# News Release

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**DBS FOURTH-QUARTER EARNINGS RISE 29% TO SGD 493 MILLION, BRINGING 2009 FULL-YEAR NET EARNINGS TO SGD 2.06 BILLION**

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***Full-year results underpinned by broad-based revenue growth, higher business volumes and cost discipline***

SINGAPORE, 5 February 2010 - DBS Group Holdings recorded net earnings of SGD 2.06 billion for 2009, unchanged from the previous year.

Profit before allowances rose 17% to a record SGD 4.00 billion as revenues reached a new high. Revenue growth was broad-based, underpinned by higher business volumes across consumer and corporate banking segments as DBS stood by customers in a fragile economic environment. Expenses were stable from the previous year.

The Group strengthened its balance sheet during the year and was well-positioned for the economic upturn. The capital base was boosted by a SGD 4.0 billion equity rights issue that was completed at the start of the year, raising the tier-1 capital ratio to 13.1%. Liquidity remained strong throughout the year as customer deposits grew by a healthy 8%.

Net interest income grew 4% to a record SGD 4.46 billion. DBS continued to support customers' financing requirements throughout the year. Backed by a strong


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balance sheet, DBS stepped up efforts to grow loans in its core markets. DBS's share of Singapore-dollar loans grew for a second consecutive year to 20% while its share of loans in Hong Kong rose to 5.6%. Net interest margin was resilient at 2.02% as improved credit spreads and asset-liability management offset pressure from record low interest rates.

Non-interest income rose 24% to SGD 2.15 billion. Net fee income grew 9% to SGD 1.39 billion as higher investment banking, loan-related and trade finance fees more than offset weaker contributions from wealth management and fund management. Net trading income recovered to SGD 433 million from SGD 23 million in 2008, benefiting from improved trading conditions.

Expenses remained stable at SGD 2.60 billion as DBS held a tight rein on expenses in the face of a challenging environment.

DBS maintained a prudent approach to recognising non-performing assets. Of the assets classified as non-performing, 43% were still current in interest and principal. On this prudent basis, the non-performing loan (NPL) rate rose to 2.9%. The increase in NPLs was largely due to borrowers outside Asia, which contributed to a doubling of allowances to SGD 1.53 billion for the year. Cumulative allowances stood at 83% of non-performing assets and at 108% if collateral was considered.

The full-year results included fourth-quarter earnings of SGD 493 million, which were 29% above a year ago. Revenues rose 7% from a year ago on higher loan volumes and fee income, while expenses were little changed. Allowances of SGD 384 million were set aside for NPLs. There was also a net tax write-back of SGD 47 million arising from resolution of prior years' tax position.


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Loan growth during the quarter was led by housing loans in Singapore and Hong Kong. Overall housing loans rose 7% during the quarter, bringing full-year growth to 13%. As in earlier quarters, non-interest income benefited from a recovery in a wide range of capital market and economic activities as fee income grew 36% from a year ago.

DBS also took the opportunity of better market conditions to divest most of its non-ABS CDO investments in the fourth quarter at prices higher than their carrying values. The remaining SGD 45 million of non-ABS CDO investments are scheduled to mature by 2011 while SGD 150 million of ABS CDO investments have adequate allowance coverage exceeding 90%.

DBS CEO Piyush Gupta said, “2009 was a tough year by any measure and the team has done well. We were able to take advantage of the global financial shakeup to gain market share in areas such as equity and debt fund raising, lending and trade finance. We grew deposits and a healthy pipeline of mortgages in Singapore, Hong Kong and Taiwan.

“We are also making progress in our growth markets. Our India franchise has grown rapidly, resulting in a doubling of revenues in India since 2007. In Taiwan, we have delivered a profit a year ahead of schedule. We have grown our customer base in China by over four times since incorporation in 2007 and the expansion of our China network continues. We have also strengthened our franchise in Indonesia, growing to 40 branches in 11 cities.

“The strong operating results are a testimony to the deepening relationships that DBS has with its key clients. We will continue to stand by and work closely with our customers, leveraging our expanding network to intermediate burgeoning intra-Asia trade and investment flows, as well as the growing regional connectivity.”


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The Board proposed a final dividend of 14 Singapore cents per share for approval by shareholders at the forthcoming annual general meeting. This will bring the full-year payout to 56 cents per share. The DBS Scrip Dividend Scheme will be applicable to the final dividend. New shares will be issued, to shareholders who elect to receive the final dividend in scrip, at a price which is at a 5% discount to the average of the last dealt price for DBS shares on each of 20, 21 and 24 May 2010.

**About DBS**

**DBS - Living, Breathing Asia**
DBS is the largest bank in Singapore, a leading bank in Hong Kong and is one of the largest financial services groups in Asia. Headquartered in Singapore, DBS has operations in 16 markets and is a well-capitalised bank with "AA-" and "Aa1" credit ratings, one of the highest in the Asia Pacific region.

As a bank that specialises in Asia, DBS leverages its insights, deep understanding of the region and appreciation of local cultures to serve and build lasting relationships with its clients. DBS provides a full range of services in corporate, SME, consumer and wholesale banking activities across Asia and the Middle East. DBS will leverage its growing presence in China, Hong Kong and Taiwan to intermediate the increasing trade and investment flows in the Greater China region. The bank is also focused on extending its footprint and facilitating capital flows in fast-growing Indonesia and India.

DBS acknowledges the passion, commitment and can-do spirit in each of its 14,000 staff, representing over 30 nationalities. For more information, please visit www.dbs.com.

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