

Record earnings on sustained momentum across businesses

DBS Group Holdings
1Q 2012 financial results
April 27, 2012

Record earnings on sustained momentum across businesses

- Earnings underpinned by broad-based income growth
- Hong Kong operating trends continue to improve
- Balance sheet remains strong

Earnings at record as total income crosses \$2bn

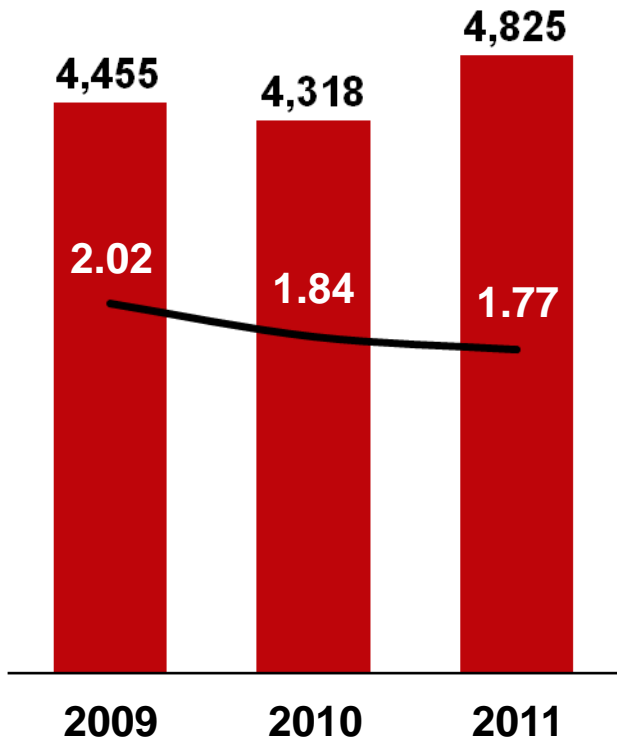
(S\$m)	1Q 2012	1Q 2011	YoY %	4Q 2011	QoQ %
Net interest income	1,336	1,122	19	1,290	4
Fee income	406	416	(2)	342	19
Trading income	292	258	13	133	>100
Other income	122	113	8	151	(19)
Non-interest income	820	787	4	626	31
Total income	2,156	1,909	13	1,916	13
Staff expenses	485	405	20	440	10
Other expenses	413	368	12	445	(7)
Expenses	898	773	16	885	1
Profit before allowances	1,258	1,136	11	1,031	22
General allowances	85	61	39	131	(35)
Specific allowances	59	64	(8)	98	(40)
Allowances	144	125	15	229	(37)
Net profit	933	807	16	731	28

ROE improves to 12.8%

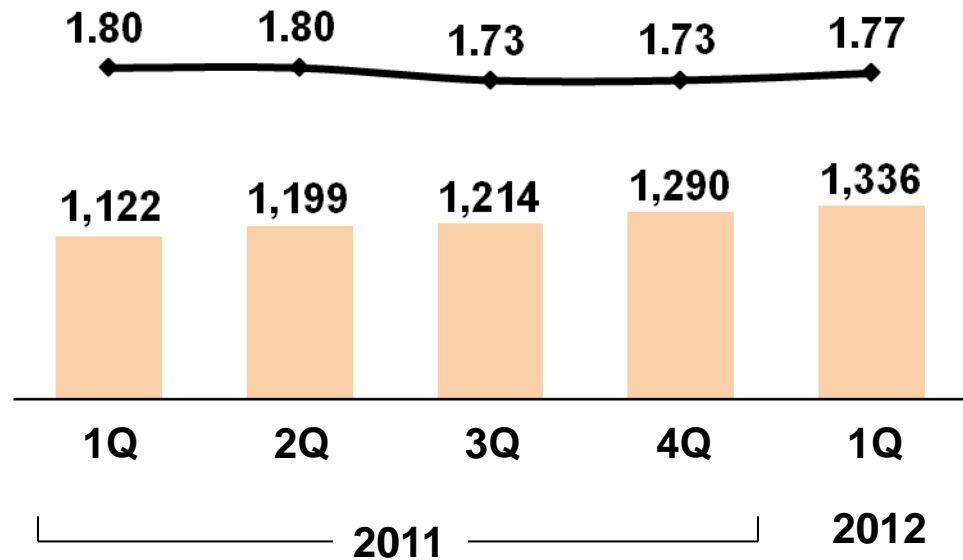
(%)	1Q 2012	1Q 2011	4Q 2011
Net interest margin	1.77	1.80	1.73
Fee income/total income	19	22	18
Non-interest income/total income	38	41	33
Cost/income	42	40	46
ROE	12.8	12.1	10.2
Loan/deposit	85	79	86
SP/average loans (bp)	9	9	19
NPL ratio	1.3	1.8	1.3

Net interest income up 4% on quarter to new high

(S\$m)



◆ Net interest margin (%)



Loans up 3% and deposits up 4% on quarter excluding currency translation effects

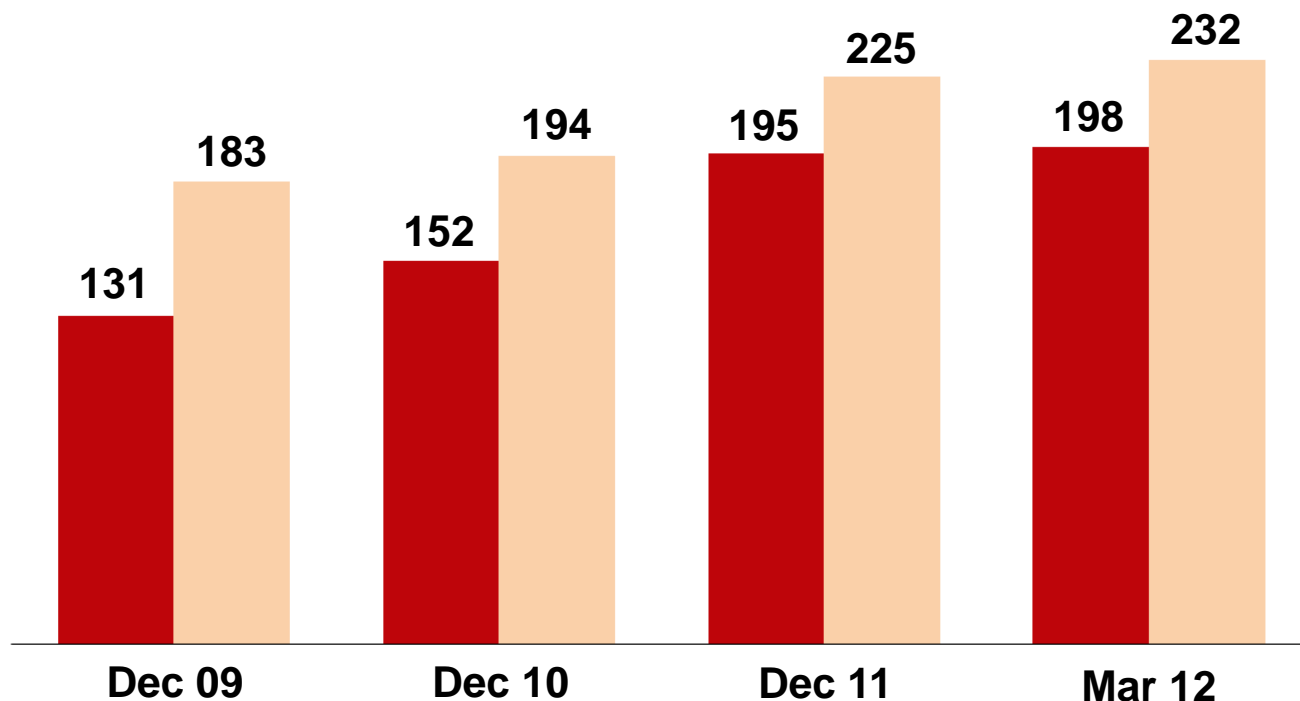
	Mar 12 (S\$bn)	Dec 11 (S\$bn)	Reported QoQ (%)	Underlying QoQ (%)
Loans				
SGD	81.9	78.8	4	4
HKD	29.7	31.5	(6)	(2)
USD	61.7	61.0	1	4
Others	27.4	26.5	3	6
Total	200.7	197.8	1	3
Deposits				
SGD	126.8	123.0	3	3
HKD	23.4	21.7	8	11
USD	43.2	40.3	7	10
Others	38.8	40.3	(4)	(2)
Total	232.2	225.3	3	4

Underlying excludes currency translation effects

Loan-deposit ratio healthy at 85%

(S\$bn)

Loans Deposits



Loan/deposit (%)

	Dec 09	Dec 10	Dec 11	Mar 12
Group	71	79	86	85
SGD *	55	60	64	65
Non-SGD *	96	107	116	113

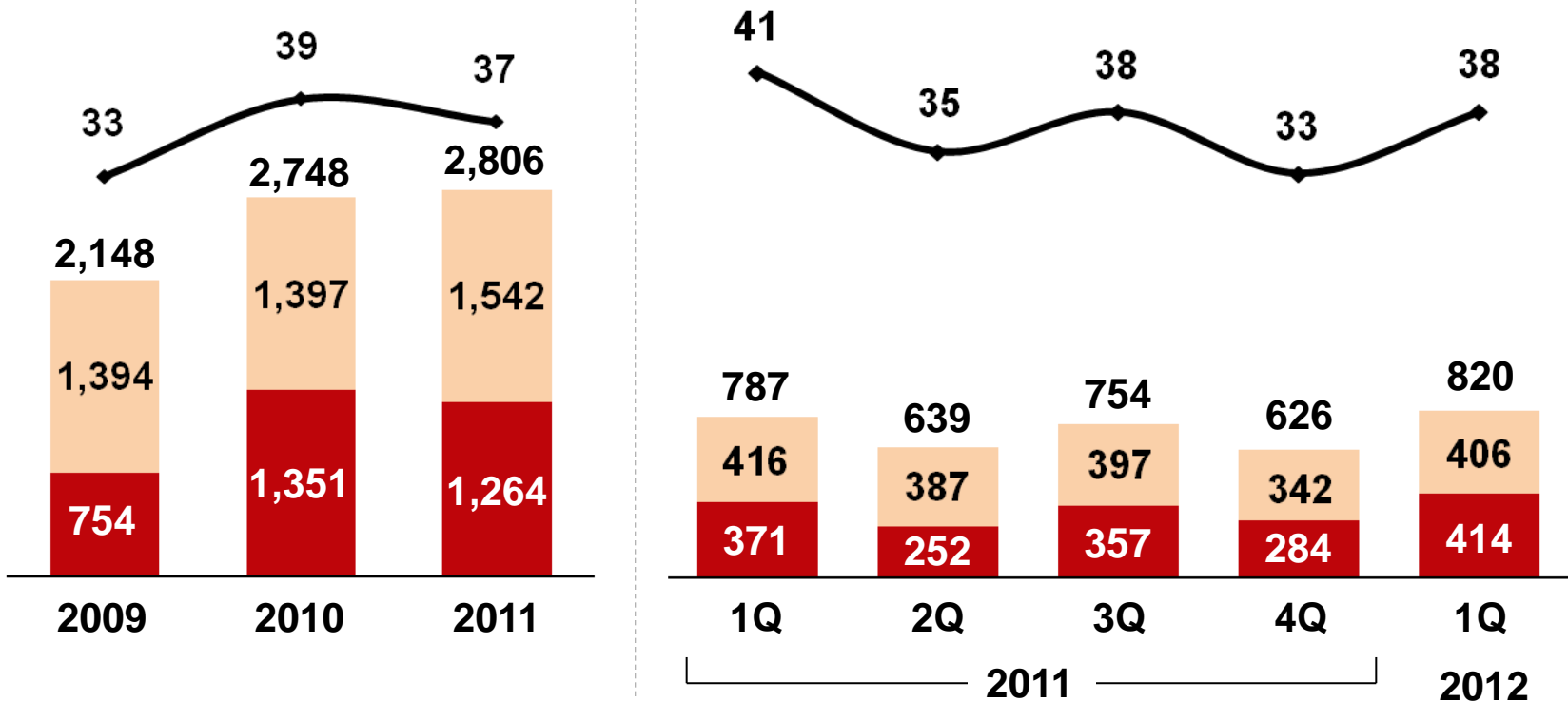
* Based on gross loans

Other sources of foreign currency funding include wholesale funding (commercial paper, medium term notes) and swapping surplus SGD deposits



Fee income up 19% on quarter from broad-based growth

(S\$m) ◆ Non-interest income / total income (%) ■ Fee income
■ Trading + other income



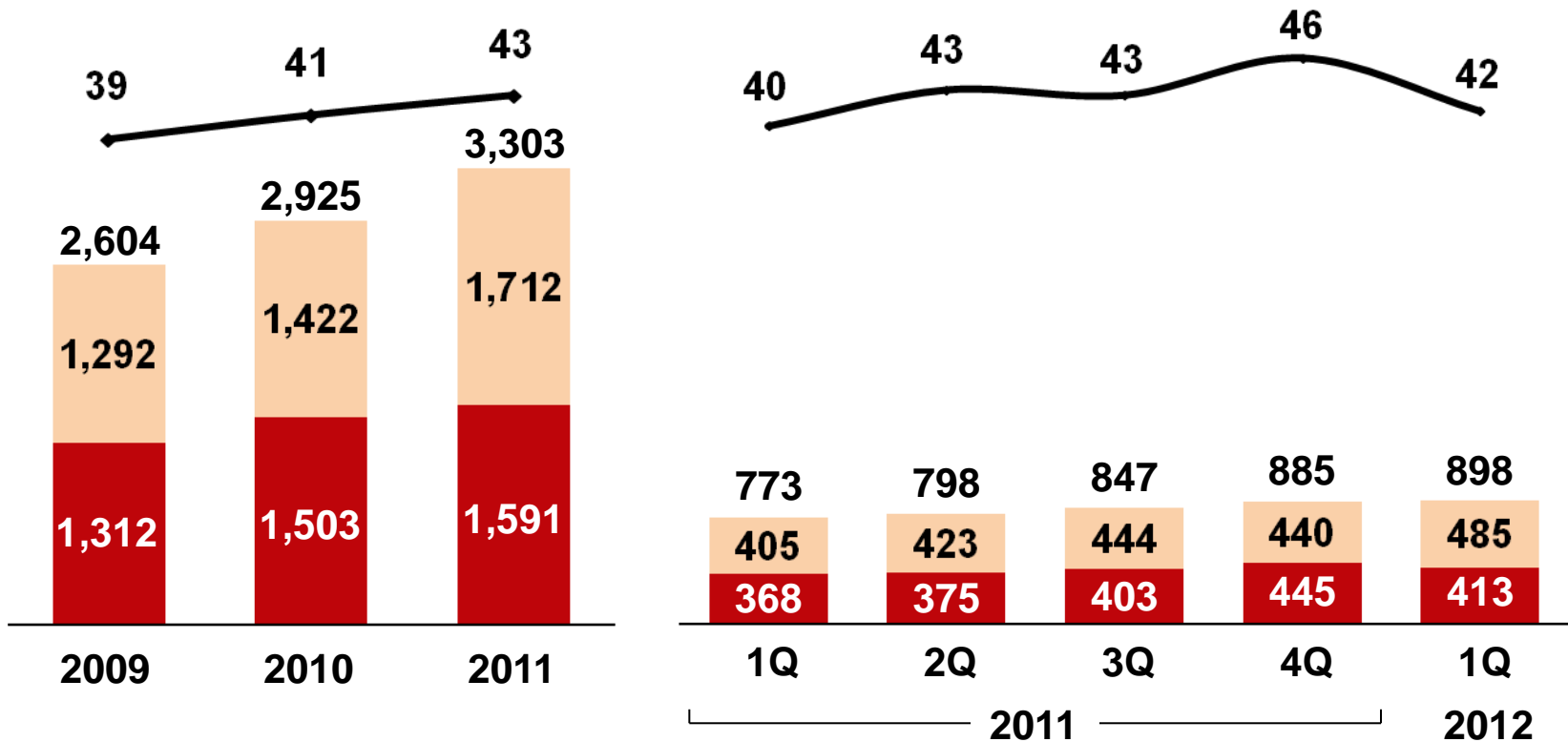
Treasury customer income reaches new high

(S\$m)	1Q 2012	1Q 2011	YoY %	4Q 2011	QoQ %
Customer income	256	225	14	150	71
Other income, principally from balance sheet management, market-making and warehousing	406	304	34	309	31
Total Treasury income	662	529	25	459	44
Customer income as % of total Treasury income	39	43	(4 pt)	33	6 pt

Expenses and cost-income ratio stable on quarter

(S\$m)

Cost / income (%)
 Staff expense
 Other expense



Regional earnings up 50% on quarter

(S\$m)	1Q 2012	1Q 2011	YoY %	4Q 2011	QoQ %
Net interest income	318	232	37	313	2
Non-interest income	117	121	(3)	71	65
Total income	435	353	23	384	13
Expenses	189	153	24	211	(10)
Profit before allowances	246	200	23	173	42
Allowances	23	3	>100	26	(12)
Net profit	196	175	12	131	50

Figures for operations outside of Singapore and Hong Kong

Record earnings on sustained momentum across businesses

- ❑ Earnings underpinned by broad-based income growth
- ❑ Hong Kong operating trends continue to improve
- ❑ Balance sheet remains strong

Hong Kong's local-currency earnings up 48% on quarter on better non-interest income and expenses

Constant-currency terms

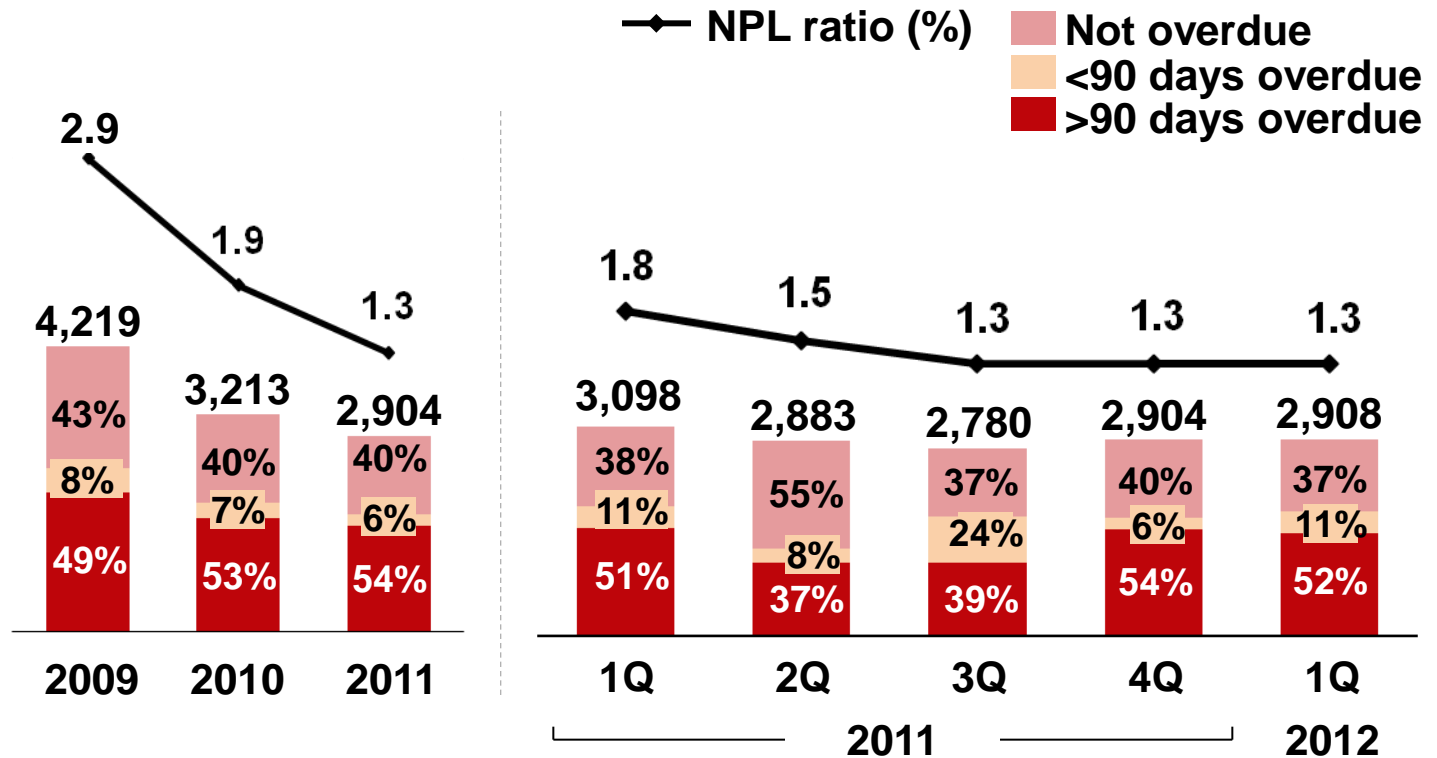
(S\$m)	1Q 2012	1Q 2011	YoY %	YoY %	4Q 2011	QoQ %	QoQ %
Net interest income	209	190	10	11	211	(1)	1
Non-interest income	176	200	(12)	(11)	151	17	19
Total income	385	390	(1)	0	362	6	9
Expenses	155	155	0	1	184	(16)	(14)
Profit before allowances	230	235	(2)	(1)	178	29	32
General allowances	0	7	(100)	(98)	15	(100)	(99)
Specific allowances	2	2	0	(27)	9	(78)	(80)
Allowances	2	9	(78)	(80)	24	(92)	(92)
Net profit	190	190	0	2	130	46	48
Net interest margin (%)	1.34	1.48			1.35		
Loan growth (%)				20			(1)
Deposit growth (%)				13			7

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NPL ratio unchanged at 1.3%

NPA (\$m)



SP/loans (bp)	85	43	11	9	7	9	19	9
Cumulative general and specific allowances as % of:								
NPAs	83	100	126	103	113	124	126	128
Unsecured NPAs	108	127	165	134	148	158	165	172

NPAs remain stable

(S\$m)	1Q 2012	4Q 2011	1Q 2011
NPAs at start of period	2,904	2,780	3,213
New NPAs	133	212	108
Upgrades and recoveries	(96)	(27)	(111)
Write-offs	(33)	(61)	(112)
NPAs at end of period	2,908	2,904	3,098

Specific allowances remain low

(S\$m)	1Q 2012	4Q 2011	1Q 2011
<u>Add charges for</u>			
New NPLs	31	83	20
Existing NPLs	64	39	70
	95	122	90
<u>Subtract charges for</u>			
Settlements	45	20	43
Recoveries	7	10	13
	52	30	56
Total SP charges	43	92	34
SP / average loans (bp)	9	19	9

AFS portfolio diversified between investment-grade government and corporate debt

	Mar 12 (S\$m)	Dec 11 (S\$m)
Singapore government securities	10,733	10,464
Other government securities	11,858	9,616
Supranational, bank and corporate debt securities	10,853	10,474
Equities	1,175	1,157
Total	34,619	31,711
European governments and banks	2,296	2,103
As percentage of total assets	0.7%	0.6%

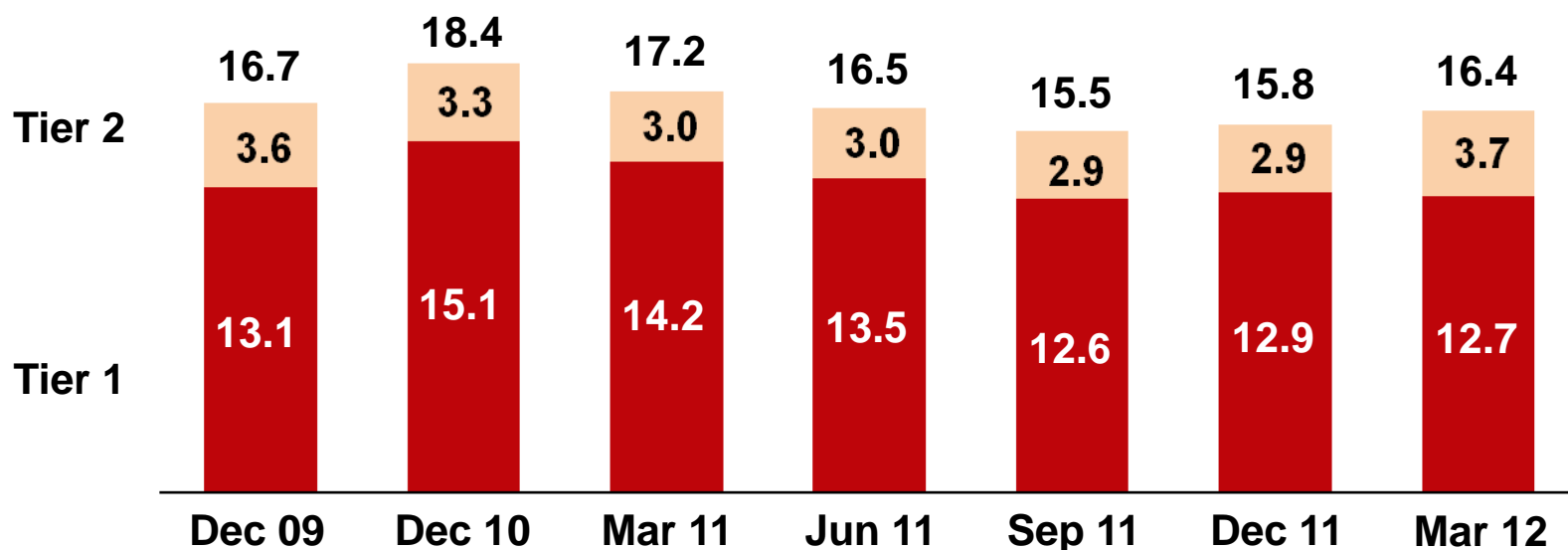
European AFS exposure mostly in AAA entities; no exposure to peripheral countries

(S\$m)	Government / Govt-owned	Bank	Total
Supranational	819*	0	819
Germany	727*	19	746
United Kingdom	583*	132	715
Netherlands	0	16	16
Total	2,129	167	2,296

* Entities rated AAA by S&P and Fitch, and Aaa by Moody's

Capital ratios remain strong

(%)



Core Tier 1 (%) based on deductions that are:

Phased in *	13.1	14.5	14.1	13.5	12.6	12.9	12.7
Full	11.0	11.8	11.5	11.5	10.7	11.0	10.9
RWA (S\$bn)	177	183	190	198	214	214	220

* Phased-in deduction (of mainly goodwill) against core equity (0% until 31 December 2013)

In summary – record earnings on sustained momentum across businesses

Sustained business growth momentum has generated record income and earnings

Balance sheet remains strong

We remain well-positioned to capture opportunities across the region

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