

Sustained nine-month performance

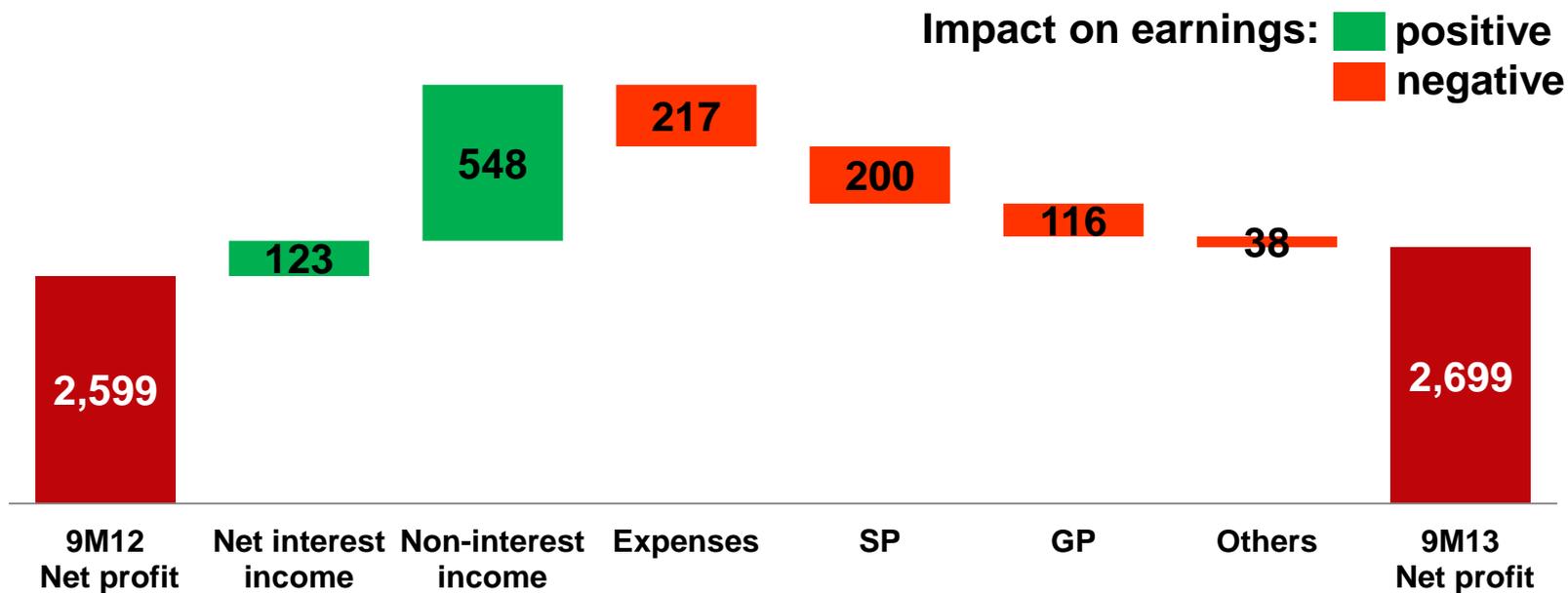
DBS Group Holdings
3Q 2013 financial results
November 1, 2013

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9M earnings at a record

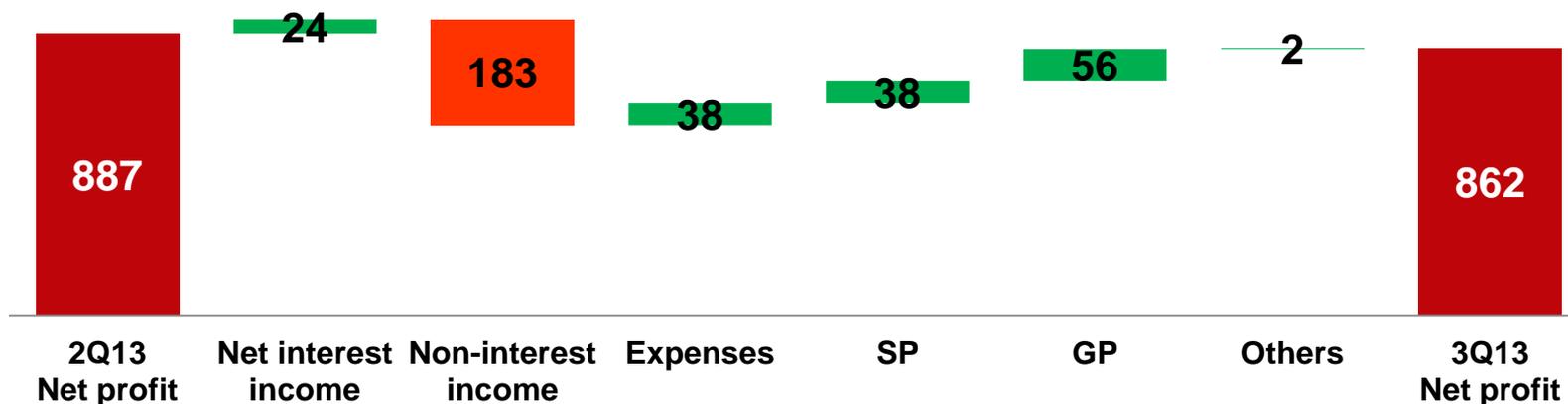
(S\$m)		<u>9M13</u>	<u>YoY %</u>	
Total income	record	6,776	11	<ul style="list-style-type: none"> ▪ Broad-based income growth ▪ Positive jaws ▪ Higher GP and SP
Expenses		2,888	8	
Profit before allowances	record	3,888	13	
Allowances		619	>100	
Net profit	record	2,699	4	



3Q profit down 3% on quarter due to decline in trading income

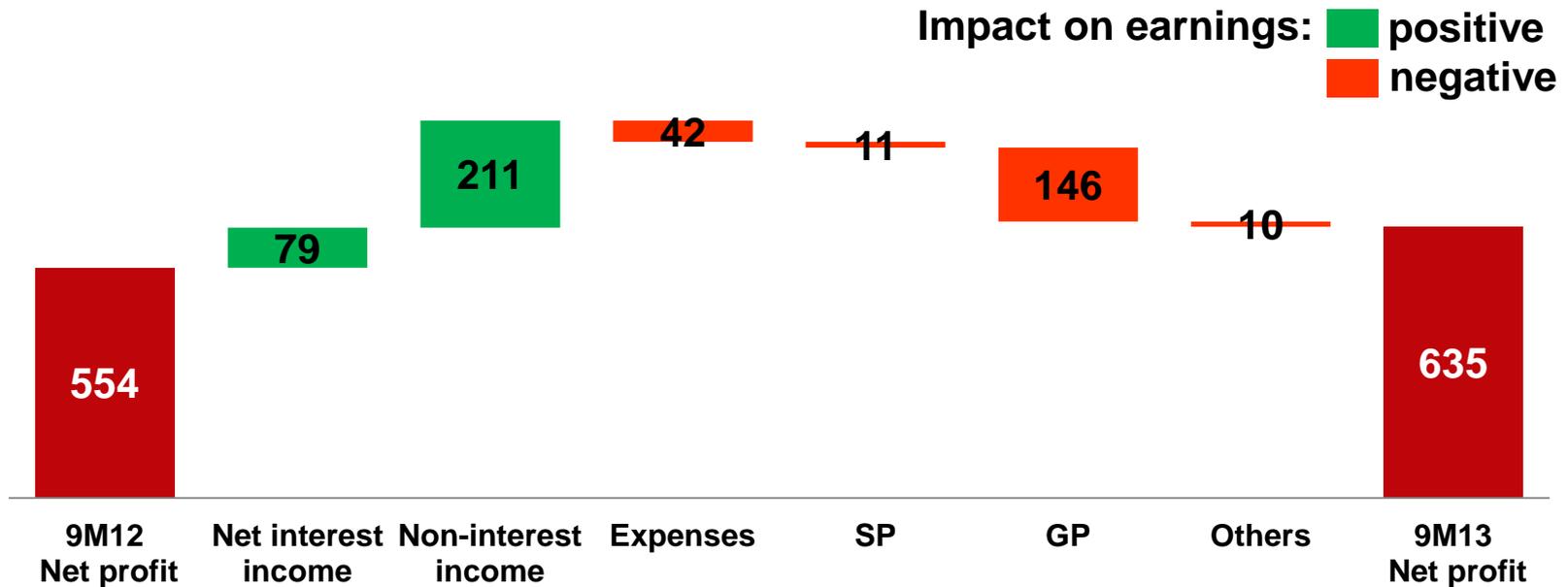
(S\$m)	<u>3Q13</u>	<u>QoQ %</u>	
Total income	2,150	(7)	<ul style="list-style-type: none"> Trading income impacted by tapering uncertainty and lower customer flows
Expenses	949	(4)	
Profit before allowances	1,201	(9)	
Allowances	151	(38)	<ul style="list-style-type: none"> Liquidity buffers enhanced
Net profit	862	(3)	

Impact on earnings: ■ positive ■ negative



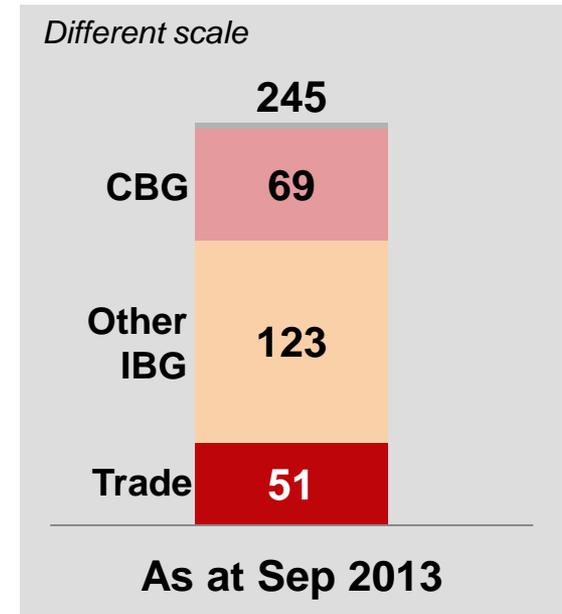
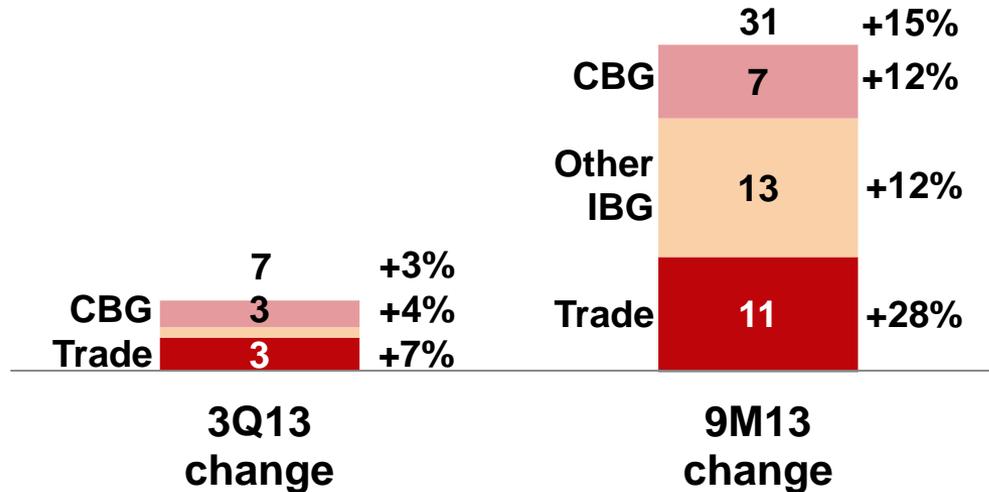
Hong Kong's 9M earnings up 15% to record

(S\$m)		<u>9M13</u>	<u>YoY %</u>	
Total income	record	1,427	26	<ul style="list-style-type: none"> ▪ Broad-based income growth ▪ Positive jaws ▪ Higher GP from faster loan growth
Expenses		533	9	
Profit before allowances	record	894	38	
Allowances		143	NM	
Net profit	record	635	15	



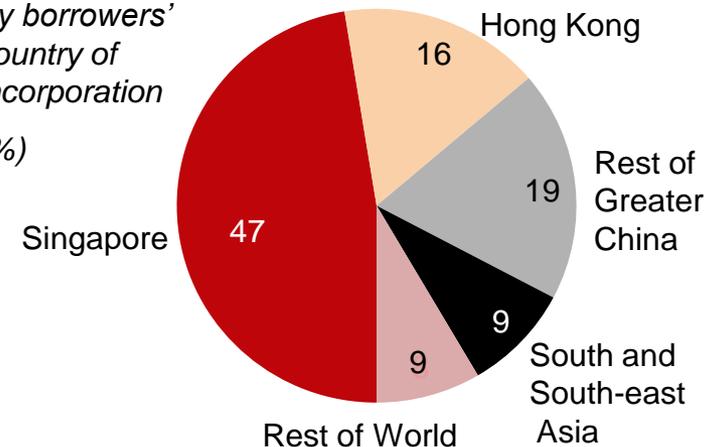
3Q loan growth led by trade and consumer loans

(S\$bn)



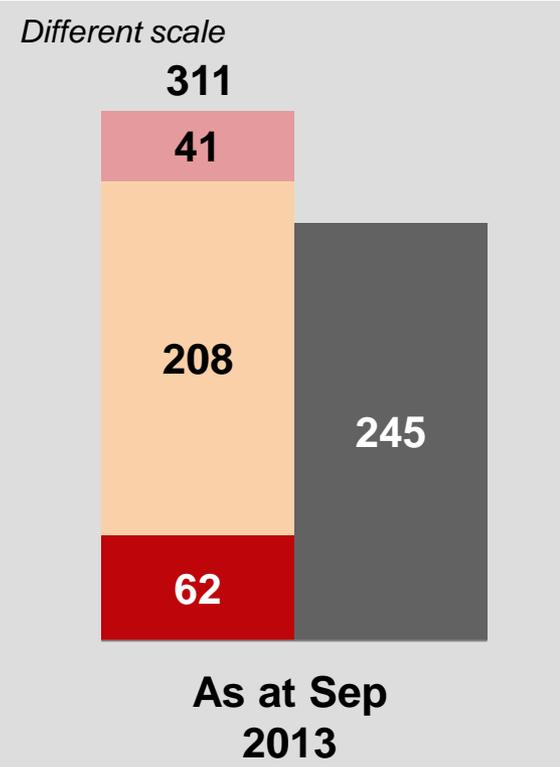
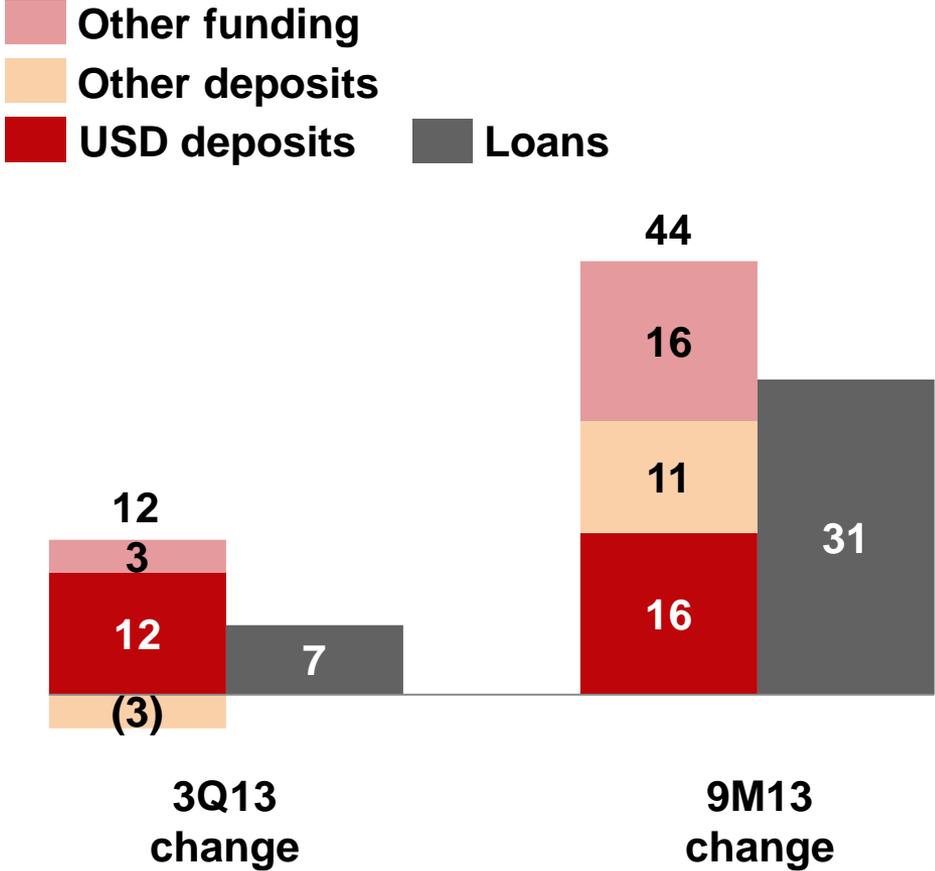
- Loan growth of 3% in 3Q and 15% YTD
- 9M growth broad-based across trade, corporate and consumer loans
- Consumer loan growth from secured lending and housing loans

By borrowers' country of incorporation (%)



Higher liquidity buffer due to market uncertainty

(S\$bn)



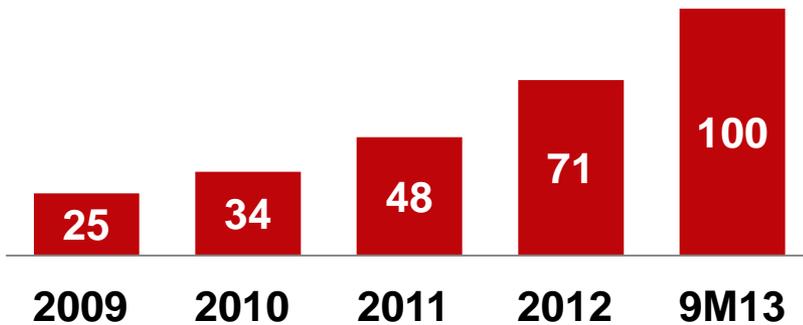
- Loan/deposit ratio stable from previous quarter at 89%

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

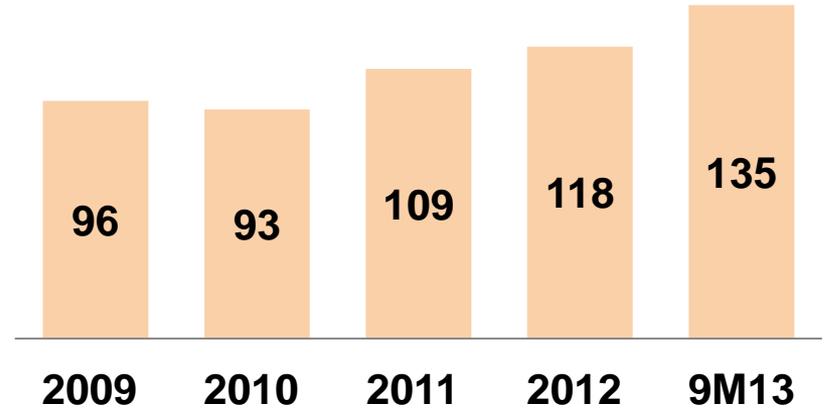


Non-interest income growth underpinned by wealth, trade and treasury customer flows

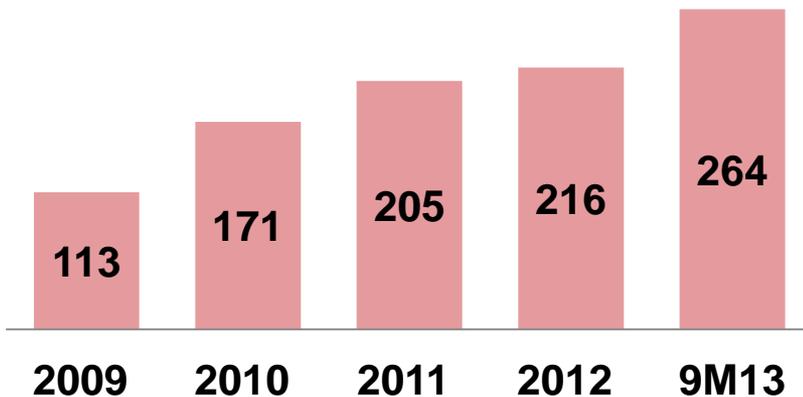
Wealth management * (S\$m)



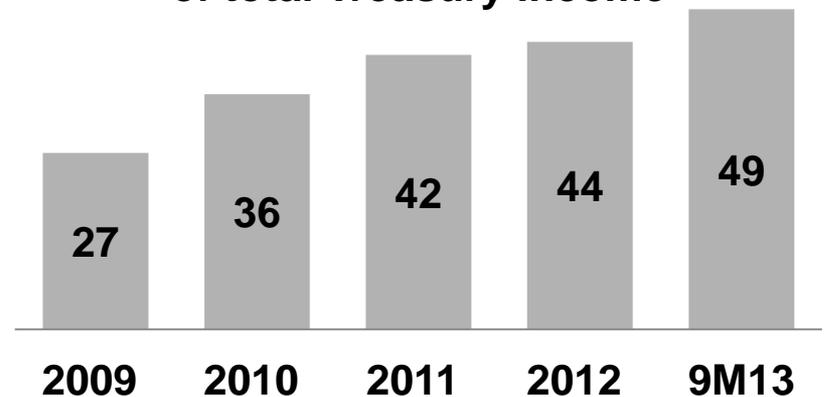
Trade and transaction services * (S\$m)



Treasury customer flows * (S\$m)

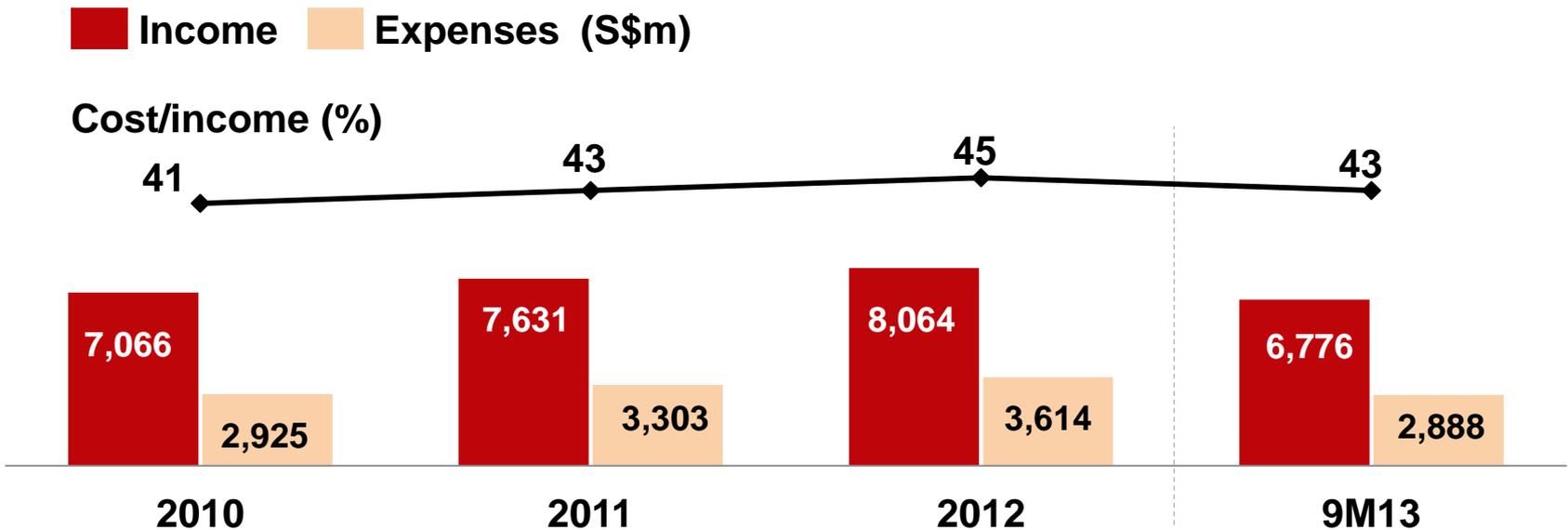


Customer flows as % of total Treasury income

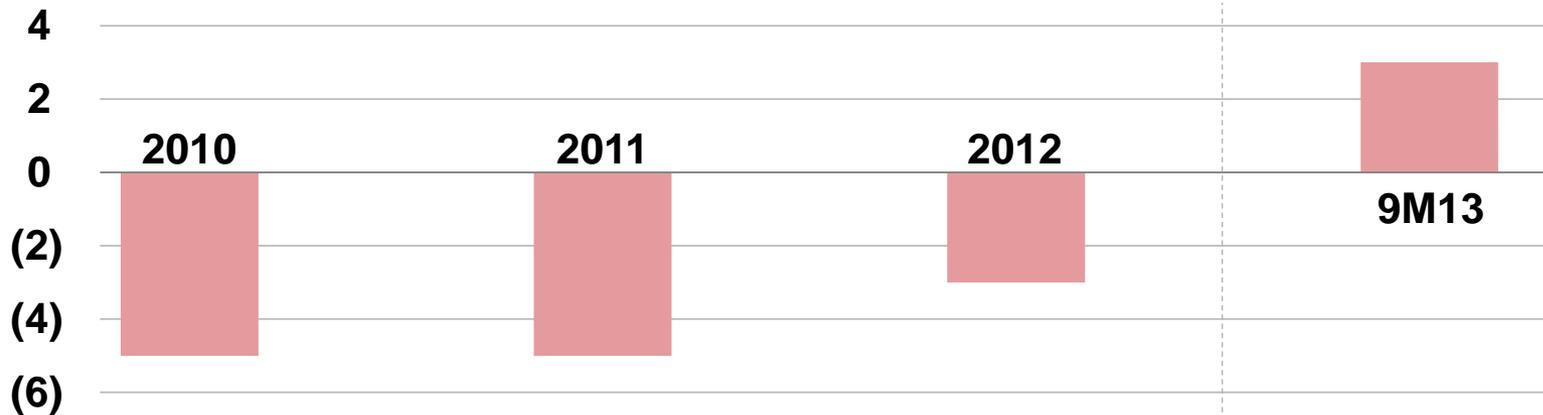


* Quarterly averages

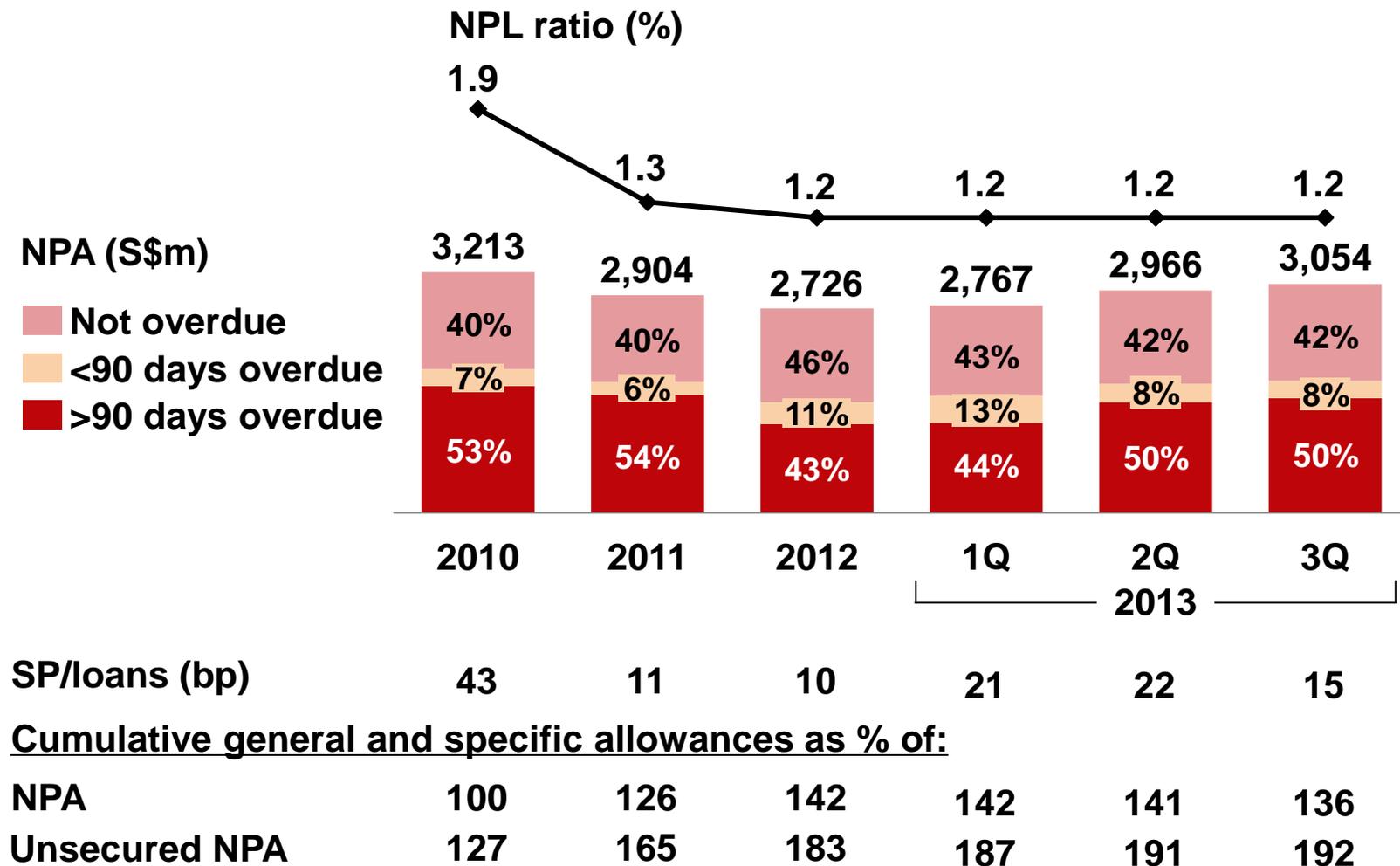
Expense growth contained, positive jaws for 9M



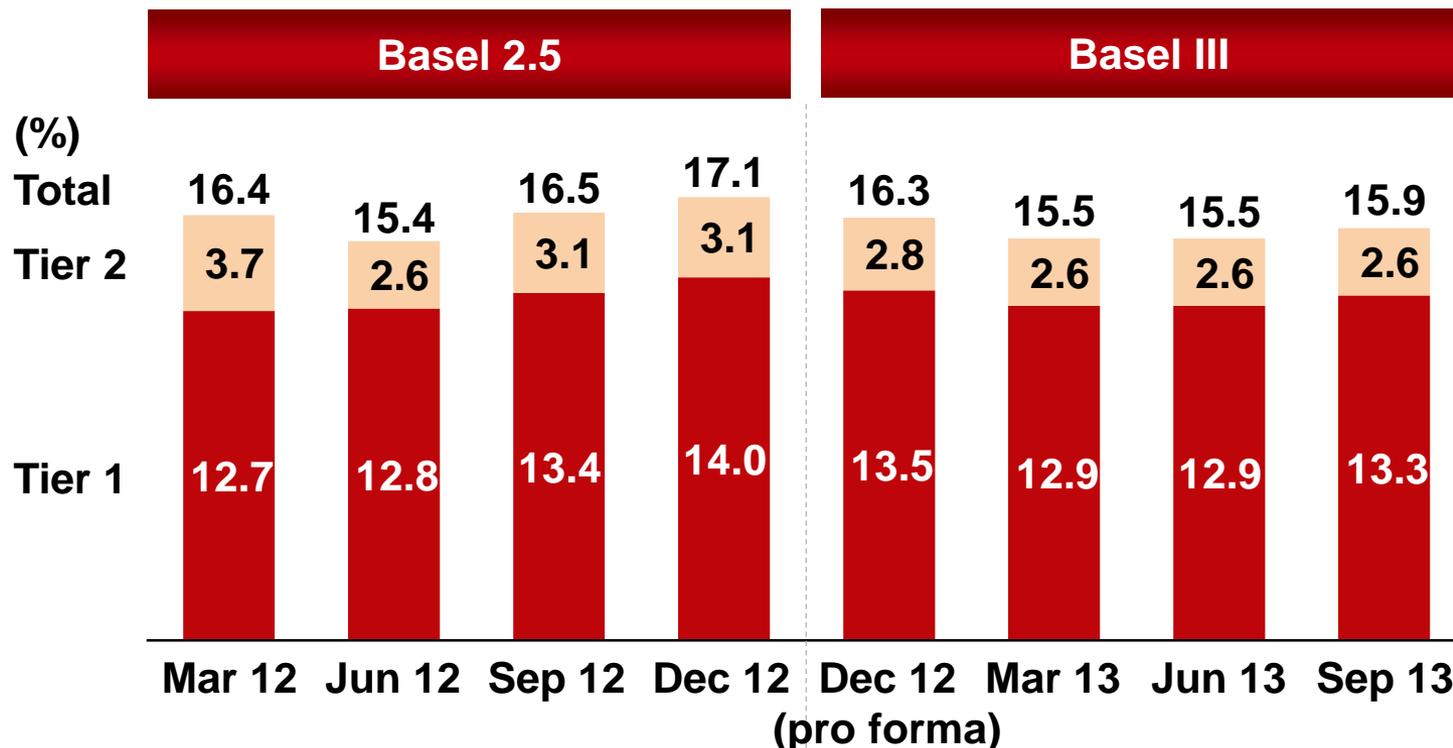
Income - expense jaws (YoY % pt)



NPL ratio stable at 1.2%



Capital ratios remain strong



Core/common equity T1 (%) under:

Transitional	12.7	12.8	13.4	14.0	13.5	12.9	12.9	13.3
Final	10.9	11.0	11.6	12.2	11.8	11.3	11.3	11.7
RWA (\$bn)	220	225	217	216	227	240	243	236

In summary – sustained nine-month performance

Strong nine-month performance despite some external headwinds

Capital, liquidity and asset quality are healthy

Remain disciplined as we seek opportunities for growth

Supplementary slides

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9M earnings at record

(S\$m)	9M 2013	9M 2012	YoY %
Net interest income	4,115	3,992	3
Fee income	1,446	1,207	20
Trading income	932	555	68
Other income	283	351	(19)
Non-interest income	2,661	2,113	26
Total income	6,776	6,105	11
Staff expenses	1,538	1,433	7
Other expenses	1,350	1,238	9
Expenses	2,888	2,671	8
Profit before allowances	3,888	3,434	13
General allowances	280	164	71
Specific allowances	339	139	>100
Allowances	619	303	>100
Net profit	2,699	2,599	4
ROE (%)	11.3	11.7	(0.4) pt

3Q profit stable on year

(S\$m)	3Q 2013	3Q 2012	YoY %	2Q 2013	QoQ %
Net interest income	1,406	1,332	6	1,382	2
Fee income	462	422	9	477	(3)
Trading income	188	130	45	336	(44)
Other income	94	120	(22)	114	(18)
Non-interest income	744	672	11	927	(20)
Total income	2,150	2,004	7	2,309	(7)
Staff expenses	511	482	6	521	(2)
Other expenses	438	419	5	466	(6)
Expenses	949	901	5	987	(4)
Profit before allowances	1,201	1,103	9	1,322	(9)
General allowances	57	15	>100	113	(50)
Specific allowances	94	40	>100	132	(29)
Allowances	151	55	>100	245	(38)
Net profit	862	856	1	887	(3)
ROE (%)	10.5	11.2	(0.7) pt	10.9	(0.4) pt

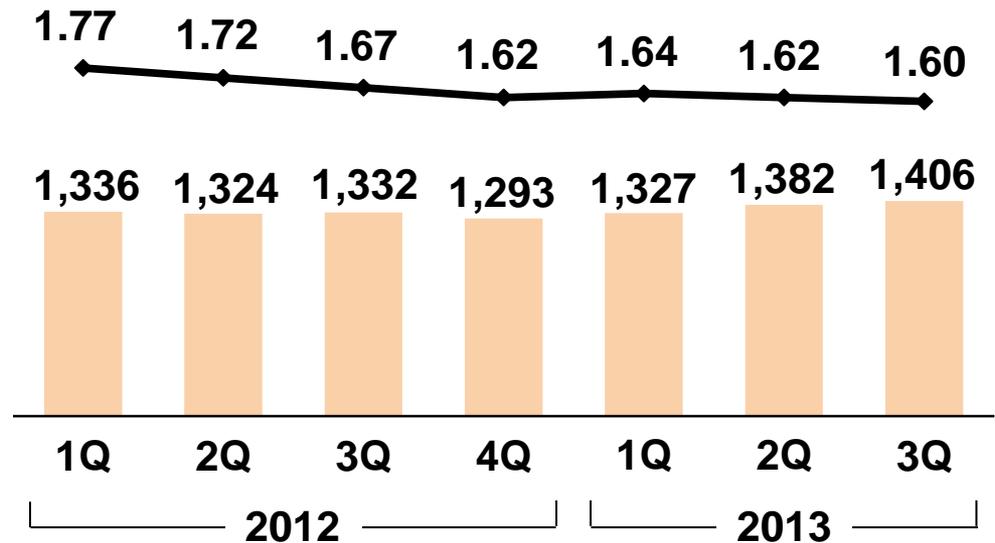
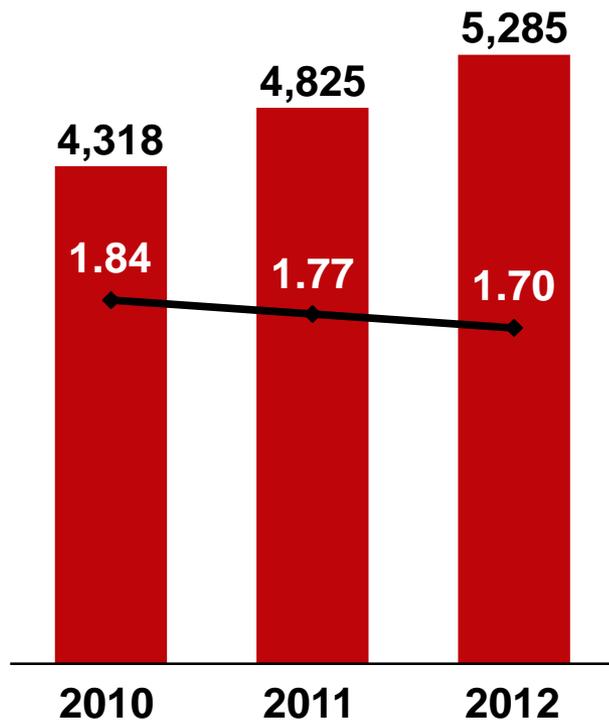
9M ROE at 11.3%

(%)	3Q 2013	3Q 2012	2Q 2013	9M 2013	9M 2012
Net interest margin	1.60	1.67	1.62	1.62	1.72
Fee income/total income	21	21	21	21	20
Non-interest income/total income	35	34	40	39	35
Cost/income	44	45	43	43	44
ROE	10.5	11.2	10.9	11.3	11.7
Loan/deposit	89	84	90	89	84
SP/average loans (bp)	15	7	22	20	8
NPL ratio	1.2	1.3	1.2	1.2	1.3

3Q net interest income up 2% on quarter from loan growth as net interest margin was stable

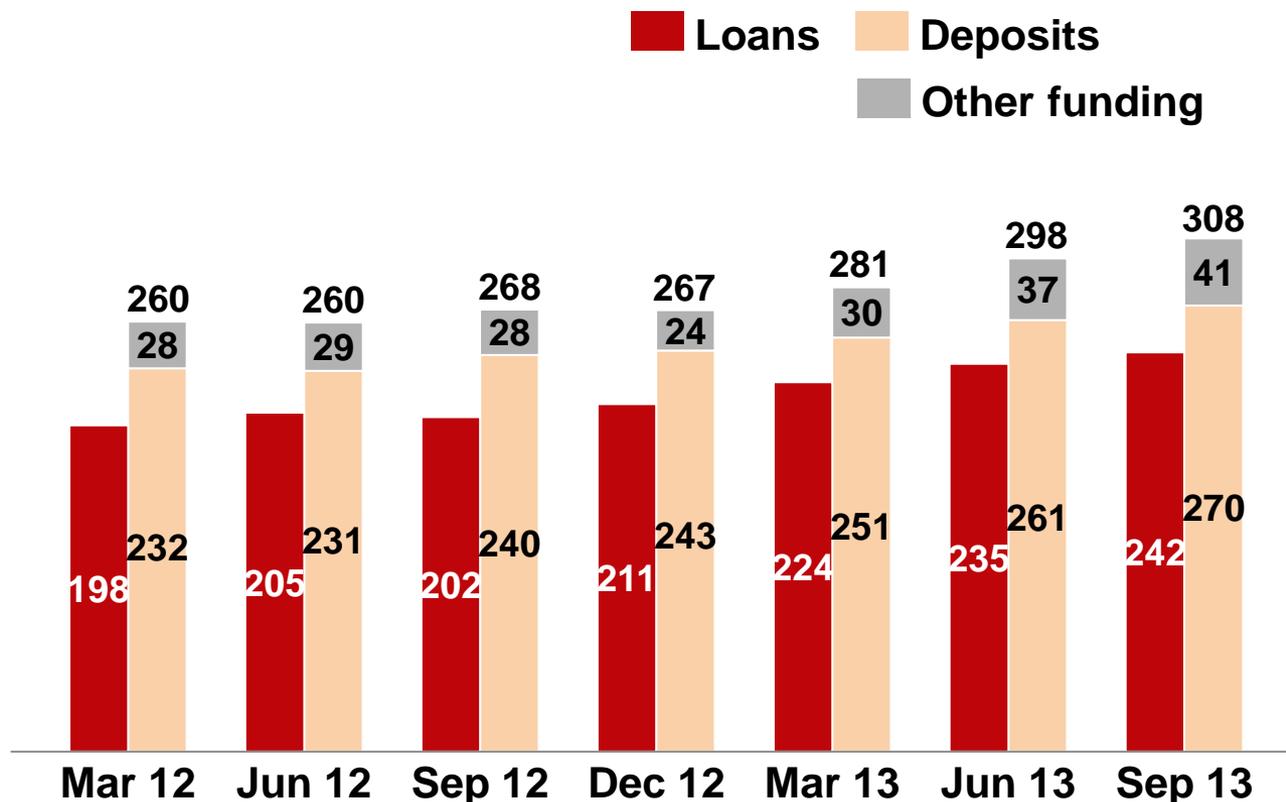
(S\$m)

◆ Net interest margin (%)



Loans up 3% on quarter and 19% on year

(S\$bn)



Loan/deposit (%)

Group	85	89	84	87	89	90	89
SGD	65	68	68	69	71	70	73
Non-SGD	113	117	106	110	113	115	109

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

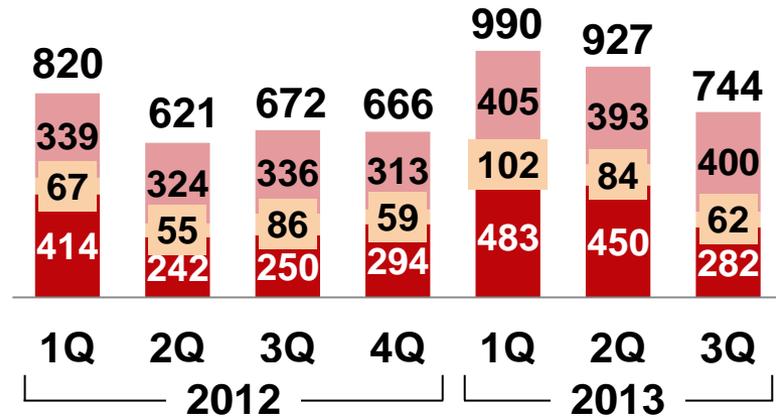
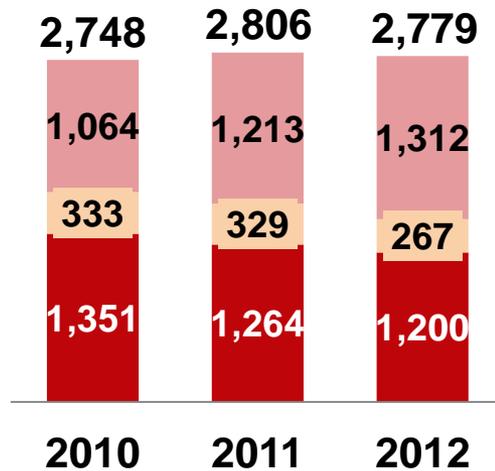
Other funding comprises institutional funding, medium-term notes, commercial papers, certificates of deposit and other debt securities in issue



3Q non-interest income up 11% on year

(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	82	87
Market	24	21	17	17	15	20	16	20	18	13

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

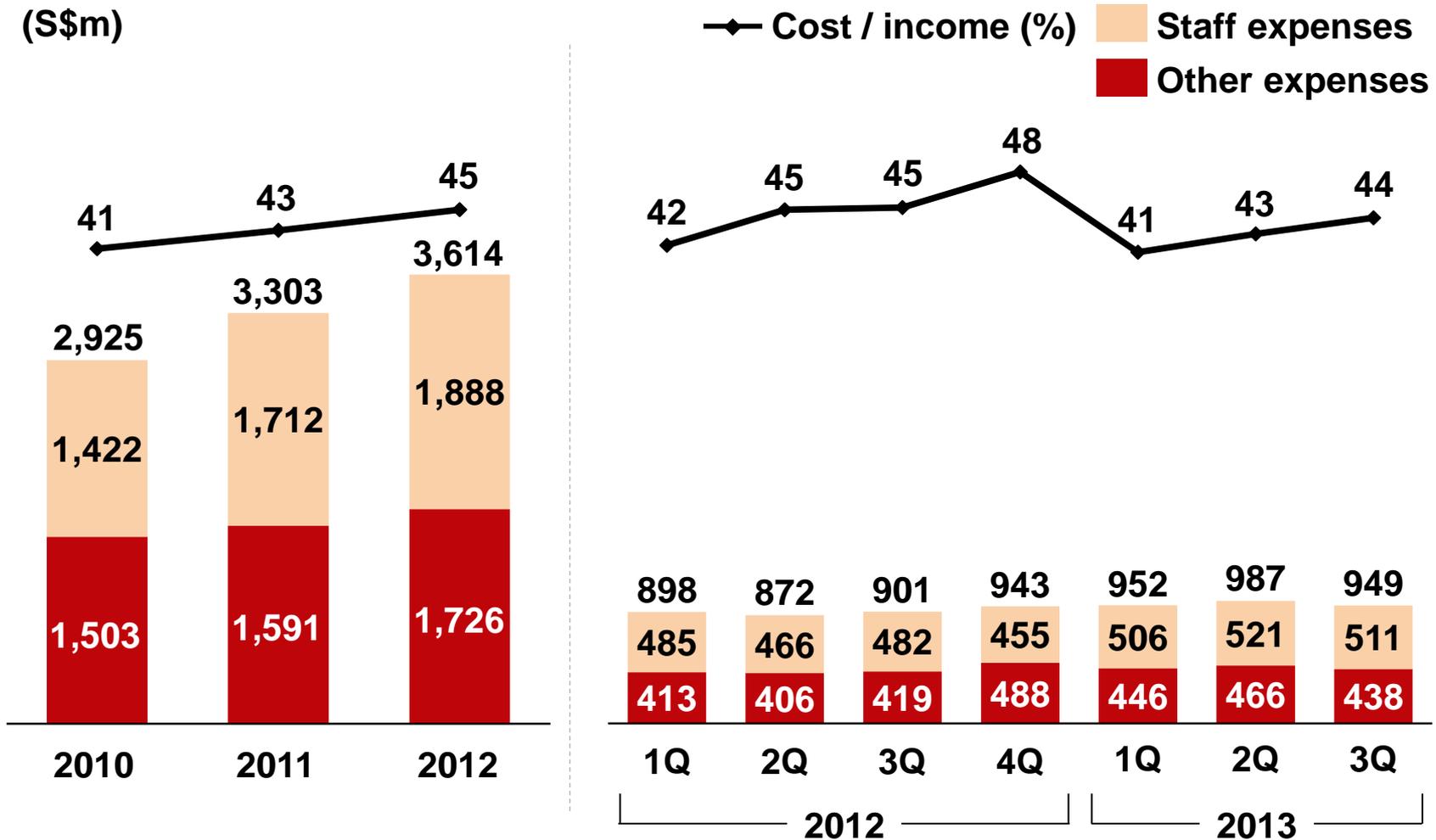
9M Treasury customer income reaches new high

(S\$m)	9M 2013	9M 2012	YoY %
Customer income	805	719	12
Other income, principally from balance sheet management, market-making and warehousing	834	828	1
Total Treasury income	1,639	1,547	6
Customer income as % of total Treasury income	49	46	3 pt

Comprising interest and non-interest income

3Q expenses decline 4% on quarter

(S\$m)



Hong Kong's 9M earnings up 15% on year to record

Constant-currency terms

(S\$m)	9M 2013	9M 2012	YoY %	YoY %
Net interest income	744	665	12	12
Non-interest income	683	472	45	45
Total income	1,427	1,137	26	26
Expenses	533	491	9	9
Profit before allowances	894	646	38	39
General allowances	115	(31)	NM	NM
Specific allowances	28	17	62	63
Allowances	143	(14)	NM	NM
Net profit	635	554	15	15
Net interest margin (%)	1.56	1.47		
Loan/deposit (%)	115	102		
Loan growth (%)				32
Deposit growth (%)				17

Hong Kong's 3Q profit before allowances up 22% on year

(S\$m)	Constant-currency terms						
	3Q 2013	3Q 2012	YoY %	YoY %	2Q 2013	QoQ %	QoQ %
Net interest income	263	228	15	13	250	5	4
Non-interest income	166	145	14	13	274	(39)	(40)
Total income	429	373	15	13	524	(18)	(19)
Expenses	179	168	7	4	186	(4)	(5)
Profit before allowances	250	205	22	20	338	(26)	(27)
General allowances	53	(28)	NM	NM	32	66	63
Specific allowances	9	7	21	19	9	(6)	8
Allowances	61	(20)	NM	NM	41	49	47
Net profit	159	187	(15)	(17)	254	(37)	(38)
Net interest margin (%)	1.55	1.54			1.60		
Loan/deposit (%)	115	102			113		
Loan growth (%)				32			10
Deposit growth (%)				17			8

9M regional income up 5%

(S\$m)	9M 2013	9M 2012	YoY %
Net interest income	792	923	(14)
Non-interest income	464	277	68
Total income	1,256	1,200	5
Expenses	671	594	13
Profit before allowances	585	606	(3)
Allowances	217	49	>100
Net profit	310	501	(38)

Figures for operations outside of Singapore and Hong Kong

3Q regional profit before allowances up 38% on year

(S\$m)	3Q 2013	3Q 2012	YoY %	2Q 2013	QoQ %
Net interest income	263	291	(10)	268	(2)
Non-interest income	183	64	>100	148	24
Total income	446	355	26	416	7
Expenses	240	206	17	226	6
Profit before allowances	206	149	38	190	8
Allowances	72	6	>100	61	18
Net profit	100	134	(25)	123	(19)

Figures for operations outside of Singapore and Hong Kong

NPAs rise moderately

(S\$m)	3Q 2013	2Q 2013	3Q 2012
NPAs at start of period	2,966	2,767	2,956
New NPAs	291	242	50
Upgrades, recoveries and translation	(23)	10	(120)
Write-offs	(180)	(53)	(51)
NPAs at end of period	3,054	2,966	2,835

Specific allowances ease from previous quarter

(S\$m)	3Q 2013	2Q 2013	3Q 2012
<u>Add charges for</u>			
New NPLs	63	91	25
Existing NPLs	56	82	55
	119	173	80
<u>Subtract charges for</u>			
Settlements	15	27	28
Recoveries	11	18	16
	26	45	44
Total SP charges for loans	93	128	36
SP / average loans (bp)	15	22	7

AFS bond portfolio diversified between government and corporate debt

	Sep 13 (S\$m)	Jun 13 (S\$m)
Singapore government bonds and MAS bills	8,713	12,071
Other government bonds	14,003	14,739
Supranational, bank and corporate debt bonds	11,099	11,151
Equities	1,278	1,326
Total	35,093	39,287
AFS reserves	121	96

Figures include securities pledged and transferred

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