News Release

Ref No. 03/2011

DBS FULL-YEAR 2010 CORE EARNINGS RISE 28% TO RECORD SGD 2.65 BILLION AS IMPLEMENTATION OF STRATEGIC INITIATIVES GAINS MOMENTUM

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Fourth-quarter earnings increase 38% to SGD 678 million

SINGAPORE, 11 February 2011 – DBS Group Holdings reported net profit excluding one-time items of SGD 2.65 billion for full-year 2010, a 28% increase over the previous year. Including a one-time goodwill impairment charge for DBS Bank (Hong Kong) Limited, net profit was SGD 1.63 billion. The record performance reflects the early success of strategic initiatives implemented during the year. The results were driven by strong loan growth across the region, higher income from cross-selling treasury products and an improvement in asset quality.

Underpinned by its strong capital and liquidity position, DBS continues to support customers' financing needs through the economic cycles. In Singapore, DBS achieved faster domestic loan growth than the industry in 2010, while stronger corporate and SME borrowing resulted in double-digit loan growth in Hong Kong, China, Taiwan, India and

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Indonesia. Total loans rose 16% or SGD 21.5 billion from a year ago to SGD 152.1 billion. If currency effects were excluded, loans grew 21% or SGD 26.9 billion. The higher volumes partially offset the impact of lower margins caused by a soft interest rate environment and lower credit spreads. Net interest income declined 3% to SGD 4.32 billion.

Non-interest income rose 28% to SGD 2.75 billion. Trading income doubled to SGD 895 million, led by higher revenues from cross-selling treasury products to corporate and consumer customers. Fee income from wealth management, stockbroking and investment banking improved in line with more favourable market conditions. DBS maintained its leadership in league tables for bond, equity and Reit issuances in Singapore during the year. These improvements in fee income were offset by lower margins in trade and remittances as well as lower loan-related fees.

Total income grew 7% to SGD 7.07 billion. Expenses rose 12% to SGD 2.93 billion as investments in staff and infrastructure were made for future growth. The cost-income ratio rose slightly to 41%. Profit before allowances reached a record SGD 4.14 billion.

Asset quality also improved. Total general and specific allowance charges declined 40% to SGD 911 million. Allowance coverage increased to 100% from 83% in the previous year as the NPL rate declined to 1.9% from 2.9%. Non-performing assets fell 24% to SGD 3.2 billion, of which 40% were current in interest and principal, reflecting DBS's prudent approach to classification.

Return on equity rose to 10.2% from 8.4% as return on assets improved to 0.98% from 0.80%. DBS remained well-capitalised with a total capital adequacy ratio of 18.4%, tier-1 ratio of 15.1% and core tier-1 ratio of 11.8%. During the fourth quarter, DBS issued SGD 2.5 billion of tier-1 preference shares at a fixed annual dividend rate of 4.7%

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to replace existing tier-1 instruments that are, subject to regulatory approval, due to be called in 2011. The capital raising met with strong demand from institutional and retail investors.

Fourth-quarter performance compared to year ago

For the fourth quarter, net profit rose 38% from a year ago to SGD 678 million. Similar to the earlier quarters of 2010, the improvement was due to higher customer-driven non-interest income and lower allowances compared to the year-ago period.

Total income rose 10% from a year ago to SGD 1.73 billion. Net interest income was 2% lower at SGD 1.11 billion as interest margins declined. Fee income was unchanged at SGD 358 million with higher contributions from wealth management and credit cards offset by lower loan-related income. Trading income tripled to SGD 164 million, with customer revenues accounting for a substantial portion of the quarter's trading income. There were also higher gains from the sale of financial investments and fixed assets.

Expenses of SGD 780 million were 11% higher than a year ago. Staff and technology costs increased as headcount was added and new infrastructure rolled out to support regional expansion. The cost-income ratio was unchanged at 45%. Total allowances fell 59% to SGD 157 million with specific loan allowances improving to 25 basis points of loans from 116 basis points.

Fourth-quarter performance compared to previous quarter

Compared to the previous quarter, fourth-quarter net profit was 6% lower as trading income fell in line with quieter treasury markets during the year-end and gains

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from the sale of financial investments declined. Business volume growth momentum continued to be healthy.

Net interest income was 3% higher than the previous quarter. Loans grew 3% from broad-based corporate borrowing in the region and from housing loans in Singapore. Net interest margins were stable at 1.79%. Fee income grew 5% from the previous quarter as DBS benefited from higher investment banking activity as well as improved demand for unit trusts and bancassurance products.

Expenses rose 7% from the previous quarter due to higher brand marketing costs and infrastructure investments. Allowances fell 19% as asset quality continued to improve.

DBS CEO Piyush Gupta said, “Our record full-year 2010 results are testimony to the work done to entrench our leadership in Singapore, re-energise Hong Kong, increase customer cross-sell as well as strengthen our regional wealth management and SME businesses. While much of what we want to achieve remains work-in-progress, we believe that by continuing to single-mindedly execute against the strategy we laid out 12 months ago, DBS is in a good position to strengthen the value of our franchise in Singapore, Greater China, South and South East Asia and fortify our position as a leading Asian bank.”

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 the previous year. The scrip dividend scheme will be applicable to the dividend. New shares will be issued, to shareholders electing to receive their dividends in scrip, at a price that is at a 5% discount to the average of the last-dealt price on each of 12, 13 and 16 May 2011.

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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 two consecutive years, in 2009 and 2010.

DBS provides the full range of services in corporate, SME, consumer and wholesale 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 each of its 15,000 staff, representing over 30 nationalities. For more information, please visit www.dbs.com.

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