DBS Group Holdings Ltd
Incorporated in the Republic of Singapore
Company Registration Number: 199901152M

To: Shareholders

The DBS Group Holdings Ltd ("DBSH" or "the Company") Board of Directors report audited financial results for the year ended 31 December 2010.

With effect from the second half of 2010, DBS has reverted to semi-annual dividend payments. For the financial year ended 31 December, 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:

In $ millions	**2010**	**2009**
DBSH Non-voting Convertible Preference Share ("CPS")		
Interim one-tier tax exempt dividend* of 28.0 cents (2009 : 30.0 cents)	(a)	(a)
Final one-tier tax exempt dividend of 2.0 cents (2009: nil cents)	(a)	-
DBSH Non-voting redeemable CPS		
Interim one-tier tax exempt dividend* of 28.0 cents (2009 : 30.0 cents)	28	30
Final one-tier tax exempt dividend of 2.0 cents (2009: nil cents)	2	-
DBSH Ordinary share		
Interim one-tier tax exempt dividend* of 28.0 cents (2009 : 42.0 cents)	638	959
Final one-tier tax exempt dividend of 28.0 cents (2009 : 14.0 cents)	646	320
	1,284	1,279

* Interim dividends were paid to entitled shareholders during the year

(a) Amounts under $500,000

The 2010 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 28 April 2011. The DBSH shares will be quoted ex-dividend on 12 May 2011. Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 18 May 2011. Duly completed transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services of 8 Cross Street #11-00 PWC Building, Singapore 048424 up to 5.00 p.m. on 16 May 2011 will be registered to determine shareholders' entitlement to the 2010 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 12, 13 and 16 May 2011, to which a discount of 5% shall be applied.

The payment date for cash dividends / crediting of shares is expected to be in early July 2011. In respect of ordinary shares in the securities accounts with The Central Depository (Pte) Limited ("CDP"), the 2010 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

10 February 2011
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 2010 (Unaudited) and For the Year 2010 (Audited)

DBS Group Holdings Ltd
Incorporated in the Republic of Singapore
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DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

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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 2009, with the exception of the adoption of new or revised FRS and Interpretations to FRS ("INT FRS").

On 1 January 2010, the Group adopted the following new or revised FRS and INT FRS that are issued by the Accounting Standard Council (ASC), and are relevant for the Group.

- FRS 27 Consolidated and Separate Financial Statements
- FRS 103 Business Combinations
- FRS 39 (Amendments) Financial Instruments: Recognition and Measurement
  - Eligible Hedged Items
  - Embedded Derivatives
- FRS 102 (Amendments) Share-Based Payment – Group Cash-settled Share-based Payment Transactions
- INT FRS 109 (Amendments): Reassessment of Embedded Derivatives
- INT FRS 117: Distributions of Non-cash Assets to Owners
- Improvements to FRSs

Refer to page 28 for more information.

	4th Qtr 2010	4th Qtr 2009	% chg	3rd Qtr 2010	% chg	Year 2010	Year 2009	% chg
Selected income statement items ($m)								
Net interest income	1,106	1,127	(2)	1,079	3	4,318	4,455	(3)
Net fee and commission income	358	358	-	340	5	1,397	1,394	-
Other non-interest income	265	87	>100	390	(32)	1,351	754	79
Total income	1,729	1,572	10	1,809	(4)	7,066	6,603	7
Expenses	780	700	11	726	7	2,925	2,604	12
Profit before allowances	949	872	9	1,083	(12)	4,141	3,999	4
Allowances for credit and other losses	157	384	(59)	195	(19)	911	1,529	(40)
Profit before tax	816	494	65	919	(11)	3,332	2,536	31
Net profit	678	493	38	722	(6)	2,650	2,064	28
Goodwill charges	-	-	-	-	-	(1,018)	-	NM
One-time items [1/]	-	-	-	-	-	-	(23)	NM
Net profit/(loss) including goodwill charges and one-time items	678	493	38	722	(6)	1,632	2,041	(20)
Selected balance sheet items ($m)								
Customer loans [2/]	152,094	130,583	16	147,785	3	152,094	130,583	16
Interbank assets [3/]	23,298	24,189	(4)	25,820	(10)	23,298	24,189	(4)
Total assets	283,710	258,644	10	279,436	2	283,710	258,644	10
Customer deposits [4/]	193,692	183,432	6	185,211	5	193,692	183,432	6
Total liabilities	250,608	229,145	9	248,969	1	250,608	229,145	9
Shareholders' funds	26,599	25,373	5	26,424	1	26,599	25,373	5
Key financial ratios (%) (excluding goodwill charges and one-time items) [5/]								
Net interest margin	1.79	2.02		1.80		1.84	2.02	
Non-interest/total income	36.0	28.3		40.4		38.9	32.5	
Cost/income ratio	45.1	44.5		40.1		41.4	39.4	
Return on assets	0.96	0.76		1.04		0.98	0.80	
Return on equity [6/]	10.22	7.76		11.06		10.20	8.44	
Loan/deposit ratio	78.5	71.2		79.8		78.5	71.2	
NPL ratio	1.9	2.9		2.1		1.9	2.9	
Specific allowances (loans)/average loans (bp)	25	116		33		43	85	
Core Tier 1 capital adequacy ratio	11.8	11.0		11.2		11.8	11.0	
Tier 1 capital adequacy ratio	15.1	13.1		13.1		15.1	13.1	
Total capital adequacy ratio	18.4	16.7		16.3		18.4	16.7	

	4th Qtr 2010	4th Qtr 2009	3rd Qtr 2010	Year 2010	Year 2009
Per share data ($)					
Per basic share					
– earnings excluding one-time items and goodwill charges	1.16	0.85	1.25	1.15	0.91
– earnings	1.16	0.85	1.25	0.70	0.90
– net book value 6/	11.25	10.85	11.18	11.25	10.85
Per diluted share					
– earnings excluding one-time items and goodwill charges	1.13	0.83	1.20	1.11	0.88
– earnings	1.13	0.83	1.20	0.68	0.87
– net book value 6/	11.04	10.65	10.97	11.04	10.65

Notes:
1/ One-time items include an impairment charge for a Thai investment
2/ Includes customer loans classified as financial assets at fair value through profit or loss on the balance sheet
3/ Includes interbank assets classified as financial assets at fair value through profit or loss on the balance sheet
4/ Includes customer deposits classified as financial liabilities at fair value through profit or loss on the balance sheet
5/ Return on assets, return on equity, specific allowances (loan)/average loan and per share data for the quarters are computed on an annualised basis
6/ Non-controlling interests are not included as equity in the computation of net book value and return on equity
NM Not Meaningful

Fourth-quarter net profit rose 38% from a year ago to $678 million. Similar to the earlier quarters of 2010, non-interest income was higher and allowances were lower than the year-ago period.

Net profit was 6% lower than the previous quarter as net trading income fell in line with quieter treasury markets during the year-end and net income from financial investments declined. Business volume trends continued to be healthy.

Net interest income rose 3% from the previous quarter to $1.11 billion. Loans grew 3% from corporate borrowing across the region and housing loan drawdowns in Singapore. Net interest margin was stable at 1.79%.

Non-interest income fell 15% from the previous quarter to $623 million. Net fee income rose from higher investment banking and wealth management revenues, but the impact was more than offset by declines in net trading income and net income on financial investments. Customer revenues continued to account for a significant portion of net trading income.

Expenses rose 7% from the previous quarter to $780 million due to higher brand marketing costs and infrastructure investments.

The non-performing loan rate improved from 2.1% in the previous quarter to 1.9%. General and specific allowances of $157 million were set aside, 19% below the previous quarter. Allowance coverage rose to 100% from 97%.

For the full-year, net profit (before one-time items) rose 28% to $2.65 billion from higher customer-driven non-interest income and a decline in allowances.

Return on equity was 10.2% for the fourth quarter as well as for the full year. DBS remained well capitalised with total capital adequacy ratio at 18.4%, tier -1 at 15.1% and core tier-1 at 11.8%.

QUARTERLY BREAKDOWN

($m)	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year
Net interest income					
2009	1,076	1,112	1,140	1,127	4,455
2010	1,066	1,067	1,079	1,106	4,318
% chg	(1)	(4)	(5)	(2)	(3)
Non interest income					
2009	586	680	437	445	2,148
2010	647	748	730	623	2,748
% chg	10	10	67	40	28
Total income					
2009	1,662	1,792	1,577	1,572	6,603
2010	1,713	1,815	1,809	1,729	7,066
% chg	3	1	15	10	7
Expenses					
2009	638	631	635	700	2,604
2010	702	717	726	780	2,925
% chg	10	14	14	11	12
Allowances for credit and other losses					
2009	414	466	265	384	1,529
2010	355	204	195	157	911
% chg	(14)	(56)	(26)	(59)	(40)
Profit before tax					
2009	630	708	704	494	2,536
2010	678	919	919	816	3,332
% chg	8	30	31	65	31
Net profit					
2009	456	552	563	493	2,064
2010	532	718	722	678	2,650
% chg	17	30	28	38	28
Add: One-time items and goodwill charges [1/]					
2009	(23)	-	-	-	(23)
2010	-	(1,018)	-	-	(1,018)
% chg	NM	NM	-	-	(>100)
Net profit including one-time items and goodwill charges					
2009	433	552	563	493	2,041
2010	532	(300)	722	678	1,632
% chg	23	NM	28	38	(20)

Note:
1/ One-time items include impairment charges for Thai investment

Revenues for all quarters were higher than the year-ago period due to gains in non-interest income. Net interest income was marginally lower as a decline in interest margins offset the benefit of loan growth.

Expenses rose at a faster pace than revenues for the second half of the year as headcount and investment costs increased. The impact of cost increases was offset by a decline in allowances. Profit before tax as well as net profit was higher for all four quarters. The third quarter's net profit was a quarterly record.

NET INTEREST INCOME

Average balance sheet	4th Qtr 2010 Average balance ($m)	4th Qtr 2010 Interest ($m)	4th Qtr 2010 Average rate (%)	4th Qtr 2009 Average balance ($m)	4th Qtr 2009 Interest ($m)	4th Qtr 2009 Average rate (%)	3rd Qtr 2010 Average balance ($m)	3rd Qtr 2010 Interest ($m)	3rd Qtr 2010 Average rate (%)
Interest-bearing assets									
Customer loans	149,104	1,011	2.69	128,152	968	3.00	145,902	1,009	2.74
Interbank assets	46,548	105	0.90	41,697	82	0.78	40,880	97	0.95
Securities	48,851	345	2.79	51,613	387	2.97	51,010	351	2.73
Total	244,503	1,461	2.37	221,462	1,437	2.57	237,792	1,457	2.43
Interest-bearing liabilities									
Customer deposits	189,502	245	0.51	180,701	219	0.48	184,815	269	0.58
Other borrowings	34,624	110	1.26	22,859	91	1.58	33,766	109	1.28
Total	224,126	355	0.63	203,560	310	0.60	218,581	378	0.69
Net interest income/margin [1/]		1,106	1.79		1,127	2.02		1,079	1.80

Average balance sheet	Year 2010 Average balance ($m)	Year 2010 Interest ($m)	Year 2010 Average rate (%)	Year 2009 Average balance ($m)	Year 2009 Interest ($m)	Year 2009 Average rate (%)
Interest-bearing assets						
Customer loans	141,245	3,937	2.79	127,832	4,075	3.20
Interbank assets	43,190	358	0.83	41,782	378	0.91
Securities	50,272	1,404	2.79	51,031	1,661	3.26
Total	234,707	5,699	2.43	220,645	6,114	2.78
Interest-bearing liabilities						
Customer deposits	184,792	970	0.53	178,064	1,131	0.64
Other borrowings	30,834	411	1.33	26,272	528	2.02
Total	215,626	1,381	0.64	204,336	1,659	0.81
Net interest income/margin [1/]		4,318	1.84		4,455	2.02

Note:
1/ Net interest margin is net interest income expressed as a percentage of average interest-earning assets

Net interest income rose 3% from the previous quarter to $1.11 billion.

Net interest margin was stable at 1.79%. While customer loan yields were lower, deposit costs also declined, partly the result of a shift in the deposit mix towards lower-yielding currencies.

For the full year, net interest income fell 3% to $4.32 billion. Net interest margins declined from 2.02% to 1.84% due to a soft interest rate environment and normalising credit spreads. The lower margins offset the benefit of higher asset volumes and an improved asset mix.

Volume and rate analysis ($m) Increase/(decrease) due to change in	4th Qtr 2010 versus 4th Qtr 2009			4th Qtr 2010 versus 3rd Qtr 2010		
	Volume	Rate	Net change	Volume	Rate	Net change
Interest income						
Customer loans	158	(115)	43	22	(20)	2
Interbank assets	10	13	23	13	(5)	8
Securities	(20)	(22)	(42)	(14)	8	(6)
Total	148	(124)	24	21	(17)	4
Interest expense						
Customer deposits	10	16	26	7	(31)	(24)
Other borrowings	31	(12)	19	3	(2)	1
Total	41	4	45	10	(33)	(23)
Net impact on interest income	107	(128)	(21)	11	16	27
Due to change in number of days			-			-
Net Interest Income			(21)			27

Volume and rate analysis ($m) Increase/(decrease) due to change in	Year 2010 versus Year 2009		
	Volume	Rate	Net change
Interest income			
Customer loans	426	(564)	(138)
Interbank assets	13	(33)	(20)
Securities	(24)	(233)	(257)
Total	415	(830)	(415)
Interest expense			
Customer deposits	42	(203)	(161)
Other borrowings	39	(156)	(117)
Total	81	(359)	(278)
Net impact on interest income	334	(471)	(137)
Due to change in number of days			-
Net Interest Income			(137)

NET FEE AND COMMISSION INCOME

($m)	4th Qtr 2010	4th Qtr 2009	% chg	3rd Qtr 2010	% chg	Year 2010	Year 2009	% chg
Stockbroking	50	41	22	45	11	179	170	5
Investment banking	60	59	2	38	58	154	146	5
Trade and remittances	56	55	2	55	2	227	244	(7)
Loan related	52	85	(39)	80	(35)	333	375	(11)
Guarantees	16	14	14	14	14	59	57	4
Deposit related	23	21	10	20	15	85	84	1
Credit card	40	36	11	37	8	149	143	4
Fund management	6	4	50	5	20	22	20	10
Wealth management	44	30	47	31	42	136	101	35
Others	11	13	(15)	15	(27)	53	54	(2)
Total	358	358	-	340	5	1,397	1,394	-

Net fee and commission income rose by 5% from the previous quarter to $358 million. The gains were broad-based and led by higher investment banking activity and improved demand for unit trusts and bancassurance products. These gains were partly offset by a decline in loan-related income.

Net fee and commission income for year was unchanged at $1.40 billion. An improvement in wealth management revenues was offset by lower margins in trade and remittances and by a decline in loan-related fees.

OTHER NON-INTEREST INCOME

($m)	4th Qtr 2010	4th Qtr 2009	% chg	3rd Qtr 2010	% chg	Year 2010	Year 2009	% chg
Net trading income	154	179	(14)	235	(34)	915	700	31
Net (loss)/income from financial instruments designated at fair value	10	(124)	NM	(12)	NM	(20)	(267)	93
Net income on financial investments	39	3	>100	123	(68)	310	254	22
Net gain on fixed assets	52	13	>100	34	53	103	13	>100
Others (include rental income)	10	16	(38)	10	-	43	54	(20)
Total	265	87	>100	390	(32)	1,351	754	79

Note:
NM Not Meaningful

Net trading income (including net income from financial instruments designated at fair value) fell 26% from the previous quarter to $164 million. Customer revenues continued to account for a substantial portion of net trading income.

Net income on financial investments also declined from the previous quarter due to fewer profit-taking opportunities.

For the full year, other non-interest income rose 79% to $1.35 billion as net trading income, net income on financial investments and net gain on fixed assets rose.

EXPENSES

($m)	4th Qtr 2010	4th Qtr 2009	% chg	3rd Qtr 2010	% chg	Year 2010	Year 2009	% chg
Staff	362	313	16	360	1	1,422	1,292	10
Occupancy	67	56	20	67	0	269	265	2
Computerisation	164	143	15	145	13	569	473	20
Revenue-related	37	39	(5)	33	12	136	132	3
Others	150	149	1	121	24	529	442	20
Total	780	700	11	726	7	2,925	2,604	12
Staff headcount at period-end	15,847	14,033	13	15,206	4	15,847	14,033	13
Included in the above table were:								
Depreciation of properties and other fixed assets	56	48	17	43	30	193	195	1
Directors' fees	1	1	-	1	-	3	3	-
Audit fees payable	-	1	-	2	-	6	5	-

Expenses grew 7% from the previous quarter to $780 million as brand marketing costs and computerisation costs rose. The cost-income ratio increased to 45%.

For the full year, costs rose 12% to $2.93 billion as headcount increased and infrastructure was rolled out to support higher business volumes and initiatives to develop growth opportunities.

ALLOWANCES FOR CREDIT AND OTHER LOSSES

($m)	4th Qtr 2010	4th Qtr 2009	% chg	3rd Qtr 2010	% chg	Year 2010	Year 2009	% chg
General allowances (GP)	44	(225)	NM	39	13	232	154	51
Specific allowances (SP) for loans[1/]	97	387	(75)	125	(22)	614	1,113	(45)
Singapore	8	8	-	(1)	NM	18	149	(88)
Hong Kong	3	15	(80)	8	(63)	14	185	(92)
Rest of Greater China	(2)	22	NM	17	NM	25	54	(54)
South and South-east Asia	20	12	67	15	33	47	31	52
Rest of the world	68	330	(79)	86	(21)	510	694	(27)
Specific allowances (SP) for securities, properties and other assets [2/]	16	222	(93)	31	(48)	65	262	(75)
Total	157	384	(59)	195	(19)	911	1,529	(40)

Notes:
1/ Specific allowances for loans are classified according to where the borrower is incorporated. Historical comparatives have been restated to conform to the current year presentation
2/ Excludes one-time items

Specific allowances for loans fell to $97 million (25 basis points of loans) from $125 million (33 basis points) in the previous quarter. Most of the charges were for existing NPLs. General allowances rose slightly to $44 million.

For the full year, total allowances fell 40% to $911 million as specific allowances for loans fell 45% to $614 million in line with improved asset quality.

PERFORMANCE BY BUSINESS SEGMENTS [1/]

($m)	Consumer/ Private Banking	Institutional Banking	Treasury	Others	Total
Selected income items					
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
Income tax expense	17	68	13	(27)	71
Net profit	103	341	57	177	678
3rd Qtr 2010					
Net interest income	338	505	210	26	1,079
Non-interest income	164	399	125	42	730
Total income	502	904	335	68	1,809
Expenses	357	282	96	(9)	726
Allowances for credit and other losses	15	149	(3)	34	195
Share of profits of associates	-	6	-	25	31
Profit before tax	130	479	242	68	919
Income tax expense	20	78	34	14	146
Net profit	110	410	208	(6)	722
4th Qtr 2009					
Net interest income	369	481	278	(1)	1,127
Non-interest income	156	323	(72)	38	445
Total income	525	804	206	37	1,572
Expenses	387	269	62	(18)	700
Allowances for credit and other losses	(9)	417	(43)	19	384
Share of profits of associates	-	9	-	(3)	6
Profit before tax	147	127	187	33	494
Income tax expense	23	(9)	37	(98)	(47)
Net profit	124	146	150	73	493
Year 2010 [2/]					
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
Income tax expense	81	274	134	(35)	454
Net profit	458	1,360	733	99	2,650

($m)	Consumer/ Private Banking	Institutional Banking	Treasury	Others	Total
Year 2009 [2/]					
Net interest income	1,399	1,844	1,223	(11)	4,455
Non-interest income	609	1,328	26	185	2,148
Total income	2,008	3,172	1,249	174	6,603
Expenses	1,245	964	324	71	2,604
Allowances for credit and other losses	82	1,118	7	322	1,529
Share of profits of associates	-	28	-	38	66
Profit before tax	681	1,118	918	(181)	2,536
Income tax expense	109	197	195	(216)	285
Net profit	572	974	723	(205)	2,064
Selected balance sheet and other items [3/]					
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 [3/]	11	6	2	37	56
30 Sept 2010					
Total assets before goodwill	49,706	115,390	99,611	9,927	274,634
Goodwill on consolidation					4,802
Total assets					279,436
Total liabilities	113,944	74,842	50,908	9,275	248,969
Capital expenditure for 3rd Qtr 2010	9	2	-	22	33
Depreciation for 3rd Qtr 2010 [3/]	11	4	3	25	43
31 Dec 2009					
Total assets before goodwill	45,094	100,649	97,959	9,095	252,797
Goodwill on consolidation					5,847
Total assets					258,644
Total liabilities	115,194	69,084	31,262	13,605	229,145
Capital expenditure for 4th Qtr 2009	14	5	3	37	59
Depreciation for 4th Qtr 2009 [3/]	14	6	2	26	48

Notes:
1/ With effect from 1 January 2010, the Group has adopted a revised capital benefit and fund transfer policy. The business segments have also been reaggregated following a review. Comparative figures have been restated to conform to the current year presentation
2/ Excludes goodwill charges and one-time items
3/ Amounts for each business segment are shown before allocation of centralised cost
4/ 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. During the quarter, no one group of related customers generated more than 10% of the Group's revenues.

The external presentation of the business segment results has been revised from first-quarter 2010 to better reflect internal management reporting. In addition, the Group adopted a revised capital benefit and fund transfer policy with effect from 1 January 2010. Comparative figures have been restated to conform to the current presentation.

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, net interest income was higher from loan growth, which more than offset lower housing loan margins. Non-interest income benefited from higher wealth management and credit card revenues. Expenses were higher due to higher staff costs arising from headcount increases as well as investments in infrastructure. Specific allowances for private banking were lower.

For the full year, net interest income was unchanged as higher loan volumes were offset by lower housing loan margins. Non-interest income benefited from better wealth management revenues. The increase in expenses was due to compensation to customers who had bought Constellation notes in Hong Kong, as well as higher staff and infrastructure costs. Specific allowances declined for unsecured loan and private banking clients, which more than offset an increase in general allowances.

Institutional Banking
Institutional Banking provides financial services and products to institutional clients including non bank financial institutions, government linked companies, large corporates and small and medium-sized businesses. The business focus is to broaden and deepen the financial relationship with clients. The products and services available to customers include long and short term credit facilities ranging from specialised lending such as asset financing, project financing and real estate financing to overdraft, trade, receivables financing and structured trade; cash management and deposit; treasury and markets; corporate finance and advisory banking services for mergers and acquisitions, capital raising through debt and equity markets, capital restructuring, syndicated finance, securities and fiduciary services and private equity. Institutional Banking also provides equity services through DBS Vickers Securities (DBSV). DBSV offers a wide range of services to retail and corporate customers including research, sales and trading, share placement, nominees and securities custodian services and distribution of primary and secondary issues.

Net interest income rose from the previous quarter as higher loan volumes were partially offset by lower margins. Non-interest income fell as lower loan-related and treasury product sales revenues were partially offset by higher investment banking revenue. Expenses rose due to higher infrastructure investments. General allowances were higher.

For the full year, net interest income rose with higher loan volumes, while non-interest income growth was driven by treasury product sales. Both staff and non-staff costs were higher. Specific allowances declined with asset quality improvements while general allowances rose in line with stronger loan growth.

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.

Treasury's total revenues were lower than the previous quarter due to quieter year-end markets. For the full year, total revenues were little changed.

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

PERFORMANCE BY GEOGRAPHY

($m)	S'pore	Hong Kong	Rest of Greater China	South and South-east Asia	Rest of world	Total
Selected income items						
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
3rd Qtr 2010						
Net interest income	679	191	84	68	57	1,079
Non-interest income	444	195	39	35	17	730
Total income	1,123	386	123	103	74	1,809
Expenses	424	147	80	57	18	726
Allowances for credit and other losses	115	18	21	41	-	195
Share of profits of associates	2	-	4	25	-	31
Profit before tax	586	221	26	30	56	919
Income tax expense	105	31	6	(4)	8	146
Net profit	430	190	20	34	48	722
4th Qtr 2009						
Net interest income	704	216	75	79	53	1,127
Non-interest income	250	126	13	26	30	445
Total income	954	342	88	105	83	1,572
Expenses	410	154	81	46	9	700
Allowances for credit and other losses	209	37	35	15	88	384
Share of profits of associates	3	-	6	(3)	-	6
Profit before tax	338	151	(22)	41	(14)	494
Income tax expense	(45)	23	(9)	6	(22)	(47)
Net profit	335	128	(13)	35	8	493
Year 2010 [1/]						
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

($m)	S'pore	Hong Kong	Rest of Greater China	South and South-east Asia	Rest of world	Total
Year 2009 [1/]						
Net interest income	2,738	888	302	326	201	4,455
Non-interest income	1,253	478	107	175	135	2,148
Total income	3,991	1,366	409	501	336	6,603
Expenses	1,512	600	270	172	50	2,604
Allowances for credit and other losses	1,034	210	74	69	142	1,529
Share of profits of associates	16	-	17	33	-	66
Profit before tax	1,461	556	82	293	144	2,536
Income tax expense	88	92	14	67	24	285
Net profit	1,186	464	68	226	120	2,064
Selected balance sheet items						
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 [2/]	1,623	406	129	36	2	2,196
Gross customer loans	91,128	36,224	12,208	9,121	6,041	154,722
30 Sept 2010						
Total assets before goodwill	176,623	53,149	18,861	14,115	11,886	274,634
Goodwill on consolidation	4,802	-	-	-	-	4,802
Total assets	181,425	53,149	18,861	14,115	11,886	279,436
Non-current assets [2/]	1,587	458	126	37	2	2,210
Gross customer loans	86,521	37,036	11,541	9,436	6,000	150,534
31 Dec 2009						
Total assets before goodwill	165,652	47,653	14,362	12,743	12,387	252,797
Goodwill on consolidation	5,847	-	-	-	-	5,847
Total assets	171,499	47,653	14,362	12,743	12,387	258,644
Non-current assets [2/]	1,485	530	142	46	1	2,204
Gross customer loans	75,117	33,431	10,252	8,058	6,562	133,420

Notes:
1/ Allowances for credit and other losses and profits exclude goodwill charges and one-time items
2/ 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 rose 10% from the previous quarter to $471 million. The tax rate declined due to a write-back of previous accruals.

Net interest income rose 4% from the previous quarter in line with higher corporate and housing loan volumes. Non-interest income declined 6% due to lower trading gains and loan-related fees, which were partially offset by higher investment banking and wealth management revenues.

Expenses rose 5% as advertising and infrastructure investments rose. Allowances were stable.

For the full year, net profit rose 42% to $1.69 billion from better treasury product sales revenues and lower specific allowances. These improvements were partially offset by lower interest margins and higher expenses. There was also a larger tax-writeback in 2009.

Hong Kong

The fourth quarter's results incorporate an appreciation of the Singapore dollar against the Hong Kong dollar of 3% from the previous quarter and 7% from a year ago.
Net profit fell 24% from the previous quarter to $144 million as non-interest income declined and expenses rose.

Net interest income was stable from the previous quarter. Loan volumes were little changed while deposits grew 6% in local currency terms. Net interest margin fell seven basis points to 1.49% as interbank rates declined and the asset mix had a larger proportion of interbank assets.

Non-interest income fell 19% from the previous quarter as loan-related fees and trading income declined, which were partially offset by better wealth management revenues and higher gains from fixed asset sales.

Expenses rose 20% due to higher advertising, infrastructure and staff costs. Allowances declined 11% as general allowances fell. Specific allowances were stable.

For the full year, net profit rose 25% to $579 million as non-interest income benefited from stronger treasury product sales and as specific allowances declined. These gains were partially offset by lower interest margins and an increase in staff and infrastructure investment costs.

CUSTOMER LOANS [1/]

($m)	31 Dec 2010	30 Sept 2010	31 Dec 2009
Gross	154,722	150,534	133,420
Less:			
Specific allowances	1,152	1,300	1,512
General allowances	1,476	1,449	1,325
Net total	152,094	147,785	130,583
By business unit [2/]			
Consumer/ Private Banking	50,256	49,108	44,162
Institutional Banking	103,219	100,214	88,503
Others	1,247	1,212	755
Total (Gross)	154,722	150,534	133,420
By geography [3/]			
Singapore	74,595	72,997	61,713
Hong Kong	36,688	36,541	32,999
Rest of Greater China	13,495	11,322	11,211
South and South-east Asia	13,976	13,677	11,726
Rest of the world	15,968	15,997	15,771
Total (Gross)	154,722	150,534	133,420
By industry			
Manufacturing	19,217	17,814	16,239
Building and construction	21,385	21,194	18,433
Housing loans	38,676	38,030	33,120
General commerce	16,732	15,053	13,335
Transportation, storage & communications	14,378	13,714	12,277
Financial institutions, investment & holding companies	18,517	19,868	16,710
Professionals & private individuals (except housing loans)	11,142	10,652	10,873
Others	14,675	14,209	12,433
Total (Gross)	154,722	150,534	133,420
By currency			
Singapore dollar	67,439	64,908	56,712
Hong Kong dollar	30,478	31,789	30,274
US dollar	38,094	35,755	29,449
Others	18,711	18,082	16,985
Total (Gross)	154,722	150,534	133,420

Notes:
1/ Includes customer loans classified as financial assets at fair value through profit or loss on the balance sheet
2/ The business segments have been reaggregated following a review. Historical comparatives have been restated to conform to the current year presentation
3/ Loans by geography are classified according to where the borrower is incorporated. Historical comparatives have been restated to conform to the current year presentation

Gross customer loans rose 3% from the previous quarter to $154.7 billion. Excluding currency effects, loan growth was 4%. The growth was led by broad-based regional corporate loan demand. Housing loan growth was due to drawdowns in Singapore.

Gross loans were 16% higher than a year ago, with half of the increase in Singapore-dollar loans. The expansion was spread across most regions and across corporate and consumer borrowers.

NON-PERFORMING ASSETS AND LOSS ALLOWANCE COVERAGE [1/]

By business unit [2/]	NPA ($m)	SP ($m)	GP ($m)	NPL (% of loans)	(GP+SP)/NPA (%)	(GP+SP)/ unsecured NPA (%)
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
30 Sept 2010						
Consumer/ Private Banking	377	163	490	0.8	173	268
Institutional Banking	2,794	1,215	959	2.8	78	100
Total non-performing loans (NPL)	3,171	1,378	1,449	2.1	89	117
Debt securities	112	77	122	-	177	211
Contingent liabilities & others	222	112	249	-	163	174
Total non-performing assets (NPA)	3,505	1,567	1,820	-	97	124
31 Dec 2009						
Consumer/ Private Banking	513	195	440	1.2	124	236
Institutional Banking	3,363	1,410	885	3.8	68	86
Total non-performing loans (NPL)	3,876	1,605	1,325	2.9	76	100
Debt securities	160	106	92	-	124	164
Contingent liabilities & others	183	97	255	-	192	209
Total non-performing assets (NPA)	4,219	1,808	1,672	-	83	108

Notes:
1/ Allowances for credit and other losses exclude one-time items
2/ The business segments have been reaggregated following a review. Historical comparatives have been restated to conform to the current year presentation

By geography	NPA ($m)	SP ($m)	GP ($m)	NPL (% of loans)	(GP+SP)/NPA (%)	(GP+SP)/ unsecured NPA (%)
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
30 Sept 2010						
Singapore	635	195	611	0.9	127	311
Hong Kong	377	226	367	1.0	157	222
Rest of Greater China	270	190	123	2.4	116	154
South and South-east Asia	146	92	191	1.1	195	200
Rest of the World	1,743	675	157	10.9	48	54
Total non-performing loans	3,171	1,378	1,449	2.1	89	117
Debt securities	112	77	122	-	177	211
Contingent liabilities & others	222	112	249	-	163	174
Total non-performing assets	3,505	1,567	1,820	-	97	124
31 Dec 2009						
Singapore	731	213	546	1.2	104	244
Hong Kong	567	327	330	1.7	116	173
Rest of Greater China	352	213	121	3.1	95	143
South and South-east Asia	157	82	174	1.3	163	186
Rest of the World	2,069	770	154	13.1	45	49
Total non-performing loans	3,876	1,605	1,325	2.9	76	100
Debt securities	160	106	92	-	124	164
Contingent liabilities & others	183	97	255	-	192	209
Total non-performing assets	4,219	1,808	1,672	-	83	108

By industry ($m)	31 Dec 2010		30 Sept 2010		31 Dec 2009	
	NPA	SP	NPA	SP	NPA	SP
Manufacturing	502	325	533	330	735	386
Building and construction	90	25	39	12	89	22
Housing loans	118	17	125	19	188	30
General commerce	248	107	322	161	472	238
Transportation, storage & communications	646	183	628	150	264	97
Financial institutions, investment & holding companies	960	399	1,200	545	1,738	621
Professionals & private individuals (except housing loans)	173	74	174	74	234	113
Others	141	82	150	87	156	98
Total non-performing loans	2,878	1,212	3,171	1,378	3,876	1,605
Debt securities	28	6	112	77	160	106
Contingent liabilities & others	307	127	222	112	183	97
Total non-performing assets	3,213	1,345	3,505	1,567	4,219	1,808

By loan classification ($m)	31 Dec 2010		30 Sept 2010		31 Dec 2009	
	NPA	SP	NPA	SP	NPA	SP
Non-performing assets						
Substandard	2,086	374	2,013	342	2,155	195
Doubtful	737	580	993	723	1,431	977
Loss	390	391	499	502	633	636
Total	3,213	1,345	3,505	1,567	4,219	1,808
Restructured assets						
Substandard	443	47	422	55	389	51
Doubtful	145	128	218	120	90	73
Loss	28	28	30	30	54	54
Total	616	203	670	205	533	178

By collateral type ($m)	31 Dec 2010	30 Sept 2010	31 Dec 2009
	NPA	NPA	NPA
Unsecured non-performing assets	2,523	2,726	3,233
Secured non-performing assets by collateral type			
Properties	250	284	540
Shares and debentures	85	112	124
Fixed deposits	38	37	22
Others	317	346	300
Total	3,213	3,505	4,219

By period overdue

($m)	31 Dec 2010 NPA	30 Sept 2010 NPA	31 Dec 2009 NPA
Not overdue	1,294	1,323	1,802
<90 days overdue	225	198	358
91-180 days overdue	124	655	113
>180 days overdue	1,570	1,329	1,946
Total	3,213	3,505	4,219

Non-performing loans fell 9% from the previous quarter and 26% from a year ago to $2.9 billion. The NPL rate was 1.9%, compared to 2.1% in the previous quarter and 2.9% a year ago. Forty percent of classified non-performing assets were still current in interest and principal.

Allowance coverage amounted rose to 100% of non-performing assets from 97% in the previous quarter and 83% a year ago.

FUNDING SOURCES

($m)	31 Dec 2010	30 Sept 2010	31 Dec 2009
Customer deposits [1/]	193,692	185,211	183,432
Interbank liabilities [2/]	18,854	19,720	9,320
Other borrowings and liabilities [2/]	44,565	48,081	40,519
Shareholders' funds	26,599	26,424	25,373
Total	283,710	279,436	258,644

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

CUSTOMER DEPOSITS [1/]

($m)	31 Dec 2010	30 Sept 2010	31 Dec 2009
By currency and product			
Singapore dollar	112,228	105,672	103,842
Fixed deposits	20,081	16,473	20,617
Savings accounts	76,417	74,068	69,160
Current accounts	14,916	14,431	12,697
Others	814	700	1,368
Hong Kong dollar	23,220	23,159	23,625
Fixed deposits	12,946	12,427	12,285
Savings accounts	7,082	6,902	7,932
Current accounts	3,081	3,666	3,254
Others	111	164	154
US dollar	30,022	28,699	29,018
Fixed deposits	16,064	15,969	14,912
Savings accounts	3,255	3,244	3,468
Current accounts	9,777	7,815	8,846
Others	926	1,671	1,792
Others	28,222	27,681	26,947
Fixed deposits	22,289	21,725	20,441
Savings accounts	2,035	2,286	2,191
Current accounts	2,341	2,197	2,908
Others	1,557	1,473	1,407
Total	193,692	185,211	183,432
Fixed deposits	71,380	66,594	68,255
Savings accounts	88,789	86,500	82,751
Current accounts	30,115	28,109	27,705
Others	3,408	4,008	4,721

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

Customer deposits rose 5% from the previous quarter to $193.7 billion as Singapore-dollar fixed and savings deposits rose. There was also an increase in US dollar current accounts.

Compared to a year ago, deposits rose 6%, with Singapore-dollar savings accounts accounting for more than half of the increase.

OTHER BORROWINGS & LIABILITIES

($m)	31 Dec 2010	30 Sept 2010	31 Dec 2009
Subordinated term debts[1/]	6,398	6,572	7,702
Other debt securities in issue			
Due within 1 year	505	530	44
Due after 1 year	1,655	1,615	369
Comprising:			
Secured [2/]	-	-	75
Unsecured	2,160	2,145	338
Others	36,007	39,364	32,404
Total	44,565	48,081	40,519

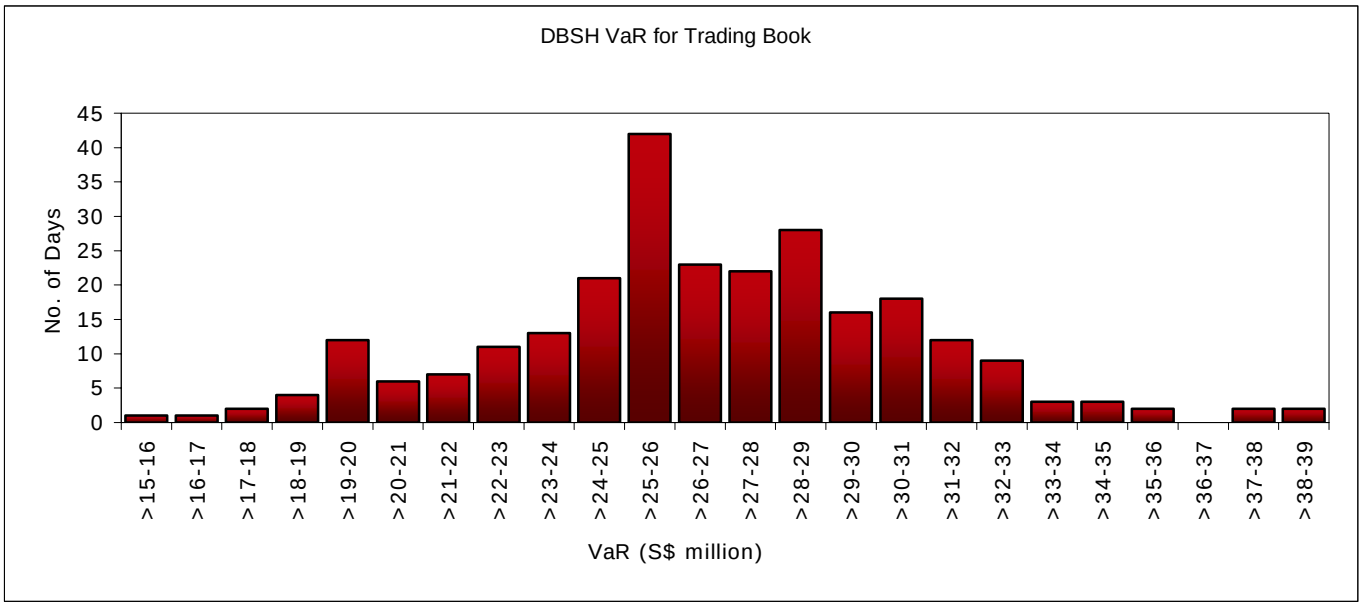
Notes:
1/ All subordinated term debts issued are unsecured
2/ These are mainly secured by properties and securities

VALUE AT RISK AND TRADING INCOME

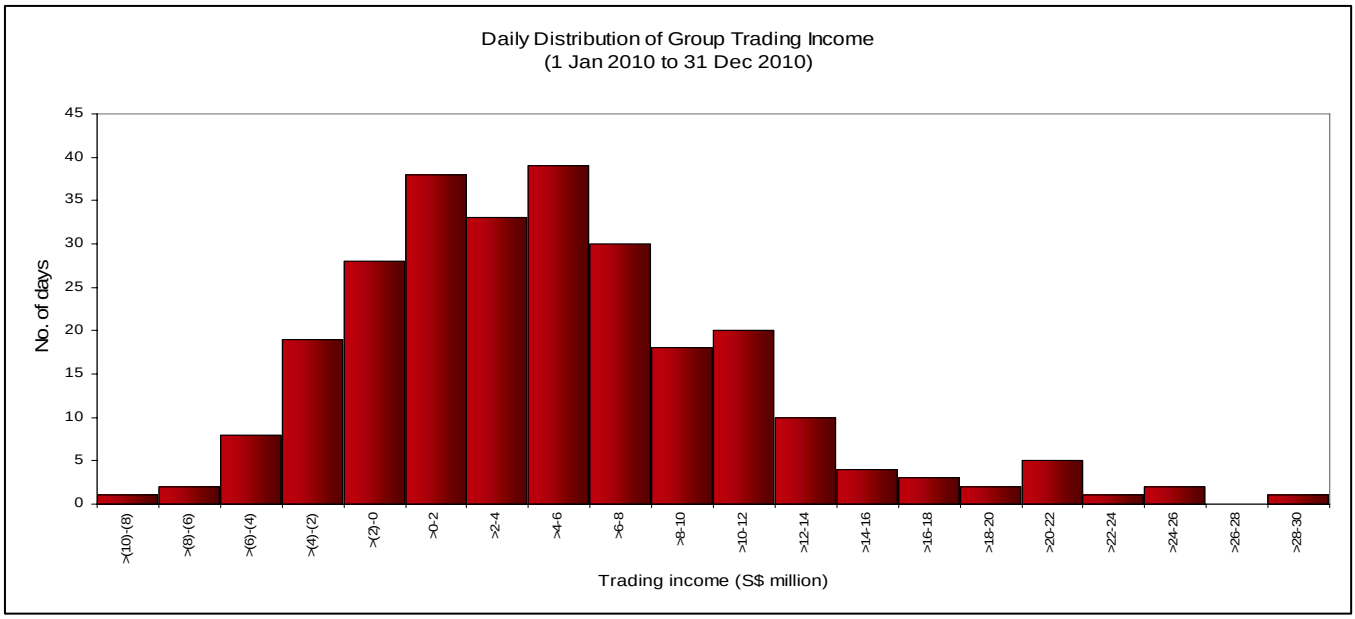
The Group uses a Value at Risk (VaR) measure as one mechanism for monitoring and controlling trading risk. The VaR is calculated using a one-day time horizon and a 99% confidence interval. The following table shows the period-end, average, high and low VaR for the trading risk exposure of the Group for the period from 1 January 2010 to 31 December 2010. The Group's trading book VaR methodology is based on Historical Simulation VaR.

		1 January 2010 to 31 December 2010		
($m)	**As at 31 December 2010**	**Average**	**High**	**Low**
Total	31	27	39	15

The charts below provide the range of VaR and the daily distribution of trading income in the trading portfolio for the period from 1 January 2010 to 31 December 2010.



Note:
With effect from 1 Jun 2009, the number of historical scenarios used for the VaR calculation was revised from 500 days to 250 days



CAPITAL ADEQUACY

($m)	31 Dec 2010	30 Sept 2010	31 Dec 2009
Tier 1			
Share capital	8,780	8,775	8,435
Disclosed reserves and others	23,927	20,851	20,928
Less: Tier 1 Deductions	(5,064)	(5,073)	(6,098)
Eligible Tier 1	27,643	24,553	23,265
Tier 2			
Loan allowances admitted as Tier 2	696	482	434
Subordinated debts	5,281	5,415	5,970
Revaluation surplus from equity securities	149	171	87
Less: Tier 2 Deductions	(142)	(143)	(128)
Total eligible capital	33,627	30,478	29,628
Risk-weighted assets	182,694	186,847	177,222
Capital adequacy ratio (%)			
Core Tier 1 ratio	11.8	11.2	11.0
Tier 1 ratio	15.1	13.1	13.1
Tier 2 ratio	3.3	3.2	3.6
Total (Tier 1 & 2) ratio	18.4	16.3	16.7

The Group's capital adequacy ratio increased from 16.3% in the previous quarter to 18.4% due to the S$2.5 billion preference share issue in November 2010 and a reduction in risk weighted assets.

UNREALISED VALUATION SURPLUS/(LOSSES)

($m)	31 Dec 2010	30 Sept 2010	31 Dec 2009
Properties	507	482	511
Financial investments	26	141	119
Total	533	623	630

The amount of unrealised valuation surplus declined $90 million to $533 million in fourth quarter 2010 due to lower valuations of financial investments.

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Audited Consolidated Income Statement

In $ millions	4th Qtr 2010[1/]	4th Qtr 2009[1/]	+/(-) %	3rd Qtr 2010[1/]	+/(-) %	Year 2010	Year 2009	+/(-) %
Income								
Interest income	1,461	1,437	2	1,457	-	5,699	6,114	(7)
Interest expense	355	310	15	378	(6)	1,381	1,659	(17)
Net interest income	1,106	1,127	(2)	1,079	3	4,318	4,455	(3)
Net fee and commission income	358	358	-	340	5	1,397	1,394	-
Net trading income	154	179	(14)	235	(34)	915	700	31
Net income/(loss) from financial instruments designated at fair value	10	(124)	NM	(12)	NM	(20)	(267)	93
Net income from financial investments	39	3	>100	123	(68)	310	254	22
Other income	62	29	>100	44	41	146	67	>100
Total income	1,729	1,572	10	1,809	(4)	7,066	6,603	7
Expenses								
Employee benefits	362	313	16	360	1	1,422	1,292	10
Depreciation of properties and other fixed assets	56	48	17	43	30	193	195	(1)
Other expenses	362	339	7	323	12	1,310	1,117	17
Goodwill charges	-	-	-	-	-	1,018	-	NM
Allowances for credit and other losses	157	384	(59)	195	(19)	911	1,552	(41)
Total expenses	937	1,084	(14)	921	2	4,854	4,156	17
Profit/(Loss)	792	488	62	888	(11)	2,212	2,447	(10)
Share of profits of associates	24	6	>100	31	(23)	102	66	55
Profit/(Loss) before tax	816	494	65	919	(11)	2,314	2,513	(8)
Income tax expense	71	(47)	NM	146	(51)	454	285	59
Net profit/(loss)	745	541	38	773	(4)	1,860	2,228	(17)
Attributable to:								
Shareholders	678	493	38	722	(6)	1,632	2,041	(20)
Non-controlling interests	67	48	40	51	31	228	187	22
	745	541	38	773	(4)	1,860	2,228	(17)

Notes:
1/ Unaudited
NM Not Meaningful

Audited Consolidated Statement of Comprehensive Income

In $ millions	4th Qtr 2010[1/]	4th Qtr 2009[1/]	+/(-) %	3rd Qtr 2010[1/]	+/(-) %	Year 2010	Year 2009	+/(-) %
Net profit/(loss)	745	541	38	773	(4)	1,860	2,228	(17)
Other comprehensive income:								
Foreign currency translation differences for foreign operations	(97)	(4)	(>100)	(109)	11	(187)	31	NM
Share of other comprehensive income of associates	3	2	50	5	(40)	12	18	(33)
Available-for-sale financial assets								
Net valuation taken to equity	(439)	32	NM	474	NM	598	932	(36)
Transferred to income statement on sale	(42)	(31)	(35)	(131)	68	(315)	(312)	(1)
Tax on items taken directly to or transferred from equity	26	(15)	NM	(31)	NM	(28)	(100)	72
Other comprehensive income, net of tax	(549)	(16)	(>100)	208	NM	80	569	(86)
Total comprehensive income	196	525	(63)	981	(80)	1,940	2,797	(31)
Attributable to:								
Shareholders	159	490	(68)	1,010	(84)	1,829	2,616	(30)
Non-controlling interests	37	35	6	(29)	NM	111	181	(39)
	196	525	(63)	981	(80)	1,940	2,797	(31)

Note:
1/ Unaudited

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

Audited Balance Sheets

In $ millions	GROUP 31 Dec 2010	GROUP 30 Sept 2010 1/	GROUP 31 Dec 2009	COMPANY 31 Dec 2010	COMPANY 30 Sept 2010 1/	COMPANY 31 Dec 2009
ASSETS						
Cash and balances with central banks	31,203	21,782	22,515			
Singapore Government securities and treasury bills	11,546	12,134	15,960			
Due from banks	20,306	23,106	22,203			
Financial assets at fair value though profit or loss 2/	10,179	11,549	11,257			
Positive fair values for financial derivatives	16,767	18,949	16,015			
Loans and advances to customers	151,698	147,139	129,973			
Financial investments	26,550	26,275	25,731			
Securities pledged	1,982	1,657	784			
Subsidiaries				10,438	9,298	9,698
Investments in associates	813	795	672			
Goodwill on consolidation	4,802	4,802	5,847			
Properties and other fixed assets	1,025	1,027	1,134			
Investment properties	358	388	398			
Deferred tax assets	102	103	144			
Other assets	6,379	9,730	6,011	63	63	93
TOTAL ASSETS	283,710	279,436	258,644	10,501	9,361	9,791
LIABILITIES						
Due to banks	18,811	19,616	9,108			
Due to non-bank customers	187,695	178,815	178,448			
Financial liabilities at fair value through profit or loss 3/	10,228	11,372	9,217			
Negative fair values for financial derivatives	17,222	18,935	16,406			
Bills payable	601	790	501			
Current tax liabilities	879	969	807			
Deferred tax liabilities	40	55	54			
Other liabilities	6,574	9,700	6,489	5	227	5
Other debt securities in issue	2,160	2,145	413			
Subordinated term debts	6,398	6,572	7,702			
TOTAL LIABILITIES	250,608	248,969	229,145	5	227	5
NET ASSETS	33,102	30,467	29,499	10,496	9,134	9,786
EQUITY						
Share capital	8,780	8,775	8,435	8,780	8,775	8,435
Treasury shares	(84)	(84)	(114)			
Other reserves	7,084	7,595	6,879	79	71	71
Revenue reserves	10,819	10,138	10,173	1,637	288	1,280
SHAREHOLDERS' FUNDS	26,599	26,424	25,373	10,496	9,134	9,786
Non-controlling interests	6,503	4,043	4,126			
TOTAL EQUITY	33,102	30,467	29,499	10,496	9,134	9,786
OFF BALANCE SHEET ITEMS						
Contingent liabilities	16,031	15,616	15,711			
Commitments	95,918	96,431	82,496			
Financial derivatives	1,347,522	1,484,518	1,396,855			
OTHER INFORMATION						
Net book value per ordinary share ($)						
(i) Basic	11.25	11.18	10.85	4.44	3.85	4.18
(ii) Diluted	11.04	10.97	10.65	4.38	3.82	4.11

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

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 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
Balance at 1 January 2009	4,149	66	(154)	6,322	9,436	19,819	4,184	24,003
Issue of shares upon exercise of share options	11					11		11
Reclassification of reserves upon exercise of share options	1			(1)		-		-
Cost of share-based payments				44		44		44
Draw-down of reserves upon vesting of performance shares			61	(61)		-		-
Purchase of Treasury shares			(21)			(21)		(21)
Issue of shares	4,029	181				4,210		4,210
Share issues expenses	(2)					(2)		(2)
Final dividends paid for previous year					(319)	(319)		(319)
Interim dividends paid for current year					(985)	(985)		(667)
Dividends paid to non-controlling interests						-	(239)	(239)
Total comprehensive income				575	2,041	2,616	181	2,797
Balance at 31 December 2009	8,188	247	(114)	6,879	10,173	25,373	4,126	29,499

Audited Statement of Changes in Equity

COMPANY

In $ millions	Ordinary shares	Convertible preference shares	Other reserves	Revenue reserves	Total equity
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
Balance at 1 January 2009	4,149	66	89	2,590	6,894
Issue of shares upon exercise of share options	11				11
Reclassification of reserves upon exercise of share options	1		(1)		-
Cost of share-based payments			44		44
Draw-down of reserves upon vesting of performance shares			(61)		(61)
Issue of shares	4,029	181			4,210
Share issues expenses	(2)				(2)
Final dividends paid for previous year				(319)	(319)
Interim dividends paid for current year				(989)	(989)
Total comprehensive income				(2)	(2)
Balance at 31 December 2009	8,188	247	71	1,280	9,786

Audited Consolidated Cash Flow Statement

In $ millions	Year 2010	Year 2009
Cash flows from operating activities		
Net profit for the year	**1,860**	2,228
Adjustments for non-cash items:		
Allowances for credit and other losses	**911**	1,552
Depreciation of properties and other fixed assets	**193**	195
Goodwill charges	**1,018**	-
Share of profits of associates	**(102)**	(66)
Net gain on disposal of properties and other fixed assets	**(103)**	(13)
Net gain on disposal of financial investments	**(310)**	(254)
Income tax expense	**454**	285
Profit before changes in operating assets & liabilities	**3,921**	3,927
Increase/(Decrease) in:		
Due to banks	**9,703**	87
Due to non-bank customers	**9,247**	15,089
Financial liabilities at fair value through profit or loss	**1,011**	(2,065)
Other liabilities including bills payable	**708**	(15,960)
Debt securities and borrowings	**1,405**	307
(Increase)/Decrease in:		
Change in restricted balances with central banks	**(2,857)**	(122)
Singapore Government securities and treasury bills	**4,414**	(1,163)
Due from banks	**1,895**	(1,749)
Financial assets at fair value through profit or loss	**1,078**	(1,856)
Loans and advances to customers	**(22,521)**	(5,579)
Financial investments	**(529)**	(2,746)
Other assets	**(2,246)**	17,241
Tax paid	**(382)**	(321)
Net cash generated from operating activities (1)	**4,847**	5,090
Cash flows from investing activities		
Proceeds from disposal of associates/ joint ventures	**136**	-
Acquisition of interest in associates	**(75)**	-
Dividends from associates	**57**	41
Purchase of properties and other fixed assets	**(176)**	(179)
Proceeds from disposal of properties and other fixed assets	**192**	57
Net cash generated from/(used in) investing activities (2)	**134**	(63)
Cash flows from financing activities		
Increase in share capital	**345**	4,220
Payment upon maturity of subordinated term debts	**(705)**	(1,099)
Purchase of treasury shares	**-**	(21)
Dividends paid to shareholders of the Company	**(986)**	(1,304)
Dividends paid to non-controlling interests	**(233)**	(239)
Proceeds from issue of preference shares by a subsidiary	**2,499**	-
Net cash generated from financing activities (3)	**920**	1,557
Exchange translation adjustments (4)	**(70)**	37
Net change in cash and cash equivalents (1)+(2)+(3)+(4)	**5,831**	6,603
Cash and cash equivalents at 1 January	**19,281**	12,678
Cash and cash equivalents at 31 December	**25,112**	19,281

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 2010 is as follows:

At 1 January 2010	2,282,452,288
Issuance of new shares pursuant to Scrip Dividend Scheme	24,975,934
Exercise of share options pursuant to the DBSH Share Option Plan	1,362,039
At 31 December 2010	2,308,790,261
Weighted average number of shares for year 31 December 2010	
- ordinary shares	2,292,765,262
- fully diluted	2,394,209,712

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, the exercise of all outstanding share options granted to employees when such shares would be issued to 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 option are as follows:

(Number)	31 Dec 2010	30 Sept 2010	31 Dec 2009
Conversion of non-voting CPS	180,654	180,654	180,654
Conversion of non-voting redeemable CPS	99,713,061	99,713,061	99,713,061
Exercise of share options	11,417,819	11,913,455	14,898,637

(c) The movement in the number of treasury shares for the 12 months ended 31 December 2010 is as follows:

At 1 January 2010	7,784,454
Vesting of performance shares	(2,021,560)
At 31 December 2010	5,762,894

ADOPTION OF NEW OR REVISED FRS AND INT FRS

FRS 27: Consolidated and Separate Financial Statements
The standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control. Such transactions will have no impact on goodwill, nor will it give rise to a gain or loss. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss.

The changes introduced by FRS 27 must be applied prospectively and will affect future transactions with non-controlling interests.

FRS 103: Business Combinations
The revised FRS 103 becomes effective for financial years beginning on or after 1 January 2010. It introduces a number of changes in the accounting for business combinations. For example, there is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed.

The changes introduced by FRS 103 must be applied prospectively and will affect future business combinations.

There is no expected material impact on the Group's financial statements from the adoption of all the other new or revised FRS and INT FRS highlighted on page 2.

DISCLOSURE ON CERTAIN FINANCIAL INSTRUMENTS

The following disclosures provide additional information on certain investments the Group has made.

COLLATERALISED DEBT/LOAN OBLIGATIONS (CDO)

Type of CDO ($m)	31 Dec 2010 Exposure	31 Dec 2010 Allowance	31 Dec 2009 Exposure	31 Dec 2009 Allowance
Investment Portfolio	**68**	**62**	**195**	**137**
ABS CDO	66	62	150	137
Non-ABS CDO	2	-	45	-
CLO	*2*	-	*31*	-
Other CDOs	-	-	*14*	-
Trading Book	-	**-**	**91**	**-**
Total	**68**	62	286	137

Moody's Ratings as at 31 December 2010

Type of CDO	Aaa	Aa	A	Baa	Ba to B	Caa to C	Not Rated by Moody's (rated by the other)	Total
Investment Portfolio								
ABS CDO	-	-	-	-	-	60%	38%	98%
Non-ABS CDO	-	-	-	-	-	-	2%	2%
CLO	-	-	-	-	-	-	*2%*	*2%*
Other CDOs	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	60%	40%	100%

Standard & Poor's Ratings as at 31 December 2010

Type of CDO	AAA	AA	A	BBB	BB to B	CCC to CC	Not Rated by S&P (rated by the other)	Total
Investment Portfolio								
ABS CDO	-	-	-	-	71%	2%	25%	98%
Non-ABS CDO	-	-	-	-	-	-	2%	2%
CLO	-	-	-	-	-	-	*2%*	*2%*
Other CDOs	-	-	-	-	-	-	-	-
Total	-	-	-	-	71%	2%	27%	100%

OTHER MATTERS / SUBSEQUENT EVENTS

Divestment of DBSAM

On 6 December 2010, DBS entered into an agreement with The Sumitomo Trust & Banking Co. and Nikko Asset Management Co., Ltd ("Nikko AM") to combine DBS Asset Management Ltd ("DBSAM") and Nikko AM.

Nikko AM, through its indirectly held 100% owned subsidiary Nikko Asset Management Singapore Limited, will acquire DBS's 100% owned subsidiary, DBSAM, for $137 million (US$104 million), and DBS will use the proceeds to acquire a 7.25% interest in Nikko AM, thus allowing the Group to participate in the future growth of the combined business.

Shares in Changsheng Fund Management Company, an associate 33% owned by DBSAM, will not form part of the transaction and will be transferred to DBS upon regulatory approvals.

As part of the transaction, DBS and Nikko AM will enter into a non-exclusive distribution agreement through which Nikko AM's portfolio of investment products can be distributed through DBS's network of core markets in the region.

As at 31 December 2010, the assets, liabilities and reserves of DBSAM were consolidated and not classified as a held for sale as the amounts were not material. The transaction is subject to regulatory approvals and is expected to be completed in the first half of 2011.

Business Migration Agreement in China

On 15 December 2010, DBS Bank Ltd entered into a business migration agreement with The Royal Bank of Scotland N.V and the Royal Bank of Scotland (China) Co. Ltd ("RBS China") to transfer certain of RBS China's retail and commercial banking customers, business portfolios and related employees in Shanghai, Beijing and Shenzhen to DBS Bank China. Subject to customers' consent, up to US$898 million worth of deposits could be transferred to DBS Bank China.The business migration is expected to be completed by the second quarter of 2011.

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 2010 Unaudited Financial Results of the Company and of the Year 2010 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

10 February 2011
Singapore

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 the balance sheet of the Company as at 31 December 2010, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the financial 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 (Cap.50) (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 that 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 controls 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 controls. 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 the 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 2010, 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.



PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants

Singapore, 10 February 2011