



Live more,  
Bank less

**ANNUAL**

**GENERAL MEETING**

**31 MARCH 2022**



Live more,  
Bank less

**PIYUSH GUPTA**

**CHIEF EXECUTIVE OFFICER**

# Agenda

1. 2021: An Outstanding Year
2. 2022 Outlook
3. Positioning ourselves for the future

# Strong business momentum and performance in 2021

- Total Income of \$14.3bn with record fee income and trading income, offset by lower net interest margin and lower gains on investment securities from high year-ago base
- Record net profit of \$6.8bn and second highest<sup>1</sup> ROE of 12.5%

		FY21 (\$m)	YoY (\$m)	YoY (%)
Total income	Stable	14,297	(295)	(2)
Net interest income		8,440	(636)	(7)
Non-interest income		5,857	341	6
Expenses		6,469	311	5
Operating profit		7,828	(606)	(7)
Total Allowances		52	(3,014)	(98)
GP		(447)	(2,160)	NM
SP		499	(854)	(63)
Net profit	Record	6,801	2,080	44
Net interest margin (%)		1.45	-	(17bps)
Cost-income ratio (%)		45	-	3%pt
ROE (%)	2 <sup>nd</sup> Highest <sup>1</sup>	12.5	-	3.4%pt
Gross Loans <sup>^</sup> (\$bn)		415	34	9
Deposits <sup>^</sup> (\$bn)		502	32	7

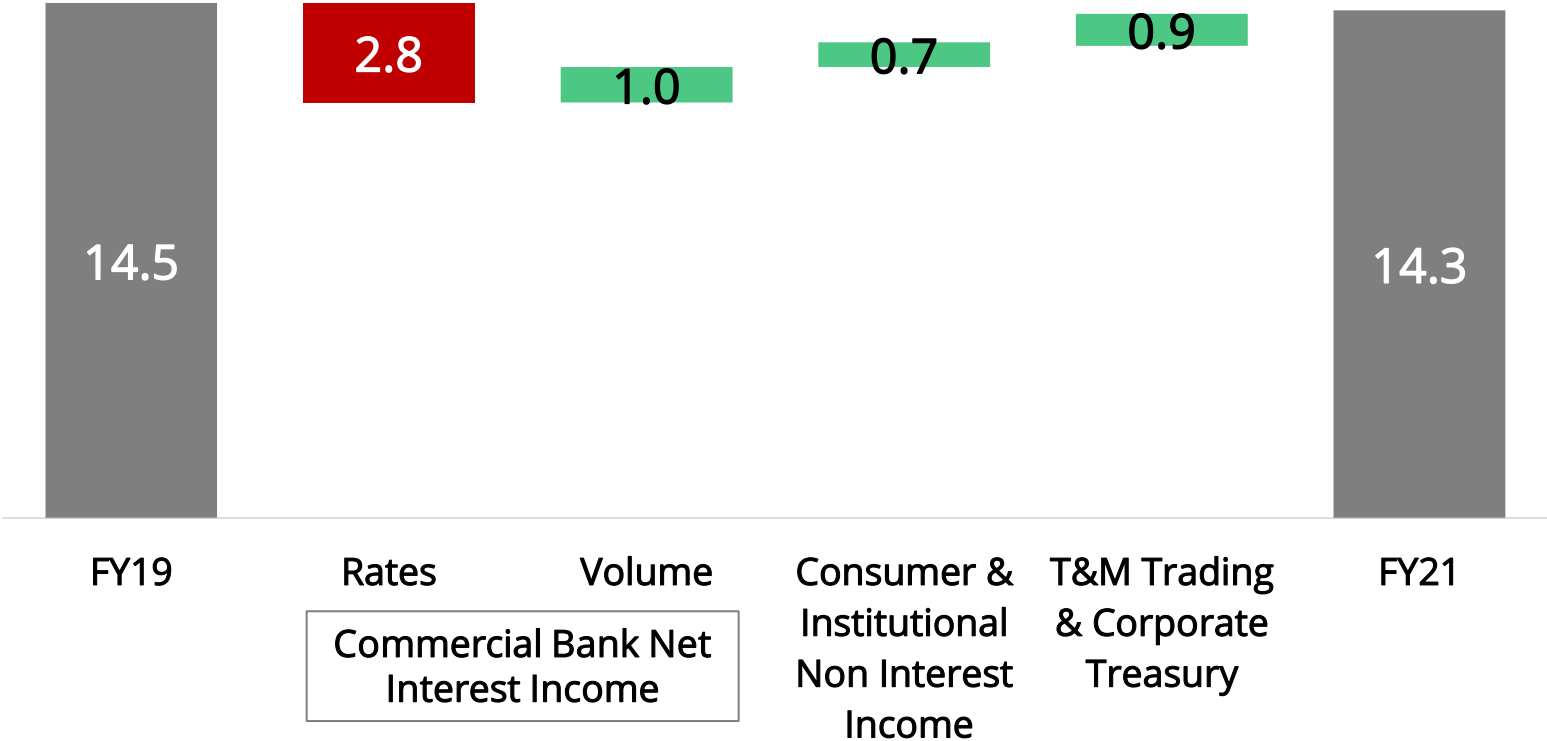


<sup>^</sup> YoY change in constant-currency terms

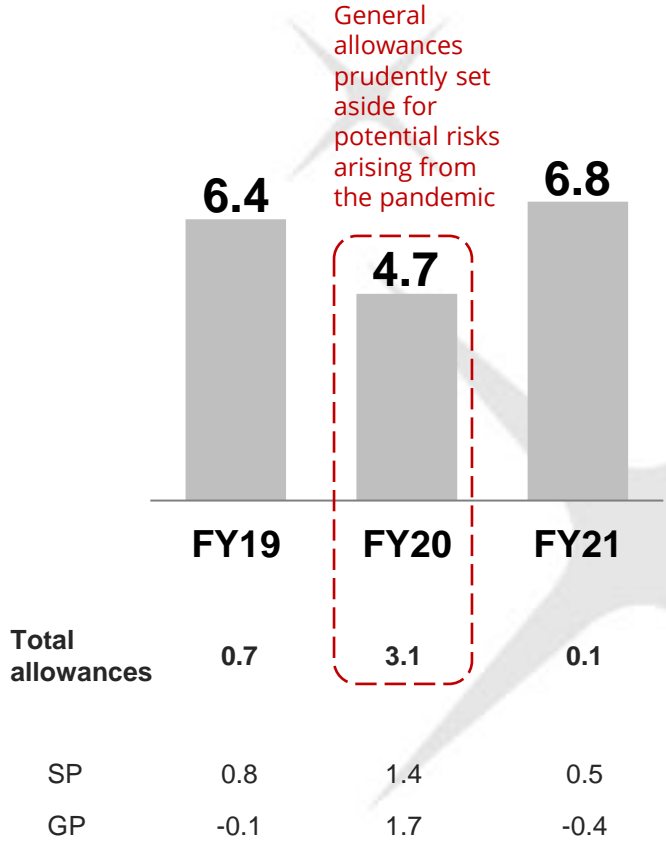
<sup>1</sup>: ROE of 12.5% is second highest in more than a decade

# Severe headwinds from interest rates but we were able to make up for most of it

Income, \$bn



Net profit, \$bn



# Strength of diversified franchise coming through

- Multiple drivers of growth
  - Loan growth of 9% highest in 7 years
  - Sustained deposit growth, record Casa ratio of 76%
  - Fee Income ▲15% driven by wealth management, transaction banking, investment banking activities and card spend recovered to pre-covid levels
  - Treasury Markets income and treasury customer income at new highs

# Strong balance sheet

## Asset quality

NPL ratio: declined from 1.6% to 1.3%

Improved asset quality from higher repayments, decline in new NPA formation to pre-Covid levels

## Allowance reserves

GP reserves: \$3.9bn

\$0.4bn above MAS requirement; \$1.1bn beyond Tier-2 eligibility

Total allowance reserves: \$6.8bn

NPA coverage of 116% and of 214% including collateral

## Capital

CET-1: 14.4%

Above management operating range and regulatory requirements

## Liquidity

LCR: 135%  
NSFR: 123%  
LDR: 81%

Regulatory ratios well above requirements, ample liquidity to support business operations even in stressed funding conditions

# In addition to strong financial performance, we repositioned our franchise for the future...

- Future-proofing ourselves in several important ways across the business, workforce and our approach to sustainability
- More details in Section 3



# Full-year dividend at \$1.20 per share

- 4Q dividend at 36 cents per share, up 9%, in line with policy of paying sustainable dividends that grow progressively with earnings
- Dividend for the financial year \$1.20 per share
- Barring unforeseen circumstances, annualized dividend to be \$1.44 per share

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# Business Outlook

- Balance sheet poised to benefit from rising interest rates
  - NII sensitivity of \$18m-20m per bp of USD rates
- Expense growth slightly above 2021
- Global growth outlook uncertain
  - Russia Ukraine impact
  - Inflation, especially from energy and commodity prices
  - Pace of central bank policy actions
  - Uneven reopening of countries post pandemic

# Credit Outlook

- Asset quality remains resilient
- Minimal direct exposure to Russia, Ukraine
- Inflation and interest rates could put pressure on the SME portfolio. However, largely secured and well stress tested
- Volatile commodity prices and supply chain could lead to idiosyncratic risks in large corporates but no immediate deterioration evident
- China lockdown risk expected to have minimal credit impact

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# Positioning ourselves for the future

- Future-proofing our business
  - Geographic expansion
  - Launching new businesses
  - Becoming a technology company
- Adapting to the future of work
- Championing sustainability

# Future-proofing our business

- By 2024, we expect these initiatives to add approximately \$1.2bn - \$1.3bn to our revenue and an incremental \$500m to our bottom line

## Geographic Expansion

Lakshmi Vilas Bank

Shenzhen Rural  
Commercial Bank

Citibank Taiwan

## New Businesses

China Securities Joint  
Venture

New Economy  
Companies including  
Growth Debt Fund

Digital Exchange

## Becoming a Technology Company

Partior

Climate Impact X (CIX)

FIX Marketplace

Software Business

# Adapting to the future of work

- Accelerating from hierarchical to horizontal, managing through customer journeys
- Leveraging data and artificial intelligence
- Offering additional upskilling and reskilling opportunities to staff
- Providing flexible work arrangements



# Championing sustainability

## Board Sustainability Committee

Established to enhance our governance process in relation to climate impact and broader ESG matters centered on our three sustainability pillars

### Responsible banking



Our responsible banking practices support our customers' transition towards lower-carbon business models, enhance their access to ESG investments, and deliver customised retail solutions to meet their specific needs.

### Responsible business practices



We believe in doing the right thing by our people and embedding environmental and societal factors in our business operations.

### Impact beyond banking



We seek to be a force for good by championing social enterprises – businesses with a double bottom line – and supporting community causes such as those that are driving positive environmental and social impact.

# Championing sustainability

## Responsible banking

- Made **commitment to net-zero** by 2050
  - Baseline emission intensities being calculated for nine priority sectors, covering close to 3,000 clients, and 34% of our credit portfolio. Target date 1H2022
  - Transition pathways and interim targets also being developed for these sectors, aligned with global guidelines (e.g., International Energy Agency). Target date 2H2022
  - DBS taxonomy established. Relationship Managers' playbooks being developed to facilitate client conversations
  - Thermal coal policies already implemented. All coal exposures will run off by 2039
- Committed \$20.5bn to **sustainable finance** in 2021
- Grew **sustainable investments**<sup>1</sup> to over 50% of PB AUM
- Launched **green products**: Green auto and renovation loans, green credit card
- Launched **DBS LiveBetter platform** to enable more sustainable lifestyles
- Scaling up **financial inclusion** through supporting migrant workers in Singapore, and extending credit to low-income segments in India, Indonesia



# Championing sustainability

## Responsible business practices



- Target net-zero operational carbon by 2022
- Committed 100% of new suppliers to DBS' Sustainable Sourcing Principles
- Launched **Opportunity Marketplace** using AI/ML to help employees better identify career aspirations and skills needed

## Impact beyond banking



- Supported communities hard-hit by the pandemic with **relief support**
- \$100m additional funding to **further improve lives in Asia**
- Contributed more than 100,000 **employee volunteering hours** to serve the community



**WORLD'S  
BEST  
BANK**  
EUROMONEY

**WORLD'S BEST DIGITAL BANK**  
EUROMONEY

**WORLD'S SAFEST COMMERCIAL  
BANK** GLOBAL FINANCE

**OUTSTANDING LEADERSHIP IN  
SUSTAINABLE PROJECT FINANCE  
- GLOBAL**  
GLOBAL FINANCE

**OUTSTANDING LEADERSHIP  
IN GREEN BONDS - GLOBAL**  
GLOBAL FINANCE

**MOST INNOVATIVE IN DIGITAL  
BANKING - GLOBAL**  
THE BANKER

**GLOBAL INNOVATOR - SILVER**  
EFMA-ACCENTURE

**MODEL BANK - CORPORATE  
DIGITAL BANKING** CELENT

**PURPOSE DRIVEN  
COMMUNICATIONS - HIGHLY  
COMMENDED** REUTERS NEXT

**GLOBAL  
BANK  
OF THE YEAR**  
THE BANKER

**BEST DIGITAL PORTAL FOR WEALTH  
CLIENTS** CUTTER RESEARCH

**WORLD'S MOST INNOVATIVE  
CONSUMER DIGITAL BANK**  
GLOBAL FINANCE



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# LIVE Q&A SESSION

Chairman will now address the substantial and relevant questions submitted by Shareholders during this 2022 AGM.

Shareholders may also view the following on the Investors' page of DBS' corporate website at <https://go.dbs.com/agm-and-egm> or by scanning the QR code below:

- **DBS' written responses to pre-submitted questions relating to:**
  - DBS' financials (including dividends)
  - Business strategy/outlook
  - 2-day digital disruption incident
  - Digital Scams
  - Sustainability
  - Succession Planning
  
- **CEO's 2022 AGM presentation slides**

