

Record first quarter earnings

DBS Group Holdings
1Q 2015 financial results
April 27, 2015

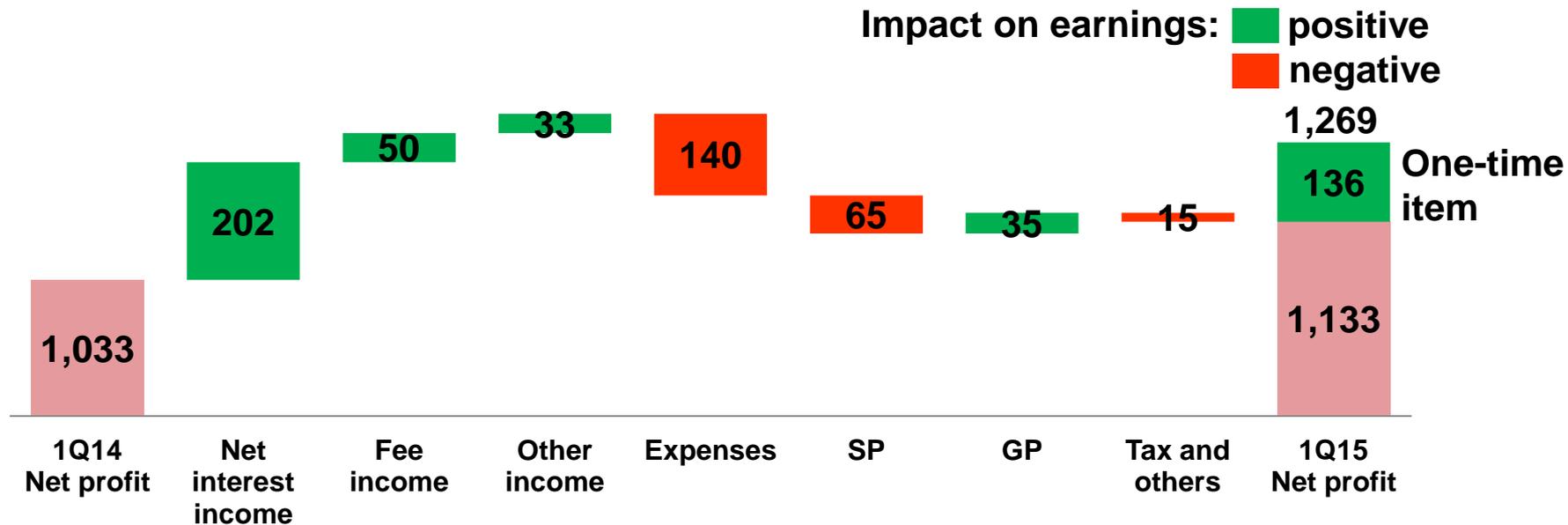
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Earnings up 10% on year to record

(S\$m)		1Q15	YoY %
Total income	record	2,736	12
Expenses		1,181	13
Profit before allowances	record	1,555	10
Allowances		181	20
Net profit	record	1,133	10
Net profit incl. one-time item		1,269	3

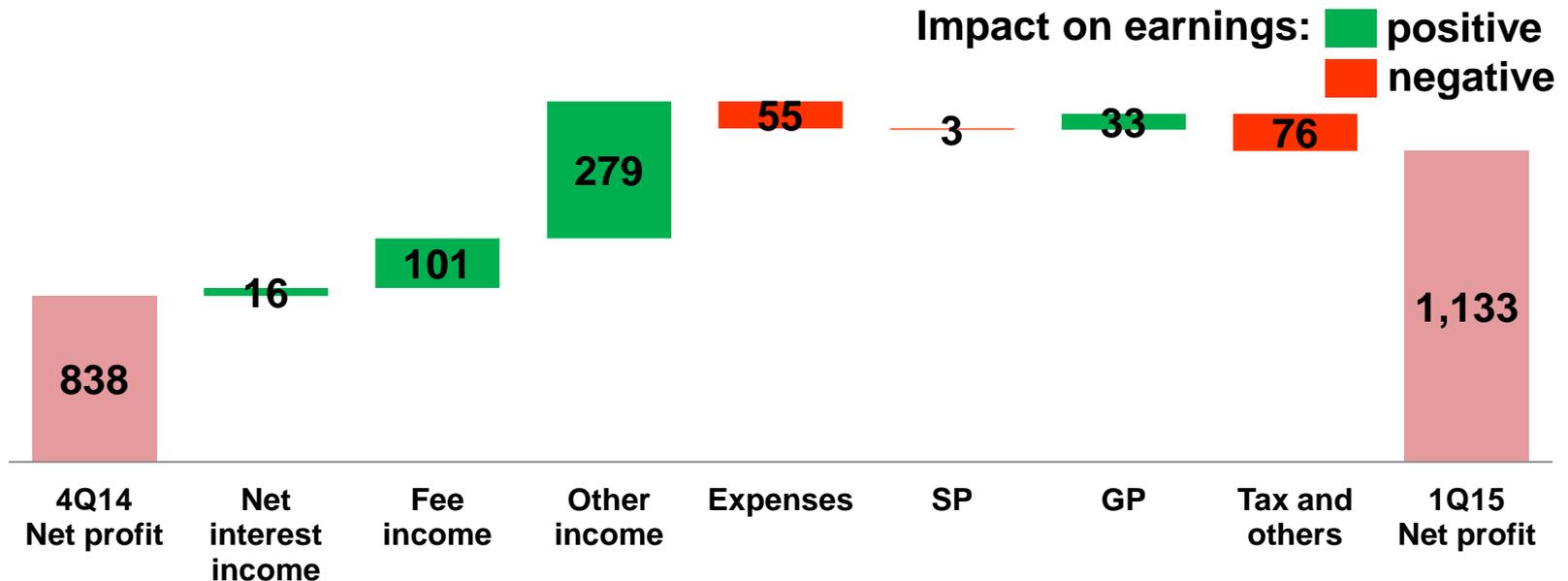
- Net interest income and non-interest income at new highs
- Broad-based growth as all business units' income reach records



Earnings up 35% on quarter

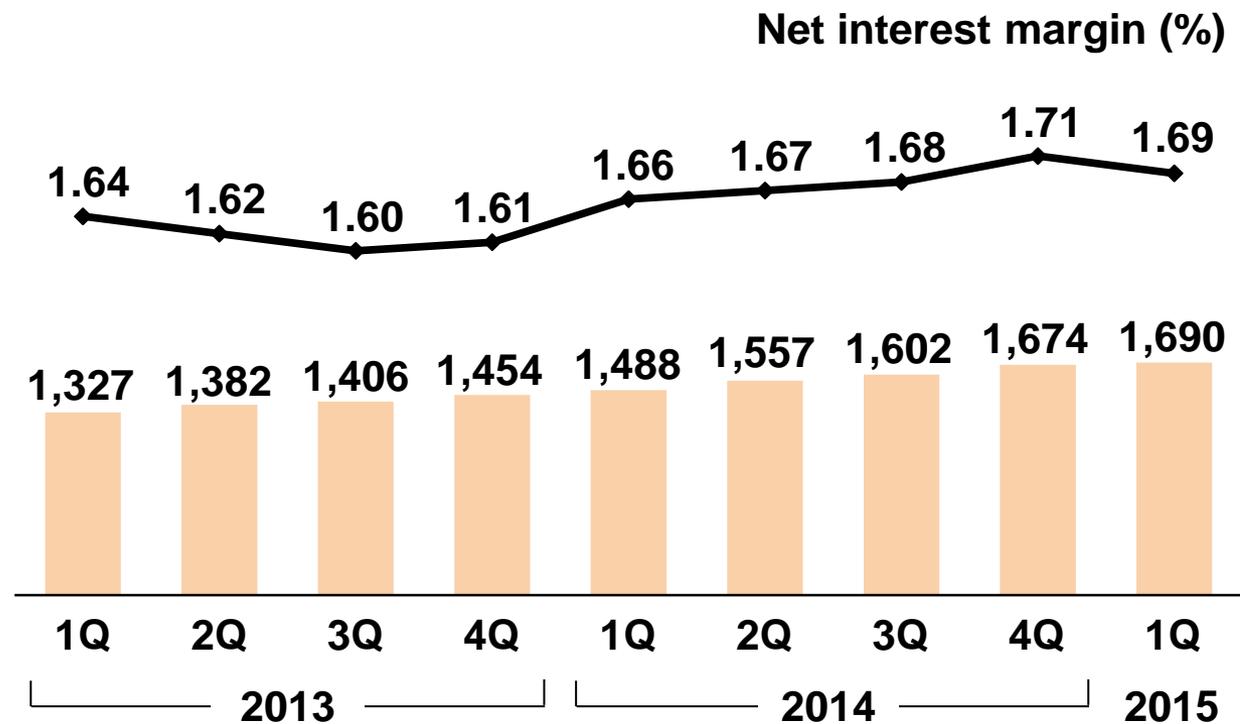
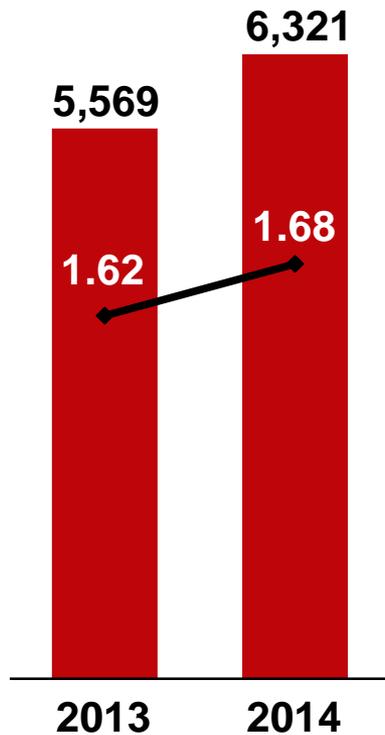
(S\$m)		1Q15	QoQ %
Total income	record	2,736	17
Expenses		1,181	5
Profit before allowances	record	1,555	28
Allowances		181	(14)
Net profit	record	1,133	35

- Fee and other non-interest income drive earnings growth
- Business momentum remains healthy



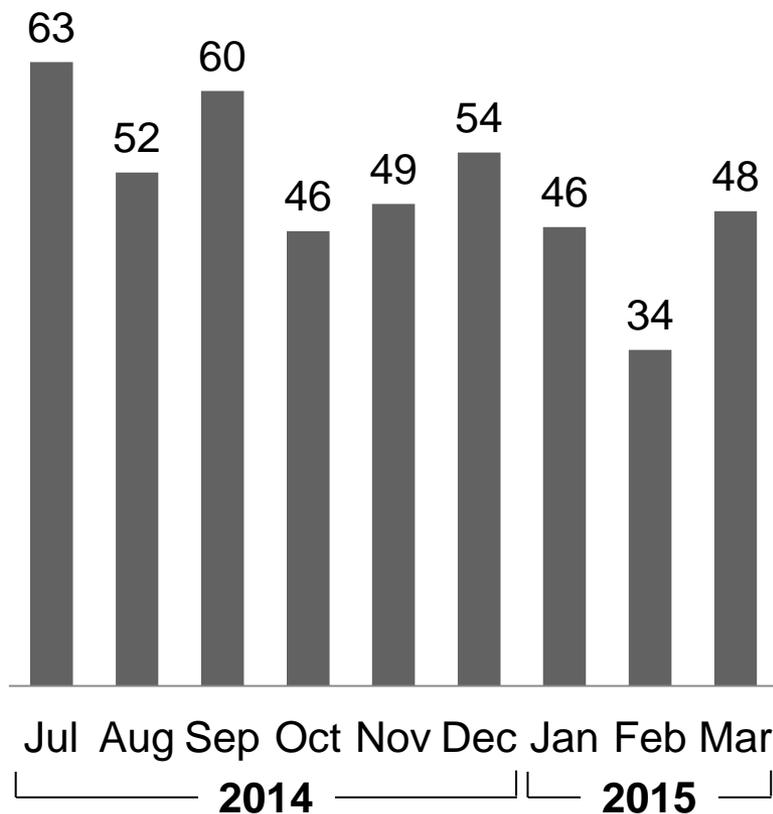
Underlying NIM stable on quarter as higher SGD rates offset by lower average LDR

(S\$m)

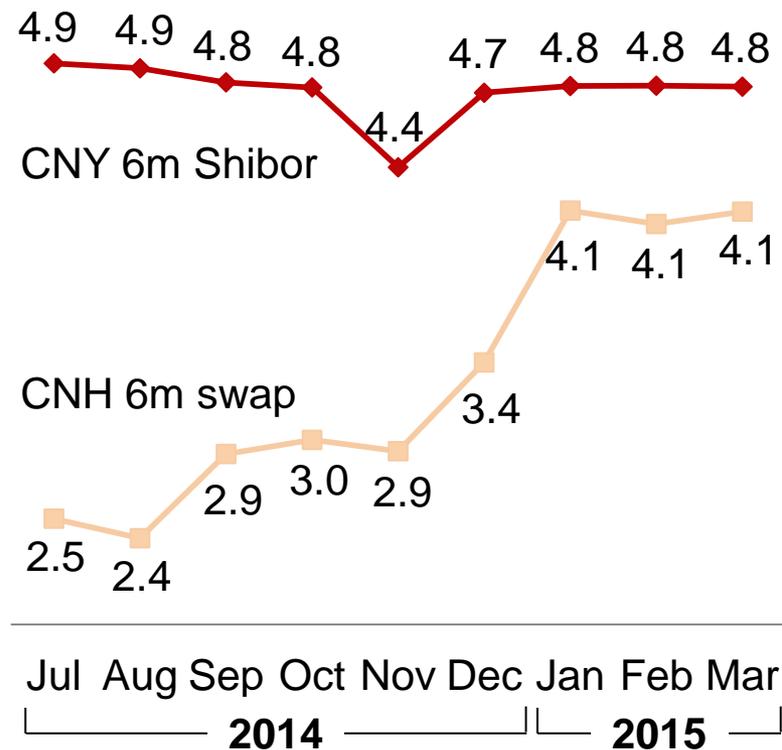


China trade has declined on lower commodity prices and onshore-offshore rate convergence

LCs issued from China into Asia (US\$bn)



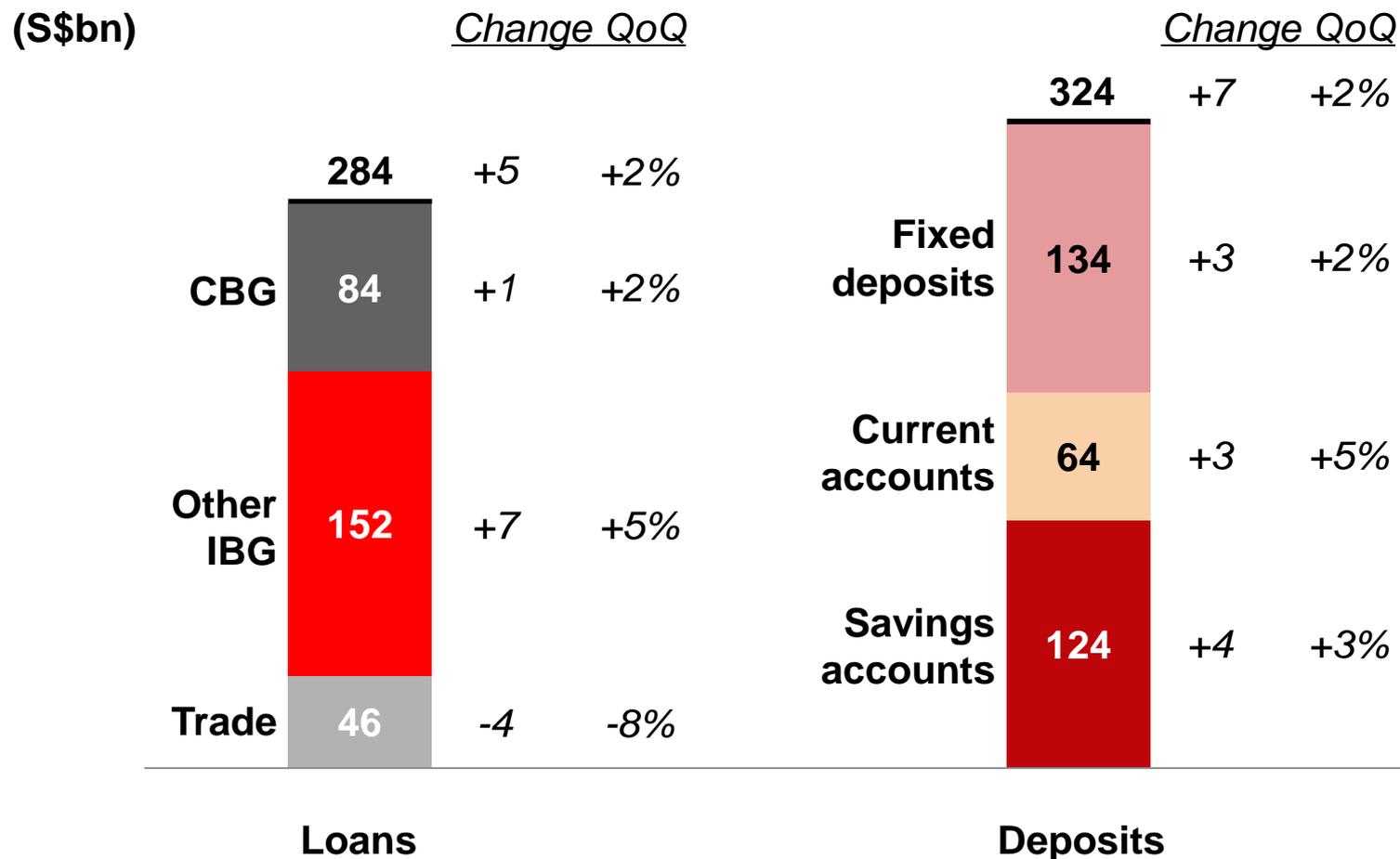
Onshore-offshore RMB interest rate convergence (%)



Source: SWIFT, Bloomberg

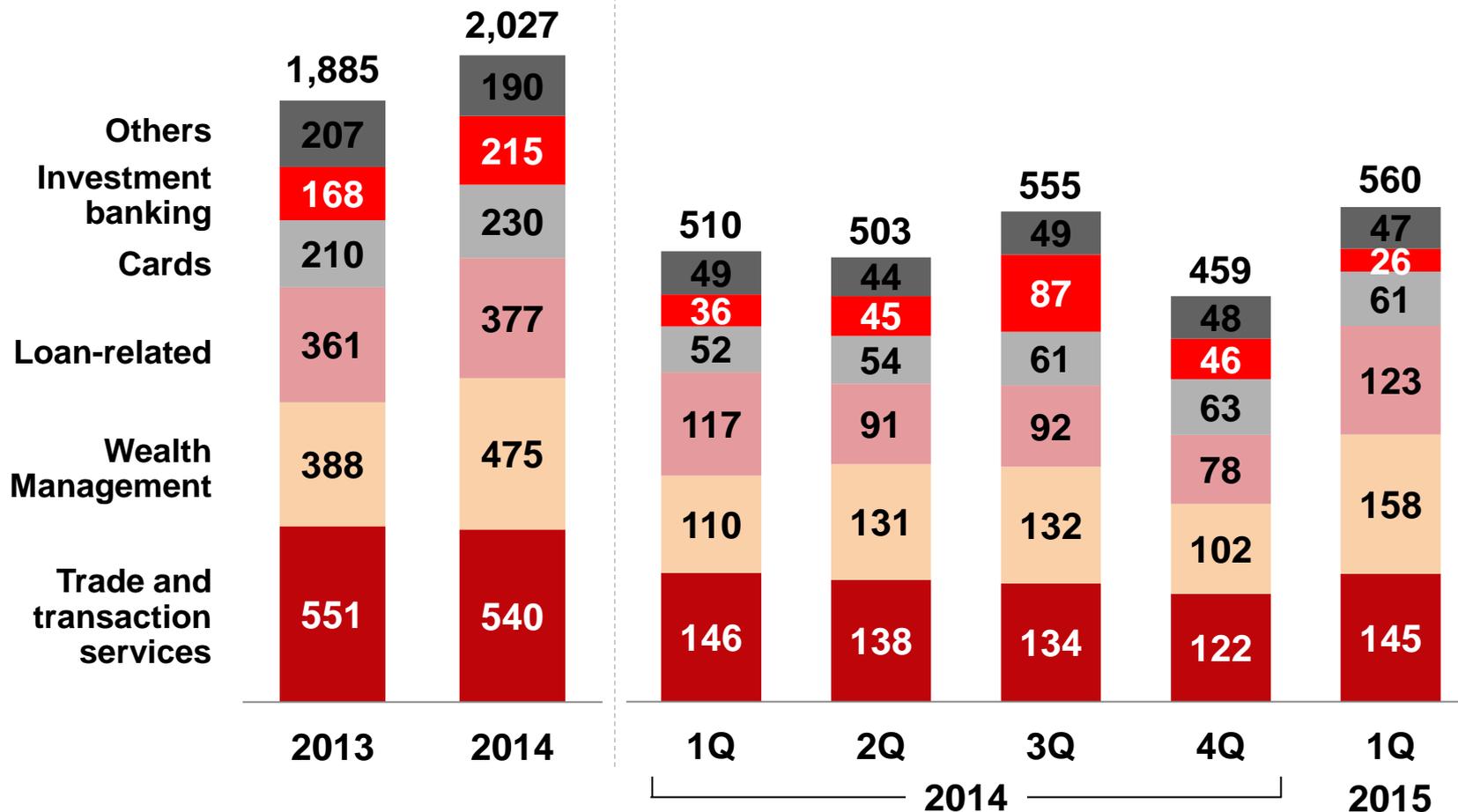


Underlying loans stable on quarter as growth in corporate and consumer loans offsets lower trade loans; liquidity remains healthy



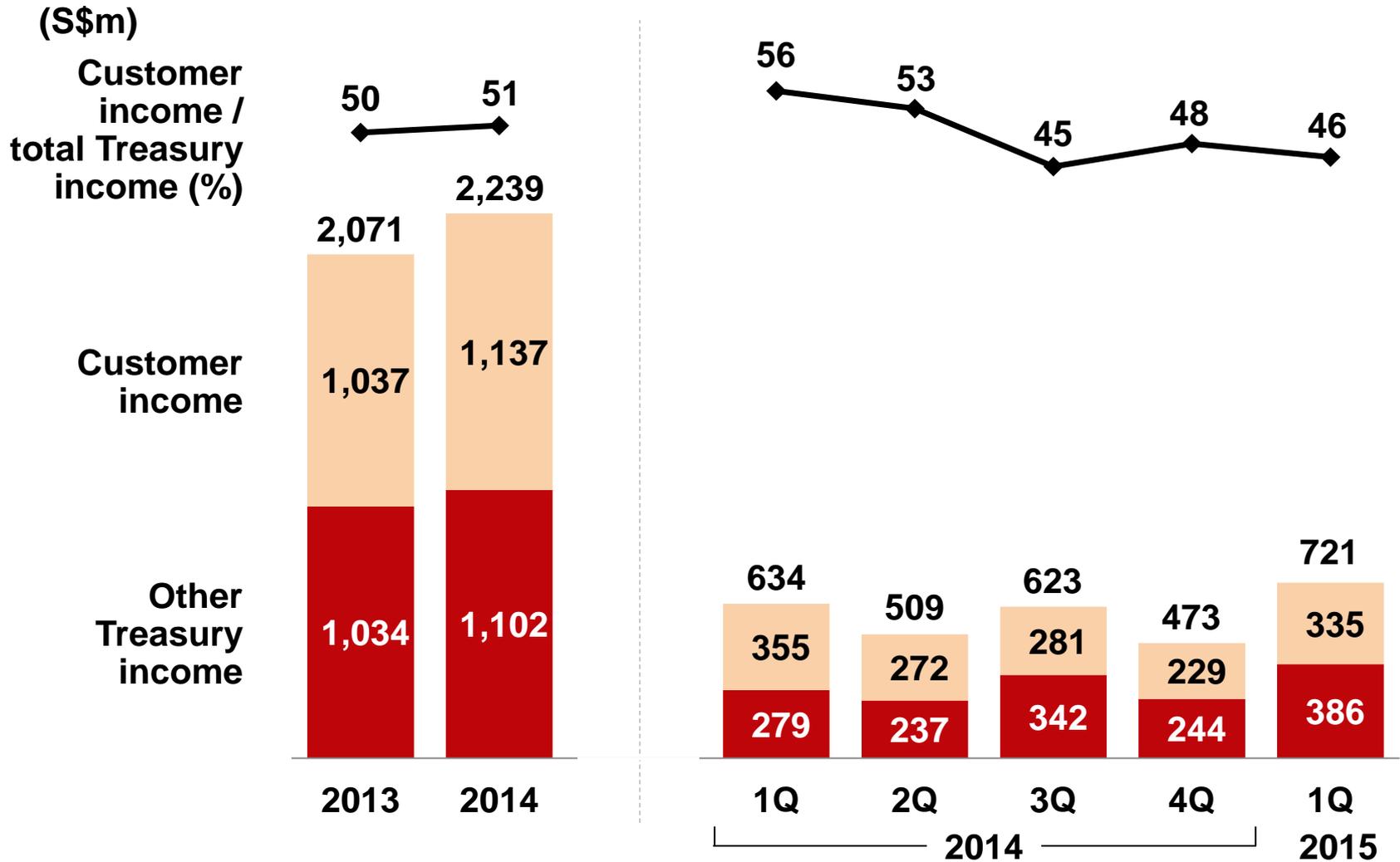
Fee income up 10% on year led by higher wealth management and card contributions

(S\$m)



Net fee income

Treasury customer income comparable to year ago

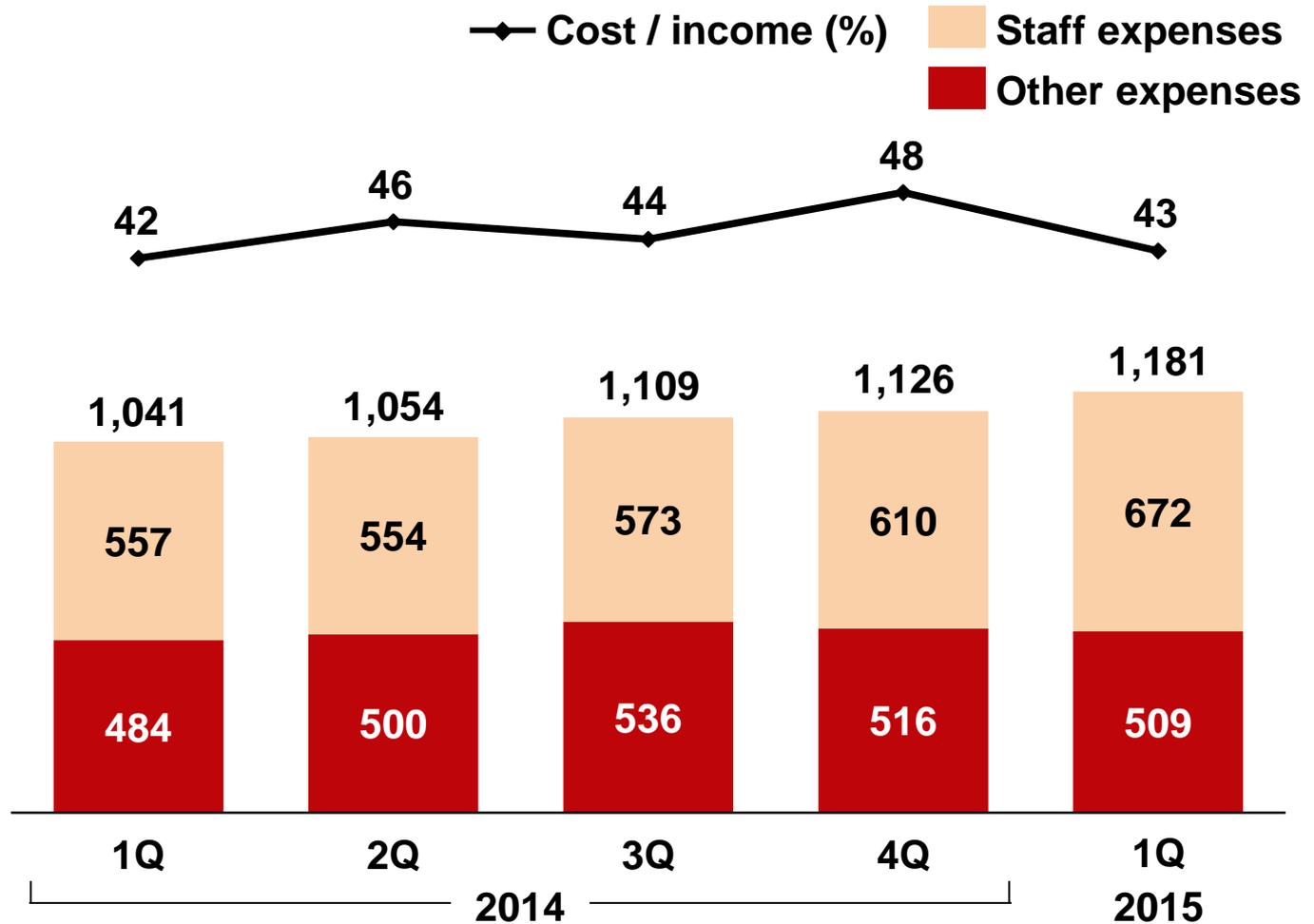


All business units' income at new highs

(S\$m)	1Q 2015	1Q 2014	YoY %	4Q 2014	QoQ %
Institutional Banking	1,350	1,286	5	1,216	11
Consumer Banking / Wealth Management	861	666	29	744	16
Treasury	386	279	38	244	58
Others	139	220	(37)	136	2
Total	2,736	2,451	12	2,340	17

Cost-income ratio stable on year

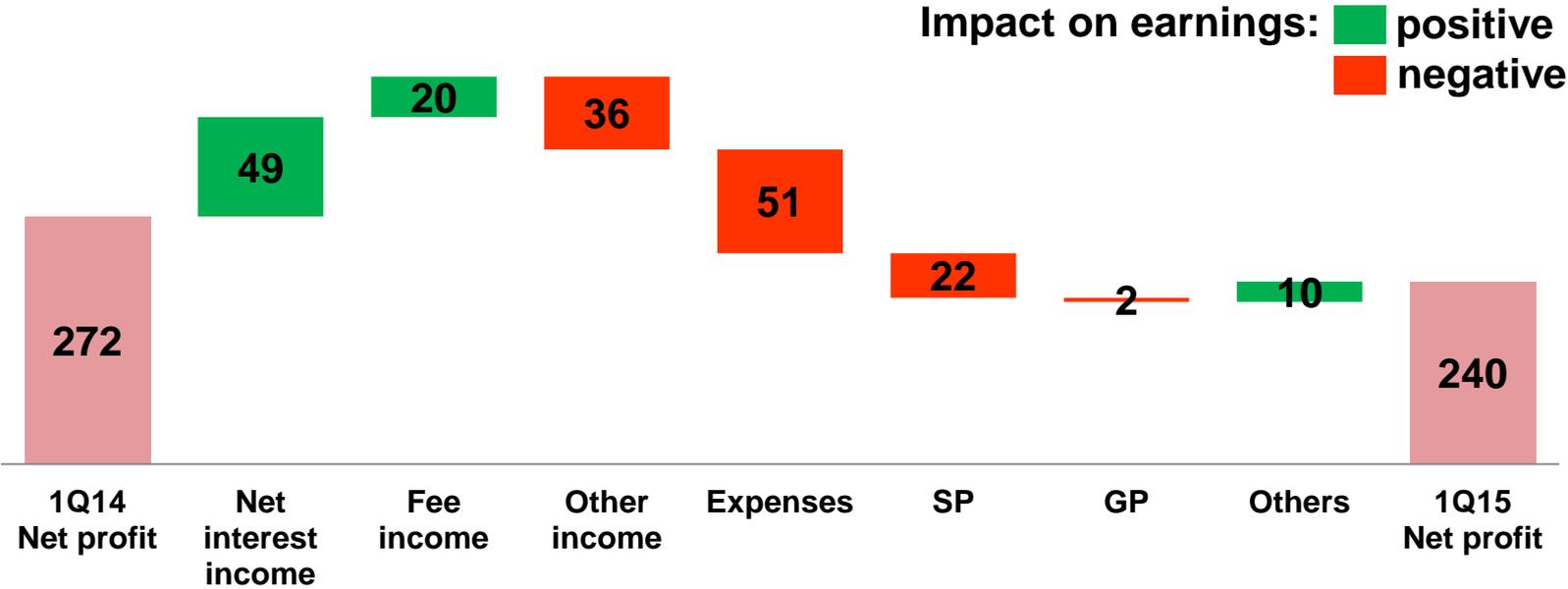
(S\$m)



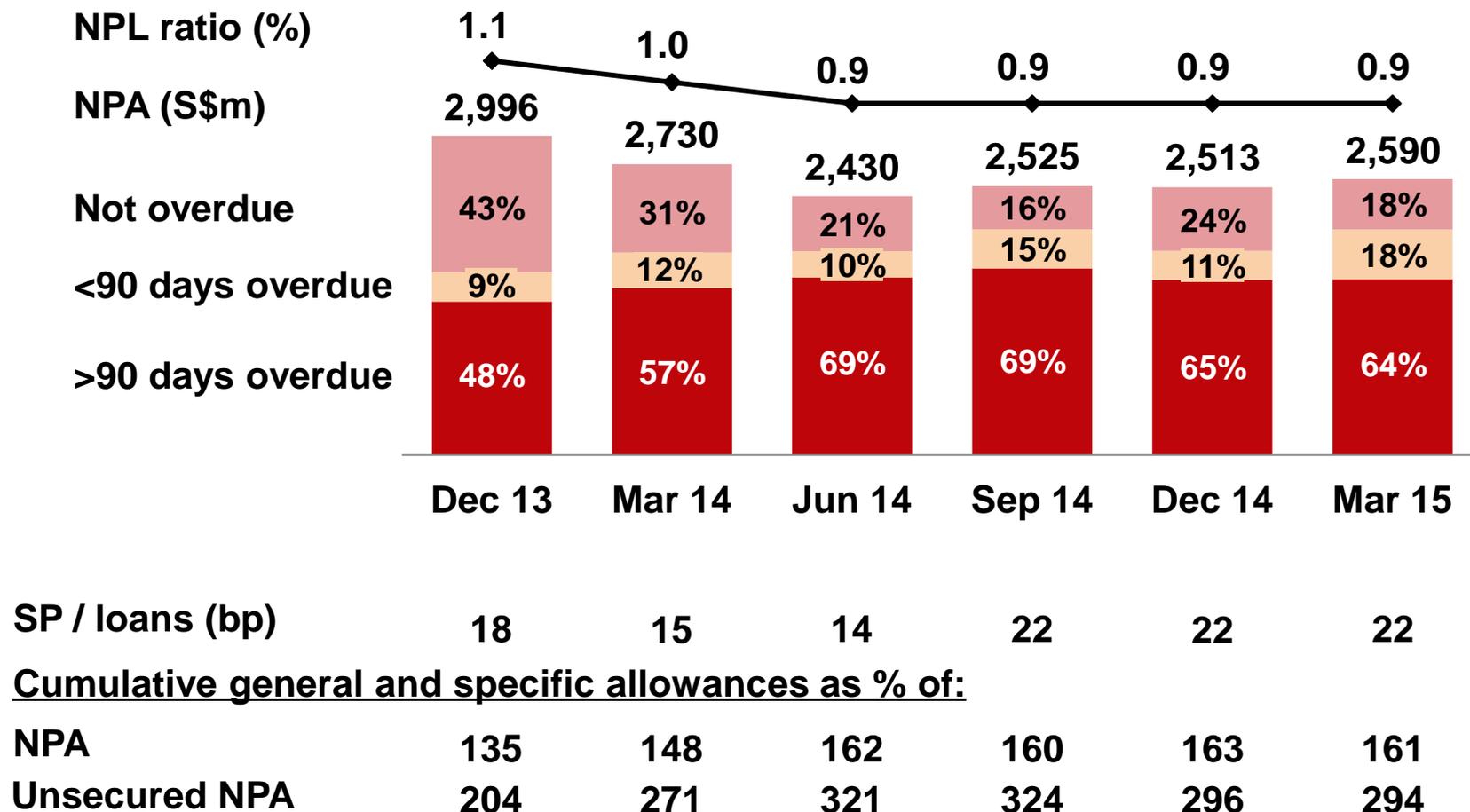
Hong Kong's income rises 7% on year

(S\$m)	1Q15	YoY %
Total income	539 record	7
Expenses	229	29
Profit before allowances	310	(5)
Allowances	28	>100
Net profit	240	(12)

- Net interest income and annuity fee income drive total income growth
- Higher expenses to support business growth

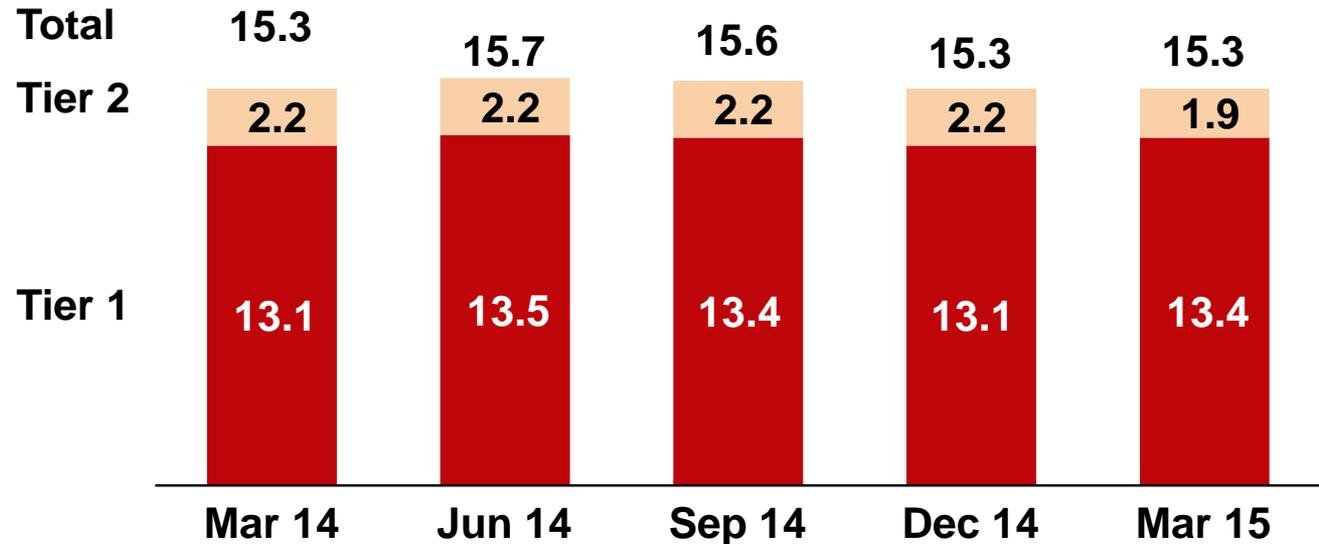


NPL ratio unchanged on quarter at 0.9%, allowance coverage around historical high



Capital ratios remain strong

(%)



Common Equity Tier 1 (%)

	Mar 14	Jun 14	Sep 14	Dec 14	Mar 15
Transitional	13.1	13.5	13.4	13.1	13.4
Pro-forma final	11.7	12.2	12.1	11.9	12.2
RWA (\$bn)	247	250	254	264	269

Leverage ratio (%)

7.1

In summary – record first quarter earnings

Solid start to the year despite slowdown in trade volumes

Strong all-round performance attests to resilience of franchise

Multiple business engines – such as wealth management, transaction services, investment banking and treasury customer flows – enable us to capture diverse growth opportunities

Well-positioned to continue supporting customers and delivering shareholder returns

Supplementary slides

DBS Group Holdings
4Q 2014 financial results
February 10, 2015

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Earnings up 10% on year

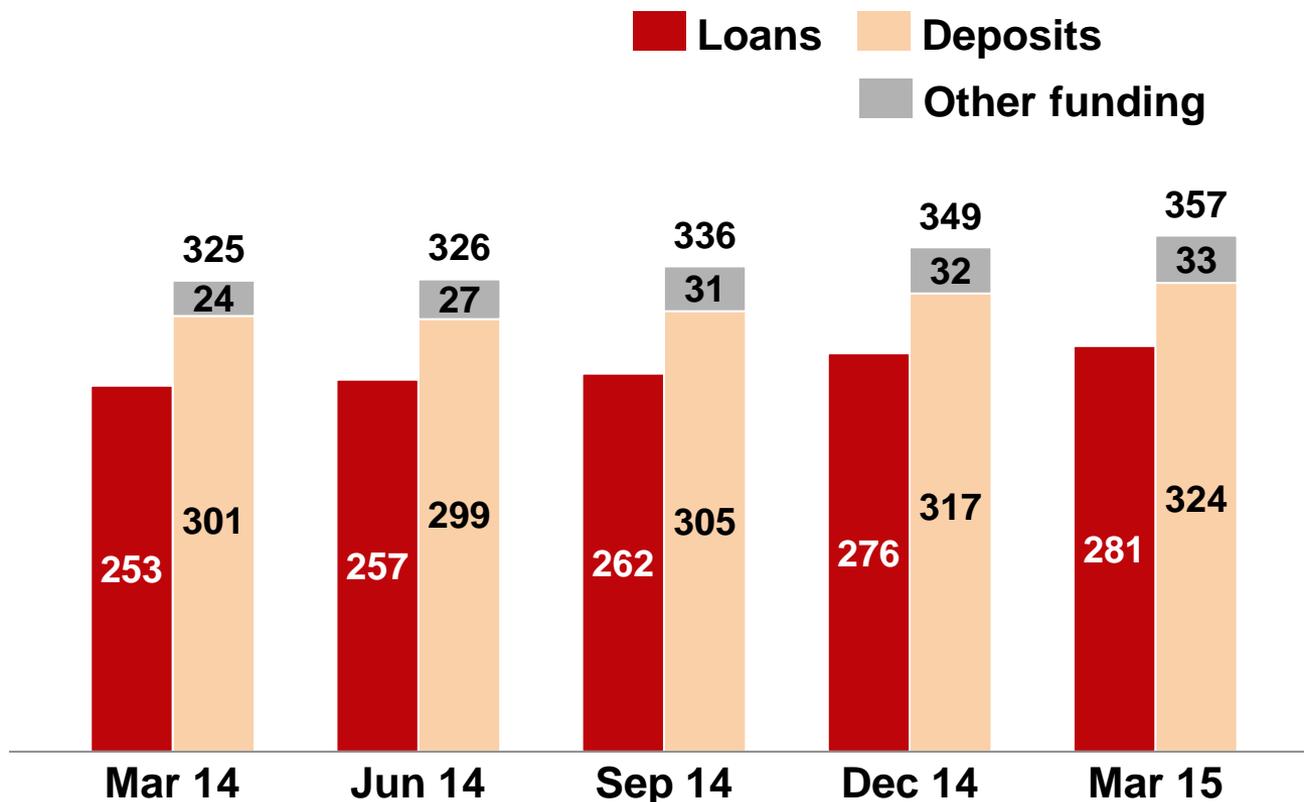
(S\$m)	1Q 2015	1Q 2014	YoY %	4Q 2014	QoQ %
Net interest income	1,690	1,488	14	1,674	1
Fee income	560	510	10	459	22
Trading income	356	362	(2)	92	>100
Other income	130	91	43	115	13
Non-interest income	1,046	963	9	666	57
Total income	2,736	2,451	12	2,340	17
Staff expenses	672	557	21	610	10
Other expenses	509	484	5	516	(1)
Expenses	1,181	1,041	13	1,126	5
Profit before allowances	1,555	1,410	10	1,214	28
General allowances	21	56	(63)	54	(61)
Specific allowances	160	95	68	157	2
Allowances	181	151	20	211	(14)
Net profit	1,133	1,033	10	838	35
One-time items	136	198	(31)	-	NM
Net profit incl. one-time items	1,269	1,231	3	838	51

ROE at 12.2%

(%)	1Q 2015	1Q 2014	4Q 2014
Net interest margin	1.69	1.66	1.71
Fee income/total income	20	21	20
Non-interest income/total income	38	39	28
Cost/income	43	42	48
ROE	12.2	12.3	9.0
Loan/deposit	87	84	87
SP/loans (bp)	22	15	22
NPL ratio	0.9	1.0	0.9

Overall LDR stable on quarter

(S\$bn)



Loan/deposit (%)

Group	84	86	86	87	87
SGD	73	77	78	79	78
Non-SGD	96	96	95	95	95

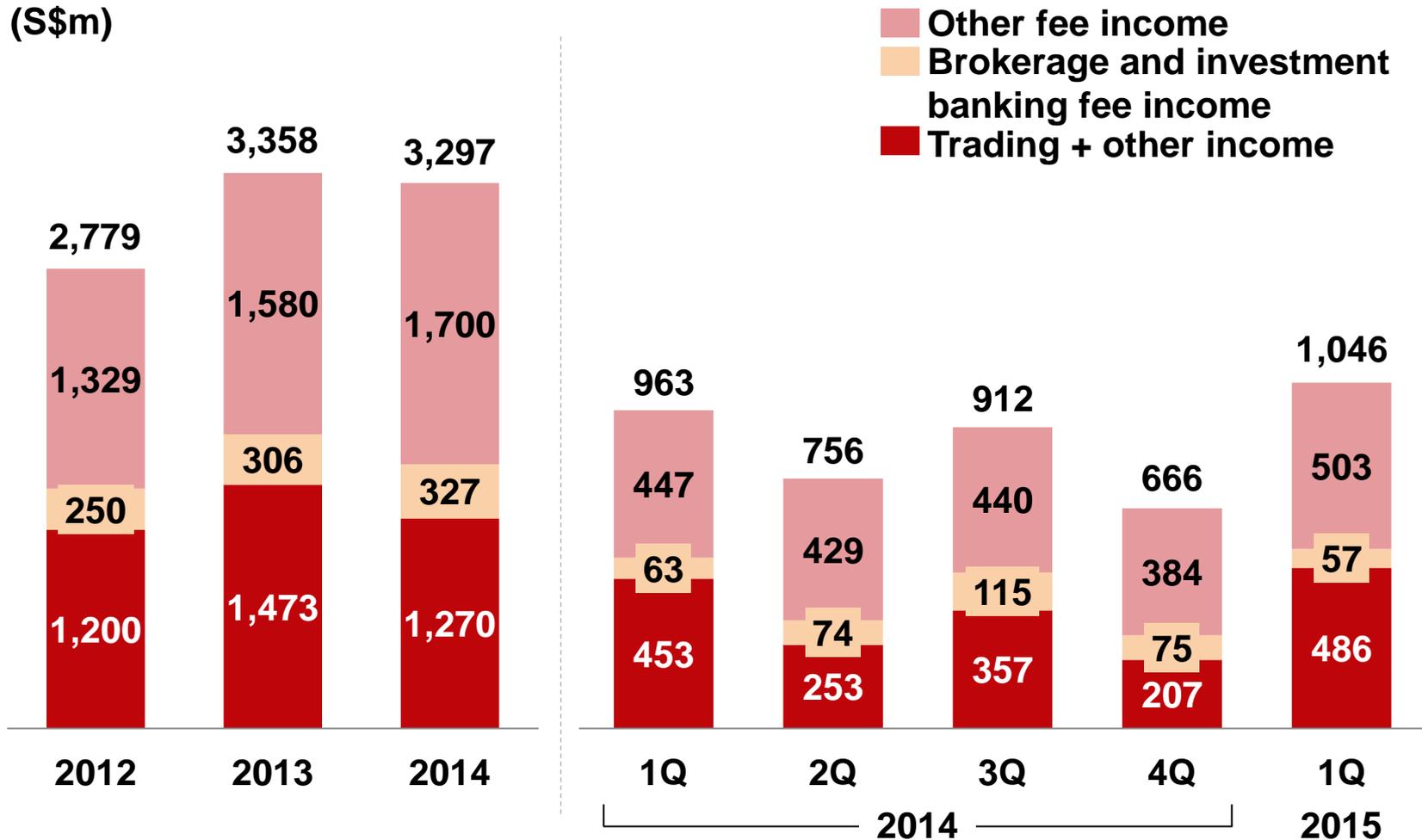
SGD and Non-SGD loan/deposit ratios are based on gross loans.

Other funding comprises senior medium term notes, commercial papers, negotiable certificates of deposit and other debt securities



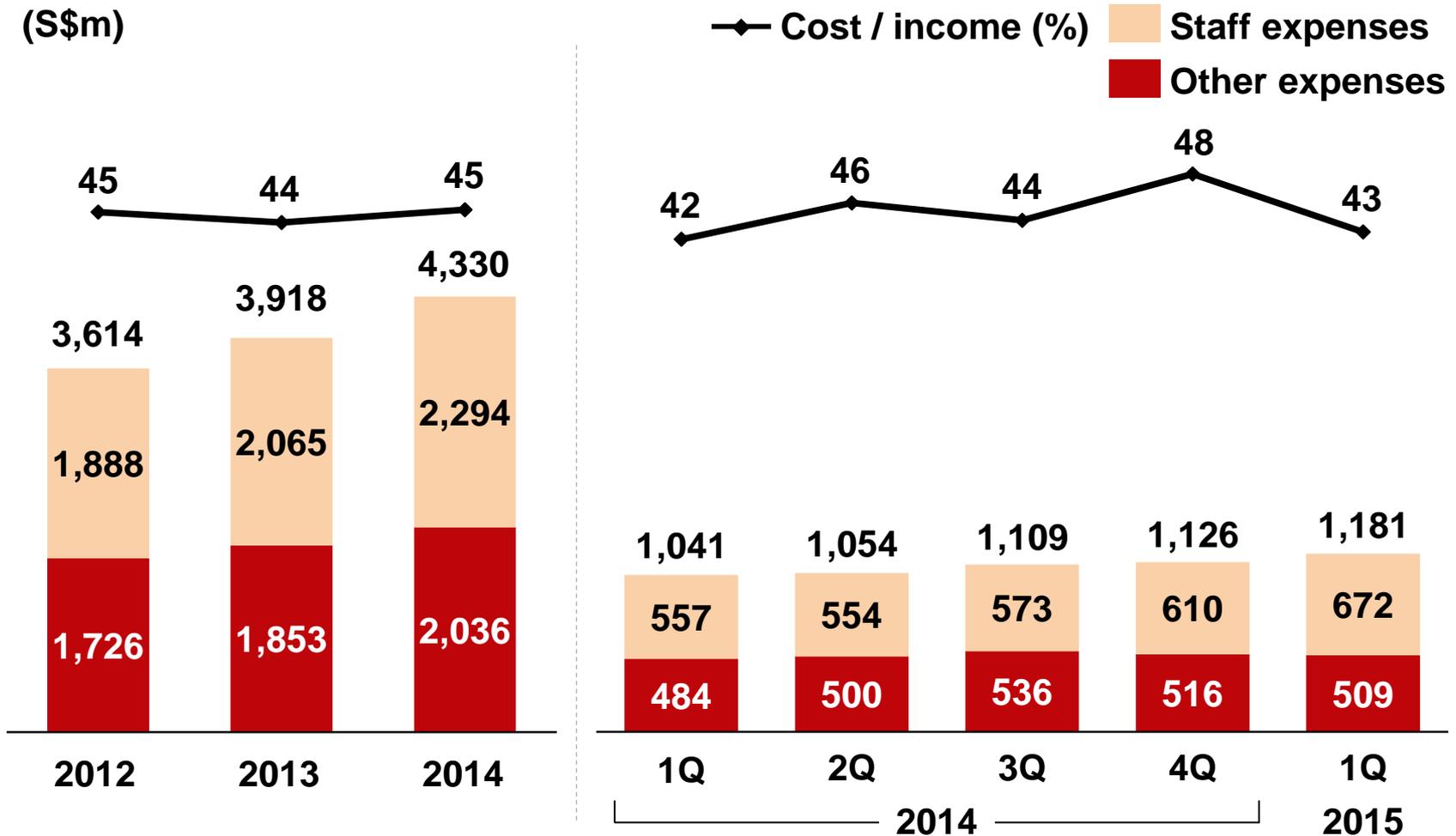
Non-interest income up 9% on year

(S\$m)



Cost-income ratio at 43%

(S\$m)



Hong Kong's income rises 7% on year

(S\$m)	Constant-currency terms						
	1Q 2015	1Q 2014	YoY %	YoY %	4Q 2014	QoQ %	QoQ %
Net interest income	309	260	19	10	308	0	(4)
Non-interest income	230	246	(7)	(13)	174	32	27
Total income	539	506	7	(1)	482	12	7
Expenses	229	178	29	20	230	0	(5)
Profit before allowances	310	328	(5)	(12)	252	23	17
General allowances	(4)	(6)	33	33	17	NM	NM
Specific allowances	32	10	>100	>100	14	>100	>100
Allowances	28	4	>100	>100	31	(10)	(12)
Net profit	240	272	(12)	(18)	184	30	25
Net interest margin (%)	1.56	1.57			1.66		
Loan growth (%)				3			0
Deposit growth (%)				11			0

Regional income up 4% on year

(S\$m)	1Q 2015	1Q 2014	YoY %	4Q 2014	QoQ %
Net interest income	285	297	(4)	307	(7)
Non-interest income	209	177	18	132	58
Total income	494	474	4	439	13
Expenses	278	234	19	283	(2)
Profit before allowances	216	240	(10)	156	38
Allowances	113	78	45	161	(30)
Net profit	91	140	(35)	24	>100

Figures for operations outside of Singapore and Hong Kong

NPAs remain low

(S\$m)	1Q 2015	4Q 2014	1Q 2014
NPAs at start of period	2,513	2,525	2,996
New NPAs	231	273	412
Upgrades, recoveries and translation	19	(56)	(504)
Write-offs	(173)	(229)	(174)
NPAs at end of period	2,590	2,513	2,730

Specific allowances stable on quarter

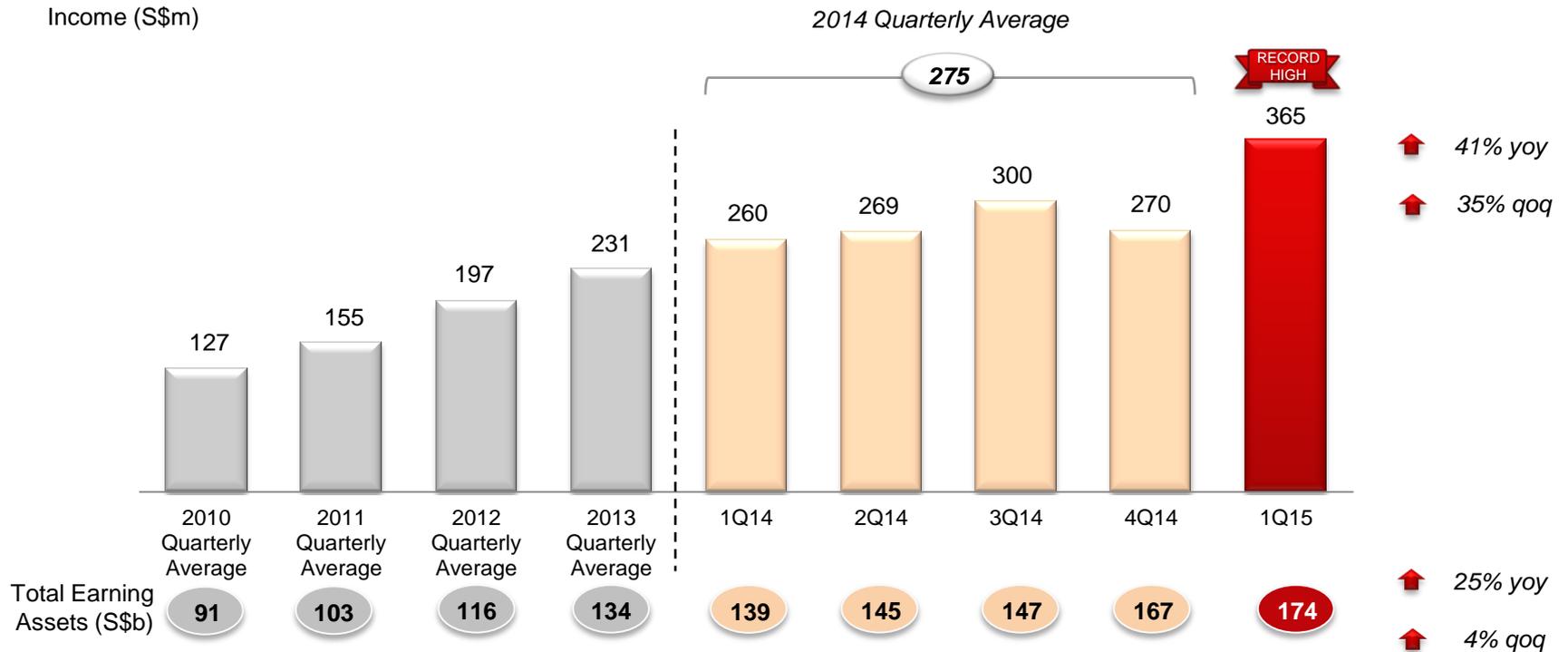
(S\$m)	1Q 2015	4Q 2014	1Q 2014
<u>Add charges for</u>			
New NPLs	77	57	85
Existing NPLs	114	134	88
	191	191	173
<u>Subtract charges for</u>			
Upgrading	-	1	-
Settlements	29	29	68
Recoveries	11	12	12
	40	42	80
Total SP charges for loans	151	149	93
SP/loans (bp)	22	22	15

AFS duration remains short

(S\$m)	Mar 15	Dec 14
Government securities	26,174	22,436
Less than 3 years	17,737	15,699
3 to 5 years	3,214	1,939
5 to 10 years	4,167	4,249
More than 10 years	1,056	549
Supranational, bank and corporate bonds	11,577	11,373
Equities	1,489	1,459
Total	39,240	35,268
AFS reserves	356	284

Time-banding is based on maturity date from reporting date

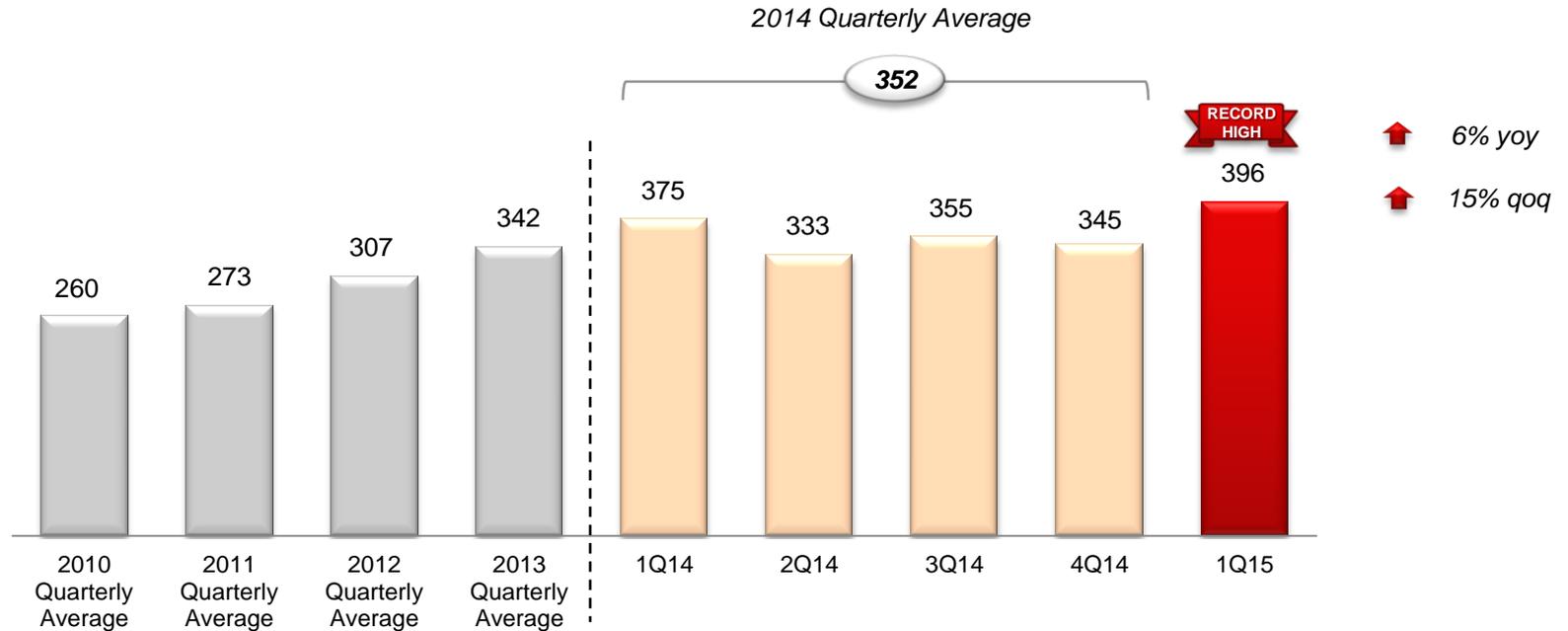
Wealth Management segment



Comprising Treasures, Treasures Private Client and Private Bank
Total earning assets at end of period

SME segment

Income (S\$m)

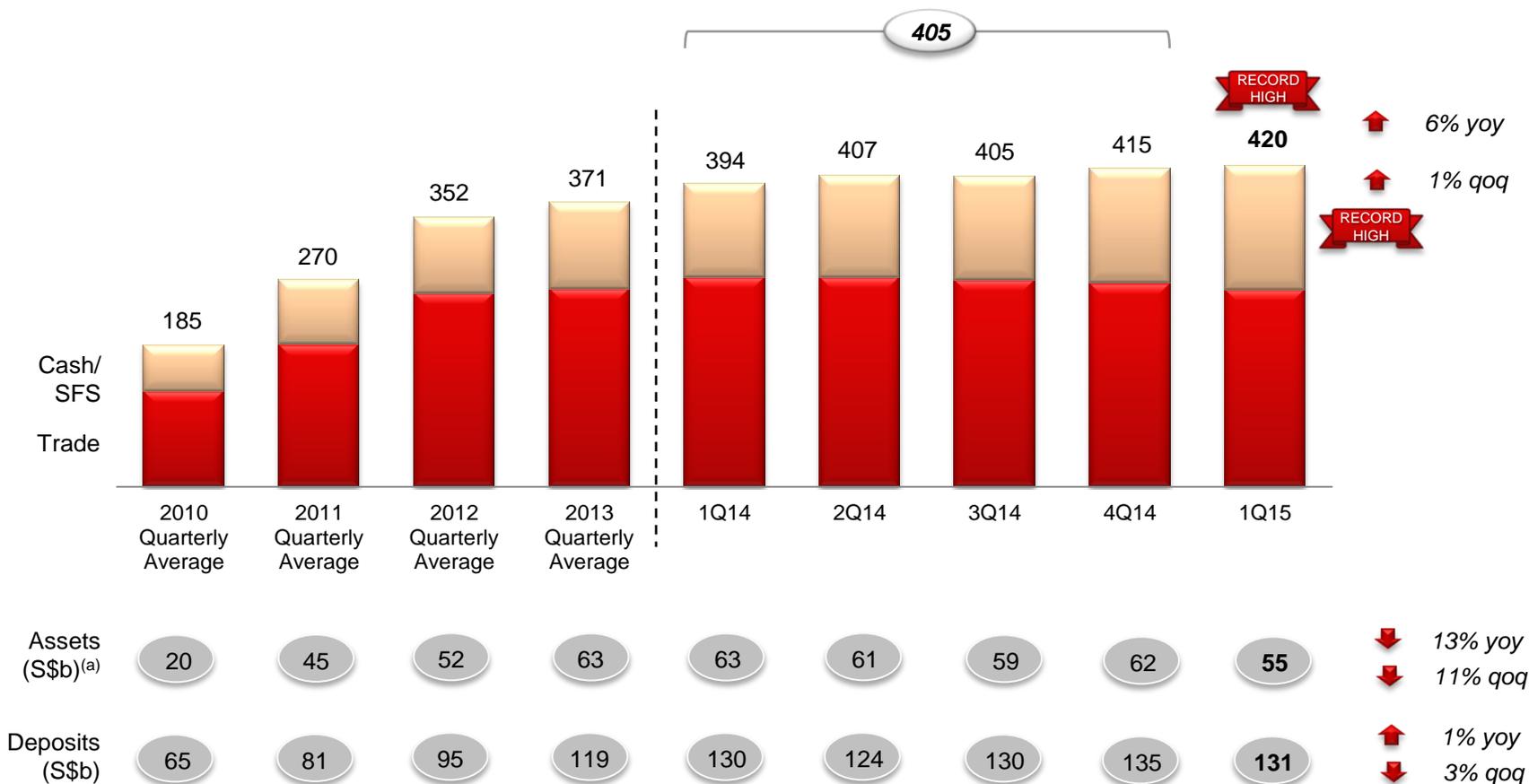


1Q15 income from large corporate banking also at record

Global transaction services

Income (S\$m)

2014 Quarterly Average

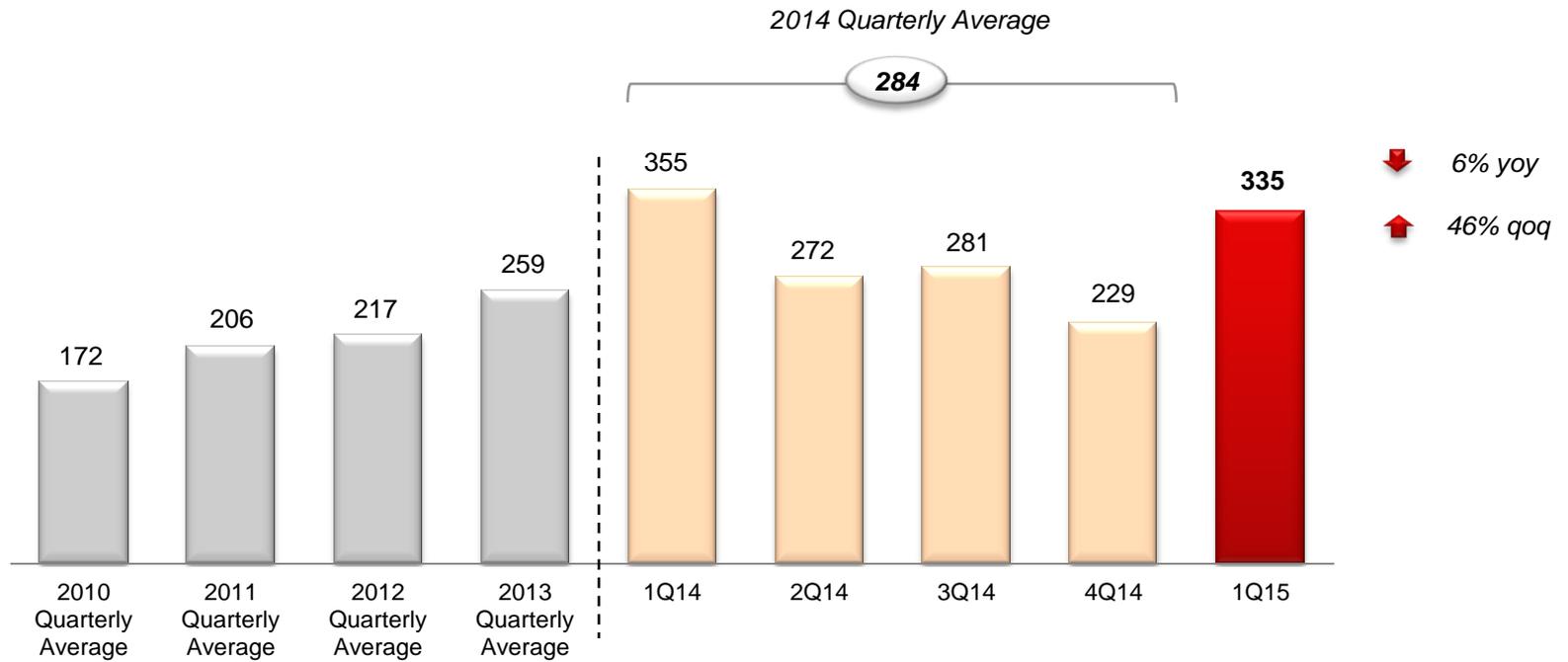


Assets and deposits at end of period

(a) Trade assets; includes bank exposures and loans of financial institutions

Treasury customer flows

Income (S\$m)



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