

Countries

Asia's financial centres of Singapore and Hong Kong anchor our regional network, which also encompasses our growth markets of China, Taiwan, India and Indonesia.

INCOME

SGD 5.95 bn

AWARDS

SINGAPORE

- Best Wealth Manager
- Best Bank
- Best Cash Management Bank

SINGAPORE

ENTRENCH LEADERSHIP IN SINGAPORE

2014 Priority: Maintain leadership across customer segments and products, build digital capabilities and introduce innovative products and services to create a differentiated and seamless customer experience

Outcome: Achieved record income and net profit

The performance of our Singapore franchise was strong in 2014. Despite the low interest rate environment, income and net profit for our core domestic franchise (excluding the regional trading income booked in Singapore) achieved new highs. In a competitive market, we maintained our lead in savings accounts, large corporate banking and capital markets. In addition, we gained market share in the consumer banking and small and medium enterprise (SME) segments.

To efficiently serve our 4.5 million customers, our branches have been transformed from being pure service channels to sales outlets offering home loans, insurance and investment products. Through strategic partnerships with retailers, we have expanded our cash withdrawal points. Importantly, with Singapore having one of the highest penetrations of internet and mobile device ownership, we have made digital banking innovation a key priority. This includes enabling individual customers to make everyday cash transfers using a mobile phone and SME customers to open business accounts online.

As a gateway to Asia, Singapore is a prime location for the regional headquarters of companies and banks. To serve these Asian and Western MNCs, we set up dedicated country desks to provide a one-stop offering to them.

INCOME

SGD 1.90 bn

AWARDS

HONG KONG

- Best Overall Cross-border Cash Management Bank as Voted by Small, Medium and Large Corporates

HONG KONG

CONTINUE TO EXPAND THE HONG KONG FRANCHISE

2014 Priority: Focus on profitability, leverage innovation and digital technologies to grow our market position across large corporate, SME and wealth segments, and intermediate Greater China flows

Outcome: While we achieved revenue growth of 4%*, a tad short of our internal target, we exceeded our net profit internal target with 9%* growth

** Excludes property disposal gains*

We continued to grow our Hong Kong franchise by focusing on the domestic market and on capturing China-related flows. The resilience of our franchise enabled us to successfully navigate a challenging macro environment and achieve record net profit. While RMB volatility impacted treasury customer flows, we more than made up for this through our corporate banking, SME and wealth management businesses and our ability to capture Hong Kong-China connectivity flows.

AWARDS

HONG KONG

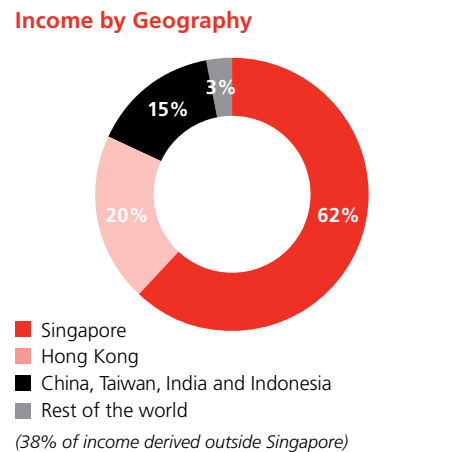
- Best SME Bank and Best Wealth Management

INCOME

SGD 1.42 bn

AWARDS

- CHINA**: Best Corporate Bank (Foreign)
- TAIWAN**: Best Overall Domestic Cash Management Services as Voted by Small, Medium & Large Corporates
- INDIA**: Best Structured Trade Finance
- INDONESIA**: Best Wealth Manager



In the domestic market, we maintained our leadership among SME customers. New SME client acquisition increased almost 30%, underpinned by the banking solutions we offered as well as our expanded online banking and SME branch network. We achieved solid growth in wealth management, expanding our customer base with enhanced wealth advisory and product offerings. We sought to redefine the banking experience with a series of innovations, including the first-to-market "DBS Loans" app, which offers financing solutions via digital channels.

We used our regional network, product expertise and reputation for consistent customer support through business cycles to deepen relationships with Chinese enterprises that have cross-border operations. With these clients, we offered not just credit facilities, but also strategic advisory, capital market and treasury solutions. In particular, we doubled fee income from debt capital market activities and achieved double-digit growth in the equity market activities.

GROWTH MARKETS

REBALANCE GEOGRAPHIC MIX OF OUR BUSINESS

2014 Priority: Build out our franchises in growth markets of China, Taiwan, India and Indonesia to achieve a more balanced geographic mix

Outcome: Made headway in growth markets with income from China and Taiwan at new highs; underperformed in India and Indonesia due to the challenging macroeconomic environment

We continued to build out our franchises with large corporates, SMEs, institutional investors and affluent individuals in our growth markets of China, Taiwan, India and Indonesia. These four markets combined recorded 14% income growth and contributed to 15% of the Group's income, up from 11% in 2009.

CHINA
China's growth slowed as it continued with a structural transformation of its economy. Despite a challenging environment, income of our China franchise grew more than 30% to a multi-year high as we captured the intra-Asia business and investment business of Chinese corporates. We have built strong relationships with about 700 leading corporates by supporting their expansion overseas. Today, we are the fifth-largest foreign bank in China. A robust client selection process has ensured that our loan book remained healthy. To expand into consumer finance, we inked a joint venture with the Postal Savings Bank of China in early 2015.

TAIWAN
In Taiwan, one of Asia's most competitive banking markets, we are the fourth largest foreign bank. Income grew 19% to a record. Our treasury and cash management capabilities helped cement our position as the second largest SME franchise among foreign banks. Our wealth management business achieved strong growth in customer acquisition and assets under management. We are also leveraging our regional strength in offshore RMB to offer timely products to our customers.

INDIA
There were weaknesses in India's economy which impacted our business, particularly in the mid-cap portfolio. As non-performing loans increased, net interest income was affected. We took steps to address the weakness in our portfolio and strengthen our franchise, and are now ready for growth. We remain optimistic about India's growth prospects and see potential for expansion, including under the wholly-owned subsidiary framework.

INDONESIA
We are the sixth largest foreign bank in Indonesia with a top-five position in wealth management. With macroeconomic headwinds during the year, growth was subdued. However, our franchise remained resilient and we gained further market recognition for our trade, treasury, cash and wealth capabilities. We believe Indonesia's economy will fare better in the coming year.

PERFORMANCE