

Earnings resilience despite market volatility

DBS Group Holdings
1Q 2008 financial results
May 7, 2008

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Earnings resilience despite market volatility

- Key operating trends intact**
- Lower Hong Kong margins offset by stronger non-interest income**
- Balance sheet remains strong**

Net profit up 8% on quarter, down 2% on year

(S\$m)	1Q 2008	YoY %	QoQ %
Net interest income	1,057	9	(0)
Fee income	353	14	(7)
Trading income	(161)	nm	nm
Other income	314	>100	>100
Non-interest income	506	(11)	7
Income	1,563	1	2
Staff expenses	352	(2)	9
Other expenses	304	2	(6)
Expenses	656	(0)	1
Profit before allowances	907	3	2
Allowances for credit & other losses	140	33	(23)
Net profit	603	(2)	8

Excluding one-time gains and impairment charges

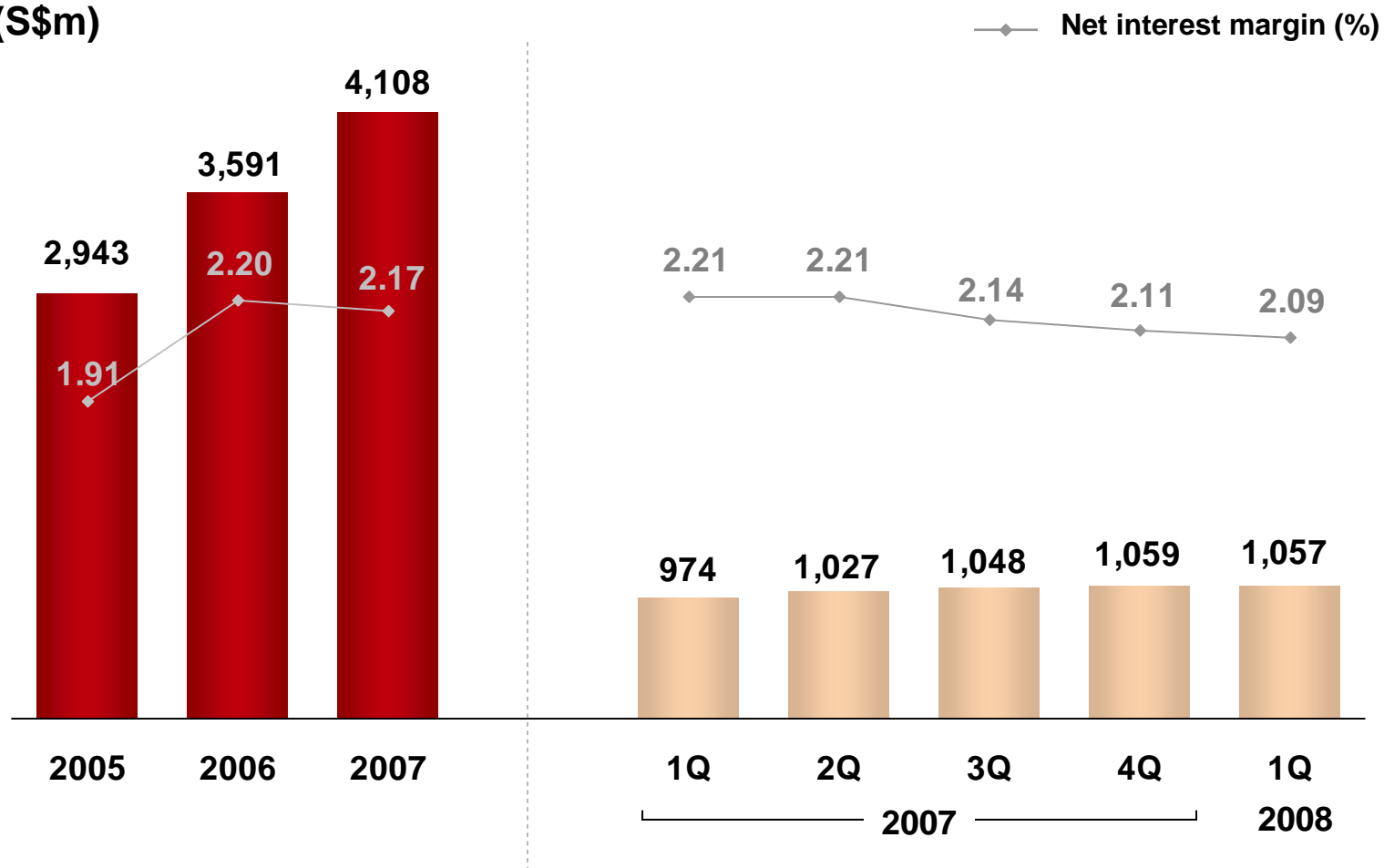
Key ratios stable on quarter

(%)	1Q 2008	4Q 2007	1Q 2007
Net interest margin	2.09	2.11	2.21
Fee income/total income	23	25	20
Non-interest income/total income	32	31	37
Cost/income	42	42	43
ROE	11.6	10.9	13.0
Loans/deposits	73	71	69
NPL ratio	1.0	1.1	1.5

Excluding one-time gains and impairment charges

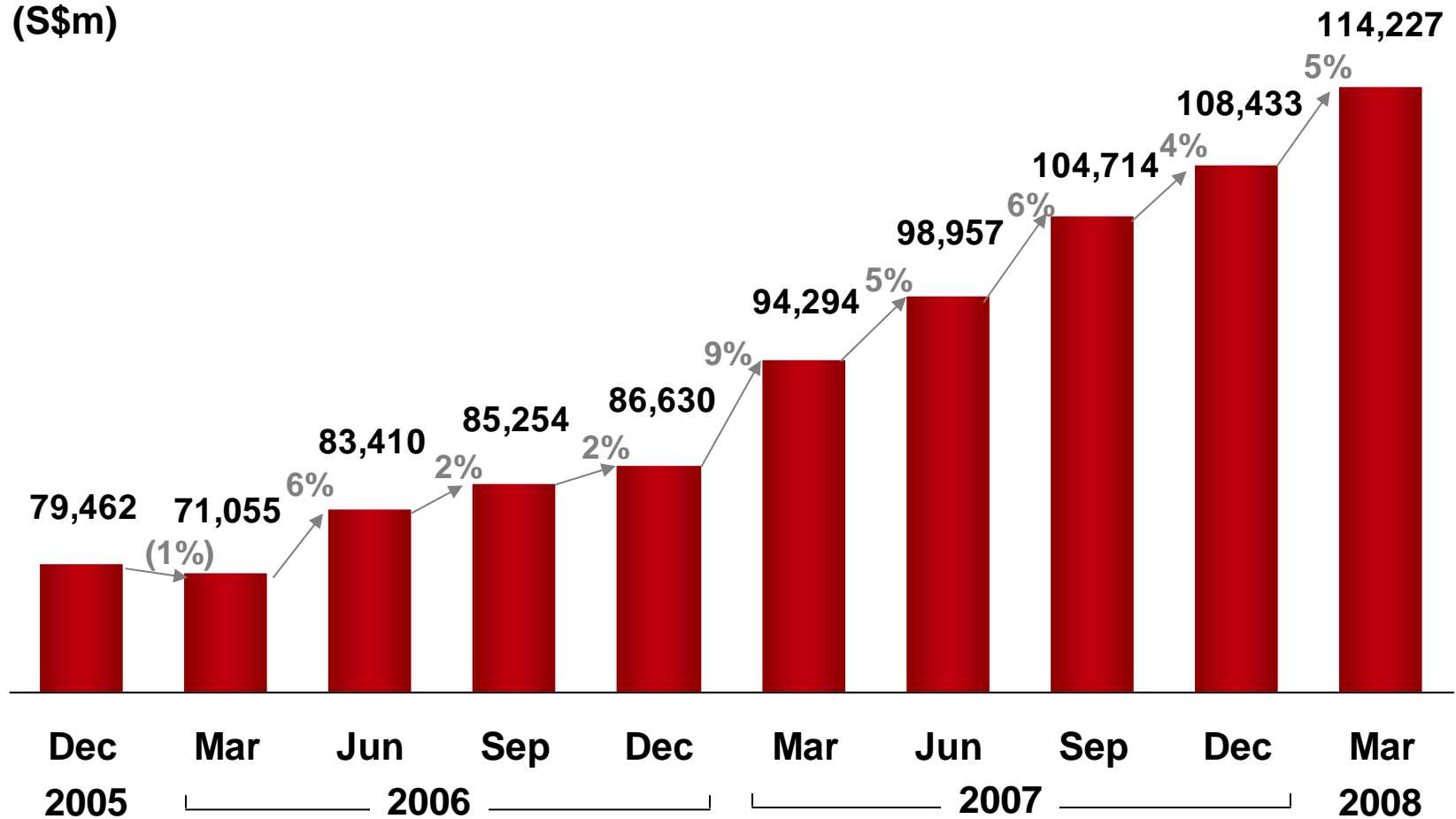
Net interest income maintained at previous quarter's level despite stronger headwinds

(S\$m)



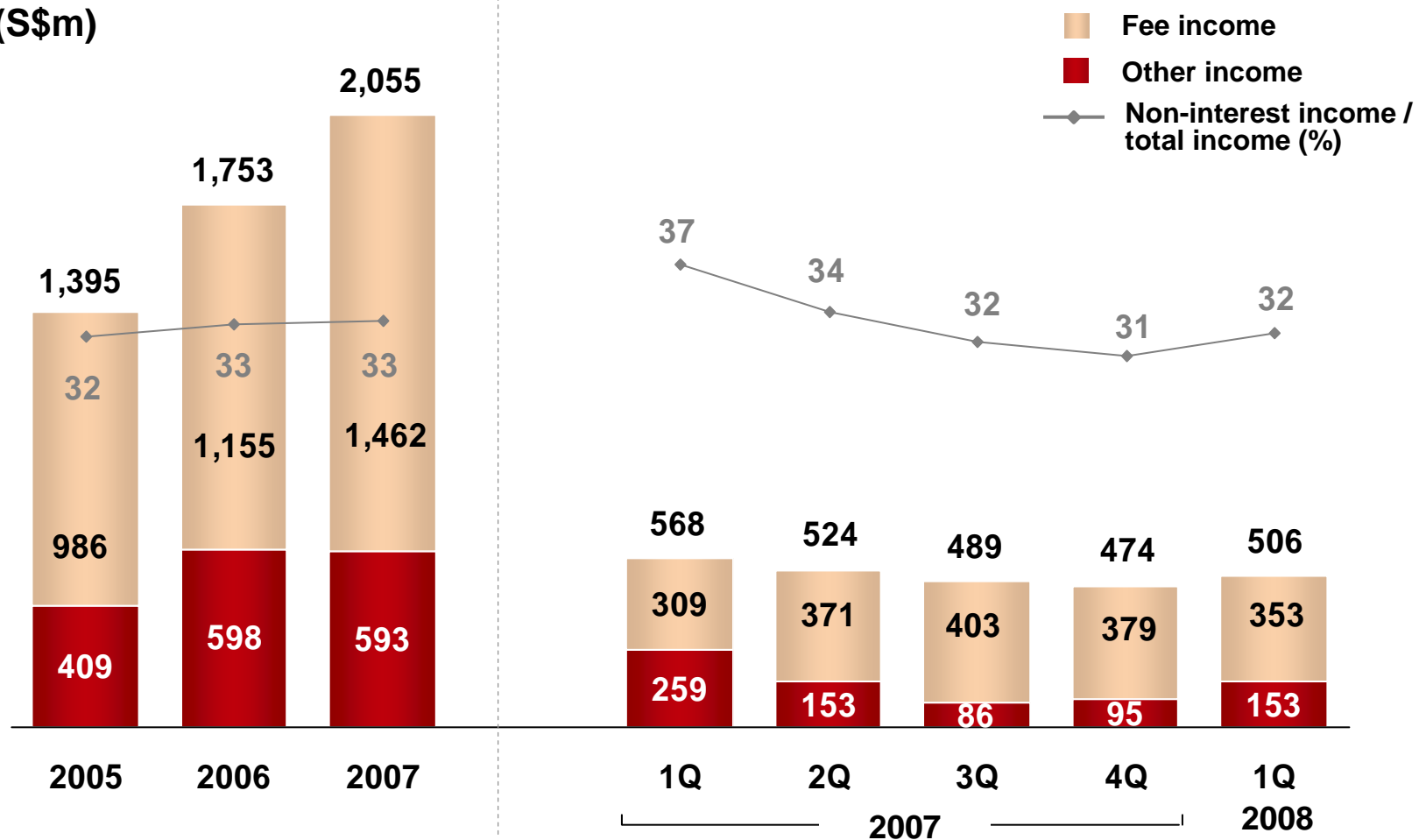
Loans up 5% on quarter, 21% on year

(S\$m)



Fee income down 7% on quarter as capital market revenues fall

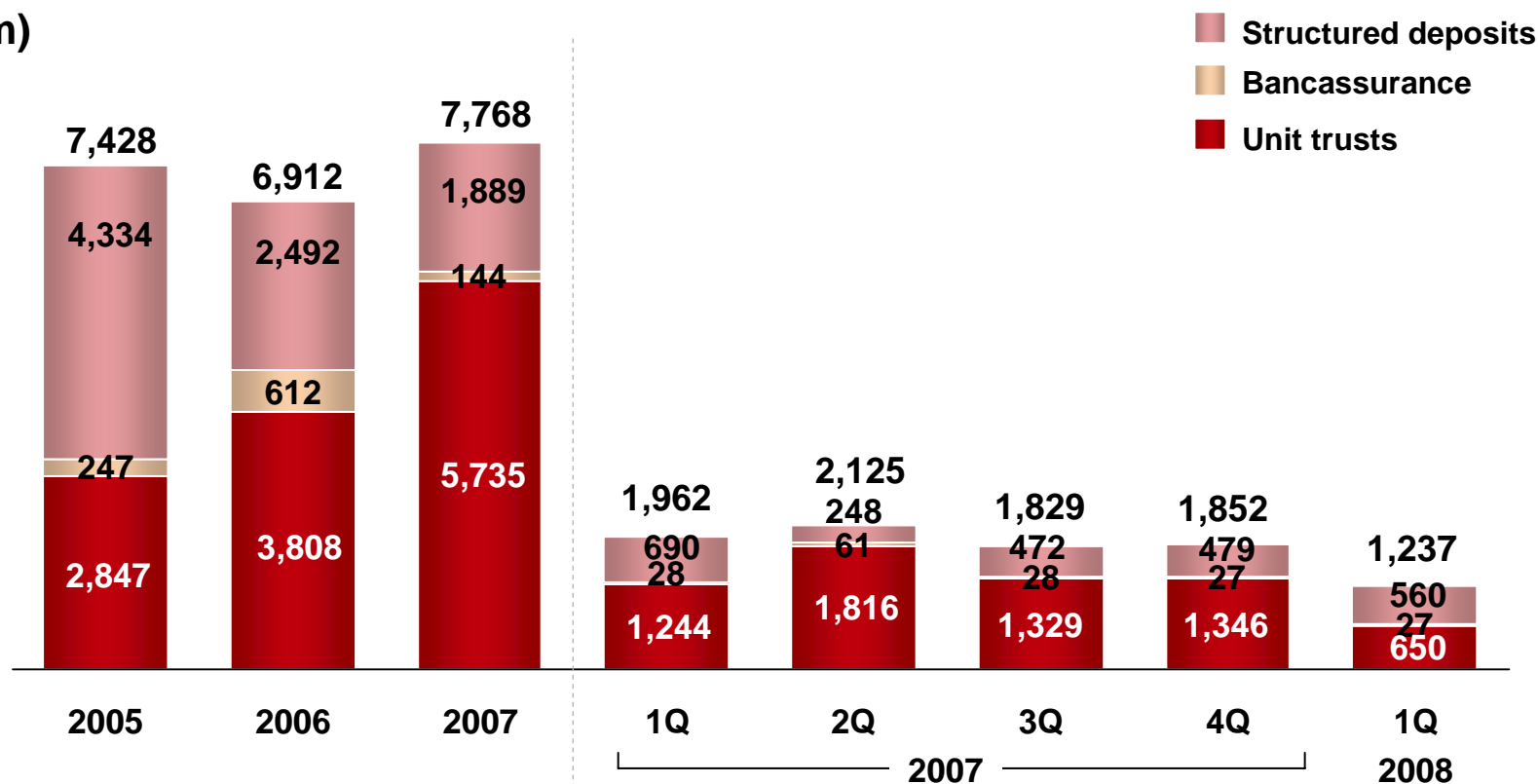
(S\$m)



Excluding one-time gains

Wealth management fees decline on lower unit trust sales

(S\$m)



Sales (all products)

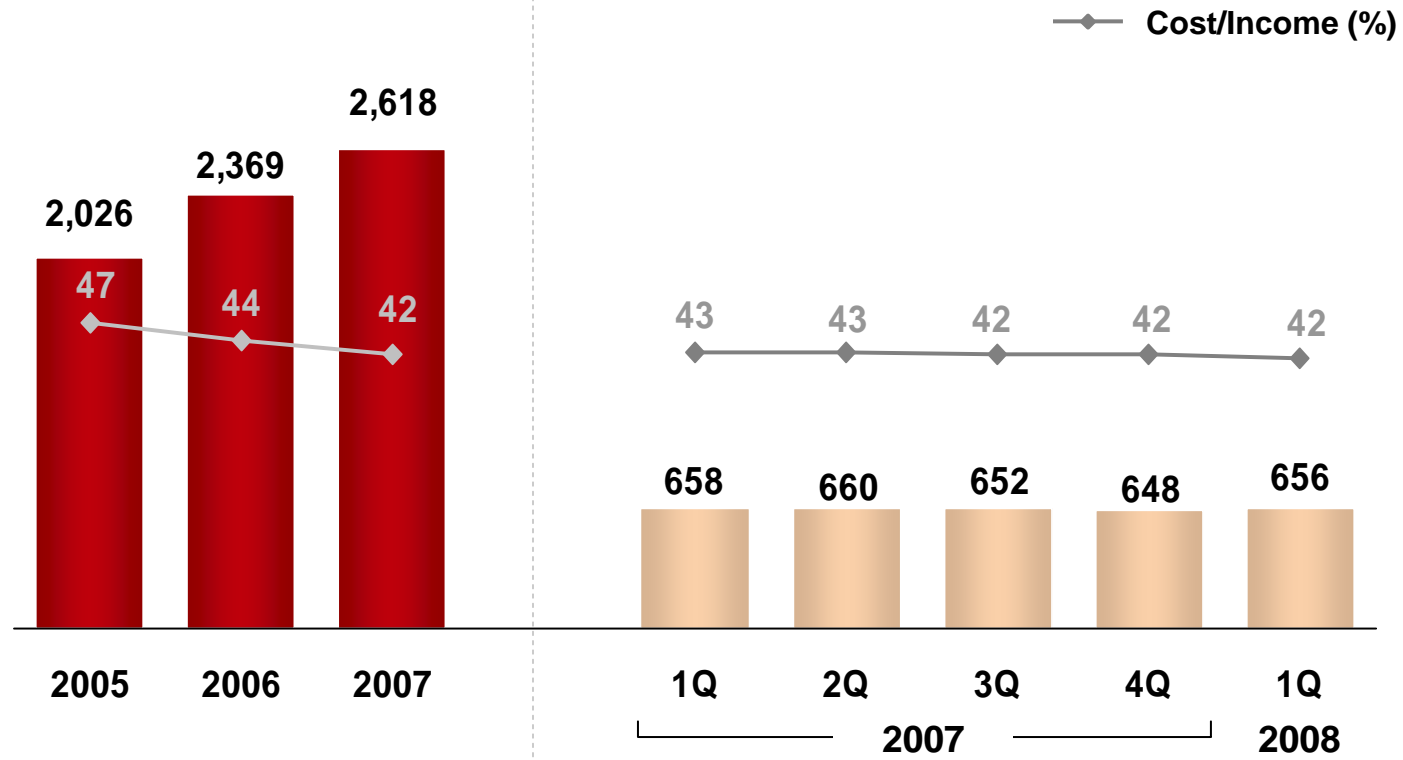
S'pore	3,560	3,477	3,924	993	1,116	958	857	662
HK	3,868	3,435	3,844	969	1,009	871	995	575

Fees (unit trusts and bancassurance only)

S'pore + HK	129	170	249	47	68	64	70	40
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Cost-income ratio maintained at 42%

(S\$m)



Headcount	12,728	12,907	14,523
Staff costs (S\$m)	1,052	1,244	1,384

Headcount	13,177	13,364	13,842	14,523	14,551
Staff costs (S\$m)	360	354	347	323	352

Cost-income ratio excluding one-time gains



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Hong Kong's net profit up 13% on quarter and 1% on year in Singapore-dollar terms

(S\$m)	1Q 2008	YoY %	QoQ %
Net interest income	225	(17)	(10)
Non-interest income	177	31	13
Income	402	(1)	(1)
Expenses	173	2	(8)
Profit before allowances	229	(3)	5
Allowances for credit & other losses	19	(14)	(30)
Net profit	180	1	13

Figures for Hong Kong geographical basis and converted to S\$ using monthly closing rates.
Based on Singapore GAAP. Excluding one-time gains



Lower Hong Kong margins offset by higher non-interest income contributions

(%)

	1Q 2008	4Q 2007	1Q 2007
Net interest margin	1.90	2.03	2.34
Non-interest / total income	44	38	33
Cost/income ratio	43	47	42
ROA	1.32	1.15	1.40
Loans/deposit	78	72	73

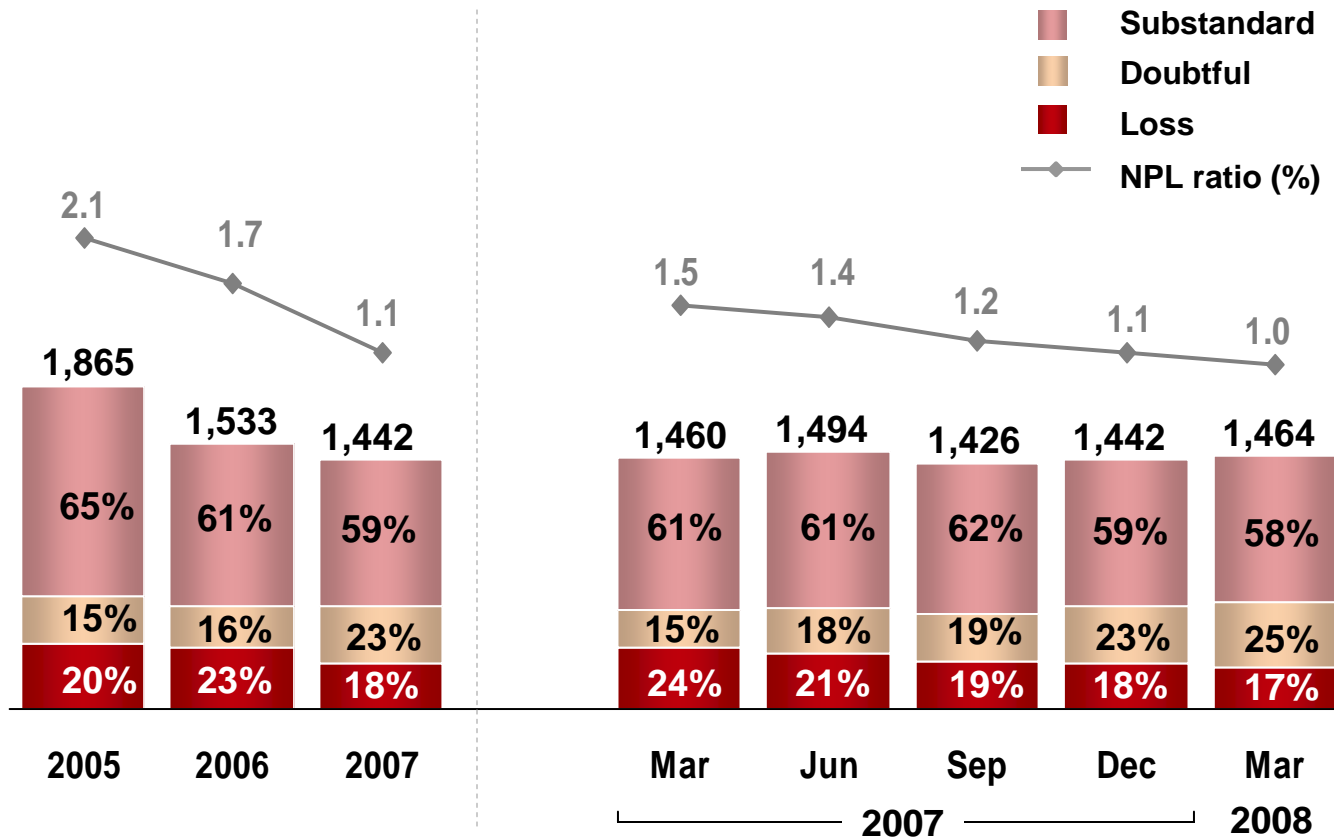
Excluding one-time gains

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NPL rate improves to 1.0%, allowance coverage rises to 138%

(S\$m)



Cumulative general and specific allowances as % of:

NPAs	97	115	135	125	124	130	135	138
Unsecured NPAs	198	237	245	254	254	256	245	241

Non-performing assets up slightly

(S\$m)

	1Q 2008	4Q 2007	1Q 2007
NPAs at start of period	1,442	1,426	1,533
New NPAs	195	270	90
Net recoveries of existing NPAs	(146)	(162)	(125)
Write-offs	(27)	(92)	(38)
NPAs at end of period	1,464	1,442	1,460

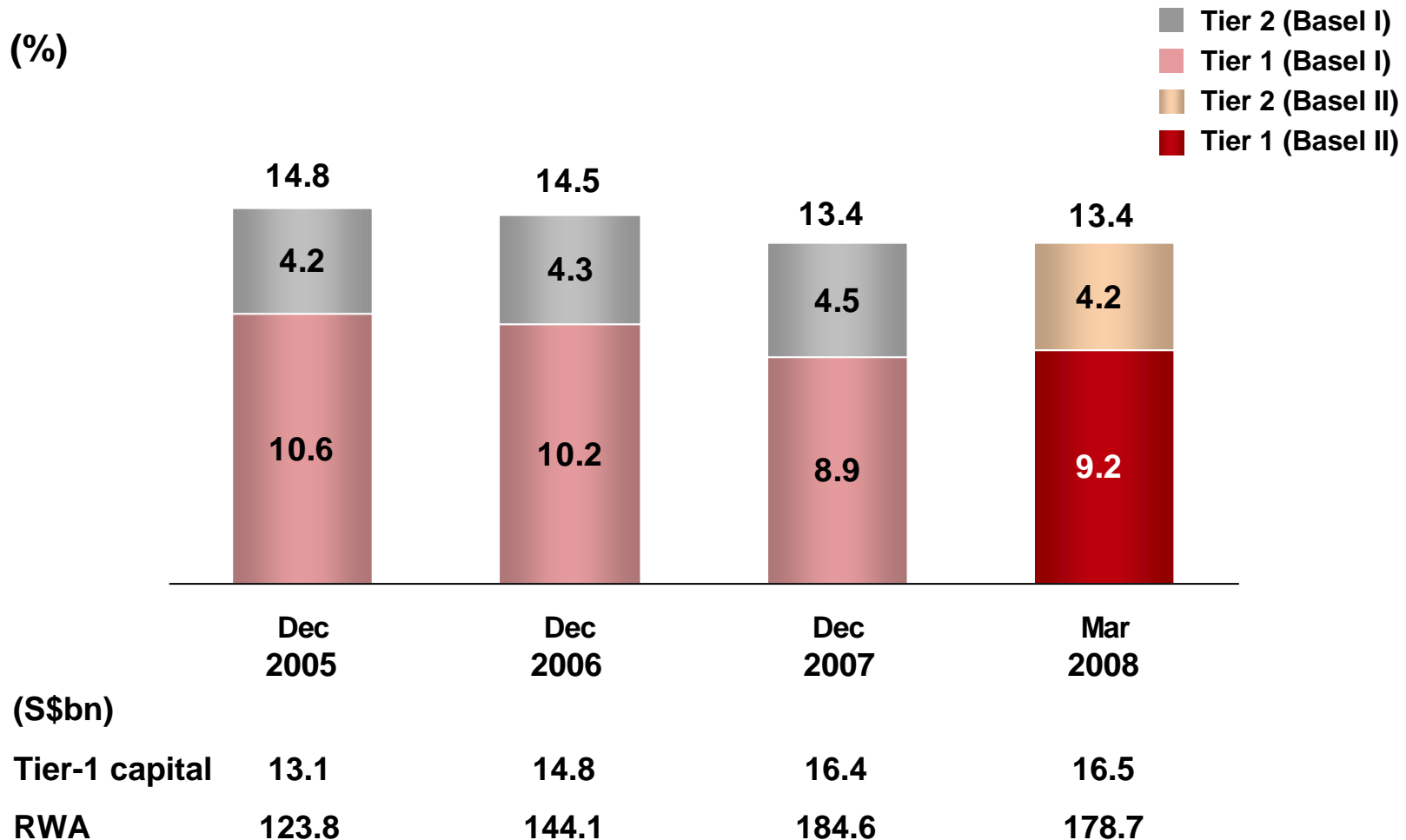
Specific allowances for loans remain low

(S\$m)	1Q 2008	4Q 2007	1Q 2007
<u>Add charges for</u>			
New NPLs	26	42	32
Existing NPLs	51	38	21
	77	80	53
<u>Subtract charges for</u>			
Upgrading	1	1	1
Settlements	33	55	44
Recoveries	6	8	7
	40	63	52
Total SP charges	37	16	1

CDO exposure reduced due to repayments and exchange rate movements

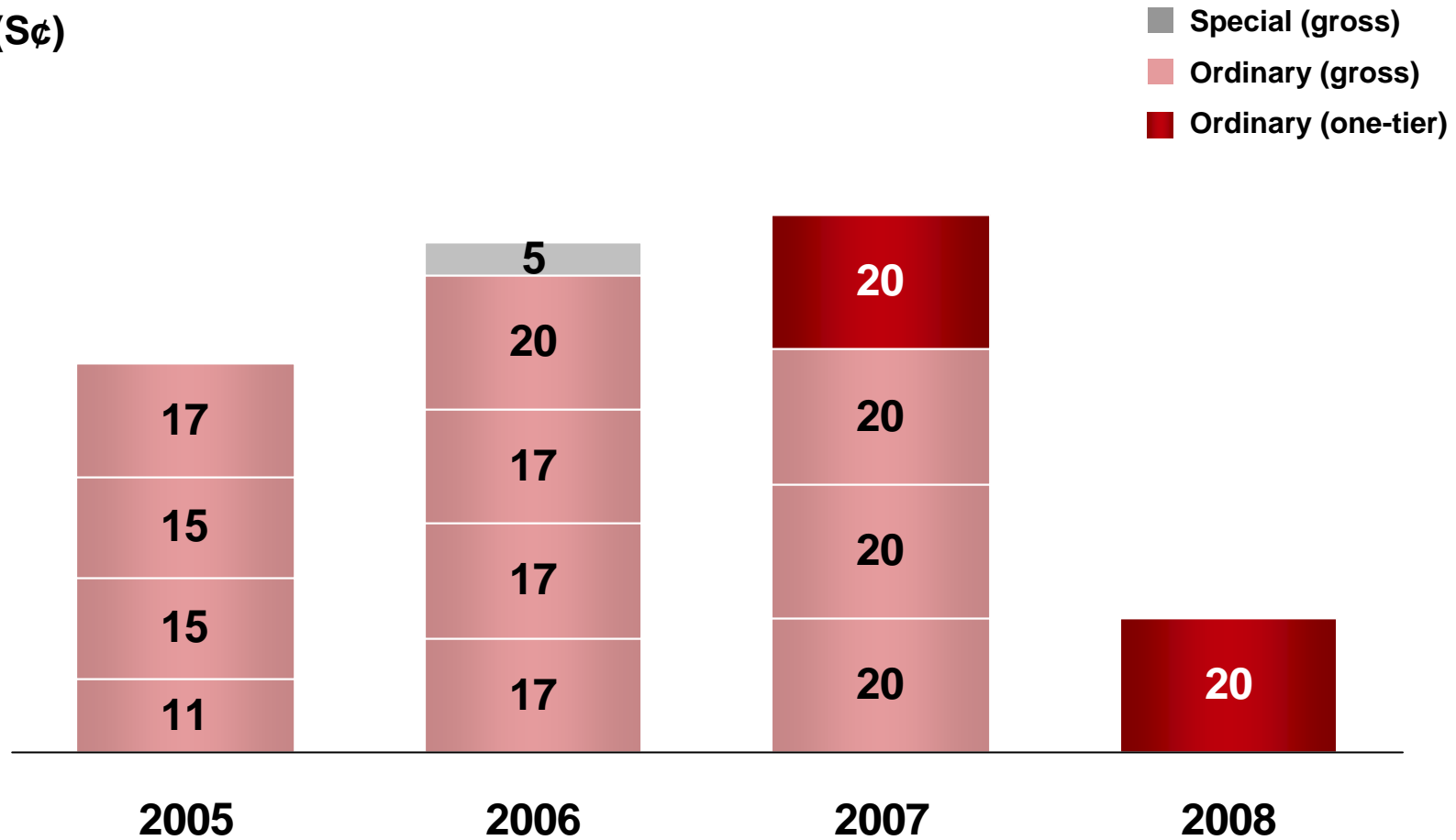
(S\$m)	Amount as at:		1Q allowance charges	Cumulative allowances	% coverage
	31 Mar	31 Jan			
ABS CDOs (with US sub-prime)	259	267	(8)	232	90
Non-ABS CDOs	1,178	1,232	20	50	--
of which in:					
Investment portfolio	875	907	20	50	6
Trading portfolio	303	325	--	--	--
Total	1,437	1,499	12	282	--

CAR maintained, RWA decreases under Basel II



1Q one-tier dividends of 20 cents

(S¢)



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