



To: Shareholders

The DBS Group Holdings Ltd (“DBSH” or “the Company”) Board of Directors report audited financial results for the year ended 31 December 2011.

For the financial year ended 31 December 2011, the Directors have recommended a final one-tier tax exempt dividend of 2 cents for each DBSH non-voting convertible preference share (“CPS”) and each DBSH non-voting redeemable CPS, and a final one-tier tax exempt dividend of 28 cents for each DBSH ordinary share.

Details of these proposed dividends, along with interim ones paid during the course of the financial year, are as follows:

<u>In \$ millions</u>	<u>2011</u>	<u>2010</u>
DBSH Non-voting Convertible Preference Share (“CPS”)		
Interim one-tier tax exempt dividend* of 28.0 cents (2010 : 28.0 cents)	(a)	(a)
Final one-tier tax exempt dividend of 2.0 cents (2010: 2.0 cents)	(a)	(a)
DBSH Non-voting redeemable CPS		
Interim one-tier tax exempt dividend* of 28.0 cents (2010 : 28.0 cents)	28	28
Final one-tier tax exempt dividend of 2.0 cents (2010: 2.0 cents)	2	2
DBSH Ordinary share		
Interim one-tier tax exempt dividend* of 28.0 cents (2010 : 28.0 cents)	658	638
Final one-tier tax exempt dividend of 28.0 cents (2010 : 28.0 cents)	658	646
	<u>1,316</u>	<u>1,284</u>

* Interim dividends were paid to entitled shareholders during the year

(a) Amounts under \$500,000

The 2011 final one-tier tax exempt dividend, to which the DBSH Scrip Dividend Scheme will be applicable, will be subject to shareholders’ approval at the Annual General Meeting to be held on 25 April 2012. The DBSH shares will be quoted ex-dividend on 9 May 2012. Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 14 May 2012. Duly completed transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services of 80 Robinson Road, #02-00, Singapore 068898 up to 5.00 p.m. on 11 May 2012 will be registered to determine shareholders' entitlement to the 2011 final one-tier tax exempt dividend. The issue price for new shares to be allotted to shareholders who have elected to receive the final dividend in scrip shall be the average of the last dealt prices of each DBSH ordinary share on the SGX-ST for each of 9, 10 and 11 May 2012, to which a discount of 5% shall be applied.

The payment date for cash dividends / crediting of shares is expected to be in late June 2012. In respect of ordinary shares in the securities accounts with The Central Depository (Pte) Limited (“CDP”), the 2011 final one-tier tax exempt dividend will be paid by DBSH to CDP, which will in turn distribute the dividend entitlements to shareholders, either in cash or by crediting the securities accounts of shareholders with the relevant shares.

By order of the Board

Linda Hoon
Group Secretary

9 February 2012
Singapore

More information on the above announcement is available at www.dbs.com/investor



Performance Summary

Financial Results for the Fourth Quarter ended
31 December 2011 (Unaudited) and
For the Year 2011 (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 2010, with the exception of the adoption of new or revised FRS and Interpretations to FRS ("INT FRS").

On 1 January 2011, the Group adopted the following new or revised FRS and INT FRS that are issued by the Accounting Standards Council, and are relevant for the Group:

- Revised FRS 24 Related Party Disclosures
- Improvements to FRSs (2010)

Refer to page 28 for more information.

	4th Qtr 2011	4th Qtr 2010	% chg	3rd Qtr 2011	% chg	Year 2011	Year 2010	% chg
Selected income statement items (\$m)								
Net interest income	1,290	1,106	17	1,214	6	4,825	4,318	12
Net fee and commission income	342	358	(4)	397	(14)	1,542	1,397	10
Other non-interest income	284	265	7	357	(20)	1,264	1,351	(6)
Total income	1,916	1,729	11	1,968	(3)	7,631	7,066	8
Expenses	885	780	13	847	4	3,303	2,925	13
Profit before allowances	1,031	949	9	1,121	(8)	4,328	4,141	5
Allowances for credit and other losses	229	157	46	231	(1)	722	911	(21)
Profit before tax	837	816	3	927	(10)	3,733	3,332	12
Net profit	731	678	8	762	(4)	3,035	2,650	15
Goodwill charges	-	-	-	-	-	-	(1,018)	NM
Net profit including goodwill charges	731	678	8	762	(4)	3,035	1,632	86
Selected balance sheet items (\$m)								
Customer loans ^{1/}	194,720	152,094	28	185,630	5	194,720	152,094	28
Interbank assets ^{2/}	27,183	23,298	17	31,009	(12)	27,183	23,298	17
Total assets	340,847	283,710	20	338,641	1	340,847	283,710	20
Customer deposits ^{3/}	225,346	193,692	16	219,714	3	225,346	193,692	16
Total liabilities	307,778	250,608	23	306,035	1	307,778	250,608	23
Shareholders' funds	28,794	26,599	8	28,281	2	28,794	26,599	8
Key financial ratios (%) (excluding goodwill charges) ^{4/}								
Net interest margin	1.73	1.79		1.73		1.77	1.84	
Non-interest/total income	32.7	36.0		38.3		36.8	38.9	
Cost/income ratio	46.2	45.1		43.0		43.3	41.4	
Return on assets	0.85	0.96		0.93		0.97	0.98	
Return on equity ^{5/}	10.2	10.2		10.8		11.0	10.2	
Loan/deposit ratio	86.4	78.5		84.5		86.4	78.5	
NPL ratio	1.3	1.9		1.3		1.3	1.9	
Specific allowances (loans)/average loans (bp)	19	25		9		11	43	
Tier 1 capital adequacy ratio	12.9	15.1		12.6		12.9	15.1	
Total capital adequacy ratio	15.8	18.4		15.5		15.8	18.4	
Core Tier 1 ratio ^{6/}								
- with phase in deduction of 0% to end 2013	12.9	14.5		12.6		12.9	14.5	
- with full deduction	11.0	11.8		10.7		11.0	11.8	

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

	4th Qtr 2011	4th Qtr 2010	3rd Qtr 2011	Year 2011	Year 2010
Per share data (\$)					
Per basic share					
– earnings excluding goodwill charges	1.23	1.16	1.28	1.30	1.15
– earnings	1.23	1.16	1.28	1.30	0.70
– net book value ^{5/}	11.99	11.25	11.77	11.99	11.25
Per diluted share					
– earnings excluding goodwill charges	1.19	1.13	1.24	1.26	1.11
– earnings	1.19	1.13	1.24	1.26	0.68
– net book value ^{5/}	11.75	11.04	11.54	11.75	11.04

Notes:

- 1/ Includes customer loans classified as financial assets at fair value through profit or loss on the balance sheet
2/ Includes interbank assets classified as financial assets at fair value through profit or loss on the balance sheet
3/ Includes customer deposits classified as financial liabilities at fair value through profit or loss on the balance sheet
4/ Return on assets, return on equity, specific allowances (loan)/average loan and per share data for the quarters are computed on an annualised basis
5/ Non-controlling interests are not included as equity in the computation of net book value and return on equity
6/ In June 2011, the MAS announced the Basel III requirements for Singapore-incorporated banks, which included a progressive phase-in for deductions against common equity starting from an initial 0% in 2013 and reaching 100% by 2018. If the 2013 deduction requirements were to be applied to the Group's December 2011 position, and without taking into account any other changes required by Basel III, the equivalent Core Tier 1 would be 12.9.
NM Not Meaningful

Fourth-quarter net profit rose 8% from a year ago to \$731 million, driven by higher net interest income partially offset by higher general allowances. Compared to the previous quarter, net profit fell 4% from lower non-interest income. This was mainly due to a \$47 million gain in the previous quarter from the transaction to combine DBS Asset Management (DBS AM) with Nikko Asset Management. Excluding the gain, fourth quarter earnings would be 2% higher than the previous quarter. Business momentum continued to be healthy.

Net interest income rose 6% from the previous quarter to a record \$1.29 billion. Loans rose 5% from corporate borrowing. Net interest margins were stable at 1.73%.

Non-interest income fell 17% from the previous quarter to \$626 million. Fee income from loan activities, stockbroking and investment banking fell, while income from customer flows for treasury products was also lower. Excluding the \$47 million gain relating to DBS AM, other non-interest income was 8% lower as net trading income and gains from financial investments fell.

Expenses rose 4% from the previous quarter to \$885 million as non-staff costs increased, partly due to seasonal factors.

The non-performing loan rate was unchanged from the previous quarter at 1.3%. Total allowances were little changed at \$229 million as an increase in specific allowances was offset by lower general allowances. Allowance coverage rose to 126% and to 165% if collateral was considered.

For the full year, net profit rose 15% to a record \$3.04 billion from higher net interest income and customer-driven non-interest income, as well as from lower allowances as asset quality improved.

DBS remained well capitalised with a total capital adequacy ratio of 15.8% and Tier 1 ratio of 12.9%, which incorporate Basel 2.5 rules with effect from 31 December 2011. Based on the progressive phase-in of deductions (mainly goodwill) against common equity, the core Tier 1 ratio would be 12.9%. Assuming full deductions that will be effective 1 January 2018, the core Tier 1 ratio would be 11.0%.

Return on equity for the fourth quarter was 10.2% compared to 10.8% in the previous quarter. For the full year, it improved from 10.2% a year ago to 11.0%.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

QUARTERLY BREAKDOWN

(\$m)	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year
Net interest income					
2010	1,066	1,067	1,079	1,106	4,318
2011	1,122	1,199	1,214	1,290	4,825
% chg	5	12	13	17	12
Non-interest income					
2010	647	748	730	623	2,748
2011	787	639	754	626	2,806
% chg	22	(15)	3	-	2
Total income					
2010	1,713	1,815	1,809	1,729	7,066
2011	1,909	1,838	1,968	1,916	7,631
% chg	11	1	9	11	8
Expenses					
2010	702	717	726	780	2,925
2011	773	798	847	885	3,303
% chg	10	11	17	13	13
Allowances for credit and other losses					
2010	355	204	195	157	911
2011	125	137	231	229	722
% chg	(65)	(33)	18	46	(21)
Profit before tax					
2010	678	919	919	816	3,332
2011	1,035	934	927	837	3,733
% chg	53	2	1	3	12
Net profit					
2010	532	718	722	678	2,650
2011	807	735	762	731	3,035
% chg	52	2	6	8	15
Add: Goodwill charges					
2010	-	(1,018)	-	-	(1,018)
2011	-	-	-	-	-
% chg	-	NM	-	-	NM
Net profit including goodwill charges					
2010	532	(300)	722	678	1,632
2011	807	735	762	731	3,035
% chg	52	NM	6	8	86

Note:
NM Not Meaningful

Revenues for all quarters were higher than the year-ago period, driven by gains in net interest income. Non-interest income was mixed as trading income was lower for most quarters.

Expenses rose at a faster pace than total income for most quarters due to higher headcount and investment costs.

Specific allowances were lower than the year-ago period for all quarters of the year, but total allowances were higher in the third and fourth quarters because of significantly higher general allowances.

Net profit (before goodwill charges) was higher for all four quarters. The first quarter's net profit was a quarterly record.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NET INTEREST INCOME

Average balance sheet	4th Qtr 2011			4th Qtr 2010			3rd Qtr 2011		
	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	189,292	1,298	2.72	149,104	1,011	2.69	173,409	1,175	2.69
Interbank assets	51,118	140	1.09	46,548	105	0.90	51,543	142	1.09
Securities	54,738	376	2.72	48,851	345	2.79	53,431	359	2.67
Total	295,148	1,814	2.44	244,503	1,461	2.37	278,383	1,676	2.39
Interest-bearing liabilities									
Customer deposits	222,999	381	0.68	189,502	245	0.51	213,303	342	0.64
Other borrowings	49,617	143	1.14	34,624	110	1.26	43,743	120	1.08
Total	272,616	524	0.76	224,126	355	0.63	257,046	462	0.71
Net interest income/margin ^{1/}		1,290	1.73		1,106	1.79		1,214	1.73

Average balance sheet	Year 2011			Year 2010		
	Average balance (\$m)	Interest (\$m)	Average rate (%)	Average balance (\$m)	Interest (\$m)	Average rate (%)
Interest-bearing assets						
Customer loans	169,397	4,571	2.70	141,245	3,937	2.79
Interbank assets	51,575	532	1.03	43,190	358	0.83
Securities	51,962	1,452	2.79	50,272	1,404	2.79
Total	272,934	6,555	2.40	234,707	5,699	2.43
Interest-bearing liabilities						
Customer deposits	209,196	1,267	0.61	184,792	970	0.53
Other borrowings	42,215	463	1.10	30,834	411	1.33
Total	251,411	1,730	0.69	215,626	1,381	0.64
Net interest income/margin ^{1/}		4,825	1.77		4,318	1.84

Note:

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

Net interest income rose 6% from the previous quarter to \$1.29 billion from higher loan volumes.

Net interest margin was unchanged from the previous quarter at 1.73%, with yields for most interest-bearing assets and liabilities little changed.

For the full year, net interest income rose 12% to a record \$4.83 billion, driven by higher loan volumes. This more than offset the impact of a seven basis point decline in net interest margin to 1.77% due to a soft interest rate environment in Singapore and higher deposit costs in Hong Kong.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Volume and rate analysis (\$m) Increase/(decrease) due to change in	4th Qtr 2011 versus 4th Qtr 2010			4th Qtr 2011 versus 3rd Qtr 2011		
	Volume	Rate	Net change	Volume	Rate	Net change
Interest income						
Customer loans	272	15	287	107	16	123
Interbank assets	11	24	35	(2)	-	(2)
Securities	41	(10)	31	9	8	17
Total	324	29	353	114	24	138
Interest expense						
Customer deposits	43	93	136	15	24	39
Other borrowings	46	(13)	33	18	5	23
Total	89	80	169	33	29	62
Net impact on interest income	235	(51)	184	81	(5)	76
Due to change in number of days			-			-
Net Interest Income			184			76

Volume and rate analysis (\$m) Increase/(decrease) due to change in	Year 2011 versus Year 2010		
	Volume	Rate	Net change
Interest income			
Customer loans	786	(152)	634
Interbank assets	70	104	174
Securities	46	2	48
Total	902	(46)	856
Interest expense			
Customer deposits	129	168	297
Other borrowings	120	(68)	52
Total	249	100	349
Net impact on interest income	653	(146)	507
Due to change in number of days			-
Net Interest Income			507

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NET FEE AND COMMISSION INCOME

(\$m)	4th Qtr 2011	4th Qtr 2010	% chg	3rd Qtr 2011	% chg	Year 2011	Year 2010	% chg
Stockbroking	27	50	(46)	38	(29)	142	179	(21)
Investment banking	32	60	(47)	38	(16)	187	154	21
Trade and remittances	74	56	32	81	(9)	284	227	25
Loan-related	68	52	31	103	(34)	359	333	8
Guarantees	17	16	6	18	(6)	71	59	20
Deposit-related	17	23	(26)	23	(26)	82	85	(4)
Cards	48	40	20	35	37	154	149	3
Fund management	-	6	NM	5	NM	16	22	(27)
Wealth management	47	44	7	42	12	192	136	41
Others	12	11	9	14	(14)	55	53	4
Total	342	358	(4)	397	(14)	1,542	1,397	10

Net fee and commission income fell 14% from the previous quarter to \$342 million, led by lower contributions from loan activities, stockbroking and investment banking. Income from cards and wealth management activities was higher.

Net fee and commission income for the year rose 10% from higher contributions in a wide range of activities, led by wealth management, trade and remittances and investment banking.

OTHER NON-INTEREST INCOME

(\$m)	4th Qtr 2011	4th Qtr 2010	% chg	3rd Qtr 2011	% chg	Year 2011	Year 2010	% chg
Net trading income	145	154	(6)	138	5	698	915	(24)
Net (loss)/income from financial instruments designated at fair value	(12)	10	NM	5	NM	(18)	(20)	10
Net income on financial investments	136	39	>100	152	(11)	454	310	46
Net gain on fixed assets	3	52	(94)	1	>100	19	103	(82)
Others (include rental income)	12	10	20	61	(80)	111	43	>100
Total	284	265	7	357	(20)	1,264	1,351	(6)

Note:
NM Not Meaningful

Net trading income (including net income from financial instruments designated at fair value) fell 7% from the previous quarter to \$133 million as income from customer flows declined. For the full year, net trading income fell 24% to \$680 million as an increase in income from customer flows was more than offset by lower trading gains.

Net income on financial investments fell 11% from the previous quarter to \$136 million. For the full year, it was 46% higher at \$454 million.

Total other non-interest income fell 20% from the previous quarter to \$284 million, which had included a \$47 million gain from a transaction involving DBS AM recorded under "Others". For the full year, total other non-interest income fell 6% to \$1.26 billion.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

EXPENSES

(\$m)	4th Qtr 2011	4th Qtr 2010	% chg	3rd Qtr 2011	% chg	Year 2011	Year 2010	% chg
Staff	440	362	22	444	(1)	1,712	1,422	20
Occupancy	74	67	10	75	(1)	291	269	8
Computerisation	178	164	9	163	9	640	569	12
Revenue-related	42	37	14	51	(18)	170	136	25
Others	151	150	1	114	32	490	529	(7)
Total	885	780	13	847	4	3,303	2,925	13
Staff headcount at period-end	17,652	15,847	11	17,550	1	17,652	15,847	11

Included in the above table were:

Depreciation of properties and other fixed assets	50	56	(11)	45	11	185	193	(4)
Directors' fees	1	1	-	1	-	3	3	-
Audit fees payable	1	-	NM	2	(50)	6	6	-

Expenses rose 4% from the previous quarter to \$885 million as non-staff costs increased, partly due to seasonal factors.

For the full year, costs rose 13% to \$3.30 billion from higher headcount and investments to support higher business volumes and build capacity for future growth. The cost-income ratio rose from 41% a year ago to 43%.

ALLOWANCES FOR CREDIT AND OTHER LOSSES

(\$m)	4th Qtr 2011	4th Qtr 2010	% chg	3rd Qtr 2011	% chg	Year 2011	Year 2010	% chg
General allowances (GP)	131	44	>100	187	(30)	478	232	>100
Specific allowances (SP) for loans^{1/}	92	97	(5)	41	>100	194	614	(68)
Singapore	61	8	>100	(13)	NM	40	18	>100
Hong Kong	10	3	>100	13	(23)	34	14	>100
Rest of Greater China	1	(2)	NM	1	-	(12)	25	NM
South and South-east Asia	19	20	(5)	12	58	37	47	(21)
Rest of the World	1	68	(99)	28	(96)	95	510	(81)
Specific allowances (SP) for securities, properties and other assets	6	16	(63)	3	100	50	65	(23)
Total	229	157	46	231	(1)	722	911	(21)

Notes:

1/ Specific allowances for loans are classified according to where the borrower is incorporated.
NM Not Meaningful

Total allowances were little changed from the previous quarter at \$229 million. General allowances of \$131 million were 30% below previous quarter in line with lower loan growth.

Specific allowances for loans more than doubled to \$92 million, which was due largely to one legacy exposure in the shipping industry. Asset quality remained healthy with specific allowances for loans amounting to 19 basis points of loans.

For the full year, total allowances fell 21% to \$722 million as specific allowances for loans fell 68% to \$194 million in line with improvements in asset quality. General allowances more than doubled to \$478 million.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

PERFORMANCE BY BUSINESS SEGMENTS

(\$m)	Consumer/ Private Banking	Institutional Banking	Treasury	Others	Total
Selected income items					
4th Qtr 2011					
Net interest income	379	657	240	14	1,290
Non-interest income	204	321	69	32	626
Total income	583	978	309	46	1,916
Expenses	429	376	117	(37)	885
Allowances for credit and other losses	15	185	-	29	229
Share of profits of associates	-	1	-	34	35
Profit before tax	139	418	192	88	837
3rd Qtr 2011					
Net interest income	350	589	240	35	1,214
Non-interest income	196	469	66	23	754
Total income	546	1,058	306	58	1,968
Expenses	391	331	106	19	847
Allowances for credit and other losses	14	140	(1)	78	231
Share of profits of associates	-	6	-	31	37
Profit before tax	141	593	201	(8)	927
4th Qtr 2010					
Net interest income	348	513	233	12	1,106
Non-interest income	178	372	(66)	139	623
Total income	526	885	167	151	1,729
Expenses	401	331	101	(53)	780
Allowances for credit and other losses	5	160	(4)	(4)	157
Share of profits of associates	-	5	-	19	24
Profit before tax	120	399	70	227	816
Year 2011					
Net interest income	1,446	2,317	951	111	4,825
Non-interest income	758	1,693	201	154	2,806
Total income	2,204	4,010	1,152	265	7,631
Expenses	1,561	1,319	420	3	3,303
Allowances for credit and other losses	71	453	2	196	722
Share of profits of associates	-	21	-	106	127
Profit before tax	572	2,259	730	172	3,733

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	Consumer/ Private Banking	Institutional Banking	Treasury	Others	Total
Year 2010 ^{1/}					
Net interest income	1,398	1,995	840	85	4,318
Non-interest income	667	1,518	393	170	2,748
Total income	2,065	3,513	1,233	255	7,066
Expenses	1,471	1,119	368	(33)	2,925
Allowances for credit and other losses	55	812	(2)	46	911
Share of profits of associates	-	25	-	77	102
Profit before tax	539	1,607	867	319	3,332
Selected balance sheet and other items ^{2/}					
31 Dec 2011					
Total assets before goodwill	56,167	165,930	103,900	10,048	336,045
Goodwill on consolidation					4,802
Total assets					340,847
Total liabilities	127,475	103,977	71,166	5,160	307,778
Capital expenditure for 4th Qtr 2011	10	9	8	41	68
Depreciation for 4th Qtr 2011	7	9	6	28	50
30 Sept 2011					
Total assets before goodwill	54,940	157,624	109,985	11,290	333,839
Goodwill on consolidation					4,802
Total assets					338,641
Total liabilities	126,530	98,972	75,961	4,572	306,035
Capital expenditure for 3rd Qtr 2011	6	4	5	24	39
Depreciation for 3rd Qtr 2011	14	6	3	22	45
31 Dec 2010					
Total assets before goodwill	51,328	118,572	98,735	10,273	278,908
Goodwill on consolidation					4,802
Total assets					283,710
Total liabilities	117,529	80,559	42,584	9,936	250,608
Capital expenditure for 4th Qtr 2010	22	16	8	44	90
Depreciation for 4th Qtr 2010	11	6	2	37	56

Notes:

1/ Allowances for credit and other losses and profits exclude goodwill charges

2/ Refer to sections on Customer Loans and Non-Performing Assets and Loss Allowance Coverage for more information on business segments

The business segment results are prepared based on the Group's internal management reporting which reflects the organisation management structure. As the activities of the Group are highly integrated, internal allocation has been made in preparing the segment information. Amounts for each business segment are shown after the allocation of certain centralised costs, funding income and the application of transfer pricing, where appropriate. Transactions between segments are recorded within the segment as if they are third party transactions and are eliminated on consolidation.

The various business segments are described below:

Consumer/ Private Banking

Consumer/ Private Banking provides individual customers with a diverse range of banking and related financial services. The products and services available to customers include current and savings accounts, fixed deposits, loans and home finance, cards, payments, investment and insurance products.

Compared to the previous quarter, profit before tax was little changed at \$139 million. Net interest income increased 8% to \$379 million from higher deposit volumes and lower interest expenses. Non-interest income rose 4% to \$204 million from higher credit card income. Expenses were 10% higher at \$429 million as non-staff costs rose. Total allowances were little changed at \$15 million.

For the full year, profit before tax rose 6% from a year ago to \$572 million as total income rose 7% to \$2.20 billion. Net interest income grew 3% to \$1.45 billion as higher loan and deposit volumes were partially offset by lower margins. Non-interest income increased 14% to \$758 million from higher wealth management contributions. These improvements were partially offset by higher staff and non-staff expenses and by higher allowances.

Institutional Banking

Institutional Banking provides financial services and products to institutional clients including bank and non-bank financial institutions, government linked companies, large corporates and small and medium-sized businesses. The business focuses on broadening and deepening its customer relationships. The products and services available to customers include a full range of credit facilities ranging from short term working capital financing to specialized lending. It also provides global transactional services such as cash management, trade finance and securities and fiduciary services; treasury and markets products; corporate finance and

advisory banking as well as capital markets solutions. Institutional Banking also provides brokerage services for equities and derivatives products through DBS Vickers Securities (DBSV). DBSV itself offers a wide range of services to retail and corporate customers including research, sales and trading, share placement, nominees and securities custodian services and the distribution of primary and secondary share issues.

Compared to the previous quarter, profit before tax fell 30% to \$418 million. Net interest income rose 12% to \$657 million from higher loan volumes. Non-interest income declined 32% to \$321 million as fee income and income from sale of treasury products were lower. Expenses rose 14% to \$376 million as non-staff costs increased. Total allowances rose 32% to \$185 million as lower general allowances were more than offset by an increase in specific allowances, which was due mainly to one exposure in the shipping industry.

For the full year, profit before tax rose 41% from a year ago to \$2.26 billion. Total income rose 14% to \$4.01 billion as net interest and non-interest income increased from expanded cash management, trade, treasury cross-selling and capital market activities. Expenses were 18% higher at \$1.32 billion while allowances halved to \$453 million as specific allowances declined.

Treasury

Treasury provides treasury services to corporations, institutional and private investors, financial institutions and other market participants. It is primarily involved in sales, structuring, market making and trading across a broad range of financial products including foreign exchange, interest rate, debt, credit, equity and other structured derivatives. Income from these financial products and services offered to the customer of other business segments, such as Consumer/Private Banking and Institutional Banking, is reflected in the respective segments. Treasury is also responsible for facilitating the execution of Group's asset and liability interest rate positions and management of the investment of the Group's excess liquidity and shareholders' funds.

Compared to the previous quarter, Treasury's profit before tax declined 4% to \$192 million as expenses rose 10% to \$117 million. Total income was little changed.

For the full year, profit before tax fell 16% to \$730 million due to a decline in trading income.

Others

Others encompasses a range of activities from corporate decisions and income and expenses not attributed to other business segments.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

PERFORMANCE BY GEOGRAPHY ^{1/}

(\$m)	S'pore	Hong Kong	Rest of Greater China	South and South-east Asia	Rest of the World	Total
Selected income items						
4th Qtr 2011						
Net interest income	766	211	164	98	51	1,290
Non-interest income	404	151	(3)	43	31	626
Total income	1,170	362	161	141	82	1,916
Expenses	490	184	118	75	18	885
Allowances for credit and other losses	179	24	10	8	8	229
Share of profits of associates	5	-	9	21	-	35
Profit before tax	506	154	42	79	56	837
Income tax expense	(15)	24	6	18	21	54
Net profit	470	130	36	60	35	731
3rd Qtr 2011						
Net interest income	712	189	158	98	57	1,214
Non-interest income	549	136	3	63	3	754
Total income	1,261	325	161	161	60	1,968
Expenses	517	153	101	60	16	847
Allowances for credit and other losses	139	43	7	19	23	231
Share of profits of associates	7	-	3	27	-	37
Profit before tax	612	129	56	109	21	927
Income tax expense	54	21	10	21	7	113
Net profit	506	108	46	88	14	762
4th Qtr 2010						
Net interest income	704	192	88	68	54	1,106
Non-interest income	417	157	4	33	12	623
Total income	1,121	349	92	101	66	1,729
Expenses	445	177	98	45	15	780
Allowances for credit and other losses	111	16	7	13	10	157
Share of profits of associates	3	-	5	16	-	24
Profit before tax	568	156	(8)	59	41	816
Income tax expense	30	12	7	7	15	71
Net profit	471	144	(15)	52	26	678
Year 2011						
Net interest income	2,906	789	550	361	219	4,825
Non-interest income	1,813	664	62	196	71	2,806
Total income	4,719	1,453	612	557	290	7,631
Expenses	1,948	646	397	247	65	3,303
Allowances for credit and other losses	492	130	19	39	42	722
Share of profits of associates	20	-	22	85	-	127
Profit before tax	2,299	677	218	356	183	3,733
Income tax expense	168	106	40	70	59	443
Net profit	1,877	571	178	285	124	3,035

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

(\$m)	S'pore	Hong Kong	Rest of Greater China	South and South-east Asia	Rest of the World	Total
Year 2010 ^{2/}						
Net interest income	2,683	783	327	283	242	4,318
Non-interest income	1,743	682	99	174	50	2,748
Total income	4,426	1,465	426	457	292	7,066
Expenses	1,611	720	325	207	62	2,925
Allowances for credit and other losses	652	73	52	79	55	911
Share of profits of associates	10	-	20	72	-	102
Profit before tax	2,173	672	69	243	175	3,332
Income tax expense	257	93	22	40	42	454
Net profit	1,688	579	47	203	133	2,650
Selected balance sheet items						
31 Dec 2011						
Total assets before goodwill	207,370	68,501	31,281	16,224	12,669	336,045
Goodwill on consolidation	4,802	-	-	-	-	4,802
Total assets	212,172	68,501	31,281	16,224	12,669	340,847
Non-current assets ^{3/}	1,759	376	133	27	2	2,297
Gross customer loans	117,160	46,848	16,341	10,570	6,908	197,827
30 Sept 2011						
Total assets before goodwill	201,919	71,780	31,061	16,411	12,668	333,839
Goodwill on consolidation	4,802	-	-	-	-	4,802
Total assets	206,721	71,780	31,061	16,411	12,668	338,641
Non-current assets ^{3/}	1,724	380	133	32	2	2,271
Gross customer loans	110,352	45,376	15,743	10,462	6,603	188,536
31 Dec 2010						
Total assets before goodwill	179,813	52,489	21,033	13,710	11,863	278,908
Goodwill on consolidation	4,802	-	-	-	-	4,802
Total assets	184,615	52,489	21,033	13,710	11,863	283,710
Non-current assets ^{3/}	1,623	406	129	36	2	2,196
Gross customer loans	91,128	36,224	12,208	9,121	6,041	154,722

Notes:

1/ The geographical segment analysis is based on the location where transactions and assets are booked

2/ Allowances for credit and other losses and profits exclude goodwill charges

3/ Includes investment in associates, properties and other fixed assets, and investment properties

The performance by geography is classified based on the location in which income and assets are recorded.

Singapore

Net profit fell 7% from the previous quarter to \$470 million. Lower non-interest income and higher allowances were partially offset by higher net interest income and a net tax write-back.

Net interest income rose 8% to \$766 million from higher loan volume and deposit volumes, as well as lower interest expenses. Non-interest income fell 26% to \$404 million. The previous quarter had included a \$47 million gain from the transaction involving DBS AM. Income from treasury product sales was also lower.

Expenses fell 5% to \$490 million. Allowances rose 29% to \$179 million from higher specific allowances.

For the full year, net profit rose 11% to \$1.88 billion. Net interest income rose 8% to \$2.91 billion from loan and deposit volume growth. Non-interest income grew 4% to \$1.81 billion as higher investment gains and treasury product cross-selling was partially offset by lower trading income. Expenses rose 21% to \$1.95 billion as staff and non-staff costs increased. Allowances fell 25% to \$492 million as lower specific allowances were partially offset by an increase in general allowances.

Hong Kong

The fourth quarter's results incorporate a depreciation of the Singapore dollar against the Hong Kong dollar of 4% from the previous quarter and an appreciation of 2% from a year ago.

Net profit rose 20% from the previous quarter to \$130 million as total allowances fell. An 11% increase in total income was offset by higher expenses, leaving profit before allowances little changed.

Net interest income grew 12% from the previous quarter to \$211 million. Net interest margin rose 10 basis points to 1.35% as loan yields increased faster than deposit costs.

Loans rose 3% in local currency terms during the quarter, due mainly to trade finance.

Non-interest income rose 11% from the previous quarter to \$151 million from higher trading gains.

Expenses rose 20% from the previous quarter to \$184 million from higher staff and non-staff costs. Total allowances fell 44% to \$24 million as both specific and general allowances were lower.

For the full year, there was an 8% appreciation of the Singapore dollar against the Hong Kong dollar. Net profit

was little changed at \$571 million. Total income was stable at \$1.45 billion but was higher in local currency terms as net interest income rose in line with loan growth and non-interest income increased with better contributions from a range of activities. A decline in expenses, due primarily to provisions for investors in Constellation notes taken in 2010, was offset by an increase in general allowances.

Other regions

Net profit for *Rest of Greater China* fell 22% from the previous quarter to \$36 million. Total income was unchanged at \$161 million as an increase in net interest income from higher loan volumes was offset by a decline in non-interest income. Expenses rose 17% to \$118 million from higher staff costs. Allowances rose slightly from \$7 million to \$10 million due to higher general allowances.

For the full year, net profit tripled to \$178 million as higher loan and deposit volumes resulted in a 68% increase in net interest income to \$550 million. Expenses rose 22% to \$397 million from business expansion. Allowances of \$19 million were one-third the level of the previous year as there was a net write-back of specific allowances.

Net profit for *South and South-east Asia* fell 32% from the previous quarter to \$60 million. Net interest income was unchanged at \$98 million. Non-interest income fell 32% to \$43 million as fee income from trade and remittances and loan activities fell. Expenses rose 25% to \$75 million from higher staff costs. Total allowances fell from \$19 million to \$8 million as both specific and general allowances declined.

For the full year, net profit rose 40% to \$285 million. Net interest income rose 28% to \$361 million from higher loan volumes, while non-interest income was 13% higher at \$196 million as fee and trading income rose. Expenses rose 19% to \$247 million from higher headcount. Lower general and specific allowances resulted in a halving of total allowances to \$39 million.

Net profit for *Rest of the World* more than doubled from the previous quarter to \$35 million. Net interest income was 11% lower at \$51 million. Non-interest income rose nine-fold to \$31 million from higher trading income. Expenses were little changed at \$18 million. Total allowances fell from \$23 million to \$8 million as specific allowances declined.

For the full year, net profit fell 7% to \$124 million. Total income was little changed at \$290 million as a decline in net interest income due to lower margins was offset by higher trading income. Expenses were little changed at \$65 million, while total allowances fell 24% to \$42 million as specific allowances declined. The increase in profit before tax was more than offset by higher taxes.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CUSTOMER LOANS ^{1/}

(\$m)	31 Dec 2011	30 Sept 2011	31 Dec 2010
Gross	197,827	188,536	154,722
Less:			
Specific allowances	1,188	1,099	1,152
General allowances	1,919	1,807	1,476
Net total	194,720	185,630	152,094
By business unit			
Consumer/ Private Banking	54,575	53,487	50,256
Institutional Banking	141,084	132,932	103,219
Others	2,168	2,117	1,247
Total (Gross)	197,827	188,536	154,722
By geography ^{2/}			
Singapore	89,427	87,538	74,595
Hong Kong	40,369	40,689	36,688
Rest of Greater China	30,147	23,620	13,495
South and South-east Asia	19,290	18,131	13,976
Rest of the World	18,594	18,558	15,968
Total (Gross)	197,827	188,536	154,722
By industry			
Manufacturing	24,872	23,719	19,217
Building and construction	28,527	26,798	21,385
Housing loans	41,322	40,749	38,676
General commerce	34,159	31,217	16,732
Transportation, storage & communications	16,929	16,961	14,378
Financial institutions, investment & holding companies	19,743	19,222	18,517
Professionals & private individuals (except housing loans)	12,800	11,926	11,142
Others	19,475	17,944	14,675
Total (Gross)	197,827	188,536	154,722
By currency			
Singapore dollar	78,756	74,831	67,439
Hong Kong dollar	31,511	31,392	30,478
US dollar	61,007	58,027	38,094
Others	26,553	24,286	18,711
Total (Gross)	197,827	188,536	154,722

Notes:

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

2/ Loans by geography are classified according to where the borrower is incorporated.

Gross customer loans rose 5% from the previous quarter to \$197.8 billion. The growth was led by corporate borrowing across industries and regions.

Gross loans were 28% higher than a year ago, with the expansion spread across regions and industries. Half of the increase from a year ago was for trade finance.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

NON-PERFORMING ASSETS AND LOSS ALLOWANCE COVERAGE

By business unit	NPA (\$m)	SP (\$m)	GP (\$m)	NPL (% of loans)	(GP+SP)/NPA (%)	(GP+SP)/ unsecured NPA (%)
31 Dec 2011						
Consumer/ Private Banking	303	86	545	0.6	208	369
Institutional Banking	2,336	1,141	1,374	1.7	108	132
Total non-performing loans (NPL)	2,639	1,227	1,919	1.3	119	152
Debt securities	10	3	119	-	1,220	2,440
Contingent liabilities & others	255	91	301	-	154	288
Total non-performing assets (NPA)	2,904	1,321	2,339	-	126	165
30 Sept 2011						
Consumer/ Private Banking	293	84	534	0.5	211	372
Institutional Banking	2,218	1,059	1,273	1.7	105	124
Total non-performing loans (NPL)	2,511	1,143	1,807	1.3	117	145
Debt securities	10	3	113	-	1,160	2,320
Contingent liabilities & others	259	103	288	-	151	281
Total non-performing assets (NPA)	2,780	1,249	2,208	-	124	158
31 Dec 2010						
Consumer/ Private Banking	317	107	502	0.6	192	323
Institutional Banking	2,561	1,105	974	2.5	81	102
Total non-performing loans (NPL)	2,878	1,212	1,476	1.9	93	121
Debt securities	28	6	124	-	464	1,300
Contingent liabilities & others	307	127	252	-	123	134
Total non-performing assets (NPA)	3,213	1,345	1,852	-	100	127

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 2011						
Singapore	528	184	749	0.6	177	344
Hong Kong	334	176	406	0.8	174	270
Rest of Greater China	237	132	323	0.8	192	299
South and South-east Asia	180	111	255	0.9	203	261
Rest of the World	1,360	624	186	7.3	60	63
Total non-performing loans	2,639	1,227	1,919	1.3	119	152
Debt securities	10	3	119	-	1,220	2,440
Contingent liabilities & others	255	91	301	-	154	288
Total non-performing assets	2,904	1,321	2,339	-	126	165
30 Sept 2011						
Singapore	405	141	722	0.5	213	378
Hong Kong	324	173	409	0.8	180	271
Rest of Greater China	234	129	253	1.0	163	245
South and South-east Asia	173	107	238	1.0	199	261
Rest of the World	1,375	593	185	7.4	57	59
Total non-performing loans	2,511	1,143	1,807	1.3	117	145
Debt securities	10	3	113	-	1,160	2,320
Contingent liabilities & others	259	103	288	-	151	281
Total non-performing assets	2,780	1,249	2,208	-	124	158
31 Dec 2010						
Singapore	594	196	613	0.8	136	300
Hong Kong	359	212	369	1.0	162	230
Rest of Greater China	250	166	145	1.9	124	176
South and South-east Asia	164	107	189	1.2	180	185
Rest of the World	1,511	531	160	9.5	46	50
Total non-performing loans	2,878	1,212	1,476	1.9	93	121
Debt securities	28	6	124	-	464	1,300
Contingent liabilities & others	307	127	252	-	123	134
Total non-performing assets	3,213	1,345	1,852	-	100	127

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

By industry (\$m)	31 Dec 2011		30 Sept 2011		31 Dec 2010	
	NPA	SP	NPA	SP	NPA	SP
Manufacturing	383	241	409	257	502	325
Building and construction	92	38	83	33	90	25
Housing loans	108	13	103	13	118	17
General commerce	269	131	280	123	248	107
Transportation, storage & communications	563	285	434	205	646	183
Financial institutions, investment & holding companies	930	400	927	387	960	399
Professionals & private individuals (except housing loans)	175	63	169	59	173	74
Others	119	56	106	66	141	82
Total non-performing loans	2,639	1,227	2,511	1,143	2,878	1,212
Debt securities	10	3	10	3	28	6
Contingent liabilities & others	255	91	259	103	307	127
Total non-performing assets	2,904	1,321	2,780	1,249	3,213	1,345

By loan classification (\$m)	31 Dec 2011		30 Sept 2011		31 Dec 2010	
	NPA	SP	NPA	SP	NPA	SP
Non-performing assets						
Substandard	1,526	241	1,516	281	2,086	374
Doubtful	985	687	890	594	737	580
Loss	393	393	374	374	390	391
Total	2,904	1,321	2,780	1,249	3,213	1,345
Restructured assets						
Substandard	835	199	862	199	443	47
Doubtful	120	97	103	85	145	128
Loss	35	35	22	22	28	28
Total	990	331	987	306	616	203

By collateral type (\$m)	31 Dec 2011	30 Sept 2011	31 Dec 2010
	NPA	NPA	NPA
Unsecured non-performing assets	2,217	2,184	2,523
Secured non-performing assets by collateral type			
Properties	355	335	250
Shares and debentures	78	83	85
Fixed deposits	41	43	38
Others	213	135	317
Total	2,904	2,780	3,213

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

By period overdue

(\$m)	31 Dec 2011 NPA	30 Sept 2011 NPA	31 Dec 2010 NPA
Not overdue	1,161	1,019	1,294
<90 days overdue	169	675	225
91-180 days overdue	607	129	124
>180 days overdue	967	957	1,570
Total	2,904	2,780	3,213

Non-performing assets rose 4% from the previous quarter to \$2.90 billion, while the NPL rate was stable at 1.3%. The increase in non-performing loans was due mainly to one legacy exposure in the shipping industry.

Forty percent of classified non-performing assets were still current in interest and principal. Allowance coverage amounted to 126% of non-performing assets and to 165% if collateral was considered.

FUNDING SOURCES

(\$m)	31 Dec 2011	30 Sept 2011	31 Dec 2010
Customer deposits ^{1/}	225,346	219,714	193,692
Interbank liabilities ^{2/}	28,087	28,342	18,854
Other borrowings and liabilities ^{2/}	58,620	62,304	44,565
Shareholders' funds	28,794	28,281	26,599
Total	340,847	338,641	283,710

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 2011	30 Sept 2011	31 Dec 2010
By currency and product			
Singapore dollar	122,992	120,913	112,228
Fixed deposits	17,701	19,793	20,081
Savings accounts	86,065	82,657	76,417
Current accounts	18,004	17,737	14,916
Others	1,222	726	814
Hong Kong dollar	21,733	23,786	23,220
Fixed deposits	12,559	13,979	12,946
Savings accounts	5,693	6,202	7,082
Current accounts	3,143	3,153	3,081
Others	338	452	111
US dollar	40,336	34,019	30,022
Fixed deposits	20,590	17,149	16,064
Savings accounts	3,206	2,849	3,255
Current accounts	13,494	12,813	9,777
Others	3,046	1,208	926
Others	40,285	40,996	28,222
Fixed deposits	32,072	31,625	22,289
Savings accounts	2,350	2,391	2,035
Current accounts	3,504	4,340	2,341
Others	2,359	2,640	1,557
Total	225,346	219,714	193,692
Fixed deposits	82,922	82,546	71,380
Savings accounts	97,314	94,099	88,789
Current accounts	38,145	38,043	30,115
Others	6,965	5,026	3,408

Note:

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

Customer deposits rose 3% from the previous quarter to \$225.3 billion, led by US dollar fixed deposits and Singapore dollar savings deposits.

Customer deposits grew 16% from a year ago, with US dollar, Singapore dollar and Chinese yuan deposits accounting for most of the growth.

OTHER BORROWINGS & LIABILITIES

(\$m)	31 Dec 2011	30 Sept 2011	31 Dec 2010
Subordinated term debts ^{1/}	5,304	5,309	6,398
Other debt securities in issue ^{1/}			
Due within 1 year	7,945	6,205	505
Due after 1 year	2,409	2,190	1,655
Others	42,962	48,600	36,007
Total	58,620	62,304	44,565

Note:

^{1/} Unsecured

VALUE AT RISK AND TRADING INCOME

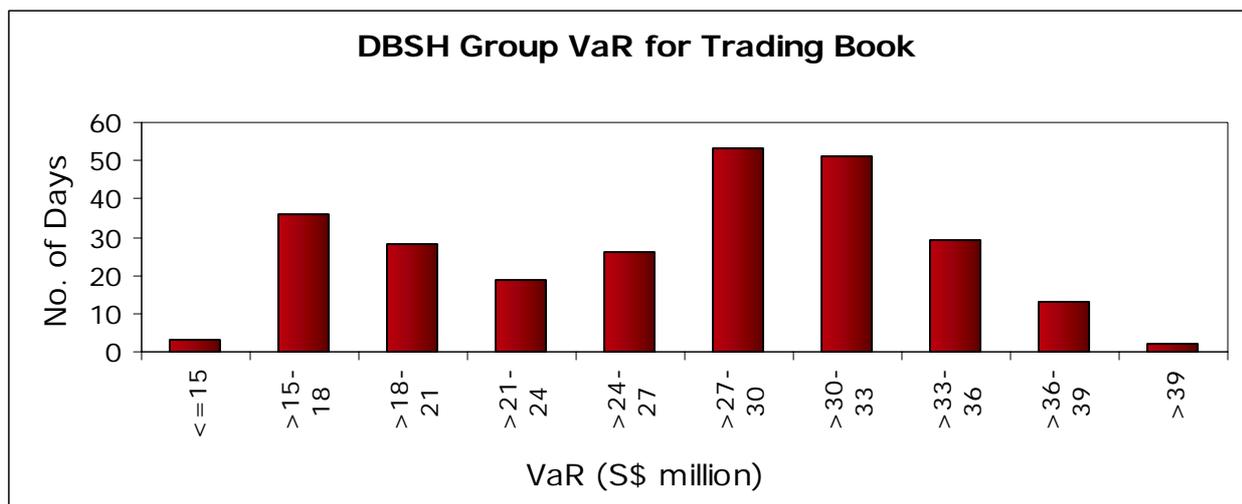
The Group uses a Value at Risk (VaR) measure as one mechanism for monitoring and controlling trading risk. The VaR is calculated using a one-day time horizon and a 99% confidence interval.

Back-testing is a procedure used to verify the predictive power of the value-at-risk calculations involving comparison of actual daily profits and losses adjusted to remove non-modelled items such as fee and commission income with the estimates from the value-at-risk model. In our back-testing for the period from 3 January 2011 to 31 December 2011, there were 5 outliers compared to 2 for 2010. The increase of backtesting exceptions in 2011 of 5 was mainly clustered in August 2011 and triggered by the extremely volatile SGD interest rates movements when the SOR rate went negative in the Group's core market.

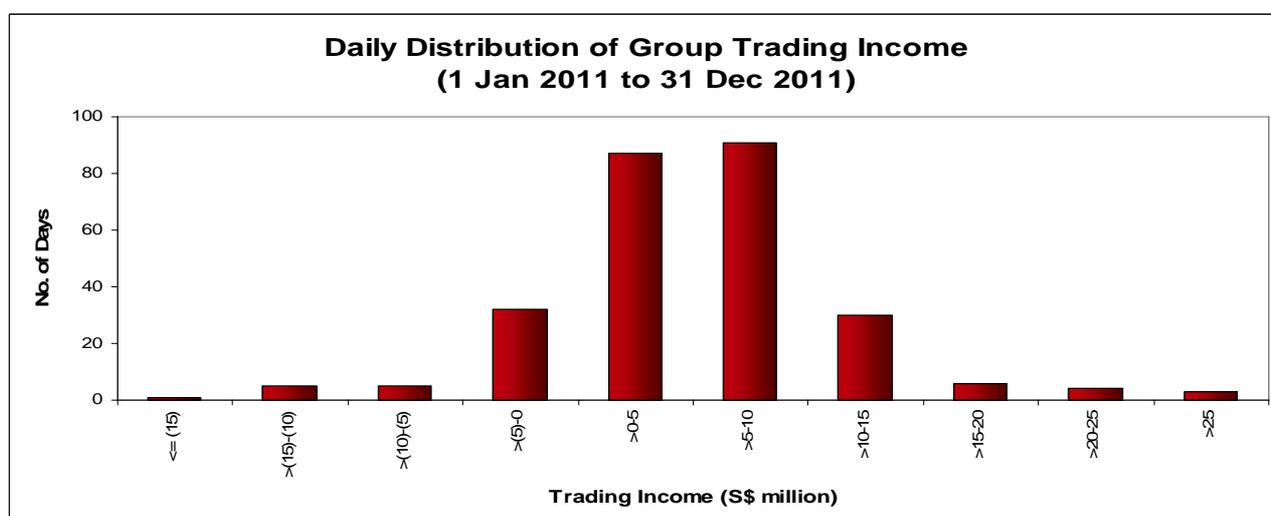
The following table shows the period-end, average, high and low VaR for the trading risk exposure of the Group for the period from 1 January 2011 to 31 December 2011. The Group's trading book VaR methodology is based on Historical Simulation VaR.

(\$m)	As at 31 December 2011	1 January 2011 to 31 December 2011		
		Average	High	Low
Total	37	27	42	14

The chart below shows histogram of VaR for the Group's trading book for the period from 1 January 2011 to 31 December 2011.



The chart below shows the frequency distribution of daily trading income of Treasury & Markets Group for the period from 1 January 2011 to 31 December 2011.



DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

CAPITAL ADEQUACY

(\$m)	31 Dec 2011	30 Sept 2011	31 Dec 2010
Tier 1			
Share capital	9,350	9,347	8,780
Disclosed reserves and others	23,308	22,670	23,927
Less: Tier 1 Deductions	(5,123)	(5,029)	(5,064)
Eligible Tier 1	27,535	26,988	27,643
Tier 2			
Loan allowances admitted as Tier 2	1,151	1,001	696
Subordinated debts	5,305	5,309	5,281
Revaluation surplus from equity securities	29	28	149
Less: Tier 2 Deductions	(192)	(111)	(142)
Total eligible capital	33,828	33,215	33,627
Risk-weighted assets	213,722	213,919	182,694
Capital adequacy ratio (%)			
Tier 1 ratio	12.9	12.6	15.1
Total (Tier 1 & 2) ratio	15.8	15.5	18.4
Core Tier 1 ratio^{1/}			
- with phase in deduction of 0% to end 2013	12.9	12.6	14.5
- with full deduction	11.0	10.7	11.8

Note:

1/ In June 2011, the MAS announced the Basel III requirements for Singapore-incorporated banks, which included a progressive phase-in for deductions against common equity starting from an initial 0% in 2013 and reaching 100% by 2018. If the 2013 deduction requirements were to be applied to the Group's December 2011 position, and without taking into account any other changes required by Basel III, the equivalent Core Tier 1 would be 12.9%.

The Group's capital adequacy ratio increased from 15.5% in the previous quarter to 15.8%. Over the quarter, the increase in credit risk-weighted assets (RWA) was offset by a reduction in operational RWA, with the operational risk multiplier being lifted in October 2011. Despite the implementation of the new Basel 2.5 rules, there was a net decrease in the capital set aside for market risk.

UNREALISED VALUATION SURPLUS/(LOSSES)

(\$m)	31 Dec 2011	30 Sept 2011	31 Dec 2010
Properties ^{1/}	580	532	507
Financial investments classified as loans and receivables ^{2/}	107	186	26
Total	687	718	533

Notes:

1/ stated at cost less accumulated depreciation and impairment losses in the balance sheet

2/ stated at cost less impairment losses in the balance sheet

The amount of unrealised valuation surplus decreased \$31 million to \$687 million in fourth quarter 2011 due to lower valuations of financial investments classified as loans and receivables.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Audited Consolidated Income Statement

In \$ millions	4th Qtr 2011 ^{1/}	4th Qtr 2010 ^{1/}	+/(-) %	3rd Qtr 2011 ^{1/}	+/(-) %	Year 2011	Year 2010	+/(-) %
Income								
Interest income	1,814	1,461	24	1,676	8	6,555	5,699	15
Interest expense	524	355	48	462	13	1,730	1,381	25
Net interest income	1,290	1,106	17	1,214	6	4,825	4,318	12
Net fee and commission income	342	358	(4)	397	(14)	1,542	1,397	10
Net trading income	145	154	(6)	138	5	698	915	(24)
Net (loss)/income from financial instruments designated at fair value	(12)	10	NM	5	NM	(18)	(20)	10
Net income from financial investments	136	39	>100	152	(11)	454	310	46
Other income	15	62	(76)	62	(76)	130	146	(11)
Total income	1,916	1,729	11	1,968	(3)	7,631	7,066	8
Expenses								
Employee benefits	440	362	22	444	(1)	1,712	1,422	20
Other expenses	445	418	6	403	10	1,591	1,503	6
Goodwill charges	-	-	-	-	-	-	1,018	NM
Allowances for credit and other losses	229	157	46	231	(1)	722	911	(21)
Total expenses	1,114	937	19	1,078	3	4,025	4,854	(17)
Profit	802	792	1	890	(10)	3,606	2,212	63
Share of profits of associates	35	24	46	37	(5)	127	102	25
Profit before tax	837	816	3	927	(10)	3,733	2,314	61
Income tax expense	54	71	(24)	113	(52)	443	454	(2)
Net profit	783	745	5	814	(4)	3,290	1,860	77
Attributable to:								
Shareholders	731	678	8	762	(4)	3,035	1,632	86
Non-controlling interests	52	67	(22)	52	-	255	228	12
	783	745	5	814	(4)	3,290	1,860	77

Notes:
1/ Unaudited
NM Not Meaningful

Audited Consolidated Statement of Comprehensive Income

In \$ millions	4th Qtr 2011 ^{1/}	4th Qtr 2010 ^{1/}	+/(-) %	3rd Qtr 2011 ^{1/}	+/(-) %	Year 2011	Year 2010	+/(-) %
Net profit	783	745	5	814	(4)	3,290	1,860	77
Other comprehensive income:								
Foreign currency translation differences for foreign operations	(13)	(97)	87	14	NM	(38)	(187)	80
Share of other comprehensive income of associates	4	3	33	6	(33)	(1)	12	NM
Available-for-sale financial assets and others								
<i>Net valuation taken to equity</i>	(76)	(439)	83	284	NM	398	598	(33)
<i>Transferred to income statement on sale</i>	(123)	(42)	(>100)	(158)	22	(425)	(315)	(35)
<i>Tax on items taken directly to or transferred from equity</i>	5	26	(81)	21	(76)	31	(28)	NM
Other comprehensive income, net of tax	(203)	(549)	63	167	NM	(35)	80	NM
Total comprehensive income	580	196	>100	981	(41)	3,255	1,940	68
Attributable to:								
Shareholders	527	159	>100	926	(43)	3,019	1,829	65
Non-controlling interests	53	37	43	55	(4)	236	111	>100
	580	196	>100	981	(41)	3,255	1,940	68

Notes:
1/ Unaudited
NM Not Meaningful

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Audited Balance Sheets

In \$ millions	GROUP			COMPANY		
	31 Dec 2011	30 Sept 2011 ^{1/}	31 Dec 2010	31 Dec 2011	30 Sept 2011 ^{1/}	31 Dec 2010
ASSETS						
Cash and balances with central banks	25,304	27,090	31,203			
Singapore Government securities and treasury bills	12,503	12,239	11,546			
Due from banks	25,571	29,586	20,306			
Financial assets at fair value through profit or loss ^{2/}	11,927	10,895	10,179			
Positive fair values for financial derivatives	21,164	24,838	16,767			
Loans and advances to customers	194,275	185,211	151,698			
Financial investments	30,491	28,073	26,550			
Securities pledged	2,634	3,511	1,982			
Subsidiaries				10,957	9,622	10,438
Investments in associates	949	928	813			
Goodwill on consolidation	4,802	4,802	4,802			
Properties and other fixed assets	976	972	1,025			
Investment properties	372	371	358			
Deferred tax assets	149	137	102			
Other assets	9,730	9,988	6,379	18	22	63
TOTAL ASSETS	340,847	338,641	283,710	10,975	9,644	10,501
LIABILITIES						
Due to banks	27,601	28,138	18,811			
Due to non-bank customers	218,992	212,533	187,695			
Financial liabilities at fair value through profit or loss ^{3/}	11,912	13,551	10,228			
Negative fair values for financial derivatives	22,207	26,353	17,222			
Bills payable	254	267	601			
Current tax liabilities	837	965	879			
Deferred tax liabilities	30	36	40			
Other liabilities	10,287	10,488	6,574	6	5	5
Other debt securities in issue	10,354	8,395	2,160			
Subordinated term debts	5,304	5,309	6,398			
TOTAL LIABILITIES	307,778	306,035	250,608	6	5	5
NET ASSETS	33,069	32,606	33,102	10,969	9,639	10,496
EQUITY						
Share capital	9,350	9,347	8,780	9,350	9,347	8,780
Treasury shares	(154)	(136)	(84)	(115)	(96)	-
Other reserves	7,075	7,280	7,084	86	87	79
Revenue reserves	12,523	11,790	10,819	1,648	301	1,637
SHAREHOLDERS' FUNDS	28,794	28,281	26,599	10,969	9,639	10,496
Non-controlling interests	4,275	4,325	6,503			
TOTAL EQUITY	33,069	32,606	33,102	10,969	9,639	10,496
OFF BALANCE SHEET ITEMS						
Contingent liabilities	20,789	20,178	16,031			
Commitments	117,325	109,299	95,918			
Financial derivatives	1,612,038	1,710,196	1,347,522			
OTHER INFORMATION						
Net book value per ordinary share (\$)						
(i) Basic	11.99	11.77	11.25	4.56	4.00	4.44
(ii) Diluted	11.75	11.54	11.04	4.49	3.95	4.38

Notes:

1/ Unaudited

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

3/ 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	Treasury shares	Other reserves	Revenue reserves	Total	Non- controlling interests	Total equity
Balance at 1 January 2011	8,533	247	(84)	7,084	10,819	26,599	6,503	33,102
Issue of shares upon exercise of share options	19					19		19
Reclassification of reserves upon exercise of share options	2			(2)		-		-
Issue of shares pursuant to Scrip Dividend Scheme	547	2				549		549
Cost of share-based payments				54		54		54
Draw-down of reserves upon vesting of performance shares			45	(45)		-		-
Purchase of Treasury shares			(115)			(115)		(115)
Final dividends paid for previous year					(645)	(645)		(645)
Interim dividends paid for current year					(686)	(686)		(686)
Dividends paid to non-controlling interests						-	(275)	(275)
Redemption of preference shares issued by a subsidiary						-	(2,112)	(2,112)
Change in non-controlling interests						-	(77)	(77)
Total comprehensive income				(16)	3,035	3,019	236	3,255
Balance at 31 December 2011	9,101	249	(154)	7,075	12,523	28,794	4,275	33,069
Balance at 1 January 2010	8,188	247	(114)	6,879	10,173	25,373	4,126	29,499
Issue of shares upon exercise of share options	16					16		16
Reclassification of reserves upon exercise of share options	2			(2)		-		-
Issue of shares pursuant to Scrip Dividend Scheme	327					327		327
Cost of share-based payments				40		40		40
Draw-down of reserves upon vesting of performance shares			30	(30)		-		-
Final dividends paid for previous year					(320)	(320)		(320)
Interim dividends paid for current year					(666)	(666)		(666)
Dividends paid to non-controlling interests							(233)	(233)
Preference shares issued by a subsidiary							2,499	2,499
Total comprehensive income				197	1,632	1,829	111	1,940
Balance at 31 December 2010	8,533	247	(84)	7,084	10,819	26,599	6,503	33,102

Audited Statement of Changes in Equity

COMPANY						
In \$ millions	Ordinary shares	Convertible preference shares	Treasury shares	Other reserves	Revenue reserves	Total equity
Balance at 1 January 2011	8,533	247	-	79	1,637	10,496
Issue of shares upon exercise of share options	19					19
Reclassification of reserves upon exercise of share options	2			(2)		-
Issue of shares pursuant to Scrip Dividend Scheme	547	2				549
Cost of share-based payments				54		54
Draw-down of reserves upon vesting of performance shares				(45)		(45)
Purchase of Treasury shares			(115)			(115)
Final dividends paid for previous year					(647)	(647)
Interim dividends paid for current year					(686)	(686)
Total comprehensive income					1,344	1,344
Balance at 31 December 2011	9,101	249	(115)	86	1,648	10,969
Balance at 1 January 2010	8,188	247	-	71	1,280	9,786
Issue of shares upon exercise of share options	16					16
Reclassification of reserves upon exercise of share options	2			(2)		-
Issue of shares pursuant to Scrip Dividend Scheme	327					327
Cost of share-based payments				40		40
Draw-down of reserves upon vesting of performance shares				(30)		(30)
Final dividends paid for previous year					(320)	(320)
Interim dividends paid for current year					(669)	(669)
Total comprehensive income					1,346	1,346
Balance at 31 December 2010	8,533	247	-	79	1,637	10,496

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Audited Consolidated Cash Flow Statement

In \$ millions	Year 2011	Year 2010
Cash flows from operating activities		
Net profit for the year	3,290	1,860
<i>Adjustments for non-cash items:</i>		
Allowances for credit and other losses	722	911
Depreciation of properties and other fixed assets	185	193
Goodwill charges	-	1,018
Share of profits of associates	(127)	(102)
Net gain on disposal (net of write-off) of properties and other fixed assets	(6)	(103)
Net gain on disposal of financial investments	(454)	(310)
Net gain on disposal of subsidiary	(47)	-
Income tax expense	443	454
Profit before changes in operating assets & liabilities	4,006	3,921
<i>Increase/(Decrease) in:</i>		
Due to banks	8,790	9,703
Due to non-bank customers	31,297	9,247
Financial liabilities at fair value through profit or loss	1,684	1,011
Other liabilities including bills payable	8,522	708
Debt securities and borrowings	7,949	1,405
<i>(Increase)/Decrease in:</i>		
Change in restricted balances with central banks	(322)	(2,857)
Singapore Government securities and treasury bills	(957)	4,414
Due from banks	(5,297)	1,895
Financial assets at fair value through profit or loss	(1,748)	1,078
Loans and advances to customers	(43,215)	(22,521)
Financial investments	(3,509)	(529)
Other assets	(8,366)	(2,246)
Tax paid	(511)	(382)
Net cash (used in)/generated from operating activities (1)	(1,677)	4,847
Cash flows from investing activities		
Proceeds from disposal of associates/ joint ventures	-	136
Acquisition of interest in associates	(55)	(75)
Dividends from associates	46	57
Purchase of properties and other fixed assets	(177)	(176)
Proceeds from disposal of properties and other fixed assets	47	192
Net cash (used in)/generated from investing activities (2)	(139)	134
Cash flows from financing activities		
Increase in share capital	570	345
Payment upon maturity of subordinated term debts	(1,046)	(705)
Purchase of treasury shares	(115)	-
Dividends paid to shareholders of the Company	(1,331)	(986)
Dividends paid to non-controlling interests	(275)	(233)
Payment upon redemption of preference shares	(2,112)	-
Change in non-controlling interests	(77)	-
Proceeds from issue of preference shares by a subsidiary	-	2,499
Net cash (used in)/generated from financing activities (3)	(4,386)	920
Exchange translation adjustments (4)	(19)	(70)
Net change in cash and cash equivalents (1)+(2)+(3)+(4)	(6,221)	5,831
Cash and cash equivalents at 1 January	25,112	19,281
Cash and cash equivalents at 31 December	18,891	25,112

Additional Information

ISSUANCE OF ORDINARY SHARES

- (a) The movement in the number of issued and fully paid-up ordinary shares for the fourth quarter ended 31 December 2011 is as follows:

At 1 January 2011	2,308,790,261
Issuance of new shares pursuant to Scrip Dividend Scheme	39,859,969
Exercise of share options pursuant to the DBSH Share Option Plan	1,667,402
At 31 December 2011	<u>2,350,317,632</u>

Weighted average number of shares for the year ended 31 December 2011	
- ordinary shares	2,327,825,549
- fully diluted	2,428,734,777

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 at 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 options are as follows:

(Number)	<u>31 Dec 2011</u>	<u>30 Sept 2011</u>	<u>31 Dec 2010</u>
Conversion of non-voting CPS	180,915	180,915	180,654
Conversion of non-voting redeemable CPS	99,857,155	99,857,155	99,713,061
Exercise of share options	5,728,520	6,720,715	11,417,819

- (c) The movement in the number of treasury shares for the year ended 31 December 2011 is as follows:

At 1 January 2011	5,762,894
Vesting of performance shares	(3,086,213)
Purchase of Treasury shares	8,644,000
At 31 December 2011	<u>11,320,681</u>

INTERESTED PERSON TRANSACTIONS

DBSH has not obtained a general mandate from shareholders for Interested Person Transactions.

REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CEO OR SUBSTANTIAL SHAREHOLDER

Pursuant to Rule 704(13) of the SGX Listing Manual, DBSH wishes to advise that there are no persons occupying a managerial position in DBSH, DBS Bank Ltd or any of the principal subsidiaries of DBSH who are relatives of a director or chief executive officer or substantial shareholder of DBSH.

ADOPTION OF NEW OR REVISED FRS AND INT FRS

Revised FRS 24 Related Party Disclosures

The revised standard clarifies the definition of a related party to simplify the identification of such relationships, and eliminates inconsistencies in its application.

Amongst other changes, the revised standard expands the definition of a related party, and would treat two entities under the same parent as related to each other if the parent has control/joint control over one entity and control/joint control/significant influence over the other entity.

Improvements to FRSs (2010)

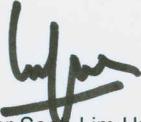
As part of IASB's annual improvements project, there are amendments made to 7 standards this year. These revisions are of a technical or clarifying nature, and the main revision this year pertains to FRS 107 Financial Instruments: Disclosures, where the financial effects of collateral and other credit enhancements are required to be disclosed.

There is no material impact expected on the Group's financial statements from the adoption of the above revisions.

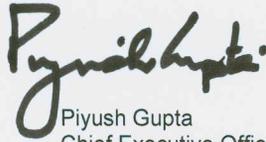
CONFIRMATION BY THE BOARD

We, Peter Seah Lim Huat and Piyush Gupta, 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 2011 Unaudited Financial Results of the Company and of the Group and of the Year 2011 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



Peter Seah Lim Huat
Chairman



Piyush Gupta
Chief Executive Officer

9 February 2012
Singapore

The extract of the audit report dated 9 February 2012, on the financial statements of DBS Group Holdings Ltd and its subsidiaries for the year ended 31 December 2011 which have been prepared in accordance with Singapore Financial Reporting Standards, is as follows:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DBS GROUP HOLDINGS LTD (INCORPORATED IN SINGAPORE)

Report on the Financial Statements

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 69, which comprise the consolidated balance sheet of the group and balance sheet of the Company as at 31 December 2011, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's 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 about 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 auditor's judgement, 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 auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 management, 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.

Opinion

In our opinion, 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 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 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 2011, and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on other Legal and Regulatory Requirements

In our opinion, 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.

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants

Singapore, 9 February 2012