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DBS FULL-YEAR 2011 NET PROFIT HITS RECORD SGD 3.04 BILLION

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Fourth-quarter net profit increases 8% to SGD 731 milion

SINGAPORE, 10 February 2012 – DBS Group Holdings reported net profit of SGD 3.04 billion for 2011, an increase of 15% from the previous year. Earnings crossed the SGD 3 billion mark for the first time as increased business volumes and customer flows propelled total income to a new high of SGD 7.63 billion. DBS' focused execution of strategic initiatives, prudent risk management and strong balance sheet enabled it to capture opportunities across the region in a challenging environment. Return on equity rose to 11.0% from 10.2% a year ago.

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Full-year earnings growth driven by higher business volumes and customer flows

Net interest income rose 12% to a record SGD 4.83 billion. Loans increased 28% or SGD 43 billion to SGD 195 billion. The increase was led by corporate loans across the region, with trade finance accounting for half of the growth. Net interest margins fell seven basis points to 1.77% as interest rates remained soft in Singapore and deposit costs were higher in Hong Kong.

Non-interest income grew 2% to SGD 2.81 billion as higher customer-driven income was offset by a decline in stockbroking commissions and lower trading gains. Fee income rose 10% to a record SGD 1.54 billion from improvements in a wide range of activities, led by wealth management and trade and remittances in line with efforts to develop these businesses. Income from cross-selling treasury products rose 20% to SGD 822 million, accounting for 42% of total treasury income compared to 36% in 2010. Gains from the sale of investment securities increased 46% to SGD 454 million; the available-for-sale investment portfolio had unrealised marked-to-market gains of SGD 411 million at end-2011, compared to SGD 387 million at end-2010.

Total income rose 8% to SGD 7.63 billion. Expenses grew 13% to SGD 3.30 billion as headcount and infrastructure investments were made to support higher business volumes and future growth. The cost-income ratio was healthy at 43%. Profit before allowances rose 5% to a record SGD 4.33 billion.

Asset quality improved with the non-performing loan rate falling to 1.3% from 1.9% at end-2010. General allowances more than doubled to SGD 478 million, reflecting a more prudent provisioning policy. Together with specific allowances of SGD 244 million, which were one-third the charge taken in 2010, allowance coverage was at 126% or at 165% if collateral was included.

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Fourth-quarter earnings rise 8% from year ago

For the fourth quarter, net profit rose 8% from a year ago to SGD 731 million. Total income grew 11% to SGD 1.92 billion. Net interest income increased 17% to SGD 1.29 billion as the impact of loan growth was partially offset by a six basis point decline in net interest margins to 1.73%. Non-interest income was little changed at SGD 626 million. Fee income fell 4% to SGD 342 million as declines in stockbroking and investment banking contributions more than offset higher income from trade and remittances, loan activities and credit cards. Other non-interest income rose 7% to SGD 284 million as higher gains from the sale of investment securities offset declines in trading income and gains from the sale of fixed assets.

Expenses increased 13% to SGD 885 million while profit before allowances rose 9% to SGD 1.03 billion.

Total allowances rose 46% to SGD 229 million. General allowances tripled to SGD 131 million, while specific allowances declined 13% to SGD 98 million.

Fourth-quarter earnings 4% below previous quarter

Compared to the previous quarter, fourth-quarter earnings were 4% lower and total income 3% lower due mainly to a SGD 47 million gain in the previous quarter from the transaction to combine DBS Asset Management 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 increased 6% as loans grew 5% from the previous quarter and net interest margins were stable. This helped to offset lower non-interest income due to seasonally quieter markets at year-end. Fee income fell 14% as lower contributions from loan activities, stockbroking and

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investment banking were partially offset by increases in wealth management and credit cards. Income from customer flows for treasury products was also lower.

Expenses rose 4% and profit before allowances declined 8%.

Total allowances were little changed as lower general allowances were offset by higher specific allowances, with the increase due largely to a legacy exposure in the shipping industry.

Capital and liquidity remain strong

DBS' balance sheet strength remains a key differentiating factor, enabling it to gain customers and wallet share during the year.

DBS is well capitalised, the result of consistently strong earnings generation and prudent capital management. Its Tier 1 ratio of 12.9% and total capital adequacy ratio of 15.8% are comfortably above regulatory requirements, which incorporate Basel 2.5 rules with effect from 31 December 2011.

Liquidity remains healthy with the loan-deposit ratio at 86%. Deposits grew 16% or SGD 32 billion during the year to SGD 225 billion, with deposit inflows bolstered by DBS' leading domestic deposit franchise and sound fundamentals. DBS' credit ratings of AA- (by S&P and Fitch) and Aa1 (by Moody's) are among the highest in the world, and it was named Safest Bank in Asia by Global Finance magazine for a third consecutive year in 2011. DBS' strengths have also enabled it to expand its wholesale funding programmes and diversify its sources of liquidity.

Becoming a leading Asian bank

DBS CEO Piyush Gupta said, "We delivered record full-year earnings in excess of SGD 3 billion, a historic first for the banking industry in Singapore. Over the year, our

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entire regional franchise performed well, and many of our strategic initiatives kicked in. The solid results underline our ability to execute well, deepen customer relationships and harness opportunities in a challenging operating environment. Nevertheless, there is much more to be done as we remain steadfast in our ambition to become a leading Asian bank. We are committed to pursuing growth in a judicious and disciplined manner while keeping a watchful eye on the health of the global economy."

The Board proposed a final dividend of 28 cents per share for approval by shareholders at the forthcoming annual general meeting. This would bring the full-year payout to 56 cents per share, unchanged from 2010. Shareholders may elect to receive dividends in cash or scrip. For shareholders electing to receive dividends in scrip, new shares will be issued at a 5% discount to the average of the last-dealt price on each of 9, 10 and 11 May 2012.

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About DBS

DBS - Living, Breathing Asia

DBS is a leading financial services group in Asia, with over 200 branches across 15 markets. Headquartered and listed in Singapore, DBS is a market leader in Singapore with over four million customers and also has a growing presence in the three key Asian axes of growth, namely, Greater China, Southeast Asia and South Asia. The bank's strong capital position, as well as "AA-" and "Aa1" credit ratings that are among the highest in the Asia-Pacific region, earned it Global Finance's "Safest Bank in Asia" accolade for three consecutive years, in 2009, 2010 and 2011.

DBS provides the full range of services in consumer, SME and corporate banking activities across Asia and the Middle East. As a bank born and bred in Asia, DBS also understands the intricacies of doing business in the region's most dynamic markets. This market insight and regional connectivity have helped to drive the bank's growth as it sets out to be the Asian bank of choice. The bank believes that building lasting relationships with its customers is an integral part of banking the Asian way.

With its extensive network of operations in Asia and emphasis on engaging and empowering its staff, DBS presents exciting career opportunities. The bank acknowledges the passion, commitment and can-do spirit in all of our 18,000 staff, representing over 30 nationalities. For more information, please visit www.dbs.com.

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