



Live more,  
Bank less

# **Record quarterly and half-yearly performance**

**DBS Group Holdings  
2Q 2023 financial results  
August 3, 2023**

# Highlights

## **2Q net profit up 48% to record \$2.69bn with ROE at 19.2% as total income crosses \$5bn**

- Commercial book total income up 40% YoY to \$4.87bn from broad-based growth
  - NIM rises 96bp YoY and 12bp QoQ
  - Fee income up 7% YoY, first YoY increase in six quarters
  - Treasury customer sales and other income up 21% YoY
- Treasury Markets trading income declines 34% YoY to \$177m due to higher funding costs
- Cost-income ratio improves 6%pt YoY to 38%

## **1H net profit up 45% to record \$5.26bn, ROE at 18.9%**

- Total income up 34% to \$10.0bn as higher commercial book NIM, card fees and treasury customer income moderated by lower Treasury Markets trading income
- Expenses up 15% YoY and stable HoH

## **Asset quality, liquidity and capital**

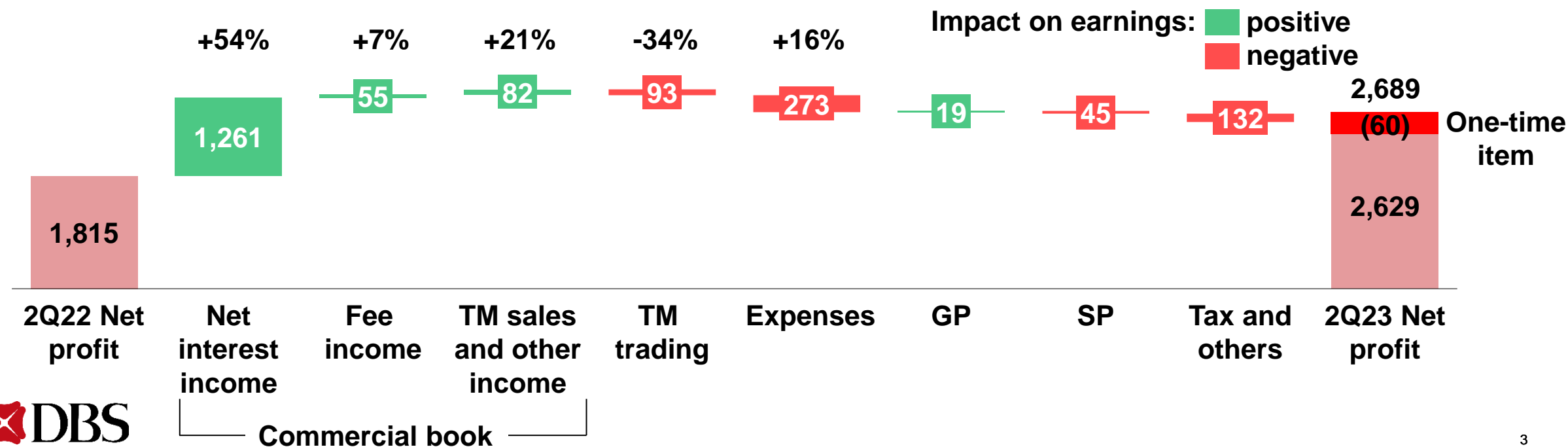
- NPL ratio unchanged QoQ at 1.1% as new NPA formation low and offset by repayments and write-offs
- SP at 10bp for 2Q and 8bp for 1H, allowance coverage at 127% and at 224% after considering collateral
- Liquidity ample with LCR at 146% and NSFR at 116%
- CET-1 at 14.1%

**2Q dividend at 48¢ per share, up 6¢ from previous payout, bringing 1H dividend to 90¢ per share**

# 2Q net profit up 48% YoY to record as total income crosses \$5bn

(S\$m)		2Q23	YoY %
Total income	record	5,045	35
Commercial book		4,868	40
TM trading		177	(34)
Expenses		1,931	16
Profit before allowances	record	3,114	50
Allowances		72	57
Net profit	record	2,689	48
Net profit incl one-time item		2,629	45

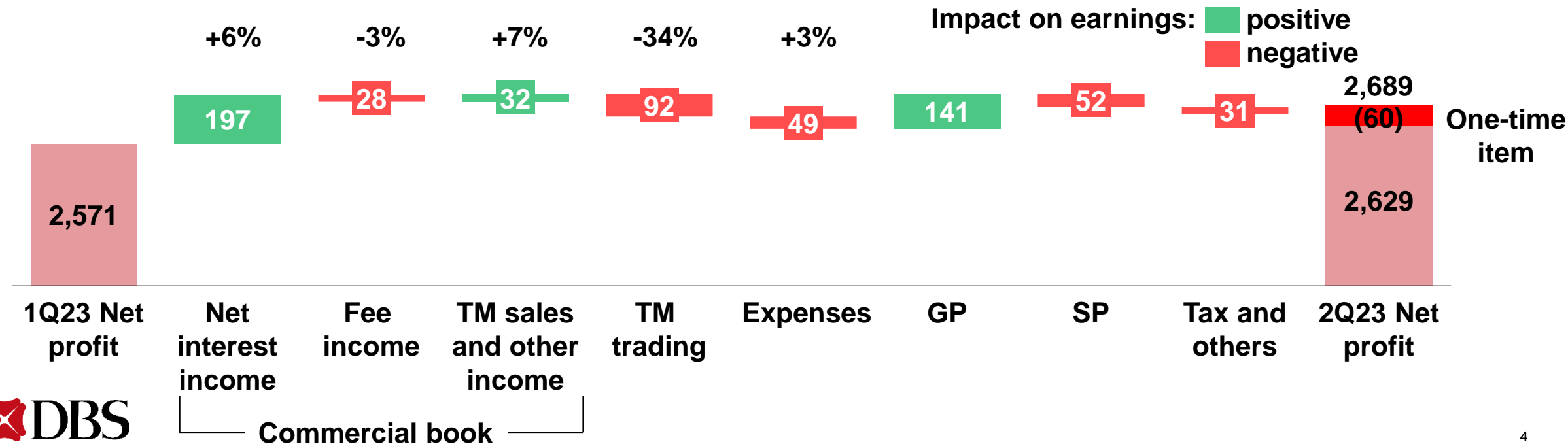
- Commercial book total income up 40% from higher NIM and broad-based non-interest income growth
- TM trading income declines 34% from higher funding costs
- Positive jaw of 19%pt, cost-income ratio at 38%
- SP at 10bp of loans



# 2Q net profit rises 5% QoQ

(S\$m)		2Q23	QoQ %
Total income	record	5,045	2
Commercial book		4,868	4
TM trading		177	(34)
Expenses		1,931	3
Profit before allowances	record	3,114	2
Allowances		72	(55)
Net profit	record	2,689	5
Net profit incl one-time item		2,629	2

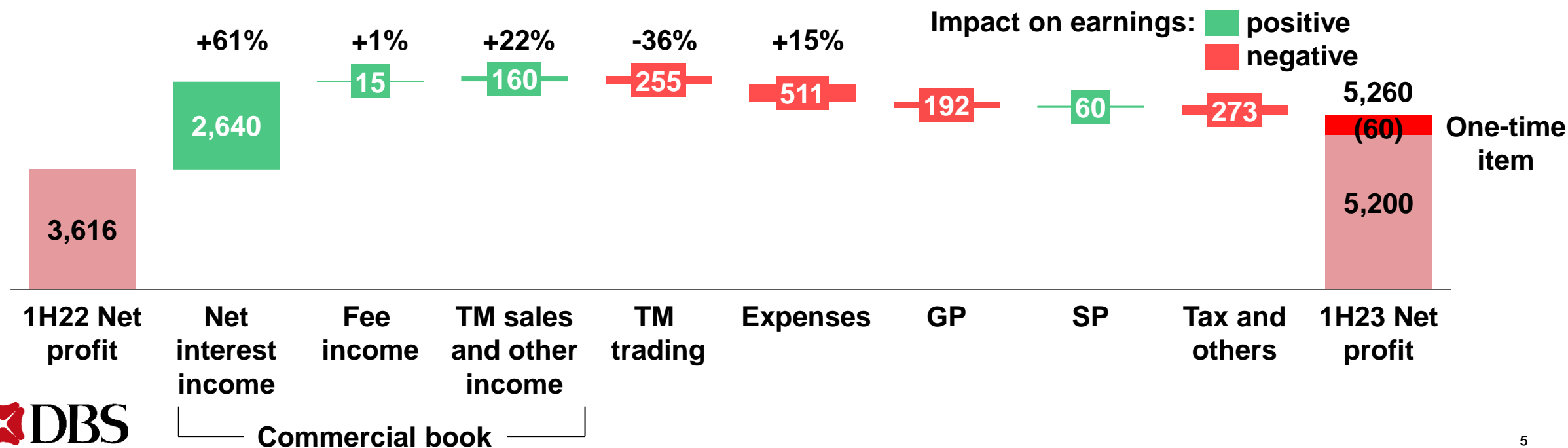
- Commercial book total income up 4% as NIM increases 12bp
- Fee income decline of 3% offset by 7% increase in treasury sales and other income
- TM trading income down 34% from higher funding costs
- Expenses in line with previous quarter



# 1H net profit up 45% to record as total income rises 34%

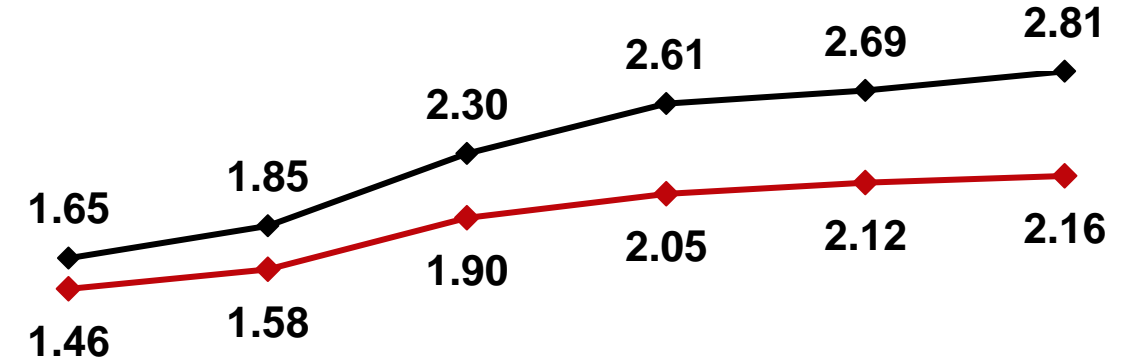
(S\$m)		1H23	YoY %
Total income	record	9,981	34
Commercial book		9,535	42
TM trading		446	(36)
Expenses		3,813	15
Profit before allowances	record	6,168	50
Allowances		233	>100
Net profit	record	5,260	45
Net profit incl one-time item		5,200	44

- Commercial book total income up 42% from higher NIM and treasury customer sales
- TM trading income declines 36% from higher funding costs
- Expenses up 15% YoY and stable HoH, cost-income ratio at 38%
- SP at 8bp of loans, GP of \$57m taken

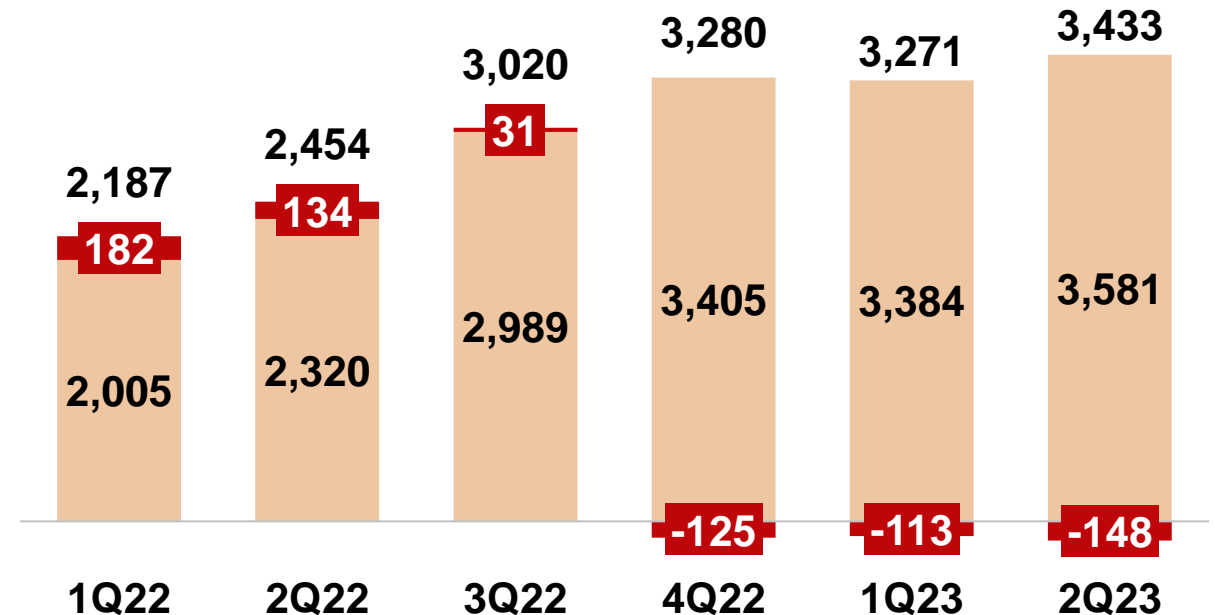
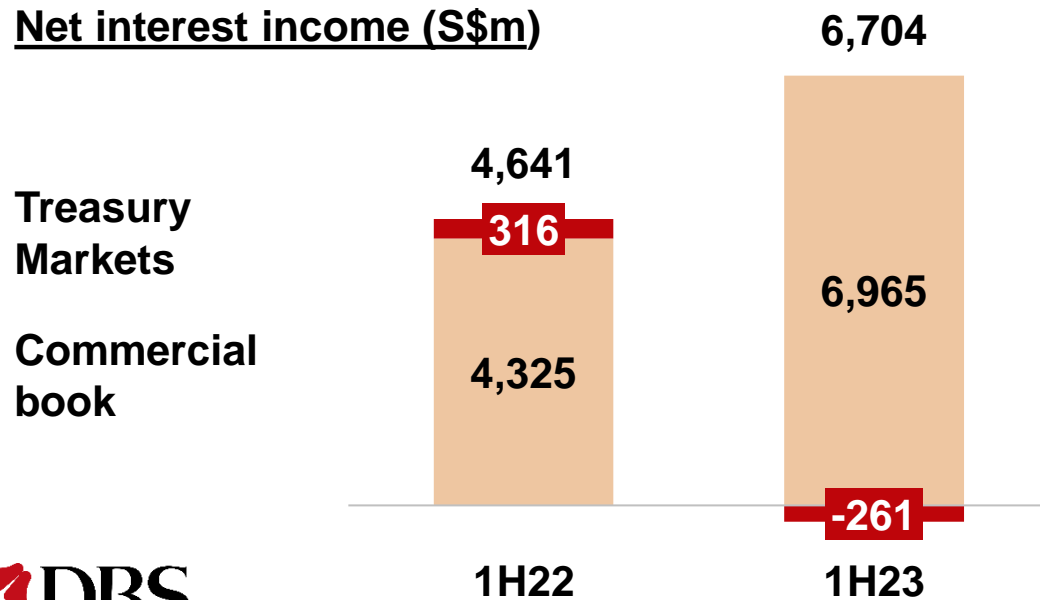


# 2Q commercial book net interest income up 6% QoQ as NIM rises 12bp to 2.81%

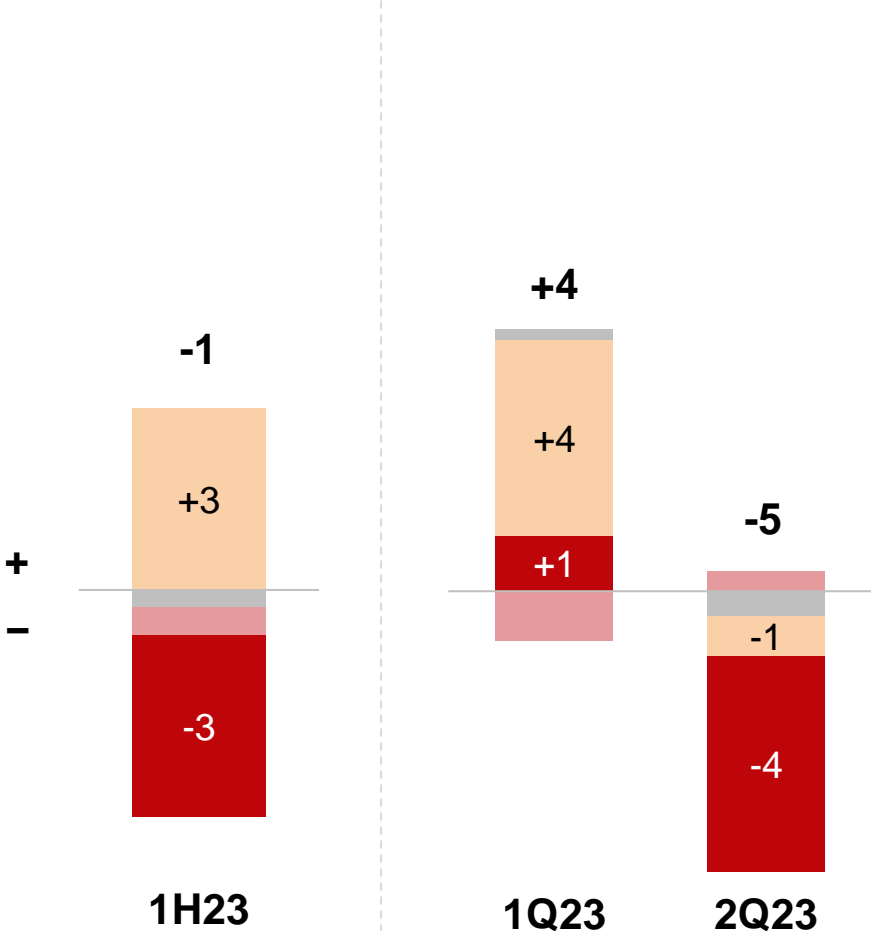
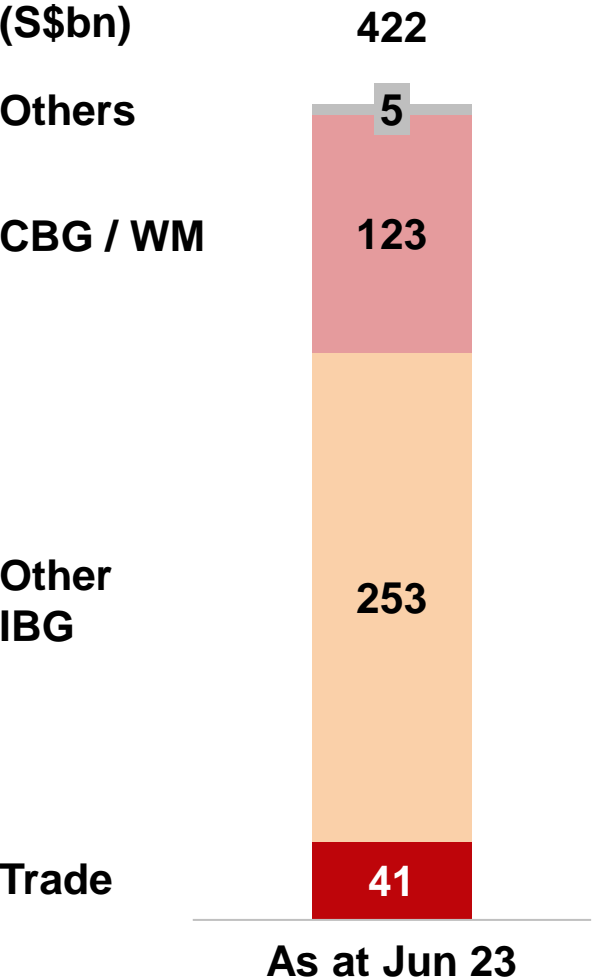
Net interest margin (%)



Net interest income (S\$m)



# Loans decline 1% QoQ mainly from lower trade loans



In constant-currency terms

- 2Q loans decline \$5bn QoQ as maturing trade loan exposures were not replaced due to general market slowdown and unattractive pricing
- 1H loans stable as non-trade loan growth of \$3bn was offset by contraction in trade loans

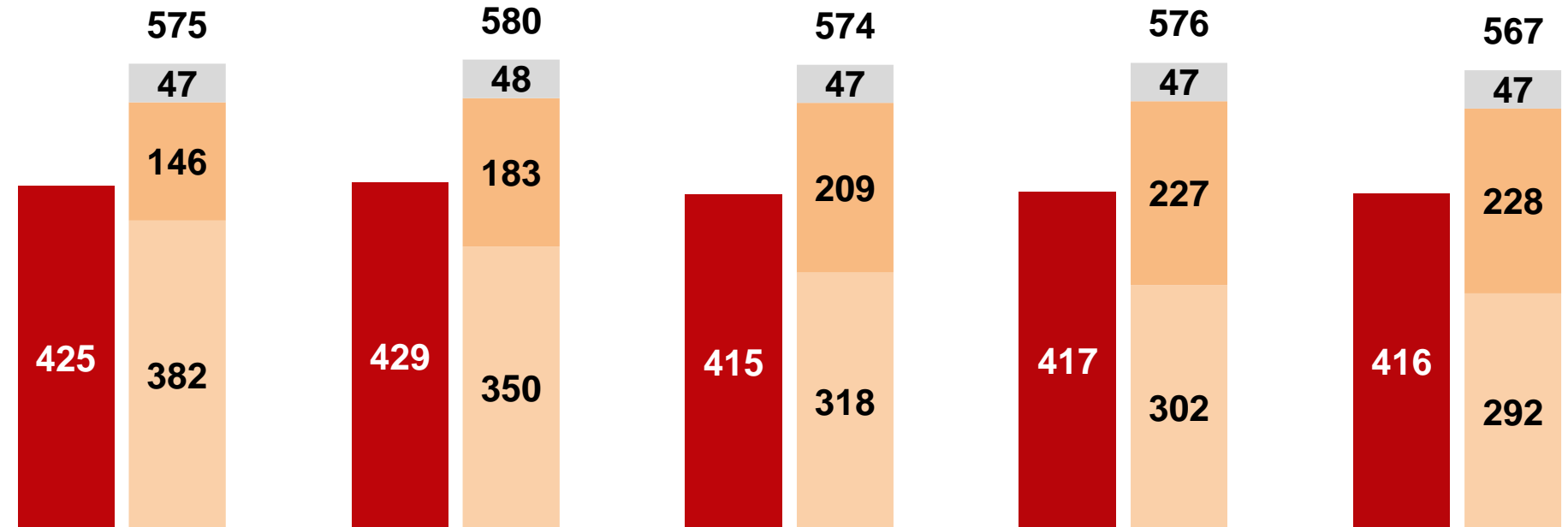


Gross loans

Constant-currency change

# Deposits decline QoQ with liquidity remaining ample

(S\$bn)



Jun 22

Sep 22

Dec 22

Mar 23

Jun 23

HQLA (S\$bn)

140

138

145

144

149

Ratios (%)

LDR

80

81

79

79

80

LCR

142

133

146

147

146

NSFR

118

114

117

118

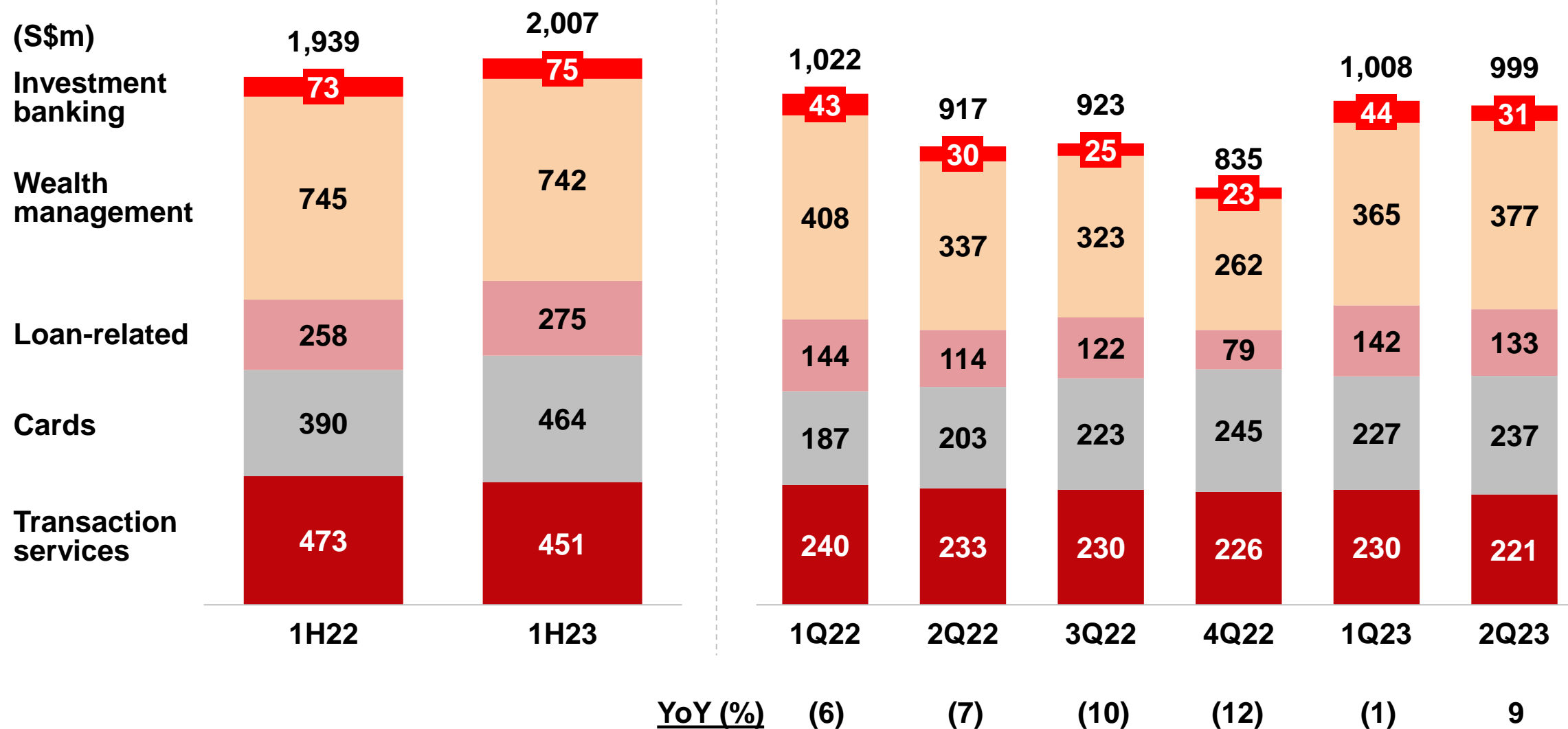
116



HQLA is high quality liquid assets; Other funding comprises senior medium term notes, commercial papers, negotiable certificates of deposit, other debt securities and covered bonds



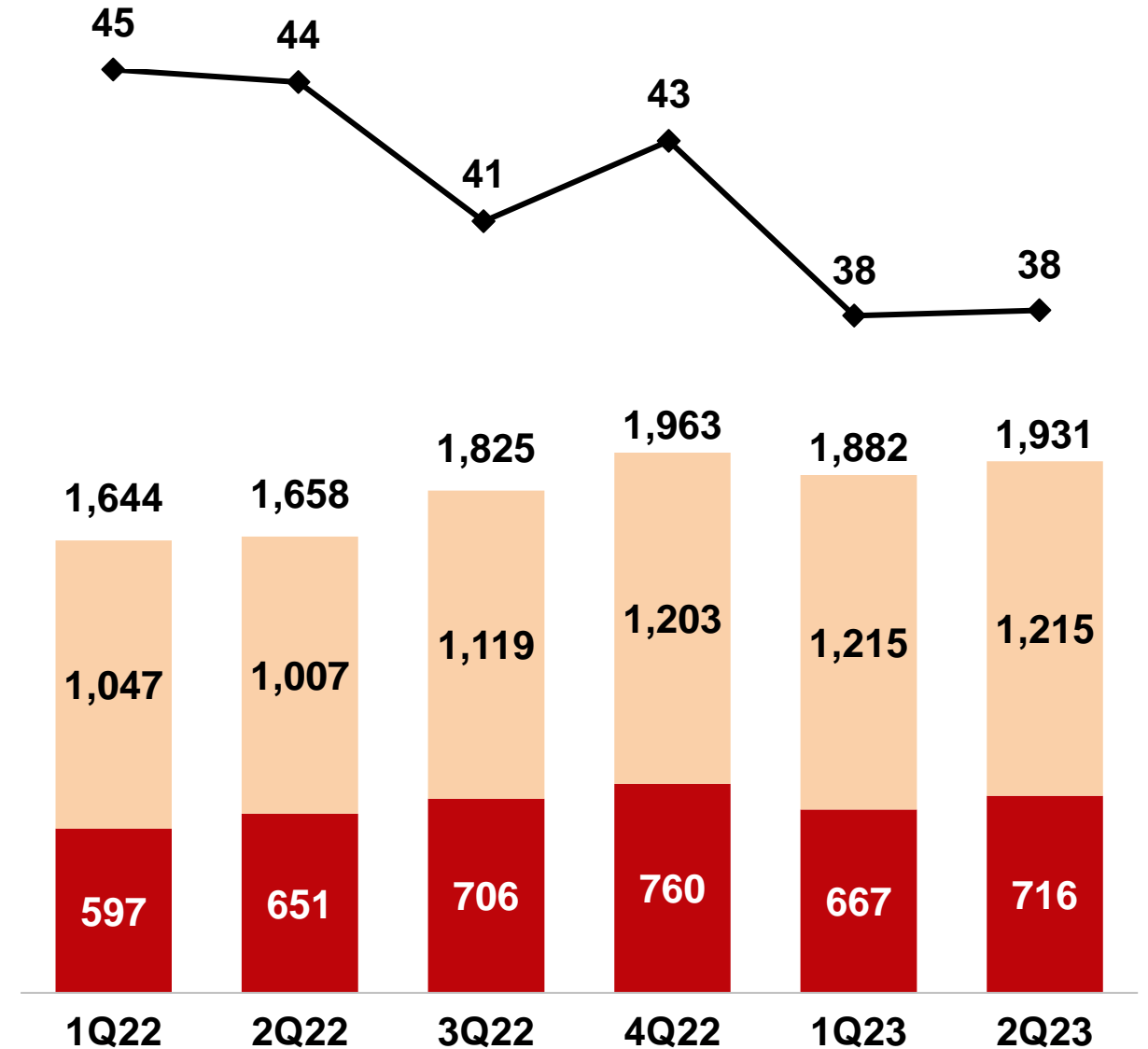
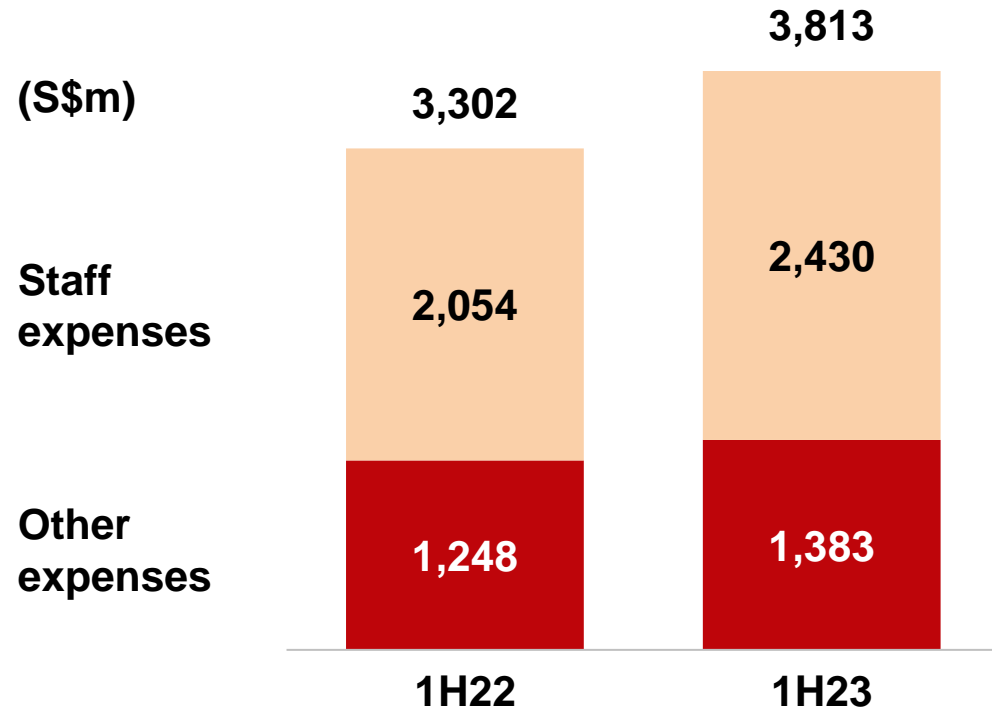
# 2Q fee income rises YoY for first time in six quarters



Gross fee income

# 1H expenses stable HoH, cost-income ratio improves 6%pt YoY to 38%

Cost / income (%)



# 1H CBG income up 48%

(S\$m)	1H22	1H23	YoY %
<b>Total income</b>	<b>2,884</b>	<b>4,272</b>	<b>48</b>
Loans and deposits	1,496	2,864	91
Investment products	973	1,051	8
Cards	373	313	(16)
Others	42	44	5
<b>Expenses</b>	<b>1,788</b>	<b>2,050</b>	<b>15</b>
<b>Profit before allowances</b>	<b>1,096</b>	<b>2,222</b>	<b>&gt;100</b>
<b>AUM (S\$bn)</b>	<b>294</b>	<b>320</b>	<b>9</b>
<b>SGD savings (S\$bn)</b>	<b>162</b>	<b>132</b>	<b>(18)</b>
<b>Total CBG deposits (S\$bn)</b>	<b>281</b>	<b>278</b>	<b>(1)</b>

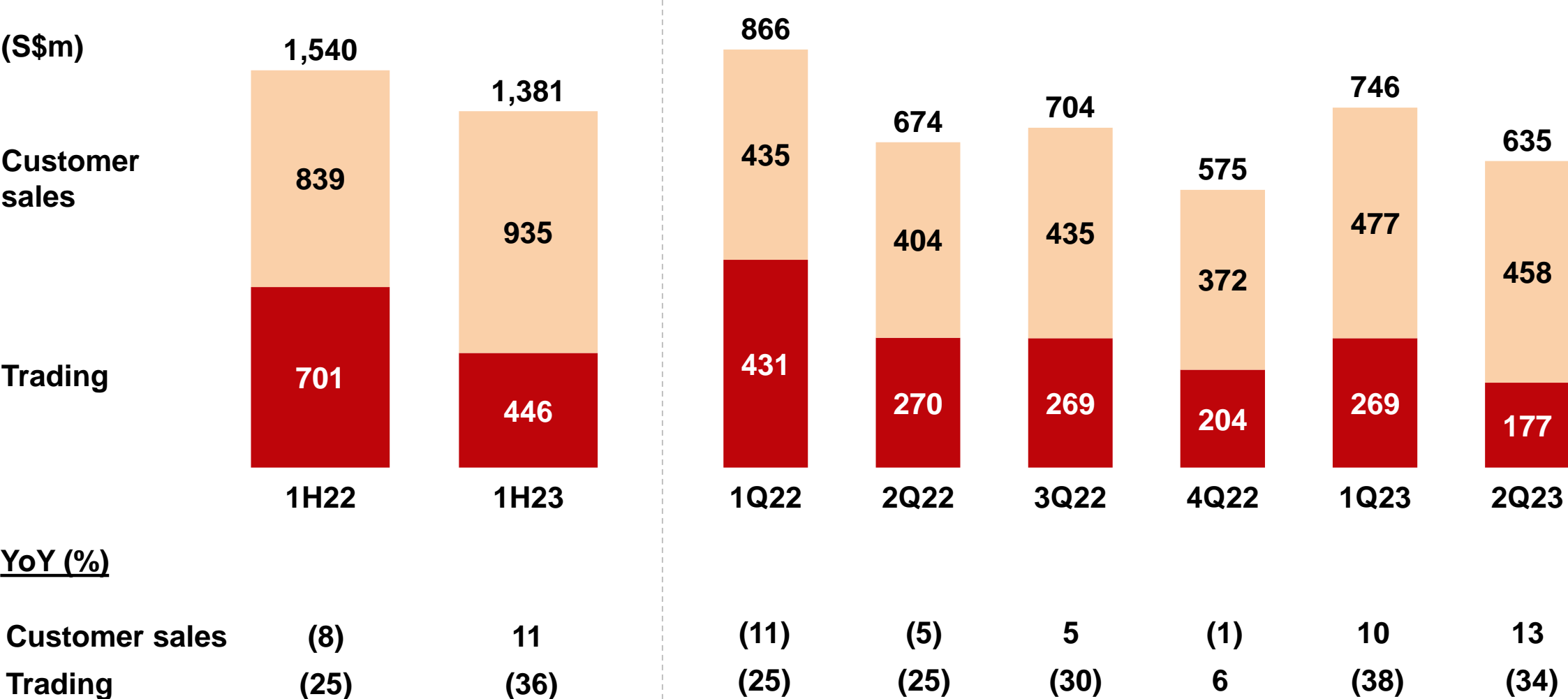
- 1H total income up 48% to \$4.27bn
- Higher income from loans and deposits, as well as investment products
- Wealth management AUM increase 9% to record \$320 billion
- Market share of savings deposits and Singapore housing loans maintained

# 1H IBG income up 38%

(S\$m)	1H22	1H23	YoY %
<b>Total income</b>	<b>3,392</b>	<b>4,693</b>	<b>38</b>
Loans	1,742	1,702	(2)
Trade	387	345	(11)
Cash / SFS	752	2,131	>100
Treasury	459	459	0
Investment banking	52	56	8
<b>Expenses</b>	<b>1,067</b>	<b>1,202</b>	<b>13</b>
<b>Profit before allowances</b>	<b>2,325</b>	<b>3,491</b>	<b>50</b>
<b>Assets (S\$bn)</b>	<b>334</b>	<b>326</b>	<b>(2)</b>
<b>GTS deposits (S\$bn)</b>	<b>199</b>	<b>187</b>	<b>(6)</b>

- 1H total income up 38% to \$4.69bn
- Increase led by tripling of cash management income, partially offset by decline in trade income
- GTS deposits decline 6% from outflow of higher-cost deposits

# 1H TM customer sales income rises to record, trading income declines



Treasury Markets business unit income excludes customer sales income, which is reflected in IBG and CBG business unit income. Both types of income are included in this chart for a complete view.

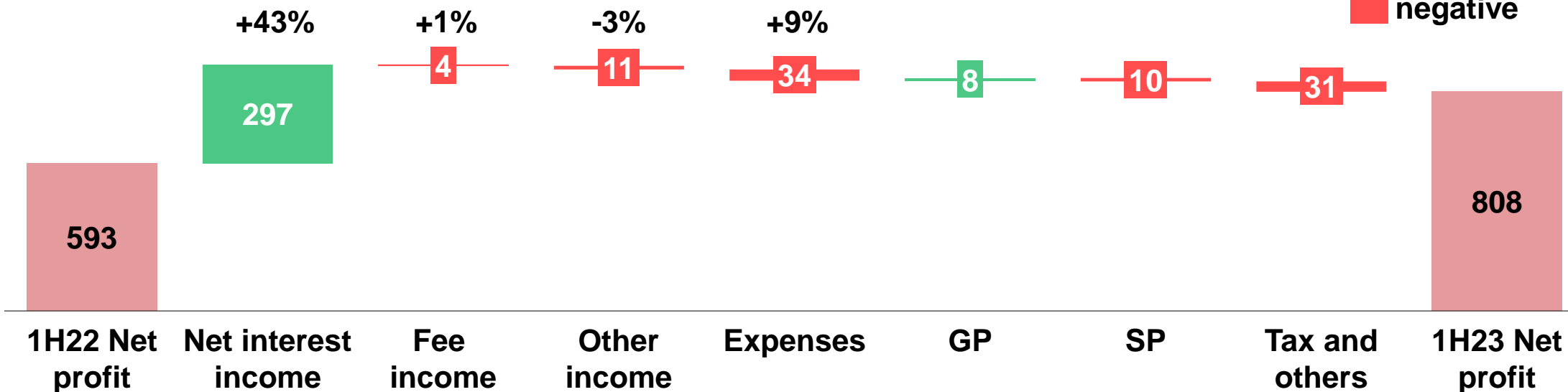
# 1H Hong Kong net profit up 39%

(S\$m)	1H23	YoY %	Constant-currency YoY%
Total income	1,574	22	25
Expenses	573	6	9
Profit before allowances	1,001	33	36
Allowances	45	5	6
Net profit	808	36	39

- Net interest income up 43% from higher NIM
- Non-interest income little changed
- Expenses up 9%, positive jaw of 16%pt
- Total allowances up 6%, SP at 16bp

Constant-currency change YoY%:

Impact on earnings: ■ positive ■ negative



## 2Q NPA formation remains low, NPL ratio unchanged at 1.1%

(S\$m)	1H22	1H23	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23
<b>NPAs at start of period</b>	<b>5,849</b>	<b>5,125</b>	<b>5,849</b>	<b>5,981</b>	<b>5,908</b>	<b>5,600</b>	<b>5,125</b>	<b>4,951</b>
<b>IBG and others</b>	<b>90</b>	<b>(138)</b>	<b>187</b>	<b>(98)</b>	<b>(346)</b>	<b>(207)</b>	<b>(133)</b>	<b>(5)</b>
New NPAs	704	379	465	271	278	350	218	166
Upgrades, settlements and recoveries	(409)	(385)	(269)	(173)	(411)	(357)	(251)	(139)
Write-offs	(205)	(132)	(9)	(196)	(213)	(200)	(100)	(32)
<b>CBG / WM</b>	<b>(55)</b>	<b>(16)</b>	<b>(41)</b>	<b>(14)</b>	<b>(26)</b>	<b>(31)</b>	<b>(9)</b>	<b>(7)</b>
<b>Translation</b>	<b>24</b>	<b>19</b>	<b>(14)</b>	<b>39</b>	<b>64</b>	<b>(237)</b>	<b>(32)</b>	<b>51</b>
<b>NPAs at end of period</b>	<b>5,908</b>	<b>4,990</b>	<b>5,981</b>	<b>5,908</b>	<b>5,600</b>	<b>5,125</b>	<b>4,951</b>	<b>4,990</b>
<b>NPL ratio (%)</b>	<b>1.3</b>	<b>1.1</b>	<b>1.3</b>	<b>1.3</b>	<b>1.2</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>



Quarterly movements may not sum up to the half year as the presentation is based on the classification of the borrower in the respective period

# 2Q SP at 10bp, 1H at 8bp

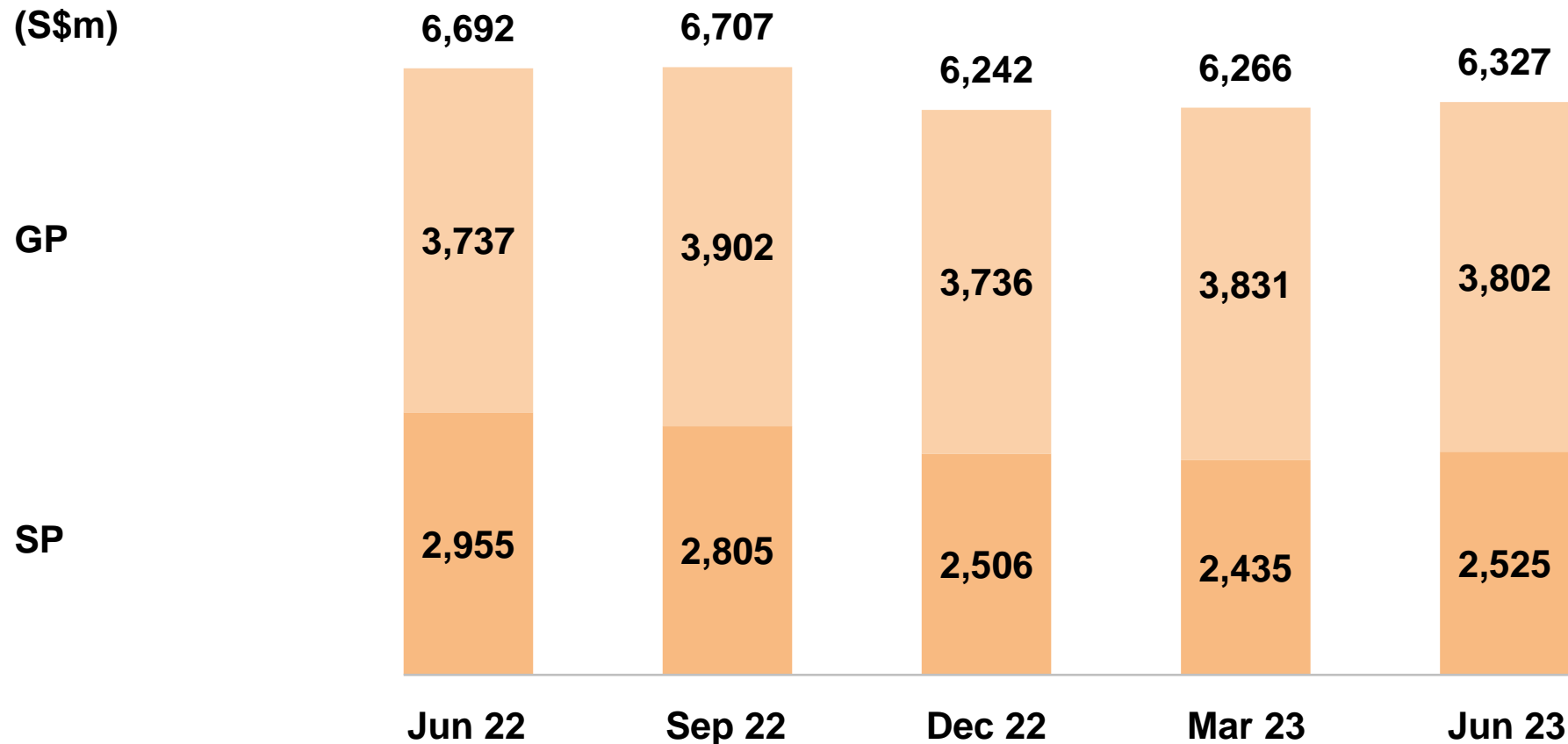
(S\$m)	1H22	2H22	1H23	1Q23	2Q23
<b>IBG and others</b>	<b>174</b>	<b>20</b>	<b>81</b>	<b>24</b>	<b>57</b>
<b>Add charges for</b>	<b>270</b>	<b>217</b>	<b>185</b>	<b>84</b>	<b>110</b>
New NPLs	223	74	104	17	87
Existing NPLs	47	143	81	67	23
<b>Subtract charges for</b>	<b>96</b>	<b>197</b>	<b>104</b>	<b>60</b>	<b>53</b>
Upgrades	1	47	1	1	0
Settlements	80	125	80	50	39
Recoveries	15	25	23	9	14
<b>CBG / WM</b>	<b>64</b>	<b>65</b>	<b>83</b>	<b>34</b>	<b>49</b>
<b>SP charges for loans</b>	<b>238</b>	<b>85</b>	<b>164</b>	<b>58</b>	<b>106</b>
<b>Other credit exposures</b>	<b>(3)</b>	<b>12</b>	<b>14</b>	<b>4</b>	<b>10</b>
<b>Total SP charges</b>	<b>235</b>	<b>97</b>	<b>178</b>	<b>62</b>	<b>116</b>
<b>SP / loans (bp)</b>	<b>11</b>	<b>4</b>	<b>8</b>	<b>6</b>	<b>10</b>



Quarterly movements may not sum up to the half year as the presentation is based on the classification of the borrower in the respective period



# Allowance coverage at 127%

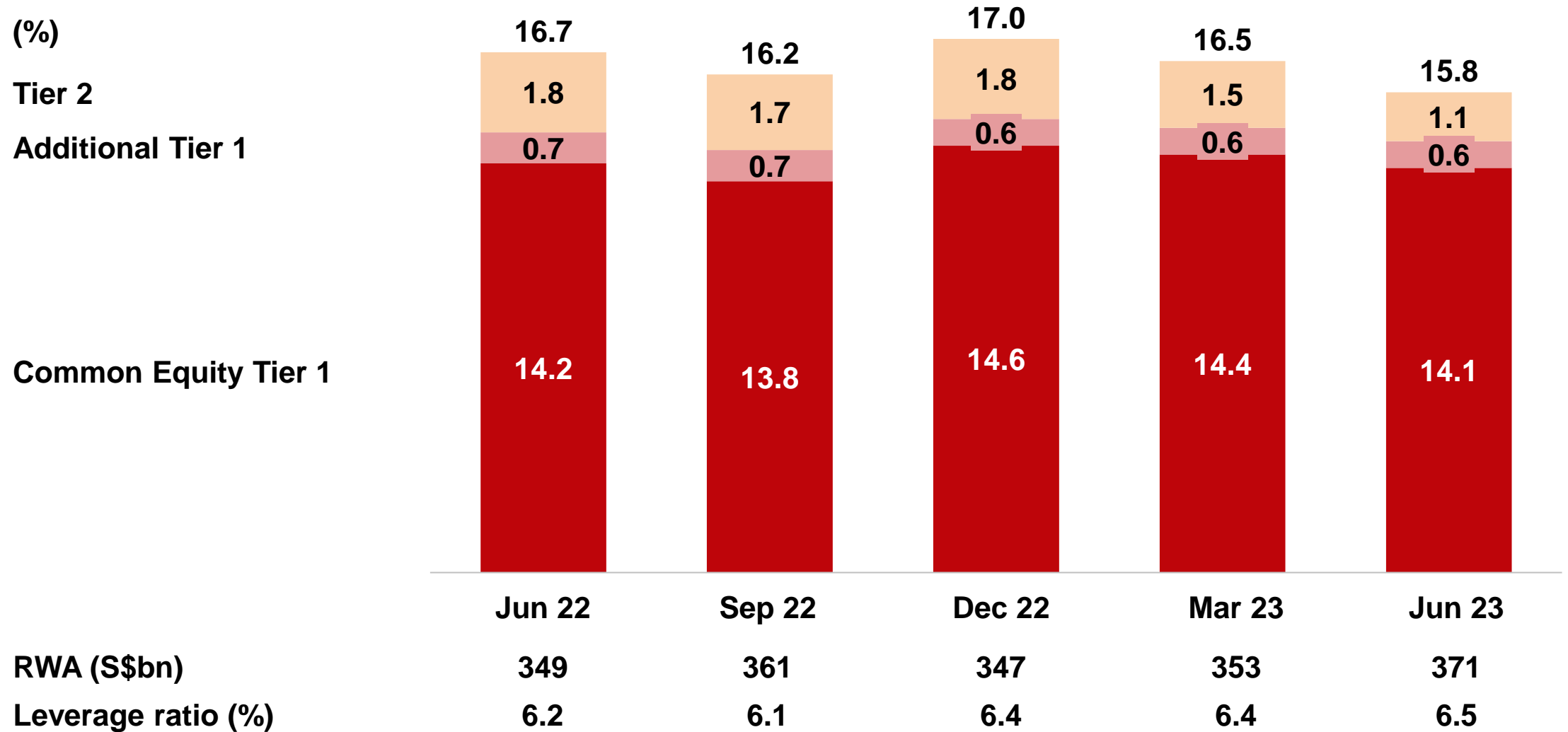


■ Allowance coverage comfortably above 100% and exceeds 200% after considering collateral

Total allowance reserves as % of:

NPA	113	120	122	127	127
Unsecured NPA	199	216	215	229	224

# Strong CET-1 and leverage ratios



# Dividend guidance at May 2023 Investor Day

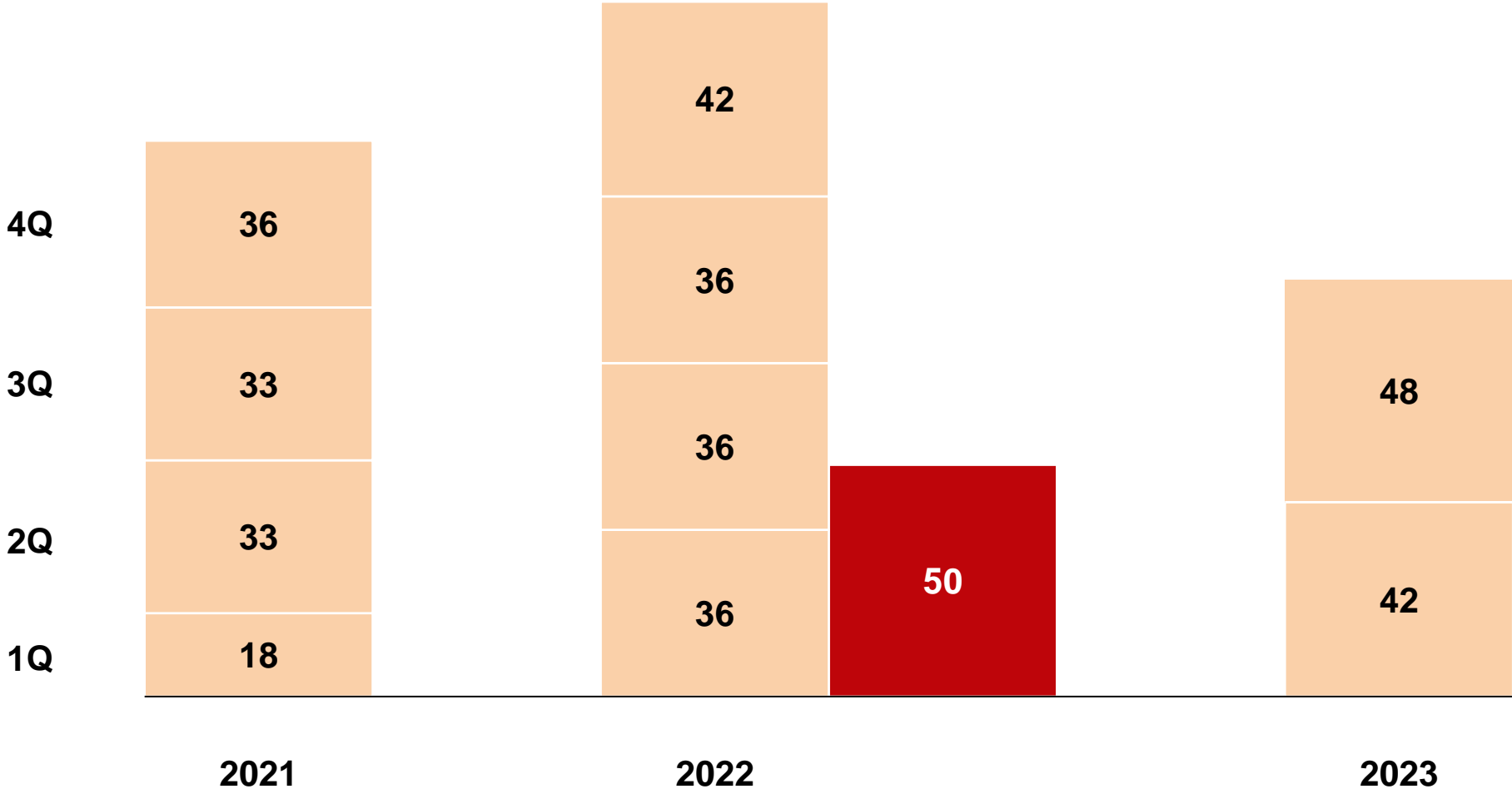
**Baseline: +24 cents per year sustainable in the medium term, barring unforeseen circumstances**

**Further upside of \$3b based on CET-1 operating range of 12.5-13.5%, distribution could be in further ordinary dividend step-up, special dividend or buyback. Pace dependent on business conditions and macroeconomic outlook**

# 2Q dividend raised to 48 cents per share in line with guidance, bringing 1H dividend to 90 cents per share

(S¢ per share)

- Ordinary
- Special



# **In summary**

**Record performance with 2Q and 1H total income, net profit and ROE at new highs**

**Commercial book benefited from higher interest rates and broad-based growth in non-interest income, moderated by higher funding costs for Treasury Markets**

**While there is some macroeconomic uncertainty, our prospects for rest of year are anchored on franchise with proven ability to capture business opportunities**

**Longstanding prudence in building general allowance reserves and maintaining strong capital ratios position us well to withstand headwinds**



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# Supplementary slides

**DBS Group Holdings  
2Q 2023 financial results  
August 3, 2023**

# 1H net profit up 45% to record \$5.26bn

(S\$m)	1H23	1H22	YoY %
<b>Net interest income</b>	<b>6,704</b>	<b>4,641</b>	<b>44</b>
Fee income	1,674	1,659	1
Trading income	1,434	1,060	35
Other income	169	61	>100
<b>Non-interest income</b>	<b>3,277</b>	<b>2,780</b>	<b>18</b>
<b>Total income</b>	<b>9,981</b>	<b>7,421</b>	<b>34</b>
Staff expenses	2,430	2,054	18
Other expenses	1,383	1,248	11
<b>Expenses</b>	<b>3,813</b>	<b>3,302</b>	<b>15</b>
<b>Profit before allowances</b>	<b>6,168</b>	<b>4,119</b>	<b>50</b>
GP	57	(135)	NM
SP	176	236	(25)
<b>Allowances</b>	<b>233</b>	<b>101</b>	<b>&gt;100</b>
Share of profits/losses of associates and JVs	105	118	(11)
<b>Net profit</b>	<b>5,260</b>	<b>3,616</b>	<b>45</b>
One-time items	(60)	-	NM
<b>Net profit incl. one-time items</b>	<b>5,200</b>	<b>3,616</b>	<b>44</b>



One-time item in 1H23 for Citi Taiwan integration costs

# 1H Hong Kong net profit up 39%

Constant-currency terms

(S\$m)	1H23	1H22	YoY %	YoY %
Net interest income	1,035	738	40	43
Net fee and commission income	350	354	(1)	1
Other non-interest income	189	200	(6)	(3)
<b>Total income</b>	<b>1,574</b>	<b>1,292</b>	<b>22</b>	<b>25</b>
<b>Expenses</b>	<b>573</b>	<b>539</b>	<b>6</b>	<b>9</b>
<b>Profit before allowances</b>	<b>1,001</b>	<b>753</b>	<b>33</b>	<b>36</b>
GP	(12)	(4)	(>100)	NM
SP	57	47	21	24
<b>Allowances</b>	<b>45</b>	<b>43</b>	<b>5</b>	<b>6</b>
<b>Net profit</b>	<b>808</b>	<b>593</b>	<b>36</b>	<b>39</b>
<b>Net interest margin (%)</b>	<b>1.79</b>	<b>1.18</b>		
<b>Loan growth (%)</b>				(13)
Non-trade growth (%)				(11)
Trade growth (%)				(31)
<b>Deposit growth (%)</b>				<b>(14)</b>



# NPL ratio at 1.1%, allowance coverage above 100%

NPL ratio (%)

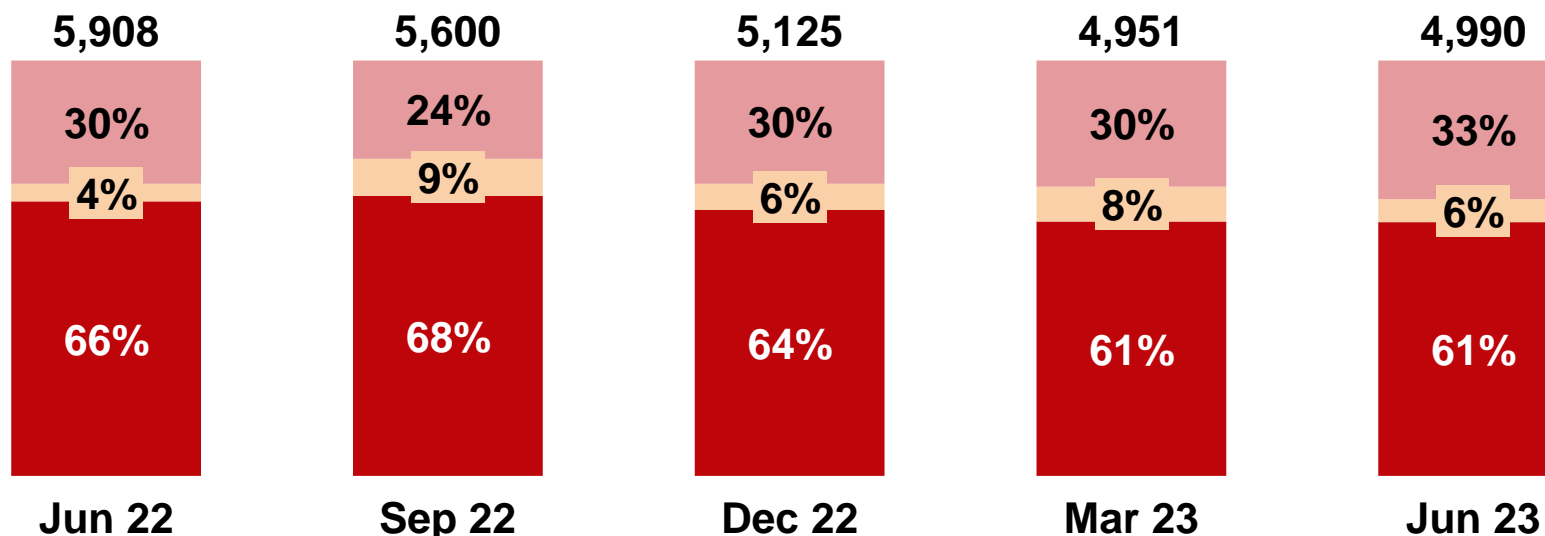


NPA (S\$m)

Not overdue

Within 90 days overdue

More than 90 days overdue



SP / loans (bp)

Total allowances as % of:

NPA

Unsecured NPA

8	2	6	6	10
113	120	122	127	127
199	216	215	229	224



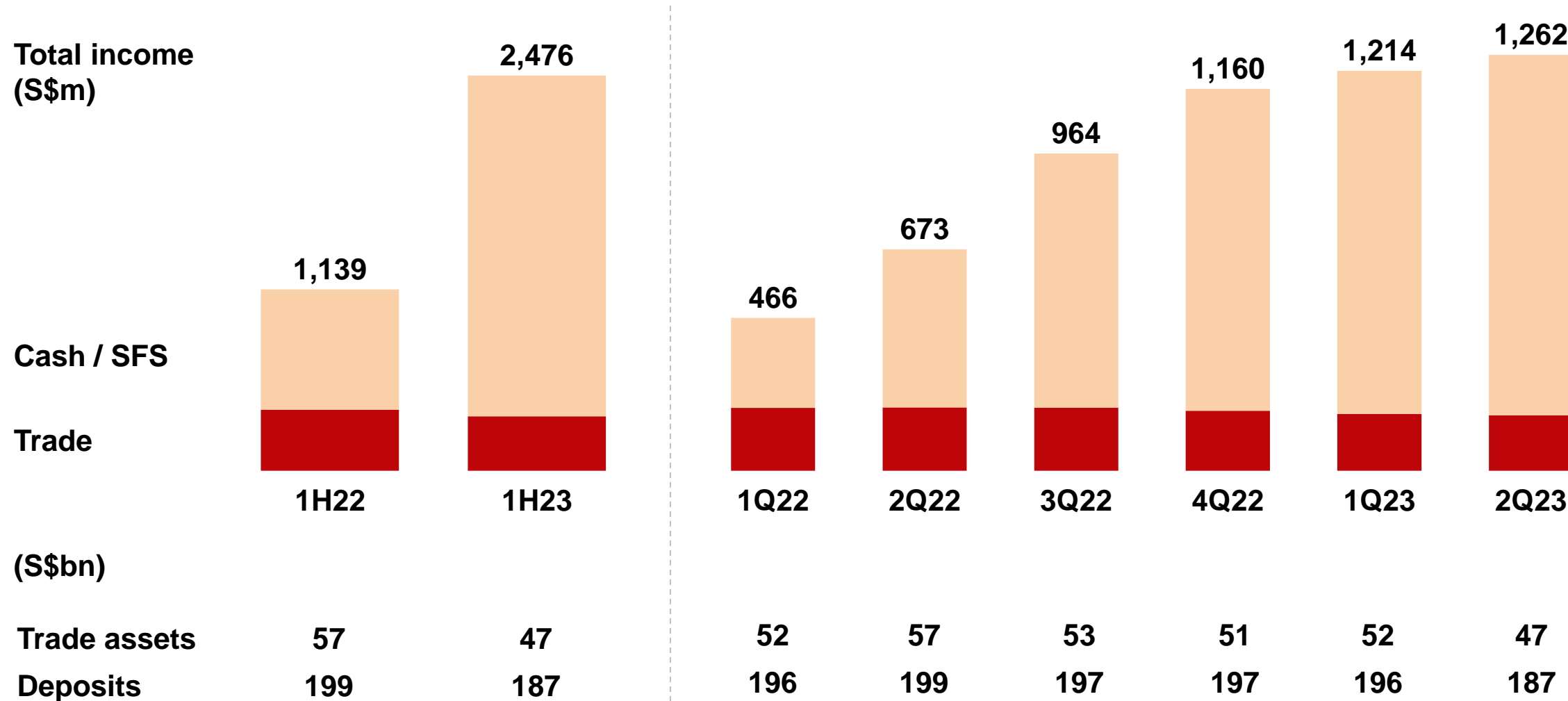
# Fixed income duration remains short

(\$m)	Jun 23	
	FVOCI	HTC
<b>Government securities</b>	<b>32,677</b>	<b>21,965</b>
Less than 3 years	25,300	7,738
3 to 5 years	3,176	4,494
5 to 10 years	3,615	8,752
More than 10 years	586	981
<b>Supranational, bank and corporate bonds</b>	<b>21,067</b>	<b>34,838</b>
<b>Total</b>	<b>53,744</b>	<b>56,803</b>

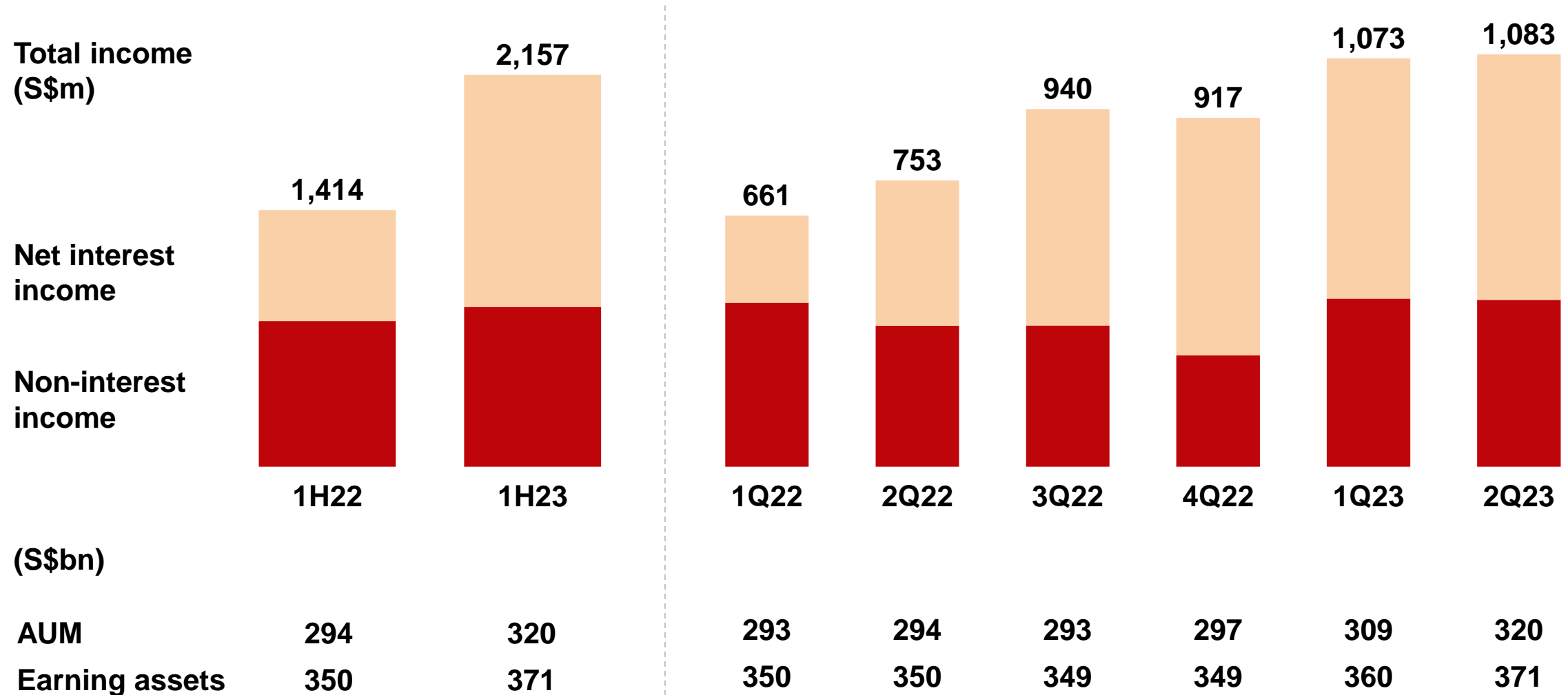
# Deposits decline 2% HoH, stable YoY

	(S\$bn)	HoH (%)		YoY (%)	
	Jun-23	Reported	Underlying	Reported	Underlying
<b>Deposits</b>	<b>520</b>	<b>(1)</b>	<b>(2)</b>	<b>(1)</b>	<b>0</b>
<b>By product</b>					
Casa	292	(8)	(8)	(24)	(22)
Fixed deposits and others	228	9	8	56	61
<b>By currency</b>					
Singapore dollar	206	(4)	(4)	(8)	(8)
US dollar	200	1	(0)	6	9
HK dollar	33	(8)	(9)	(13)	(11)
Chinese yuan	20	(8)	(5)	2	13
Others	61	6	4	6	10
<b>LDR (%)</b>	<b>Jun-23</b>	<b>Dec-22</b>	<b>Jun-22</b>		
<b>Overall</b>	<b>80</b>	<b>79</b>	<b>80</b>		
Singapore dollar	80	77	72		
US dollar	55	58	69		

# 1H GTS income doubles to \$2.48bn



# 1H wealth management income up 53%



Comprising Treasures, Treasures Private Client and Private Bank



Live more,  
Bank less

# **Record quarterly and half-yearly performance**

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