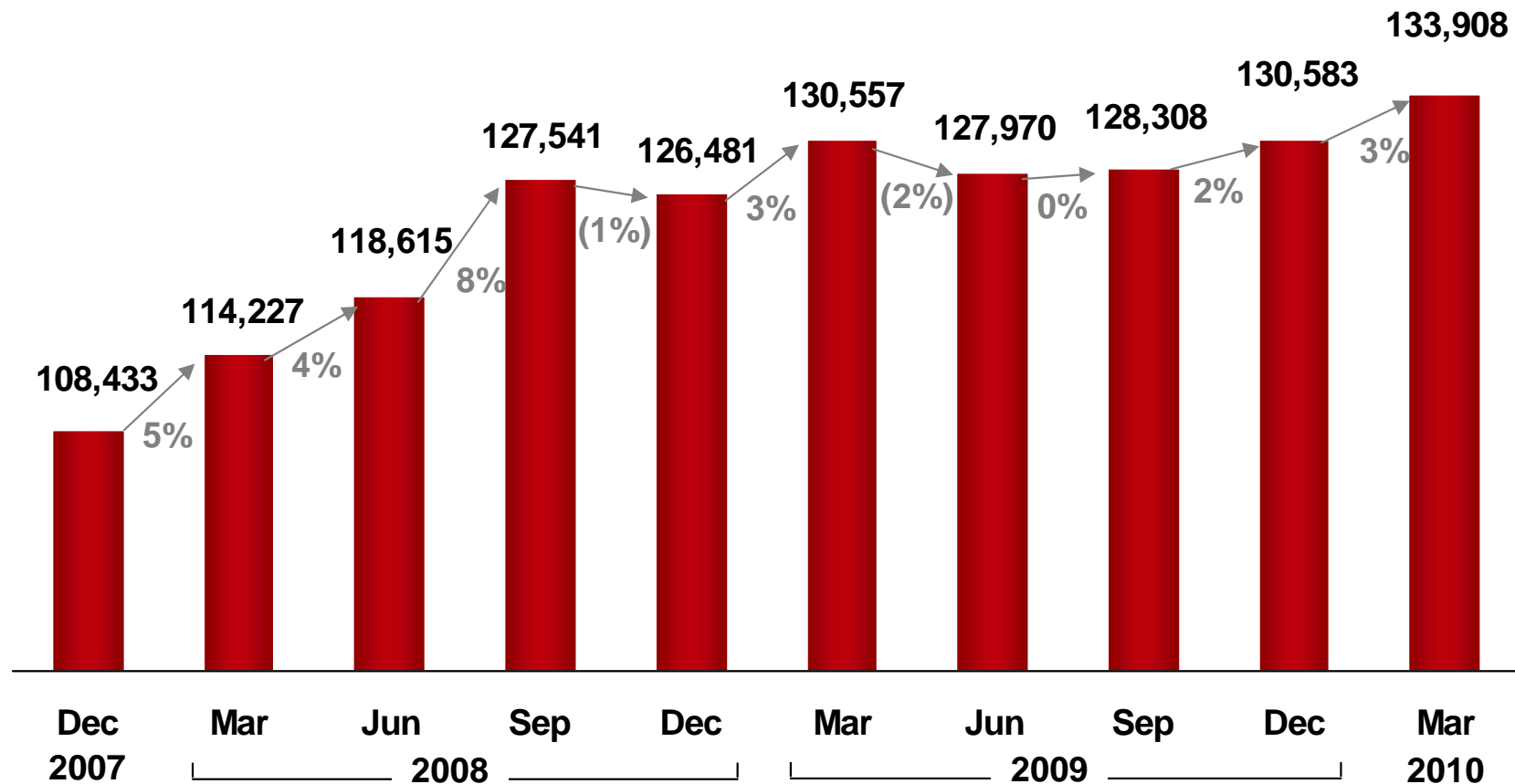
Net interest income and margins decline

(S\$m)



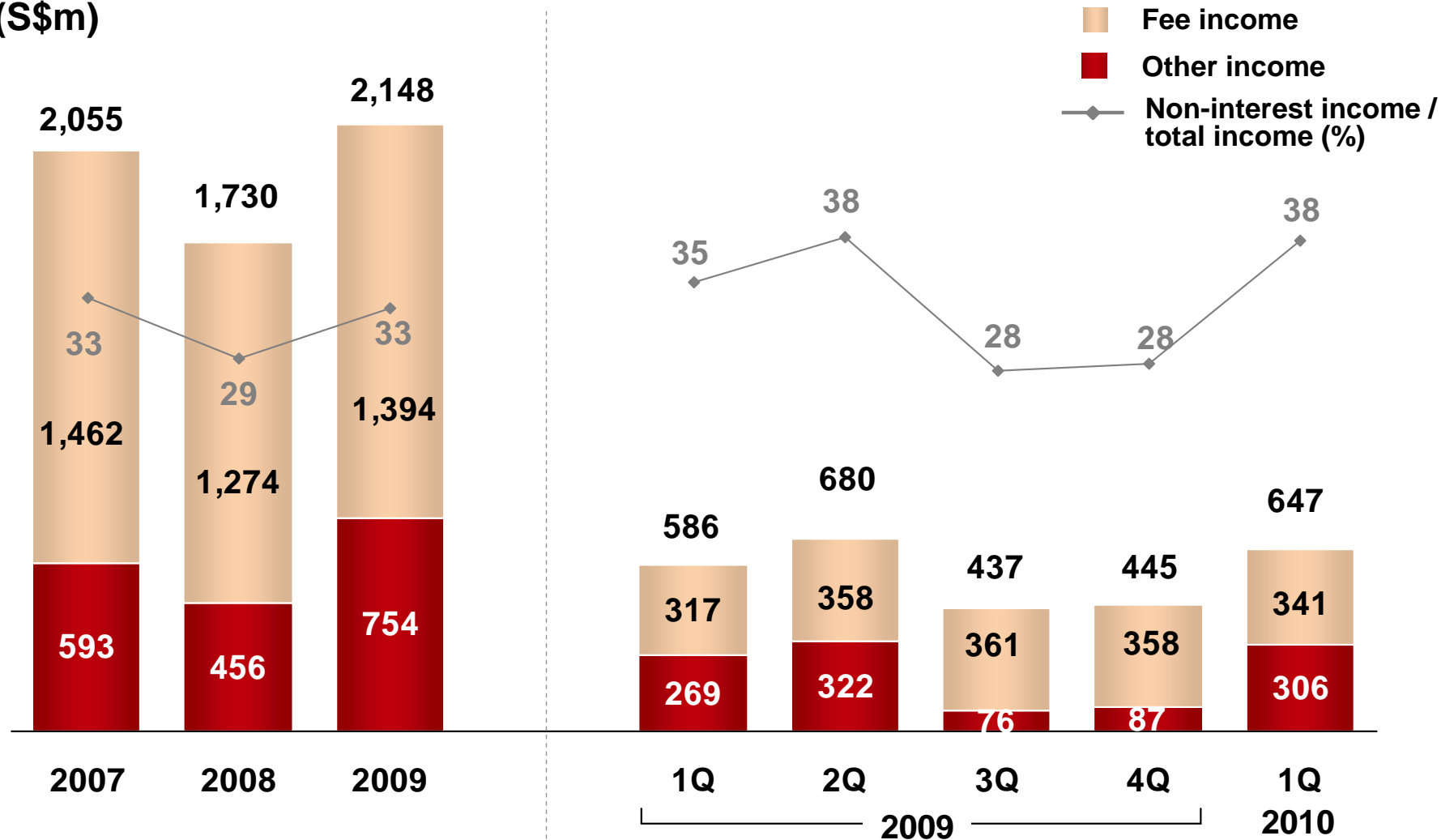
Loans up 3% on quarter

(S\$m)



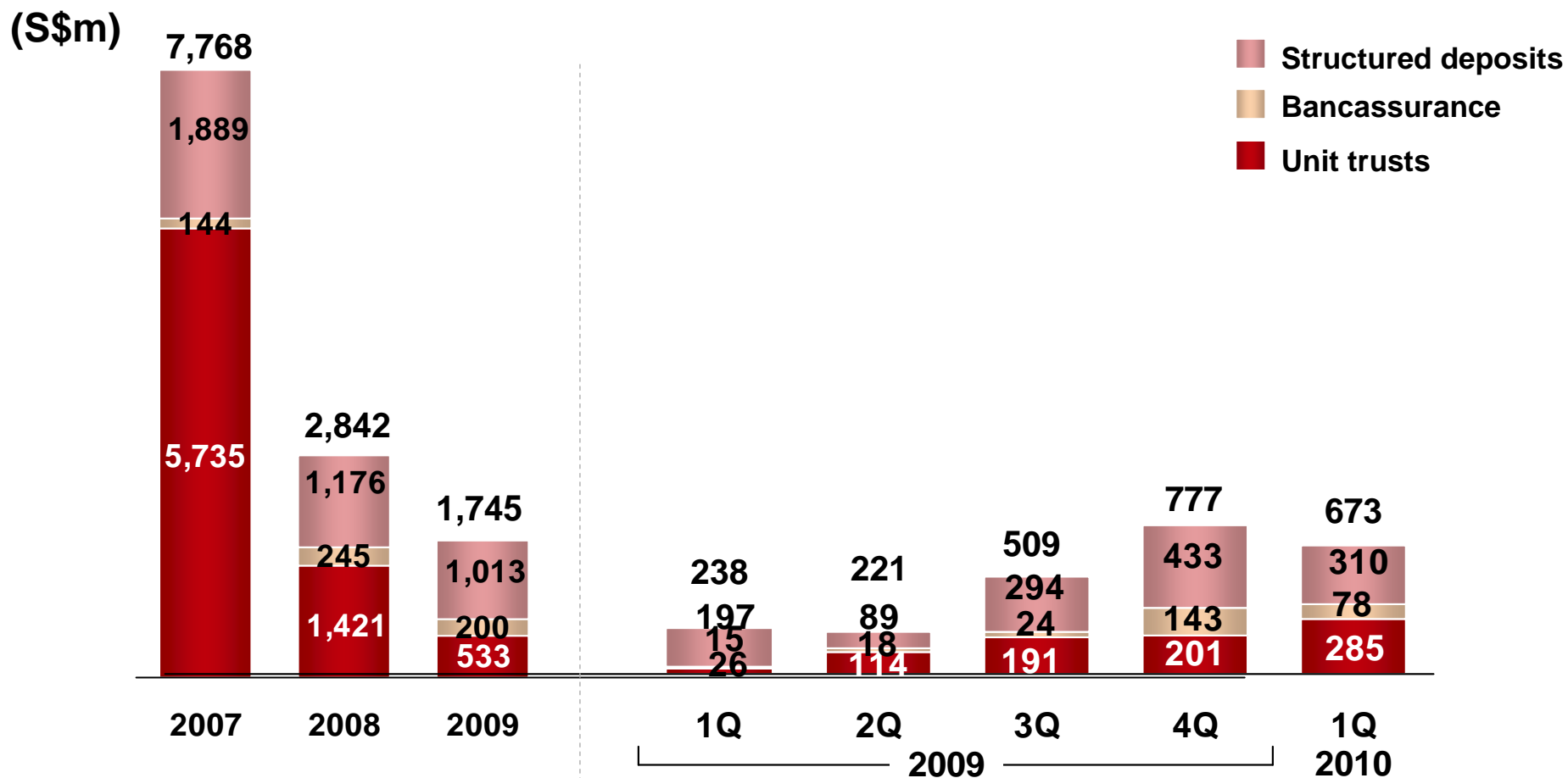
Non-interest income higher

(S\$m)



Excluding one-time gains

Unit trust sales continue to improve



Sales (all products)

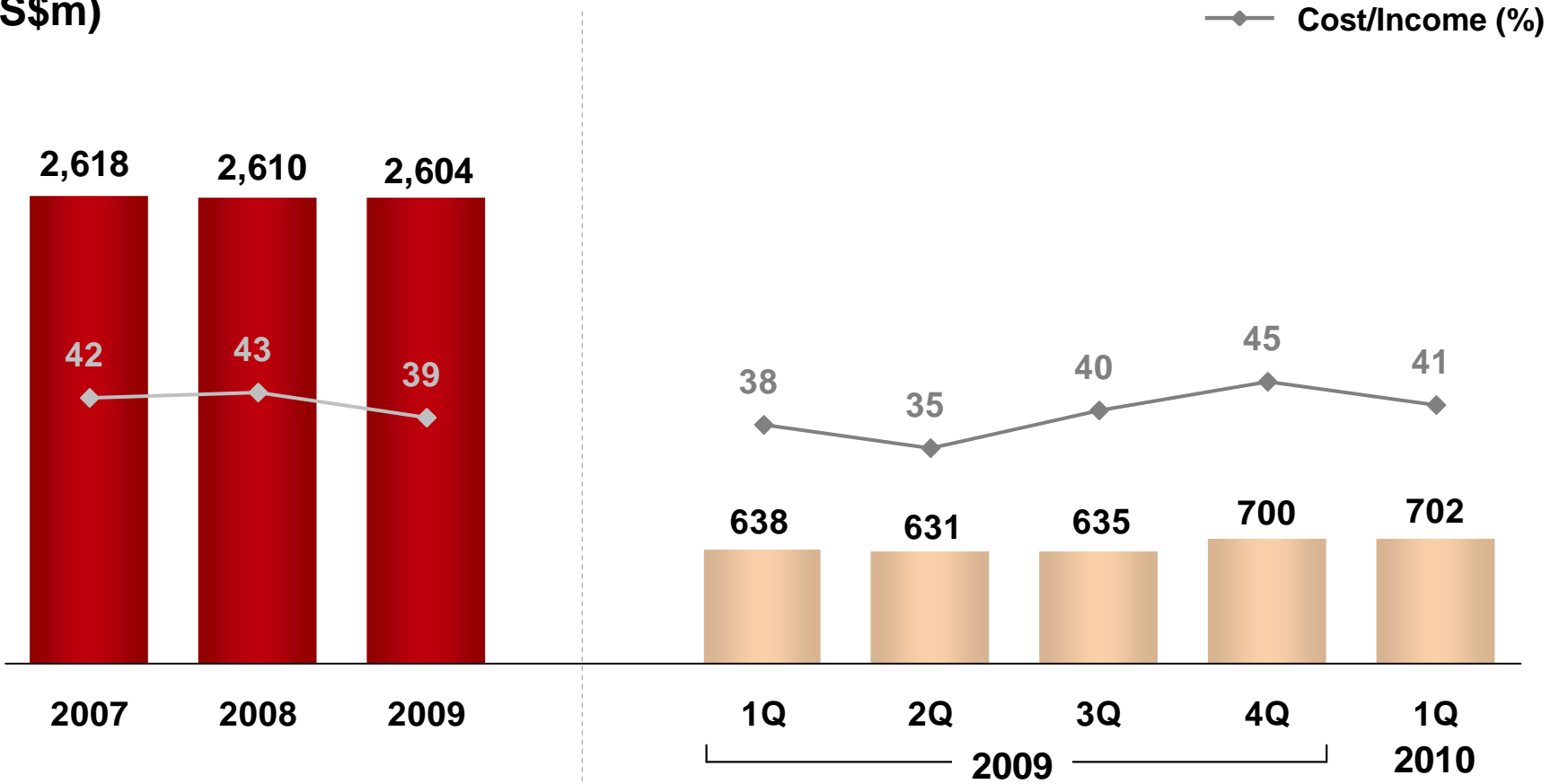
S'pore	3,924	1,587	775	123	112	238	303	377
HK	3,844	1,255	970	115	109	271	474	296

Fees (unit trusts and bancassurance only)

S'pore + HK	249	137	101	16	21	34	30	27
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Cost-income ratio at 41%

(S\$m)



Excluding one-time gains and charges

Operating trends strengthen

- ❑ Business volumes grow, revenues higher
- ❑ Better performance in Hong Kong
- ❑ NPL rate and allowance coverage improve

Hong Kong's earnings up 91% on year and 41% on quarter

(S\$m)	1Q 2010	1Q 2009	YoY %	4Q 2009	QoQ %
Net interest income	202	224	(10)	216	(6)
Non-interest income	165	127	30	126	31
Income	367	351	5	342	7
Expenses	147	150	(2)	154	(4)
Profit before allowances	220	201	9	188	17
Allowances	7	88	(92)	37	(81)
Net profit	180	94	91	128	41

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

Hong Kong's ratios improve on year

(%)	1Q 2010	4Q 2009	1Q 2009
Net interest margin	1.80	1.89	1.91
Non-interest income/total income	45	37	36
Cost/income	40	45	43
ROA	1.40	1.01	0.70
Loans/deposits	91	90	80

Contributions from regional operations up on quarter

(S\$m)	1Q 2010	1Q 2009	YoY %	4Q 2009	QoQ %
Net interest income	207	197	5	207	0
Non-interest income	113	155	(27)	69	64
Income	320	352	(9)	276	16
Expenses	136	113	20	136	0
Profit before allowances	184	239	(23)	140	31
Allowances	70	100	(30)	138	(49)
Net profit	103	103	0	30	>100

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

Operating trends strengthen

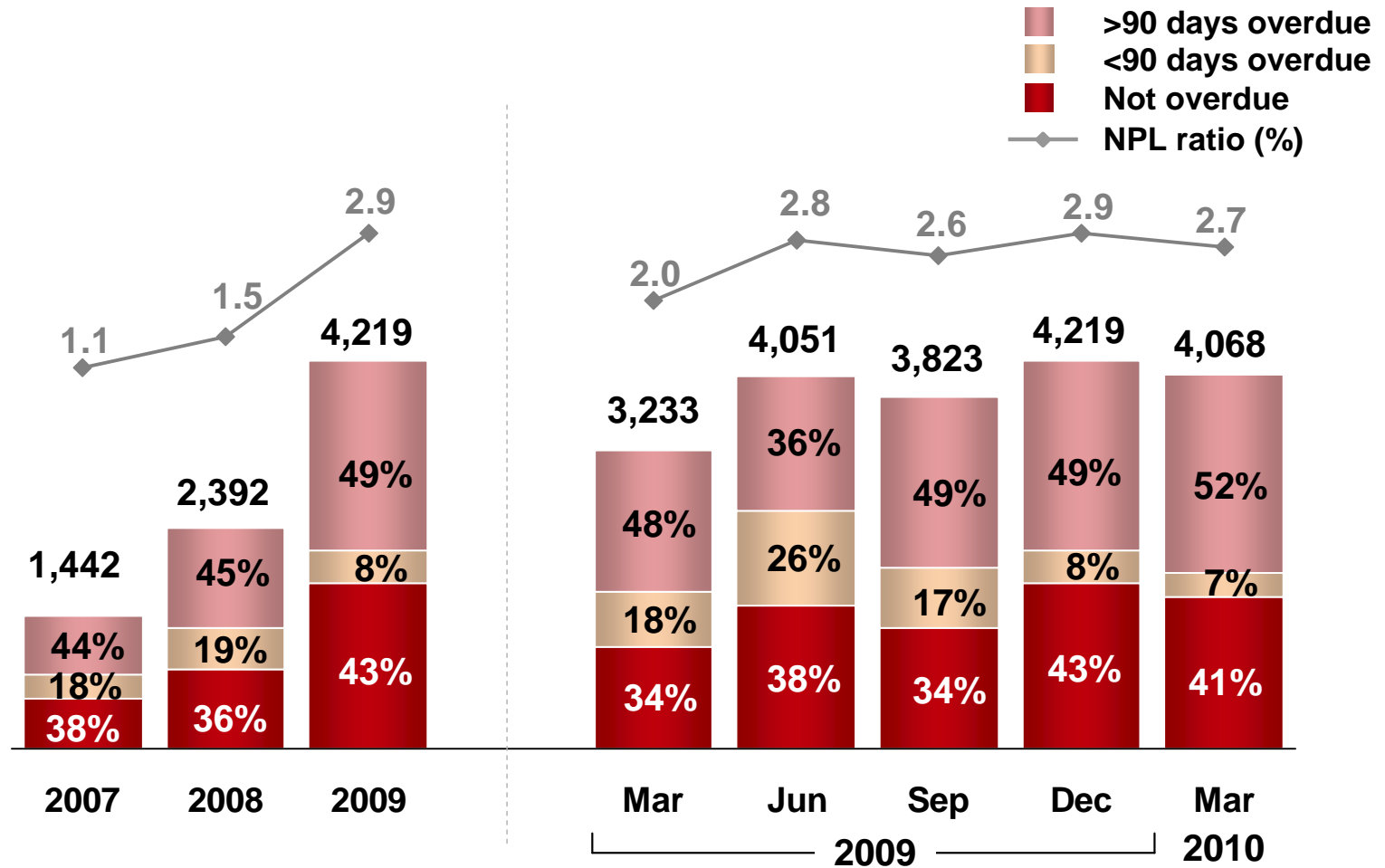
- ❑ Business volumes grow, revenues higher

- ❑ Better performance in Hong Kong

- ❑ NPL rate and allowance coverage improve

NPL rate falls to 2.7% while allowance coverage rises

(S\$m)



Cumulative general and specific allowances as % of:

NPAs	135	114	83	97	81	90	83	92
Unsecured NPAs	245	176	108	156	119	128	108	119

New NPAs fall on customer repayments

(S\$m)	1Q 2010	4Q 2009	1Q 2009
NPAs at start of period	4,219	3,823	2,392
New NPAs	207	787	926
Net recoveries of existing NPAs	(246)	(266)	(11)
Write-offs	(112)	(125)	(74)
NPAs at end of period	4,068	4,219	3,233

Specific allowances mainly for existing NPLs outside of Asia

(S\$m)	1Q 2010	4Q 2009	1Q 2009
<u>Add charges for</u>			
New NPLs	73	125	160
Existing NPLs	311	345	111
	384	470	271
<u>Subtract charges for</u>			
Upgrading	0	0	0
Settlements	53	77	37
Recoveries	7	6	9
	60	83	46
Total SP charges	324	387	225
SP / Average loans (bp)	97	116	70

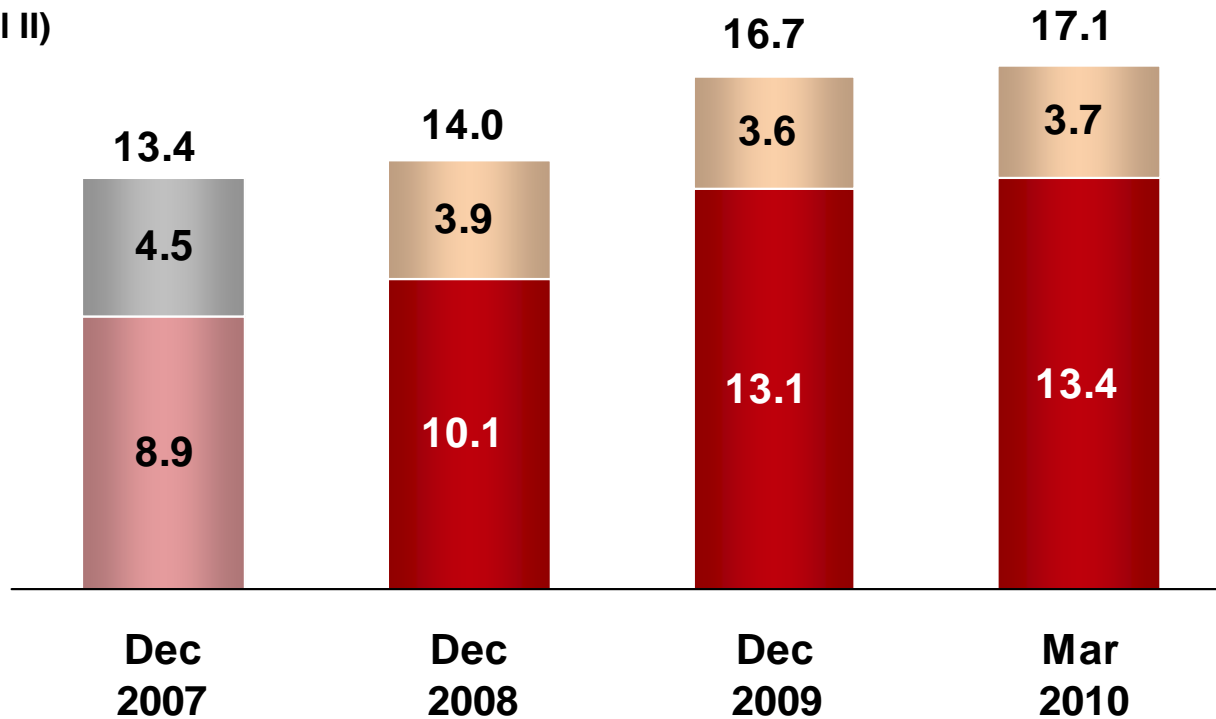
AFS portfolio well-balanced between investment-grade government and corporate debt

	Mar 10 (S\$m)	Dec 09 (S\$m)
Singapore government securities	9,461	13,245
Other government securities	7,160	7,539
Corporate debt securities	10,081	12,121
Equities	1,050	1,016
Total	27,752	33,921

Capital ratios strengthened

(%)

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

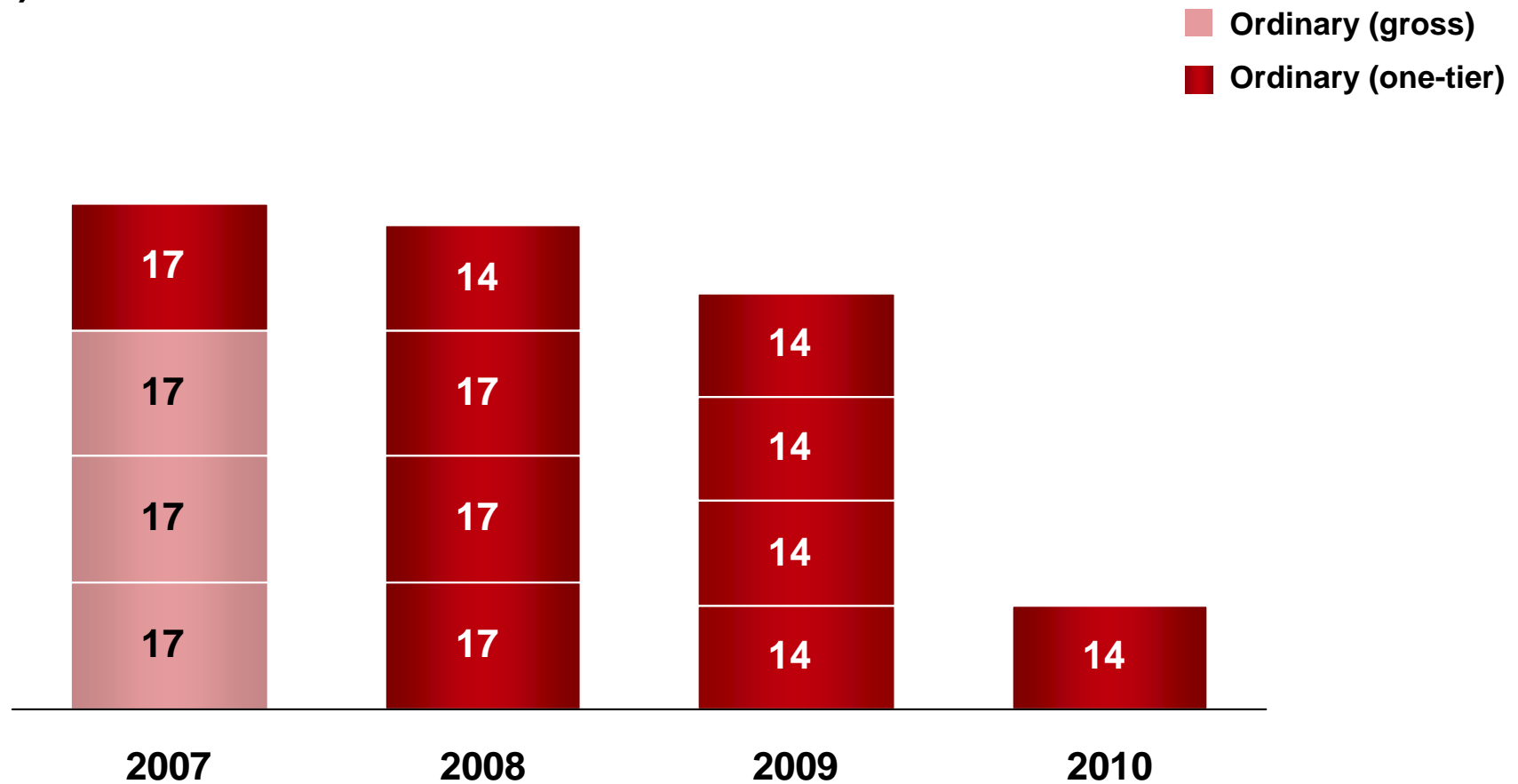


(S\$bn)

	Dec 2007	Dec 2008	Dec 2009	Mar 2010
Tier-1 capital	16.4	18.4	23.3	23.6
RWA	184.6	182.7	177.2	175.9

1Q dividend of 14 cents per share

(S¢)



Adjusted for rights issue

In summary – operating trends strengthen

Higher revenues, sustained business volume growth

Lower allowance charges and non-performing assets

Strong balance sheet, single-minded execution of strategy

Operating trends strengthen

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