

# Record earnings as income reaches new high

**DBS Group Holdings  
1Q 2013 financial results  
May 2, 2013**

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# Record earnings as income reaches new high

- ❑ Earnings underpinned by broad-based income growth
- ❑ Hong Kong earnings at a record
- ❑ Balance sheet remains robust

# 1Q profit up 25% on quarter to a record

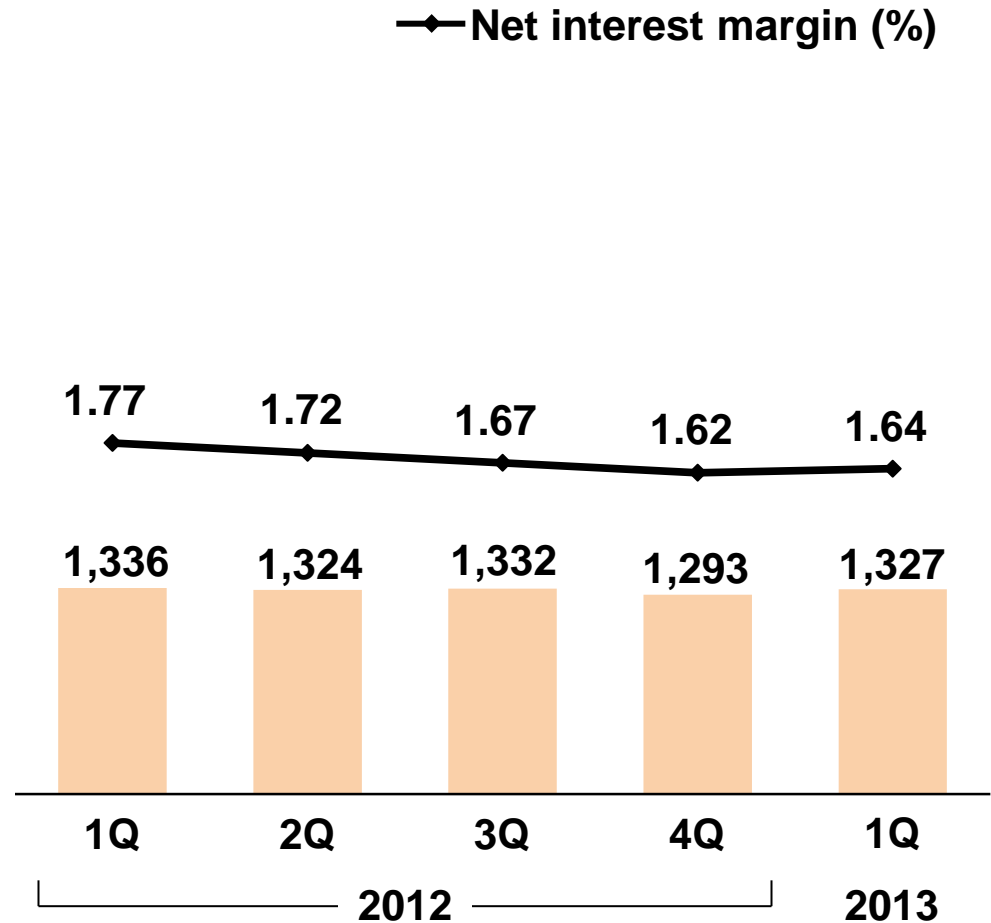
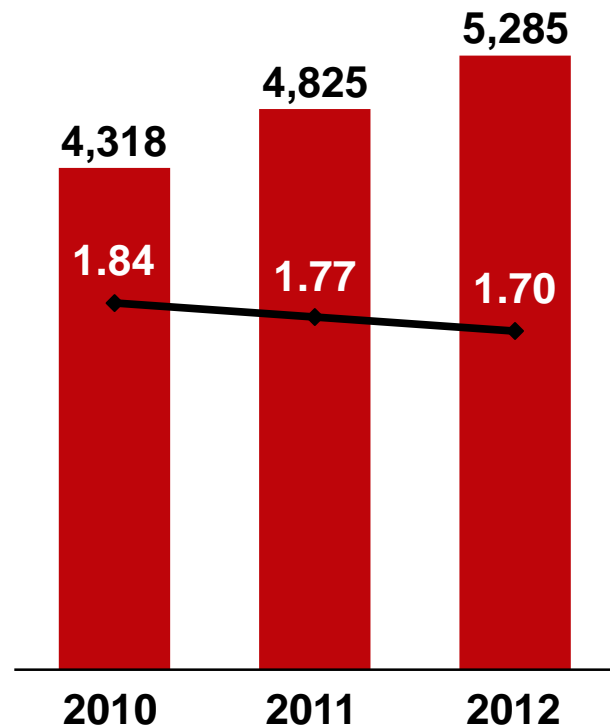
(S\$m)	1Q 2013	1Q 2012	YoY %	4Q 2012	QoQ %
<b>Net interest income</b>	<b>1,327</b>	<b>1,336</b>	<b>(1)</b>	<b>1,293</b>	<b>3</b>
Fee income	507	406	25	372	36
Trading income	408	292	40	134	>100
Other income	75	122	(39)	160	(53)
<b>Non-interest income</b>	<b>990</b>	<b>820</b>	<b>21</b>	<b>666</b>	<b>49</b>
<b>Total income</b>	<b>2,317</b>	<b>2,156</b>	<b>7</b>	<b>1,959</b>	<b>18</b>
Staff expenses	506	485	4	455	11
Other expenses	446	413	8	488	(9)
<b>Expenses</b>	<b>952</b>	<b>898</b>	<b>6</b>	<b>943</b>	<b>1</b>
<b>Profit before allowances</b>	<b>1,365</b>	<b>1,258</b>	<b>9</b>	<b>1,016</b>	<b>34</b>
General allowances	110	85	29	47	>100
Specific allowances	113	59	92	67	69
<b>Allowances</b>	<b>223</b>	<b>144</b>	<b>55</b>	<b>114</b>	<b>96</b>
<b>Net profit</b>	<b>950</b>	<b>933</b>	<b>2</b>	<b>760</b>	<b>25</b>

# ROE improves to 12.0%

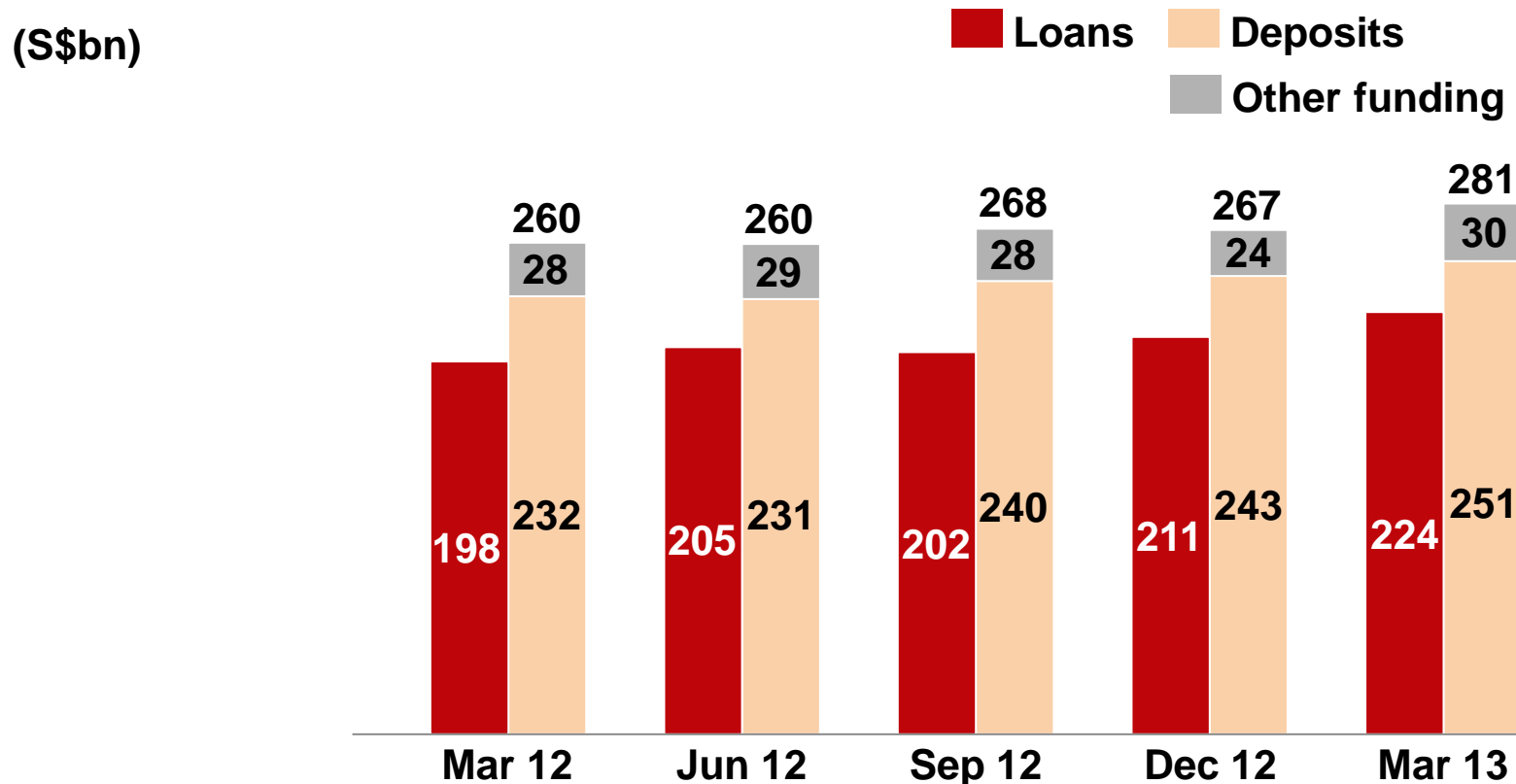
(%)	1Q 2013	1Q 2012	4Q 2012
Net interest margin	1.64	1.77	1.62
Fee income/total income	22	19	19
Non-interest income/total income	43	38	34
Cost/income	41	42	48
ROE	12.0	12.8	9.8
Loan/deposit	89	85	87
SP/average loans (bp)	21	9	15
NPL ratio	1.2	1.3	1.2

# Net interest income up 3% on quarter, net interest margin is stable

(S\$m)



# Loans up 6% on quarter and 13% on year



## Loan/deposit (%)

<b>Group</b>	<b>85</b>	<b>89</b>	<b>84</b>	<b>87</b>	<b>89</b>
<b>SGD</b>	<b>65</b>	<b>68</b>	<b>68</b>	<b>69</b>	<b>71</b>
<b>Non-SGD</b>	<b>113</b>	<b>117</b>	<b>106</b>	<b>110</b>	<b>113</b>

SGD and Non-SGD loan/deposit ratios are based on gross loans.

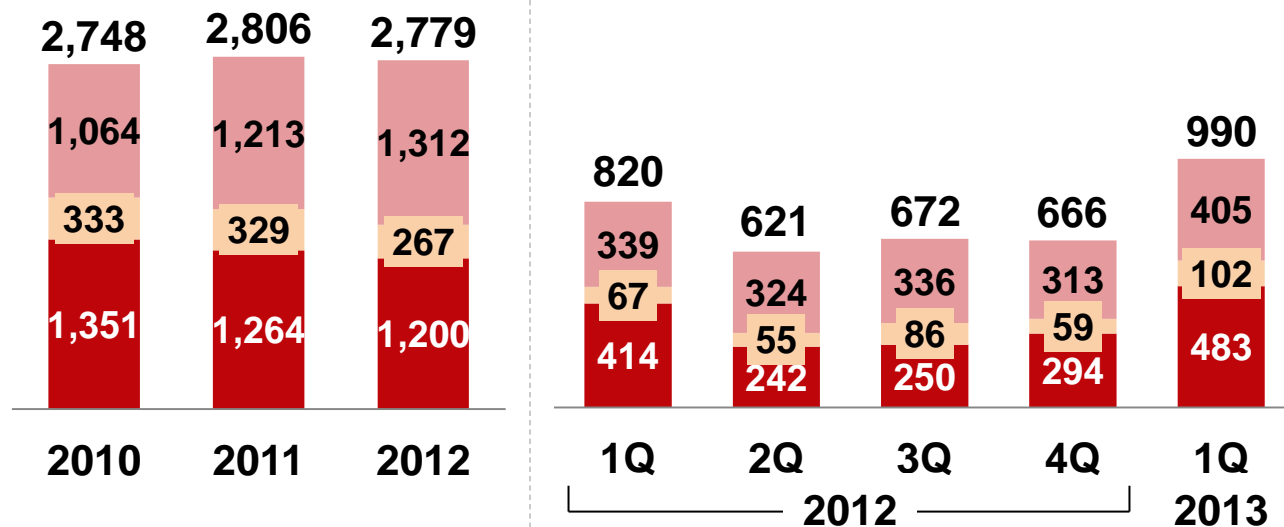
Other funding comprises institutional funding, medium-term notes, commercial papers, certificates of deposit and other debt securities in issue



# Non-interest income up 49% on quarter to a record

(S\$m)

■ Non-market-related fee income  
■ Market-related fee income  
■ Trading + other income



## Fee income mix (%) :

Non-market	76	79	83	83	85	80	84	80
Market	24	21	17	17	15	20	16	20

Market-related fee income comprises stockbroking and investment banking fee income

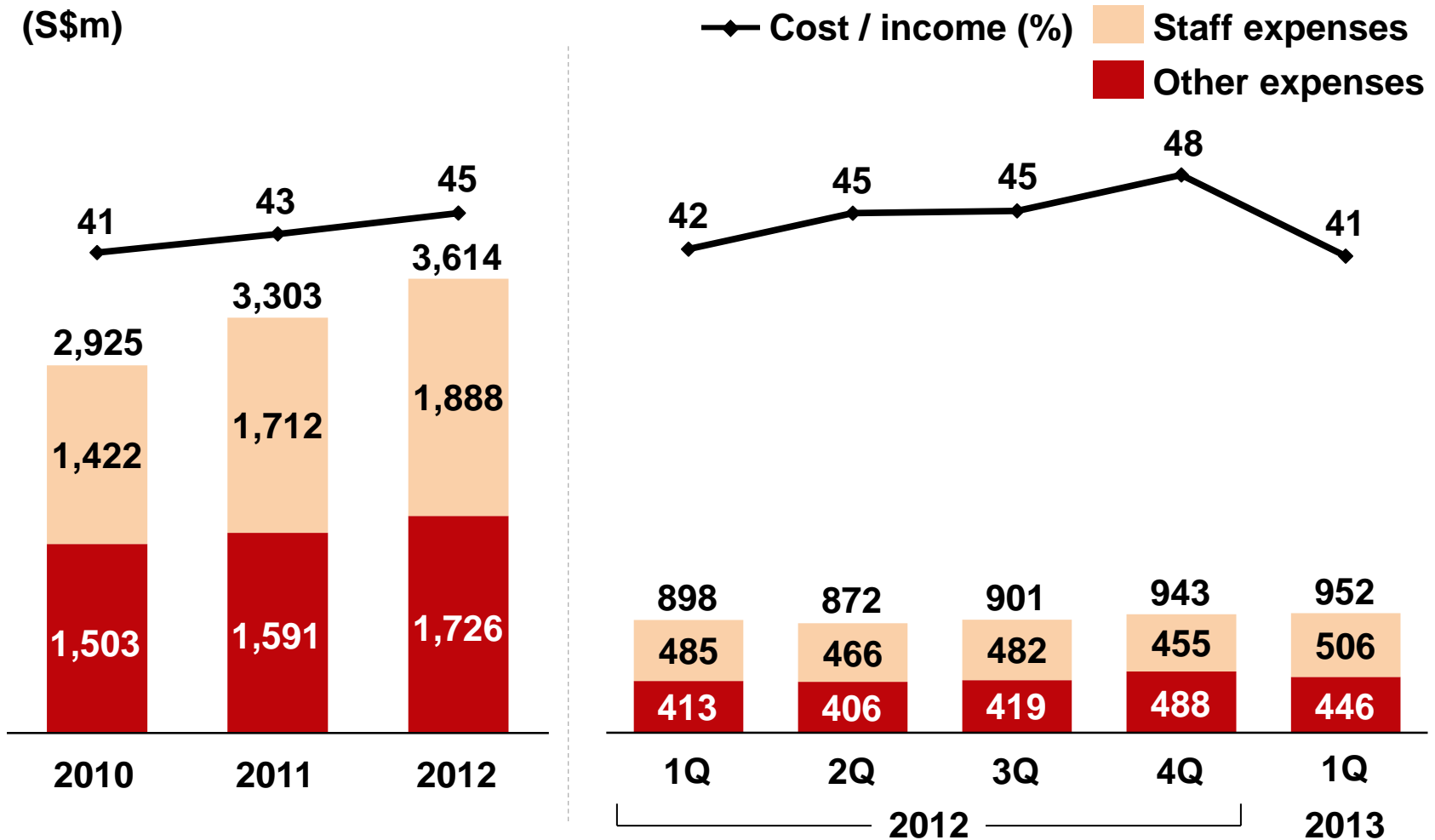
# Treasury customer income reaches new high

(S\$m)	1Q 2013	1Q 2012	YoY %	4Q 2012	QoQ %
Customer income	299	256	17	150	100
Other income, principally from balance sheet management, market-making and warehousing	323	406	(20)	291	11
<b>Total Treasury income</b>	<b>622</b>	<b>662</b>	<b>(6)</b>	<b>441</b>	<b>41</b>
Customer income as % of total Treasury income	48	39	9 pt	34	14 pt



# Expenses are stable on quarter

(S\$m)



# Record earnings as income reaches new high

- ❑ Earnings underpinned by broad-based income growth
- ❑ Hong Kong earnings at a record
- ❑ Balance sheet remains robust

# Hong Kong's earnings up 37% on quarter and 17% on year to a record

	Constant-currency terms						
(S\$m)	1Q 2013	1Q 2012	YoY %	YoY %	4Q 2012	QoQ %	QoQ %
Net interest income	231	209	11	12	221	5	3
Non-interest income	243	176	38	39	174	40	38
Total income	474	385	23	25	395	20	18
Expenses	168	155	8	10	187	(10)	(12)
Profit before allowances	306	230	33	35	208	47	45
General allowances	31	0	>100	>100	17	84	82
Specific allowances	10	2	>100	>100	8	22	20
Allowances	41	2	>100	>100	25	64	62
Net profit	222	190	17	18	162	37	35
Net interest margin (%)	1.55	1.34			1.55		
Loan/deposit (%)	100	113			97		
Loan growth (%)				1			7
Deposit growth (%)				14			3

# Regional earnings up 39% on quarter

(S\$m)	1Q 2013	1Q 2012	YoY %	4Q 2012	QoQ %
Net interest income	261	318	(18)	267	(2)
Non-interest income	133	117	14	99	34
<b>Total income</b>	<b>394</b>	<b>435</b>	<b>(9)</b>	<b>366</b>	<b>8</b>
Expenses	205	189	8	254	(19)
<b>Profit before allowances</b>	<b>189</b>	<b>246</b>	<b>(23)</b>	<b>112</b>	<b>69</b>
Allowances	84	23	>100	39	>100
<b>Net profit</b>	<b>87</b>	<b>196</b>	<b>(56)</b>	<b>63</b>	<b>39</b>

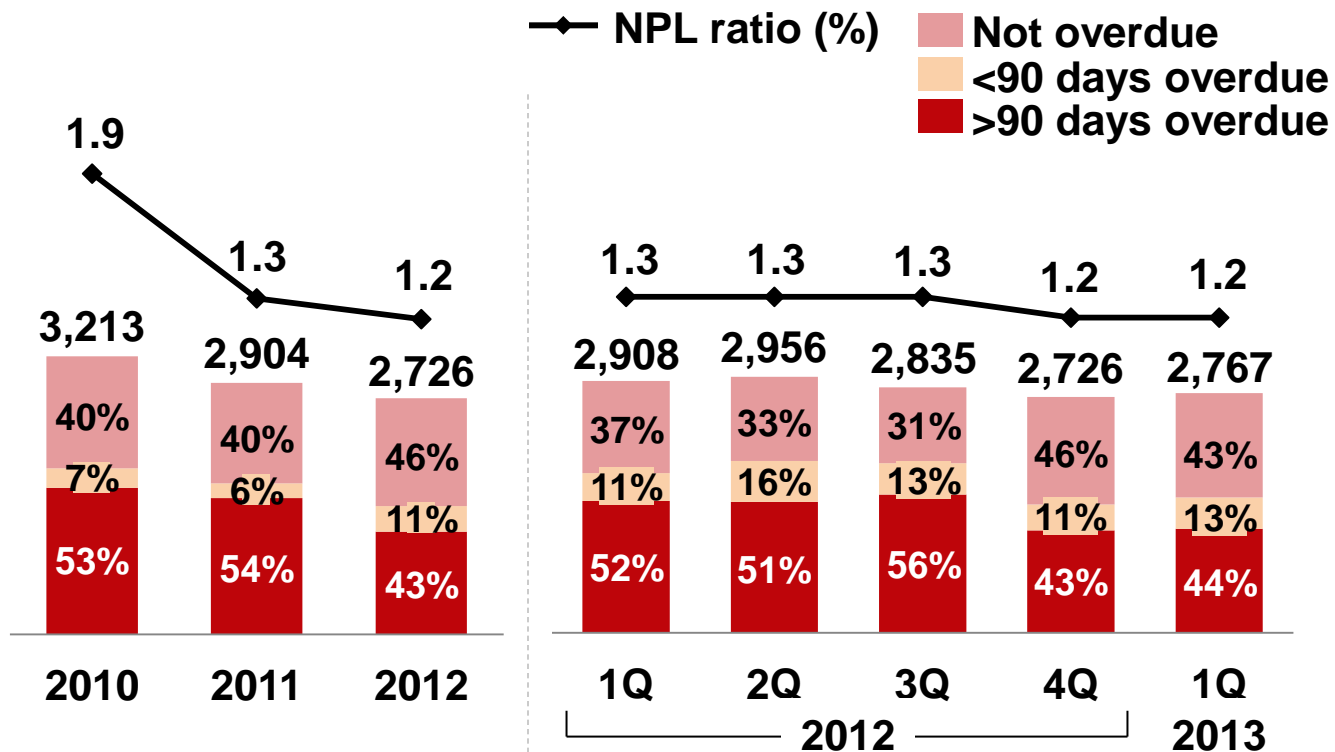
Figures for operations outside of Singapore and Hong Kong

# Record earnings as income reaches new high

- ❑ Earnings underpinned by broad-based income growth
- ❑ Hong Kong earnings at a record
- ❑ Balance sheet remains robust

# NPL ratio is stable at 1.2%

NPA (\$m)



SP/loans (bp)

2010	43	11	10	2012 1Q	9	8	7	15	21
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Cumulative general and specific allowances as % of:

NPAs	100	126	142	2012 1Q	128	129	134	142	142
Unsecured NPAs	127	165	183	2012 2Q	172	171	176	183	187

# NPAs remain stable

(S\$m)	1Q 2013	4Q 2012	1Q 2012
NPAs at start of period	2,726	2,835	2,904
New NPAs	268	112	133
Upgrades, recoveries and translation	(12)	(152)	(96)
Write-offs	(215)	(69)	(33)
NPAs at end of period	2,767	2,726	2,908

# Specific allowances at moderate level

(S\$m)	1Q 2013	4Q 2012	1Q 2012
<u>Add charges for</u>			
New NPLs	117	43	31
Existing NPLs	73	73	64
	190	116	95
<u>Subtract charges for</u>			
Settlements	62	29	45
Recoveries	14	8	7
	76	37	52
<b>Total SP charges for loans</b>	<b>114</b>	<b>79</b>	<b>43</b>
<b>SP / average loans (bp)</b>	<b>21</b>	<b>15</b>	<b>9</b>

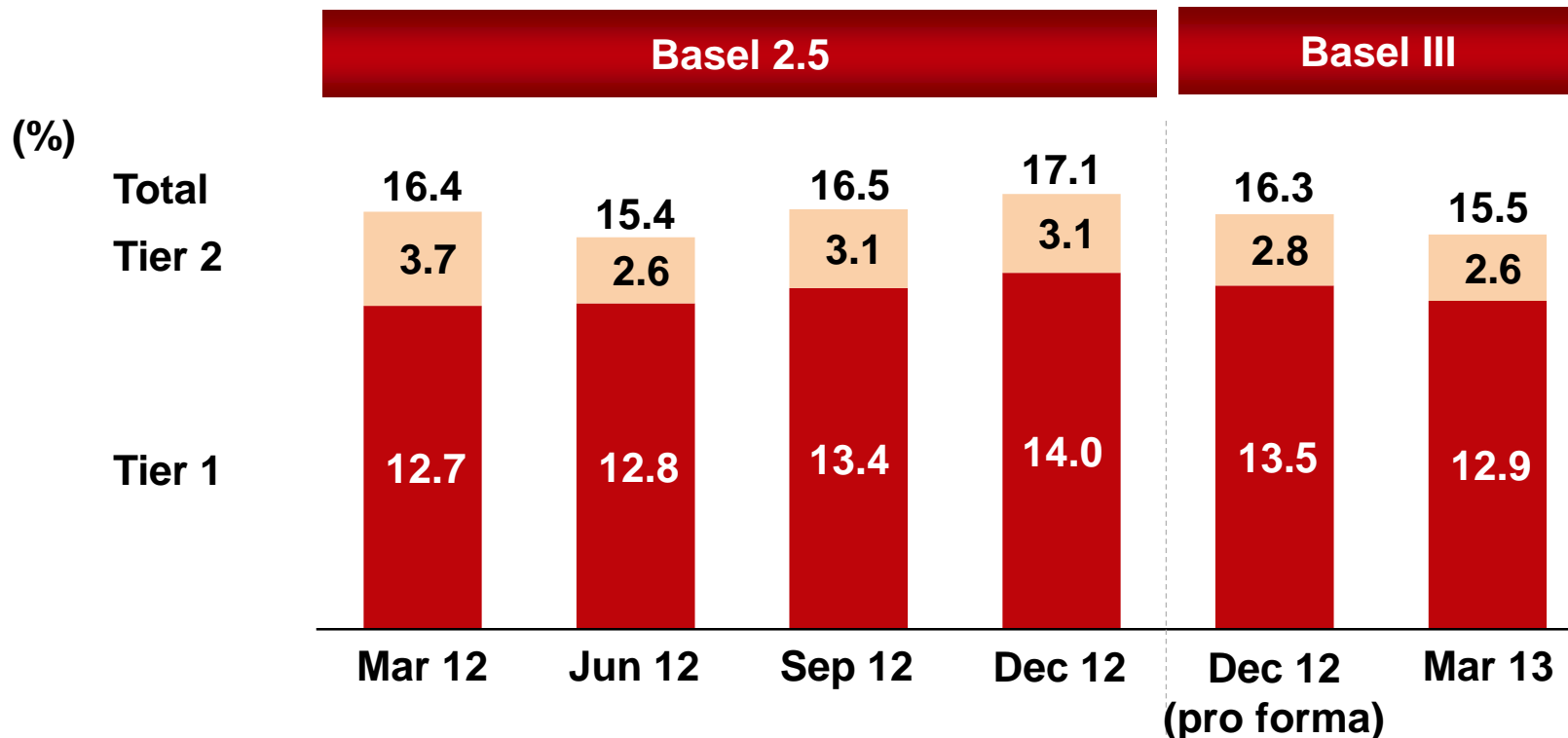


# AFS portfolio diversified between government and corporate debt

	<b>Mar 13 (S\$m)</b>	<b>Dec 12 (S\$m)</b>
<b>Singapore government securities</b>	<b>10,280</b>	<b>10,294</b>
<b>Other government securities</b>	<b>16,690</b>	<b>17,262</b>
<b>Supranational, bank and corporate debt securities</b>	<b>10,365</b>	<b>9,859</b>
<b>Equities</b>	<b>1,361</b>	<b>1,099</b>
<b>Total</b>	<b>38,696</b>	<b>38,514</b>
<b>AFS reserves</b>	<b>623</b>	<b>634</b>

Figures include securities pledged and transferred

# Capital ratios remain strong



## Core/CET 1 \* (%) under:

Transitional	12.7	12.8	13.4	14.0	13.5	12.9
Final	10.9	11.0	11.6	12.2	11.8	11.3
RWA (\$bn)	220	225	217	216	227	240

\* The Basel 2.5 ratios apply the relevant deductions without taking into account any other changes required by Basel III.

# **In summary – record earnings as income reaches new high**

**A good start to the year with strong business momentum and favourable market conditions**

**Capital, liquidity and asset quality are healthy**

**Franchise growth on-track as investments pay off**

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