

Building an Asian Transaction Banking Franchise

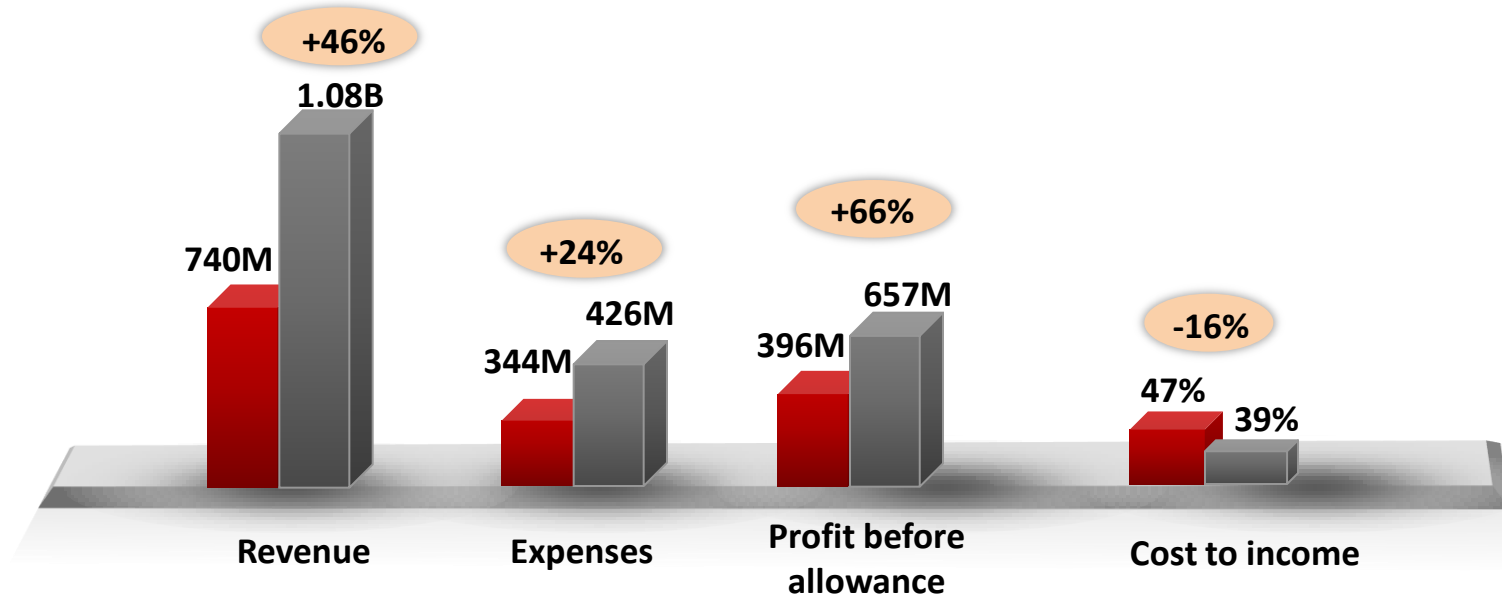
Tom McCabe
Global Head, GTS

19 March 2012

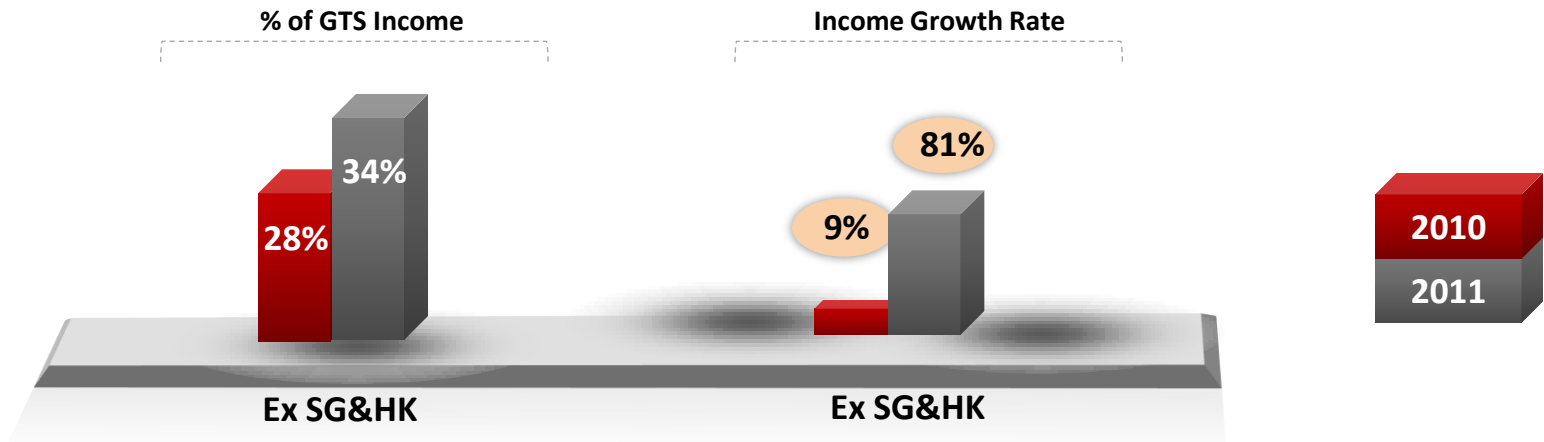
Executive Summary

- **Financial Performance: Broad based revenue growth & increased profitability.**
- **Market opportunity: Participating in large & rapidly growing profit pools.**
- **New Products capturing large, high value, revenues streams with a strong element of annuity earnings.**
- **Sustainability: Reducing risks through product structuring, customer due diligence & portfolio management.**
- **Investment in new capabilities is creating revenue opportunities across Asia.**

GTS: Strong Revenue Growth & Operating Leverage



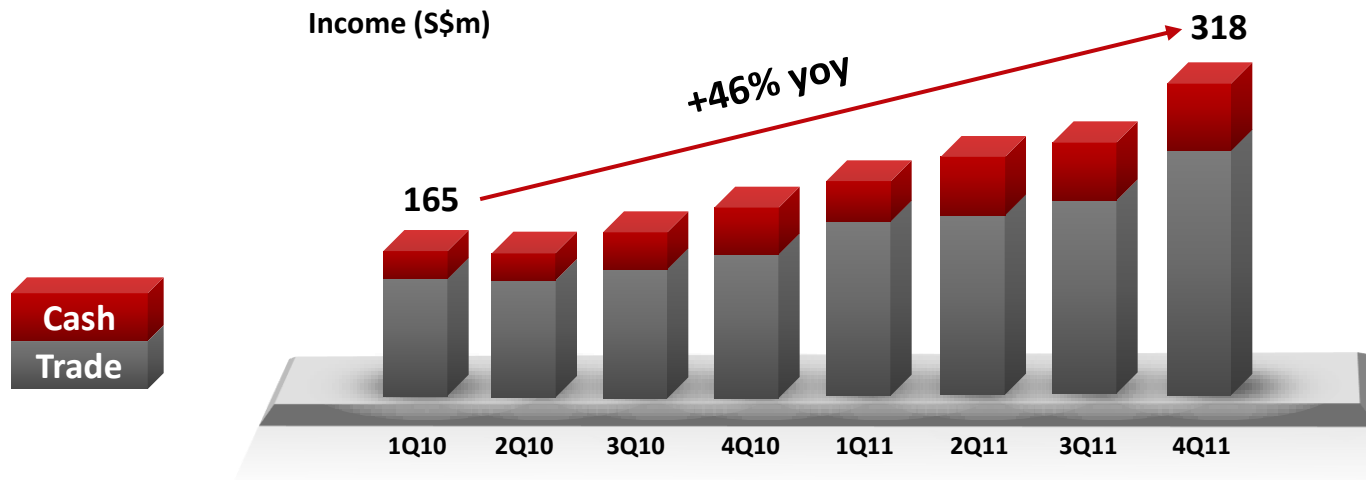
Diversified revenues across Asia; higher income growth from ex-SG & HK



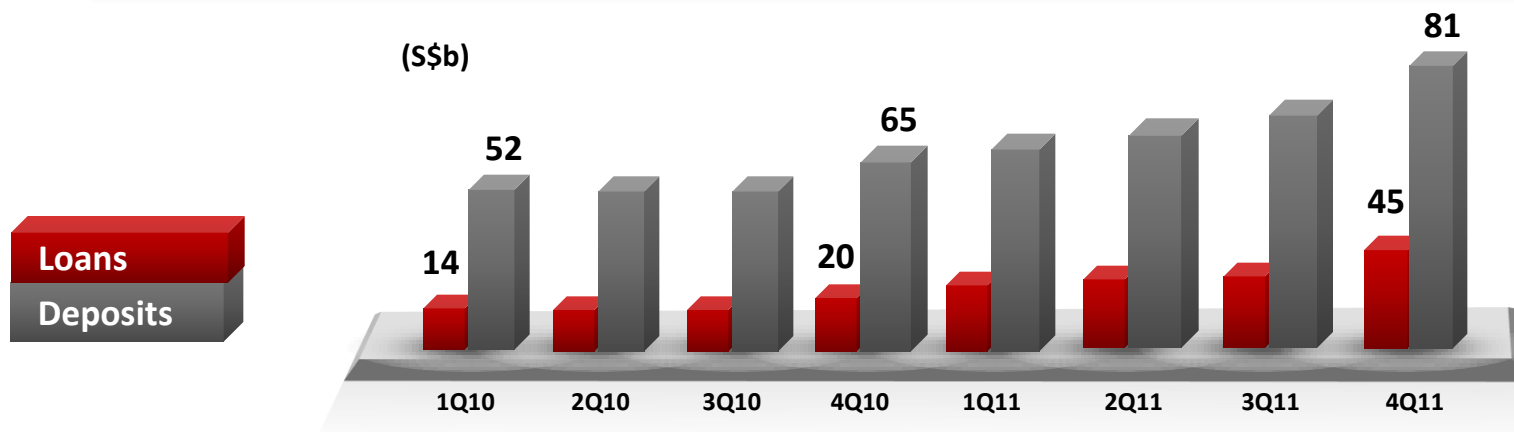
Source: 2011 Financials

GTS: 7 Consecutive Quarters of Growth

Earnings Momentum Across All Markets and Products

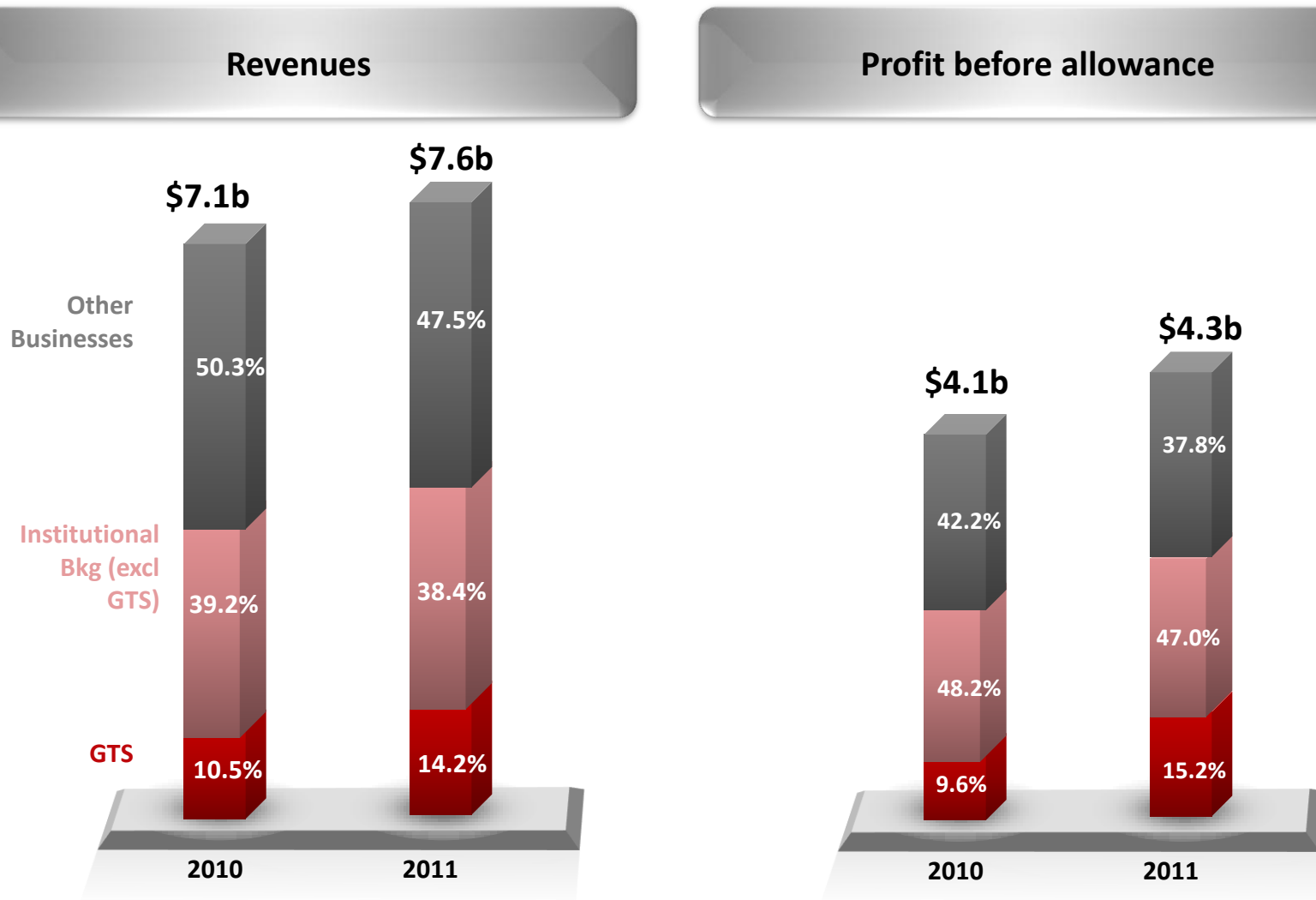


Strong customer deposit and loan growth



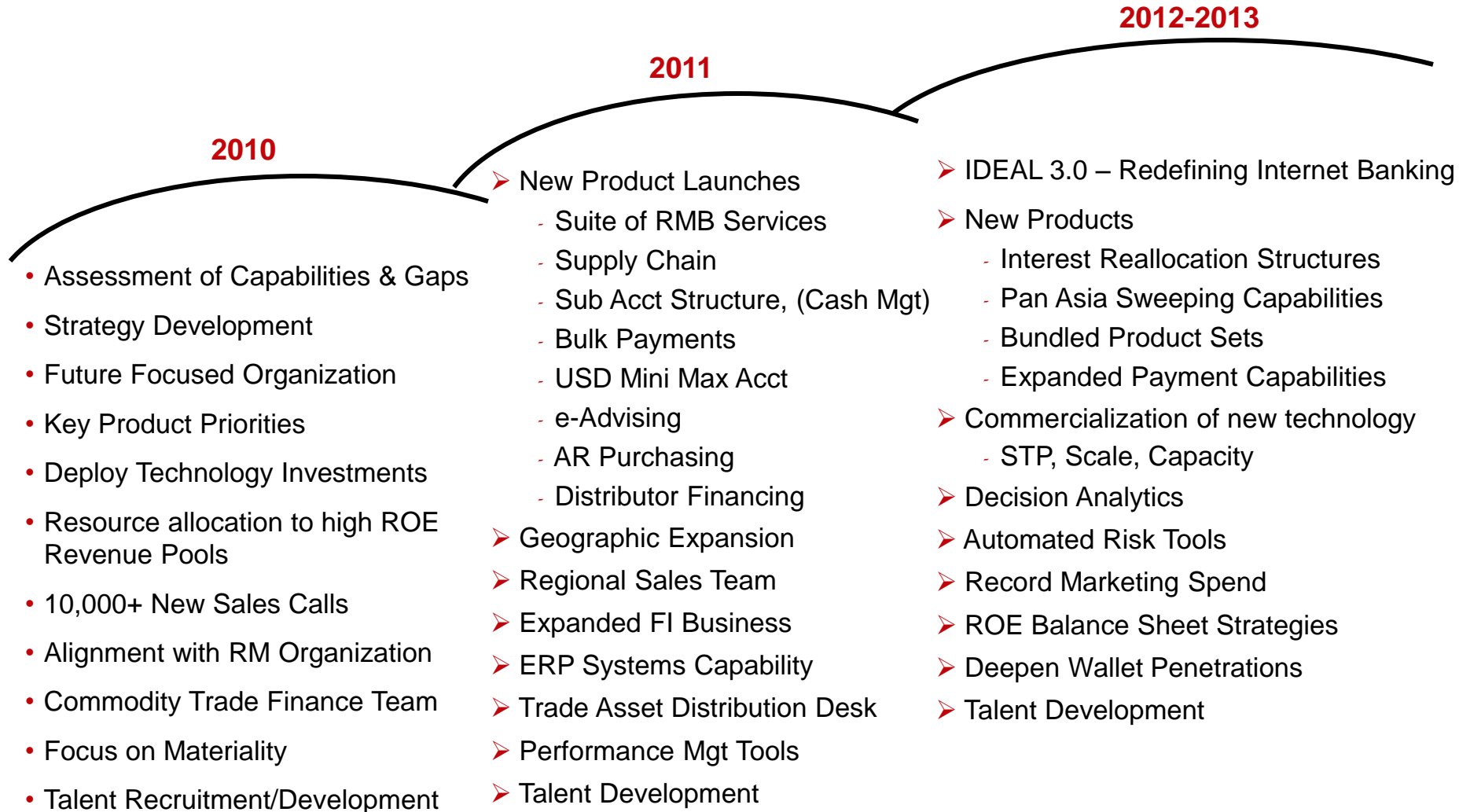
Source: 2011 Financials

GTS growing contribution to institutional banking and Bank results

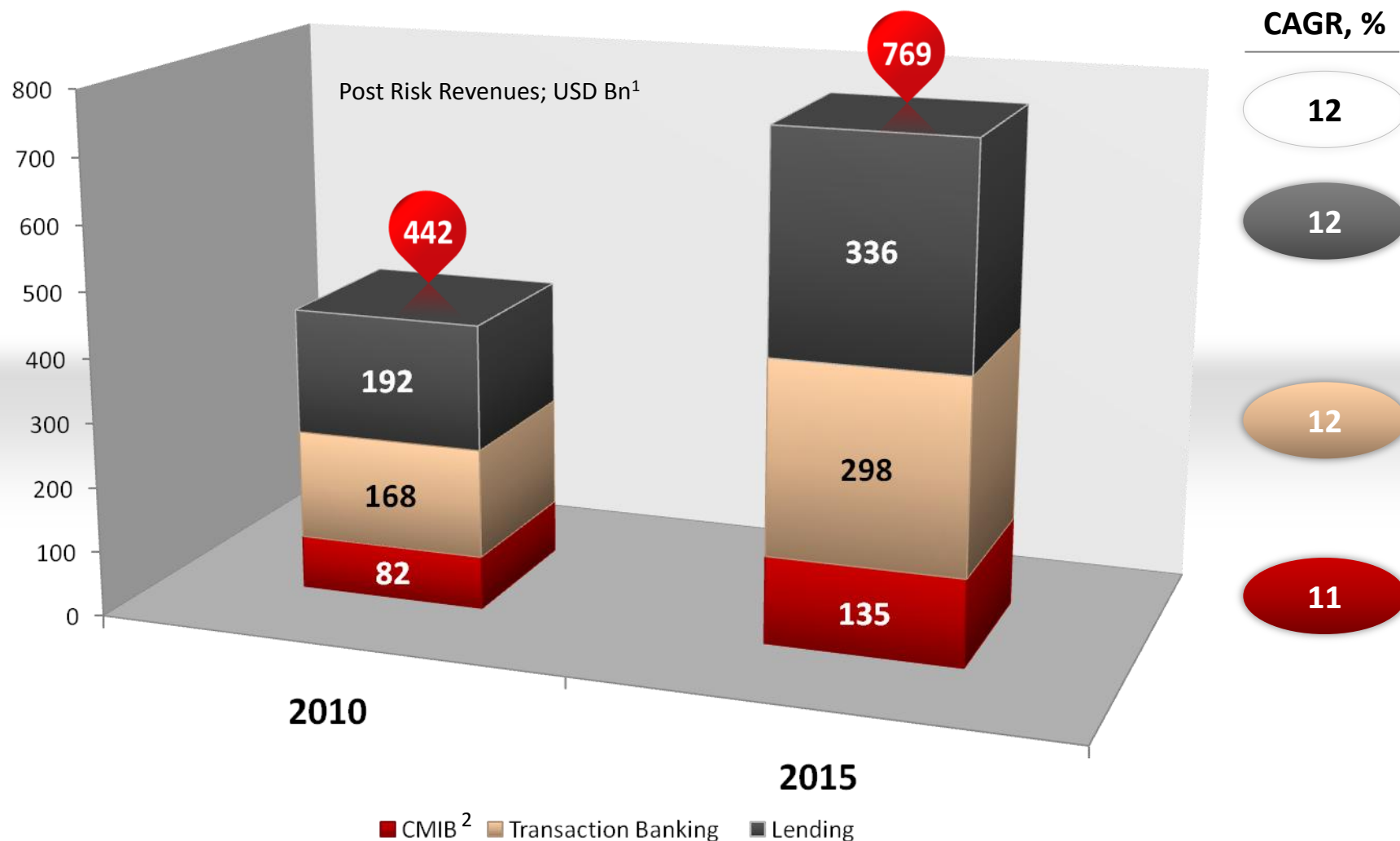


Source : 2011 Financials

Our Journey towards becoming a leading Regional GTS Bank



Asia Wholesale Banking Revenue Pools by Product



Source: McKinsey Global Banking Pools

¹ At constant 2010 exchange rates

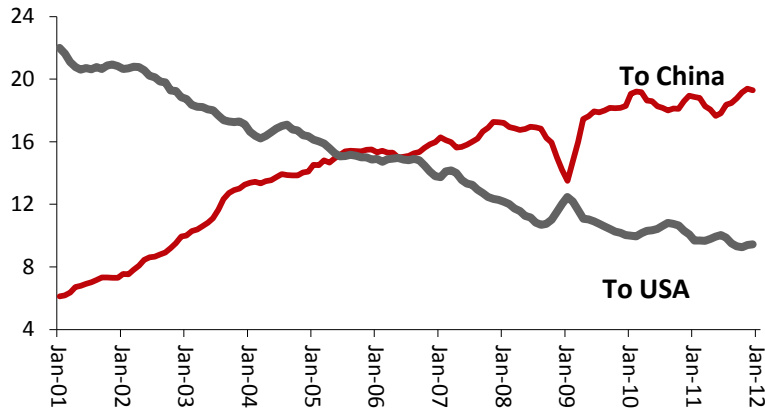
² Capital Markets and Investment Banking



Fundamentals driving Asia's Trade Growth

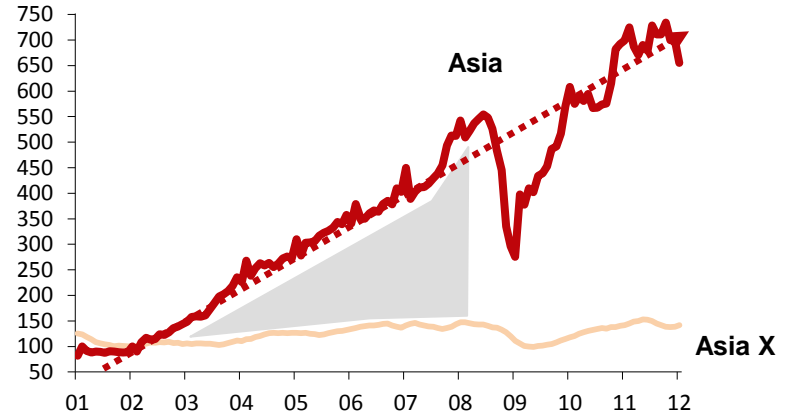
Asia 8 – Domestic Exports to China and US

% share of total exports, 3mma



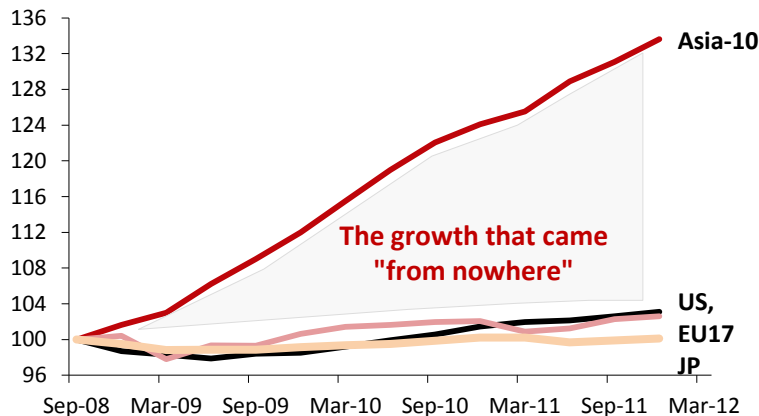
Asia - Exports to China & USA

US\$ terms, Jan02=100, seas adj, DX for HK, SG



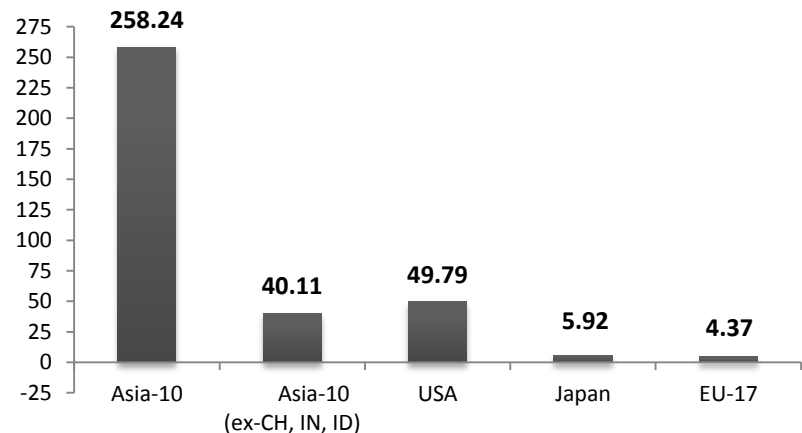
Real Global Consumption

3Q08=100, seas adj



Consumption Growth Since 3Q08

USD bn, 3Q08 - 3Q10, seas adj



Large & Growing Open Account Trade Opportunity

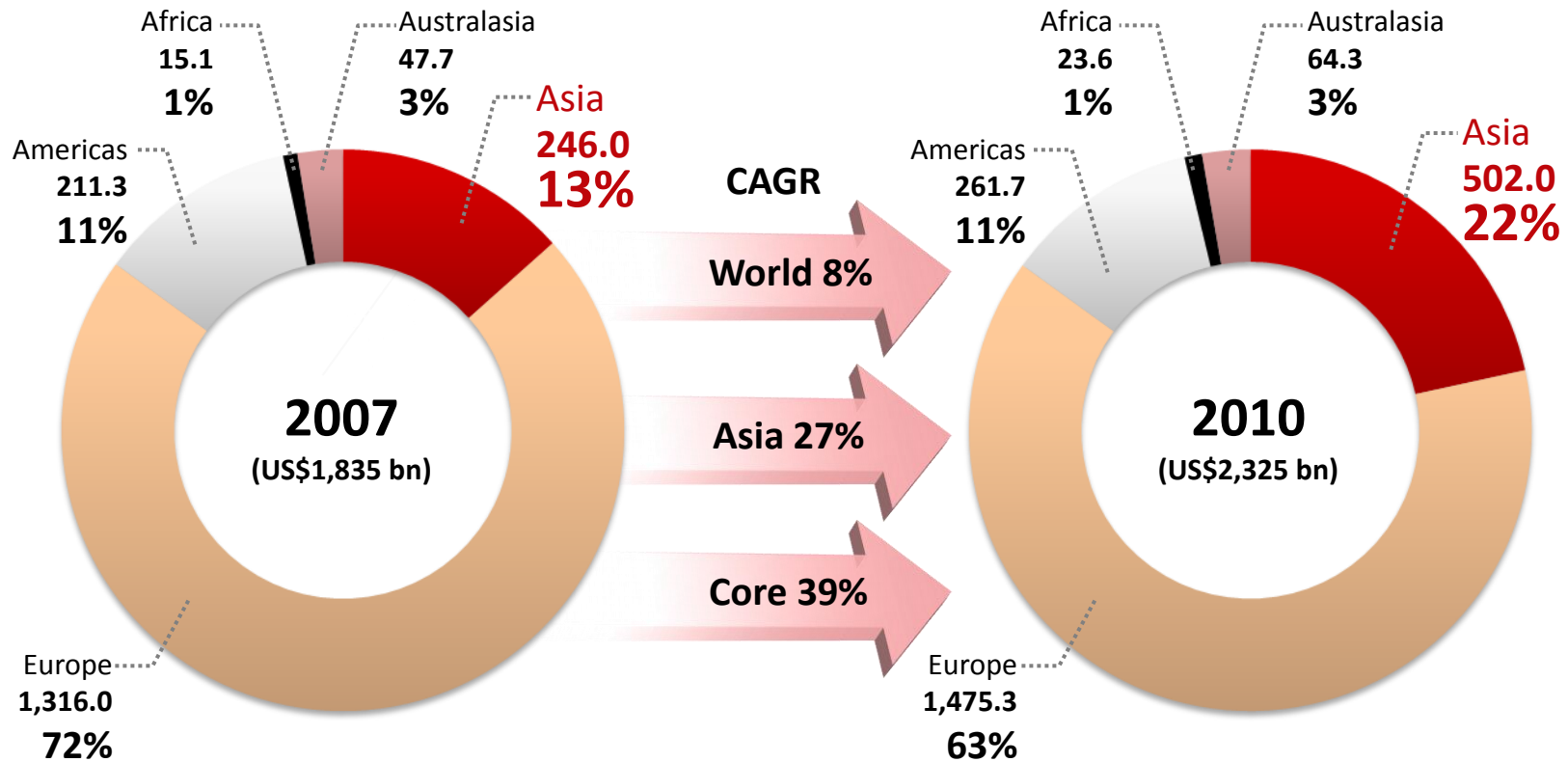
Country	2010 GDP (USD Bn)	2010 ARP Turnover (USD Bn)	2010 ARP Turnover as a % of GDP (%)
Hong Kong	225	19.1	8.5
China	5,878	205.4	3.5
Taiwan	431	89.0	20.7
South Korea	1,007	6.7	0.7
Japan	5,459	130.8	2.4
Singapore	222	7.7	3.5
Indonesia ⁽¹⁾	707	-	-
Thailand	319	2.8	0.9
Malaysia	238	1.4	0.6
India	1,538	3.7	0.3

**Opportunity for growth in both mature
and emerging markets.**

Source: CIA World Factbook and FCI

(1) Indonesia not included in FCI Research

DBS well positioned to tap into Open Acct Trade Opportunity

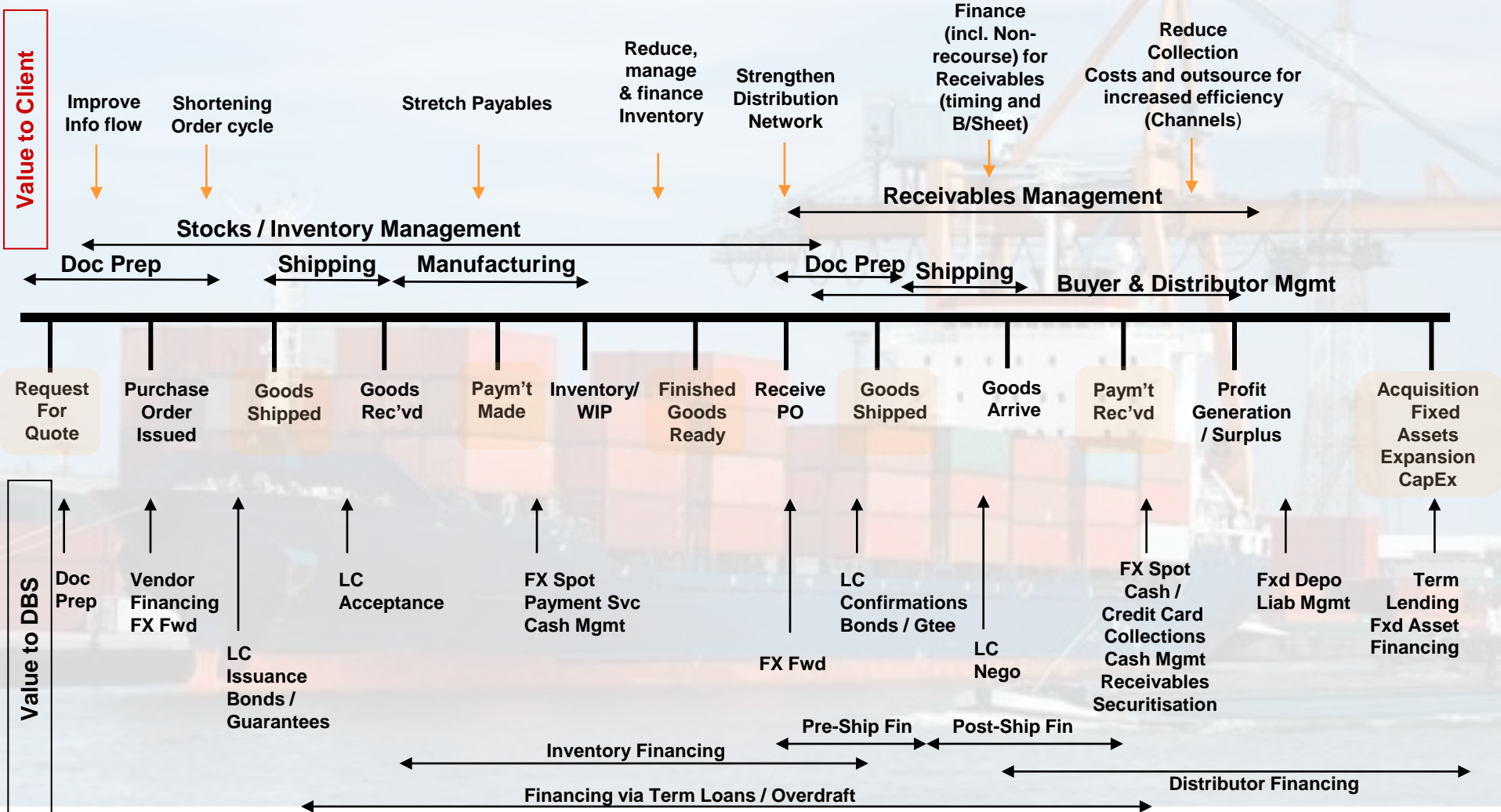


Source : 2007 & 2010 FCI Annual Statistics

Selling into the Working Capital Cycle

Company as Buyer - Payables + Inventory

Company as Seller - Distribution - Receivables



Managing risk for profitability & sustainability – Trade Finance Products

Trade loans carry less risk relative to other bank products

- Self-liquidating and short tenors.
- Working Capital Loans are the life blood of organization.
- Provide more secure sources of repayment & quicker insight to potential risks.
- Ownership of underlying goods.
- Network of Trade Eco System: Surveyors, International Maritime Bureau, Bonded Warehouses, Insurers, Shippers/Logistic Companies, etc.
- DBS's Governance, Compliance Procedures, Risk Policies, KYC.
- Expertise to structure solutions mitigates risk for DBS.
- DBS's depth of staff with trade "DNA" across sales, risk, & operations.

IDEAL 3.0 – Redefining internet banking...



General Availability

Official Launch

May'12

NORTH ASIA
China, Hong Kong,
Taiwan

Jun/ Jul '12

SOUTH ASIA
Singapore, India,
Indonesia

Jul '12 onwards

REGIONAL
Full scale launch
events and marketing
activities

A Leadership Position in Global Transaction Services

Marquee Awards



**Top 5
Cash Management
Bank in Asia**



**Best MNC/Large Corps
Bank in Treasury &
Working Capital
Singapore, China
and Indonesia**



**Best Cash
Management Bank
in Singapore**



**Best Sub-Custodian
Bank in Singapore**



**Best Trade Finance
Provider - Singapore**



**Best Cash
Management Bank -
Singapore**



**Best Trade Finance
Bank - Singapore**



**Best Treasury & Cash
Management Bank,
Foreign in China**

Leadership across Asia, MNC's, Large Asia Corporates, SME's

The Asset Triple A Transaction Banking Awards 2012



**Best Trade Finance
Solution - Indonesia**
US\$100 million
financing facility



**Best Bank for
Emerging
Corporates in Asia**



**Best Cash
Management Solution
- China**
Host to host and
entrustment loan
solution



**Best Cash
Management Solution
- Singapore**
Bill collections, lockbox
and migration of direct
debit authorizations



**Best
Cash Management
Solution – Indonesia**
Payments integration
and workflow
management



**Best Trade Finance
Solution - Singapore**
Supplier financing
programme



**Best Trade Finance
Solution in India -**
US\$60 million pre-
export structured trade
advance facility



**Best Structured
Trade Deal - Hong
Kong**
US\$100 million back
to-back and front-to-
back trade credit
issuance structure

Future Focus - The Foundation for Sustained Growth

Acquiring new customers

- Flight to quality – new US & European clients
- Increased need for Pan Asia services
- Materiality of mid market names
- DBS's strong balance sheet
- Willingness to lend

Delivering high ROE revenues

- Multi geographic deals
- Higher credit quality names
- Larger deals.....less operating costs
- Multi product deals: Trade, Cash, & FX
- Positive operating leverage

Creating new product revenues

- Broad range of RMB trade & cash products
- Supply chain & open acct programs
- Innovative USD deposit account
- Liquidity mgt structures
- Ideal 3.0: Redefining internet banking

Expanded Sales Capacity Across Asia

- Over 30,000 sales calls per annum
- Working capital approach to building solutions
- RM team over 1,400 strong
- Increased spend on marketing and brand

Q & A

