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To: Shareholders

The Board of Directors of DBS Group Holdings Ltd ("DBSH" or "the Company") reports the following:

<u>Trading Update for the First Quarter Ended 31 March 2021</u>

Details of the financial results are enclosed.

<u>Dividends</u>

The Board has declared an interim one-tier tax-exempt dividend of 18 cents for each DBSH ordinary share for the first quarter of 2021 (the "1Q21 Interim Dividend"), to which the DBSH Scrip Dividend Scheme will be applied.

The estimated dividend payable is $460 million.

DBSH Scrip Dividend Scheme

The issue price for new shares to be allotted to shareholders who have elected to receive the 1Q21 Interim Dividend in scrip shall be the average of the closing prices of each DBSH ordinary share on the SGX-ST on 10 and 11 May 2021.

Ex-dividend Date

The DBSH ordinary shares will be quoted ex-dividend on 10 May 2021.

Closure of Books

The Transfer Books and Register of Members of DBSH will be closed from 5.00 p.m. on 11 May 2021 (Tuesday) up to (and including) 12 May 2021 (Wednesday) for the purpose of determining shareholders' entitlement to the 1Q21 Interim Dividend.

Payment Date

The 1Q21 Interim Dividend will be payable on or about 25 June 2021. In respect of ordinary shares in the securities accounts with The Central Depository (Pte) Limited ("CDP"), the 1Q21 Interim Dividend will be paid by DBSH to CDP, which will in turn distribute the dividend entitlements to shareholders.

A separate announcement which will outline further administrative details on the application of the DBSH Scrip Dividend Scheme to the 1Q21 Interim Dividend will be made in due course.

By order of the Board

Teoh Chia-Yin
Group Secretary

30 April 2021
Singapore

More information on the above announcement is available at www.dbs.com/investor

DBS' quarterly net profit crosses SGD 2 billion for the first time in its history, underpinned by strong business momentum and stabilising asset quality

DBS Group's first-quarter 2021 net profit doubled from the previous quarter and increased 72% from a year ago to SGD 2.01 billion. It was the first time quarterly earnings crossed SGD 2 billion. Business momentum accelerated during the quarter. Loans grew 3% and deposits increased 2% from the previous quarter, fee income rose to a record and Treasury Markets income reached a new high.

Asset quality was healthy, with new non-performing asset formation and specific allowances at pre-pandemic levels. The stabilising asset quality resulted in a general allowance write-back of SGD 190 million.

Net interest income rose 2% on a day-adjusted basis from the previous quarter to SGD 2.11 billion. Net interest margin was unchanged at 1.49%. Loans grew 3% or SGD 12 billion in constant-currency terms to SGD 386 billion. Non-trade corporate loans rose 2%, similar to the 2020 quarterly run-rate, from broad-based growth across the region and a range of industries. Trade loans grew 6% from stronger market demand and higher commodity prices. Housing loans increased 1% following strong bookings in the current and recent quarters. Wealth management loans also grew from healthy investor risk appetite. Compared to a year ago, net interest income fell 15% as a 37 basis point decline in net interest margin due to global interest rate cuts was moderated by loan growth of 7%.

Deposits increased 2% or SGD 10 billion in constant-currency terms from the previous quarter to SGD 478 billion. As with recent quarters, current and savings accounts accounted for the increase, rising 4% or SGD 14 billion during the quarter and enabling higher-cost fixed deposits to be let go. Casa accounted for 74% of total deposits, an increase of one percentage point from the previous quarter and 16 percentage points from a year ago. Liquidity was ample with the liquidity coverage ratio at 136% and net stable funding ratio at 127%.

Net fee income increased 28% from the previous quarter and 15% from a year ago to a new high of SGD 953 million. Compared to a year ago, wealth management fees rose 24% to a record SGD 519 million as strong investor sentiment drove demand across a wide range of investment products in a low interest rate environment. Bancassurance fees were also higher, reversing declines throughout 2020. Transaction service fees increased 10% to a new high of SGD 230 million as trade finance and cash management fees grew. Investment banking fees increased 36% to SGD 49 million from higher fixed income and equity capital market activity. Card fees were only 2% lower at SGD 169 million as consumer spending recovered towards pre-pandemic levels and digital transactions accelerated. Loan-related fees fell 6% to SGD 119 million.

Other non-interest income of SGD 794 million was twice the previous quarter due partly to seasonal factors. Compared to a year ago, it was 12% higher. Trading income doubled from both comparative periods as Treasury Markets non-interest income and treasury customer income rose to new highs. Investment gains also increased from the previous quarter but fell from a high base a year ago.

Total income rose 18% from the previous quarter to SGD 3.85 billion from higher non-interest income. Total income was 4% below a year ago as strong business volume growth was more than offset by the impact of lower interest rates. If net interest margin had been stable, total income would have risen 9% from a year ago.

Expenses were stable from the previous quarter at SGD 1.59 billion. Compared to a year ago, they were 2% higher due to Lakshmi Villas Bank (LVB). Excluding LVB, higher bonus accruals in line with the better financial performance were offset by lower non-staff expenses. The cost-income ratio was 41%.

Asset quality was healthy. Delinquencies for both corporate and consumer segments continued to be low despite the tapering of loan moratoriums. New non-performing asset formation was half the quarterly average in 2020. Non-performing assets declined 2% from the previous quarter to

SGD 6.59 billion and the NPL rate fell to 1.5%. Specific allowances of SGD 200 million or 21 basis points of loans were below the 31 basis points for full-year 2020.

The stabilising portfolio quality resulted in a general allowance write-back of SGD 190 million. General allowance reserves of SGD 4.13 billion remained prudent, being 31% above MAS minimum requirements and SGD 1.3 billion above the amount eligible for consideration as Tier-2 capital. Including specific allowance reserves, total allowance reserves amounted to SGD 7.19 billion, resulting in an allowance coverage of 109% or of 203% when collateral was considered.

The Common Equity Tier-1 ratio rose 0.4 percentage points from the previous quarter to 14.3%. Profit accretion and a methodology refinement for market RWA were partially offset by an increase in credit RWA. The ratio was above the group's target operating range. The leverage ratio of 6.7% was more than twice the regulatory minimum of 3%.

In line with MAS' guidance for local banks to moderate their dividends, the Board declared a dividend of SGD 18 cents per share for the first quarter, for which the scrip dividend scheme will apply. Scrip dividends will be issued at the average of the closing share prices on 10 and 11 May 2021.

DBS CEO Piyush Gupta said, "This has been an extraordinary quarter for our business as we fired on all cylinders. Loan and deposit growth were robust, fees were strong and treasury had a record performance. At the same time, we remained disciplined on costs while asset quality was resilient. The global economic rebound is strengthening and we are bullish about prospects for the coming year. Our franchise has been enhanced by new growth platforms, including stakes in Shenzhen Rural Commercial Bank and in Partior for blockchain cross-border clearing and settlement. We are in a position of strength to support customers and deliver shareholder returns as the economic recovery takes hold."

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	1st Qtr 2021	1st Qtr 2020	% chg	4th Qtr 2020	% chg
Selected income statement items ($m)					
Net interest income	**2,107**	2,482	(15)	2,120	(1)
Net fee and commission income	**953**	832	15	747	28
Other non-interest income	**794**	712	12	396	>100
Total income	**3,854**	4,026	(4)	3,263	18
Expenses	**1,587**	1,556	2	1,580	-
Profit before allowances	**2,267**	2,470	(8)	1,683	35
Allowances for credit and other losses	**10**	1,086	(99)	577	(98)
ECL[1] Stage 3 (SP)	**200**	383	(48)	363	(45)
ECL[1] Stage 1 and 2 (GP)	**(190)**	703	NM	214	NM
Profit before tax	**2,257**	1,384	63	1,106	>100
Net profit	**2,009**	1,165	72	1,012	99
Selected balance sheet items ($m)					
Customer loans	**386,382**	369,414	5	371,171	4
Constant-currency change			*7*		*3*
Total assets	**660,609**	643,018	3	649,938	2
of which: Non-performing assets	**6,585**	6,592	-	6,686	(2)
Customer deposits	**478,095**	445,278	7	464,850	3
Constant-currency change			*9*		*2*
Total liabilities	**604,733**	588,372	3	595,295	2
Shareholders' funds	**55,708**	53,818	4	54,626	2
Key financial ratios (%)[2]					
Net interest margin	**1.49**	1.86		1.49	
Cost/income ratio	**41.2**	38.6		48.4	
Return on assets	**1.25**	0.78		0.63	
Return on equity[3]	**15.4**	9.2		7.7	
NPL ratio	**1.5**	1.6		1.6	
(Total allowances + RLAR)/ NPA[4]	**109**	92		110	
(Total allowances + RLAR)/ unsecured NPA[4]	**203**	173		206	
SP for loans/average loans (bp)	**21**	35		34	
Common Equity Tier 1 capital adequacy ratio	**14.3**	13.9		13.9	
Leverage ratio[5]	**6.7**	6.9		6.8	
Average all-currency liquidity coverage ratio[6,8]	**136**	133		139	
Net stable funding ratio[7,8]	**127**	112		125	
Per share data ($)					
Per basic and diluted share					
– earnings	**3.14**	1.80		1.54	
– net book value[9]	**20.46**	19.86		20.08	

Notes:
1 Refers to expected credit loss
2 Return on assets, return on equity, ECL Stage 3 (SP) for loans/average loans and per share data are computed on an annualised basis
3 Calculated based on net profit attributable to the shareholders net of dividends on other equity instruments. Non-controlling interests and other equity instruments are not included as equity in the computation of return on equity
4 Computation includes regulatory loss allowance reserves (RLAR). RLAR is nil for 31 Mar'21 (31 Dec'20: Nil; 31 Mar'20: Nil)
5 Leverage Ratio is computed based on MAS Notice 637
6 Liquidity Coverage Ratio (LCR) is computed based on MAS Notice 649. For average SGD LCR and other disclosures required under MAS Notice 651, refer to https://www.dbs.com/investors/default.page
7 Net stable funding ratio (NSFR) is computed based on MAS Notice 652
8 Ratios for 1st Qtr 2021 and 4th Qtr 2020 exclude impact from LVB
9 Non-controlling interests are not included as equity in the computation of net book value per share
NM Not Meaningful

Pillar 3 and LCR disclosures document and the Main Features of Capital Instruments document are published in the Investor Relations section of the Group website: (https://www.dbs.com/investors/default.page) and (https://www.dbs.com/investors/fixed-income/capital-instruments) respectively