

Record earnings underpinned by broad-based growth

**DBS Group Holdings
1Q 2011 financial results
April 29, 2011**

Disclaimer: The information contained in this document is intended only for use during the presentation and should not be disseminated or distributed to parties outside the presentation. DBS Bank accepts no liability whatsoever with respect to the use of this document or its contents.



Record earnings underpinned by broad-based growth

- Total income and earnings reach new highs
- Hong Kong's performance improves
- Balance sheet remains strong

Net profit up 52% on year and 19% on quarter

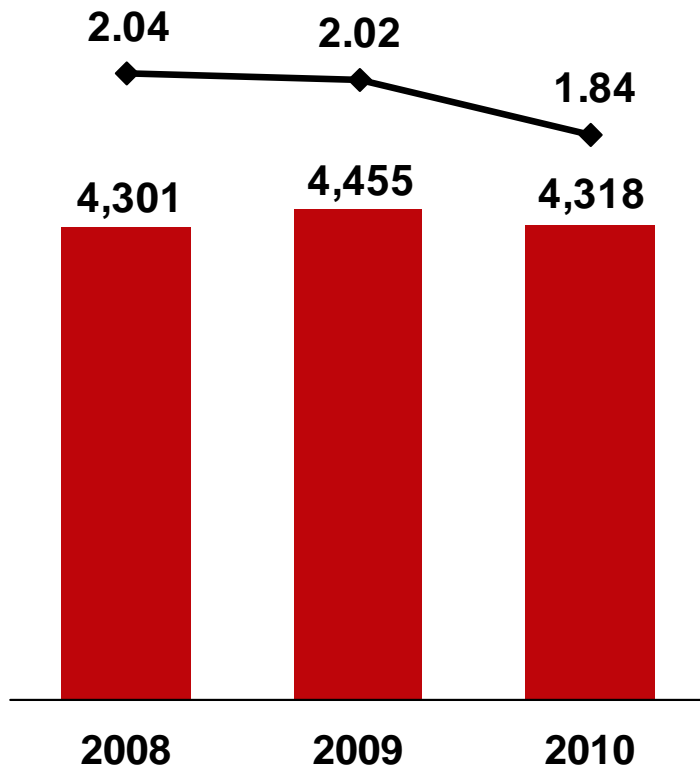
(S\$m)	1Q 2011	1Q 2010	YoY %	4Q 2010	QoQ %
Net interest income	1,122	1,066	5	1,106	1
Fee income	416	341	22	358	16
Trading income	258	230	12	164	57
Other income	113	76	49	101	12
Non-interest income	787	647	22	623	26
Total income	1,909	1,713	11	1,729	10
Staff expenses	405	338	20	362	12
Other expenses	368	364	1	418	(12)
Expenses	773	702	10	780	(1)
Profit before allowances	1,136	1,011	12	949	20
Allowances	125	355	(65)	157	(20)
Net profit	807	532	52	678	19

Key ratios improve

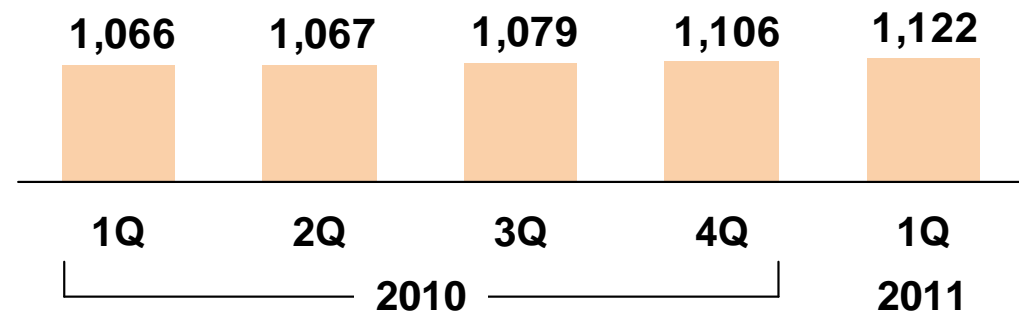
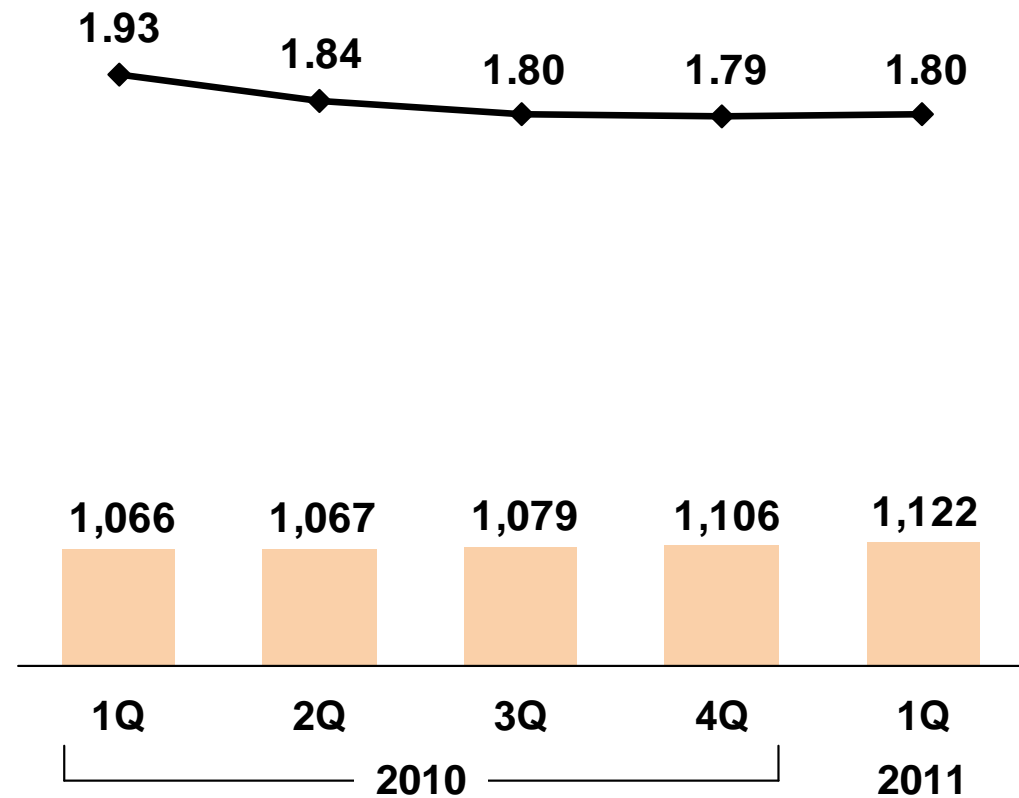
(%)	1Q 2011	4Q 2010	1Q 2010
Net interest margin	1.80	1.79	1.93
Fee income/total income	22	21	20
Non-interest income/total income	41	36	38
Cost/income	40	45	41
ROE	12.1	10.2	8.2
Loans/deposits	79	79	74
SP/average loans (bp)	9	25	97
NPL ratio	1.8	1.9	2.7

Net interest income higher, margins stable on quarter

(S\$m)



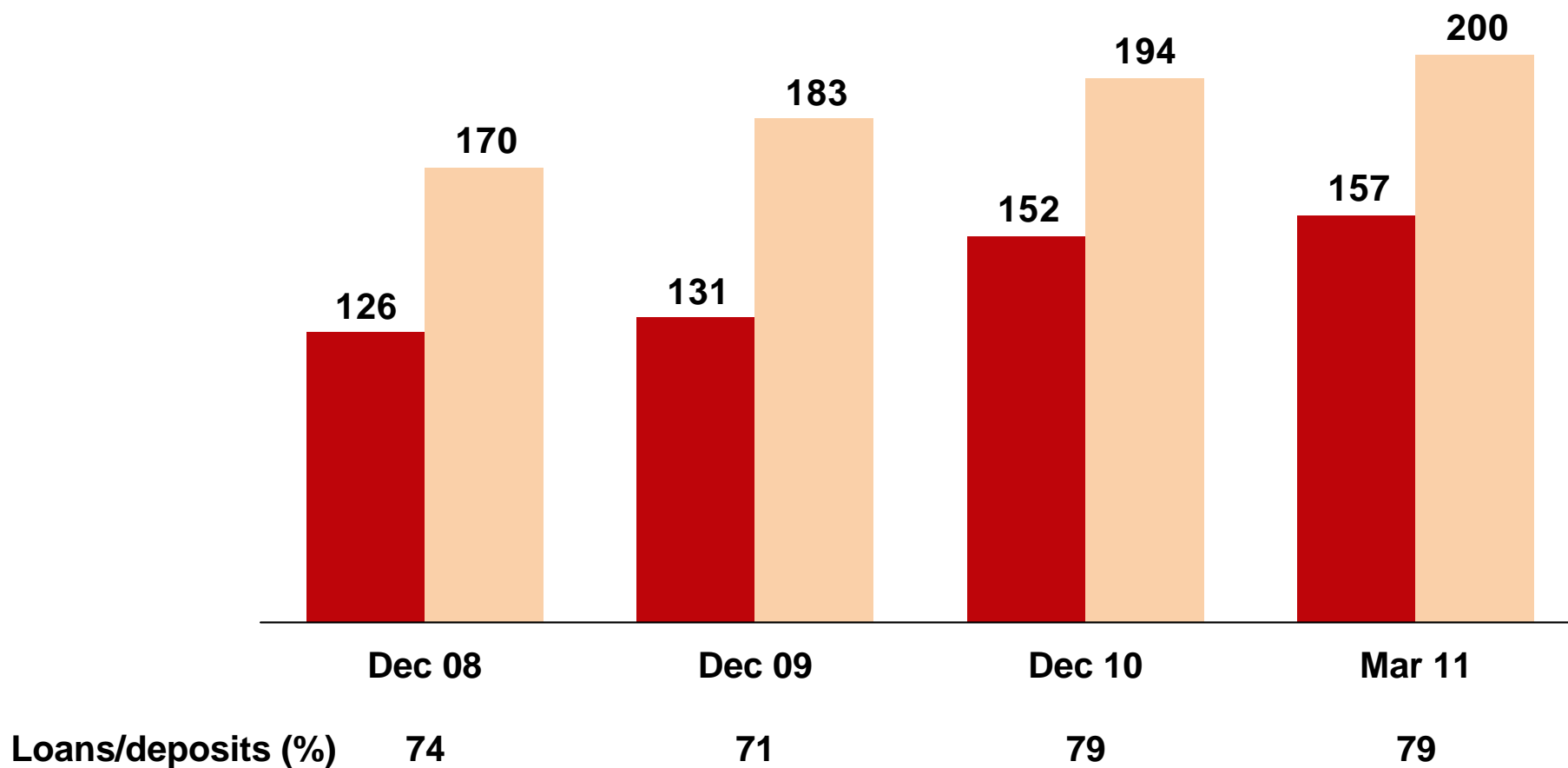
◆ Net interest margin (%)



Loans up 4% and deposits up 3% on quarter

(S\$bn)

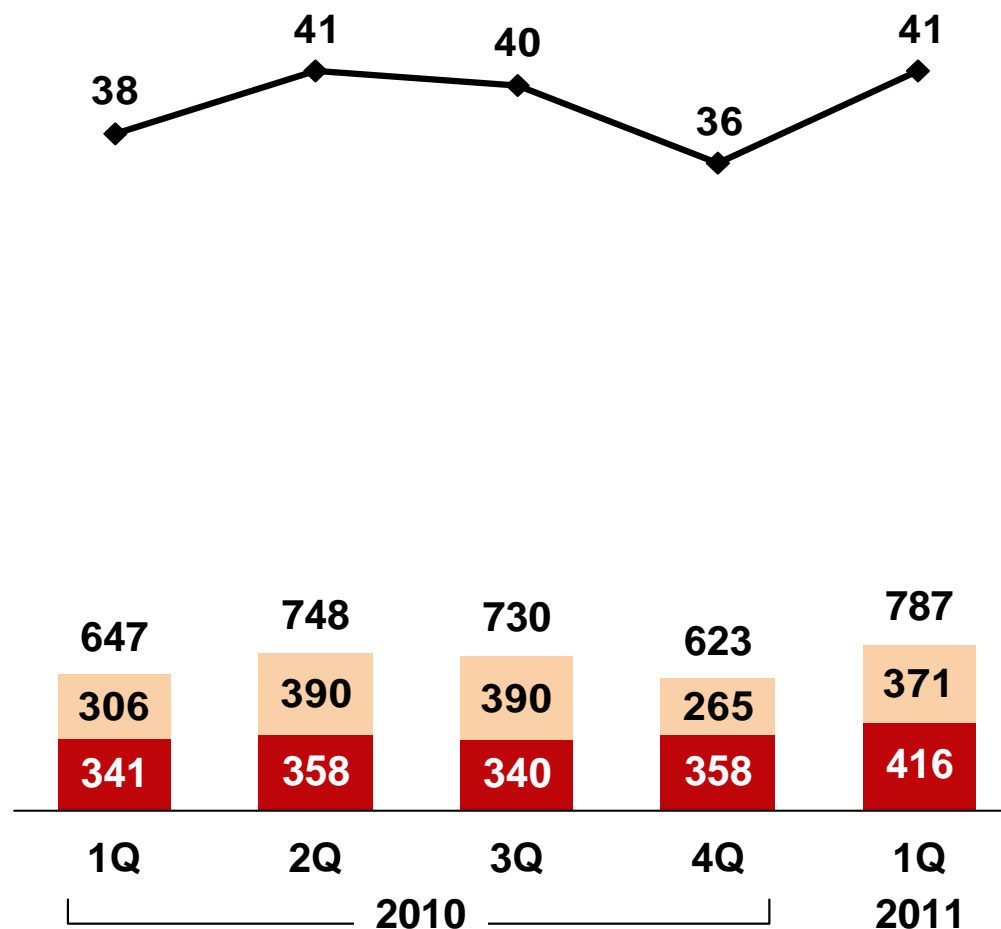
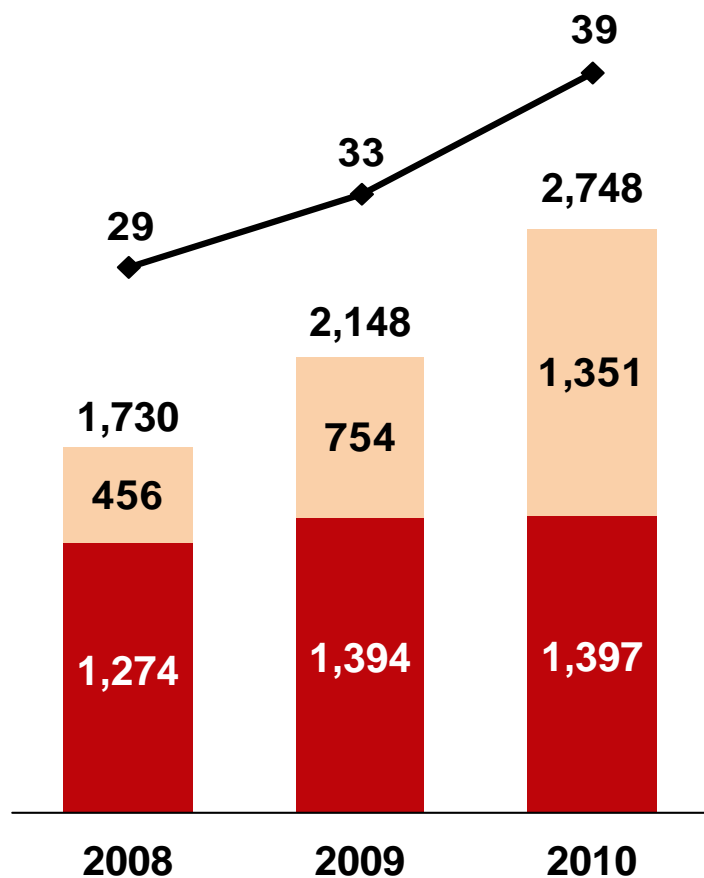
Loans Deposits



Non-interest income up 26% on quarter as fee income and treasury cross-selling rise

(S\$m)

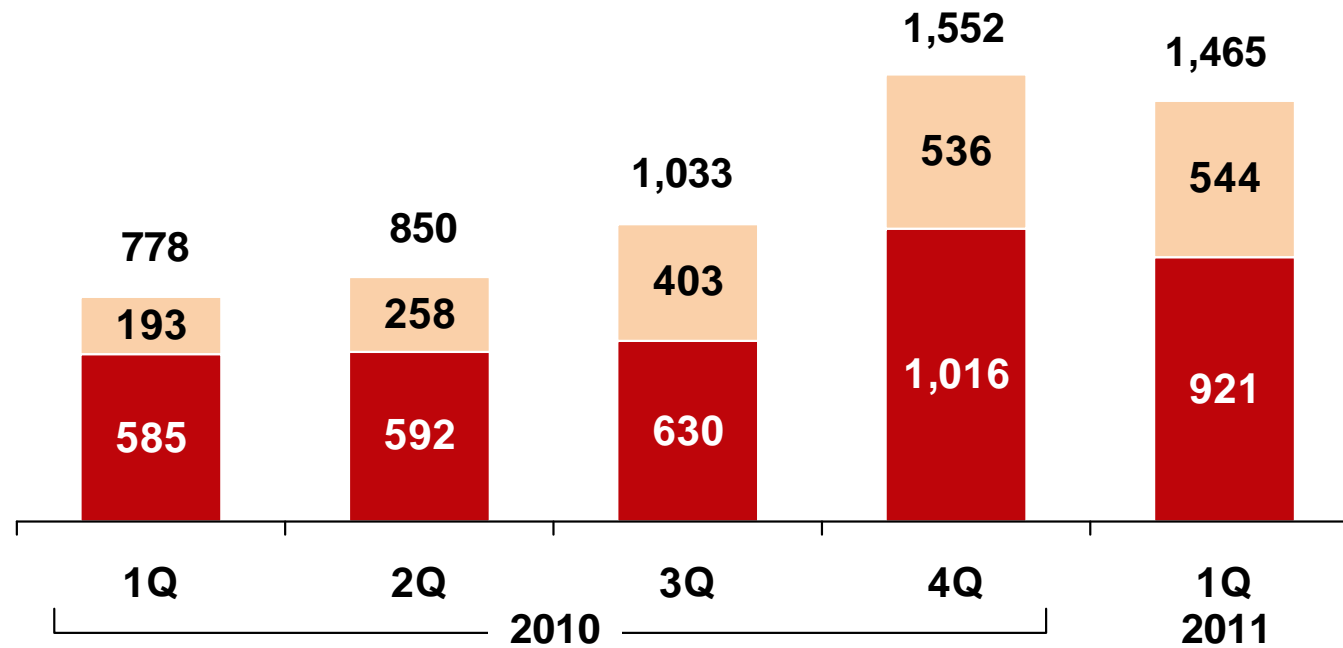
■ Trading + other income
 ■ Fee income
 ◆ Non-interest income as % of total income



Wealth management fees increase

Regional sales volume (S\$m)

■ Bancassurance ■ Unit trusts



Fees (unit trusts & bancassurance only)

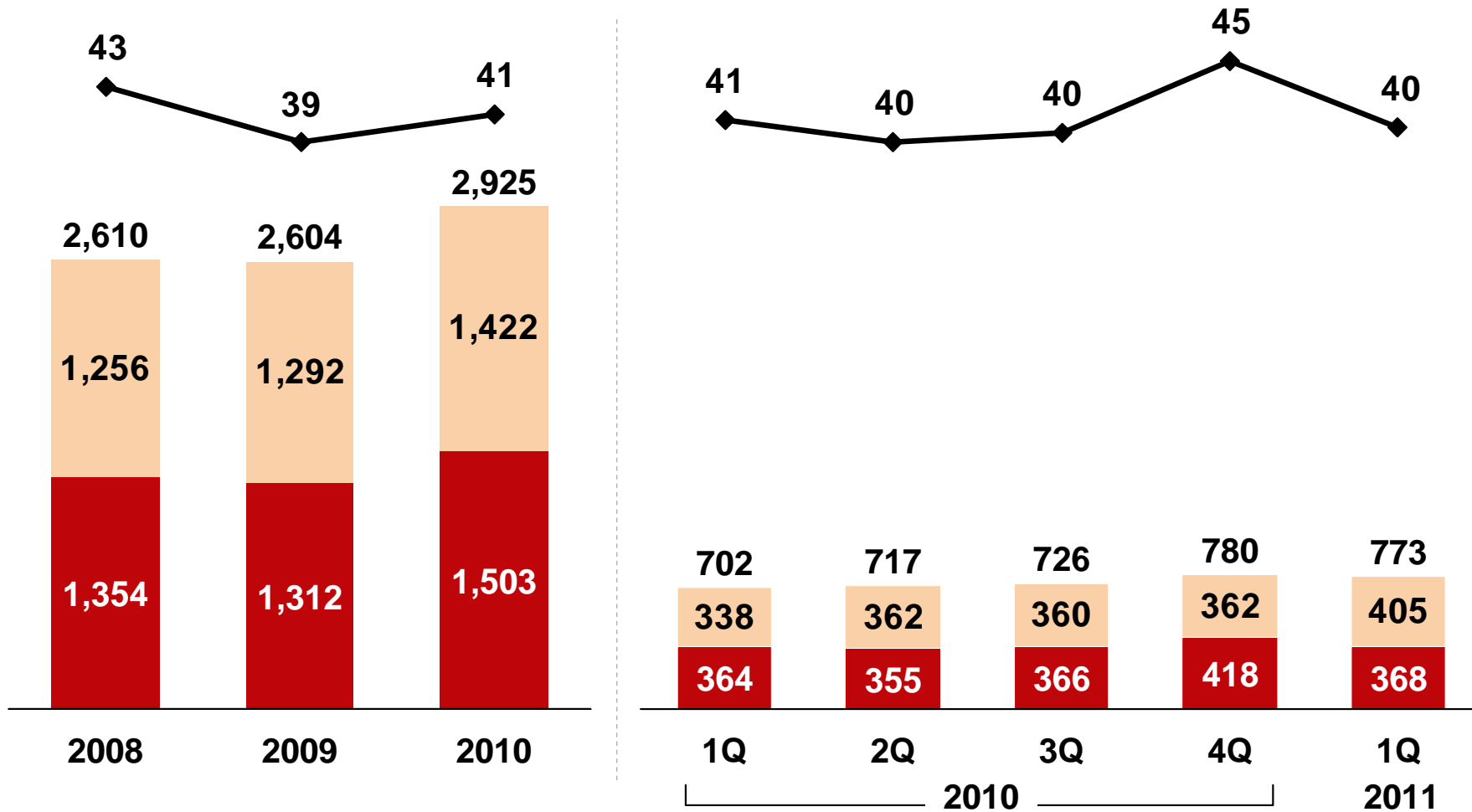
27 34 31 44 49

Excluding other wealth management products such as structured deposits

Expenses little changed on quarter

(S\$m)

Staff expense Other expense Cost / income (%)



Record earnings underpinned by broad-based growth

- ❑ Total income and earnings reach new highs

- ❑ Hong Kong's performance improves

- ❑ Balance sheet remains strong

Hong Kong's net profit up 6% on year and 32% on quarter

Constant currency terms

(S\$m)	1Q 2011	1Q 2010	YoY %	YoY %	4Q 2010	QoQ %	QoQ %
Net interest income	190	202	(6)	4	192	(1)	2
Non-interest income	200	165	21	34	157	27	30
Total income	390	367	6	18	349	12	15
Expenses	155	147	5	17	177	(12)	(10)
Profit before allowances	235	220	7	18	172	37	40
Allowances	9	7	29	58	16	(44)	(40)
Net profit	190	180	6	16	144	32	34

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



Hong Kong margins stable and ROA up on quarter

(%)	1Q 2011	4Q 2010	1Q 2010
Net interest margin	1.48	1.49	1.80
Non-interest income/total income	51	45	45
Cost/income	40	51	40
ROA	1.33	1.01	1.40
Loans/deposits	103	99	91

Contributions from regional operations improve

(S\$m)	1Q 2011	1Q 2010	YoY %	4Q 2010	QoQ %
Net interest income	232	207	12	210	10
Non-interest income	121	113	7	49	>100
Total income	353	320	10	259	36
Expenses	153	136	13	158	(3)
Profit before allowances	200	184	9	101	98
Allowances	3	70	(96)	30	(90)
Net profit	175	103	70	63	>100

Figures for operations outside of Singapore and Hong Kong

Record earnings underpinned by broad-based growth

- ❑ Total income and earnings reach new highs
- ❑ Hong Kong's performance improves
- ❑ Balance sheet remains strong

Non-performing assets decline 4% on quarter

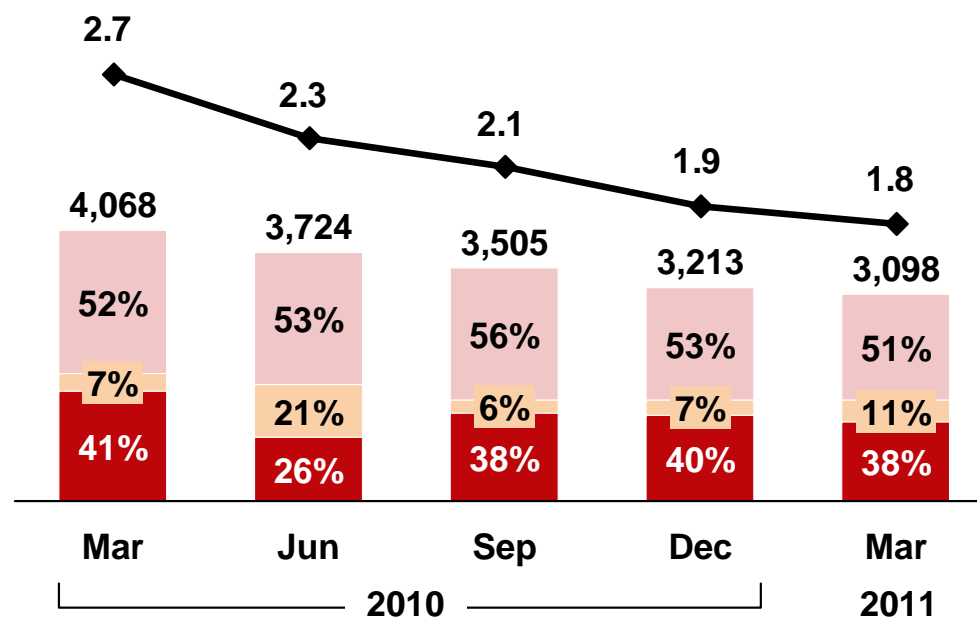
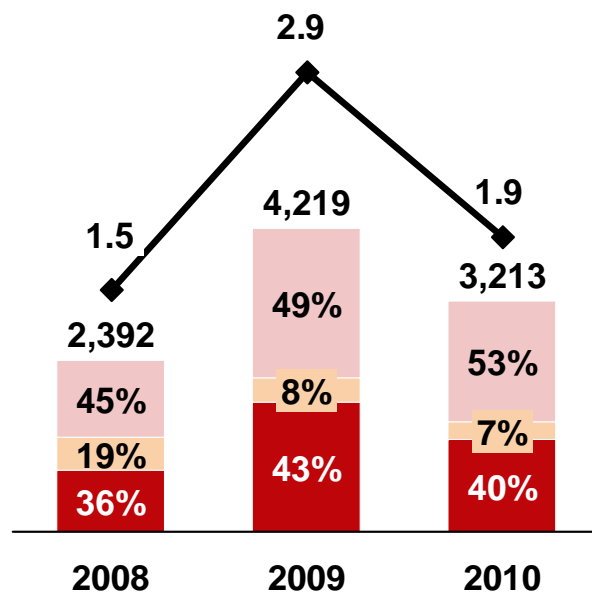
NPA (S\$m)

>90 days overdue

<90 days overdue

Not overdue

NPL ratio (%)



SP/loans (bp)	35	85	43	97	19	33	25	9
---------------	----	----	----	----	----	----	----	---

Cumulative general and specific allowances as % of:

NPAs	114	83	100	92	101	97	100	103
Unsecured NPAs	176	108	127	119	126	124	127	134

New NPAs remain low

(S\$m)	1Q 2011	4Q 2010	1Q 2010
NPAs at start of period	3,213	3,505	4,219
New NPAs	108	207	207
Net recoveries of existing NPAs	(111)	(153)	(246)
Write-offs	(112)	(346)	(112)
NPAs at end of period	3,098	3,213	4,068

Specific allowances decline

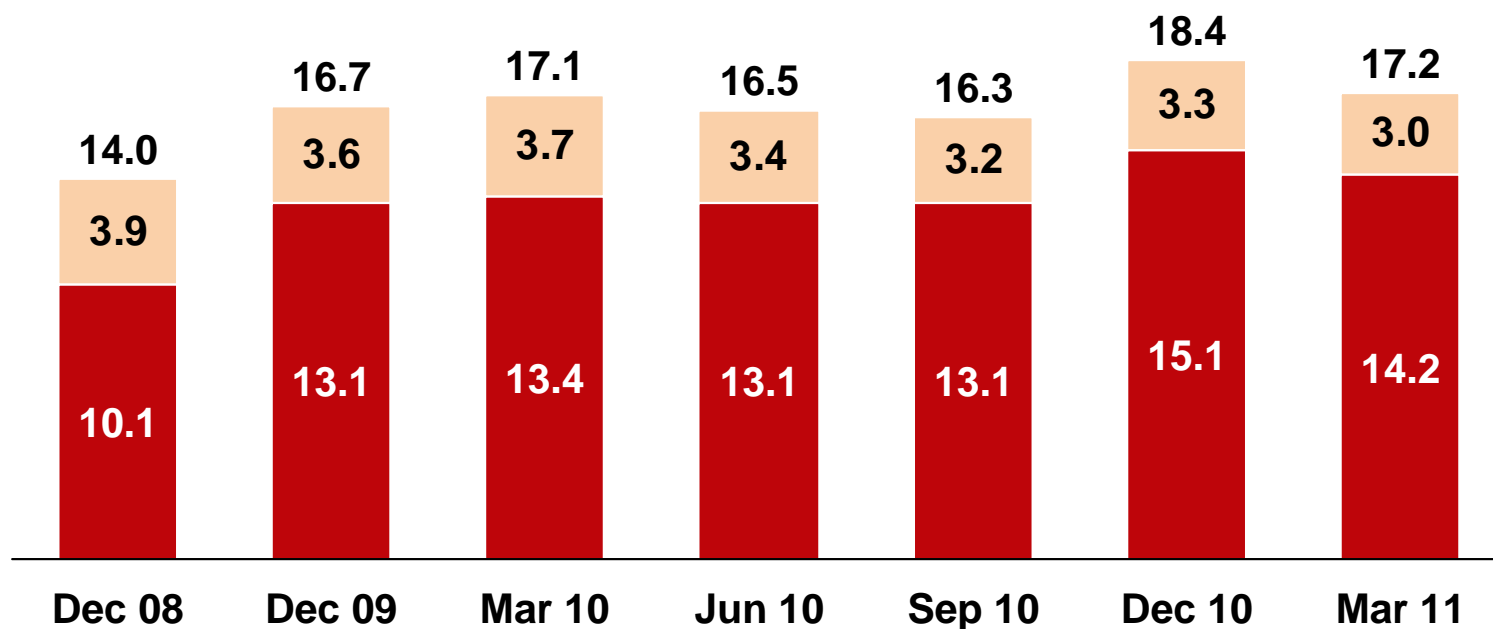
(S\$m)	1Q 2011	4Q 2010	1Q 2010
<u>Add charges for</u>			
New NPLs	20	28	73
Existing NPLs	70	128	311
	90	156	384
<u>Subtract charges for</u>			
Upgrading	0	0	0
Settlements	43	53	53
Recoveries	13	6	7
	56	59	60
Total SP charges	34	97	324
SP / average loans (bp)	9	25	97

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

(S\$m)	Mar 2011	Dec 2010
Singapore government securities	10,308	9,731
Other government securities	8,061	8,345
Corporate debt securities	10,261	9,922
Equities	1,104	1,143
Total	29,734	29,141

Capital position remains strong

(%) ■ Tier 2 ■ Tier 1



	Dec 08	Dec 09	Mar 10	Jun 10	Sep 10	Dec 10	Mar 11
Core Tier 1 (%)	8.0	11.0	11.3	11.1	11.2	11.8	11.5
RWA (S\$bn)	183	177	176	185	187	183	190

In summary – broad-based growth as implementation of strategy gains momentum

Record earnings underpinned by broad-based growth, reflecting momentum in implementation of strategic initiatives

Strong balance sheet, well-positioned to capture regional opportunities

Continued focus on execution to grow customer franchise and shareholder value

Record earnings underpinned by broad-based growth

**DBS Group Holdings
1Q 2011 financial results
April 29, 2011**

Disclaimer: The information contained in this document is intended only for use during the presentation and should not be disseminated or distributed to parties outside the presentation. DBS Bank accepts no liability whatsoever with respect to the use of this document or its contents.

