

2002: Better execution under difficult conditions

February 21, 2003

DBS Group Holdings 2002 Financial Results Presentation to Media and Analysts This presentation is available at www.dbs.com

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DBS Group management team

S Dhanabalan **Chairman, DBS Group**

Jackson Tai	Vice Chairman and Chief Executive Officer, DBSH and DBS Bank
Ng Kee Choe	Vice Chairman, DBSH and Chief Risk Officer
Frank Wong	Vice Chairman, DBS Bank and Chairman, DBS Hong Kong
Chong Kie Cheong	MD & Joint Head, Investment Banking Group
David Lau	MD & Head, Global Treasury and Markets Group
Oon Kum Loon	Chief Financial Officer
Jeanette Wong	Chief Administrative Officer

**Management
Committee**

2002: Better execution under difficult conditions

- Revenues, net profit up
- Continued improvement in mix, quality of revenues
- Expenses under control
- Regional operations contributing to overall performance
- Asset quality steady

Revenues surpass S\$4 billion, net profit up

(S\$ million)	2002	2001 ^(c)	% change
Net interest income	2,645	2,257	17.2
Fee and commission income	797	626	27.3
Non-interest income	1,421	1,275	11.4
Operating income	4,066	3,532	15.1
Staff costs	911	865	5.2
Other operating expenses	940	864	8.8
Operating expenses	1,851	1,729	7.0
Operating profit ^(a)	2,215	1,803	22.9
Goodwill amortization	278	133	108.6
Provisions	534	379	41.0
NPAM	1,017	997	1.9
Cash NPAM ^(b)	1,295	1,130	14.5

(a) Operating profit before goodwill amortization and provisions

(b) NPAM before goodwill amortization

(c) Figures have been restated to reflect the adoption of Statement of Accounting Standards 12 "Income Taxes"

Full year 2002 financial ratios

Comparison of	2002	vs.	2001
Net interest margin	1.99%		1.87%
Cost-to-income ratio ^(a)	45.5%		48.9%
Non-interest inc. / operating inc.	34.9%		36.1%
Cash ROA	0.86%		0.86%
Cash ROE	9.21%		9.99%
NPL ratio	6.1%		5.7%
Loan-to-deposit ratio	59.9%		63.9%
Cash EPS (\$) ^(b)	0.87		0.89

(a) Excludes goodwill amortization

(b) Earnings per share before goodwill amortization

Fourth quarter 2002 operating profit up 28%

(S\$ million)	4Q 2002	3Q 2002	% change	4Q 2001	% change
Net interest income	642	671	(4.3)	707	(9.2)
Fee and commission income	191	201	(5.0)	207	(8.0)
Non-interest income	406	312	30.0	259	57.1
Operating income	1,048	983	6.6	966	8.5
Staff costs	226	219	2.7	232	(2.8)
Other operating expenses	245	233	5.9	284	(13.2)
Operating expenses	471	452	4.4	516	(8.5)
Operating profit (a)	577	531	8.5	450	28.0
Goodwill amortization	73	69	5.5	70	4.3
Provisions	181	150	20.4	87	108.2
NPAM	282	199	41.6	167	68.9
Cash NPAM (b)	355	268	32.3	237	49.8

(a) Operating profit before goodwill amortization and provisions

(b) NPAM before goodwill amortization

Fourth quarter 2002 financial ratios

Comparison of	4Q 2002	vs.	4Q 2001
Net interest margin	1.97%		2.11%
Cost-to-income ratio ^(a)	45.0%		53.4%
Non-interest inc. / operating inc.	38.7%		26.8%
Cash ROA ^(b)	0.95%		0.64%
Cash ROE ^(b)	9.95%		7.56%
NPL ratio	6.1%		5.7%
Loan-to-deposit ratio	59.9%		63.9%
Cash EPS (\$) ^(c)	0.95		0.69

(a) Excludes goodwill amortization

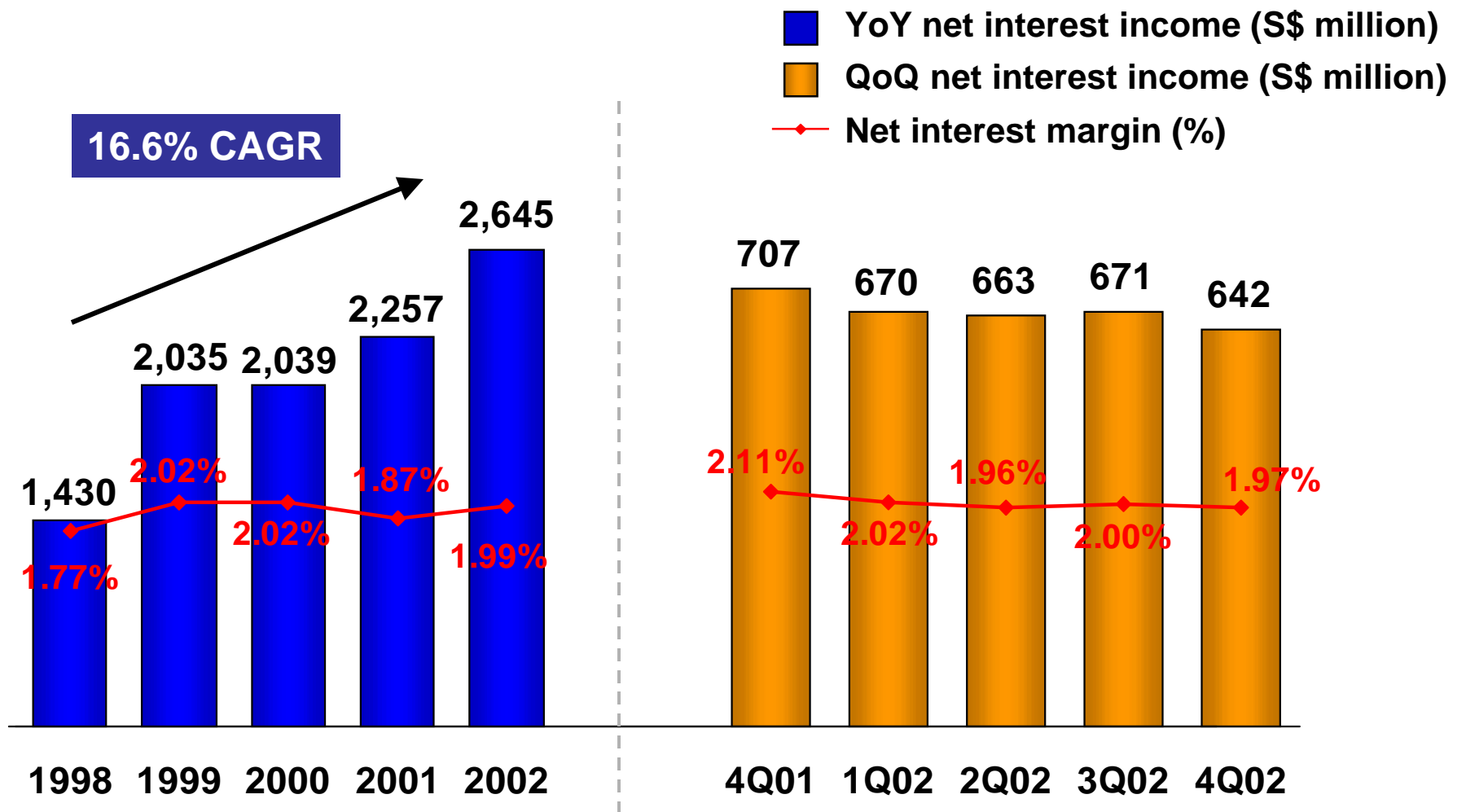
(b) Annualized

(c) Earnings per share before goodwill amortization, annualized

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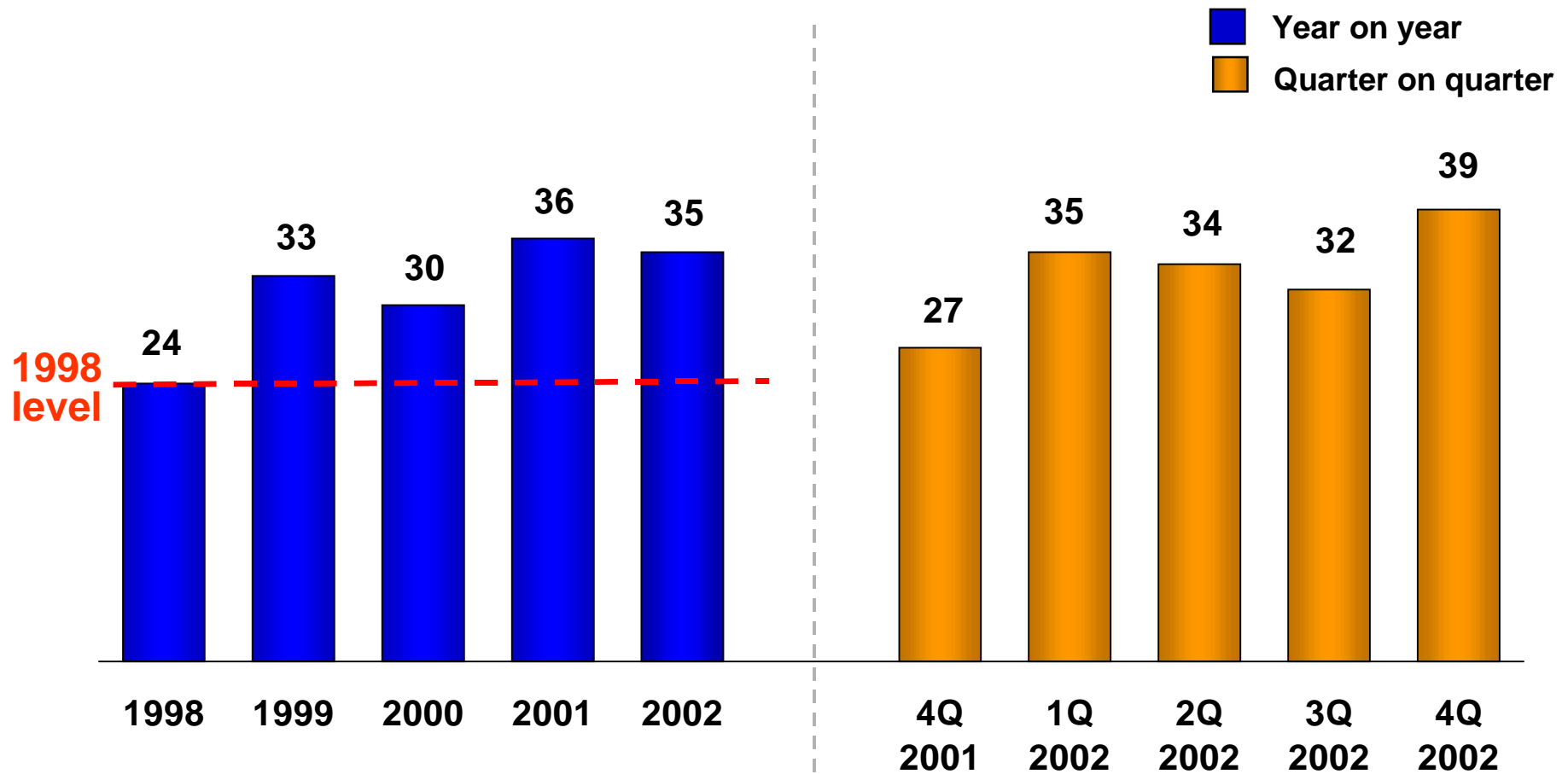
Net interest income grew while interest margins remained stable



Non-interest income streams steady

(%)

Non-interest income to Operating income (a)



(a) Includes extraordinary items:

2002 includes profits from the sale of NatSteel Ltd shares (S\$96mn)

2001 includes S\$212 million profit from sale of Insurance Corporation of Singapore, Keppel Capital Holdings and DBS Securities Building

1999 includes profits from sale of Singapore Petroleum Company shares (S\$117mn) and DBS Tampines Centre (S\$58mn)

Fee income up 27%

(S\$ million)

Trade and remittances

Deposit related

Credit card

Loan related

Investment banking

Stockbroking

Fund management

Wealth management

Others

Total

Fee-to-income ratio (%)

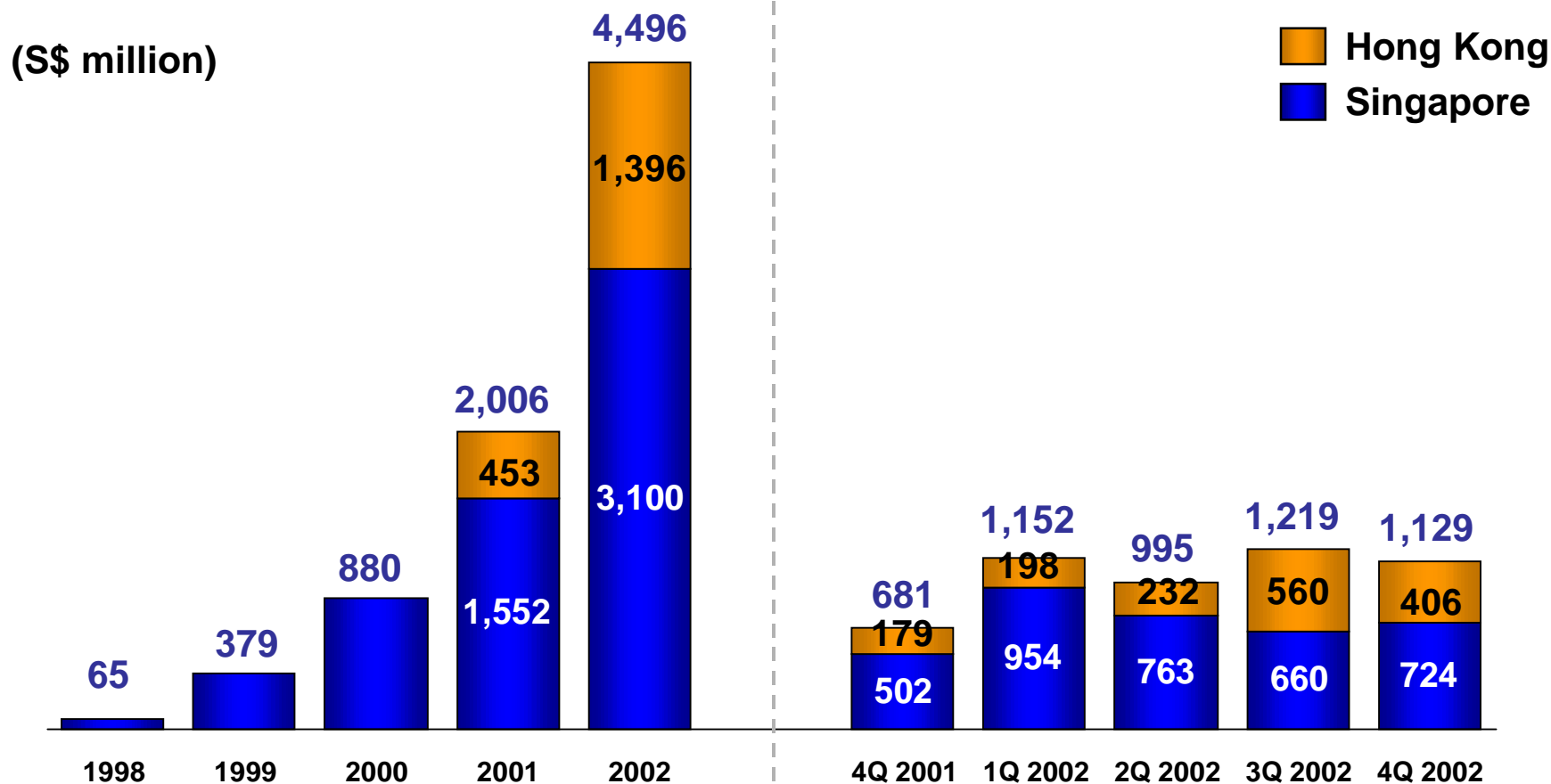
	2002	2001	% change
Trade and remittances	111	96	15.3
Deposit related	109	100	9.3
Credit card	95	69	38.2
Loan related	138	110	25.4
Investment banking	72	72	(0.2)
Stockbroking	126	73	73.2
Fund management	35	20	75.5
Wealth management	77	65	17.8
Others	34	21	62.5
Total	797	626	27.3
Fee-to-income ratio (%)	19.6	17.7	

Fourth quarter 2002 fee income slightly down

(S\$ million)	4Q 2002	3Q 2002	% change	4Q 2001	% change
Trade and remittances	27	28	(2.2)	32	(15.3)
Deposit related	27	28	(3.4)	27	-
Credit card	22	24	(9.3)	24	(6.7)
Loan related	39	41	(3.8)	32	24.3
Investment banking	22	19	18.2	18	19.4
Stockbroking	20	24	(18.4)	42	(53.0)
Fund management	9	5	87.1	6	40.2
Wealth management	13	20	(36.1)	21	(40.6)
Others	12	12	(3.1)	5	147.1
Total	191	201	(5.0)	207	(8.0)
Fee-to-income ratio (%)	18.2	20.4		21.4	

Wealth management sales continue to grow

Sales Volume of Investment Products (Singapore and Hong Kong)

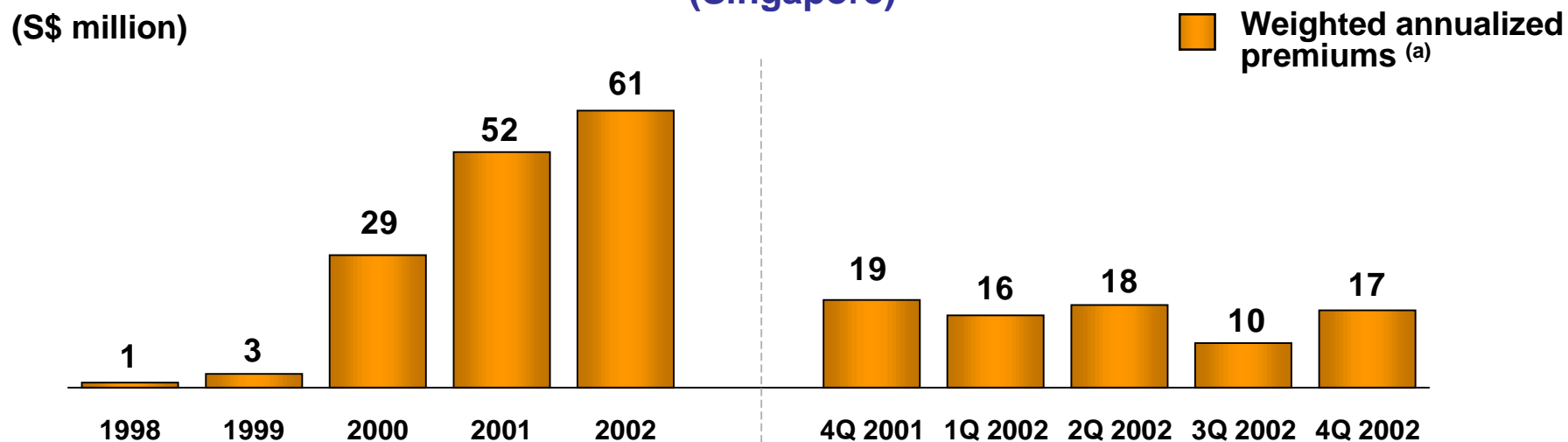


(a) Includes unit trusts (such as Horizon, Ei8ht, Up! and other DBSAM programmes) and treasury investment products (such as Growth, Surf and structured notes)

Bancassurance sales in Singapore

(S\$ million)	2001	2002	4Q 2001	1Q 2002	2Q 2002	3Q 2002	4Q 2002
General	7	14	2	3	4	4	4
Life - Single Premium	366	251	139	103	120	8	21
Life - Regular Premium	8	21	3	3	2	5	11

Sales Volume of Bancassurance Products (Singapore)



(a) Sum of the annualized premiums of General insurance products, Life - regular premium products and Life - single premium products. Assumes that annualized premium equivalent of single premium products is 10% of the actual premium, in line with Life Insurance Association (Singapore) guidelines

Other income marginally down

(S\$ million)	2002	2001	% change
Net gain on foreign exchange, securities and derivatives	307	324	(5.3)
Singapore government securities	103	80	28.5
Equities	100	(1)	nm
Disposal of investment securities	18	130	(86.1)
Disposal of fixed assets	10	22	(54.4)
Others	25	31	(19.4)
Total	563	586	(3.8)

nm: not meaningful or insignificant

Fourth quarter 2002 other income up

(S\$ million)	4Q 2002	3Q 2002	% change	4Q 2001	% change
Net gain on foreign exchange, securities and derivatives	77	57	34.2	25	203.0
Singapore government securities	17	39	(55.0)	2	764.7
Equities	98	(14)	nm	18	442.7
Disposal of investment securities	(1)	7	nm	(4)	nm
Disposal of fixed assets	5	1	679.3	(3)	280.1
Others	7	5	41.9	6	21.5
Total	203	95	114.4	44	364.6

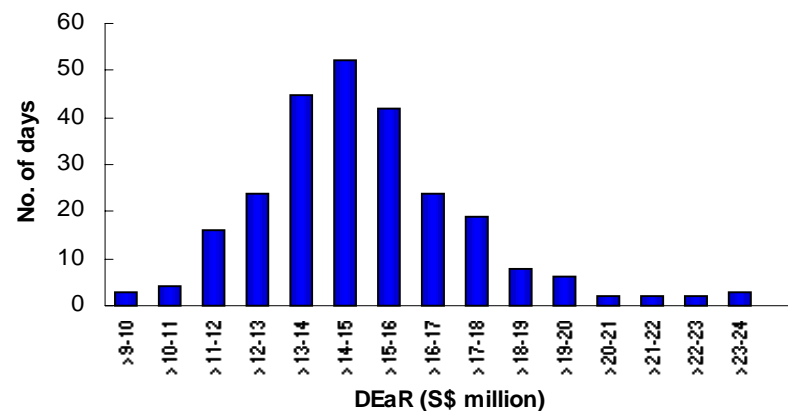
nm: not meaningful or insignificant

Daily earnings at Risk and Trading Income

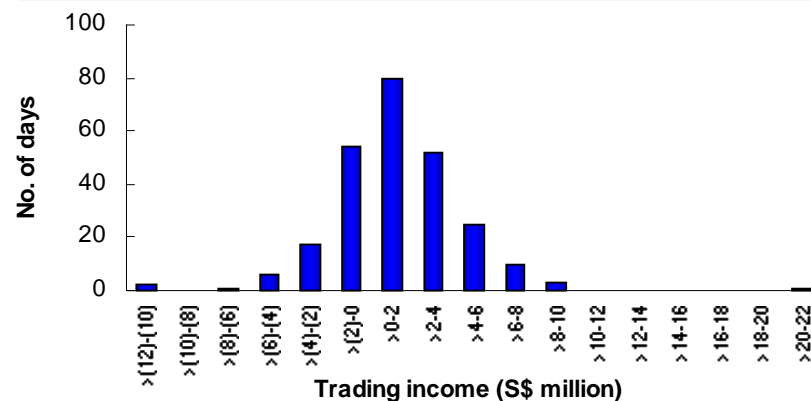
DEaR for Trading Book (Full year 2002)

(S\$ million)	At Dec 31	Average	High	Low
Interest rate	14.9	13.5	23.9	8.5
FX	7.9	5.0	11.0	2.0
Equity	2.4	2.6	4.9	0.3
Diversification effect	(8.5)	(6.2)		
Total	16.7	14.9	23.5	9.6

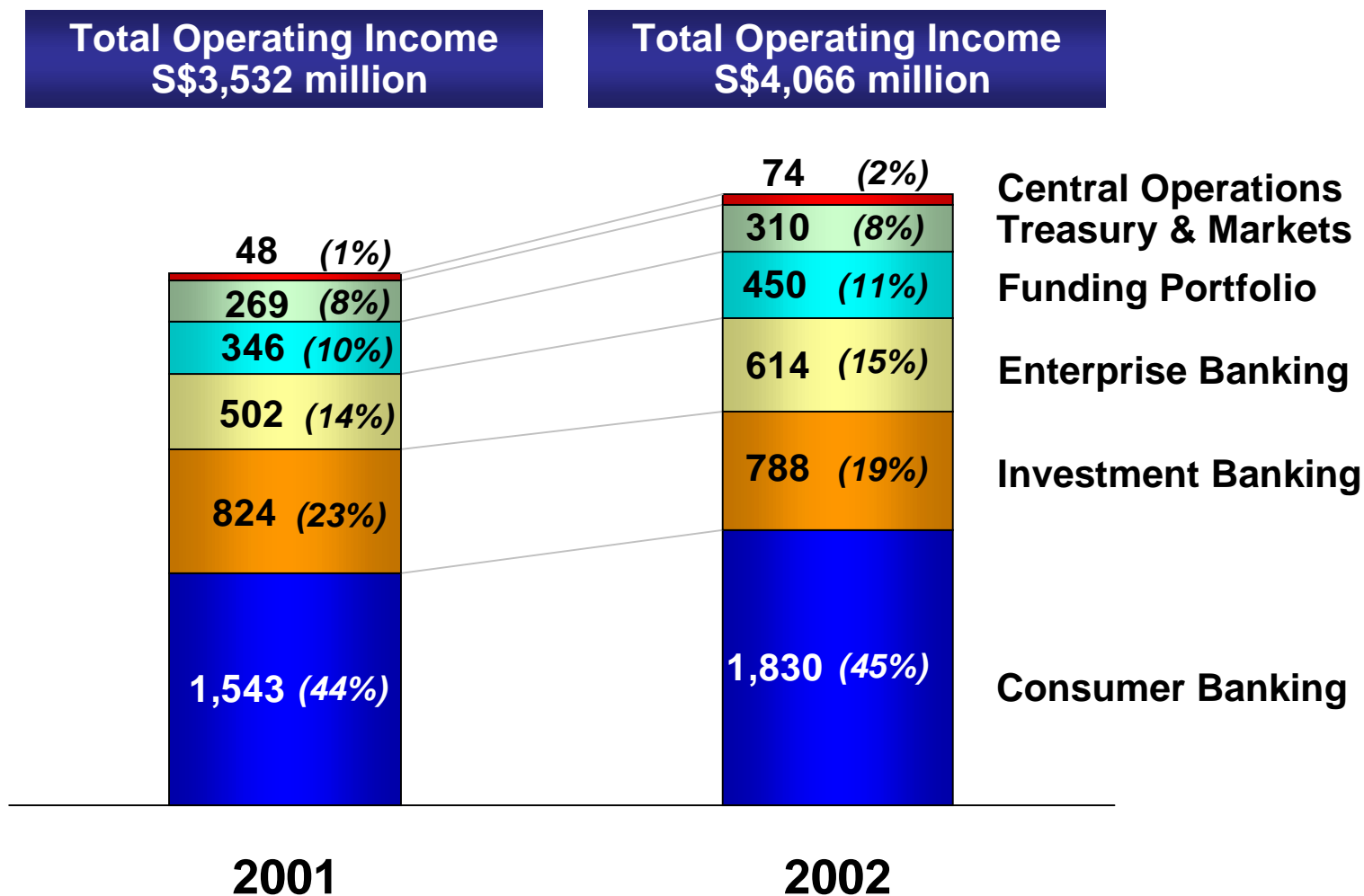
DBSH Group DEaR for Trading Book



DBSH Group Daily Distribution of Trading Income



Diversified income streams



() Figures in parentheses refer to Group's business segment as % of total operating income

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Core expenses down 7%

(S\$ million)	2002	2001	% change
DBSH (exclude Dao Heng & DBS Vickers)			
Staff costs	654	714	(8.4)
Occupancy expenses	156	166	(5.7)
Technology-related expenses	183	173	5.9
Others ^(a)	303	340	(10.7)
Sub-total	1,296	1,393	(7.0)
Dao Heng	371	205	80.6 ^(b)
DBS Vickers	162	91	78.8 ^(b)
Restructuring & integration costs	22	40	(44.8)
Total ^(c)	1,851	1,729	7.0
Cost-to-income ratio (%) ^(c)	45.5	48.9	

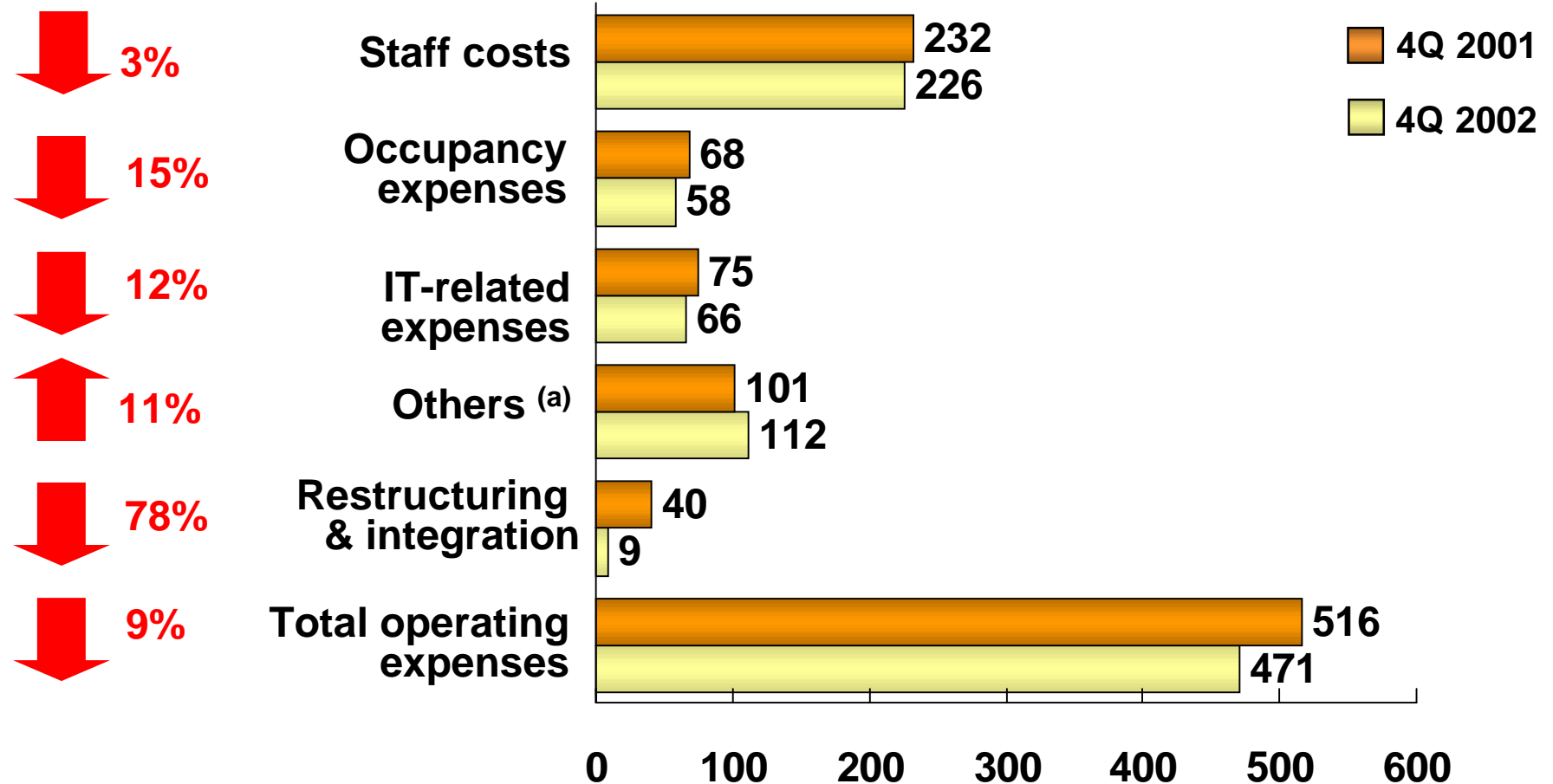
(a) Includes advertising & administration expenses, consultancy fees, and revenue-related expenses such as brokerage commissions

(b) Due to full year impact of consolidation of Dao Heng and DBS Vickers in 2002, as they were consolidated in June and September 2001 respectively

(c) Excludes goodwill amortization

Fourth quarter 2002 expenses declined despite one-time charges

(S\$ million)



(a) Includes advertising & administration expenses, consultancy fees, and revenue-related expenses such as brokerage commissions

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Dao Heng operating profit up

(S\$ million) (a)	2002	2H 2001 (b)
Net interest income	622	321
Non-interest income	231	126
Operating income	853	446
Operating expenses	375	224
Operating profit	478	222
Provisions	185	22
Net profit after tax	272	208

(a) Based on Singapore GAAP

(b) Includes a half-year impact from Dao Heng Bank Group. Its income statement was consolidated on July 1, 2001 while its balance sheet was consolidated on June 29, 2001 as the impact of the intervening period was deemed immaterial

Combined Dao Heng and DBS Kwong On performance

(S\$ million) (a)	2002	2001	% change
Net interest income	826	826	0.1
Non-interest income	284	261 (b)	8.7
Operating income	1,110	1,087	2.1
Operating expenses	498	585 (c)	(14.9)
Operating profit	612	502	22.0
Provisions (d)	221	243	(9.2)
Net profit after tax	338	205	65.0

(a) Based on Hong Kong GAAP, assumes exchange rate of HK\$1 to S\$0.223

(b) Under Singapore GAAP, S\$34 million of foreign exchange loss on the sale of subsidiary is included in non-interest income. In our illustration above, the foreign exchange loss is included in net profit after tax and excluded from non-interest income

(c) Includes restructuring costs

(d) Includes impairment losses on fixed assets

2002 financial ratios for combined Dao Heng and DBS Kwong On

Comparison of	2002	vs.	2001
Net interest margin	2.37%		2.33%
Fee-to-income ratio	17.9%		18.9%
Non-interest inc. / operating inc.	25.6%		24.0%
Cost-to-income ratio ^(a)	44.9%		49.9%
Loan-to-deposit ratio	74.0%		77.4%
CAR	22.1%		22.0%
ROE ^(b)	8.1%		5.0%
ROA ^(c)	0.9%		0.5%

(a) Normalized, excludes restructuring costs

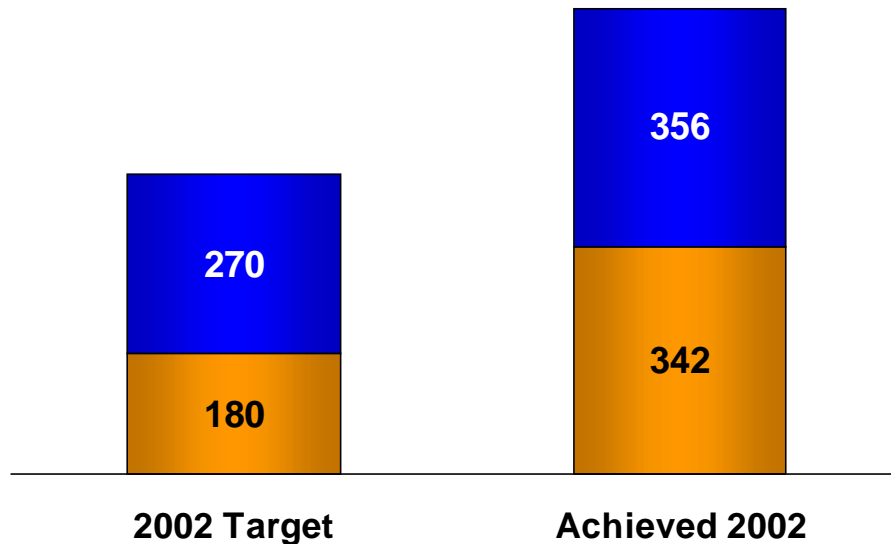
(b) Based on monthly average equity

(c) Based on monthly average assets

Synergies achieved; focus now on revenue opportunities in Greater China

Targeted synergies
HK\$450 million

Achieved synergies
HK\$698 million



(HK\$ million)

 Revenues
 Costs

Key Revenue Initiatives:

- ◆ Launch of new funds
- ◆ ALCO Liquidity Management
- ◆ Cross-selling opportunities (e.g. T&M, Private Banking, equipment finance and some existing Consumer Banking products) and credit card marketing management

Select Cost Initiatives:

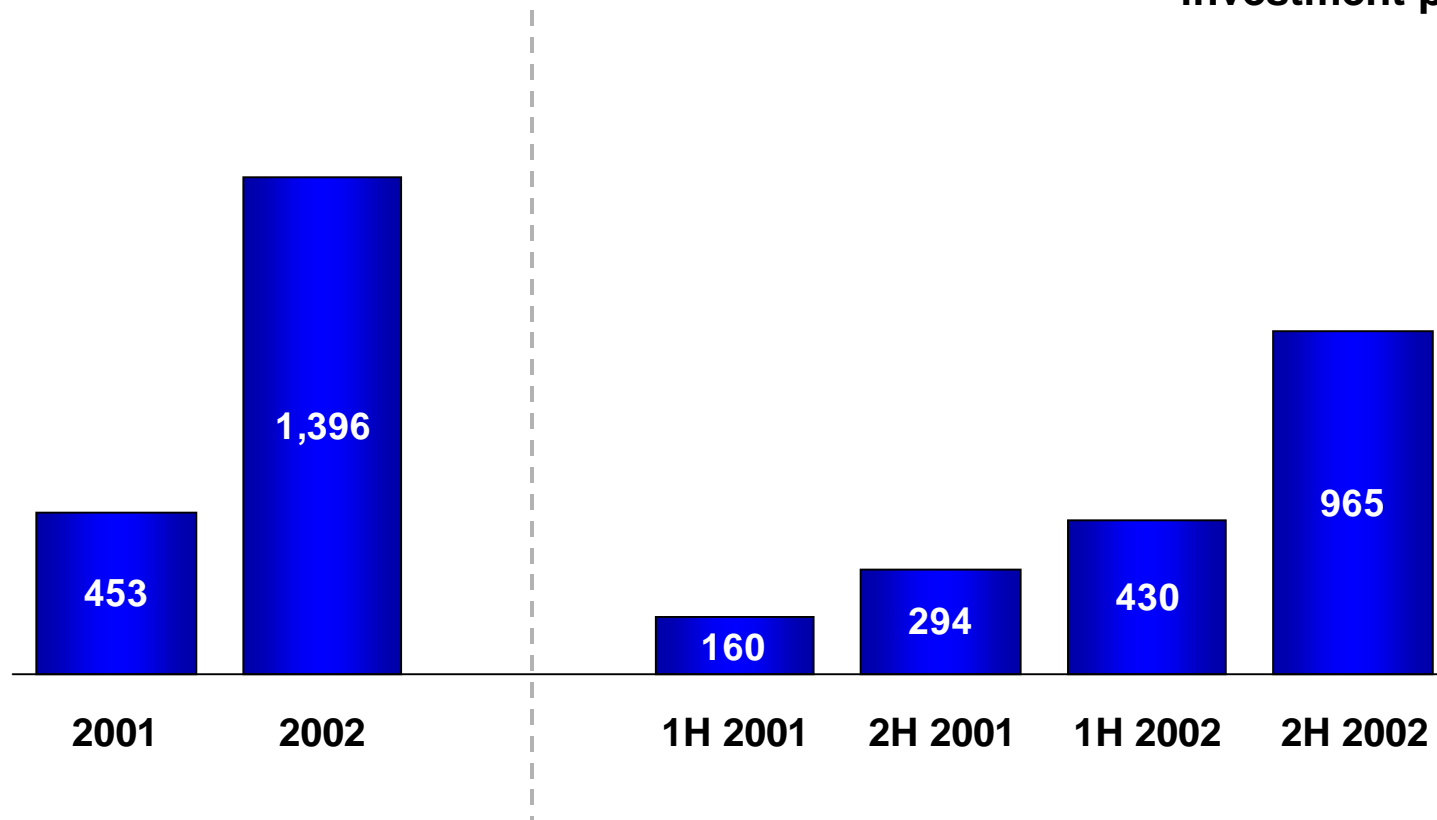
- ◆ Active capacity management largely through vacancies and attrition
- ◆ Branch network rationalization as well as back office and IT centralization

Wealth management sales continue to grow

Sales Volume of Investment Products (Hong Kong)

(S\$ million)

■ Unit trusts / Treasury investment products ^(a)



(a) Unit trusts include Horizon, Ei8ht, Up! and other DBSAM programmes while treasury investment products include Growth, Surf and structured notes

(b) Assumes exchange rate of HK\$1 to S\$0.223

DBS Thai Danu Bank continues to be profitable

(S\$ million) (a)	2002	2001	% change
Net interest income (b)	96.1	86.7	10.9
Fee and commission income	22.2	18.9	17.3
Other income	15.9	10.8	46.7
Non-interest income	38.1	29.8	28.0
Operating income	134.2	116.5	15.2
Operating expenses	89.9	83.0	8.3
Operating profit	44.3	33.5	32.3
Provisions	24.2	18.1	33.3
Net profit after tax	12.1	6.9	76.6

(a) Based on Thai GAAP , assumes exchange rate of 1 baht to S\$0.040

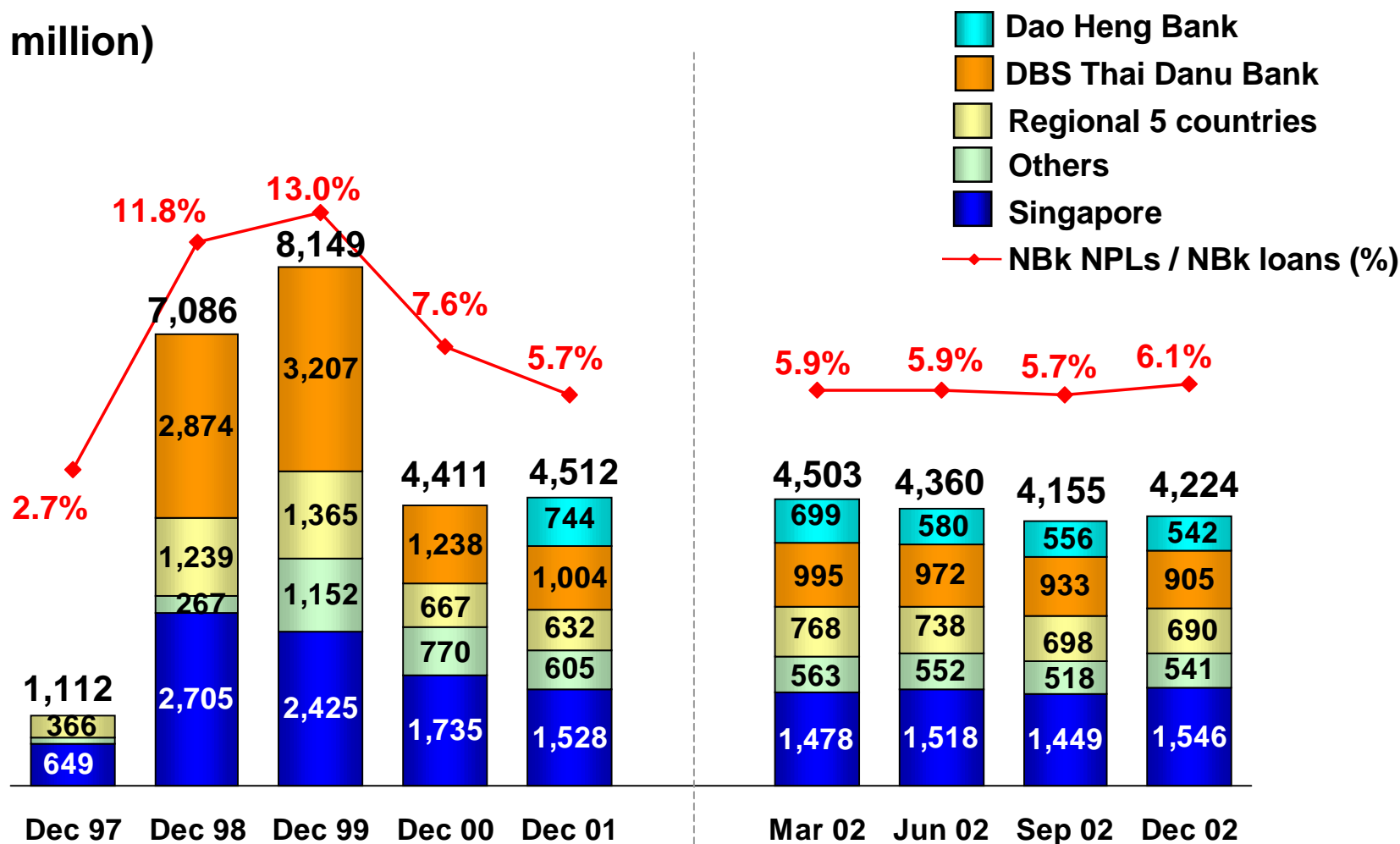
(b) Includes dividend income

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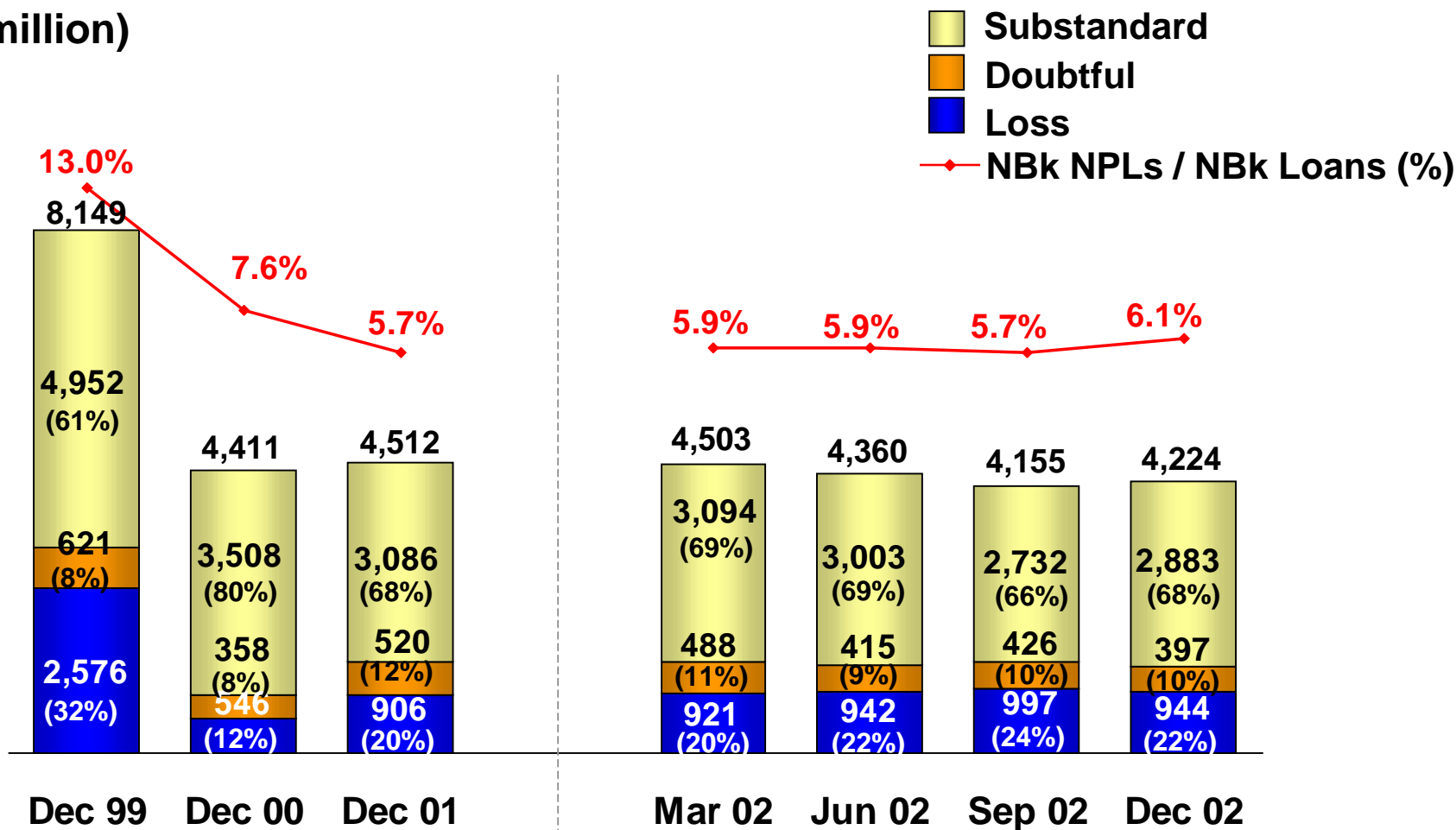
NPL quantum declines for the year

(S\$ million)



Percentage of doubtful and loss NPLs

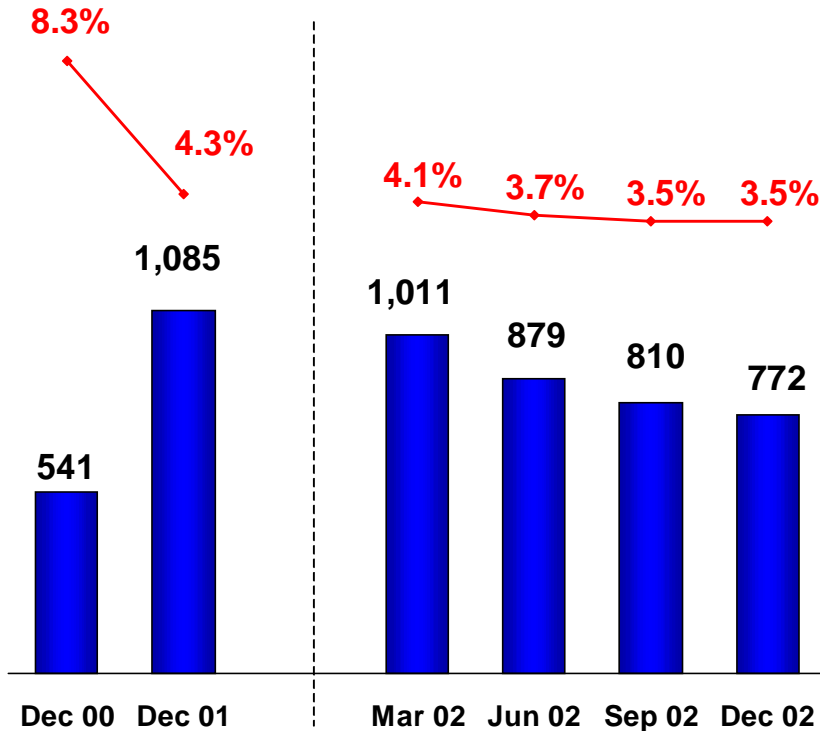
(S\$ million)



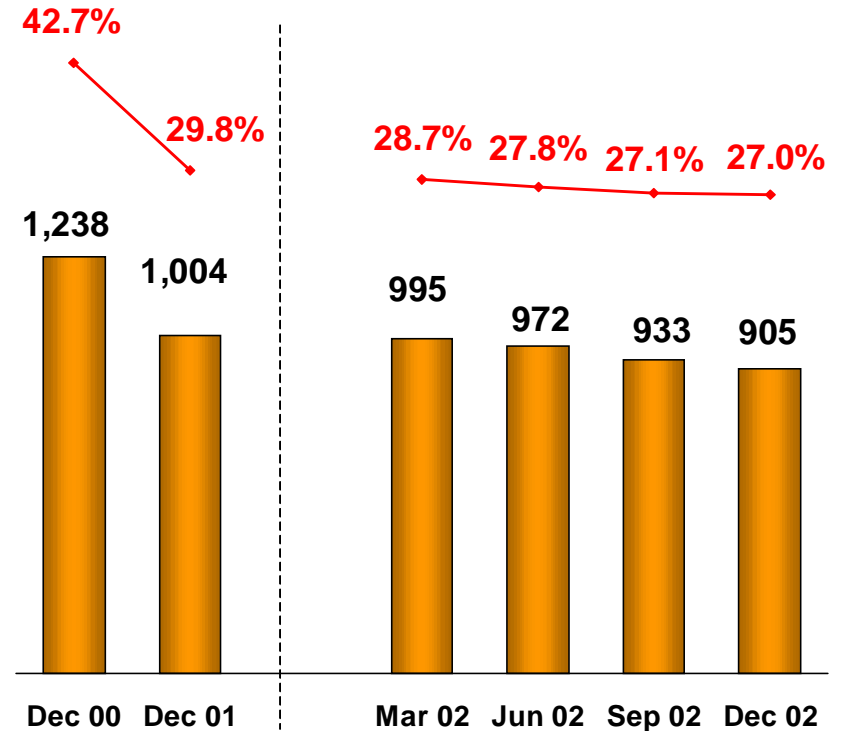
NPLs of major subsidiaries

(S\$ million)

DBS Hong Kong (a)



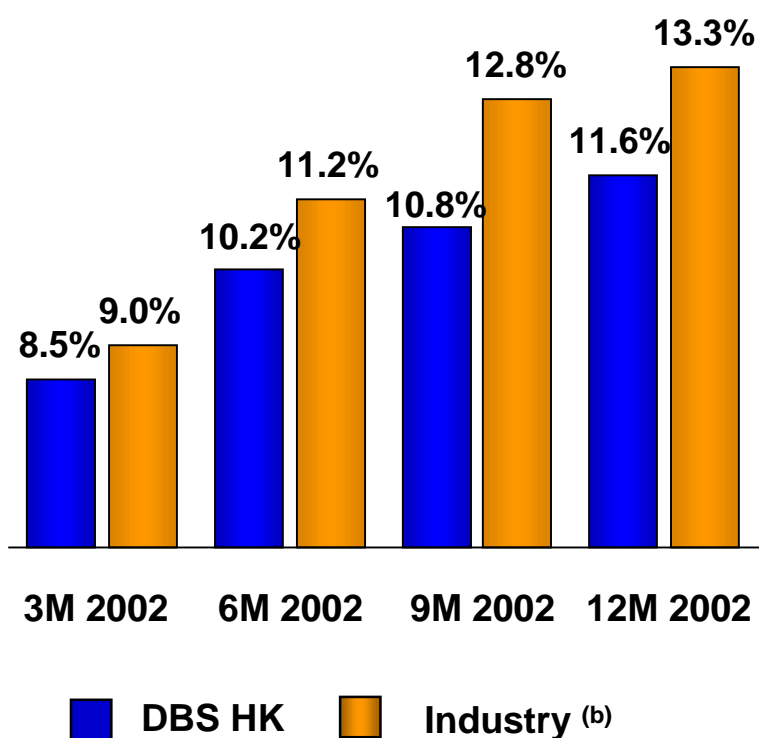
DBS Thai Danu (a)



(a) Based on MAS guidelines

DBS Hong Kong asset quality

Credit card charge-off rates



Credit card delinquency rates

90 days past due	1Q02	2Q02	3Q02	4Q02
DBS (HK) (a)	1.1%	1.0%	1.2%	1.2%
Industry (b)	1.9%	1.7%	1.3%	1.3%

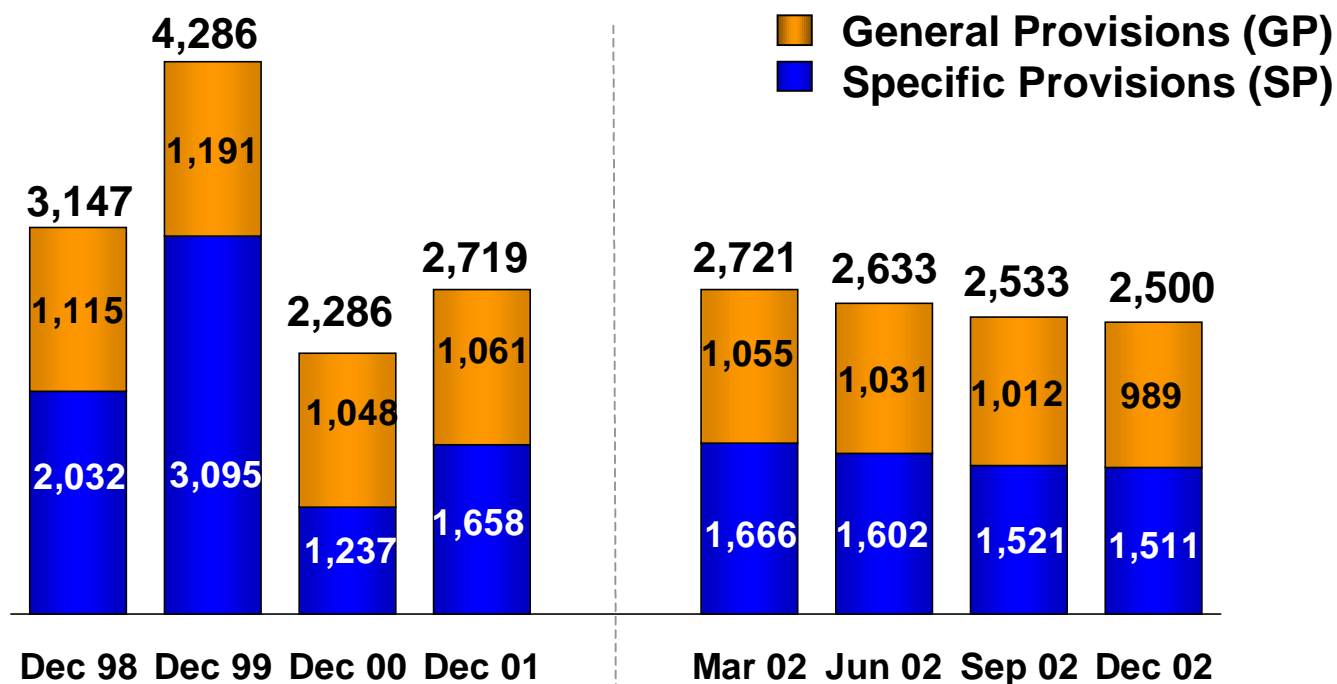
Residential mortgage delinquency rates

Dec 2002	90 days past due	180 days past due
DBS (HK) (a)	1.2%	0.8%
Industry (b)	1.1%	0.7%

(a) Delinquency rates as at period end
 (b) Source: Hong Kong Monetary Authority

Provision coverage

(S\$ million)



Coverage ratios (%)									
SP+GP / Unsec NPLs		102.7	118.4	129.9	142.5	132.0	129.2	124.8	120.7
SP+GP / NPLs		44.4	52.6	51.8	60.3	60.4	60.4	61.0	59.2

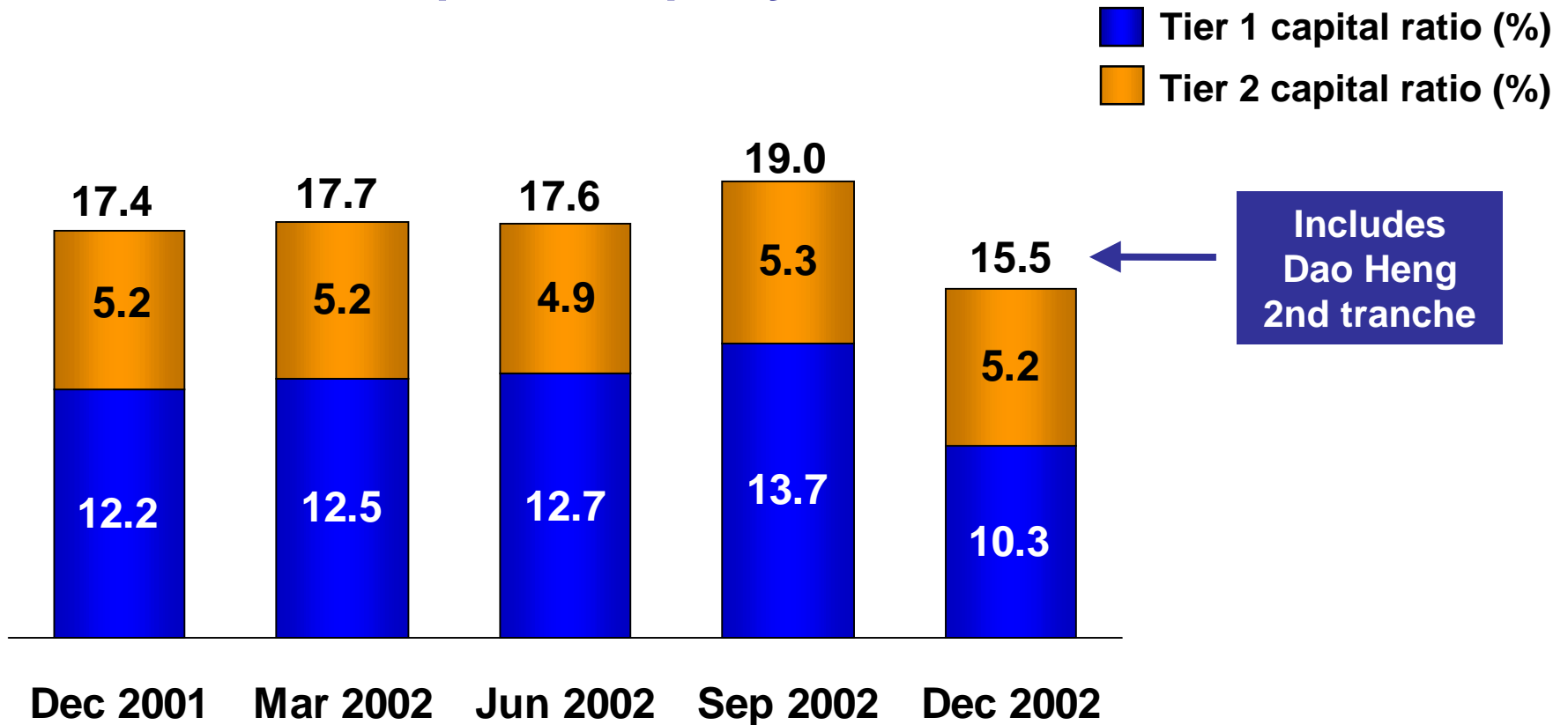
Non-loan provision charges up

(S\$ million)

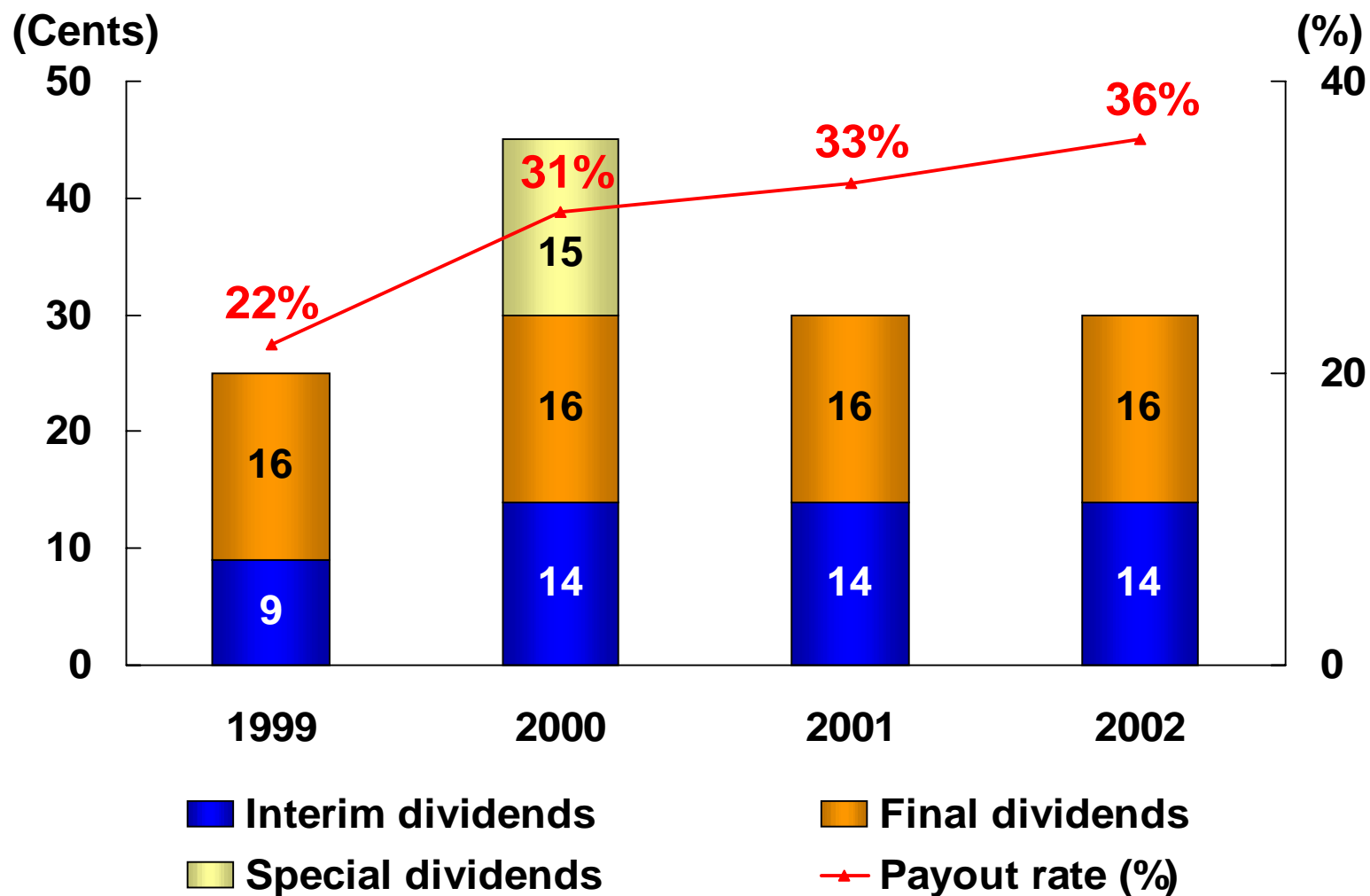
	2002	2001	4Q 2002	3Q 2002	4Q 2001
Loans	397	332	121	112	141
Equities	61	25	18	47	(114)
Properties & other assets	117	89	36	-	70
Specific provision	575	446	176	159	96
General provision	(41)	(67)	5	(9)	(10)
Total	534	379	181	150	87

Following final Dao Heng Bank payment, Tier 1 still above requirement

Capital adequacy ratio



Maintaining dividend rate for shareholders



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