

Full-year earnings at record

DBS Group Holdings
4Q 2012 financial results
February 6, 2013

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Full-year earnings at record

- Earnings growth sustained
- Hong Kong fundamentals improving
- Balance sheet remains robust

Full-year earnings up 11% before one-time item

(S\$m)	FY 2012	FY 2011	YoY %
Net interest income	5,285	4,825	10
Fee income	1,579	1,542	2
Trading income	689	680	1
Other income	511	584	(13)
Non-interest income	2,779	2,806	(1)
Total income	8,064	7,631	6
Staff expenses	1,888	1,712	10
Other expenses	1,726	1,591	8
Expenses	3,614	3,303	9
Profit before allowances	4,450	4,328	3
General allowances	211	478	(56)
Specific allowances	206	244	(16)
Allowances	417	722	(42)
Net profit	3,359	3,035	11
One-time item	450	0	NM
Net profit incl. one-time item	3,809	3,035	26

4Q pretax profit up 10% on year

(S\$m)	4Q 2012	4Q 2011	YoY %	3Q 2012	QoQ %
Net interest income	1,293	1,290	0	1,332	(3)
Fee income	372	342	9	422	(12)
Trading income	134	133	1	130	3
Other income	160	151	6	120	33
Non-interest income	666	626	6	672	(1)
Total income	1,959	1,916	2	2,004	(2)
Staff expenses	455	440	3	482	(6)
Other expenses	488	445	10	419	16
Expenses	943	885	7	901	5
Profit before allowances	1,016	1,031	(1)	1,103	(8)
General allowances	47	131	(64)	15	>100
Specific allowances	67	98	(32)	40	68
Allowances	114	229	(50)	55	>100
Profit before tax	923	837	10	1,076	(14)
Net profit	760	731	4	856	(11)

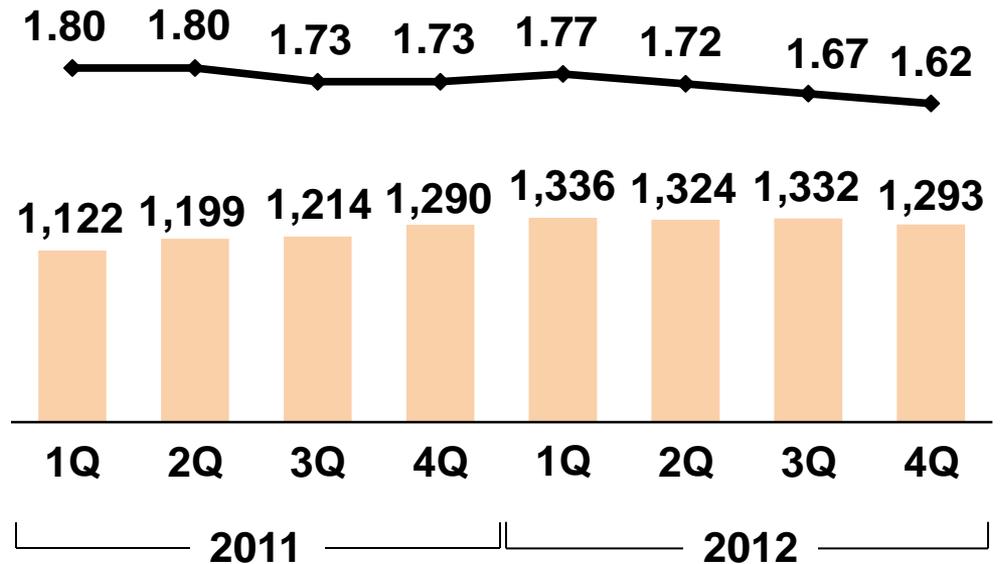
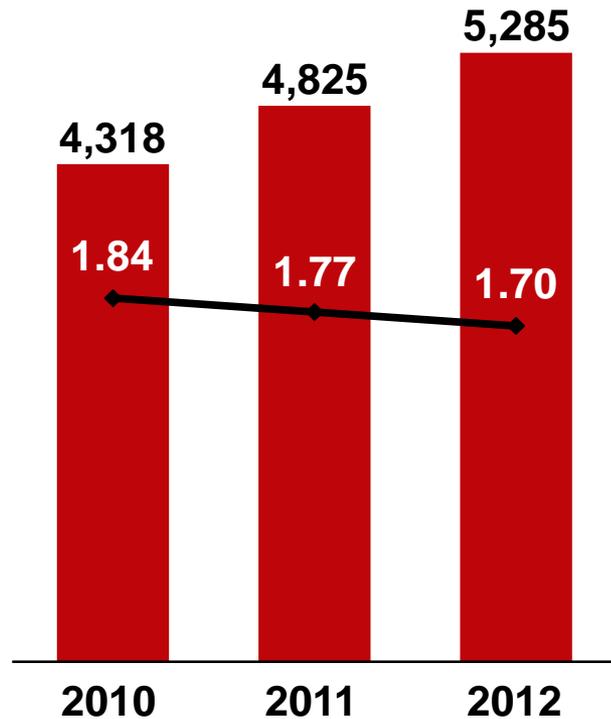
Full-year ROE improves to 11.2%

(%)	4Q 2012	4Q 2011	3Q 2012	FY 2012	FY 2011
Net interest margin	1.62	1.73	1.67	1.70	1.77
Fee income/total income	19	18	21	20	20
Non-interest income/total income	34	33	34	34	37
Cost/income	48	46	45	45	43
ROE	9.8	10.2	11.2	11.2	11.0
Loan/deposit	87	86	84	87	86
SP/average loans (bp)	15	19	7	10	11
NPL ratio	1.2	1.3	1.3	1.2	1.3

Full-year net interest income up 10%

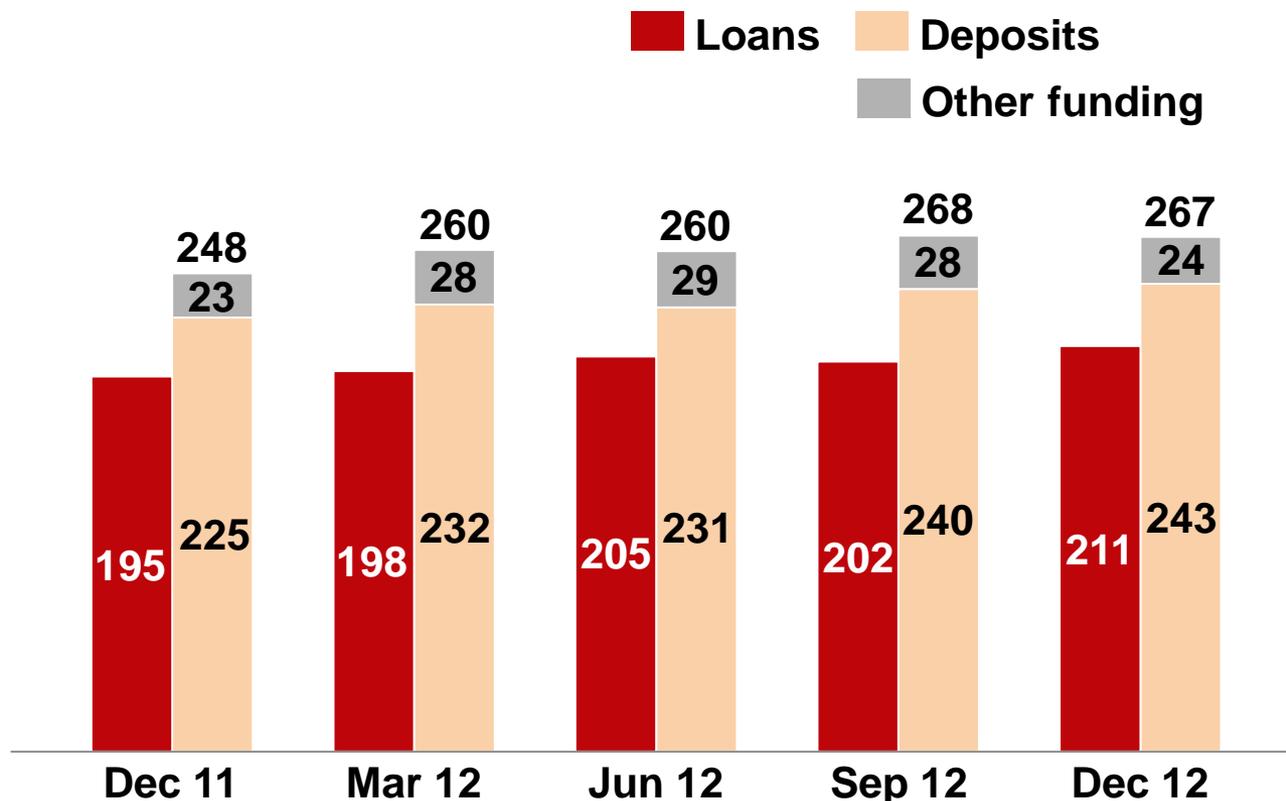
(S\$m)

—◆— Net interest margin (%)



Loans up 12% on year and 4% on quarter in constant currency terms, LDR healthy at 87%

(S\$bn)



Loan/deposit (%)

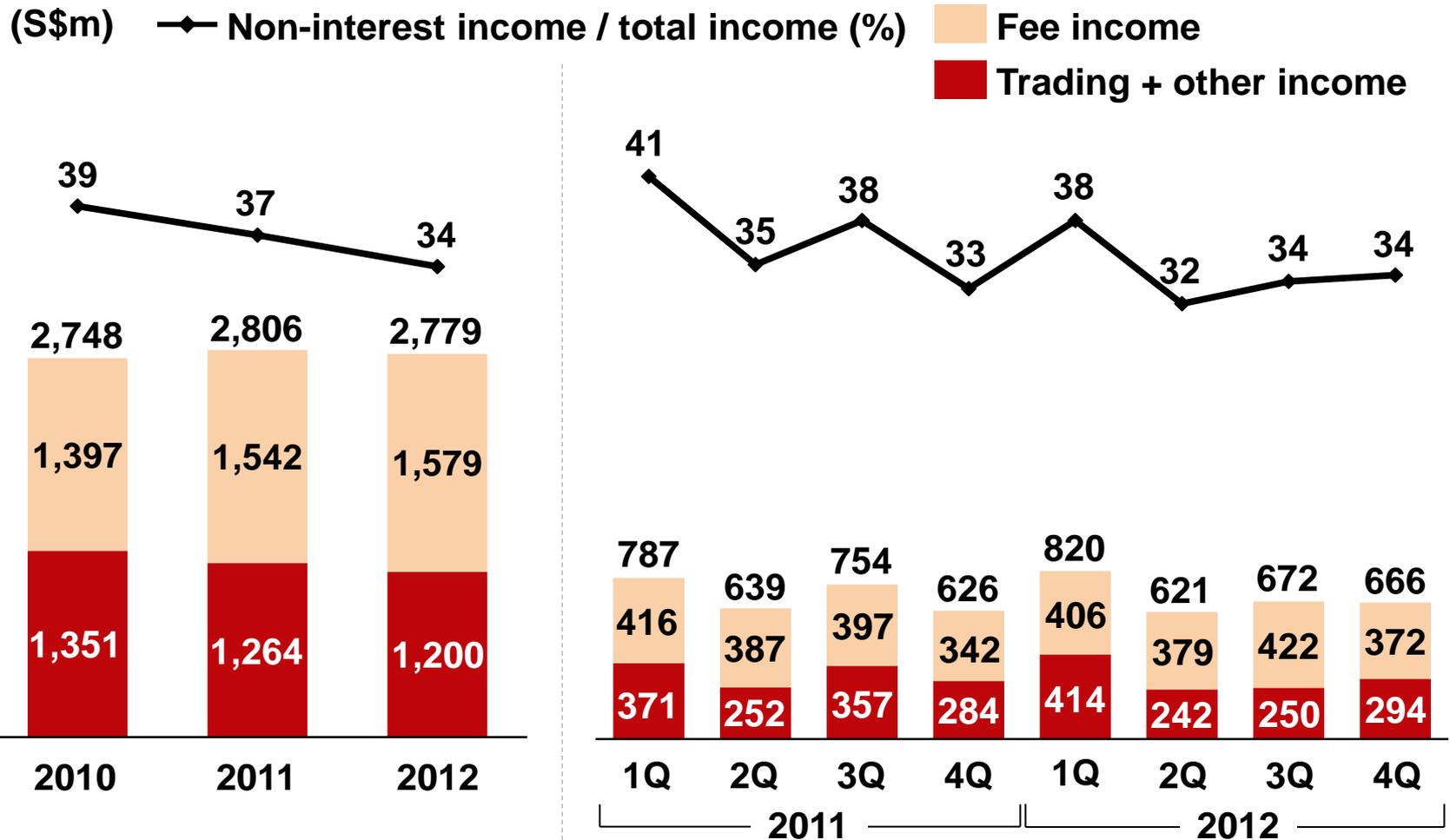
Group	86	85	89	84	87
SGD	64	65	68	68	69
Non-SGD	116	113	117	106	110

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

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



Non-interest income stable as higher customer income offset by lower equity market activities

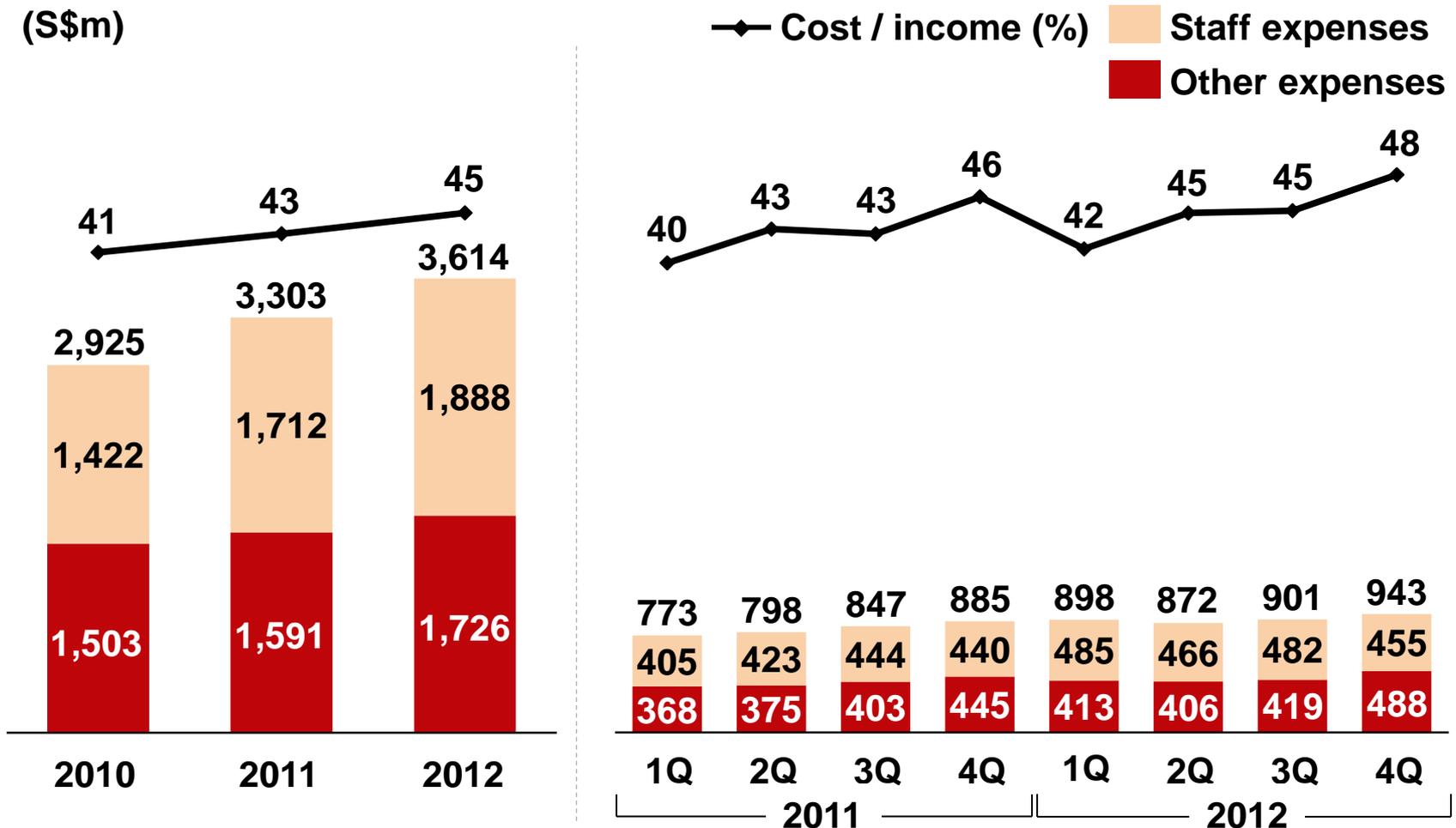


Full-year Treasury customer income up 6%, accounting for 44% of total Treasury income

(S\$m)	FY 2012	FY 2011	YoY %
Customer income	868	822	6
Other income, principally from balance sheet management, market-making and warehousing	1,119	1,152	(3)
Total Treasury income	1,987	1,974	1
Customer income as % of total Treasury income	44	42	2 pt

Continued investments to support higher business volumes and build capacity for growth

(S\$m)



Full-year earnings at record

- ❑ Earnings growth sustained
- ❑ Hong Kong fundamentals improving
- ❑ Balance sheet remains robust

Hong Kong's full-year earnings up 26% in constant currency terms

Constant-currency terms

(S\$m)	FY 2012	FY 2011	YoY %	YoY %
Net interest income	886	789	12	13
Non-interest income	646	664	(3)	(3)
Total income	1,532	1,453	5	6
Expenses	678	646	5	6
Profit before allowances	854	807	6	6
General allowances	(14)	90	NM	NM
Specific allowances	25	40	(38)	(37)
Allowances	11	130	(92)	(91)
Net profit	716	571	25	26
Net interest margin (%)	1.48	1.39		
Loan/deposit (%)	97	123		
Loan growth (%)				(7)
Deposit growth (%)				19

Hong Kong's 4Q earnings up 30% on year in constant currency terms

(S\$m)	Constant-currency terms						
	4Q 2012	4Q 2011	YoY %	YoY %	3Q 2012	QoQ %	QoQ %
Net interest income	221	211	5	10	228	(3)	(1)
Non-interest income	174	151	15	21	145	19	22
Total income	395	362	9	14	373	6	8
Expenses	187	184	2	7	168	11	13
Profit before allowances	208	178	17	22	205	1	3
General allowances	17	15	17	23	(28)	NM	NM
Specific allowances	8	9	(12)	(8)	7	8	10
Allowances	25	24	6	11	(20)	NM	NM
Net profit	162	130	25	30	187	(13)	(12)
Net interest margin (%)	1.55	1.35			1.54		
Loan/deposit (%)	97	123			102		
Loan growth (%)				(7)			4
Deposit growth (%)				19			11

Full-year regional earnings down 4% on higher expenses

(S\$m)	FY 2012	FY 2011	YoY %
Net interest income	1,190	1,130	5
Non-interest income	376	329	14
Total income	1,566	1,459	7
Expenses	848	709	20
Profit before allowances	718	750	(4)
Allowances	88	100	(12)
Net profit	564	587	(4)

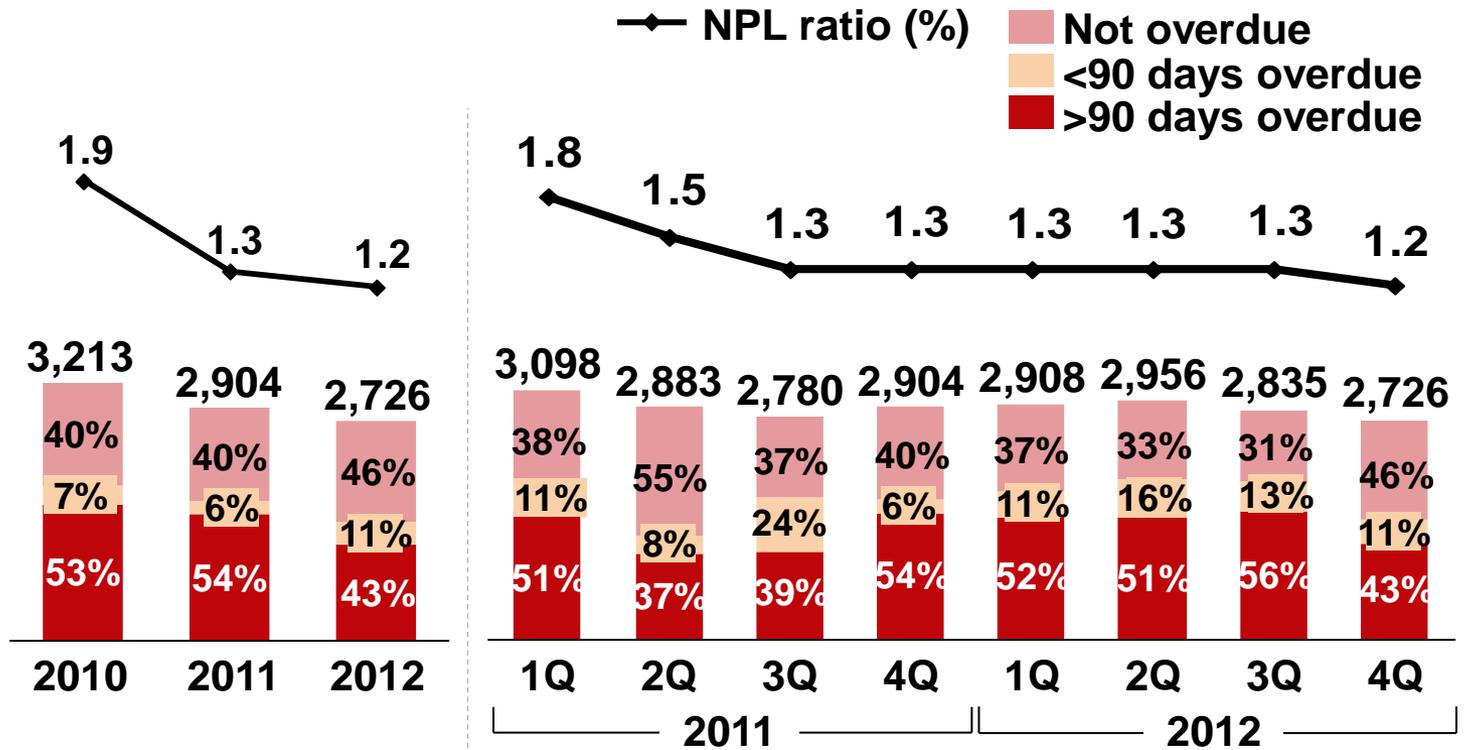
Figures for operations outside of Singapore and Hong Kong

Full-year earnings at record

- ❑ Earnings growth sustained
- ❑ Hong Kong fundamentals improving
- ❑ Balance sheet remains robust

NPL ratio is stable at 1.2%

NPA (S\$m)



SP/loans (bp)	43	11	10	9	7	9	19	9	8	7	15
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Cumulative general and specific allowances as % of:

NPAs	100	126	142	103	113	124	126	128	129	134	142
Unsecured NPAs	127	165	183	134	148	158	165	172	171	176	183

NPAs decline 4% on quarter

(S\$m)	4Q 2012	3Q 2012	4Q 2011
NPAs at start of period	2,835	2,956	2,780
New NPAs	112	50	212
Upgrades, recoveries and translation	(152)	(120)	(27)
Write-offs	(69)	(51)	(61)
NPAs at end of period	2,726	2,835	2,904

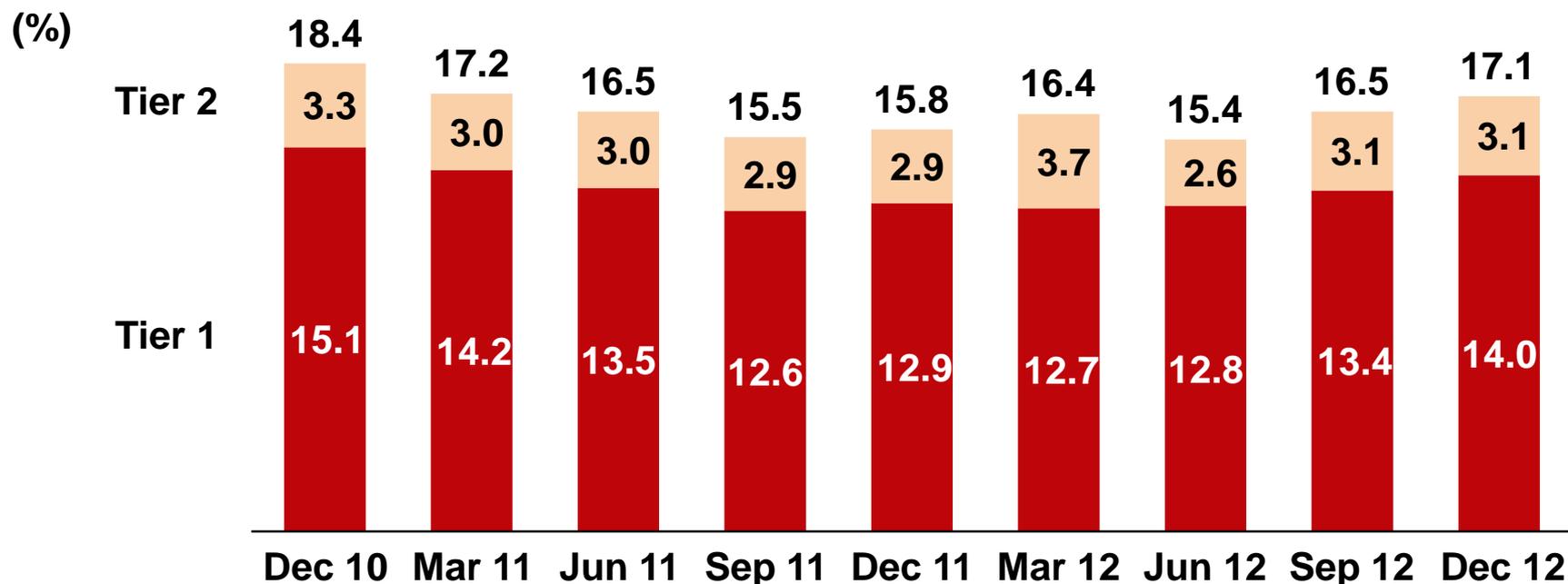
Specific allowances remain low

(S\$m)	4Q 2012	3Q 2012	4Q 2011
<u>Add charges for</u>			
New NPLs	43	25	83
Existing NPLs	73	55	39
	116	80	122
<u>Subtract charges for</u>			
Settlements	29	28	20
Recoveries	8	16	10
	37	44	30
Total SP charges for loans	79	36	92
SP / average loans (bp)	15	7	19

AFS portfolio diversified between investment-grade government and corporate debt

	Dec 12 (S\$m)	Sep 12 (S\$m)	Dec 11 (S\$m)
Singapore government securities	9,818	10,007	10,464
Other government securities	15,927	12,175	9,616
Supranational, bank and corporate debt securities	8,988	10,651	10,474
Equities	1,099	1,107	1,157
Total	35,832	33,940	31,711
AFS reserves	634	624	411

Capital ratios remain strong



Core Tier 1 (%) based on deductions that are:

Phased in *	14.5	14.1	13.5	12.6	12.9	12.7	12.8	13.4	14.0
Full	11.8	11.5	11.5	10.7	11.0	10.9	11.0	11.6	12.2
RWA (S\$bn)	183	190	198	214	214	220	225	217	216

* Phased-in deduction (of mainly goodwill) against core equity (0% until 31 December 2013)

Well-positioned to comply with Basel III capital requirements

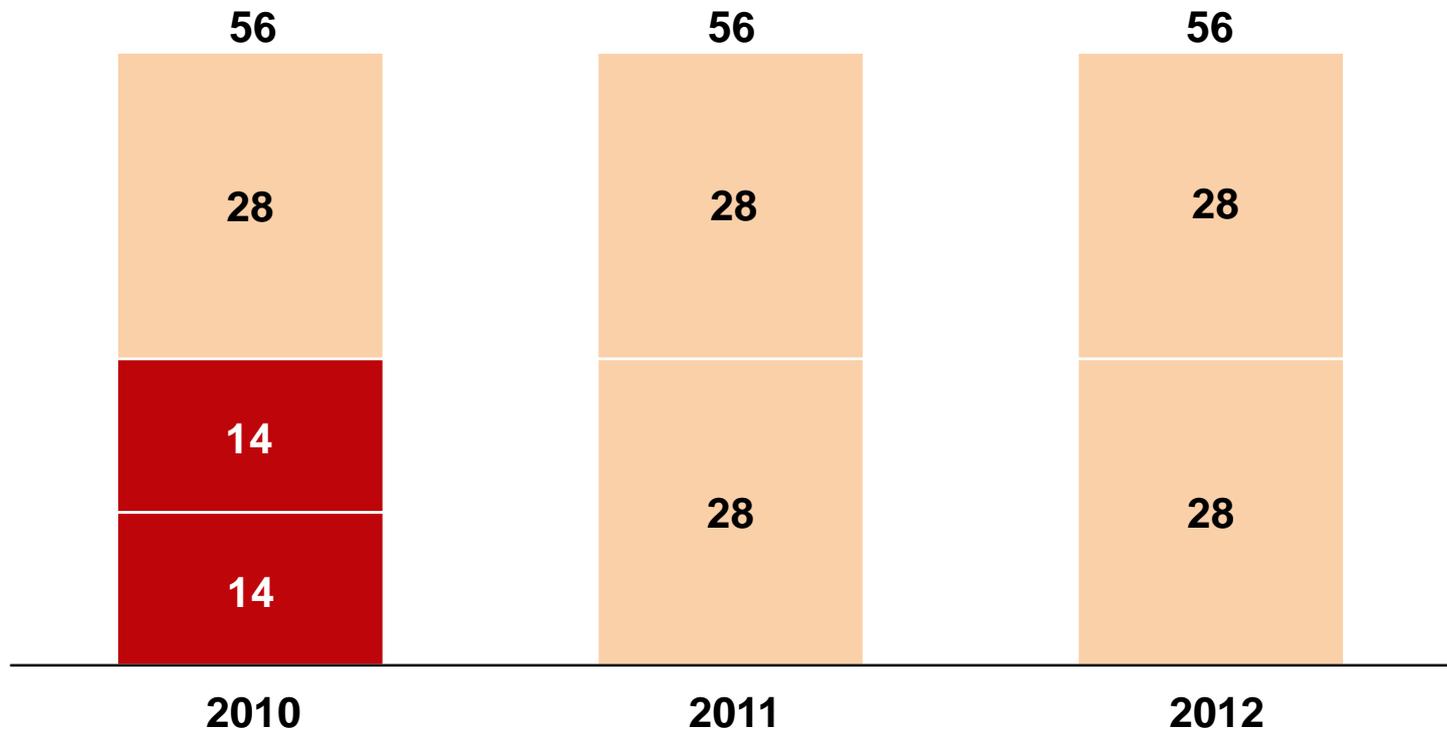
	Basel 2.5 Dec 2012	Pro forma Basel III	
		Transition	Final
Core equity (S\$bn)	30.2	30.6	26.7
RWA (S\$bn)	215.6	226.6	226.6
Core Tier 1 ratio (%)	14.0	13.5	11.8

- ❑ Higher RWA under Basel III from increase in risk weights for financial institutions and new capital charge for OTC derivatives
- ❑ Minimum capital requirement of 4.5% on 1 January 2013 progressively rises to 9.0% on 1 January 2019

Final dividend of 28 cents per share

(S¢ per share)

Half-yearly
Quarterly



In summary – full-year earnings at record

Record annual earnings with ROE at five-year high

Capital, liquidity and asset quality remain strong

Well-positioned to benefit from improved regional outlook in coming year

Full-year earnings at record

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