

# Investor Presentation

**DBS Group Holdings Ltd**  
**February 2018**

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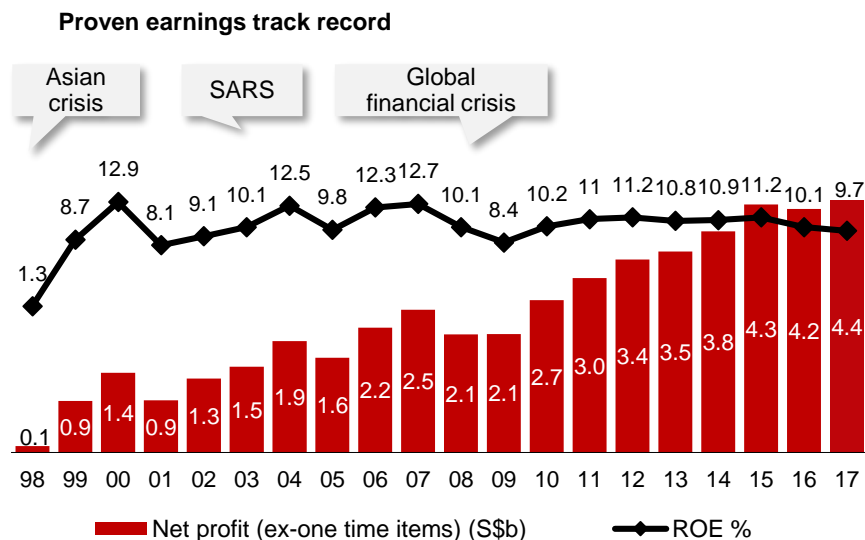
# Agenda

- Franchise highlights**
- Balance sheet and capital adequacy**
- Wholesale funding**

# DBS – leading Asian banking group

## Franchise

- ▶ **AA- / Aa1 / AA- <sup>1/</sup>**, largest banking group in Southeast Asia by assets S\$518b / US\$388b as at 31 Dec 17
- ▶ **Listed and headquartered in Singapore**, only AAA/Aaa-rated sovereign in region
- ▶ **Temasek the largest shareholder**, 29.4% stake as at 31 Dec 17
- ▶ **Proven earnings track record, focused on sustainable growth in Asia**  
FY17 net profit <sup>2/</sup> of S\$4.4b / US\$3.3b, ROE <sup>2/</sup> of 9.7%



## Balance sheet strengths

Among the strongest banks regionally in terms of funding, liquidity and capital:

- ▶ **Leading market share of low cost and stable SGD retail deposits**
- ▶ **LCR of 140% <sup>3/</sup>, NSFR above 100%**
- ▶ **CET1 of 13.9% on a fully-loaded B3 basis** vs. MAS's 2019 fully-implemented requirement of 9%
- ▶ **Leverage ratio at 7.6%** vs. Basel Committee's proposed minimum of 3%

<sup>1/</sup> Ratings for DBS Bank Ltd.

<sup>2/</sup> Excludes one-time items comprising a gain of S\$350m from the divestment of PWC building in Singapore, an equivalent amount set aside as general allowances, ANZ integration cost of S\$75m, and tax on one-time items of S\$56m

<sup>3/</sup> Average all-currency liquidity coverage ratio for FY17

# Committed to building an Asia-centric commercial bank

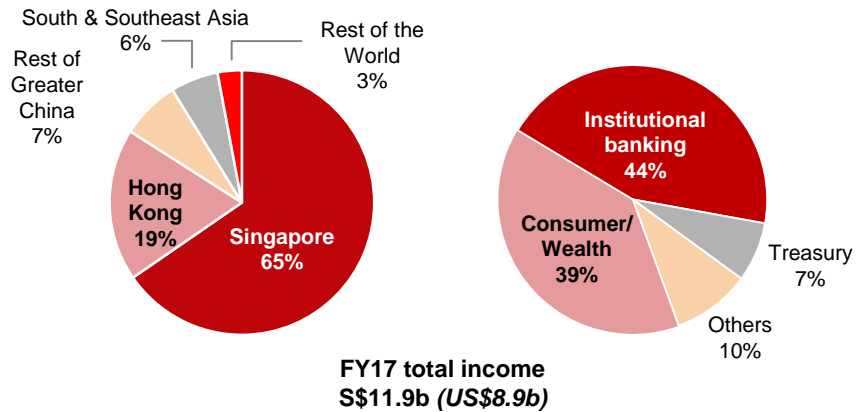
## Unique pan-Asia footprint

- ▶ 84% of total income from Singapore and Hong Kong, the two highest-rated jurisdictions in Asia
- ▶ Growing presence in China, Taiwan, India and Indonesia
- ▶ Focused on intermediating trade and investment flows between Asia's key axes of growth – Greater China, South Asia and SEA

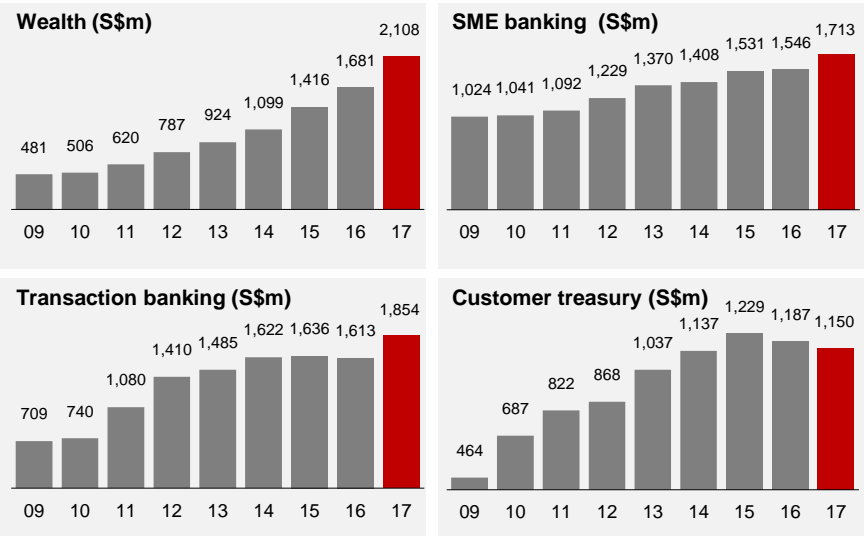
## Strategy delivering growth in targeted segments

- ▶ Consumer/Wealth and Institutional Banking contribute over 80% of total income
- ▶ In Singapore, DBS is a universal bank serving all customer segments
- ▶ In other markets, DBS seeks to build regional franchises in Wealth, SME Banking, Transaction Banking and Customer Treasury business

Total income mix

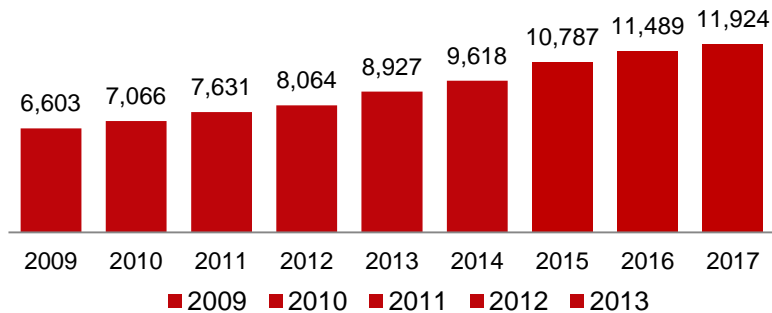


Total income of selected segments

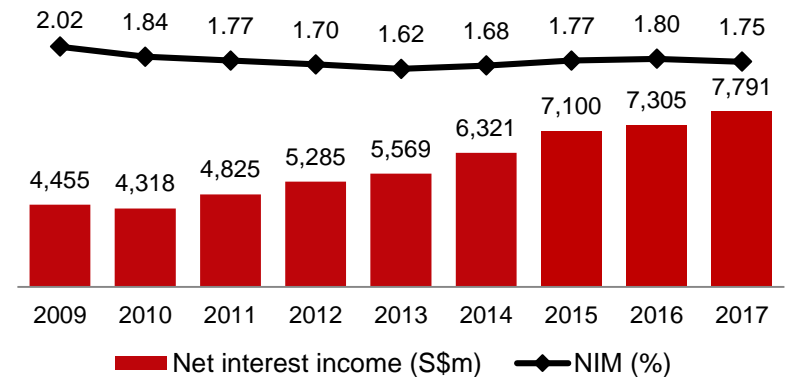


# Consistent financial performance reflecting successful execution of strategic priorities and strength of franchise

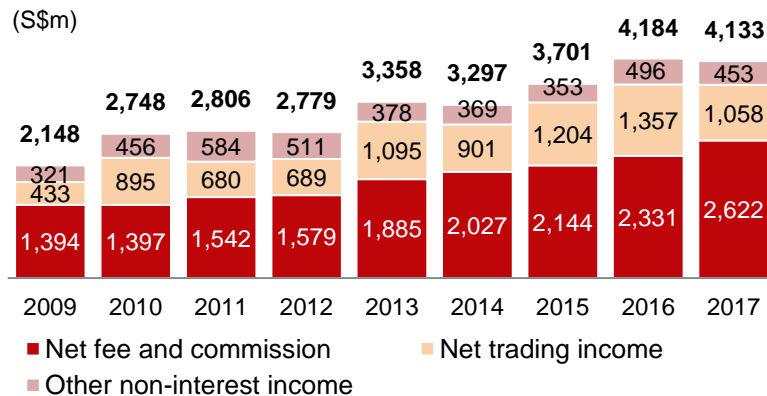
**Total income <sup>1/</sup>** : Rising since 2009



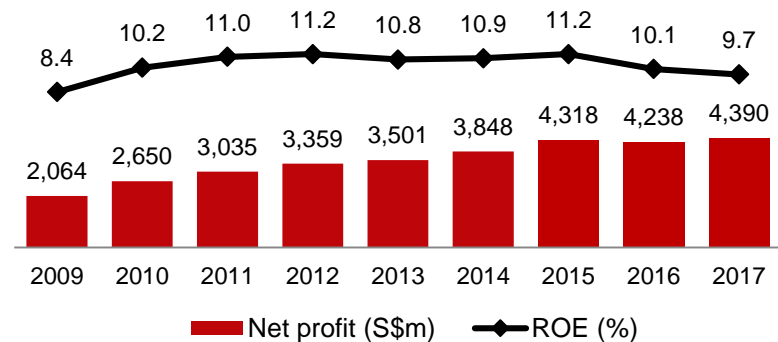
**Net interest income increasing**



**Non-interest income <sup>2/</sup>** : Broad-based growth since 2009



**Net profit <sup>1/</sup>** has more than doubled



1/ Excluding one-time items

2/ Excluding one-time items. "Other non-interest income" includes "share of profit of associates" with effect from 2016 and 2015 comparatives have been aligned to the current presentation

# Agenda

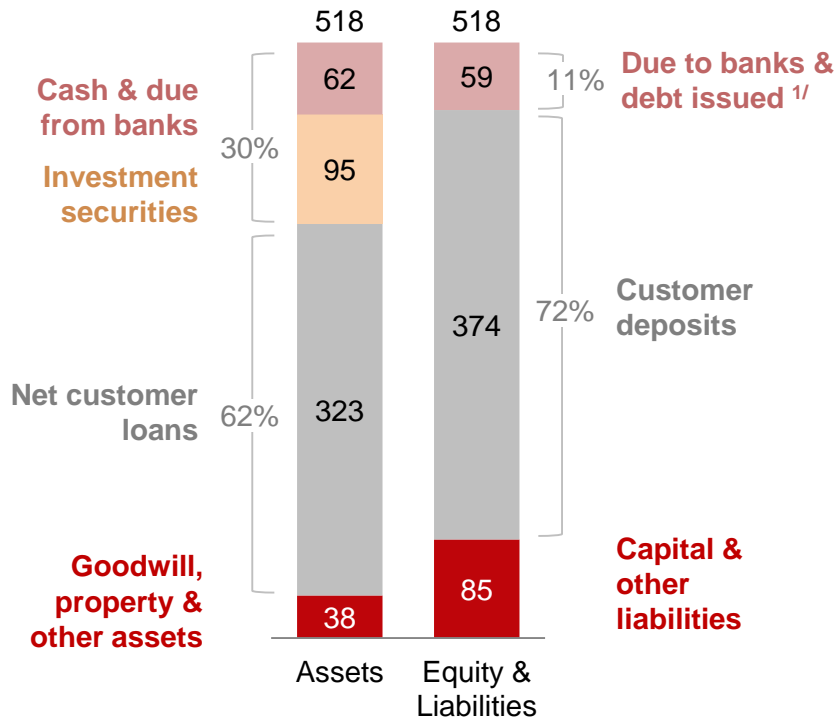
Franchise highlights

Balance sheet and capital adequacy

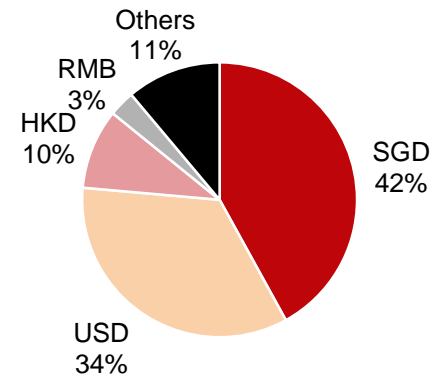
Wholesale funding

# Strong liquidity position supported by leading market share in stable low cost SGD retail deposits

Group balance sheet – 31 Dec 17 (S\$b)



Customer deposits by currency – 31 Dec 17



Total customer deposits  
S\$374b (US\$280b)

## Ratios (%)

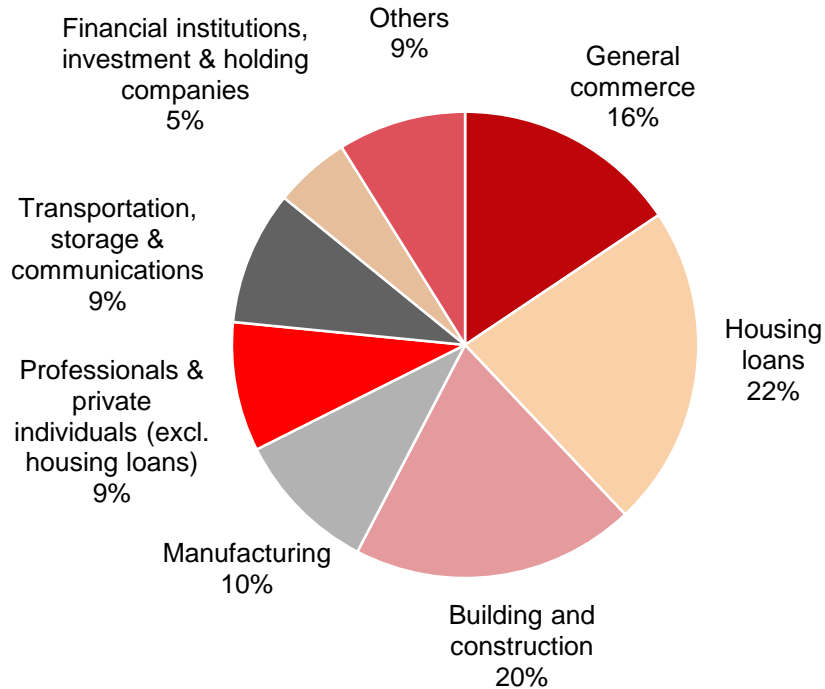
LDR	86
LCR	140 <sup>2/</sup>

<sup>1/</sup> Debt issued includes medium term notes, commercial papers, certificates of deposit and other debt securities, and excludes subordinated debt  
<sup>2/</sup> Average all-currency liquidity coverage ratio for FY17

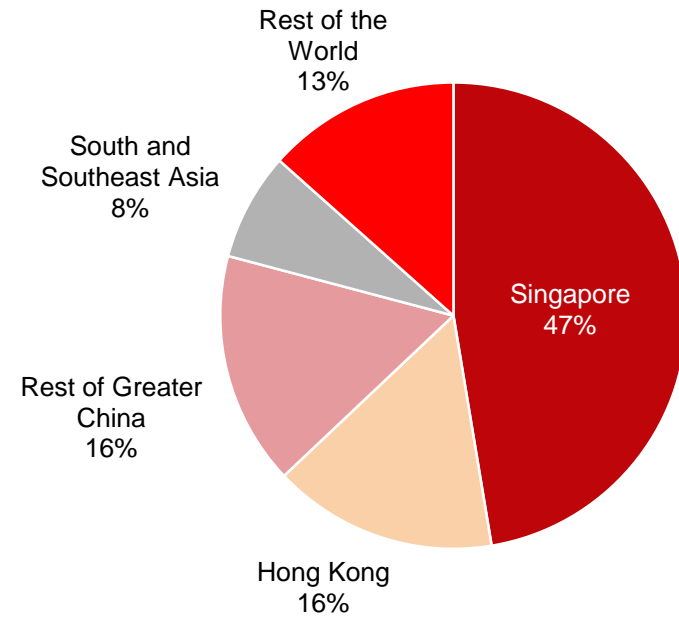


# Well-diversified loan portfolio

Loan mix by industry



Loan mix by geography <sup>1/</sup>

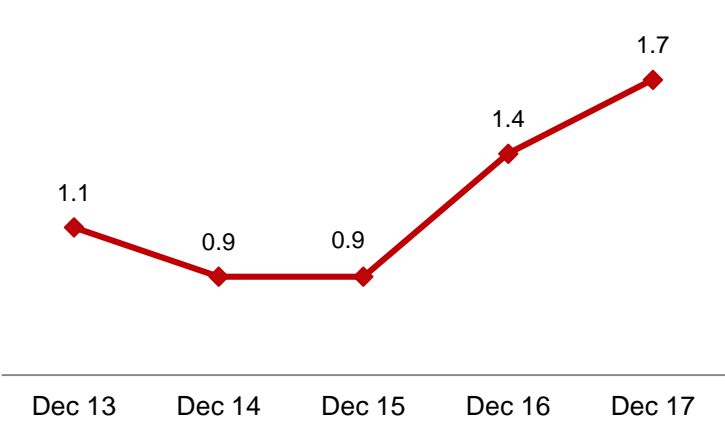


**31 Dec 2017 gross customer loans  
S\$328b (US\$246b)**

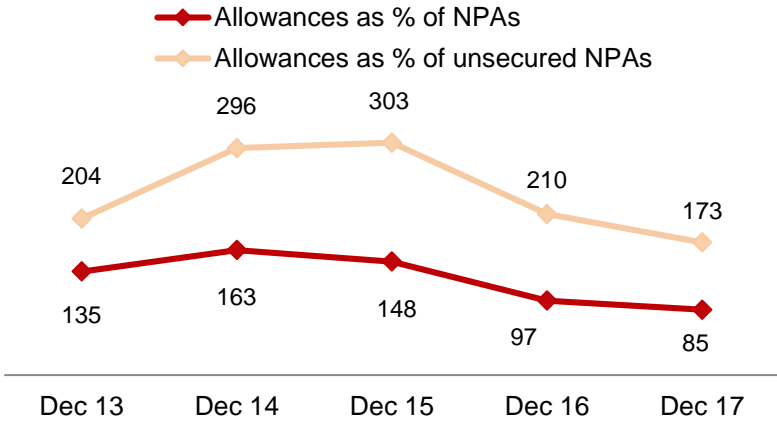
<sup>1/</sup> Classified according to the country of incorporation of the borrower, or the issuing bank in the case of bank backed export financing

# Asset quality remains sound overall, allowance coverage prudent

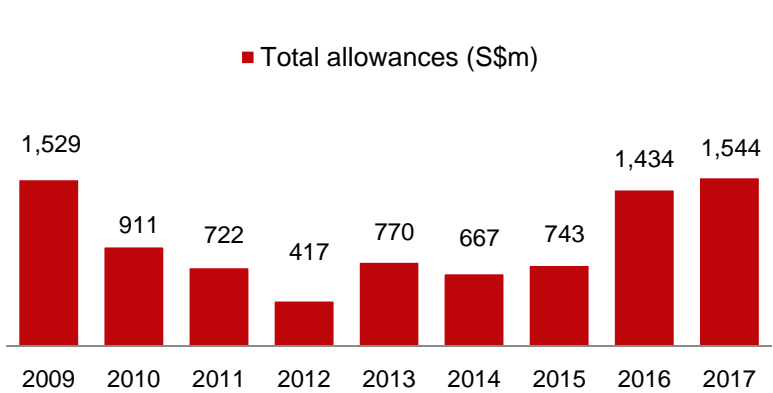
**NPL ratio (%)**



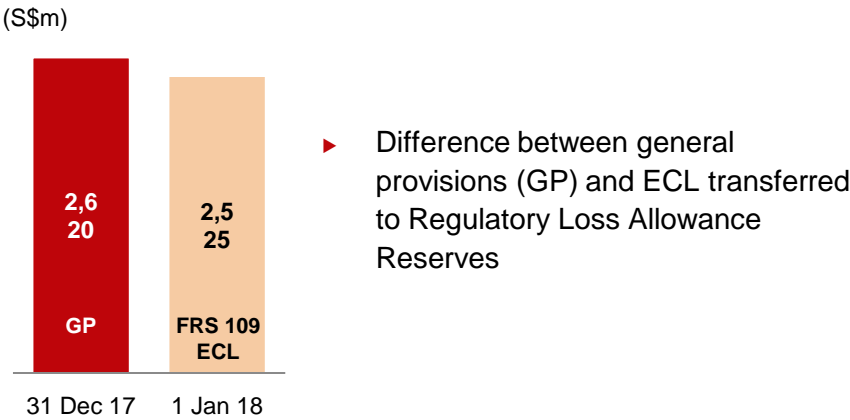
**NPA coverage (%)**



**Total allowances**



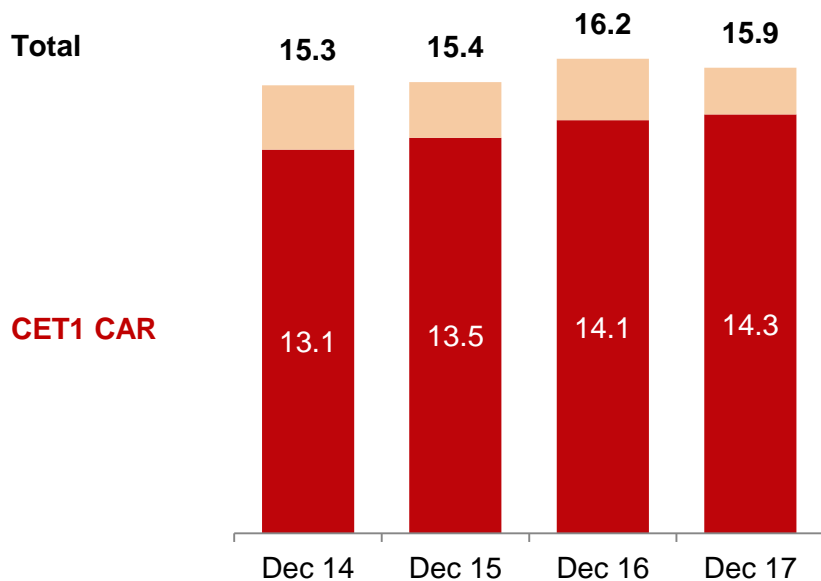
**Transition to FRS 109 ECL**



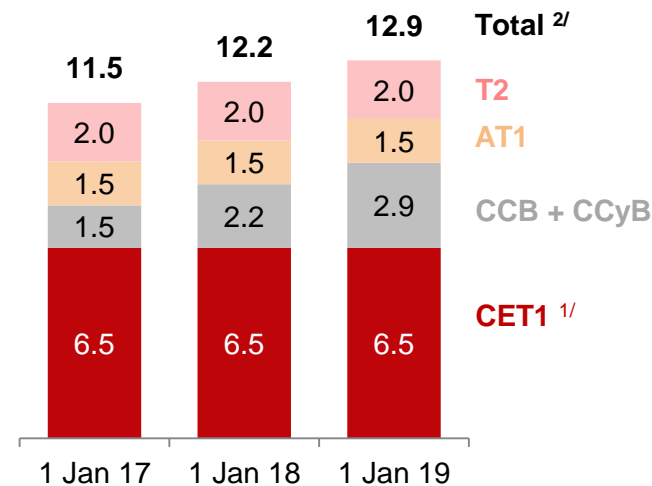
# Strong capital adequacy

## Regulatory ratios (%)

Capital adequacy ratios



## Regulatory minima (%)



1/ Includes 2% as DBS Bank is a domestic systemically important bank

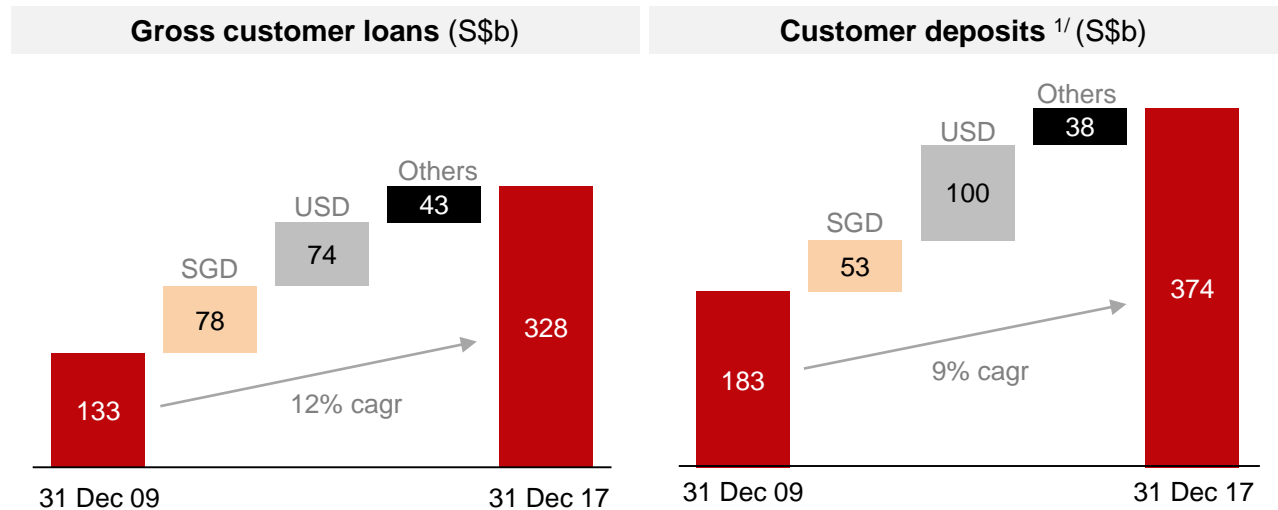
2/ Singapore Pillar 2 requirements are undisclosed and must be met with CET1 capital

# Agenda

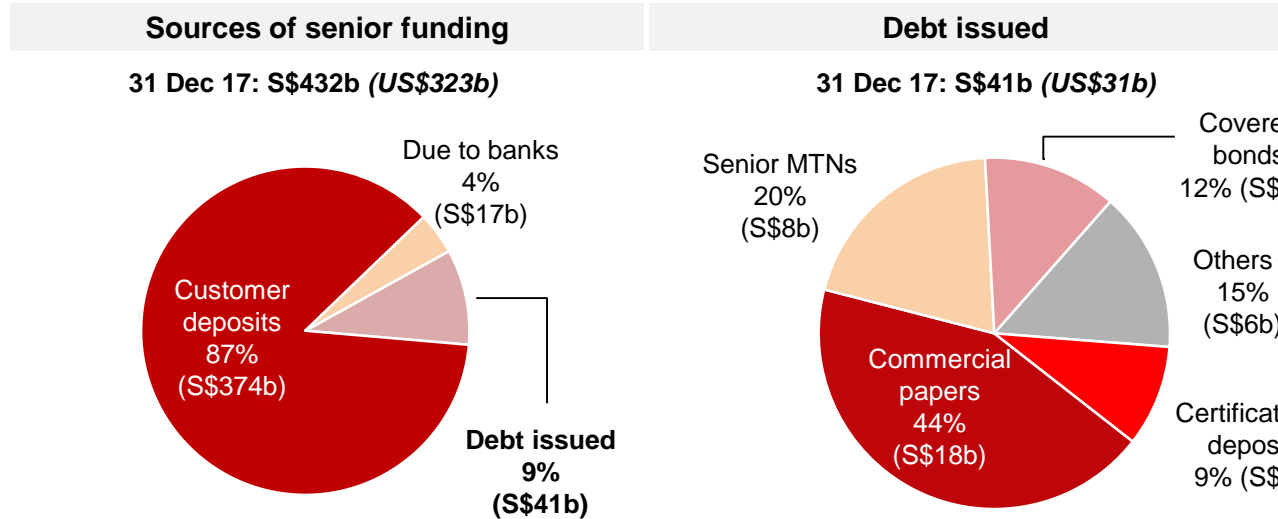
- ❑ Franchise highlights
- ❑ Balance sheet and capital adequacy
- ❑ Wholesale funding

# Wholesale funding: Diversifying for business stability

- ▶ Well-funded in SGD due to SGD deposit franchise
- ▶ Improved SGD balance sheet efficiency since 2009
- ▶ At the same time strengthened USD deposit base



- ▶ Wholesale funding plays complementary role



<sup>1/</sup> Including deposits related to fund management activities from 2012 onwards. Prior to 2012, these deposits were classified as "Due to banks"

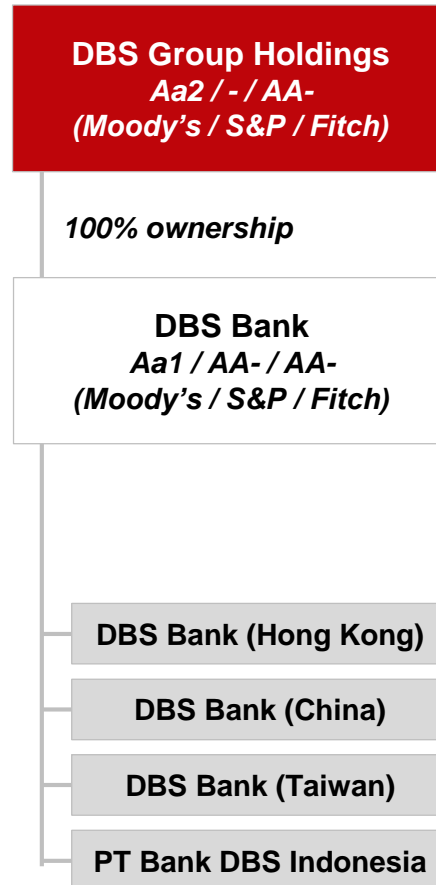
<sup>2/</sup> Including equity-linked notes, credit linked notes, interest linked notes, FX linked notes and fixed rate bonds

# Corporate structure and issuing entities

Straightforward balance sheet with DBS Bank as the sole directly-held operating subsidiary

DBS Bank holds other subsidiaries of the group

Main banking subsidiaries



## DBS Group Holdings

Additional Tier 1, Tier 2 and senior MTNs <sup>1/</sup>

- ▶ 144a / Reg S GMTN programme
- ▶ Public benchmarks and private placements

## DBS Bank

Senior MTNs and covered bonds

- ▶ 144a / Reg S GMTN & Global Covered Bond programmes
- ▶ Public benchmarks (cov) and private placements (senior)

Commercial paper

- ▶ USD: USCP programme
- ▶ Multi-currency: ECP programme

## DBS Bank subsidiaries

Certificates of deposit

- ▶ Hong Kong: Multi-currency programme
- ▶ Taiwan: Local currency programme
- ▶ Indonesia: Stand-alone issuances

Additional Tier 1, Tier 2 and senior MTNs

- ▶ Stand-alone documentation
- ▶ Local currency public benchmarks and private placements

Senior unsecured ratings shown

<sup>1/</sup> Senior liabilities are not subject to bail-in in Singapore; the scope of bail-in is limited to unsecured subordinated debt and loans, contingent convertible instruments and other contractual bail-in instruments (cf. MAS' Monograph on Approach to Resolution of Financial Institutions in Singapore dated 23 August 2017)

