

Record earnings, broad-based income growth

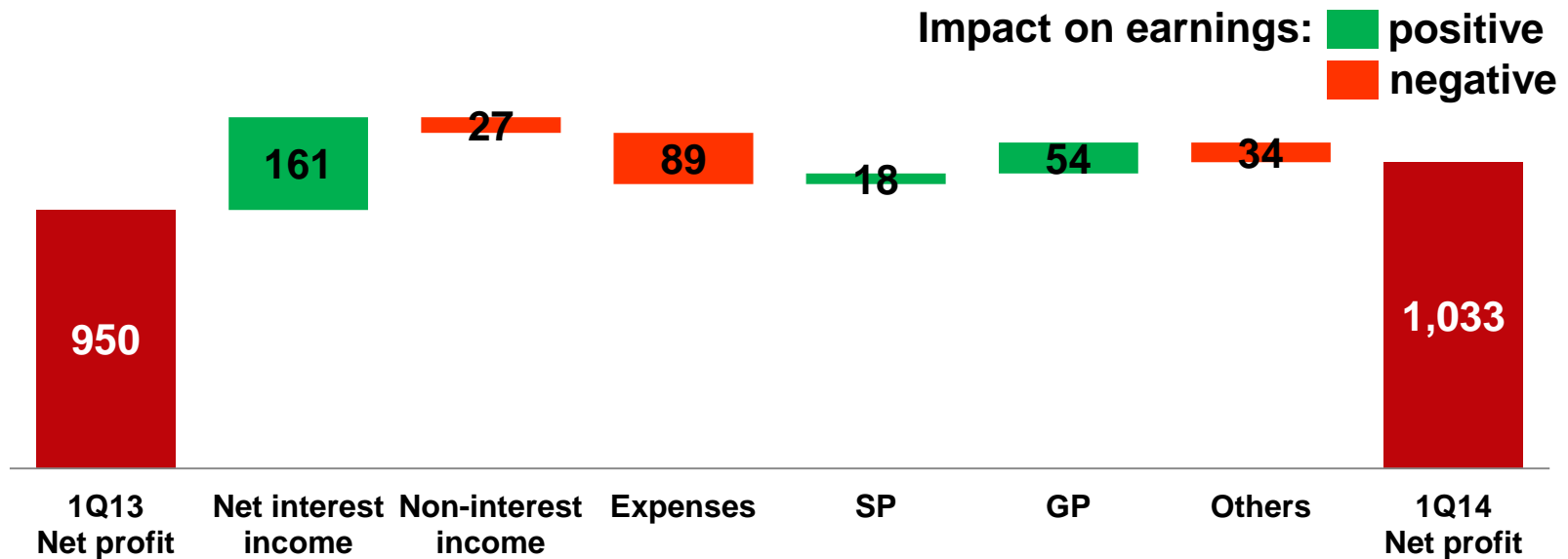
**DBS Group Holdings
1Q 2014 financial results
April 30, 2014**

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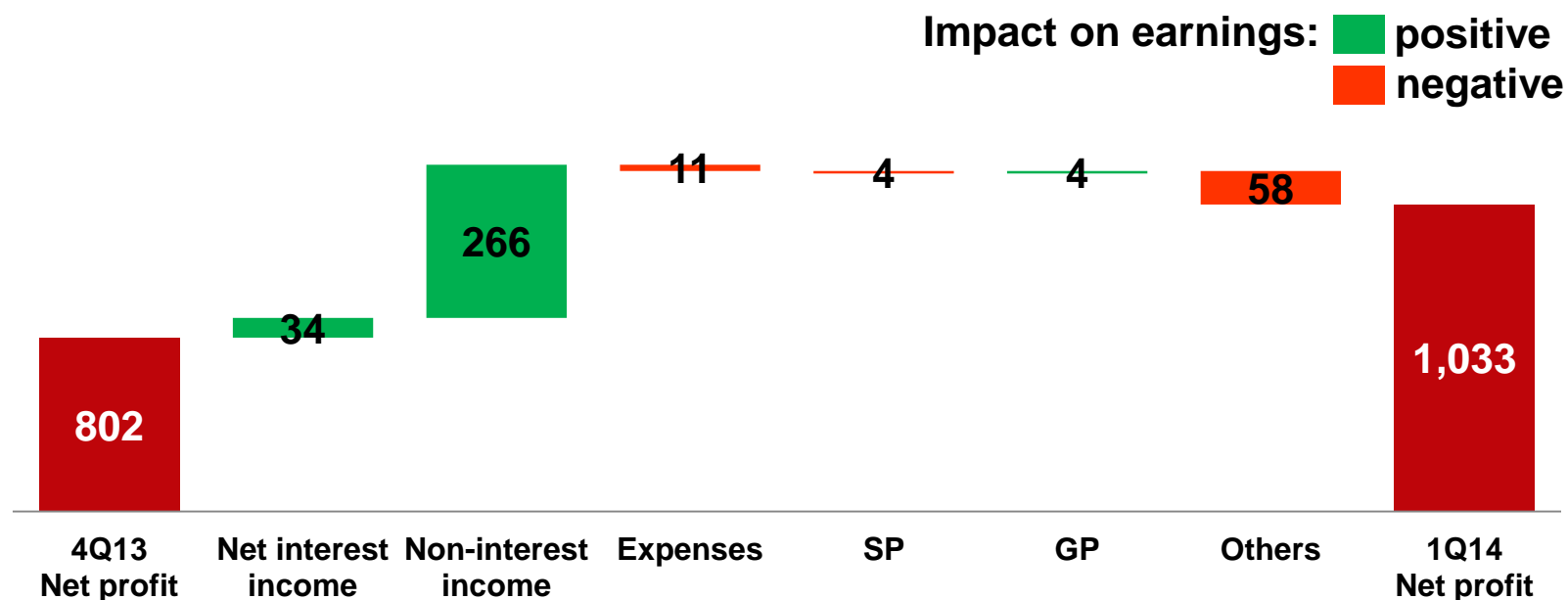
1Q earnings rise 9% on year to cross \$1 bn

(S\$m)		1Q14	YoY %	
Total income	record	2,451	6	<ul style="list-style-type: none"> Higher NIM, loan growth and customer non-interest income more than offset lower market income
Expenses		1,041	9	
Profit before allowances	record	1,410	3	<ul style="list-style-type: none"> Lower allowances with allowance coverage at historical high
Allowances		151	(32)	
Net profit	record	1,033	9	
Net profit (incl. one-time items)		1,231	30	



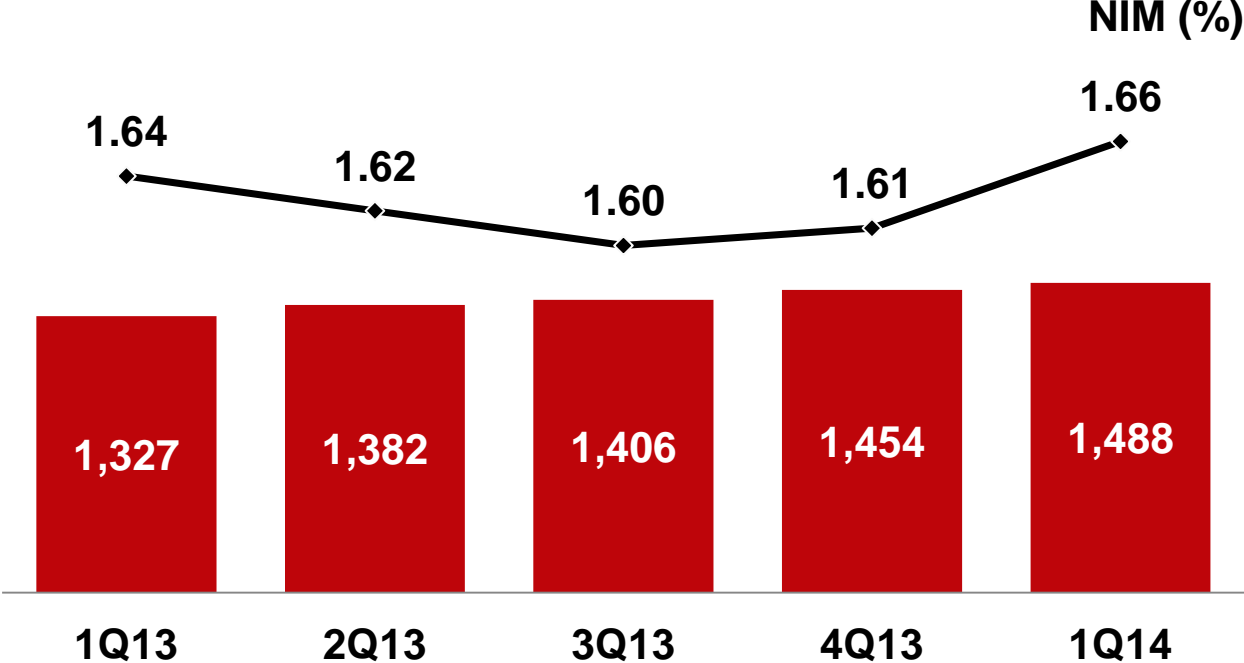
1Q earnings rise 29% on quarter as non-interest income rises

(S\$m)	<u>1Q14</u>	<u>QoQ %</u>	
Total income	2,451	14	▪ Customer non-interest income drives total income increase
Expenses	1,041	1	
Profit before allowances	1,410	26	▪ Business momentum healthy
Allowances	151	0	
Net profit	1,033	29	



1Q net interest income rises to record as NIM is highest in six quarters

(S\$m)

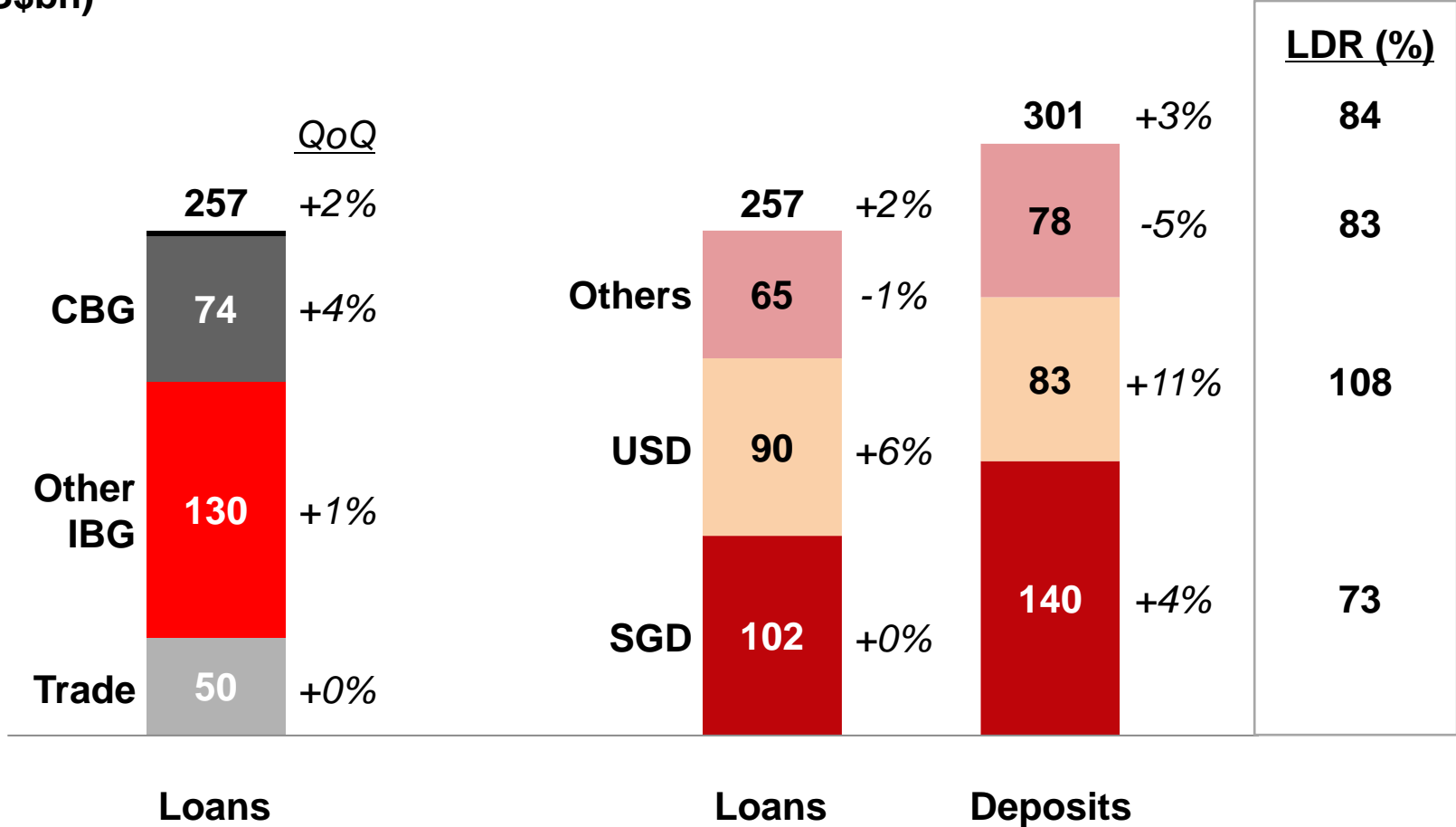


QoQ change in net interest income due to:

Volume	71	47	30	41	34
Rate	(9)	(7)	(21)	7	32
Day impact	(28)	15	15	0	(32)
Net change	34	55	24	48	34

Loan growth on quarter from regional corporate and secured consumer loans; liquidity remains healthy

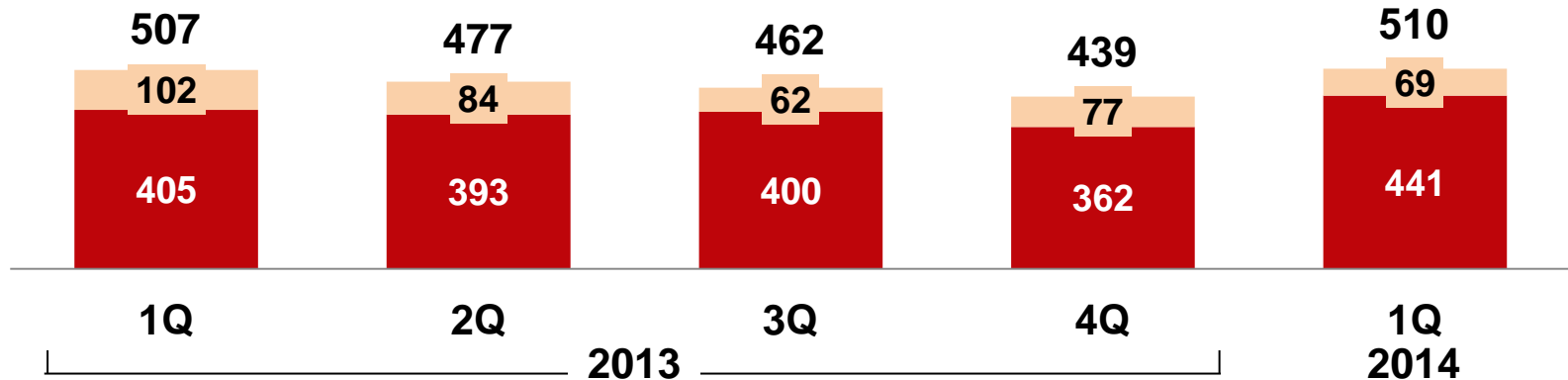
(S\$bn)



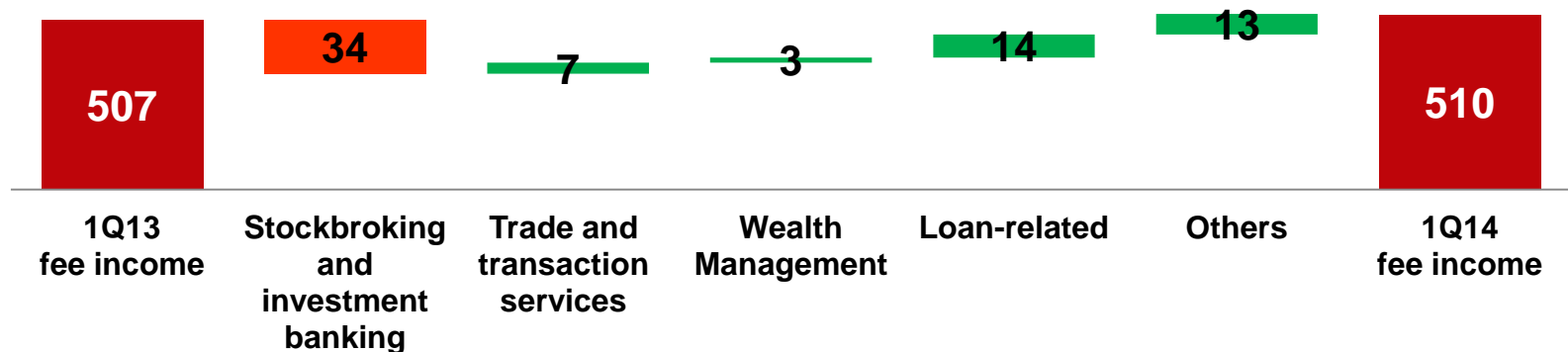
Fee income reaches record from continued growth in customer activity

(S\$m)

Stockbroking and investment banking
Others



Impact on fee income: positive (green), negative (orange)



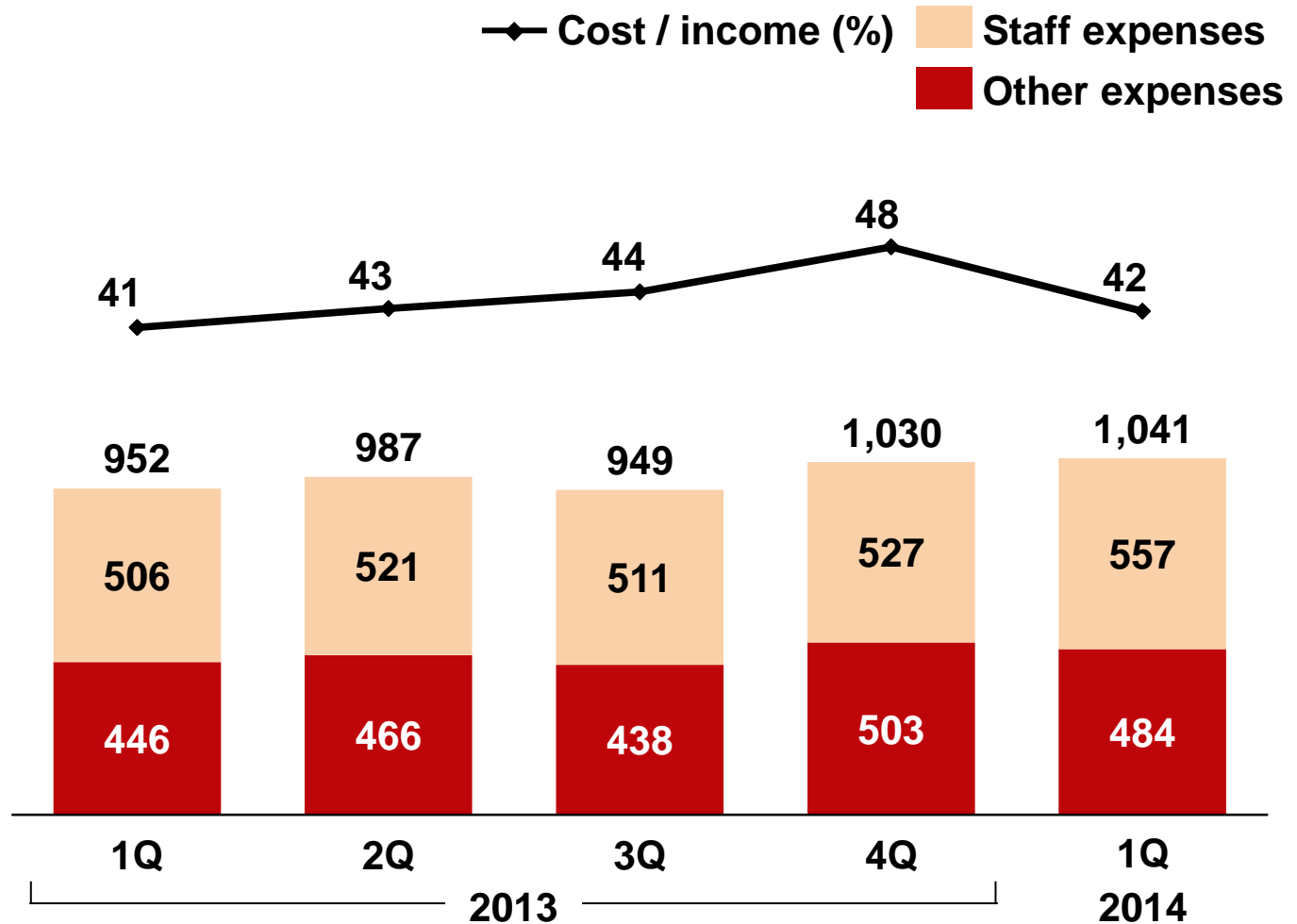
Treasury customer income reaches new high

(S\$m)	1Q 2014	1Q 2013	YoY %	4Q 2013	QoQ %
Customer income	355	296	20	231	54
Other income, principally from market-making and warehousing	279	323	(14)	200	40
Total Treasury income	634	619	2	431	47
Customer income as % of total Treasury income	56	48	8 pt	54	2 pt

Comprising interest and non-interest income

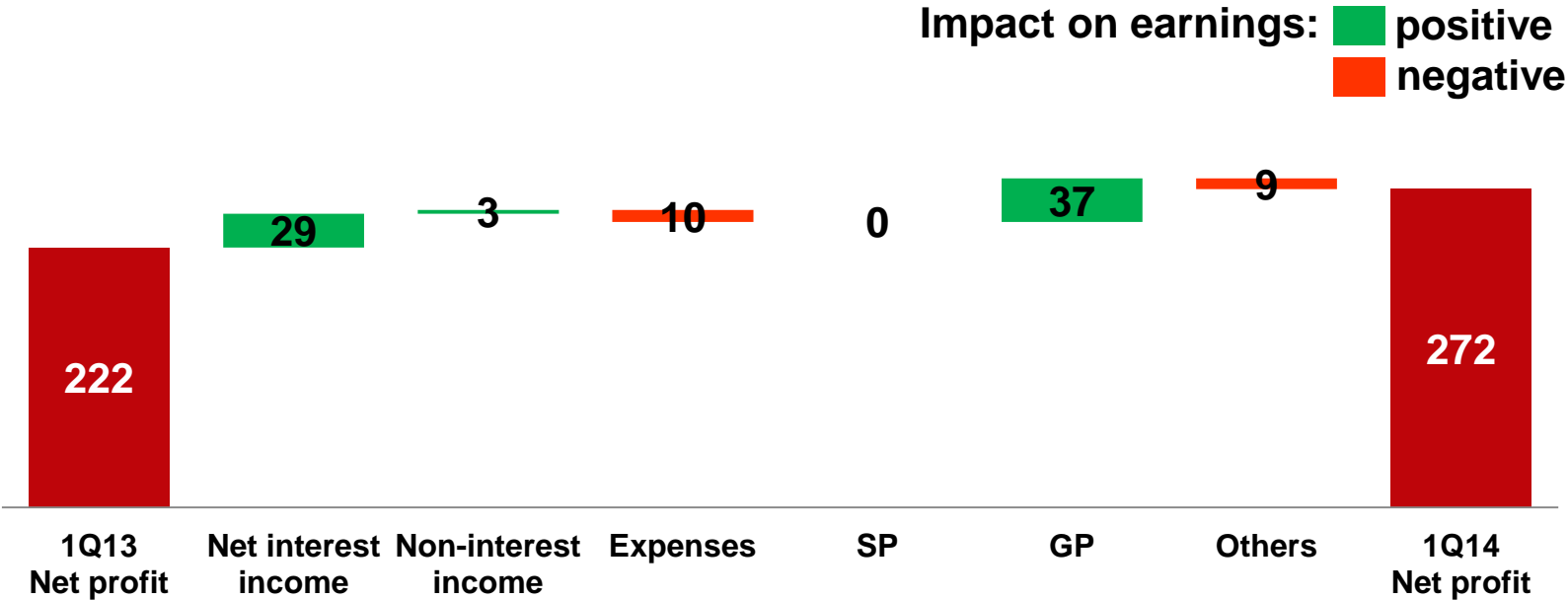
Expenses are stable on quarter

(S\$m)

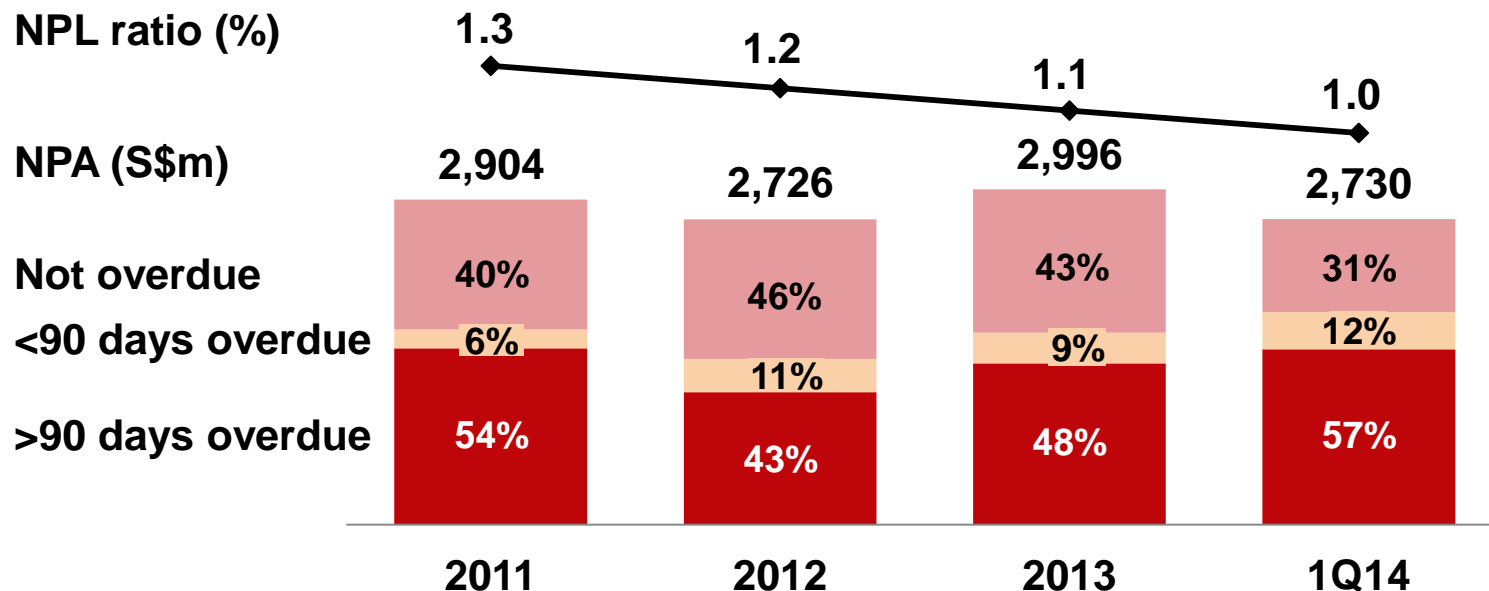


Hong Kong's 1Q earnings up 23% to record

(S\$m)	<u>1Q14</u>	<u>YoY %</u>	
Total income	506	7	
Expenses	178	6	▪ Higher net interest income from higher NIM and loan volumes
Profit before allowances	328	7	
Allowances	4	(90)	
Net profit	record 272	23	



Asset quality further strengthens, allowance coverage at historical high



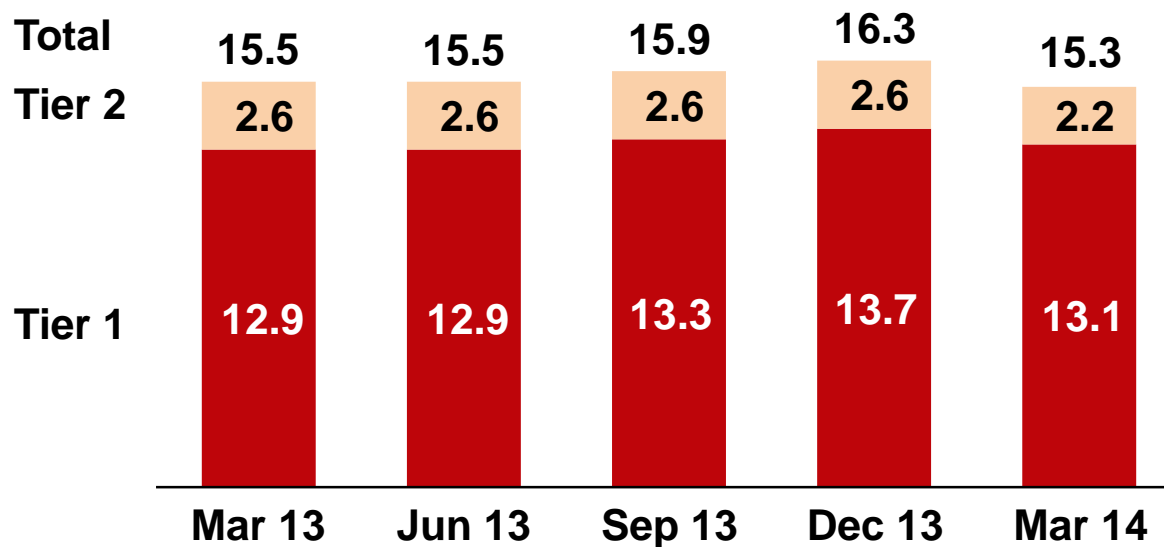
SP/loans (bp)	2011	2012	2013	1Q14
SP/loans (bp)	11	10	18	15

Cumulative general and specific allowances as % of:

	2011	2012	2013	1Q14
NPA	126	142	135	148
Unsecured NPA	165	183	204	271

Capital ratios remain strong

(%)



Core/common equity T1 (%) under:

Transitional	12.9	12.9	13.3	13.7	13.1
Pro forma Final	11.3	11.3	11.7	11.9	11.7
RWA (\$bn)	240	243	236	238	247

In summary – record earnings, broad-based income growth

Record earnings demonstrate franchise resilience

Healthy business momentum

Multiple growth engines, strong balance sheet

Supplementary slides

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1Q profit up 9% on year

(S\$m)	1Q 2014	1Q 2013	YoY %	4Q 2013	QoQ %
Net interest income	1,488	1,327	12	1,454	2
Fee income	510	507	1	439	16
Trading income	362	408	(11)	163	>100
Other income	91	75	21	95	(4)
Non-interest income	963	990	(3)	697	38
Total income	2,451	2,317	6	2,151	14
Staff expenses	557	506	10	527	6
Other expenses	484	446	9	503	(4)
Expenses	1,041	952	9	1,030	1
Profit before allowances	1,410	1,365	3	1,121	26
General allowances	56	110	(49)	60	(7)
Specific allowances	95	113	(16)	91	4
Allowances	151	223	(32)	151	0
Net profit	1,033	950	9	802	29
One-time items	198	0	NM	171	16
Net profit incl. one-time items	1,231	950	30	973	27

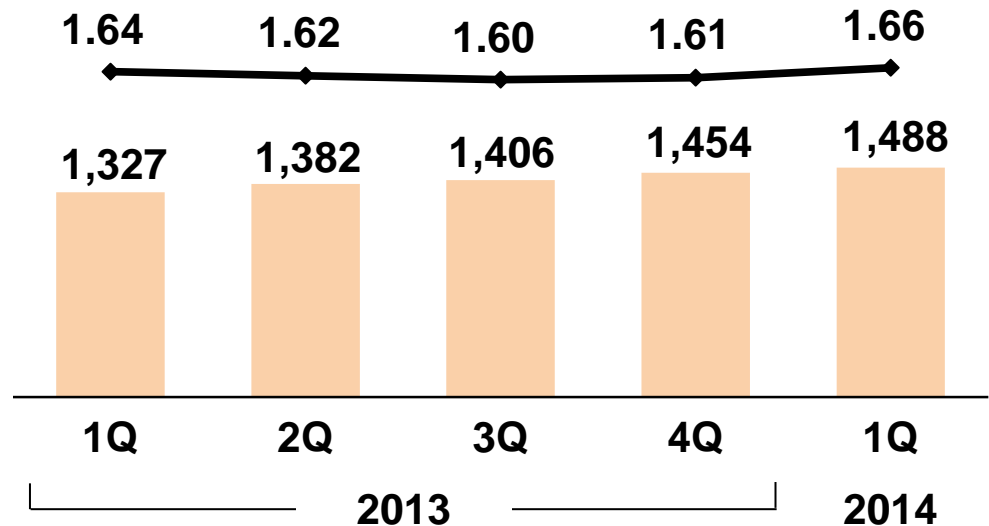
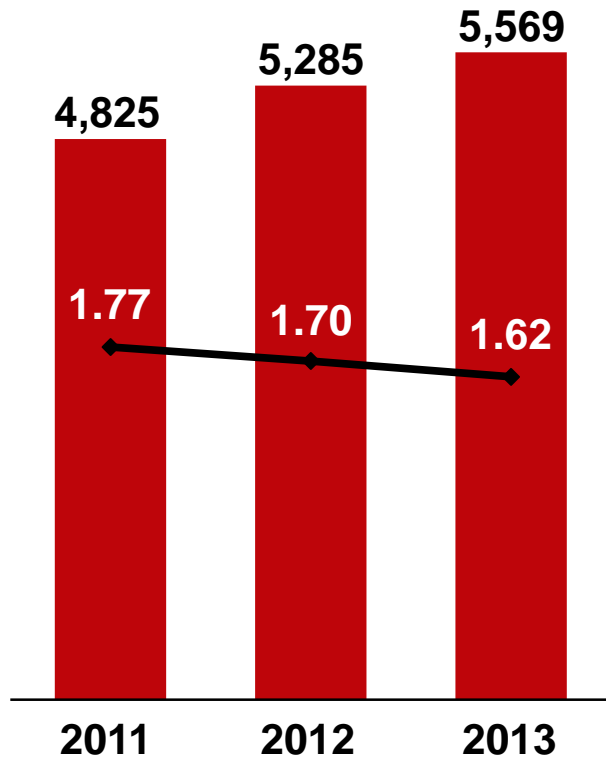
1Q ROE at 12.3%

(%)	1Q 2014	1Q 2013	4Q 2013
Net interest margin	1.66	1.64	1.61
Fee income/total income	21	22	20
Non-interest income/total income	39	43	32
Cost/income	42	41	48
ROE	12.3	12.0	9.7
Loan/deposit	84	85	85
SP/average loans (bp)	15	21	13
NPL ratio	1.0	1.2	1.1

1Q net interest income up 2% on quarter from loan growth and higher net interest margin

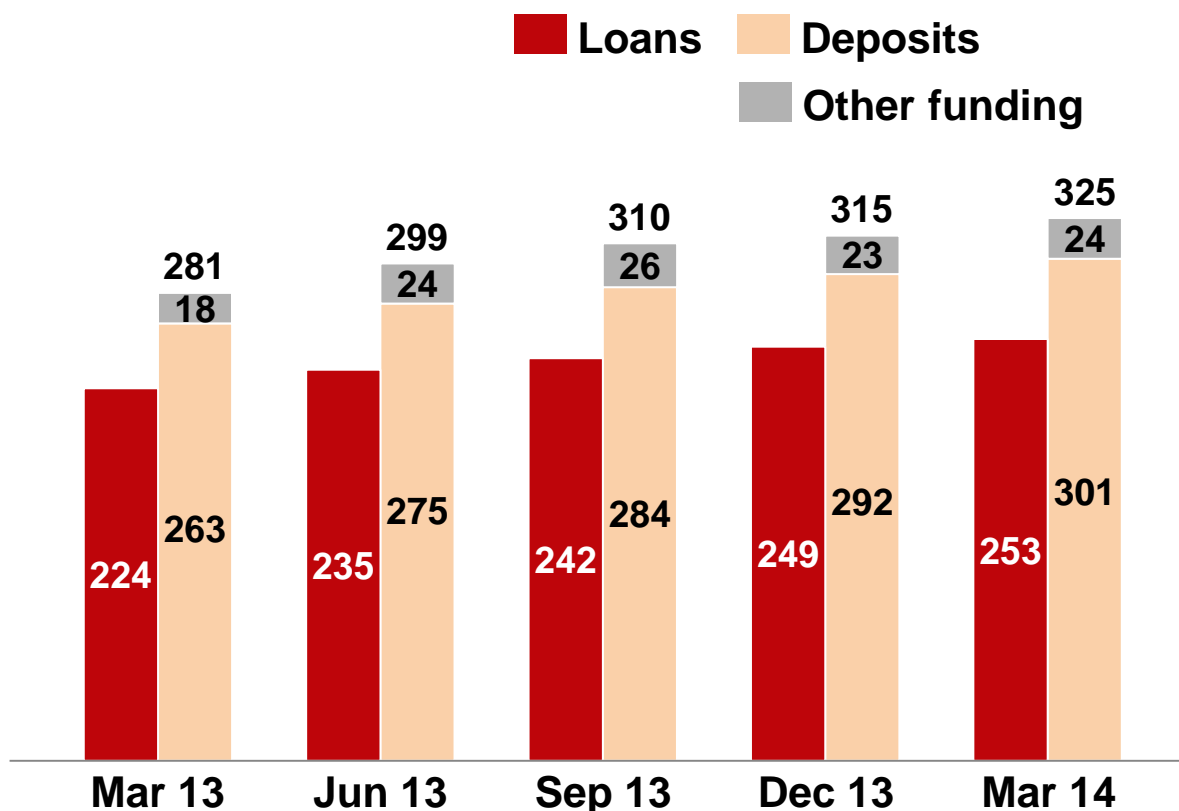
(S\$m)

—◆— Net interest margin (%)



Overall LDR stable, non-SGD LDR below 100%

(S\$bn)



Loan/deposit (%)

Group	85	85	85	85	84
SGD	71	70	73	75	73
Non-SGD	103	104	99	96	96

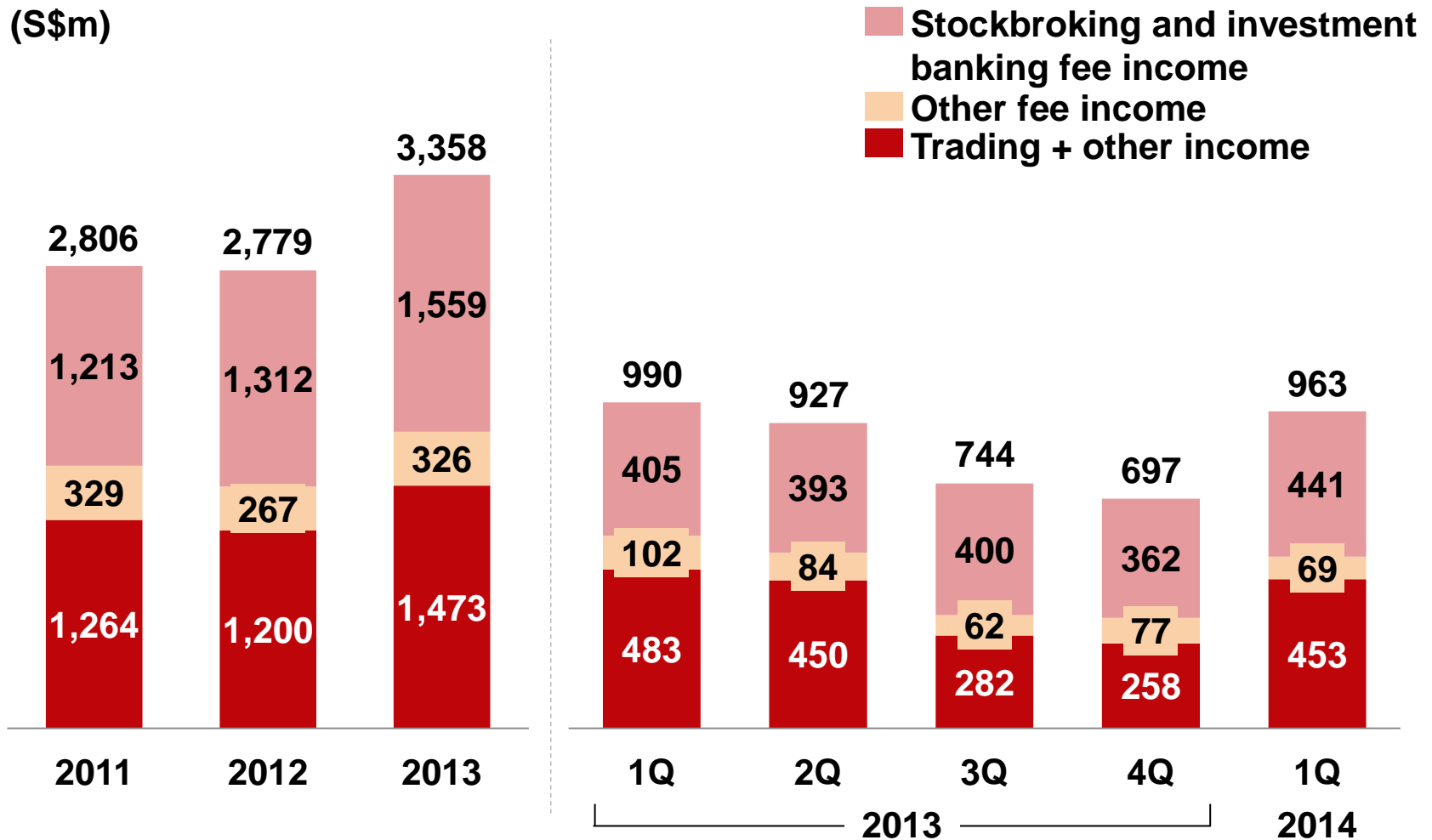
SGD and Non-SGD loan/deposit ratios are based on gross loans.

Other funding comprises senior medium-term notes, commercial papers, negotiable certificates of deposit and other debt securities



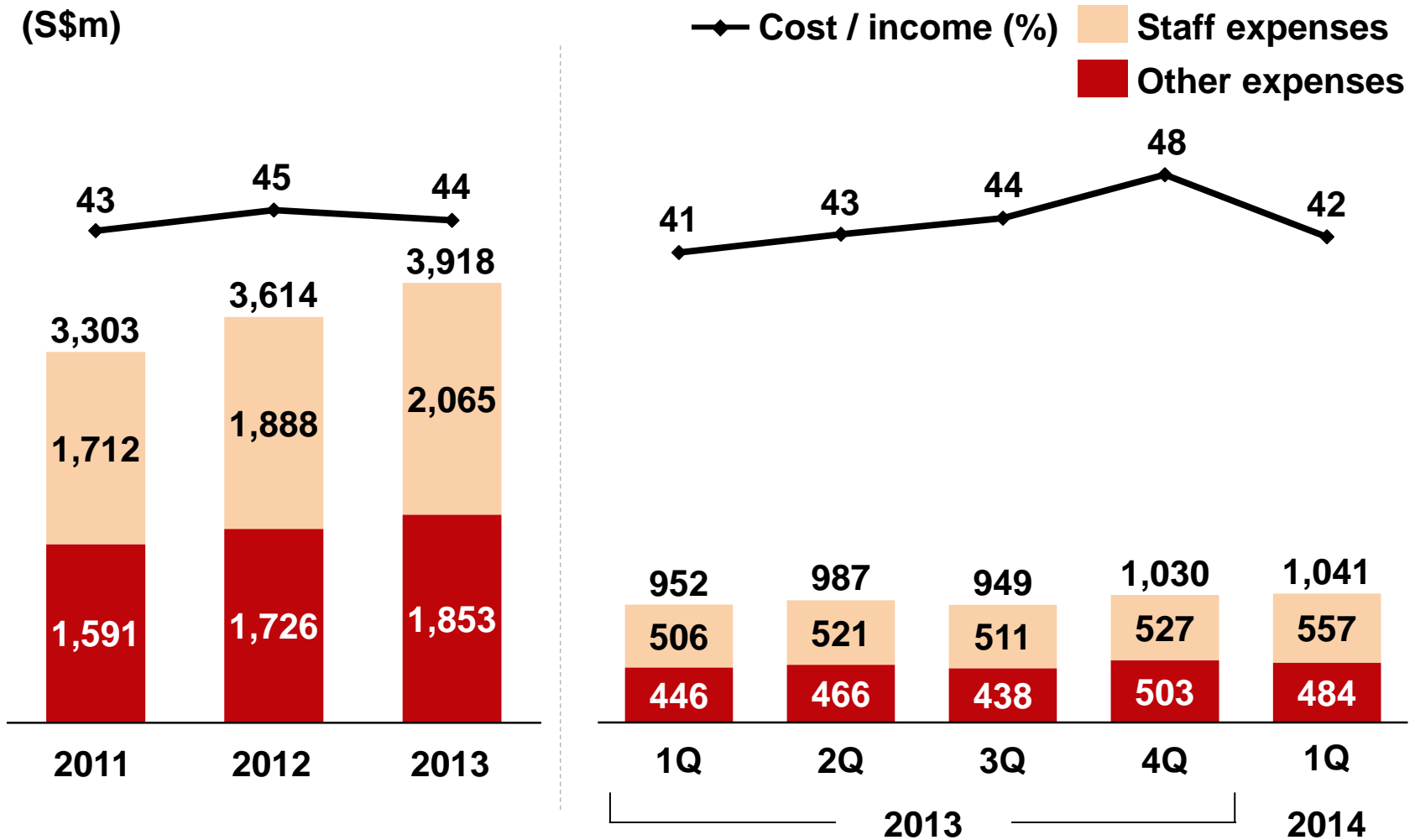
1Q non-interest income falls 3% on year as customer income growth offsets lower market income

(S\$m)



Expenses are stable on quarter

(S\$m)



Hong Kong's 1Q earnings up 23% on year

(S\$m)	Constant-currency terms						
	1Q 2014	1Q 2013	YoY %	YoY %	4Q 2013	QoQ %	QoQ %
Net interest income	260	231	13	10	272	(4)	(6)
Non-interest income	246	243	1	(1)	164	50	48
Total income	506	474	7	4	436	16	15
Expenses	178	168	6	4	184	(3)	(5)
Profit before allowances	328	306	7	5	252	30	29
General allowances	(6)	31	NM	NM	(17)	NM	NM
Specific allowances	10	10	0	7	16	(38)	(37)
Allowances	4	41	(90)	(90)	(1)	NM	NM
Net profit	272	222	23	20	216	26	25
Net interest margin (%)	1.57	1.53			1.52		
Loan growth (%)				12			(1)
Deposit growth (%)				5			(4)

1Q regional profit up 61% on year

(S\$m)	1Q 2014	1Q 2013	YoY %	4Q 2013	QoQ %
Net interest income	297	261	14	274	8
Non-interest income	177	133	33	119	49
Total income	474	394	20	393	21
Expenses	234	205	14	242	(3)
Profit before allowances	240	189	27	151	59
Allowances	78	84	(7)	76	3
Net profit	140	87	61	80	75

Figures for operations outside of Singapore and Hong Kong

NPAs decline from previous quarter

(S\$m)	1Q 2014	4Q 2013	1Q 2013
NPAs at start of period	2,996	3,054	2,726
New NPAs	412	275	268
Upgrades, recoveries and translation	(504)	(67)	(12)
Write-offs	(174)	(266)	(215)
NPAs at end of period	2,730	2,996	2,767

Specific allowances are stable from previous quarter

(S\$m)	1Q 2014	4Q 2013	1Q 2013
<u>Add charges for</u>			
New NPLs	85	42	117
Existing NPLs	88	73	73
	173	115	190
<u>Subtract charges for</u>			
Settlements	68	26	62
Recoveries	12	8	14
	80	34	76
Total SP charges for loans	93	81	114
SP / average loans (bp)	15	13	21

AFS duration little changed

(S\$m)	Mar 14	Dec 13
Government securities	21,125	21,389
Less than 3 years	14,961	16,280
3 to 5 years	1,196	1,167
5 to 10 years	4,281	3,263
More than 10 years	687	679
Supranational, bank and corporate bonds	11,076	10,851
Equities	1,443	1,300
Total	33,644	33,540
AFS reserves	83	(30)

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