

2013 earnings at record

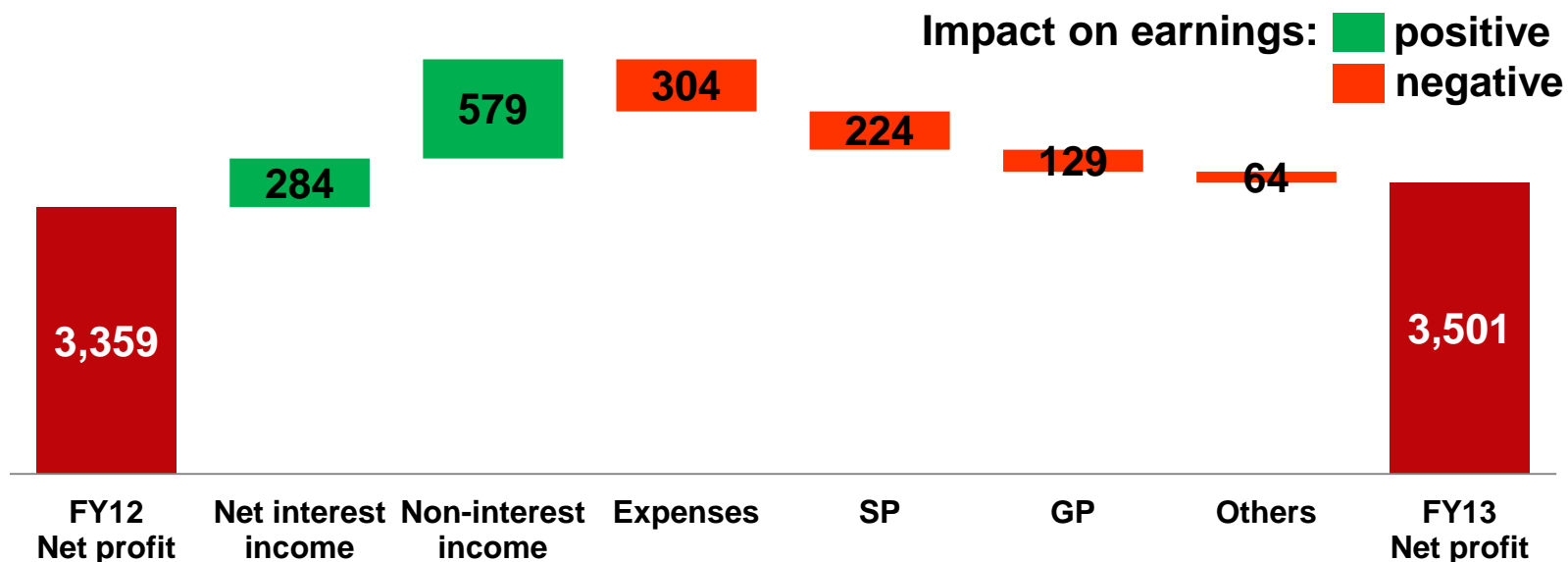
DBS Group Holdings
4Q 2013 financial results
February 14, 2014

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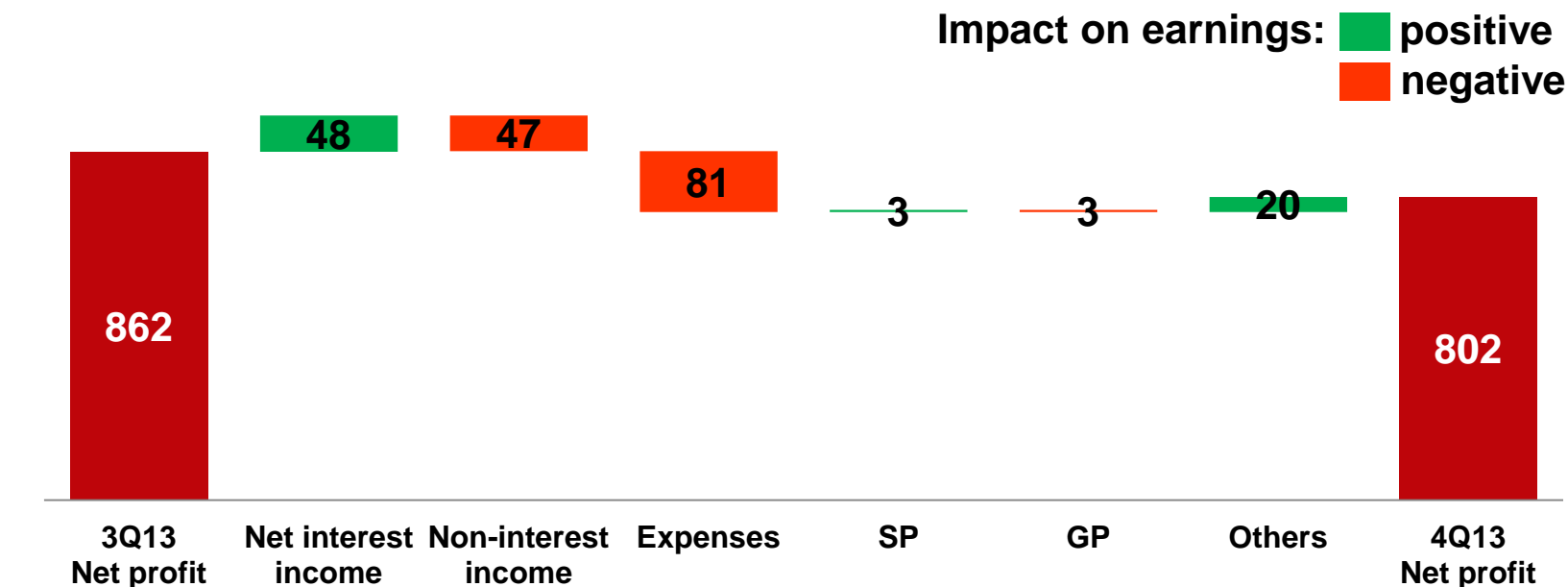
Record full-year earnings from strong income growth

(S\$m)		FY13	YoY %	
Total income	record	8,927	11	<ul style="list-style-type: none"> ▪ Double-digit broad-based income growth ▪ Positive jaw ▪ Higher GP and SP
Expenses		3,918	8	
Profit before allowances	record	5,009	13	
Allowances		770	85	
Net profit	record	3,501	4	
Net profit (incl. one-time items)		3,672	(4)	



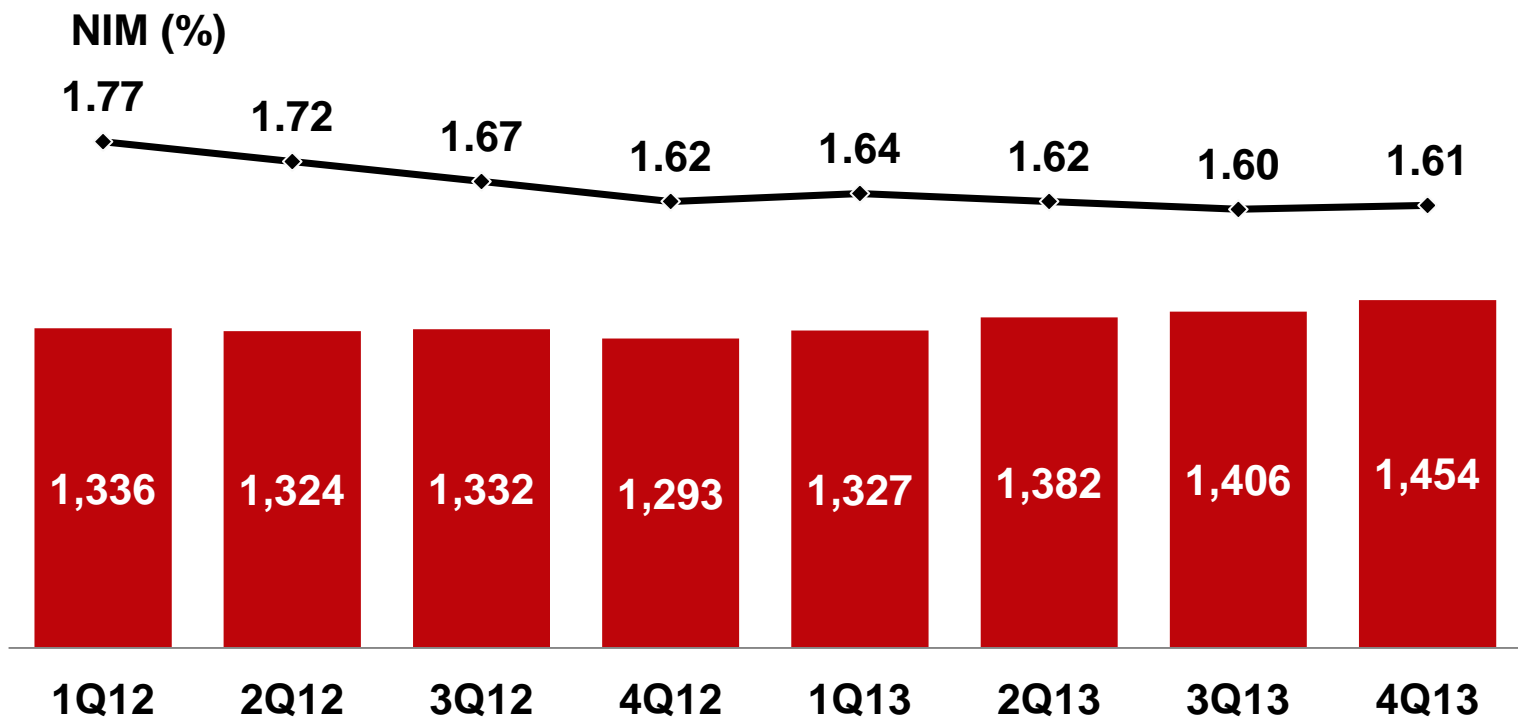
4Q income maintained at previous quarter's level

(S\$m)	<u>4Q13</u>	<u>QoQ %</u>	
Total income	2,151	0	<ul style="list-style-type: none"> Sustained growth in customer income offset lower trading gains
Expenses	1,030	9	
Profit before allowances	1,121	(7)	
Allowances	151	0	<ul style="list-style-type: none"> Underlying business momentum remains healthy
Net profit	802	(7)	



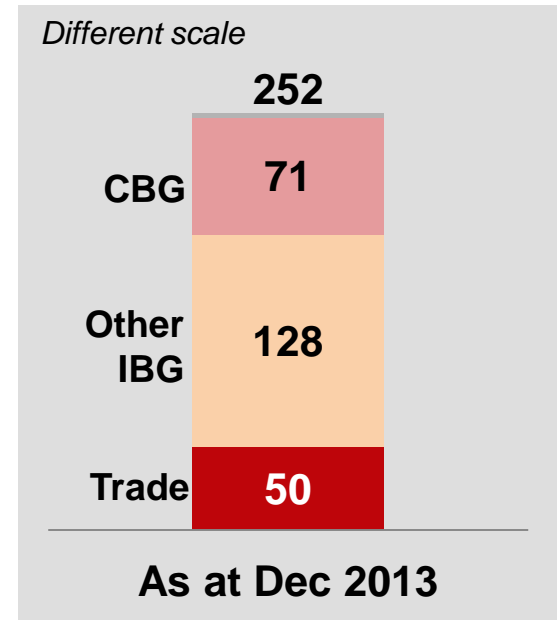
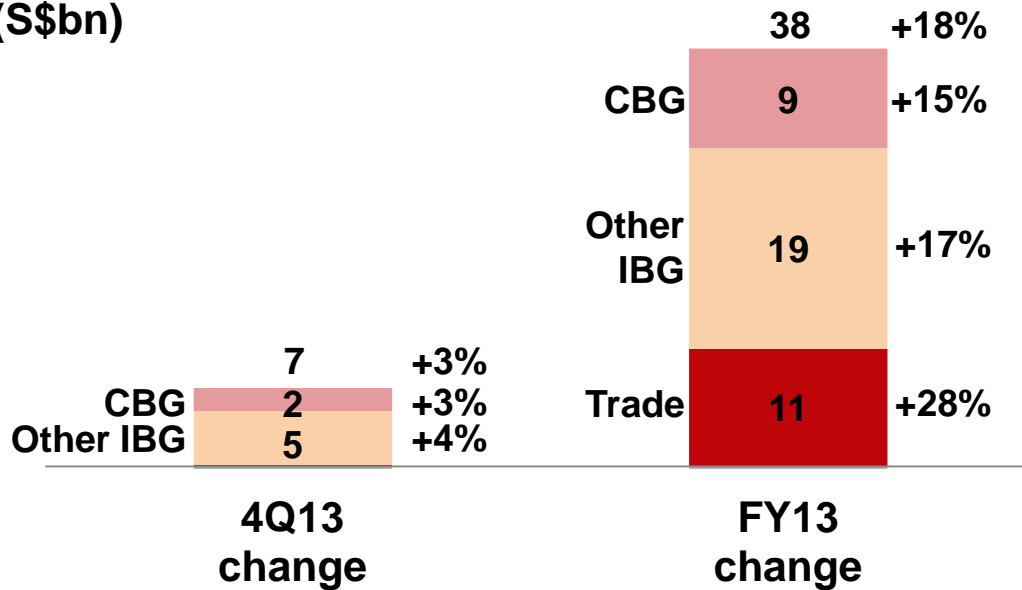
Net interest income at record from loan growth and stable net interest margin

(S\$m)



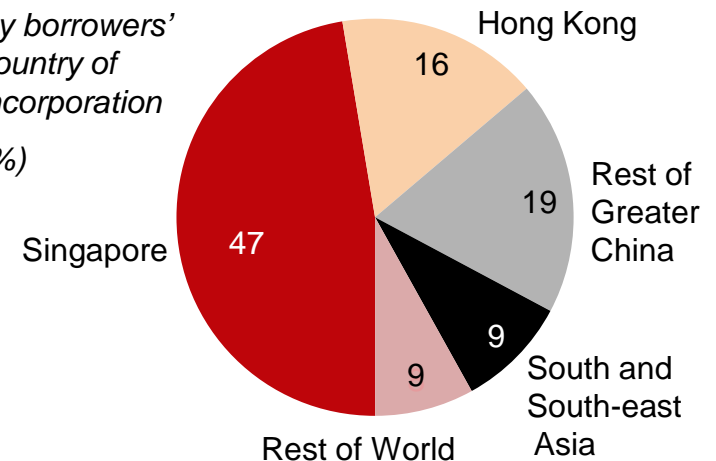
Loan growth was broad-based during the year

(S\$bn)



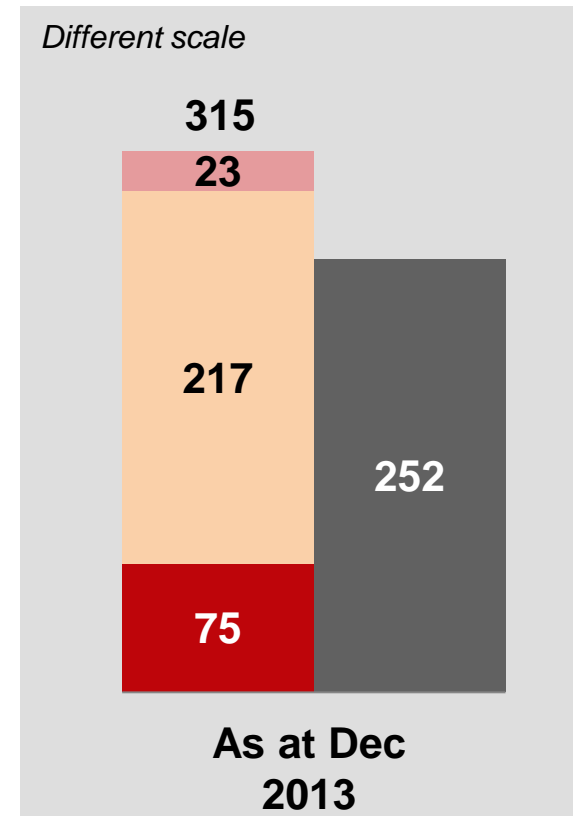
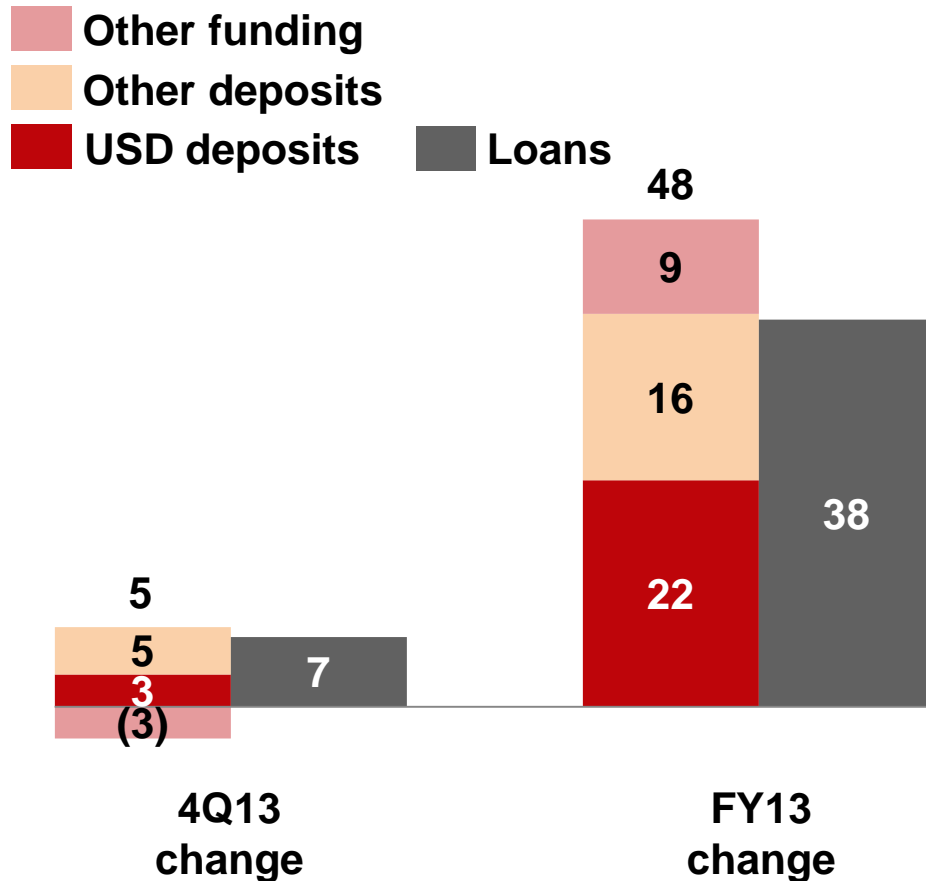
- Loan growth of 3% in 4Q and 18% for full-year
- Full-year growth broad-based across trade, corporate and consumer loans
- Consumer loan growth from secured lending and housing loans

By borrowers' country of incorporation (%)



Ample liquidity as deposits grow in line with loans

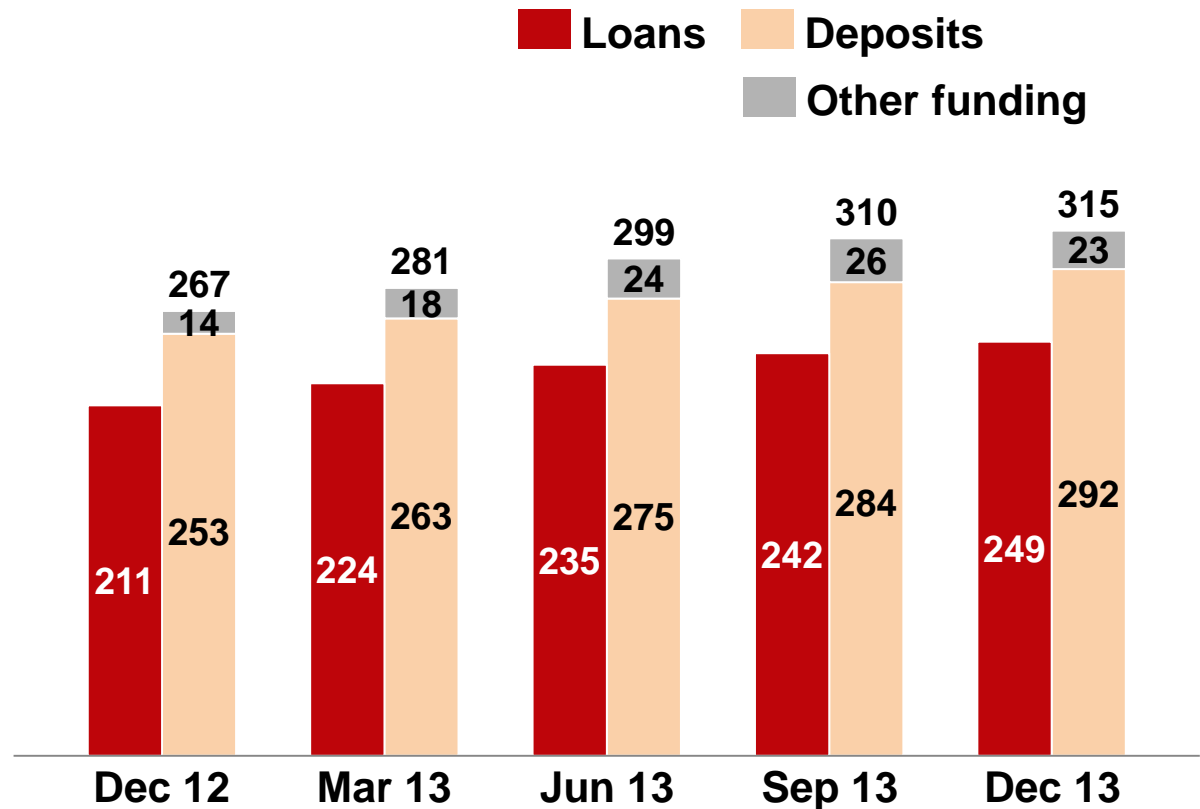
(S\$bn)



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

Overall LDR stable, non-SGD LDR below 100%

(S\$bn)



Loan/deposit (%)

Group	83	85	85	85	85
SGD	69	71	70	73	75
Non-SGD	101	103	104	99	96

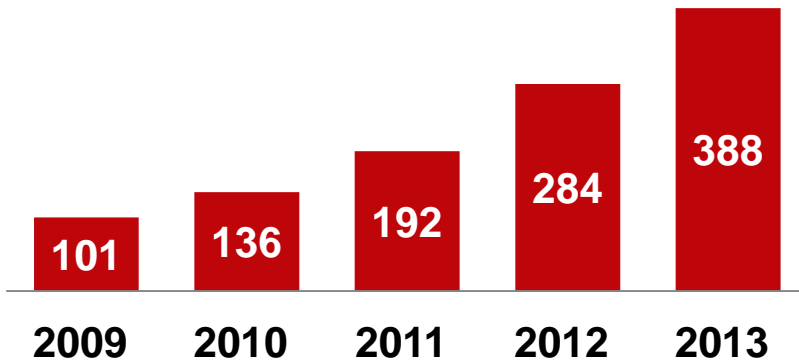
SGD and Non-SGD loan/deposit ratios are based on gross loans.

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

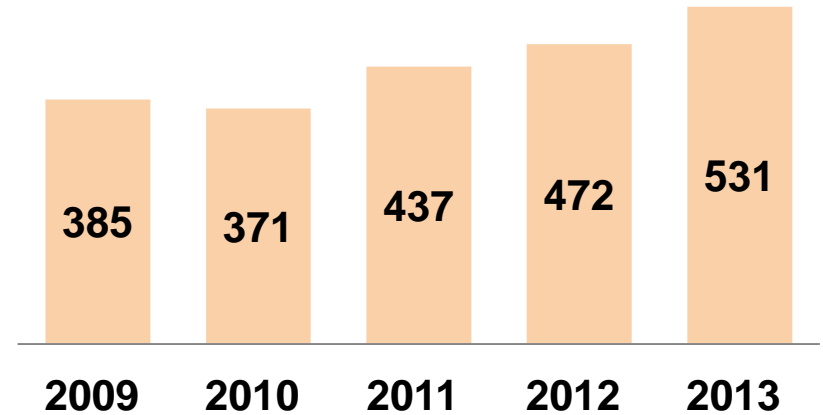


Non-interest income growth underpinned by wealth, trade and treasury customer flows

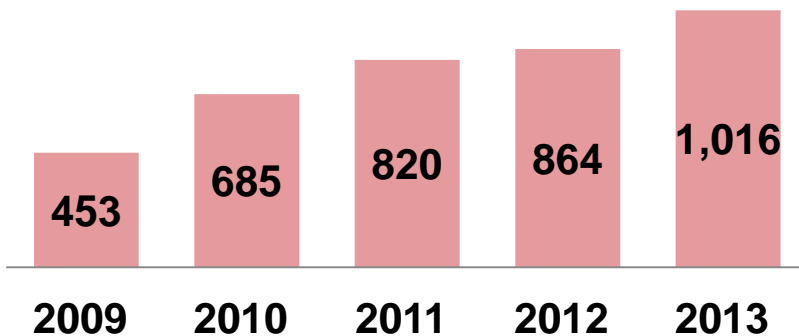
Wealth management (S\$m)



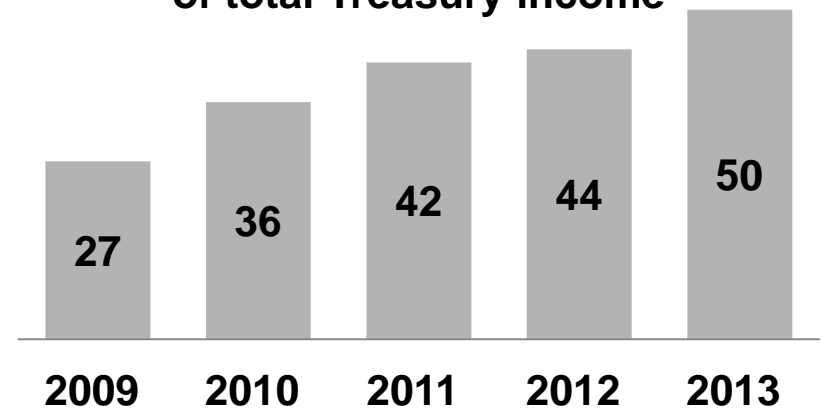
Trade and transaction services (S\$m)



Treasury customer flows (S\$m)



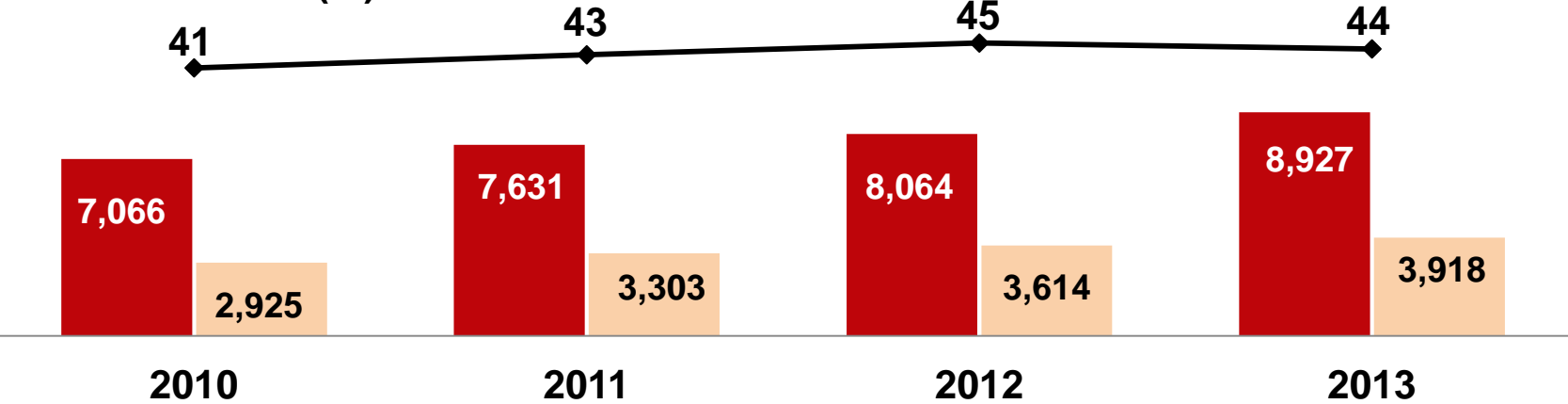
Customer flows as % of total Treasury income



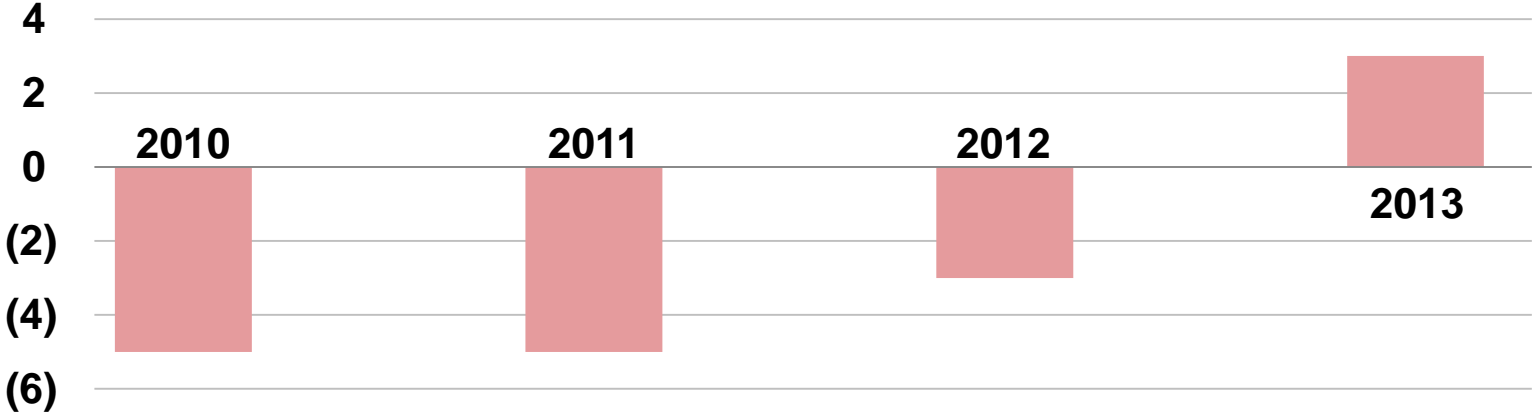
Expense growth contained, positive jaws for full year

Income Expenses (\$m)

Cost/income (%)

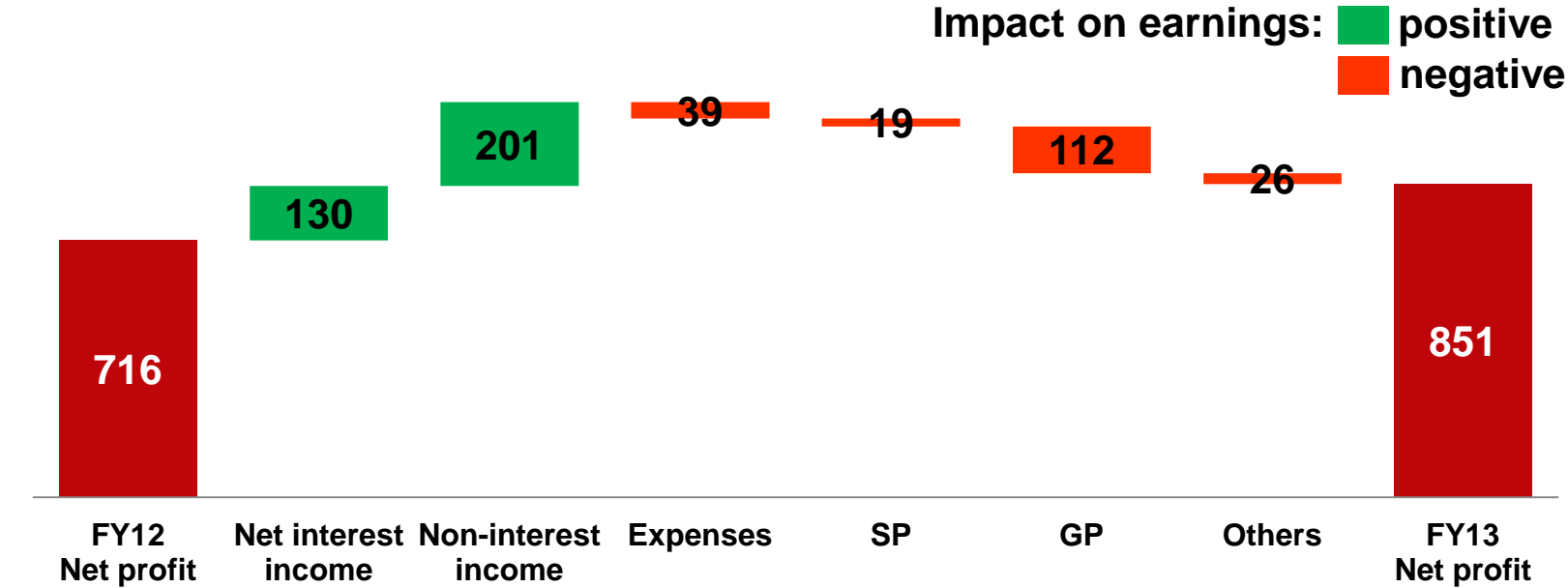


Income - expense jaws (YoY % pt)

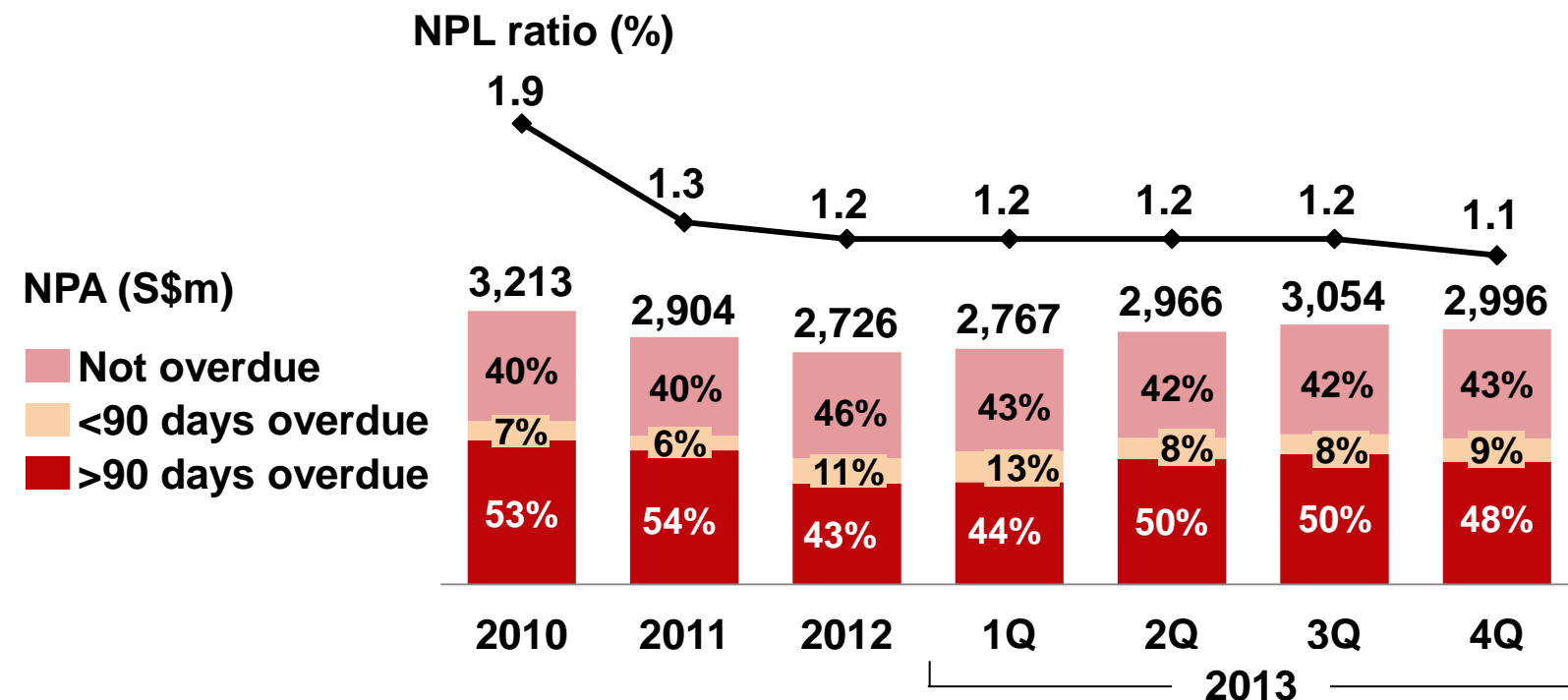


Hong Kong's full-year earnings up 19% to record

(S\$m)		FY13	YoY %	
Total income	record	1,863	22	<ul style="list-style-type: none"> ▪ Broad-based income growth ▪ Positive jaw ▪ Higher GP from faster loan growth
Expenses		717	6	
Profit before allowances	record	1,146	34	
Allowances		142	>100	
Net profit	record	851	19	



NPL ratio stable at 1.1%



SP/loans (bp)	2010	2011	2012	1Q	2Q	3Q	4Q
	43	11	10	21	22	15	13

Cumulative general and specific allowances as % of:

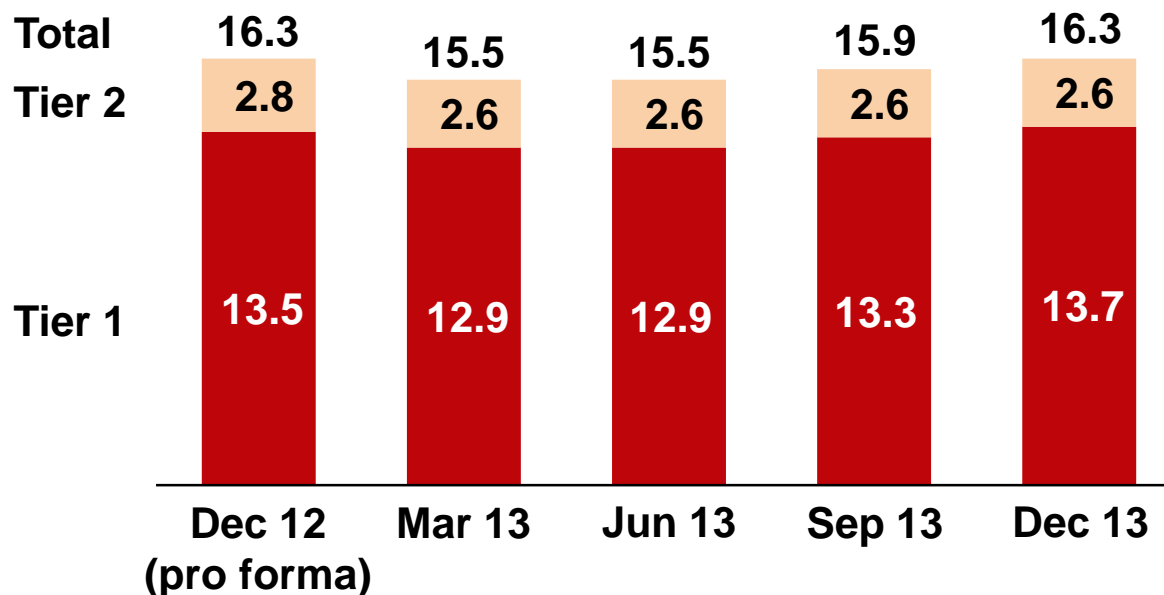
	2010	2011	2012	1Q	2Q	3Q	4Q
NPA	100	126	142	142	141	136	135
Unsecured NPA	127	165	183	187	191	192	204

AFS bond portfolio reduced, duration remains short

(S\$m)	Dec 13	Sep 13
Singapore government bonds and MAS bills	8,032	8,713
Other government bonds	13,357	14,003
Supranational, bank and corporate bonds	10,851	11,099
Equities	1,300	1,278
Total	33,540	35,093
AFS reserves	(30)	121

Capital ratios remain strong

(%)

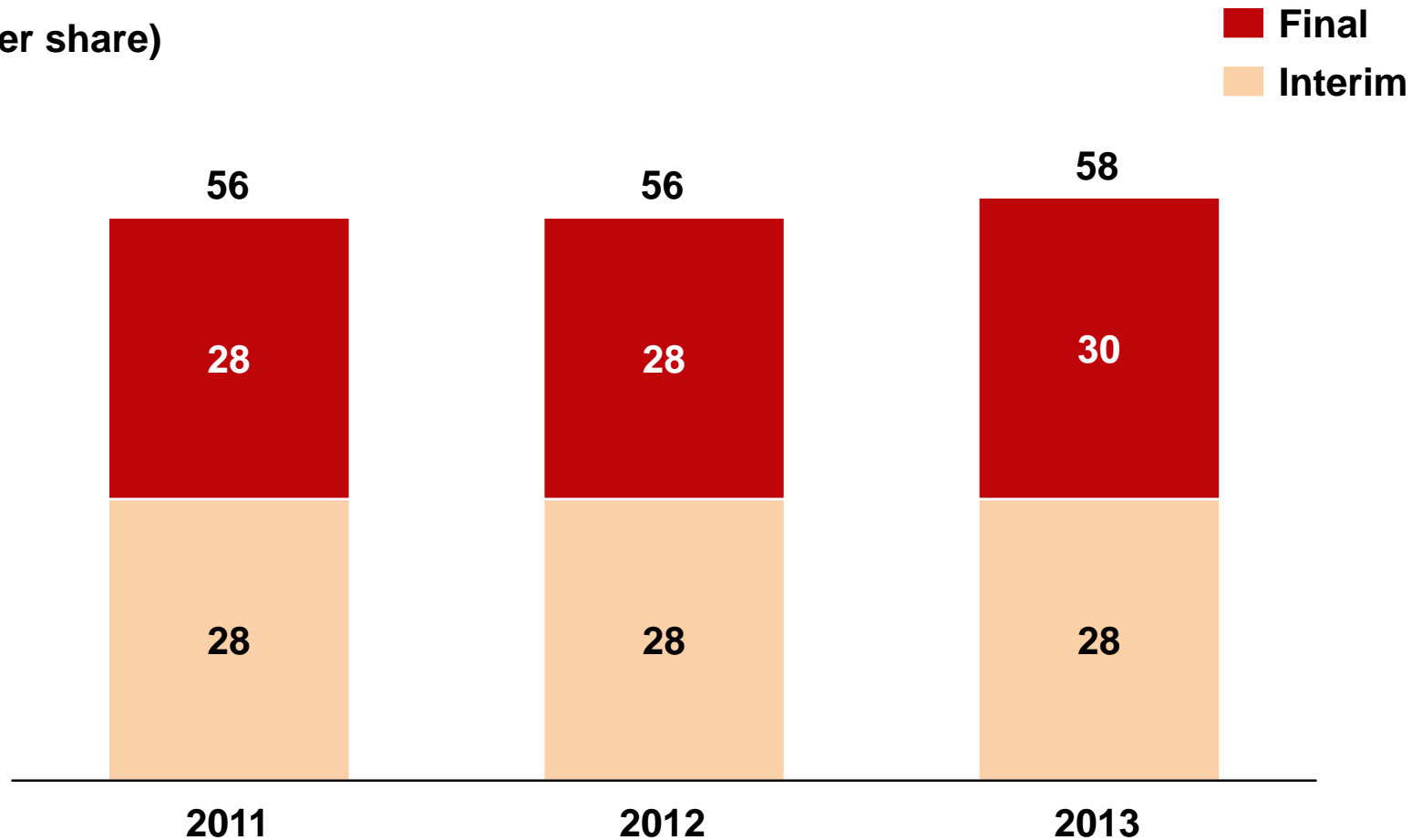


Core/common equity T1 (%) under:

Transitional	13.5	12.9	12.9	13.3	13.7
Final	11.8	11.3	11.3	11.7	11.9
RWA (\$bn)	227	240	243	236	238

Final dividend raised to 30 cents per share

(S¢ per share)



In summary – 2013 earnings at record

Strong quarter and full-year performance

Capital, liquidity and asset quality are healthy

Well-positioned for regional growth opportunities ahead

Supplementary slides

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Full-year earnings underpinned by income growth

(S\$m)	FY 2013	FY 2012	YoY %
Net interest income	5,569	5,285	5
Fee income	1,885	1,579	19
Trading income	1,095	689	59
Other income	378	511	(26)
Non-interest income	3,358	2,779	21
Total income	8,927	8,064	11
Staff expenses	2,065	1,888	9
Other expenses	1,853	1,726	7
Expenses	3,918	3,614	8
Profit before allowances	5,009	4,450	13
General allowances	340	211	61
Specific allowances	430	206	>100
Allowances	770	417	85
Net profit	3,501	3,359	4
One-time item	171	450	(62)
Net profit incl. one-time item	3,672	3,809	(4)

4Q profit up 6% on year

(S\$m)	4Q 2013	4Q 2012	YoY %	3Q 2013	QoQ %
Net interest income	1,454	1,293	12	1,406	3
Fee income	439	372	18	462	(5)
Trading income	163	134	22	188	(13)
Other income	95	160	(41)	94	1
Non-interest income	697	666	5	744	(6)
Total income	2,151	1,959	10	2,150	0
Staff expenses	527	455	16	511	3
Other expenses	503	488	3	438	15
Expenses	1,030	943	9	949	9
Profit before allowances	1,121	1,016	10	1,201	(7)
General allowances	60	47	28	57	5
Specific allowances	91	67	36	94	(3)
Allowances	151	114	32	151	0
Net profit	802	760	6	862	(7)

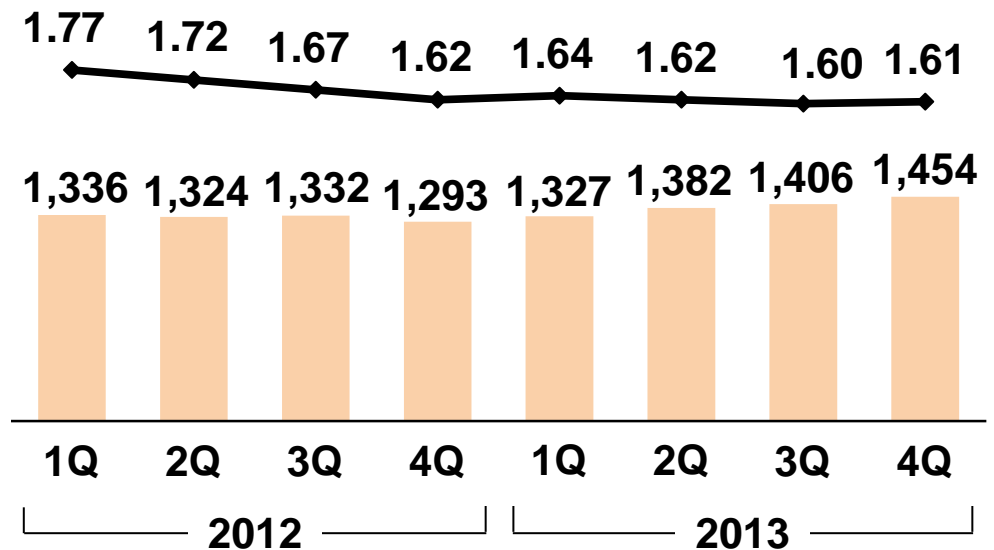
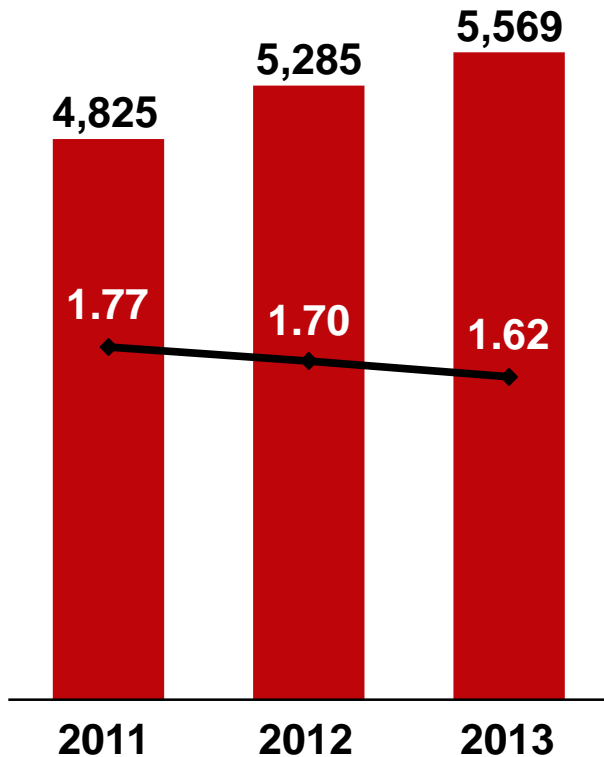
Full-year ROE at 10.8%

(%)	4Q 2013	4Q 2012	3Q 2013	FY 2013	FY 2012
Net interest margin	1.61	1.62	1.60	1.62	1.70
Fee income/total income	20	19	21	21	20
Non-interest income/total income	32	34	35	38	34
Cost/income	48	48	44	44	45
ROE	9.7	9.8	10.5	10.8	11.2
Loan/deposit	85	83	85	85	83
SP/average loans (bp)	13	15	15	18	10
NPL ratio	1.1	1.2	1.2	1.1	1.2

4Q net interest income up 3% on quarter from loan growth as net interest margin was stable

(S\$m)

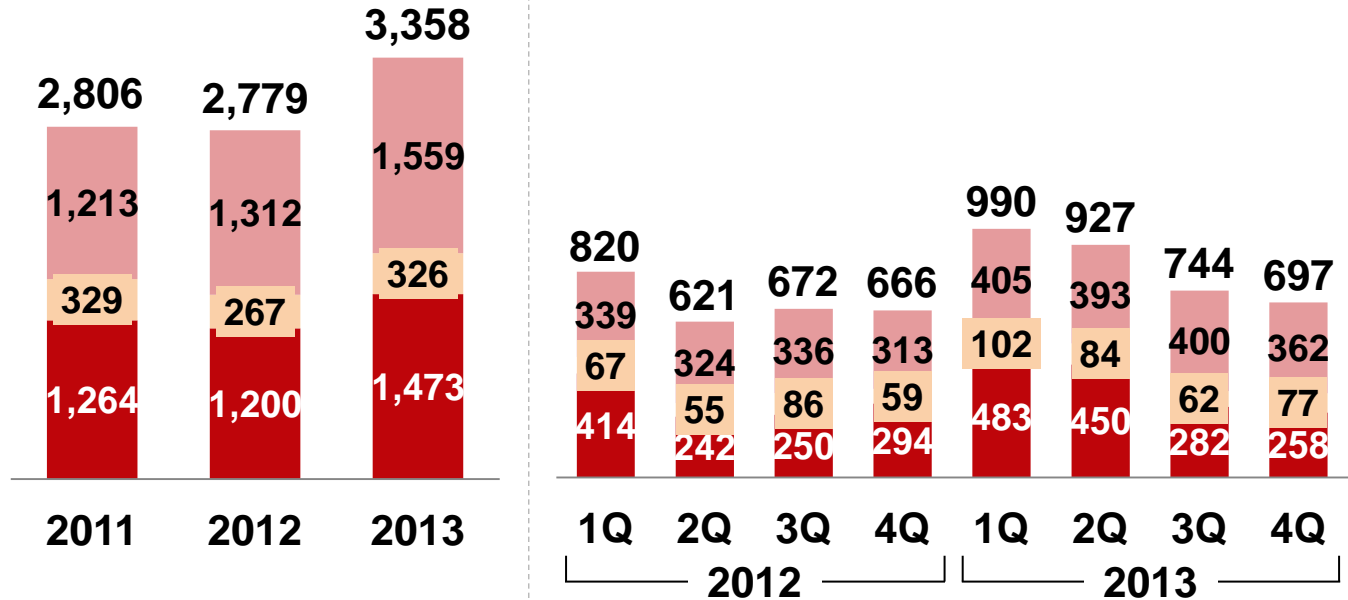
◆ Net interest margin (%)



4Q non-interest income up 5% on year

(S\$m)

■ Non-market-related fee income
■ Market-related fee income
■ Trading + other income



Fee income mix (%) :

Non-market	79	83	83	83	85	80	84	80	82	87	82
Market	21	17	17	17	15	20	16	20	18	13	18

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

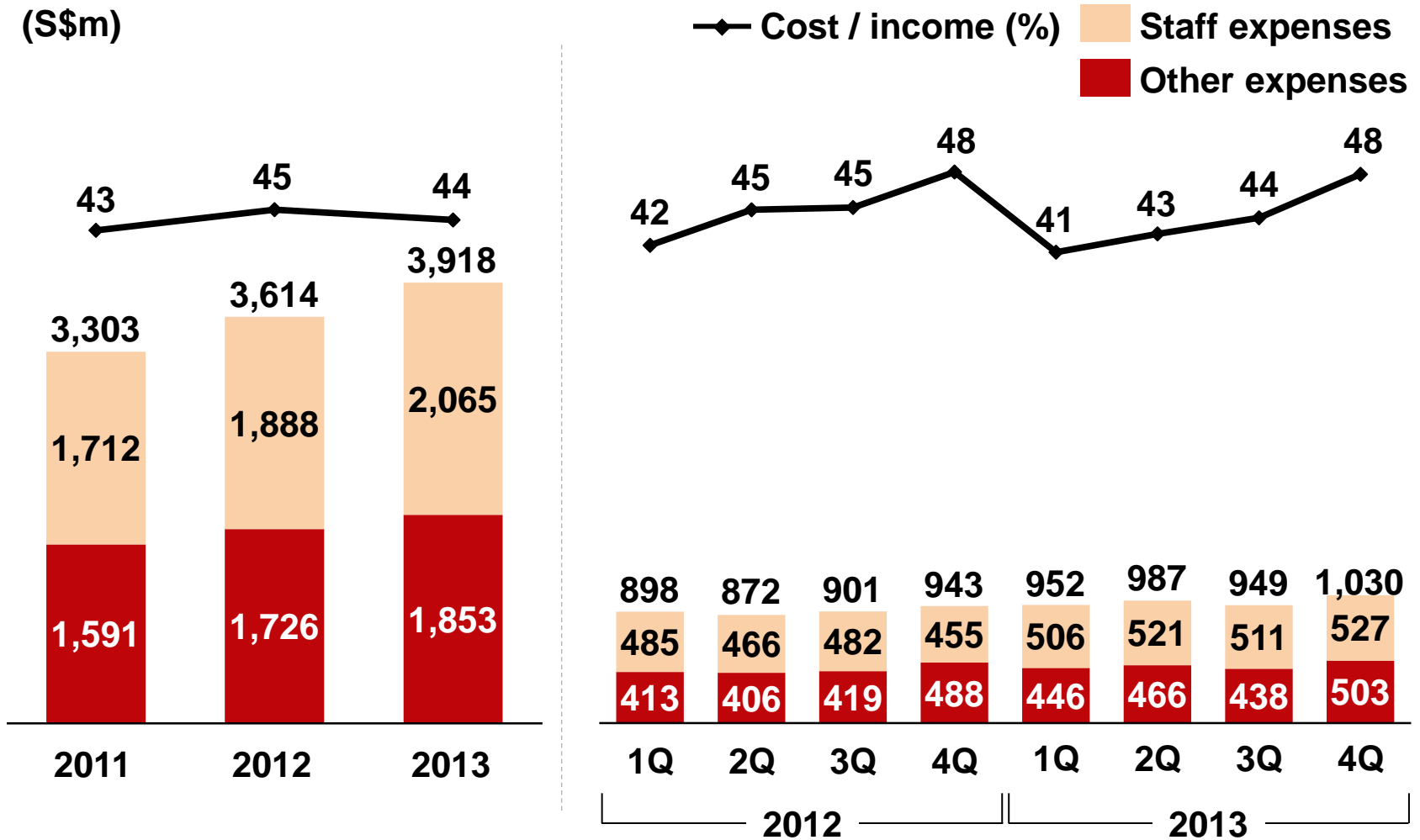
Full-year Treasury customer income reaches new high

(S\$m)	FY 2013	FY 2012	YoY %
Customer income	1,037	868	19
Other income, principally from balance sheet management, market-making and warehousing	1,034	1,119	(8)
Total Treasury income	2,071	1,987	4
Customer income as % of total Treasury income	50	44	6 pt

Comprising interest and non-interest income

Full-year cost-income ratio declines to 44%

(S\$m)



Hong Kong's full-year earnings up 19% on year to record

Constant-currency terms

(S\$m)	FY 2013	FY 2012	YoY %	YoY %
Net interest income	1,016	886	15	14
Non-interest income	847	646	31	30
Total income	1,863	1,532	22	21
Expenses	717	678	6	5
Profit before allowances	1,146	854	34	33
General allowances	98	(14)	NM	NM
Specific allowances	44	25	77	76
Allowances	142	11	>100	>100
Net profit	851	716	19	18
Net interest margin (%)	1.56	1.48		
Loan growth (%)				21
Deposit growth (%)				13

Hong Kong's 4Q profit before allowances up 21% on year

(S\$m)	Constant-currency terms						
	4Q 2013	4Q 2012	YoY %	YoY %	3Q 2013	QoQ %	QoQ %
Net interest income	272	221	23	20	263	4	5
Non-interest income	164	174	(6)	(8)	166	(1)	(1)
Total income	436	395	10	8	429	2	3
Expenses	184	187	(2)	(4)	179	3	4
Profit before allowances	252	208	21	18	250	1	2
General allowances	(17)	17	NM	NM	52	NM	NM
Specific allowances	16	8	>100	>100	9	86	88
Allowances	(1)	25	NM	NM	61	NM	NM
Net profit	216	162	33	29	159	35	37
Net interest margin (%)	1.54	1.55			1.55		
Loan growth (%)				21			(4)
Deposit growth (%)				13			4

Full-year regional income up 5%

(S\$m)	FY 2013	FY 2012	YoY %
Net interest income	1,066	1,190	(10)
Non-interest income	583	376	55
Total income	1,649	1,566	5
Expenses	913	848	8
Profit before allowances	736	718	3
Allowances	293	88	>100
Net profit	390	564	(31)

Figures for operations outside of Singapore and Hong Kong

4Q regional profit up 27% on year

(S\$m)	4Q 2013	4Q 2012	YoY %	3Q 2013	QoQ %
Net interest income	274	267	3	263	4
Non-interest income	119	99	20	183	(35)
Total income	393	366	7	446	(12)
Expenses	242	254	(5)	240	1
Profit before allowances	151	112	35	206	(27)
Allowances	76	39	95	72	6
Net profit	80	63	27	100	(20)

Figures for operations outside of Singapore and Hong Kong

NPAs decline from previous quarter

(S\$m)	4Q 2013	3Q 2013	4Q 2012
NPAs at start of period	3,054	2,966	2,835
New NPAs	275	291	112
Upgrades, recoveries and translation	(67)	(23)	(152)
Write-offs	(266)	(180)	(69)
NPAs at end of period	2,996	3,054	2,726

Specific allowances ease from previous quarter

(S\$m)	4Q 2013	3Q 2013	4Q 2012
<u>Add charges for</u>			
New NPLs	42	63	43
Existing NPLs	73	56	73
	115	119	116
<u>Subtract charges for</u>			
Settlements	26	15	29
Recoveries	8	11	8
	34	26	37
Total SP charges for loans	81	93	79
SP / average loans (bp)	13	15	15

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