PERFORMANCE SUMMARY

UNAUDITED FINANCIAL RESULTS
FOR THE THIRD QUARTER ENDED
SEPTEMBER 30, 2003

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Financial Highlights

DBS Group Holdings ("DBSH") prepares its consolidated DBSH Group ("Group") financial statements in accordance with Financial Reporting Standards ("FRS").

	9 Mths 2003 S$'m	9 Mths 2002 S$'m	3rd Qtr 2003 S$'m	2nd Qtr 2003 S$'m	3rd Qtr 2002 S$'m
For the period					
Income before operating expenses	**3,145**	3,092	**1,113**	984	1,028
Operating profit before goodwill amortisation and provisions	**1,786**	1,714	**655**	525	576
Operating profit before provisions	**1,466**	1,508	**548**	418	507
Net profit before taxation	**1,040**	1,157	**405**	241	356
Net profit attributable to members	**733**	766	**291**	171	226
Net profit attributable to members (excluding goodwill amortisation)	**1,053**	972	**398**	278	295
At period-end					
Shareholders' funds	**14,875**	14,196	**14,875**	14,767	14,196
Interest bearing assets	**135,268**	129,086	**135,268**	134,165	129,086
Customer loans [1/]	**63,902**	63,442	**63,902**	62,714	63,442
Customer deposits	**107,056**	100,419	**107,056**	105,514	100,419
Total assets	**160,231**	148,315	**160,231**	158,502	148,315
Per share	**S$**	S$	**S$**	S$	S$
Basic earnings excluding goodwill amortisation [2/]	**0.94**	0.87	**1.07**	0.74	0.79
Basic earnings [2/]	**0.65**	0.69	**0.78**	0.45	0.60
Diluted earnings [2/]	**0.63**	0.66	**0.75**	0.44	0.58
Net asset value at period-end	**9.74**	9.27	**9.74**	9.66	9.27
Net tangible asset value at period-end [3/]	**4.64**	5.82	**4.64**	4.56	5.82

Performance ratios

	9 Mths 2003 (%)	9 Mths 2002 (%)	3rd Qtr 2003 (%)	2nd Qtr 2003 (%)	3rd Qtr 2002 (%)
On a GAAP basis					
Return on assets [2/]	**0.63**	0.68	**0.73**	0.43	0.60
Return on equity [2/]	**6.65**	7.34	**7.86**	4.61	6.35
Excluding goodwill amortisation					
Return on assets [2/]	**0.91**	0.86	**1.00**	0.70	0.78
Return on equity [2/]	**9.56**	9.31	**10.74**	7.48	8.30
Return on tangible equity [2/ 4/]	**19.79**	14.78	**21.70**	15.30	12.98
Efficiency and revenue mix ratios					
Cost-to-income ratio (excluding goodwill amortisation)	**43.2**	44.6	**41.2**	46.6	44.0
As a percentage of total operating income:					
- net interest income	**55.5**	64.8	**52.8**	56.9	65.2
- non-interest income	**44.5**	35.2	**47.2**	43.1	34.8
BIS Capital ratios (at period-end)					
- Tier 1 capital	**10.5**	13.7	**10.5**	9.7	13.7
- Total capital	**15.2**	19.0	**15.2**	14.2	19.0

Notes:
1/ After deducting cumulative provisions.
2/ Earnings per share, return on assets, return on equity and return on tangible equity for the periods are computed on an annualised basis.
3/ Computed based on total ordinary shareholders' funds after deduction of goodwill divided by total number of ordinary shares as at each period-end.
4/ Computed based on net profit attributable to members excluding goodwill amortisation divided by average shareholders' funds after deduction of average goodwill.

Change in Accounting Policy

The Monetary Authority of Singapore revised MAS 605 during the third quarter of 2003, allowing for the measurement of trading book positions at fair value. Following the revision, DBSH Group revised its classification guidelines to provide a clear classification and measurement of its trading and investment securities. Please see Appendix V, paragraph 6 for an analysis of the impact to the Group results.

With the revision, all trading securities are now measured at market value. The accounting policy change has been applied retroactively, and the comparable financial results for the Group have been restated to conform to the new accounting policy.

Financial Review

DBSH Group's operating profit before goodwill amortisation and provisions in the first 9 months of 2003 ("9 Months 2003") was S$1.786 billion, an increase of 4.2% over the same period in 2002. The improved year-on-year performance was principally due to an increase in non-interest income. After goodwill amortisation of S$320 million and provision charge of S$459 million, net profit attributable to members declined by 4.3% to S$733 million. Cost-to-income ratio (excluding goodwill amortisation) improved to 43.2% compared to 44.6% for the same period last year.

Compared to second quarter 2003 ("2nd Qtr 2003"), operating profit before goodwill amortisation and provisions increased by 24.8% mainly due to higher income earned in third quarter 2003 ("3rd Qtr 2003"). After taking into account provision charge of S$154 million, net profit attributable to members showed a significant increase of 70.2%. Cost-to-income ratio (excluding goodwill amortisation) improved to 41.2% in 3rd Qtr 2003 from 46.6% in 2nd Qtr 2003.

Without the accounting policy change, NPAM for 9 Months 2003 would have been S$742 million, or a 1% increase over the S$735 million NPAM for 9 Months 2002 as previously reported.

Profit and Loss Account

	9 Mths 2003 S$'m	9 Mths 2002 S$'m	3rd Qtr 2003 S$'m	2nd Qtr 2003 S$'m	3rd Qtr 2002 S$'m
Net interest income	**1,747**	2,003	**588**	560	670
Non-interest income	**1,398**	1,089	**525**	424	358
Income before operating expenses	**3,145**	3,092	**1,113**	984	1,028
Operating expenses	**(1,359)**	(1,378)	**(458)**	(459)	(452)
Operating profit before goodwill amortisation and provisions	**1,786**	1,714	**655**	525	576
Goodwill amortisation	**(320)**	(206)	**(107)**	(107)	(69)
Operating profit before provisions	**1,466**	1,508	**548**	418	507
Provisions	**(459)**	(389)	**(154)**	(187)	(162)
Operating profit	**1,007**	1,119	**394**	231	345
Share of profits less losses of associated and joint venture companies	**33**	38	**11**	10	11
Net profit before taxation	**1,040**	1,157	**405**	241	356
Taxation	**(264)**	(285)	**(99)**	(55)	(98)
Minority interests	**(43)**	(106)	**(15)**	(15)	(32)
Net profit attributable to members ("NPAM")	**733**	766	**291**	171	226
NPAM excluding goodwill amortisation	**1,053**	972	**398**	278	295

DBS Bank (Hong Kong) Limited

The following table reflects the performance of DBS' wholly-owned Hong Kong subsidiary, DBS Bank (Hong Kong) Limited under Hong Kong Generally Accepted Accounting Principles. The effective acquisition of 71.6% of Dao Heng Bank Group Limited ("DHG") through DBS Diamond Holdings Limited ("DDH"), a subsidiary of DBS Bank Ltd, was completed on June 29, 2001. DBS Bank Ltd exercised its call option to acquire the remaining 28.4% of the DDH shares on January 10, 2003 following which DHG became a wholly-owned subsidiary of DBS Bank Ltd. Pursuant to the Hong Kong legislative and regulatory requirements, the legal merger of Dao Heng Bank Limited, Overseas Trust Bank Limited and DBS Kwong On Bank Limited was completed on July 21, 2003. The merged entity was named DBS Bank (Hong Kong) Limited on the same date.

Operating profit for the 9 Months in 2003 showed a 14.5% year-on-year increase due to higher non-interest income and lower impairment losses on fixed assets. Non-interest income rose by 39.2% due to higher sale of treasury investment products and better trading income. This was partly offset by lower net interest income and higher provisions. Reduction in net interest income was attributable to sluggish loan demand. Provisions effectively increased 51% compared to a year ago due to a significant write-back in loan provisions in the first 9 months of 2002. Operating expenses declined by 2.7%, mainly through the streamlining of operations.

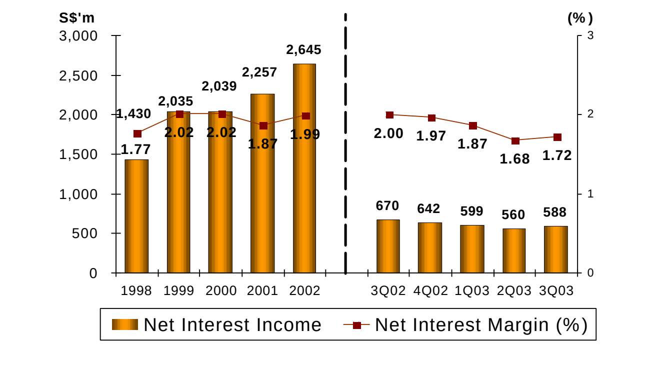
Compared to 2nd Qtr 2003, operating profit in 3rd Qtr 2003 was 50.5% higher due to higher non-interest income and lower provisions. Non-interest income increased by 33.7% due to higher sale of treasury investment products. Total provision charge was higher in 2nd Qtr 2003 due to loan-related provisions. Operating expenses in 3rd Qtr 2003 were lower as 2nd Qtr 2003's operating expenses included merger related expenses.

Profit and Loss Account	9 Mths 2003 S$'m	9 Mths 2002 S$'m	3rd Qtr 2003 S$'m	2nd Qtr 2003 S$'m	3rd Qtr 2002 S$'m
Net interest income	**600**	630	**203**	201	216
Non-interest income	**284**	204	**115**	86	74
Income before operating expenses	**884**	834	**318**	287	290
Operating expenses	**(359)**	(369)	**(120)**	(127)	(124)
Impairment of fixed assets	**(5)**	(44)	**(3)**	(2)	-
Operating profit before provisions	**520**	421	**195**	158	166
Provisions	**(157)**	(104)	**(52)**	(63)	(43)
Operating profit	**363**	317	**143**	95	123
Net profit before taxation	**362**	322	**142**	96	121
Net profit after taxation	**300**	266	**118**	80	103

Notes:
1/ The exchange rate used for all comparative periods is based on HK$1 = S$0.2232.
2/ In the preparation of the consolidated accounts of DBSH Group, appropriate adjustments have been made to bring them in line with Financial Reporting Standards ("FRS") in Singapore. Under FRS, the contribution from DBS Bank (Hong Kong) Limited was as follows:

	9 Mths 2003 S$'m	9 Mths 2002 S$'m	3rd Qtr 2003 S$'m	2nd Qtr 2003 S$'m	3rd Qtr 2002 S$'m
Net profit before taxation	**351**	308	**148**	85	126
Net profit after taxation	**296**	249	**123**	78	108

Exhibit 1
Group Net Interest Income and Net Interest Margin



Net Interest Income and Net Interest Margin

Net interest income for 9 Months 2003 fell 12.8% to S$1.747 billion over the same period in 2002. The decrease was mainly due to the low interest rate environment and the narrower spreads on loans.

Net interest margin was 1.76% for 9 Months 2003 compared to 2.00% for 9 Months 2002.

Compared to the 2nd Qtr 2003, net interest income increased to S$588 million in the 3rd Qtr 2003, due to the improvement in net interest margin as well as higher volume of interest bearing assets.

Net interest margin was 1.72% for 3rd Qtr 2003. Although interest rates remained low, the Singapore dollar interbank rate was higher in the 3rd Qtr 2003 compared to 2nd Qtr 2003. Average interest yield on debt securities was also higher in the 3rd Qtr 2003.

Table 1
Group Net Interest Income and Net Interest Margin

	9 Mths 2003			9 Mths 2002		
S$'m	**Avg balance**	**Interest**	**Avg rate (%)**	**Avg balance**	**Interest**	**Avg rate (%)**
Customer loans and advances	**62,176**	**1,767**	**3.80**	65,049	2,213	4.54
Interbank items	**39,475**	**310**	**1.05**	46,301	599	1.73
Securities [1/]	**30,862**	**638**	**2.76**	22,732	565	3.32
Total interest bearing assets	**132,513**	**2,715**	**2.74**	134,082	3,377	3.37
Total interest bearing liabilities	**124,091**	**968**	**1.04**	124,208	1,374	1.48
Net interest income/margin		**1,747**	**1.76**		2,003	2.00

	3rd Qtr 2003			2nd Qtr 2003			3rd Qtr 2002		
S$'m	**Avg balance**	**Interest**	**Avg rate (%)**	**Avg balance**	**Interest**	**Avg rate (%)**	**Avg balance**	**Interest**	**Avg rate (%)**
Customer loans and advances	**63,593**	**571**	**3.56**	61,821	602	3.91	64,298	727	4.49
Interbank items	**37,018**	**97**	**1.04**	41,298	91	0.88	45,353	156	1.36
Securities [1/]	**34,761**	**243**	**2.77**	30,570	199	2.61	22,970	208	3.60
Total interest bearing assets	**135,372**	**911**	**2.67**	133,689	892	2.68	132,621	1,091	3.26
Total interest bearing liabilities	**127,244**	**323**	**1.01**	125,026	332	1.06	122,697	421	1.36
Net interest income/margin		**588**	**1.72**		560	1.68		670	2.00

Notes:
1/ Refers to trading and investment debt securities, including Singapore government securities and treasury bills.
2/ Avg: Average

Table 2
Group Non-Interest Income

S$'m	9 Mths 2003	9 Mths 2002
Fee and commission income	**633**	607
Stockbroking	**110**	99
Investment banking	**60**	56
Trade and remittances	**83**	84
Loan related	**114**	103
Deposit related	**77**	81
Credit card	**66**	70
Fund management	**29**	27
Wealth management	**68**	65
Others	**26**	22
Dividend and rental income	**66**	47
Other income	**699**	435
Net gain on treasury activities		
- treasury products	**604**	302
- trading Singapore government securities	**(103)**	23
Net gain/(loss) on trading equities	**47**	(2)
Net gain on investment securities	**135**	87
Net gain on fixed assets	**1**	5
Others	**15**	20
Total	**1,398**	1,089
Non-interest income as a percentage of Operating income (%)	**44.5**	35.2

S$'m	3rd Qtr 2003	2nd Qtr 2003	3rd Qtr 2002
Fee and commission income	**259**	214	201
Stockbroking	**59**	32	21
Investment banking	**30**	23	19
Trade and remittances	**28**	27	28
Loan related	**43**	35	41
Deposit related	**26**	27	29
Credit card	**24**	22	24
Fund management	**11**	11	6
Wealth management	**27**	26	28
Others	**11**	11	5
Dividend and rental income	**25**	28	18
Other income	**241**	182	139
Net gain on treasury activities			
- treasury products	**336**	140	99
- trading Singapore government securities	**(135)**	(4)	10
Net gain/(loss) on trading equities	**34**	22	(15)
Net gain/(loss) on investment securities	**(1)**	18	39
Net gain on fixed assets	**1**	1	1
Others	**6**	5	5
Total	**525**	424	358
Non-interest income as a percentage of Operating income (%)	**47.2**	43.1	34.8

Non-interest Income

Fee and commission income in 9 Months 2003 increased by 4.3% to S$633 million over the same period in 2002. The increase was contributed by higher stockbroking fees following a surge in trading volume in the equity market in the 3rd Qtr 2003 and higher loan related earnings from increased syndicated loan activities.

Compared to 2nd Qtr 2003, fee and commission income rose 21% to S$259 million in 3rd Qtr 2003. Most categories of fee and commission income continued to register increases reflecting stronger economic activity.

Other income for 9 Months 2003 increased significantly by 60.7% to S$699 million as compared to 9 Months 2002. For 3rd Qtr 2003, other income was S$59 million higher than 2nd Qtr 2003. The respective increases were due to higher gains from interest rate trading and customer-related derivatives business, as well as the sale of investment products.

The Group actively manages its portfolio of fixed income securities, including its holdings of Singapore government securities with the use of corresponding financial derivatives for dynamic hedging. During the third quarter, the Group recorded a S$135 million loss on trading Singapore government securities which however, was offset by gains from financial derivatives that were transacted to hedge the interest rate risks from the fixed income portfolio.

With the change in accounting policy (see Appendix V, section 6), realised gains from Singapore government securities held as investments were included in "Net gain/(loss) on investment securities".

Table 3
Group Operating Expenses

S$'m	9 Mths 2003	9 Mths 2002
Staff costs	**648**	685
Occupancy expenses	**147**	158
Technology-related expenses	**212**	162
Revenue-related expenses	**148**	118
Others	**204**	255
Total	**1,359**	1,378
Cost-to-income ratio (%) (excluding goodwill amortisation)	**43.2**	44.6
Staff headcount number (at period-end)	**12,026**	12,510

S$'m	3rd Qtr 2003	2nd Qtr 2003	3rd Qtr 2002
Staff costs	**219**	210	220
Occupancy expenses	**48**	51	54
Technology-related expenses	**68**	73	58
Revenue-related expenses	**54**	54	45
Others	**69**	71	75
Total	**458**	459	452
Cost-to-income ratio (%) (excluding goodwill amortisation)	**41.2**	46.6	44.0
Staff headcount number (at period-end)	**12,026**	11,948	12,510

Operating Expenses

Excluding goodwill amortisation, year-on-year ("YOY") operating expenses declined by 1.4%.

Staff costs showed a 5.4% decrease of S$37 million largely due to staff reduction resulting from outsourcing certain technology-related functions in the Group and headcount reduction arising from rationalisation of workflow and businesses. The increase in technology-related expenses was mainly due to investments in new systems, enhancing capacity to meet customer demands and payment of outsourcing fees.

YOY, the Group's cost-to-income ratio (excluding goodwill amortisation) was 43.2% for 9 Months 2003 compared to 44.6% for the same period in 2002.

Third quarter operating expenses (excluding goodwill amortisation) were virtually flat compared to 2nd Qtr 2003. The increase in staff costs was attributable to accrual of performance related bonuses, but this was offset by decline in other operating expenses.

Cost-to-income ratio (excluding goodwill amortisation) was 41.2% in 3rd Qtr 2003.

Goodwill Amortisation

On January 10, 2003, DBS Bank Ltd exercised its call option on the minority shareholders of DBS Diamond Holdings Limited ("DDH") to acquire approximately 28.4% of the remaining issued share capital of DDH. DDH owned 100% of Dao Heng Bank Group Limited ("DHG"). Goodwill arising from the acquisition of the remaining 28.4% interest in DDH is amortised over a period of 19 years from January 2003. As a result, goodwill amortisation in 9 Months 2003 increased when compared to 9 Months 2002.

On September 11, 2003, DBS Bank Ltd purchased the remaining 336,175,960 ordinary shares in DBS Vickers Securities Holdings Pte Ltd ("DBSV"). As a result, DBS Bank Ltd's equity interest in DBSV increased from 59.5% to 100%. Goodwill of S$108 million arising from the acquisition of the remaining 40.5% interest in DBSV is amortised over a period of 8 years. The pro-rata contribution to the DBSH Group's profit and loss account, however, is deemed not material for inclusion in this reporting period.

Table 4
Group Provision Charge

S$'m	9 Mths 2003	9 Mths 2002
Loans	**297**	278
Equities	**8**	43
Properties and other assets	**77**	78
Specific provision	**382**	399
General provision	**77**	(10)
Total	**459**	389

S$'m	3rd Qtr 2003	2nd Qtr 2003	3rd Qtr 2002
Loans	**125**	112	115
Equities	**(5)**	(3)	47
Properties and other assets	**(4)**	53	(3)
Specific provision	**116**	162	159
General provision	**38**	25	3
Total	**154**	187	162

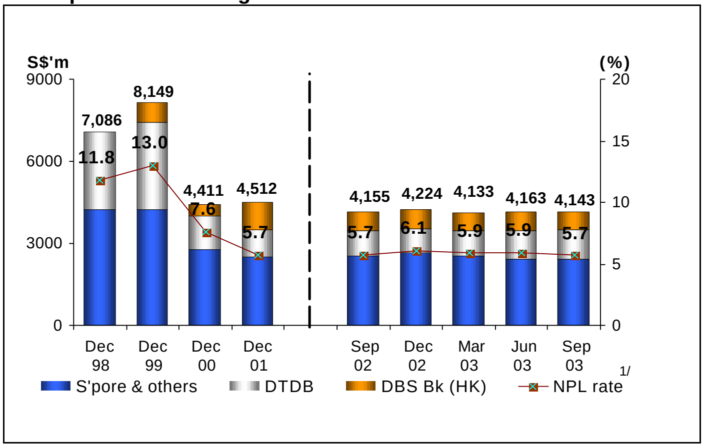
Provision Charge

Total provision charge was S$459 million for 9 Months 2003. Approximately 74% of the total charge was loan-related.

Higher general provisions were made in 9 Months 2003 following an increase in customer loans outstanding. This increase contrasts with 9 Months 2002 where customer loans outstanding declined from year-end and general provision reserves were released.

Compared to 2nd Qtr 2003, total provision charge was lower by S$33 million. In 2nd Qtr 2003, provision charge was set aside for properties and other assets of Singapore and Hong Kong in view of the weak economic conditions prevailing for most of the quarter.

Exhibit 2
Group Non-Performing Loans



Note:
1/ NPL rate is computed based on total non-bank customer NPLs (excluding non-performing debt securities and non-cash items) divided by total gross non-bank customer loans.

Table 5
Group Geographical NPL Rate
(Based on MAS standard)

(%)	Sep 30 2003	Dec 31 2002	Sep 30 2002
Singapore	3.9	4.2	3.7
Hong Kong	3.3	3.5	3.5
Regional countries (excl. DTDB)	20.7	40.6	38.8
DTDB	29.4	27.0	27.1
Other countries	6.7	8.7	7.4

Notes:
1/ DTDB : DBS Thai Danu Bank Public Company Limited
2/ Regional countries (RC) include Malaysia, Indonesia, Thailand, Korea and the Philippines

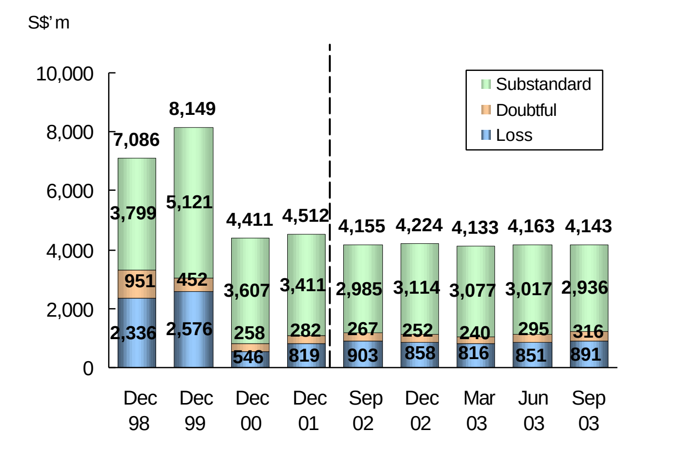
Asset Quality

The volume of non-performing loans ("NPLs") fell slightly to S$4.1 billion at the end of September 2003. Approximately S$1.6 billion of restructured NPLs continues to be included in the total volume of NPLs.

The ratio of NPLs to the total non-bank loans ("NPL rate") decreased from 6.1% at the end of December 2002 to 5.7% at the end of September 2003, helped in part by a higher non-bank loan base.

The NPL rate for Hong Kong operations was 3.3% at the end of September 2003. The Group's Hong Kong credit card business recorded a 1.8% delinquent loan rate for 90 days past due. The net charge-off rate for 9 Months 2003 was 11.8%, down from the 12% rate for the first 6 months of 2003. The relatively high charge-off rate reflects the high unemployment rate and number of personal bankruptcy filings.

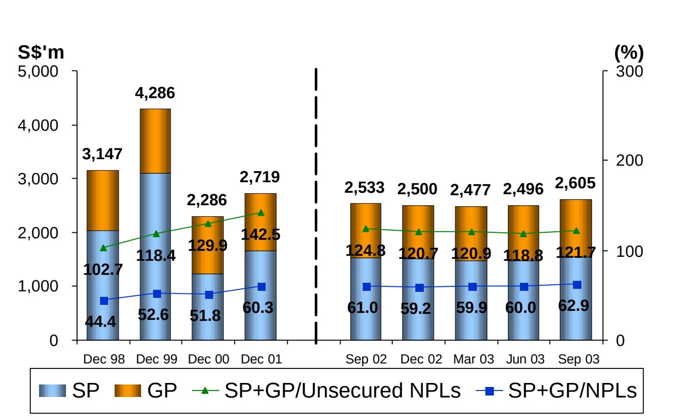
Exhibit 3
Group Non-Performing Loans – by Loan Grading



Loan Grading

As at end September 2003, the classification of non-performing loans into substandard, doubtful and loss categories was virtually unchanged compared to end December 2002.

Exhibit 4
Group Cumulative Specific and General Provisions



Cumulative Specific and General Provisions

Total cumulative specific and general provisions at the end of September 2003 was 121.7% of unsecured NPLs, and 62.9% of total NPLs.

Table 6
Group Key Balance Sheet Items

S$'m	**Sep 30 2003**	**Dec 31 2002**	**Sep 30 2002**
Total assets	160,231	149,445	148,315
Customer loans [1/]	63,902	60,709	63,442
Customer deposits	107,056	101,315	100,419
Loan-to-deposit ratio (%)	59.7	59.9	63.2
Loan and non-trading debt securities-to-deposit ratio (%)	77.6	73.2	76.3

Note:
1/ After deducting cumulative provisions.

Balance Sheet

At the end of September 2003, total assets was S$160.2 billion. Compared to end December 2002, customer loans increased by 5.3% to S$63.9 billion despite limited loan demand in a highly competitive environment. The increase in loans arose from "manufacturing", "general commerce" and "financial institutions, investment & holding companies" sectors. Customer deposits increased by 5.7% to S$107.1 billion. The Group's loan-to-deposit ratio at the end of September 2003 was 59.7%. Adjusted for DBSH Group's portfolio of non-trading debt securities, the ratio of loan and non-trading debt securities to deposits would be 77.6%.

Table 7
Group Customer Deposits

S$'m	Sep 30 2003	Dec 31 2002	Sep 30 2002
Analysed by Currency			
Singapore dollar	**56,122**	53,655	52,344
US dollar	**21,563**	20,096	19,861
Hong Kong dollar	**18,628**	18,731	19,267
Thai Baht	**3,651**	3,164	3,063
Others	**7,092**	5,669	5,884
Total	**107,056**	101,315	100,419
Analysed by Product			
Savings accounts (include S$ autosave)	**45,540**	43,047	41,651
Current accounts	**9,686**	8,975	8,494
Fixed deposits	**48,182**	46,026	48,378
Other deposits	**3,648**	3,267	1,896
Total	**107,056**	101,315	100,419

Table 8
Group Customer Loans

S$'m	Sep 30 2003	Dec 31 2002	Sep 30 2002
Gross	**66,157**	62,901	65,710
Less:			
Specific provisions	**1,330**	1,288	1,303
General provisions	**925**	904	965
Net total	**63,902**	60,709	63,442
Including:			
Bills receivable	**1,500**	1,574	1,718
Loans	**62,402**	59,135	61,724
Net total	**63,902**	60,709	63,442
Industry Breakdown			
Manufacturing	**6,752**	5,856	6,053
Building & Construction	**8,085**	8,057	8,344
Housing Loans	**22,075**	21,910	22,408
General Commerce	**6,680**	5,707	6,098
Transportation, Storage & Communications	**4,727**	4,617	4,751
Financial Institutions, Investment & Holding Companies	**5,165**	3,626	4,547
Professionals & Private Individuals (except Housing Loans)	**7,252**	7,784	8,025
Others	**5,421**	5,344	5,484
Total (Gross)	**66,157**	62,901	65,710
Analysed by Currency and Fixed / Variable Rates			
Fixed rate [1/]			
Singapore dollar	**8,499**	8,359	10,146
Hong Kong dollar	**288**	460	364
US dollar	**3**	1	1
Thai Baht	**935**	862	875
Others	**73**	1	1
Sub-total	**9,798**	9,683	11,387
Variable rate [2/]			
Singapore dollar	**21,481**	21,673	21,236
Hong Kong dollar	**20,584**	20,238	21,111
US dollar	**8,313**	7,333	7,847
Thai Baht	**2,362**	2,128	2,267
Others	**3,619**	1,846	1,862
Sub-total	**56,359**	53,218	54,323
Total (Gross)	**66,157**	62,901	65,710

Notes:
1/ Fixed rate loans refer to long-term loans where the interest rates are fixed for the initial 1 to 3 years for certain mortgage loans, and over the entire loan period for other loans.
2/ Variable rate loans refer to loans that are pegged to prime, short-term cost of funds or inter-bank rates, as well as fixed rate loans that have effectively been converted to variable rate loans through interest rate swaps.

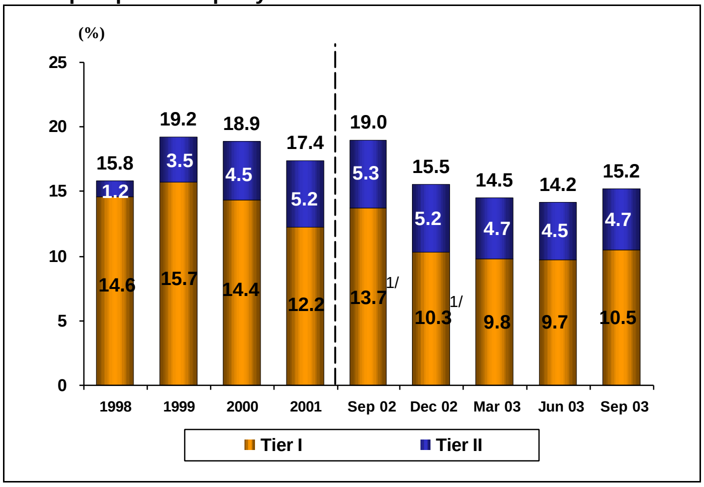
Table 9
Group Capital

S$'m	Sep 30 2003	Dec 31 2002	Sep 30 2002
Tier I Capital	**9,463**	8,393	11,117
Tier II Capital	**4,271**	4,233	4,310
Total Capital	**13,734**	12,626	15,427
Risk Weighted Assets	**90,542**	81,239	81,359

Capital Adequacy Ratio

At the end of September 2003, the total Capital Adequacy Ratio ("CAR") for the DBSH Group, measured according to the Bank for International Settlements ("BIS") guidelines was 15.2%.

Exhibit 5
Group Capital Adequacy Ratio

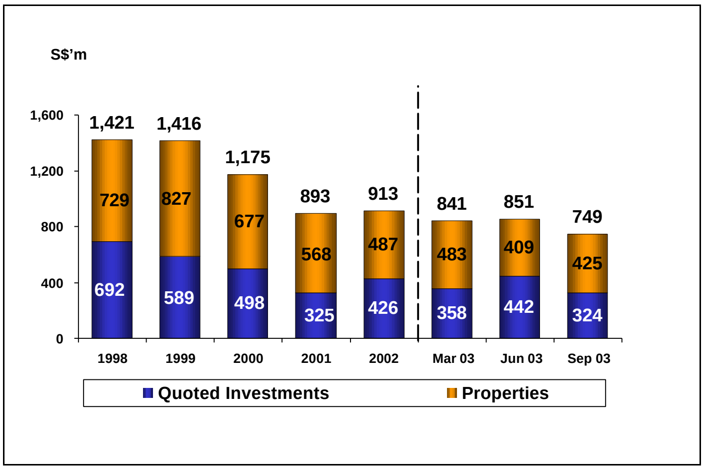


Note:
1/ The reduction in the Tier 1 CAR ratio, from 13.7% in September 2002 to 10.3% in December 2002, was primarily due to the deduction of additional goodwill with DBS' purchase of the DBS Diamond Holdings Limited minority interest in early January 2003.

Unrealised Valuation Surpluses

Unrealised valuation surpluses in properties and quoted investment securities not recognised in the accounts amounted to S$749 million at the end of September 2003.

Exhibit 6
Group Unrealised Valuation Surpluses



Note:
1/ Unrealised valuation surpluses for 1998 to 2002 were not adjusted for the change in accounting policy on valuation of trading securities.

Geographical Segment Analysis

The following table analyses total assets, income before operating expenses and NPAM by geographical segments. Unless otherwise stated, the analysis of geographical segments are generally based on the location of the office recording the transactions.

Table 10
Group Geographical Segments

S$'m	Total assets	Distribution (%)	Income before operating expenses	Distribution (%)	Net profit attributable to members	Distribution (%)
Sep 30, 2003						
Singapore [1/]	**98,066**	**64**	**1,915**	**61**	**683**	**65**
Hong Kong	**40,831**	**27**	**979**	**31**	**294**	**28**
Regional countries [1/]	**6,848**	**4**	**182**	**6**	**45**	**4**
Rest of the world	**6,997**	**5**	**69**	**2**	**31**	**3**
Sub-total	**152,742**	**100**	**3,145**	**100**	**1,053**	**100**
Goodwill	**7,489**		**-**		**(320)**	
Total	**160,231**		**3,145**		**733**	
Dec 31, 2002						
Singapore [1/]	93,100	66	2,567	62	937	69
Hong Kong	38,739	27	1,292	31	336	25
Regional countries [1/]	5,003	4	199	5	43	3
Rest of the world	4,910	3	88	2	35	3
Sub-total	141,752	100	4,146	100	1,351	100
Goodwill	7,693		-		(278)	
Total	149,445		4,146 [2/]		1,073 [2/]	
Sep 30, 2002						
Singapore [1/]	92,565	65	1,904	61	702	72
Hong Kong	40,222	28	978	32	227	23
Regional countries [1/]	5,536	4	148	5	36	4
Rest of the world	4,913	3	62	2	7	1
Sub-total	143,236	100	3,092	100	972	100
Goodwill	5,079		-		(206)	
Total	148,315		3,092		766	

Notes:
1/ Special general provisions for regional exposure and additional provisions for DTDB's loans are booked in Singapore.
2/ Refers to the full year 2002.

DBSH Group operates in four main geographical areas :

- "**Singapore**", which includes the operations of the Asian Currency Unit.
- "**Hong Kong**", which includes branch and subsidiary operations in Hong Kong.
- "**Regional countries**", which includes branch and subsidiary operations in Malaysia, Indonesia, Thailand, Korea and the Philippines.
- "**Rest of the world**", which are mainly branch operations in China, India, Taiwan, United States and United Kingdom.

Income before operating expenses and NPAM are based on the country in which the transactions are booked except for special general provisions for regional exposures and additional provisions for DBS Thai Danu Bank Public Company Limited's loans which are booked in Singapore. Total assets are shown by geographical area in which the assets are booked. The total assets, income before operating expenses and NPAM are stated after elimination of inter-group assets and revenues.

Business Segment Analysis

The business segment results represent the customer segments of the respective businesses and are determined by:

- Income and direct expenses attributable to each customer and other segment; and
- Management accounting policies relating to the allocation of indirect expenses and funds transfer pricing between the central treasury unit and the customer/other segments.

The various customer segments are described below, along with a description of the change in net profit after taxation for the 9 Months 2003 over the same period last year.

- **Consumer Banking**

Consumer Banking focuses on providing products and services to individual customers. The products and services offered to customers include credit facilities (mortgage, personal loans, etc.), credit cards, deposit collection, remittance services and asset management products.

The decrease in net profit after taxation (S$28 million, 11.1%) was largely due to lower interest income and higher provisions, offset in part by lower expenses.

- **Enterprise Banking**

Enterprise Banking focuses on providing products and services to small and medium enterprises. The product and services offered to customers include credit facilities (overdraft, factoring/accounts receivable purchase, trade financing, commercial/industrial property financing, hire purchase and government financing and assistance schemes), deposit, payment and collection services.

The decrease in net profit after taxation (S$9 million, 5.2%) was mainly attributable to higher provisions, partly offset by higher fee income from trade services.

- **Investment Banking**

Investment Banking caters to the business needs of large corporate customers and financial institutions. The products and services offered to customers include direct lending, advisory banking services, bond issuance, equity financing, syndicated financing, mergers and acquisitions advisory services, debt restructuring advisory services, nominee and trustee services and cash management services.

The increase in net profit after taxation (S$46 million, 26.1%) was due to higher loan volume and capital markets activity, as well as higher non-interest income from the sale of equity holdings.

- **Treasury and Markets**

Treasury and Markets is primarily involved in market making, structuring and trading of financial products including foreign exchange, securities and interest rate/ credit/ equity/ foreign exchange derivatives. Income from treasury products and services relating to customers of other segments is reflected in the respective customer segments.

The net profit after taxation is in line with the previous year.

The other segments of the analysis are:

- **Funding Portfolio**

The Funding Portfolio managed by Treasury and Markets is the net aggregate of the Group's interest earning assets and interest bearing liabilities. The income generated from this portfolio is predominantly interest rate in nature.

The increase in net profit after taxation (S$19 million, 9.2%) was mainly attributable to higher net interest income from interest rate trading activities in Singapore.

- **Central Operations**

Central Operations encompasses a range of activities, with corporate decisions made at the centre and the related income and expenses not attributed to business segments. These include the central treasury unit, funding costs of DBSH Group's associated and subsidiary companies and gains/losses on properties as well as certain subsidiaries including stock brokerage and asset management.

The following table analyses the results, total assets and total liabilities by business segments:

Table 11
Group Business Segments (9 Mths 2003)

S$'m	Consumer Banking	Enterprise Banking	Investment Banking	Treasury and Markets[1/]	Funding Portfolio[1/]	Central Operations	Total
Income before operating expenses	1,052	459	501	342	337	454	3,145
Operating profit before provisions, taxation and goodwill amortisation	425	288	344	257	253	219	1,786
Net profit before taxation and goodwill amortisation	283	203	257	257	265	95	1,360
Taxation	(59)	(41)	(36)	(37)	(37)	(54)	(264)
Net profit after taxation and before goodwill amortisation	224	163	222	217	225	2	1,053
Goodwill amortisation							(320)
Net profit attributable to members							733
Other Information							
Total assets before goodwill	27,945	14,298	27,883	16,500	34,391	31,725	152,742
Goodwill							7,489
Total assets							160,231
Total liabilities	66,446	14,175	13,814	12,990	17,599	19,458	144,482
Capital expenditure	10	4	6	3	2	19	44
Depreciation	32	13	4	8	8	72	137

Group Business Segments (9 Mths 2002)

S$'m	Consumer Banking	Enterprise Banking	Investment Banking	Treasury and Markets[1/]	Funding Portfolio[1/]	Central Operations	Total
Income before operating expenses	1,105	444	457	351	318	417	3,092
Operating profit before provisions, taxation and goodwill amortisation	440	274	293	269	244	194	1,714
Net profit before taxation and goodwill amortisation	335	242	218	269	253	46	1,363
Taxation	(66)	(41)	(38)	(45)	(40)	(55)	(285)
Net profit after taxation and before goodwill amortisation	252	172	176	217	206	(51)	972
Goodwill amortisation							(206)
Net profit attributable to members							766
Other Information							
Total assets before goodwill	28,830	14,557	22,428	10,402	40,449	26,570	143,236
Goodwill							5,079
Total assets							148,315
Total liabilities	65,890	13,661	11,430	8,272	15,105	17,878	132,236
Capital expenditure	10	2	2	2	2	24	42
Depreciation	29	12	4	8	7	70	130

Note:
1/ Operating expenses and provisions have been determined by prorating between Treasury and Markets and the Funding Portfolio based on the share of income before operating expenses.

Comparatives

The comparatives of the Group were restated to conform to the accounting policy change on the valuation of trading securities in line with the revised MAS 605. Where necessary, certain comparative figures were adjusted in order to provide proper comparison with current year's presentation, or extended to take into account the requirements of revised FRS.