Record full-year earnings as execution drives performance

DBS Group Holdings
4Q 2010 financial results
Feb 11, 2011

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Record full-year earnings as execution drives performance

- **Full-year earnings at record; strong broad-based business volume growth**
- **Higher full-year contribution from Hong Kong**
- **Asset quality and capital remain strong**

Full-year net profit at record

(S$m)	FY 2010	FY 2009	YoY %
Net interest income	**4,318**	**4,455**	**(3)**
Fee income	1,397	1,394	0
Trading income	895	433	>100
Other income	456	321	42
Non-interest income	**2,748**	**2,148**	**28**
Income	**7,066**	**6,603**	**7**
Staff expenses	1,422	1,292	10
Other expenses	1,503	1,312	15
Expenses	**2,925**	**2,604**	**12**
Profit before allowances	**4,141**	**3,999**	**4**
Allowances	**911**	**1,529**	**(40)**
Net profit	**2,650**	**2,064**	**28**

Excluding one-time items and goodwill charges

4Q net profit up 38% on year, down 6% on quarter

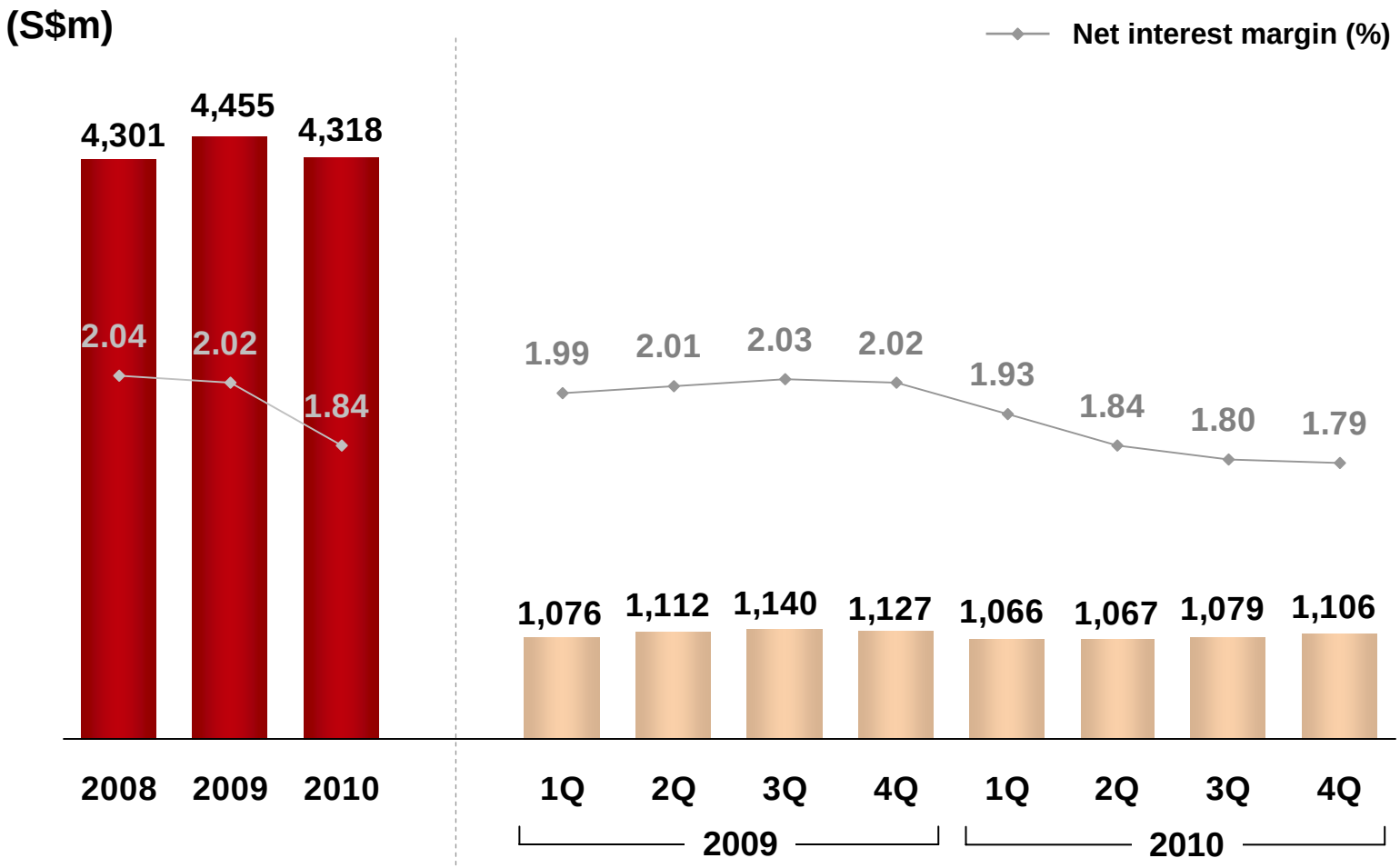
(S$m)	4Q 2010	4Q 2009	YoY %	3Q 2010	QoQ %
Net interest income	**1,106**	**1,127**	**(2)**	**1,079**	**3**
Fee income	358	358	0	340	5
Trading income	164	55	>100	223	(26)
Other income	101	32	>100	167	(40)
Non-interest income	**623**	**445**	**40**	**730**	**(15)**
Income	**1,729**	**1,572**	**10**	**1,809**	**(4)**
Staff expenses	362	313	16	360	1
Other expenses	418	387	8	366	14
Expenses	**780**	**700**	**11**	**726**	**7**
Profit before allowances	**949**	**872**	**9**	**1,083**	**(12)**
Allowances	**157**	**384**	**(59)**	**195**	**(19)**
Net profit	**678**	**493**	**38**	**722**	**(6)**

ROE strengthens on year

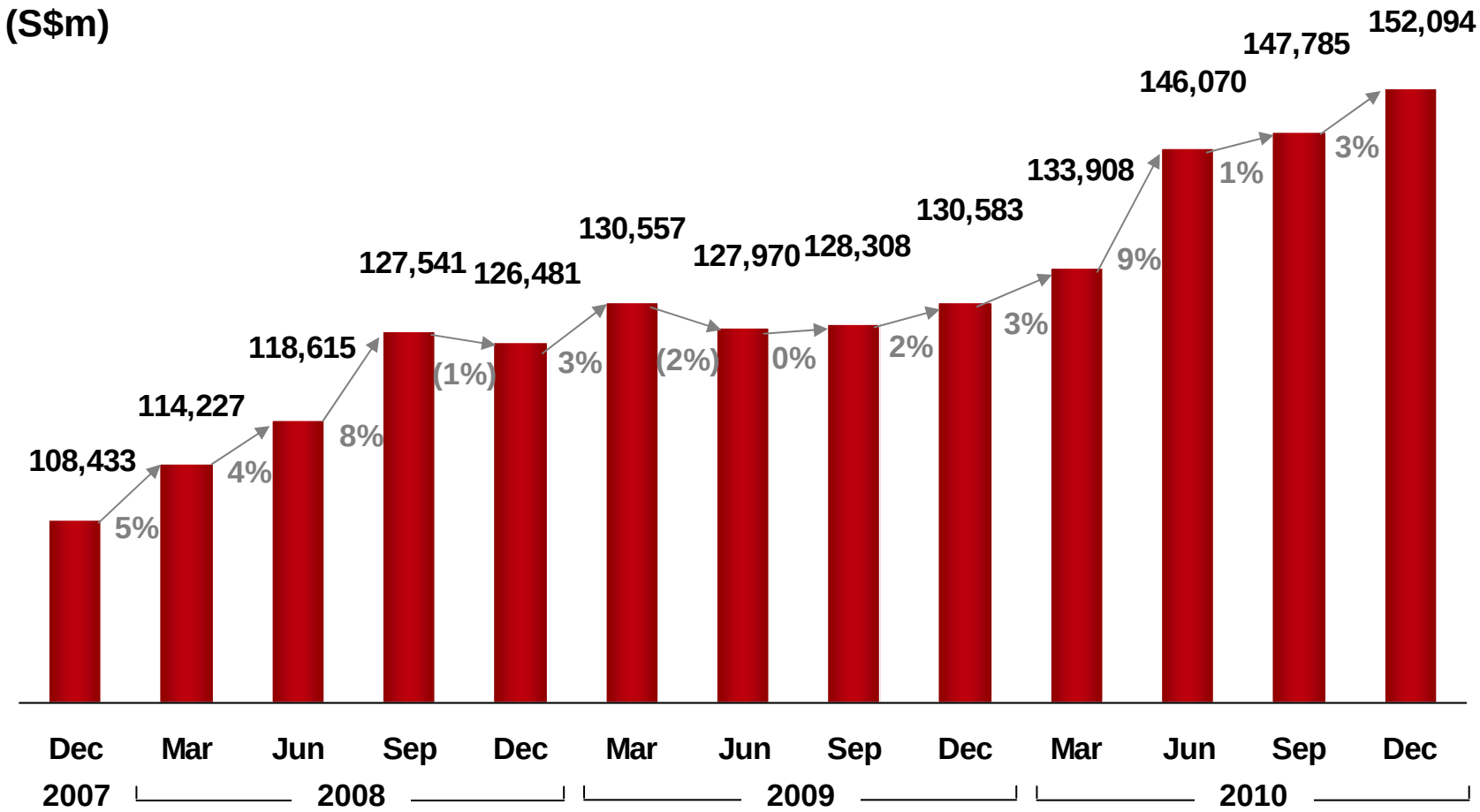
(%)	4Q 2010	3Q 2010	4Q 2009	FY 2010	FY 2009
Net interest margin	1.79	1.80	2.02	1.84	2.02
Fee income/total income	21	19	23	20	21
Non-interest income/total income	36	40	28	39	33
Cost/income	45	40	45	41	39
ROE	10.2	11.1	7.8	10.2	8.4
Loans/deposits	79	80	71	79	71
SP/average loans (bp)	25	33	116	43	85
NPL ratio	1.9	2.1	2.9	1.9	2.9

Excluding one-time items and goodwill charges

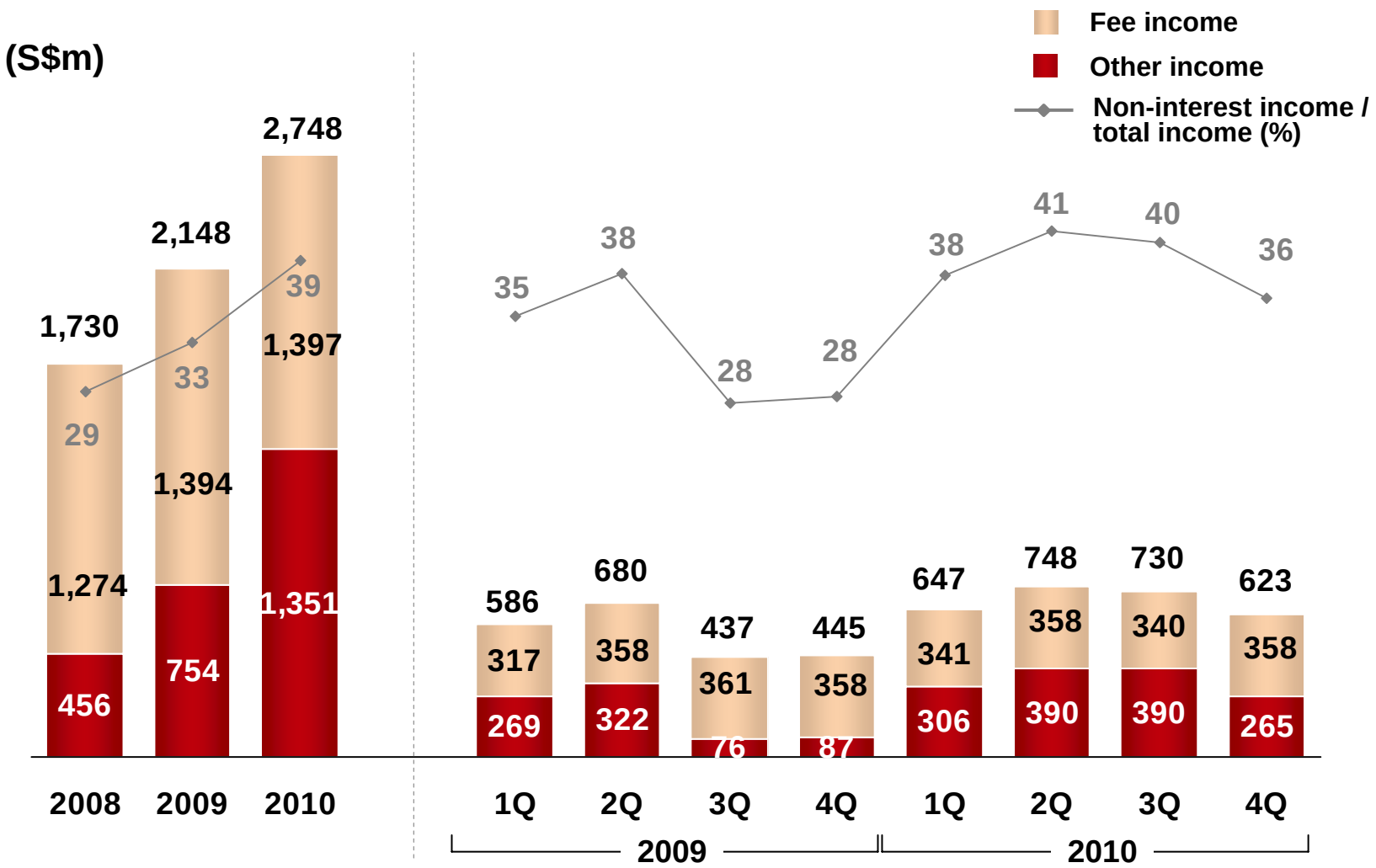
Net interest income up on quarter as margins hold steady



Loans up 16% on year and 3% on quarter



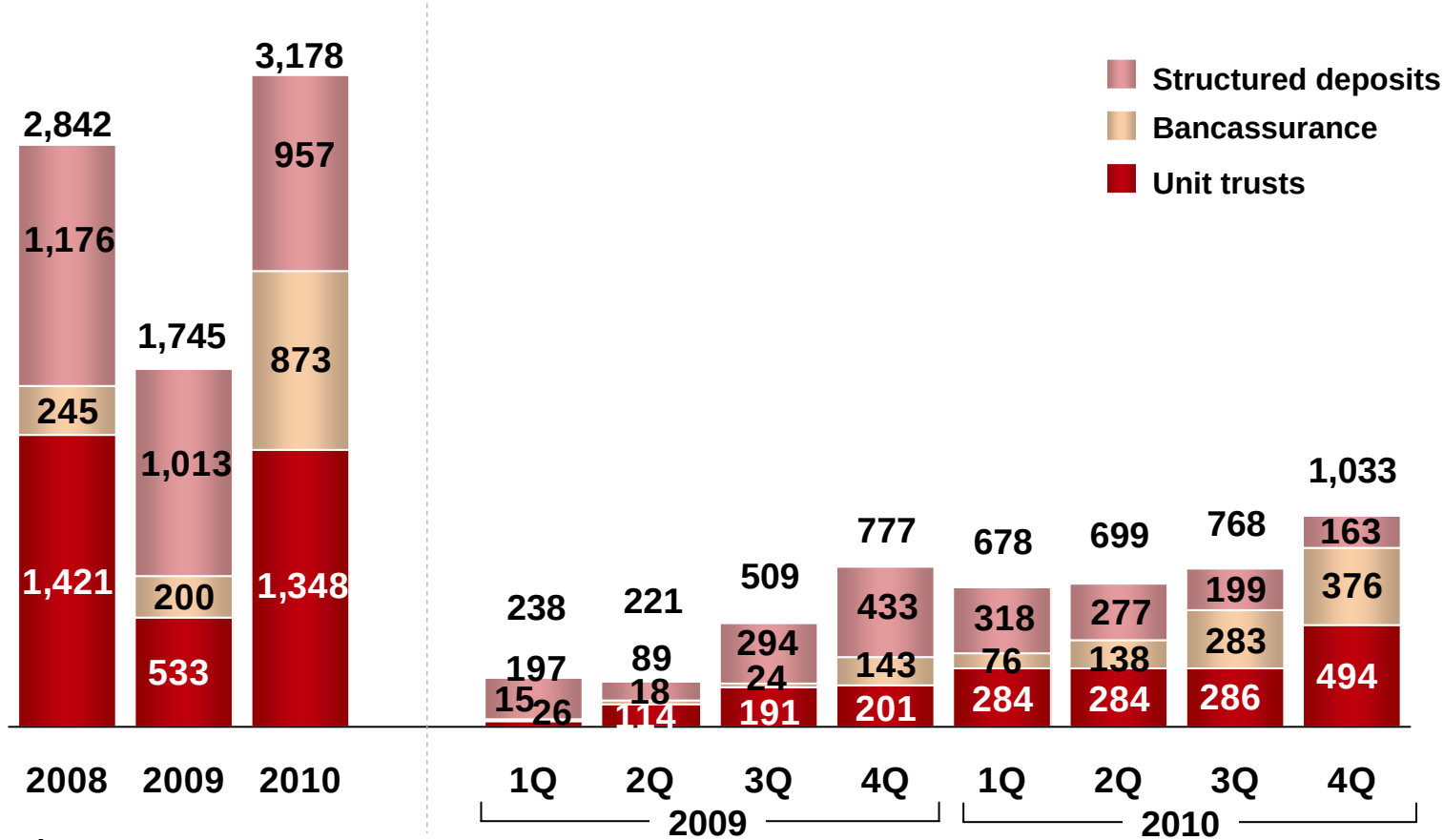
Fee income improves on quarter; customer-driven trading revenues remain healthy



Excluding one-time items

Unit trust and bancassurance sales improve

(S$m)

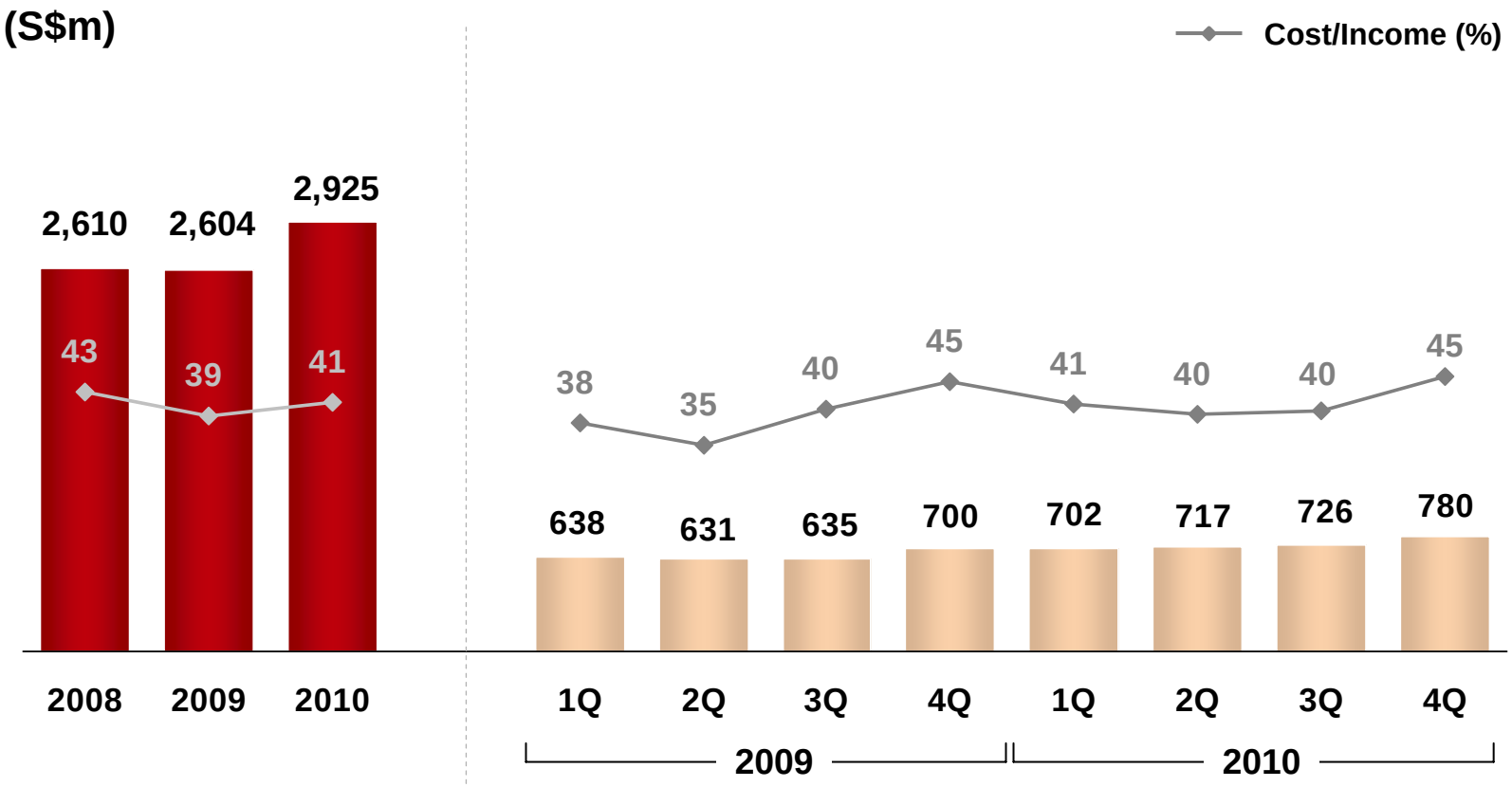


Sales (all products)												
S'pore	1,587	775	1,886	123	112	238	303	385	406	459	636
HK	1,255	970	1,292	115	109	271	474	293	293	309	397
Fees (unit trusts and bancassurance only)												
Group	137	101	136	16	21	34	30	27	34	31	44

Treasury income rises, quality improves

(S$m)	2010	2009	% change
Income from customer flow	687	464	48
Other income, principally from balance sheet management, market-making and warehousing	1,233	1,249	(1)
Total Treasury income	1,919	1,714	12
Customer flow / total Treasury income (%)	36	27	9pt
Trading book VAR			
Average	27	33	(18)
Range	15 - 39	21 - 52	–

Costs increase to support higher business volumes



Excluding one-time items and goodwill charges

Record full-year earnings as execution drives performance

- **Full-year earnings at record; strong broad-based business volume growth**
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Hong Kong's full-year net profit up 25%

(S$m)	FY 2010	FY 2009	YoY %
Net interest income	783	888	(12)
Non-interest income	682	478	43
Income	1,465	1,366	7
Expenses	720	600	20
Profit before allowances	745	766	(3)
Allowances	73	210	(65)
Net profit	579	464	25

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

Hong Kong's 4Q net profit up 13% on year, down 24% on quarter

(S$m)	4Q 2010	4Q 2009	YoY %	3Q 2010	QoQ %
Net interest income	192	216	(11)	191	1
Non-interest income	157	126	25	195	(19)
Income	349	342	2	386	(10)
Expenses	177	154	15	147	20
Profit before allowances	172	188	(9)	239	(28)
Allowances	16	37	(57)	18	(6)
Net profit	144	128	13	190	(24)

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

Hong Kong's full-year ROA improves

(%)	4Q 2010	3Q 2010	4Q 2009	FY 2010	FY 2009
Net interest margin	1.49	1.56	1.89	1.60	1.92
Non-interest income/total income	45	51	37	47	35
Cost/income	51	38	45	49	44
ROA	1.01	1.35	1.01	1.06	0.89
Loans/deposits	99	104	90	99	90

Regional earnings lower due to higher investment costs

(S$m)	FY 2010	FY 2009	YoY %
Net interest income	852	829	3
Non-interest income	323	417	(23)
Income	1,175	1,246	(6)
Expenses	594	492	21
Profit before allowances	581	754	(23)
Allowances	186	285	(35)
Net profit	383	414	(7)

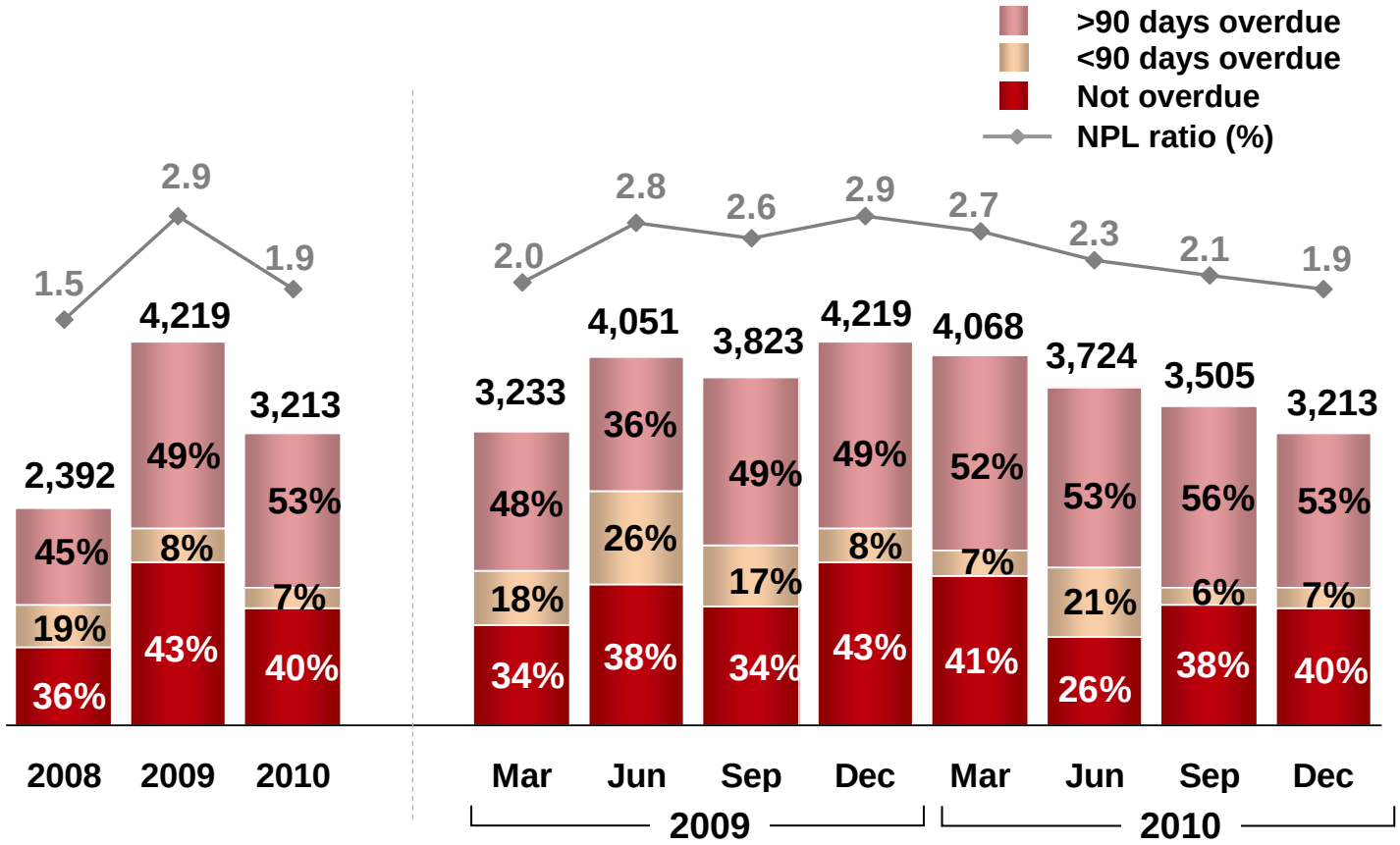
Figures for operations outside of Singapore and Hong Kong. Excluding one-time items

Record full-year earnings as execution drives performance

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- Higher full-year contribution from Hong Kong
- Asset quality and capital remain strong

Non-performing assets down 8% on quarter

(S$m)



SP / Loans (bp)	35	85	43	70	83	70	116	97	19	33	25
Cumulative general and specific allowances as % of:												
NPAs	114	83	100	97	81	90	83	92	101	97	100
Unsecured NPAs	176	108	127	156	119	128	108	119	126	124	127

Non-performing assets decline as recoveries and write-offs exceed new NPAs

(S$m)	4Q 2010	3Q 2010	4Q 2009
NPAs at start of period	3,505	3,724	3,823
New NPAs	207	552	787
Net recoveries of existing NPAs	(153)	(280)	(266)
Write-offs	(346)	(491)	(125)
NPAs at end of period	3,213	3,505	4,219

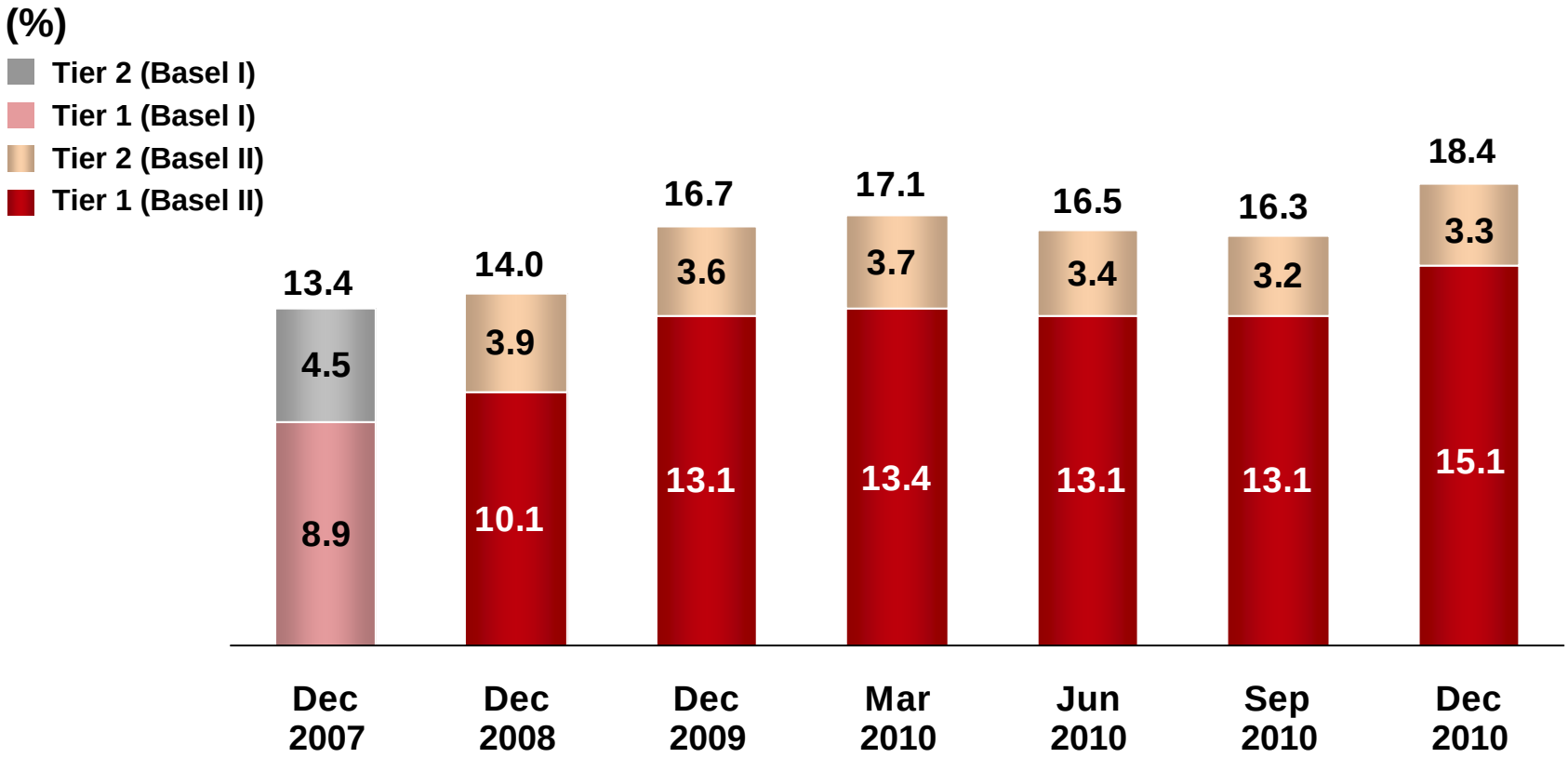
Specific allowances for loans remain low

(S$m)	4Q 2010	3Q 2010	4Q 2009
Add charges for			
New NPLs	28	103	125
Existing NPLs	128	89	345
	156	192	470
Subtract charges for			
Upgrading	0	0	0
Settlements	53	61	77
Recoveries	6	6	6
	59	67	83
Total SP charges	97	125	387
SP / Average loans (bp)	25	33	116

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

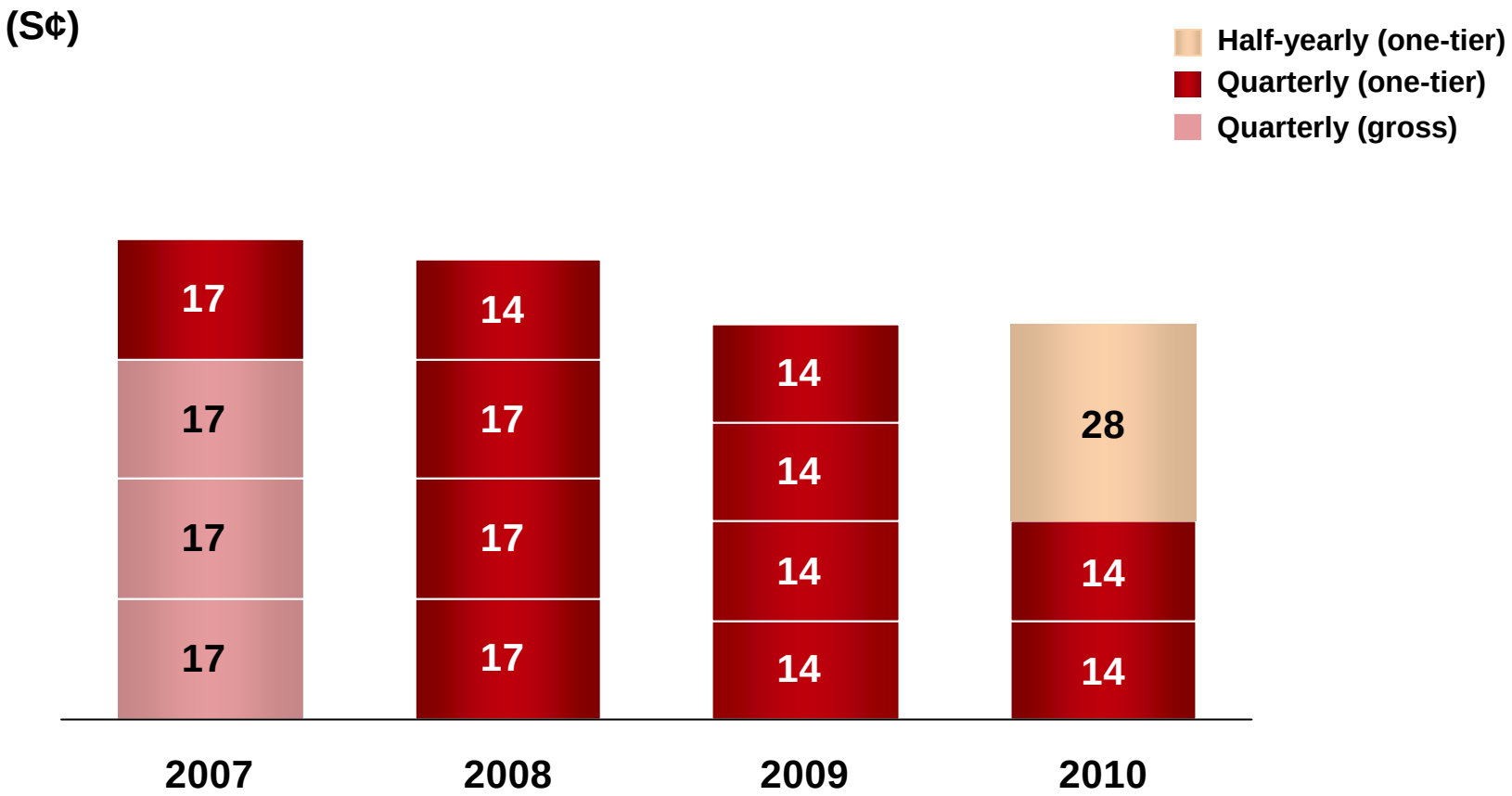
	Dec 10 (S$m)	Sep 10 (S$m)
Singapore government securities	9,731	10,108
Other government securities	8,345	7,411
Corporate debt securities	9,922	10,727
Equities	1,143	1,190
Total	29,141	29,436

CAR boosted by issue of preference shares and reduction in RWA



(S$bn)	Dec 2007	Dec 2008	Dec 2009	Mar 2010	Jun 2010	Sep 2010	Dec 2010
Tier-1 capital	16.4	18.4	23.3	23.6	24.2	24.6	27.6
RWA	184.6	182.7	177.2	175.9	184.8	186.8	182.7

2H dividend of 28 cents per share



In summary – record full-year earnings as execution drives performance

Strong loan growth and increased cross-selling reflect early success of strategy implementation

Asset quality continues to improve, capital remains strong

Focused on growing value of customer franchise and enhancing shareholder returns

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