

Acquisition of ANZ wealth and retail business in five markets

31 October 2016

Summary of business acquired

Revenue: \$825m

Loans: \$11bn

Deposits: \$17bn

Purchase consideration of \$110m



Hong Kong

Revenue: \$93m

Loans: \$1bn

Deposits: \$5bn



Singapore

Revenue: \$319m

Loans: \$6bn

Deposits: \$8bn

China



Revenue: \$19m

Loans: \$0.5bn

Deposits: \$0.5bn

Taiwan



Revenue: \$134m

Loans: \$2.5bn

Deposits: \$2bn

Indonesia



Revenue: \$262m

Loans: \$1bn

Deposits: \$1.5bn

Presentation uses AUD 1= SGD 1 to align press communications by both parties. Based on latest exchange rate of 1.06, revenue, loans, deposits, AUMs and purchase consideration would be 6% higher in SGD terms.

Adds value to our franchise

Cements position as a leading wealth manager in Asia

- \$23bn of AUM
- >100k customers
- Primarily in Singapore and Hong Kong

Enables rapid scale-up of digital strategy in Indonesia and Taiwan

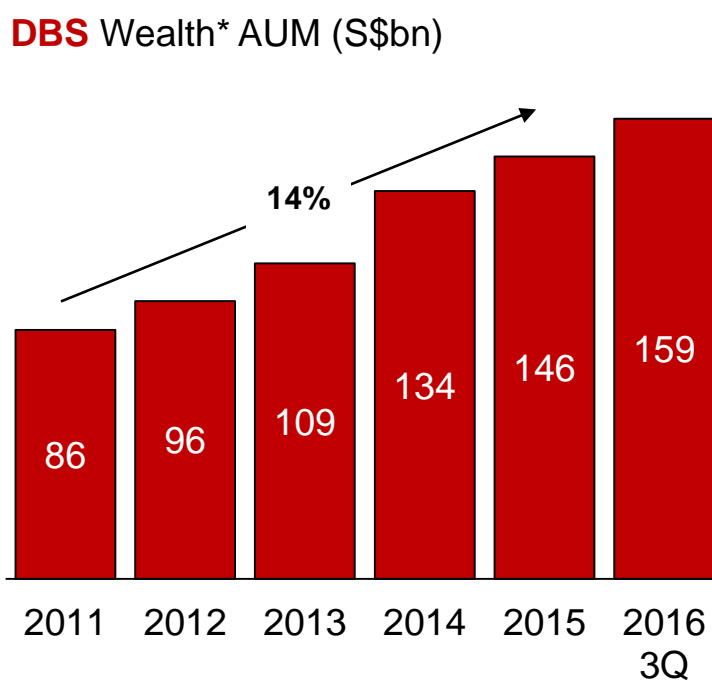
- ~1.2m retail customers scale up base, especially in Indonesia and Taiwan
- Payment products enhance 🏠 digibank
- Improves operating leverage

Creates financial value

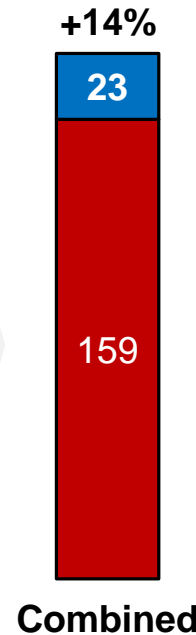
- Minimal impact on capital ratios
- Self-funded book as deposits exceed loans
- Significant cost synergies leveraging on our existing scale
- ROE and earnings accretive one year after completion

Cements position as a leading wealth manager in Asia

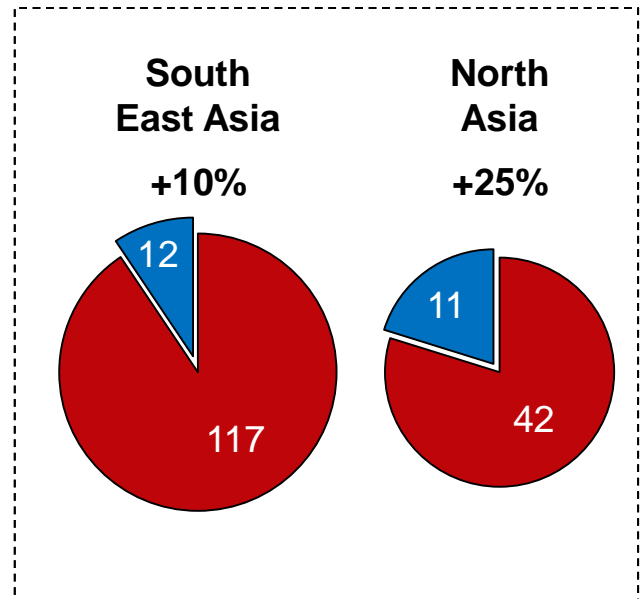
DBS Wealth* AUM (S\$bn)



- Our wealth business has achieved **strong growth** over the past five years
- Income has **grown at 23% CAGR** since 2011



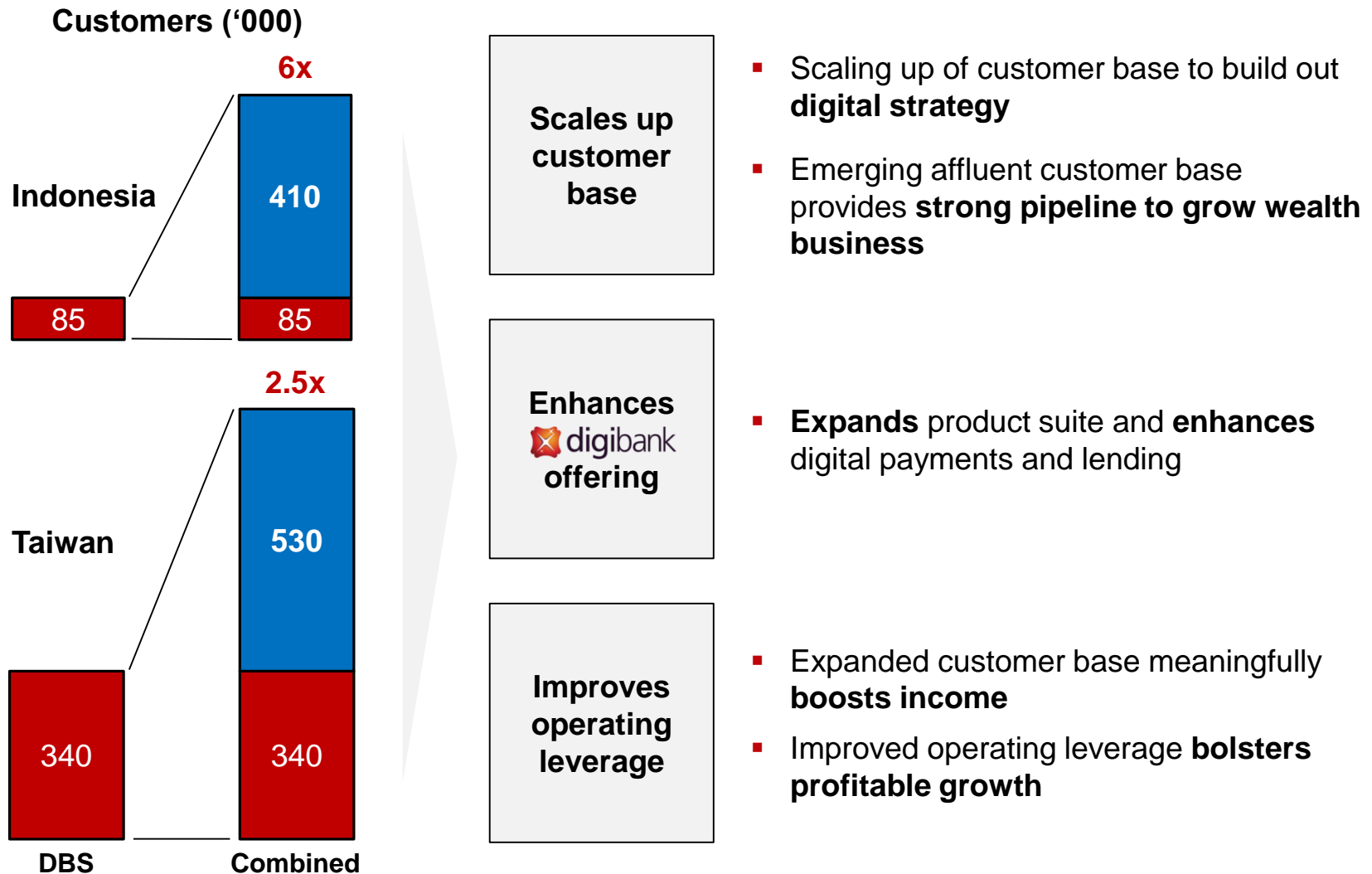
ANZ AUM boost to SEA and NA



- AUM **increases by \$23bn (+14%)** to \$182bn across the region
- >100,000** wealth customers added
- Most significant increases in **Singapore and Hong Kong**
- High net worth individuals account for \$6bn in AUM and 3,500 customers

*Comprising Treasures, Treasures Private Client and Private Bank

Enables rapid scale-up of digital strategy in Indonesia and Taiwan



Creates financial value – ROE and earnings accretive one year after completion

Good value

- Purchase consideration represents **0.5% of AUM**
- **Minimal impact** on capital ratios with high-quality mortgage loans
- \$17bn deposit base provides **additional liquidity**

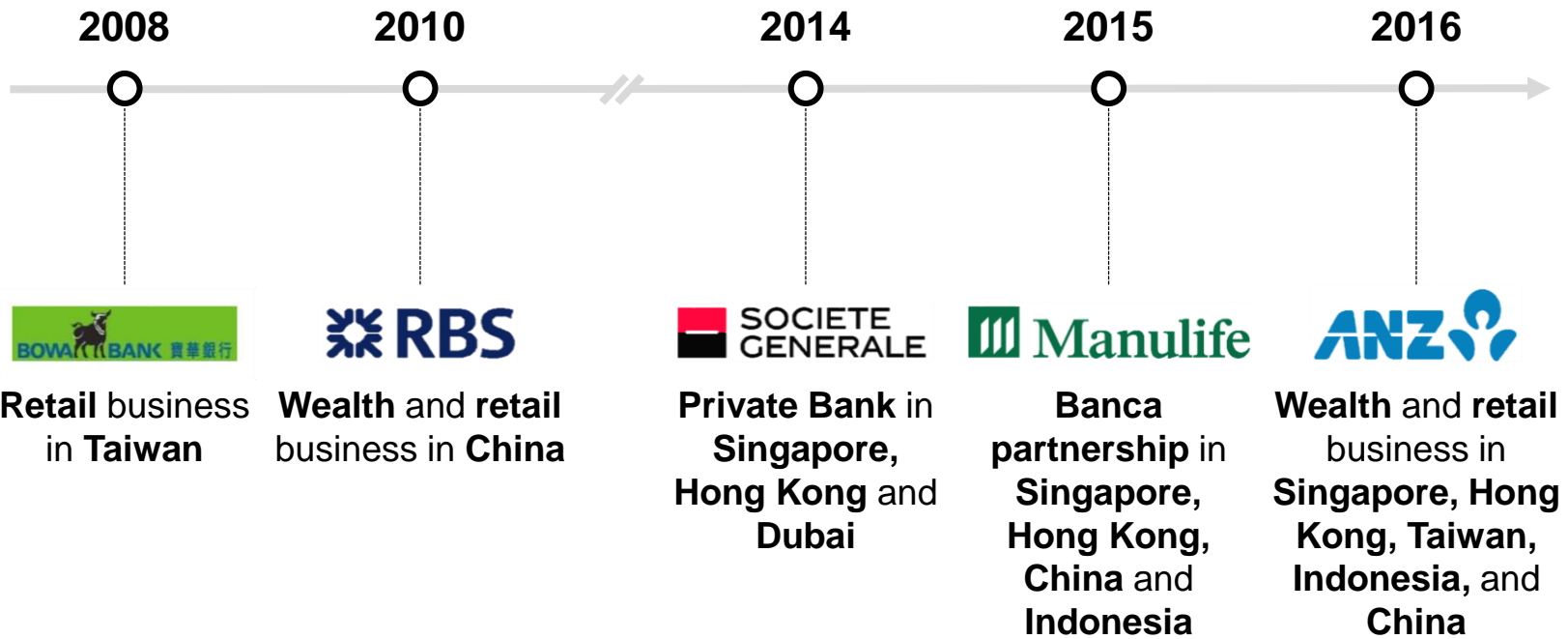
Significant cost synergies

- Bolt-on in Singapore and Hong Kong – **low marginal cost** required to integrate business into existing customer base
- Significant **cost-income ratio improvement** in Indonesia and Taiwan through **rapid scale**
- **Cost savings** from marketing, infrastructure and IT

ROE and earnings accretion

- Transaction to be completed progressively over 15 months, beginning with Singapore
- Expected to add \$200m to Group income in 2017 and \$600m in 2018
- Projected earnings of \$200m within three years with ROE >15%

Proven ability to successfully integrate wealth and retail acquisitions and partnerships across region



Markets involved

1

1

3

4

5

In summary

- **Acquisition makes good strategic sense**
 - Cements position as a leading wealth manager in Asia
 - Enables rapid scale-up of digital strategy in Indonesia and Taiwan
- **Financially attractive**
 - Good value with earnings and ROE accretion one year after completion
 - Significant cost synergies
- **Proven ability to integrate and create value**
 - A successful history of acquisitions, partnerships and integration

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