



Live more,
Bank less

Record third-quarter income and nine-month performance

**DBS Group Holdings
3Q 2023 financial results
November 6, 2023**

Highlights

3Q net profit up 18% to \$2.63bn, total income increases 16% to record \$5.19bn

- Commercial book total income up 19% YoY to \$5.03bn
 - NIM expands 52bp from higher rates
 - Net fee income grows 9% YoY from higher wealth management, cards and loan-related fees
 - Treasury customer sales and other income rise 8% YoY
- Treasury Markets income declines 38% YoY from higher funding cost

Nine-month net profit up 35% to new high of \$7.89 bn, ROE at a record 18.6%

- Total income rises 27% YoY to \$15.2bn from higher commercial book NIM and non-interest income, moderated by lower Treasury Markets income
- Cost-income ratio improves four percentage points YoY to 39%

Balance sheet remains strong

- Asset quality remains healthy, NPL ratio little changed QoQ at 1.2%
- SP at 18bp, allowances prudently taken for exposures linked to a recent money laundering case in Singapore
- Allowance coverage at 125% and 216% after considering collateral
- CET-1 unchanged at 14.1%

Citi Taiwan consolidated on 12 August, making DBS the largest foreign bank by assets in Taiwan

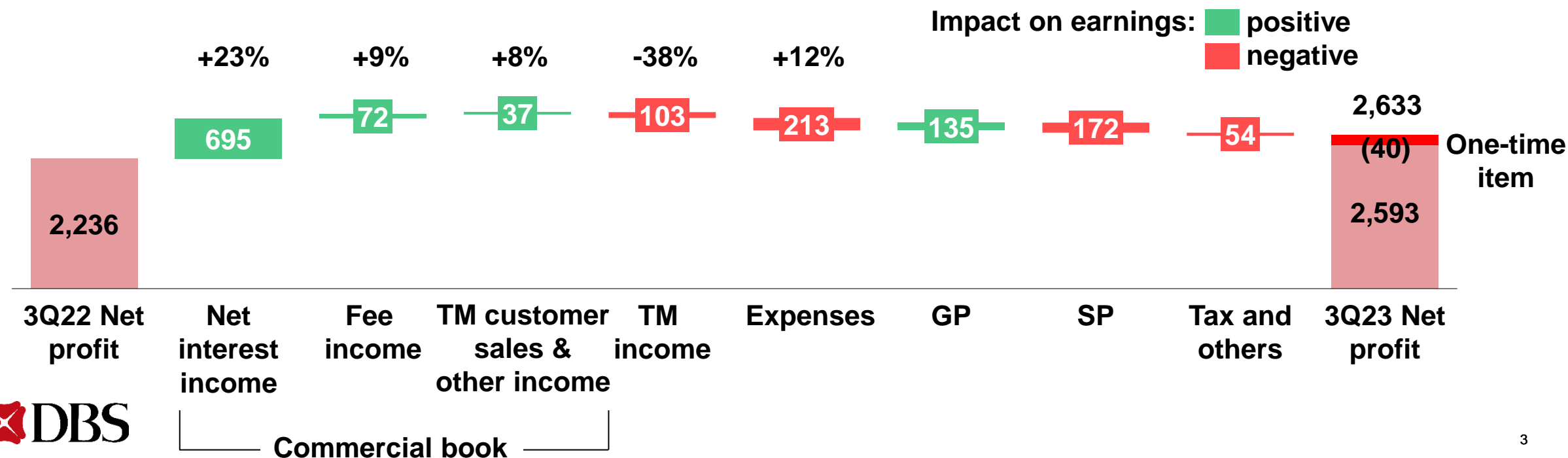
3Q dividend at 48 cents per share



3Q net profit up 18% YoY as total income rises to new high

(S\$m)		3Q23	YoY %
Total income	record	5,192	16
Commercial book		5,026	19
Treasury Markets (TM)		166	(38)
Expenses		2,038	12
Profit before allowances	record	3,154	18
Allowances		215	21
Net profit		2,633	18
Net profit incl one-time item		2,593	16

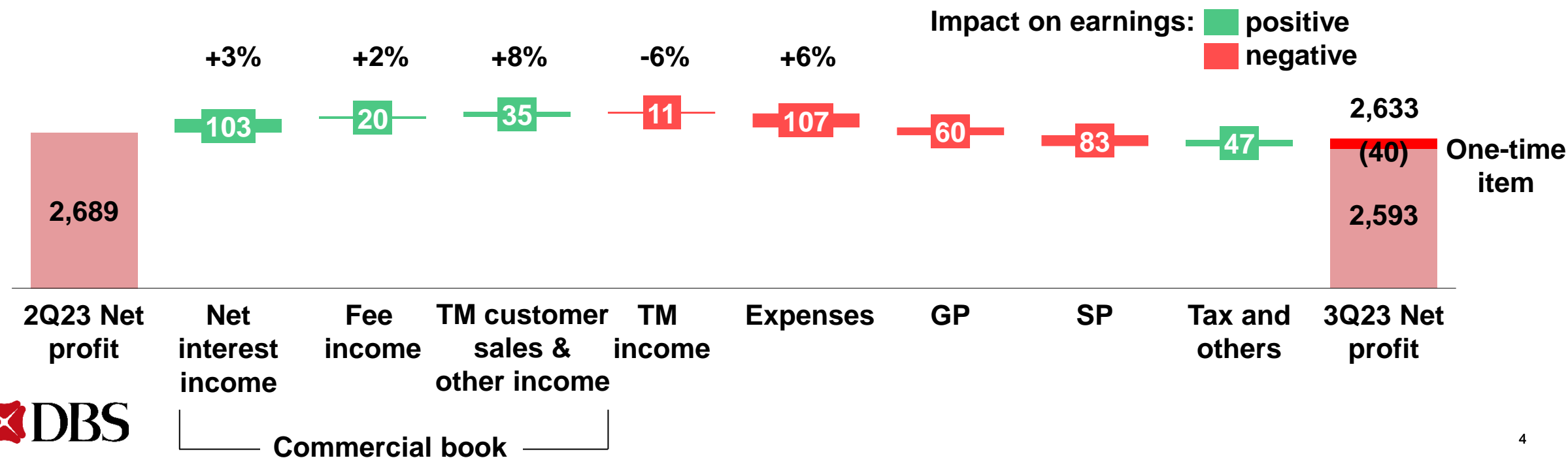
- Commercial book total income up 19% as NIM expands 52bp and non-interest income growth is sustained
- TM income declines 38% from higher funding costs
- Underlying expenses up 10%, cost-income ratio at 39%
- SP at 18bp of loans, GP of \$18m taken



3Q net profit down 2% from record previous quarter

(S\$m)		3Q23	QoQ %
Total income	record	5,192	3
Commercial book		5,026	3
Treasury Markets (TM)		166	(6)
Expenses		2,038	6
Profit before allowances	record	3,154	1
Allowances		215	>100
Net profit		2,633	(2)
Net profit incl one-time item		2,593	(1)

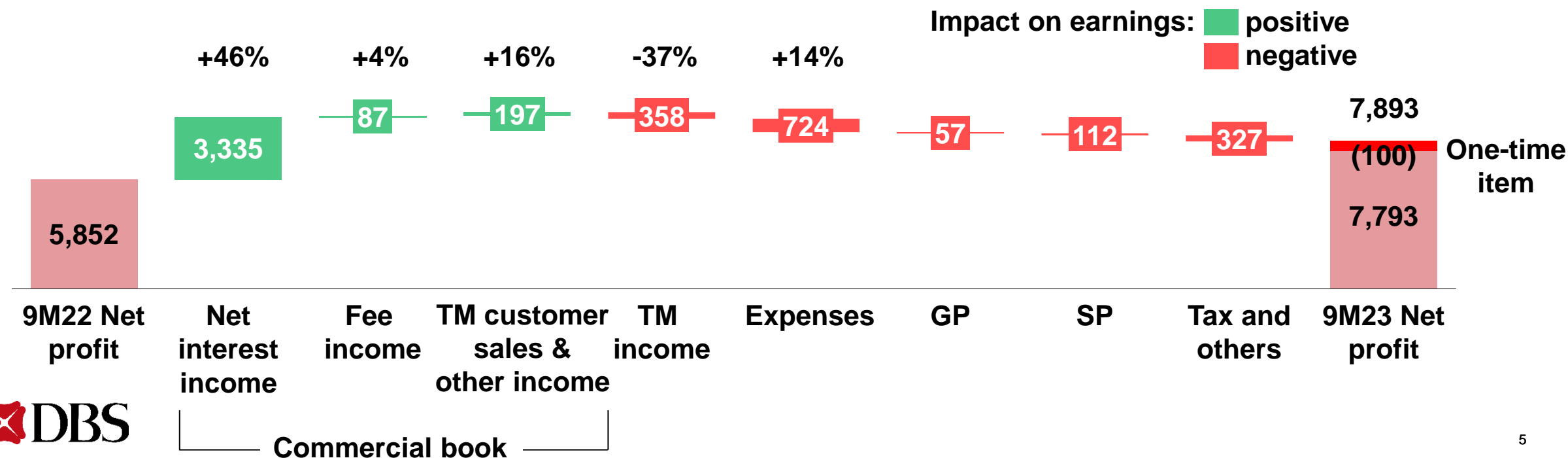
- Commercial book total income up 3% from higher net interest income and broad-based non-interest income growth
- TM income 6% lower from higher funding costs
- Underlying expenses up 4% from higher staff cost
- Allowances rise from low base, GP set aside compared to write-back in previous quarter



9M net profit up 35% to new high

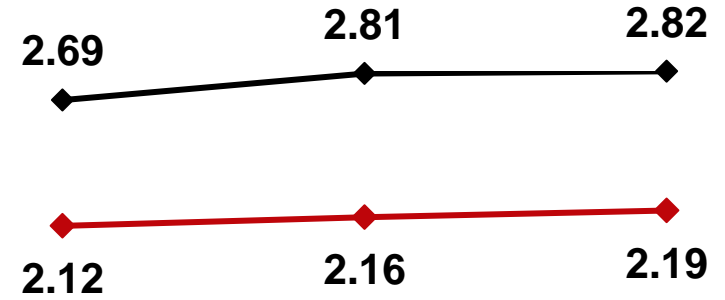
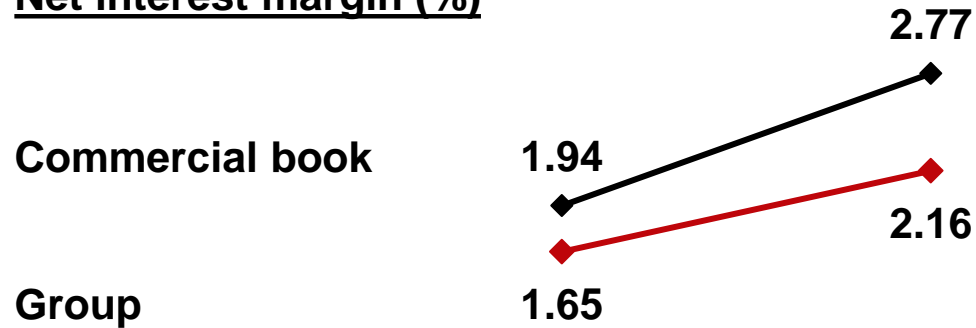
(S\$m)		<u>9M23</u>	<u>YoY %</u>
Total income	record	15,173	27
Commercial book		14,561	33
Treasury Markets (TM)		612	(37)
Expenses		5,851	14
Profit before allowances	record	9,322	37
Allowances		448	61
Net profit	record	7,893	35
Net profit incl one-time item		7,793	33

- Commercial book total income rises 33% from NIM expansion of 83bp and broad-based non-interest income growth
- TM income declines 37% from higher funding costs
- Cost-income ratio improves 4pp to 39%
- SP at 11bps of loans, GP of \$75m taken

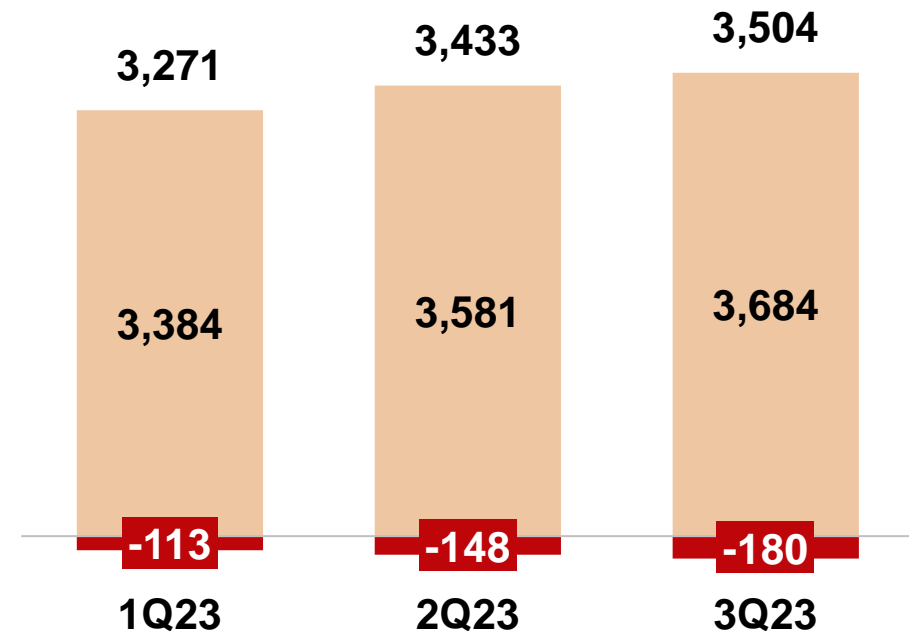
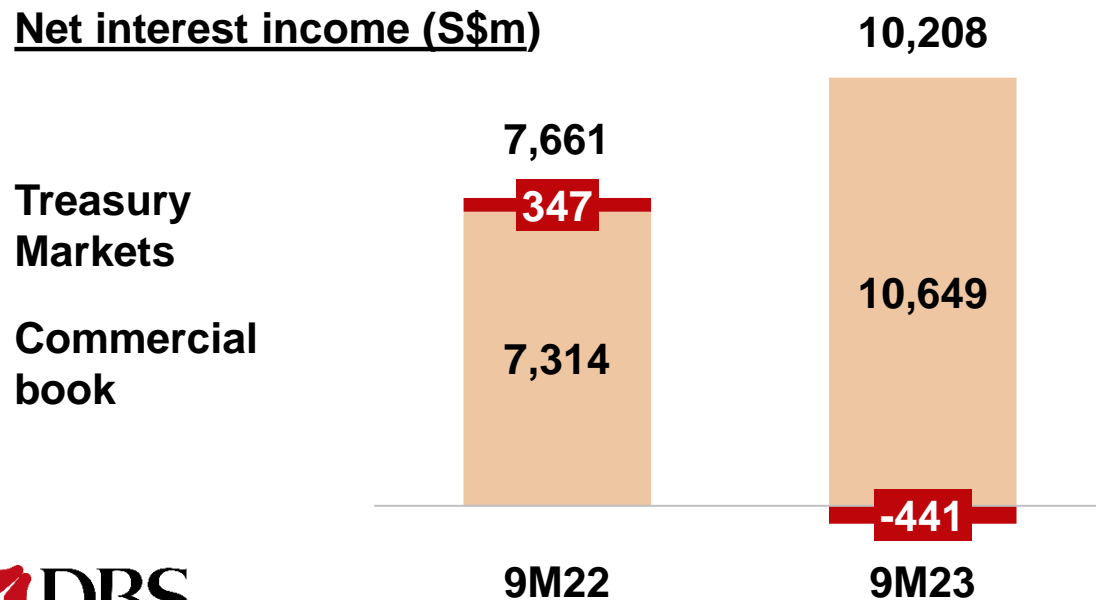


3Q commercial book net interest income up 3% QoQ, NIM stable at 2.82%

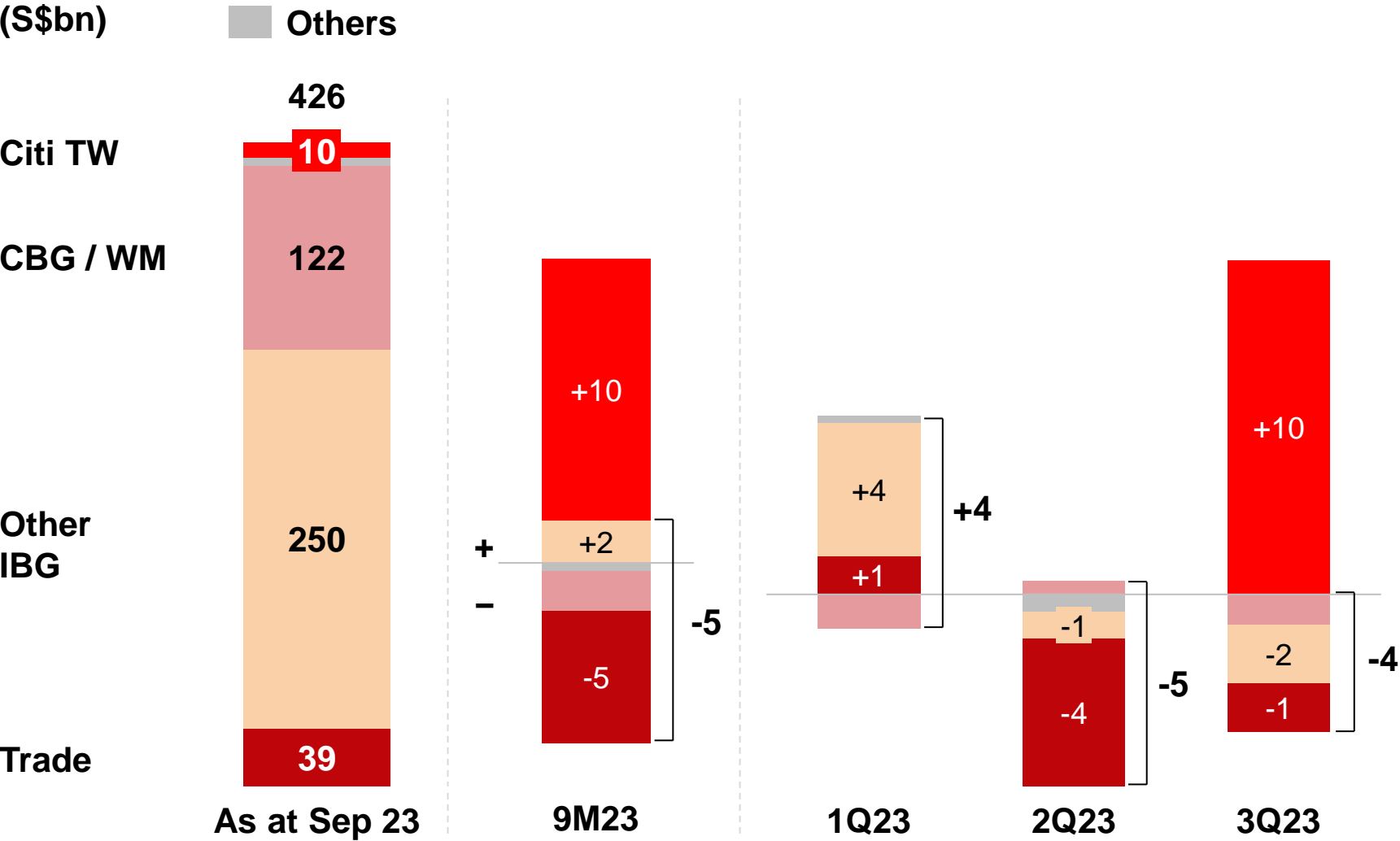
Net interest margin (%)



Net interest income (S\$m)



Loans up 1% QoQ in constant-currency terms from Citi Taiwan



In constant-currency terms

- Loans up 1% or \$5bn QoQ
- Citi Taiwan consolidation contributed \$10bn
- Trade loans decline QoQ due to unattractive pricing while non-trade corporate loans lower due to higher repayments
- Consumer loans also lower QoQ
- Excluding Citi Taiwan, 9M loans decline \$5bn as non-trade corporate loan growth more than offset by contraction in trade loans

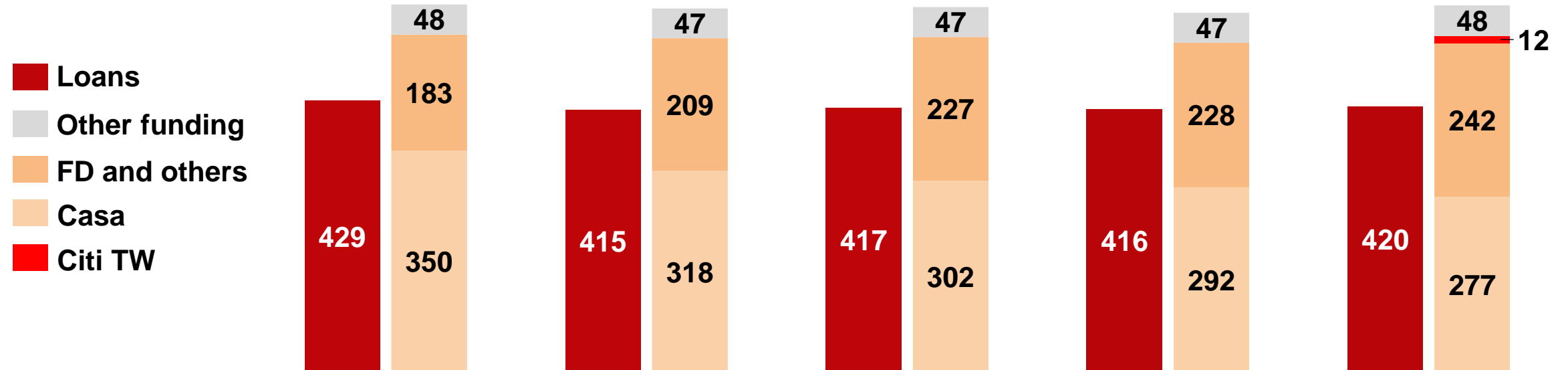


Gross loans

Constant-currency change

Deposits up 2% QoQ in constant-currency terms from Citi Taiwan

(S\$bn)



Sep 22

Dec 22

Mar 23

Jun 23

Sep 23

HQLA (S\$bn)

138

145

144

149

146

Ratios (%)

LDR

81

79

79

80

79

LCR

133

146

147

146

138

NSFR

114

117

118

116

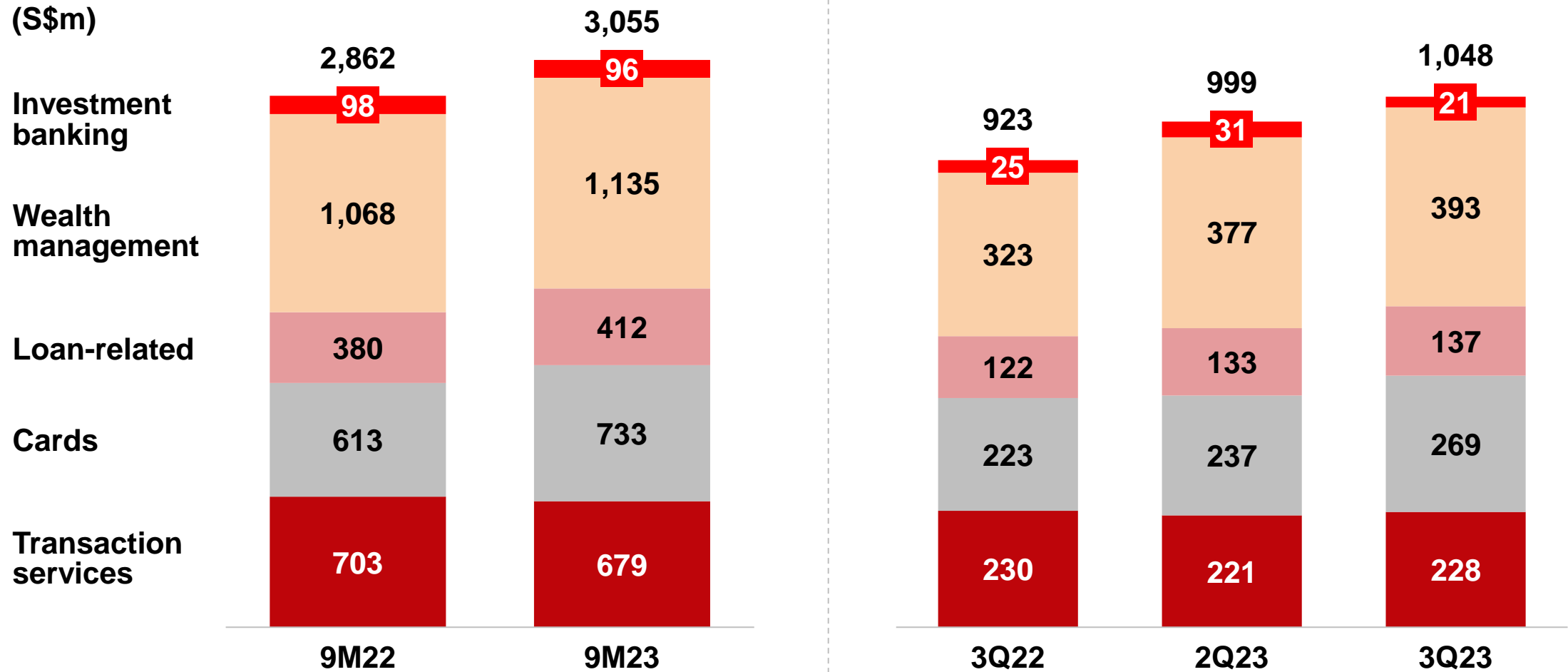
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HQLA is high quality liquid assets; Other funding comprises senior medium-term notes, commercial papers, negotiable certificates of deposit, other debt securities and covered bonds

3Q fee income up YoY and QoQ

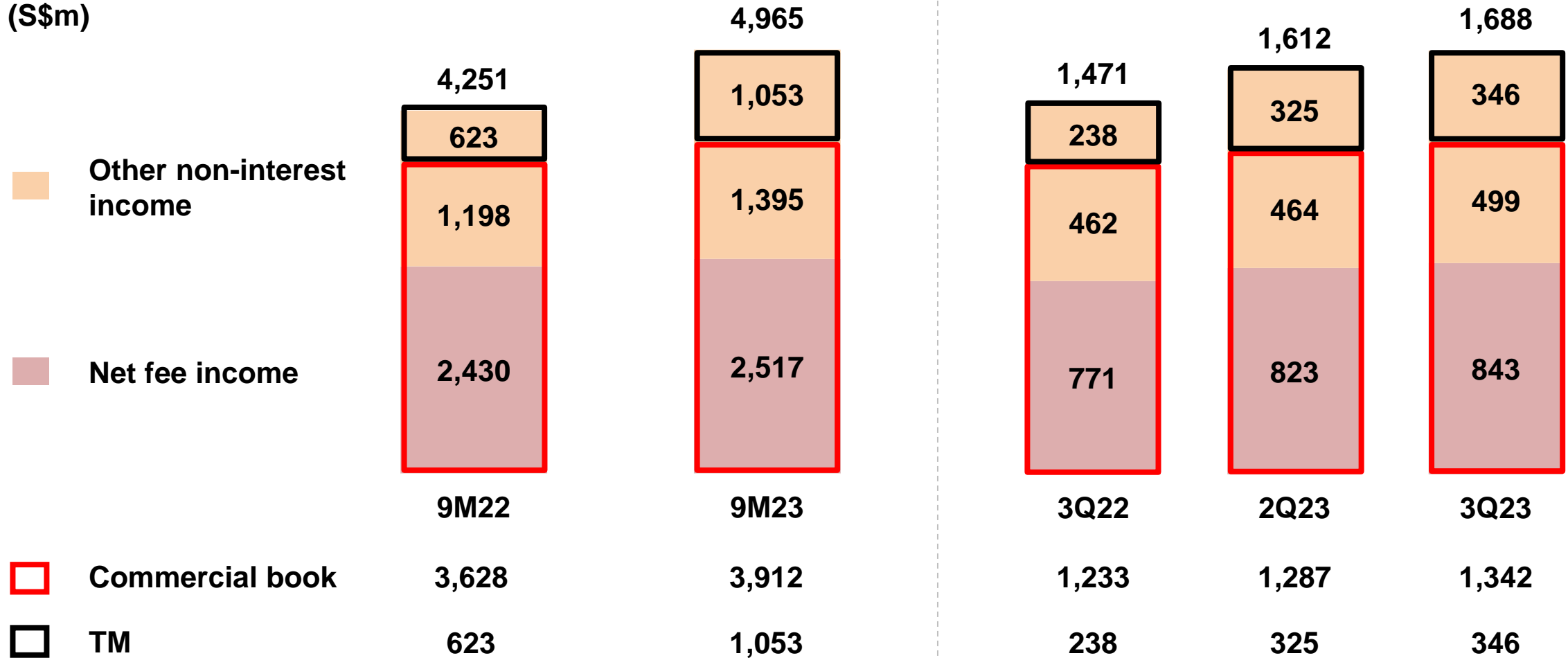
(S\$m)



Gross fee income

Commercial book accounts for majority of non-interest income

(S\$m)



Underlying 3Q expenses up 4% QoQ, cost-income ratio at 39%

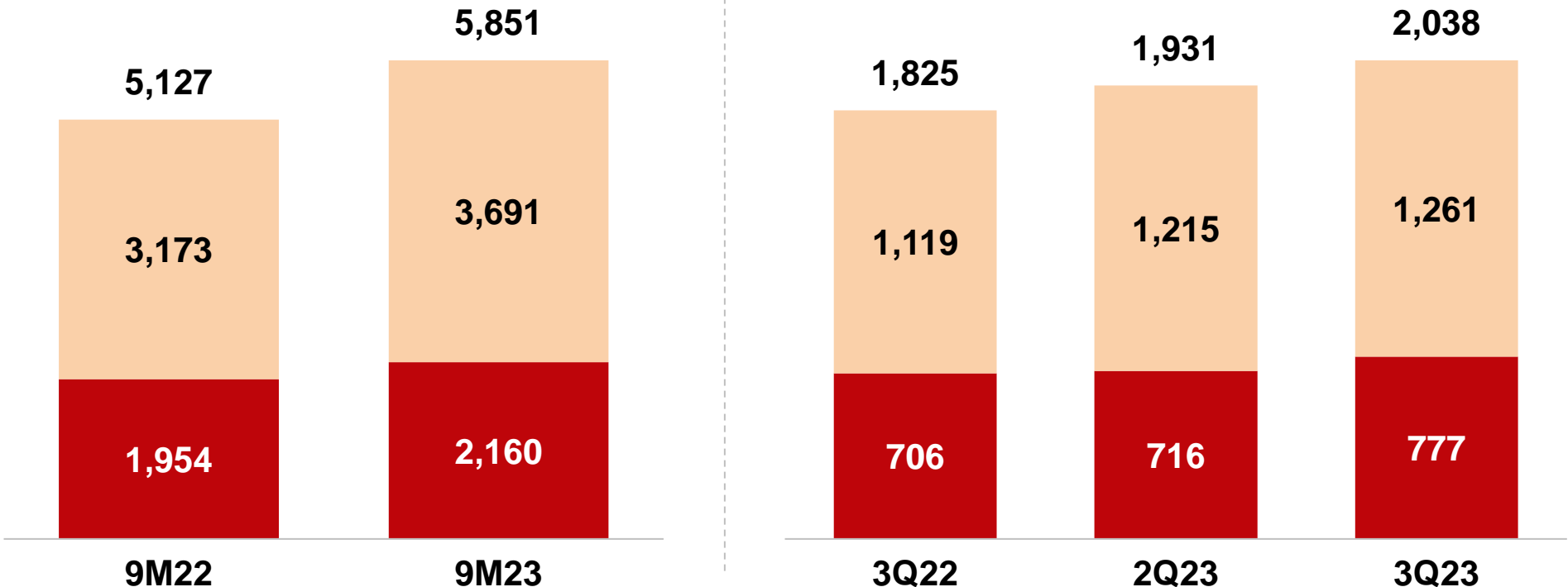
Cost / income (%)



(S\$m)

Staff expenses

Other expenses



NPA up 6% QoQ due to Citi Taiwan

(S\$m)	9M22	9M23	1Q23	2Q23	3Q23
NPAs at start of period	5,849	5,125	5,125	4,951	4,990
IBG and others	(257)	(173)	(133)	(5)	(41)
New NPAs	948	588	218	166	224
Upgrades, settlements and recoveries	(786)	(585)	(251)	(139)	(221)
Write-offs	(419)	(176)	(100)	(32)	(44)
CBG / WM	(81)	23	(9)	(7)	45
Translation	89	2	(32)	51	(17)
NPAs at end of period	5,600	4,977	4,951	4,990	4,977
Citi TW	-	326	-	-	326
NPAs at end of period incl Citi TW	5,600	5,303	4,951	4,990	5,303
NPL ratio (%)	1.2	1.2	1.1	1.1	1.2



Quarterly movements may not sum up to nine months as the presentation is based on the classification of the borrower in the respective period

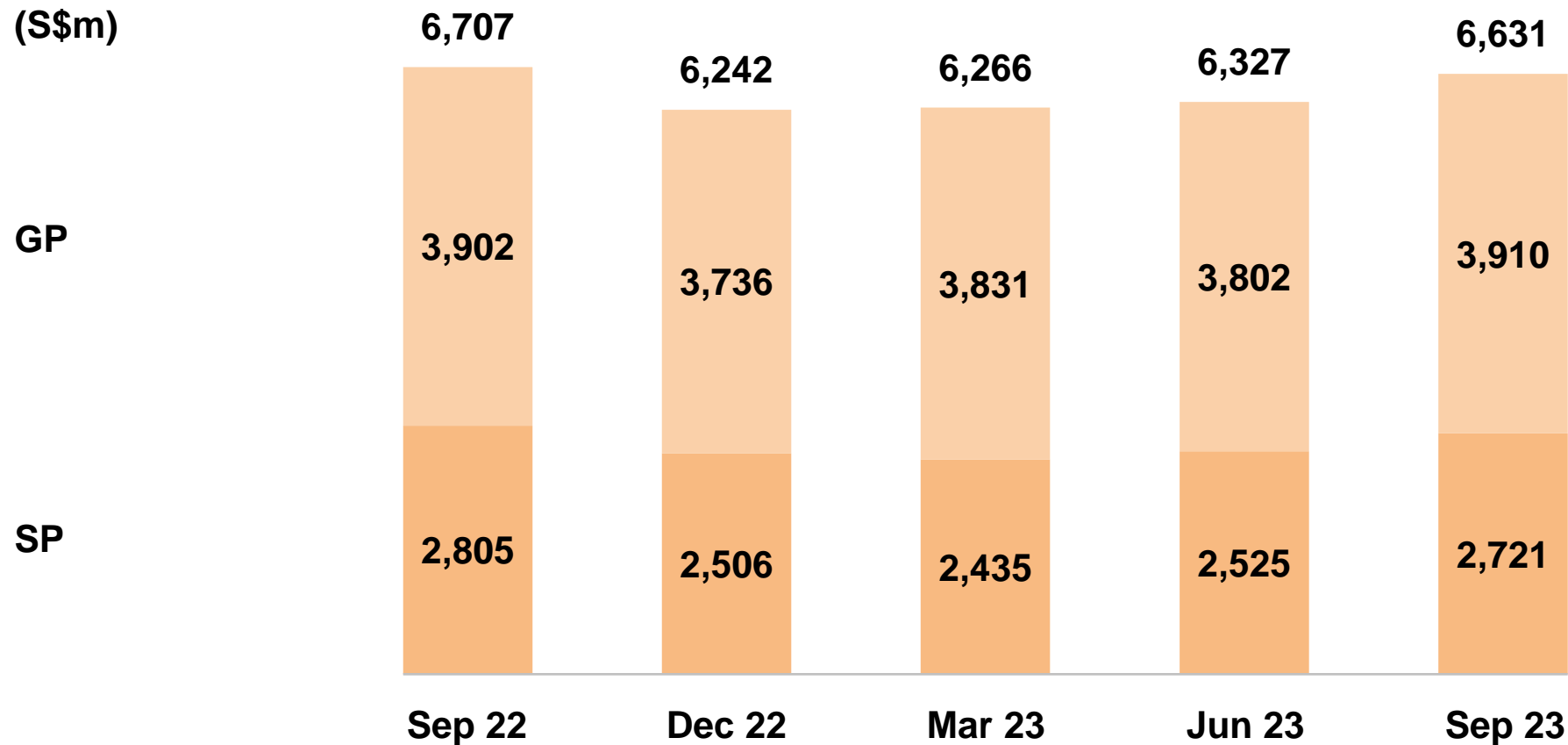
3Q SP at 18bp, 9M at 11bp

(S\$m)	9M22	9M23	1Q23	2Q23	3Q23
IBG and others	167	195	24	57	114
Add charges for	341	337	84	110	160
New NPLs	240	224	17	87	97
Existing NPLs	101	113	67	23	63
Subtract charges for	174	142	60	53	46
Upgrades	45	5	1	0	4
Settlements	103	106	50	39	34
Recoveries	26	31	9	14	8
CBG / WM	92	156	34	49	73
SP charges for loans	259	351	58	106	187
Other credit exposures	1	23	4	10	9
Total SP charges	260	374	62	116	196
SP / loans (bp)	8	11	6	10	18



Quarterly movements may not sum up to nine months as the presentation is based on the classification of the borrower in the respective period

Allowance coverage at 125%

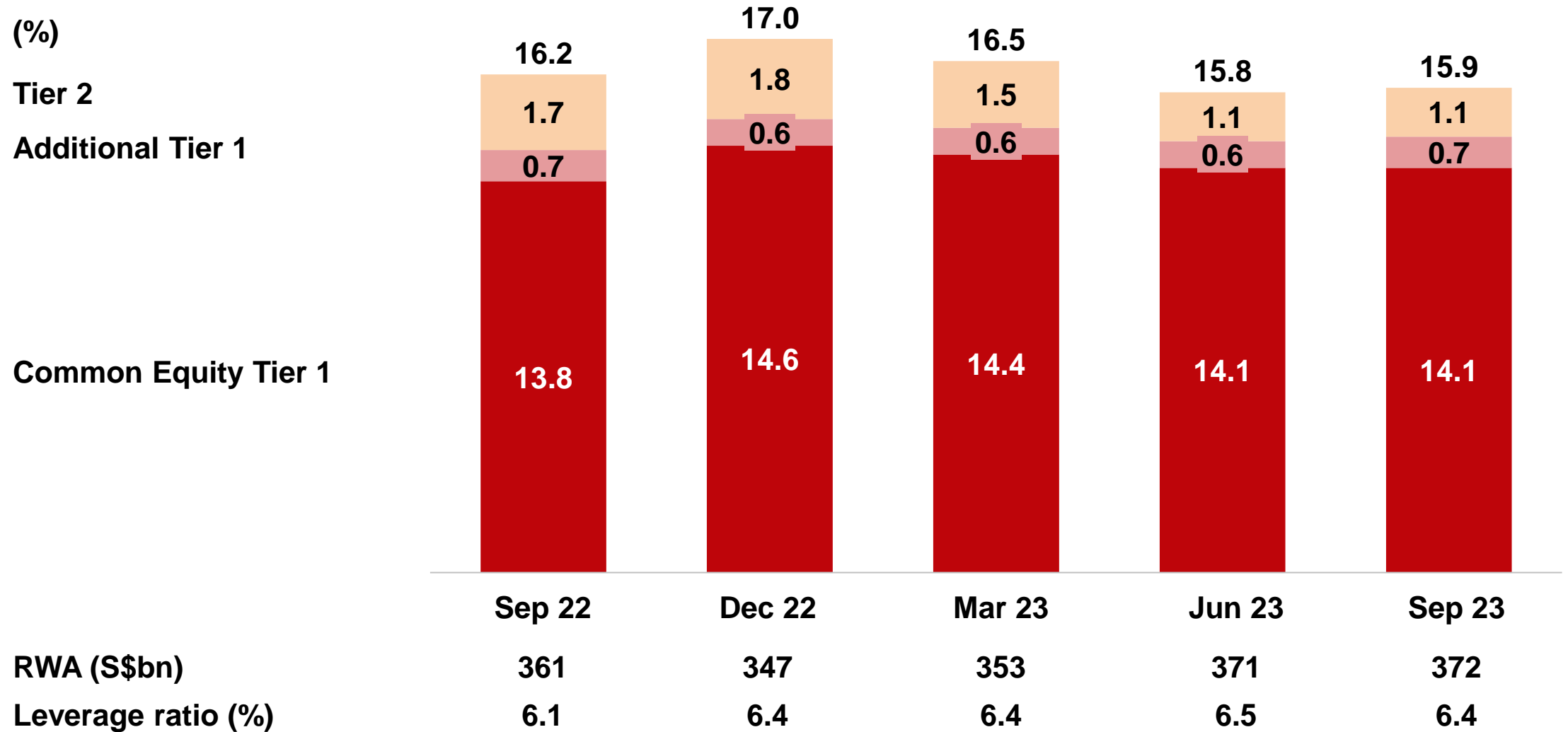


▪ Allowance coverage comfortably above 100% and exceeds 200% after considering collateral

Total allowance reserves as % of:

NPA	120	122	127	127	125
Unsecured NPA	216	215	229	224	216

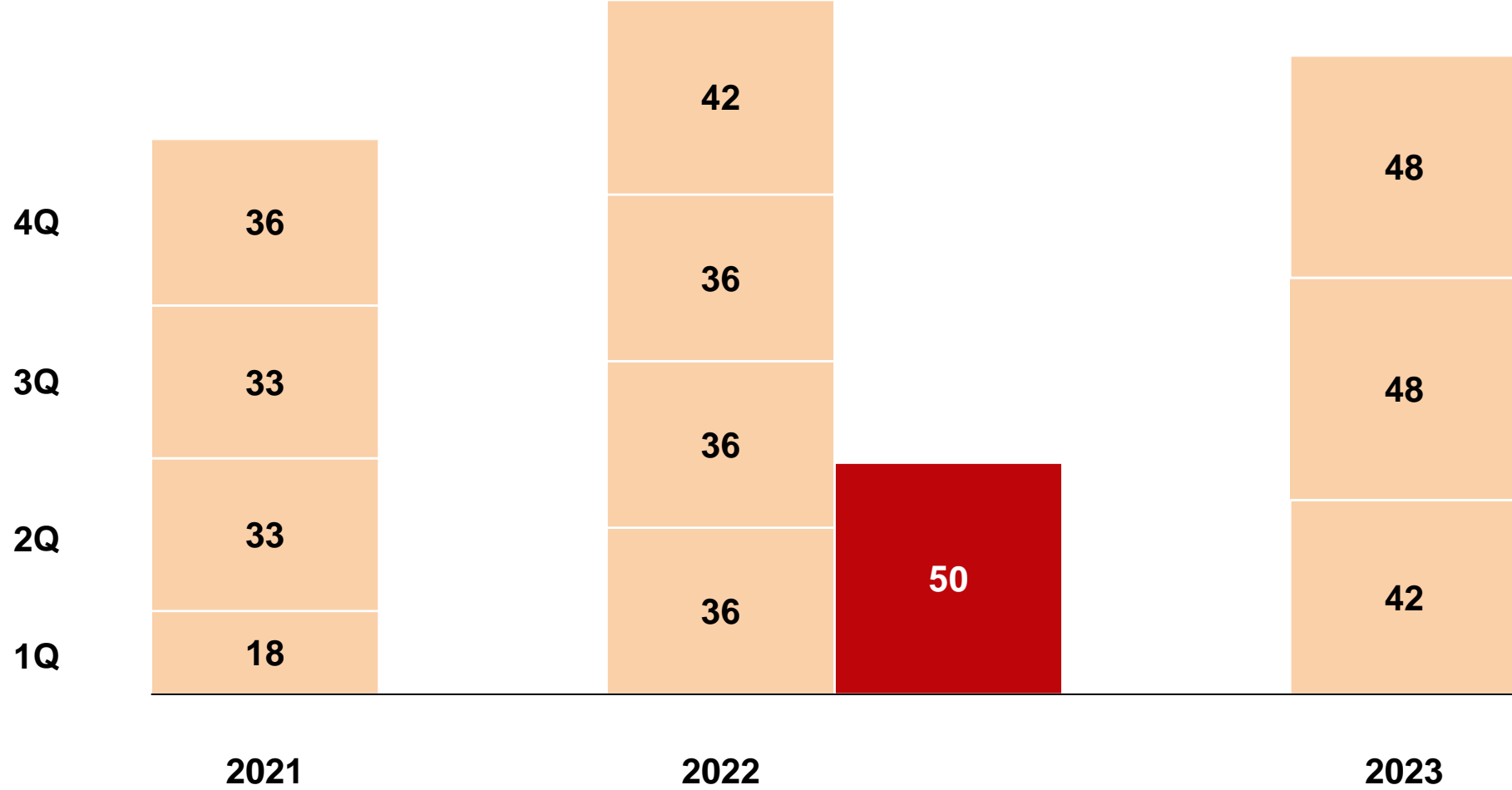
Strong CET-1 and leverage ratios



3Q dividend at 48 cents per share

(S¢ per share)

- Ordinary
- Special



In summary

Record third-quarter income and nine-month performance driven by continued expansion in net interest margin and sustained growth in commercial book non-interest income

Successful integration of Citi Taiwan progresses our strategy of building meaningful scale in our growth markets

Higher-for-longer interest rates will be net beneficial to earnings

Solid balance sheet with ample liquidity, prudent general allowance reserves and healthy capital ratios will provide us with strong buffers against macro uncertainties



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