



Live more,
Bank less

Business momentum sustained, asset quality resilient

**DBS Group Holdings
3Q 2021 financial results
November 5, 2021**

Highlights

3Q net profit stable on quarter at \$1.70bn, business momentum sustained

- Net interest income up 1% as 2% loan growth was moderated by 2bp decline in NIM
- Fee income up 2% to second highest on record

Nine-month net profit up 46% to record \$5.41bn

- Broad-based growth as loans up 9%, fee income and Treasury Markets income at records
- Higher business volumes moderate declines in NIM from lower rates and in investment gains from high base
- Underlying expenses up 1%, cost-income ratio at 44%

Asset quality resilient, balance sheet healthy

- NPA declines 1% on quarter as new NPA formation more than offset by repayments
- Write-back reduces 3Q SP to 6bp of loans; 9M SP at 14bp, below pre-pandemic levels
- 9M GP write-back at \$413m from improved portfolio quality, overlays maintained
- GP reserves remain prudent at \$3.92bn, \$0.6bn above MAS requirement
- CET-1 at 14.5%, LCR at 131%, NSFR at 127%

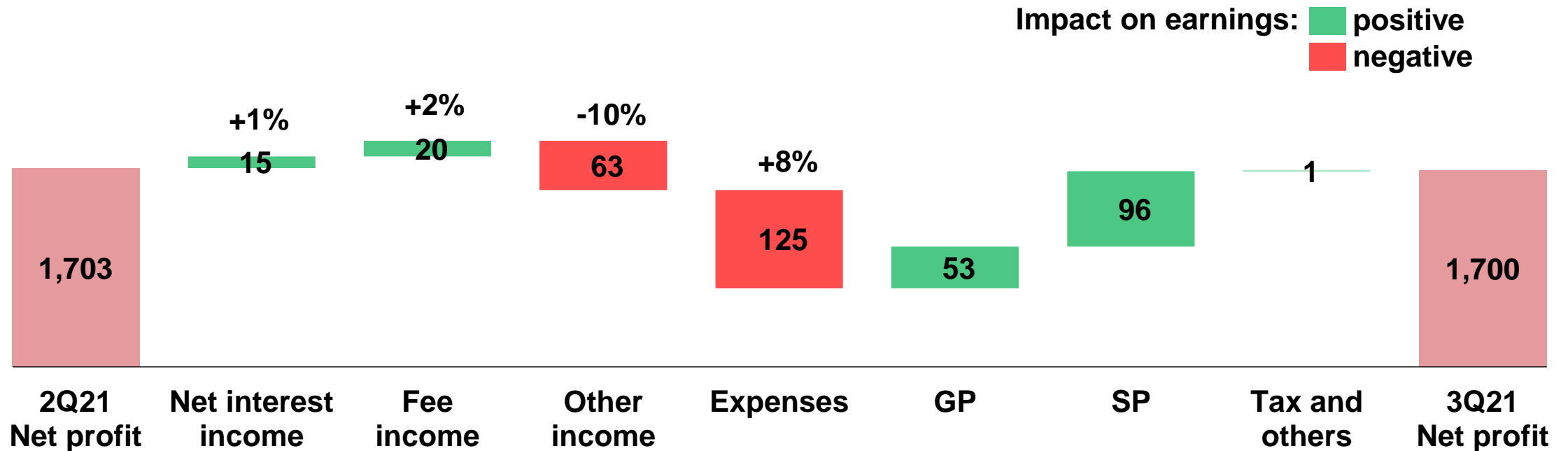
3Q dividend at 33 cents per share



3Q net profit stable on quarter

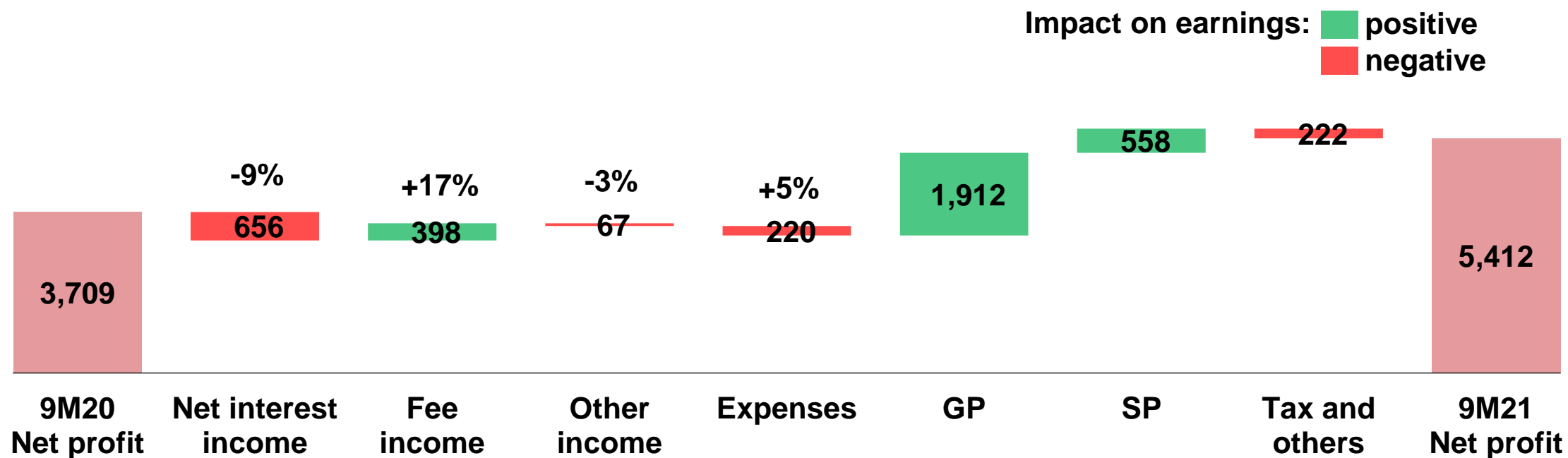
(S\$m)	3Q21	QoQ %
Total income	3,561	(1)
Expenses	1,668	8
Profit before allowances	1,893	(7)
Allowances	(70)	NM
Net profit	1,700	(0)

- Net interest income up 1% as 2% loan growth moderated by 2bp decline in NIM to 1.43%
- Fee income up 2% as momentum sustained
- Underlying expenses up 6% from base salary increases and investments for future growth
- Total allowance write-back of \$70m in 3Q; GP write-back and lower SP from write-back for NPL



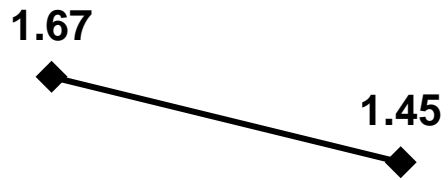
9M net profit up 46% on year to a record \$5.41bn

(S\$m)	9M21	YoY %	
Total income	11,004	(3)	<ul style="list-style-type: none"> Net interest income down 9% as loan growth of 9% more than offset by NIM decline of 22bp Fee income up 17% to record Underlying expenses up 1% SP halves to 14bp, GP of \$413m written back due to improved portfolio quality, overlays maintained
Expenses	4,798	5	
Profit before allowances	6,206	(8)	
Allowances	19	(99)	
Net profit	record 5,412	46	

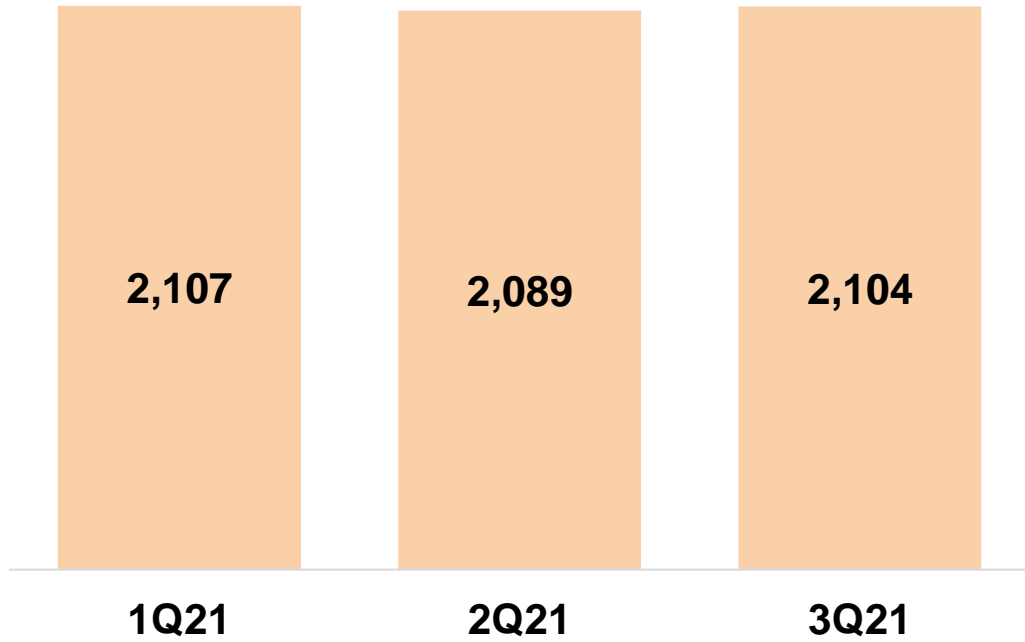
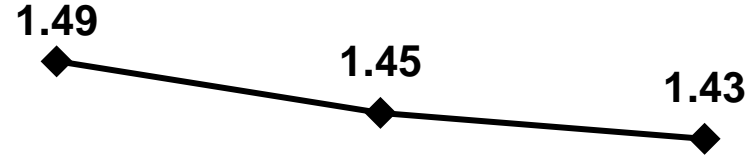
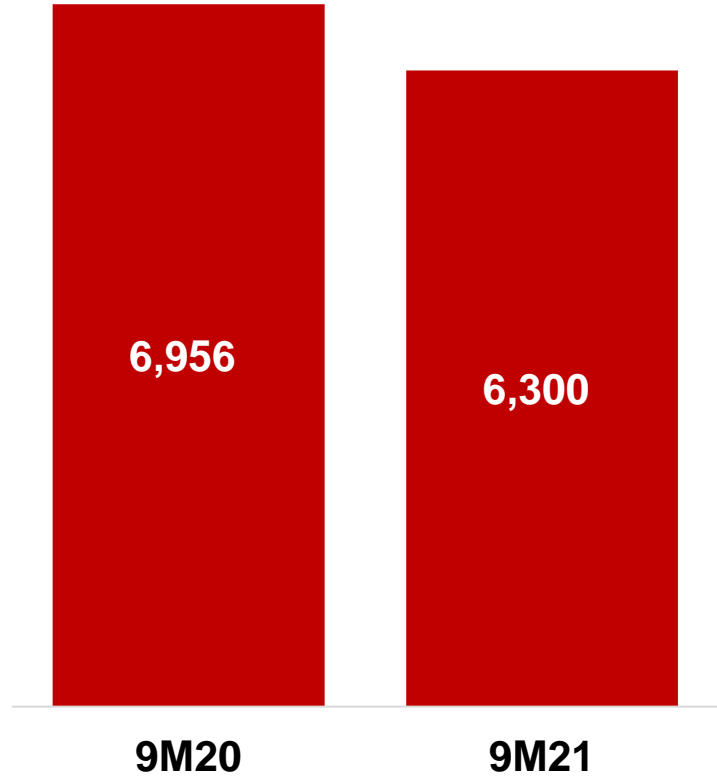


3Q net interest income up 1% on quarter

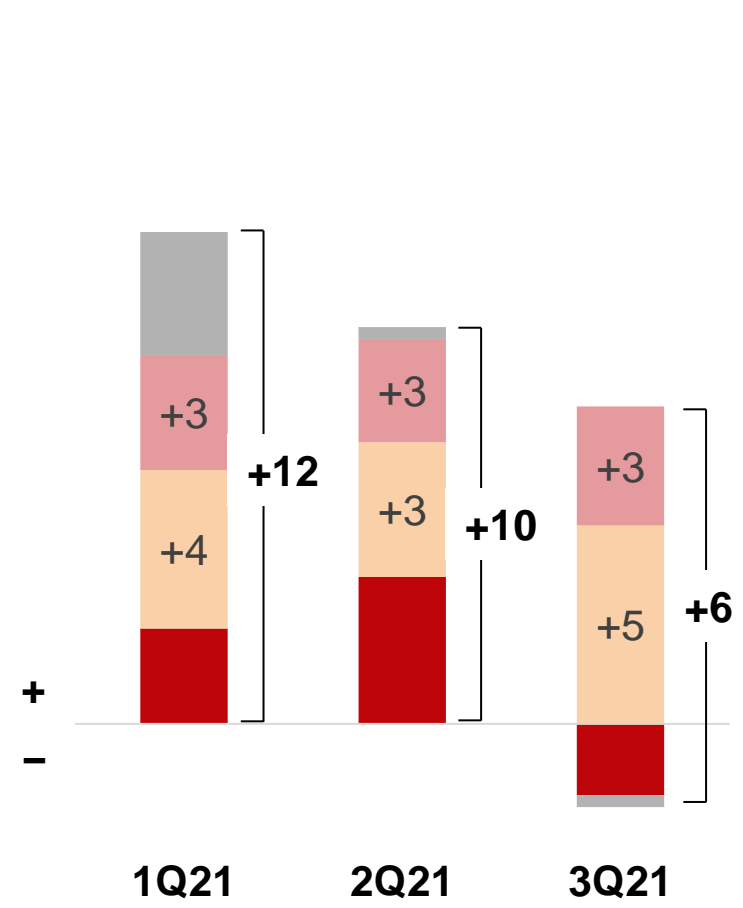
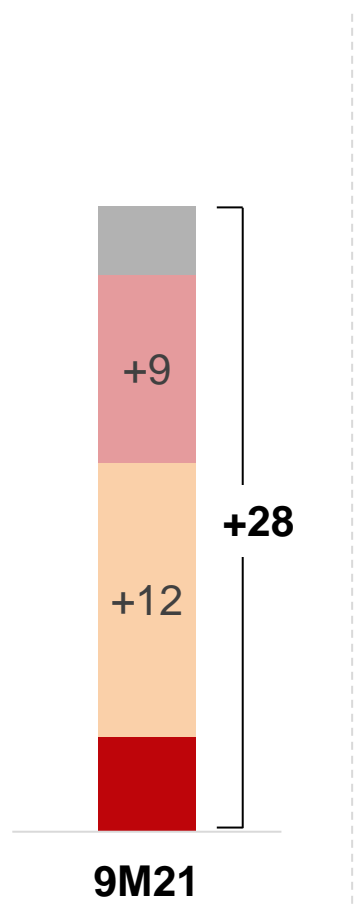
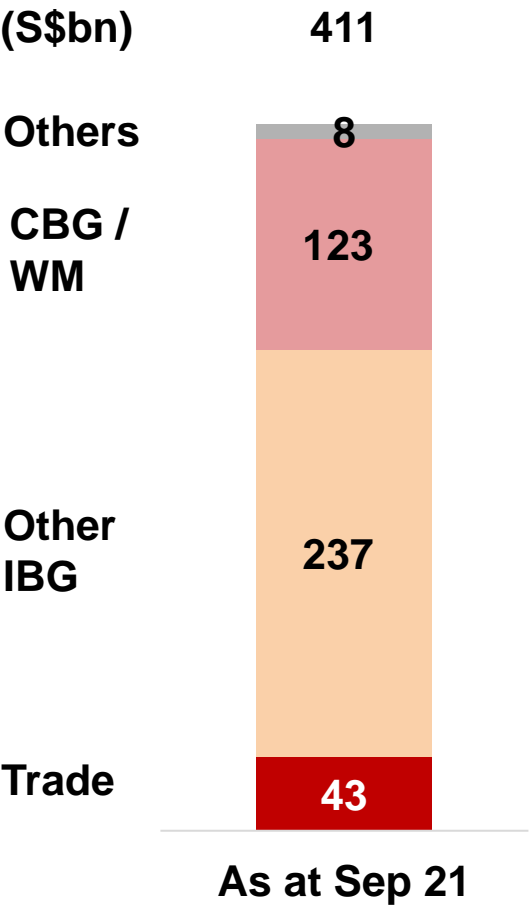
Net interest margin (%)



Net interest income (S\$m)



Loans up 2% on quarter, 8% over 9M



In constant-currency terms

- Loans up \$6bn or 2% in 3Q, \$28bn or 8% over 9M
- 9M growth broad-based, led by non-trade corporate loans and consumer loans

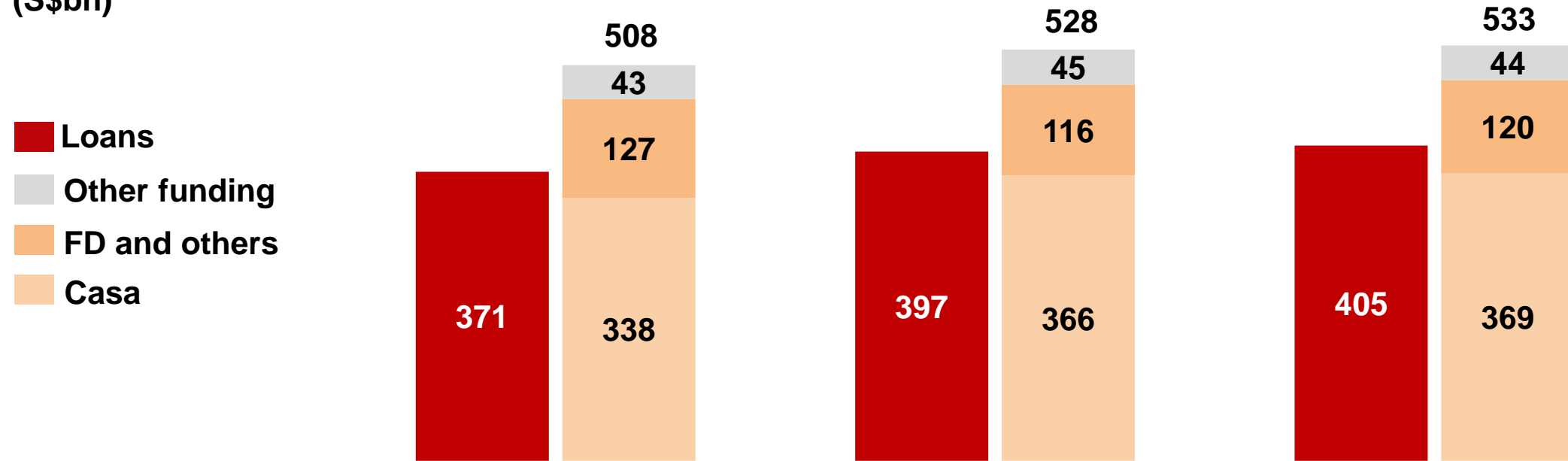


Gross loans

Constant-currency change

Deposits up 1% on quarter, 4% over 9M from Casa inflows

(S\$bn)



Dec-20

Jun-21

Sep-21

HQLA (S\$bn)

116

122

123

Ratios (%)

LDR

80

82

83

LCR

139

137

131

NSFR

125

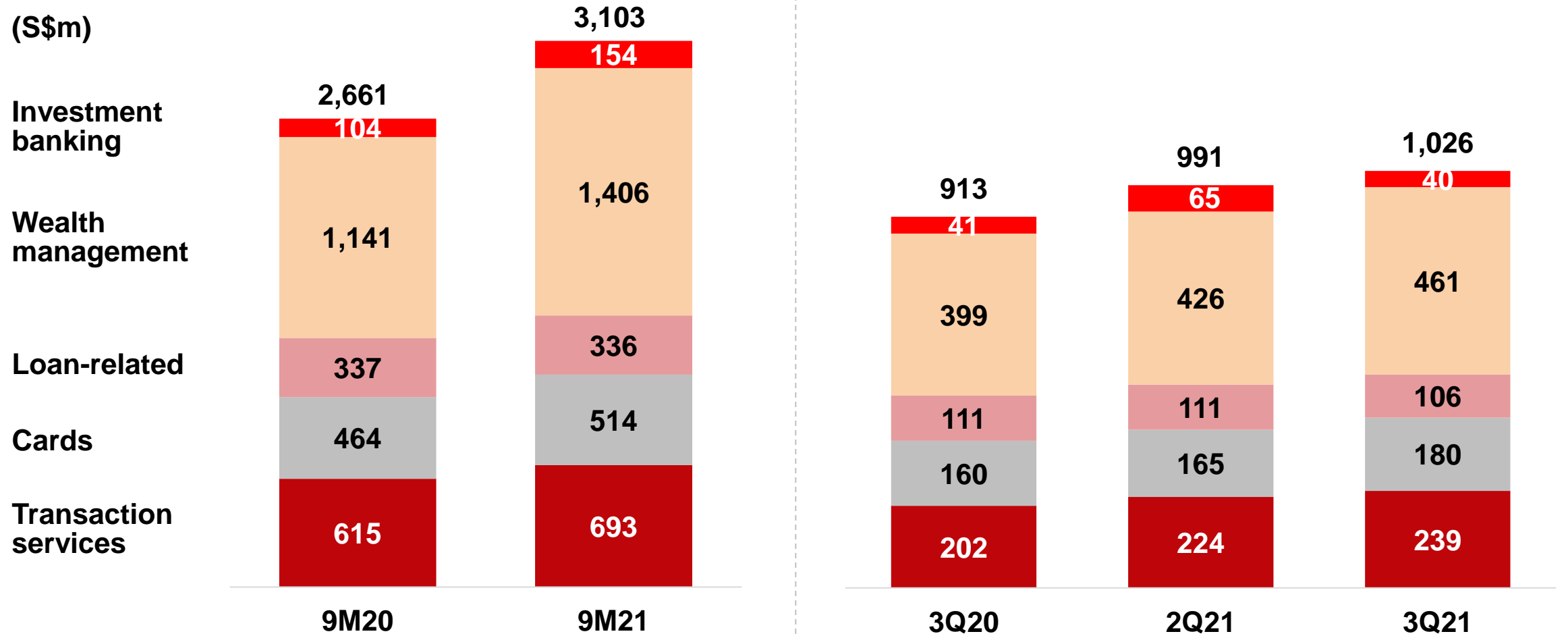
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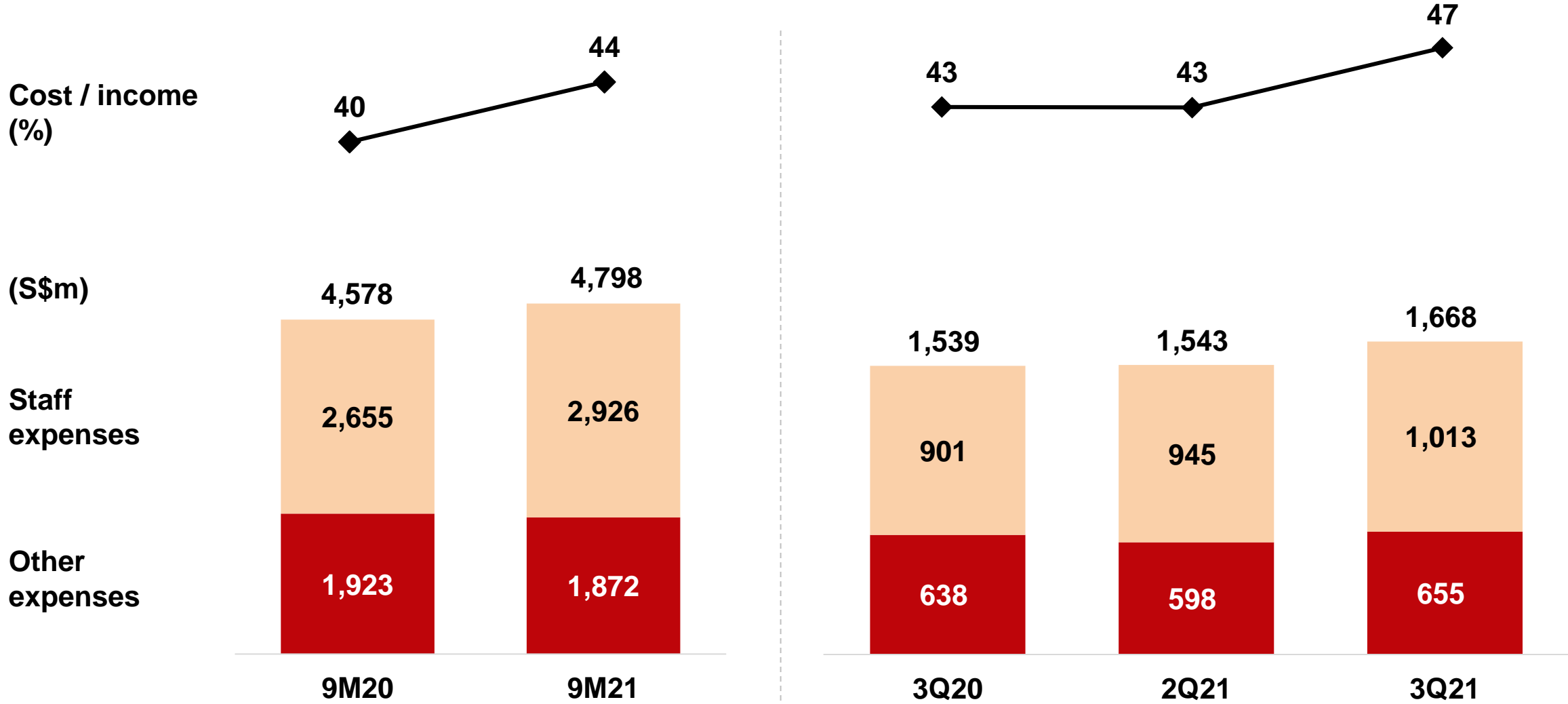
HQLA is high quality liquid assets; Other funding comprises senior medium term notes, commercial papers, negotiable certificates of deposit, other debt securities and covered bonds

9M fee income up 17% to record



Gross fee income

9M underlying expenses up 1%, cost-income ratio at 44%



3Q new NPA more than offset by repayments

(S\$m)	9M20	9M21	1Q21	2Q21	3Q21
NPA at start of period	5,773	6,686	6,686	6,585	6,621
IBG and others	655	(207)	(153)	50	(104)
New NPA	1,551	851	271	288	342
Upgrades, settlements and recoveries	(489)	(780)	(272)	(205)	(355)
Write-offs	(407)	(278)	(152)	(33)	(91)
CBG / WM	32	(25)	(7)	(17)	(1)
Translation	57	116	59	3	54
NPA at end of period	6,517	6,570	6,585	6,621	6,570
NPL ratio (%)	1.6	1.5	1.5	1.5	1.5



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

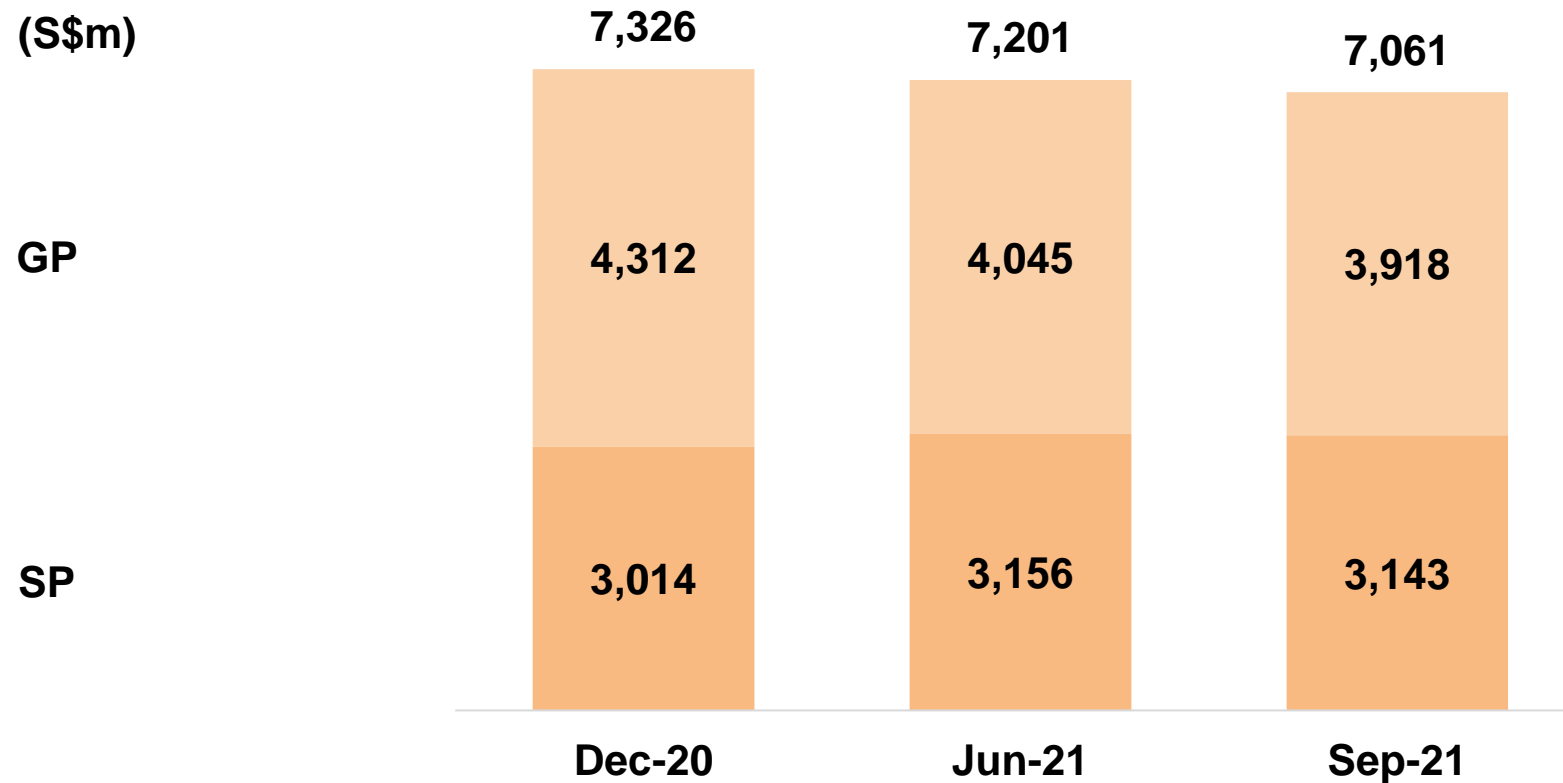
9M SP of 14bp below pre-pandemic levels, 3Q SP at 6bp from write-back for NPL

(S\$m)	9M20	9M21	1Q21	2Q21	3Q21
IBG and others	592	298	164	107	27
Add charges for	723	483	181	160	151
New NPL	550	255	103	82	32
Existing NPL	173	228	78	78	119
Subtract charges for	131	185	17	53	124
Upgrades	1	1	0	0	0
Settlements	116	147	12	42	103
Recoveries	14	37	5	11	21
CBG / WM	260	107	37	36	34
SP charges for loans	852	405	201	143	61
Other credit exposures	136	26	(2)	21	7
Total SP charges	988	431	199	164	68
SP / loans (bp)	30	14	21	14	6



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GP reserves at \$3.92bn remain prudent

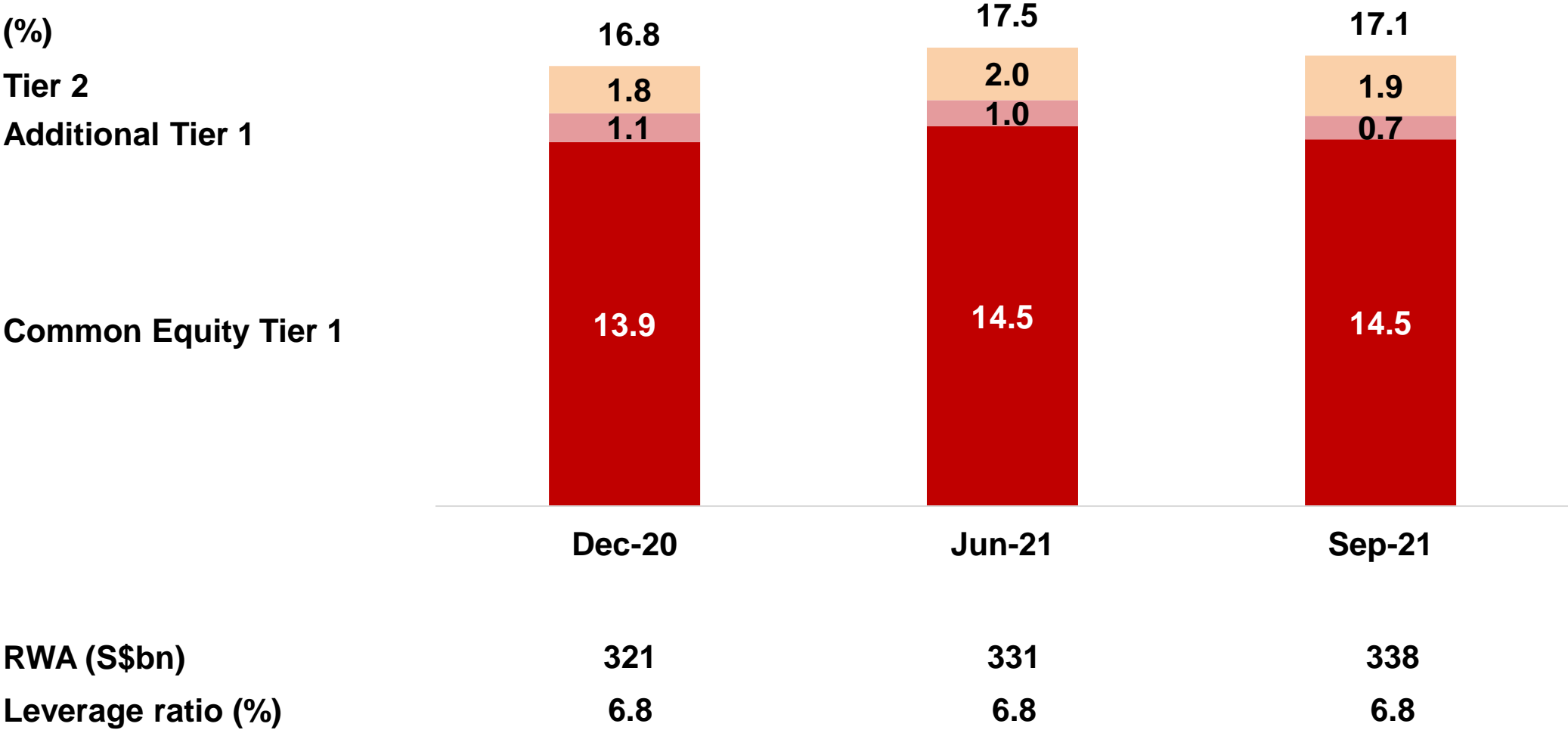


- Balance sheet remains well-fortified against risks
- GP reserves at \$3.92bn, \$0.6bn above MAS requirement and \$1.1bn above Tier-2 eligibility

Total allowance reserves as % of:

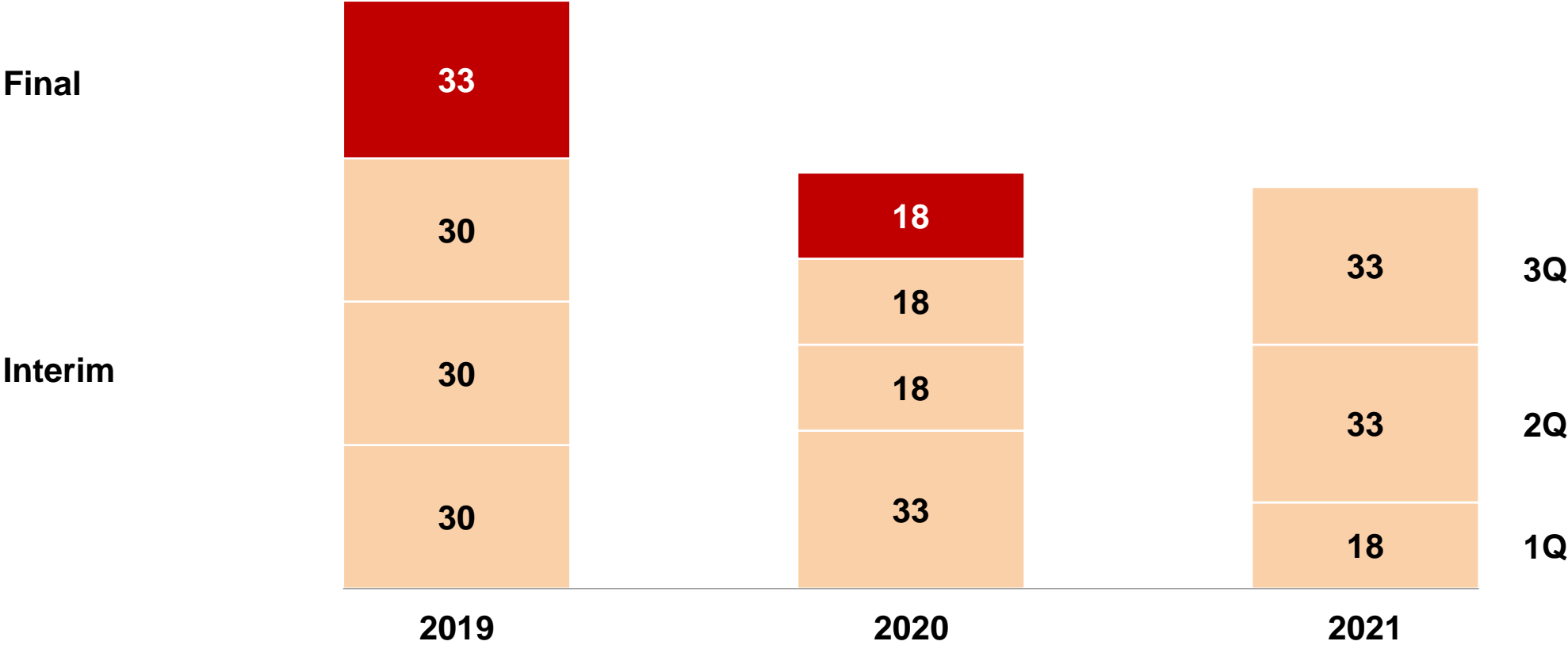
NPA	110	109	107
Unsecured NPA	206	199	205

Strong CET-1 and leverage ratios



3Q dividend at 33 cents per share

(S¢ per share)



In summary – Business momentum sustained, asset quality resilient

Business momentum sustained in 3Q, pipeline remains healthy into new year

Expected interest rate increases will be beneficial to earnings

Asset quality continues to be resilient, total allowances likely to stay low

Strong balance sheet with CET-1 at 14.5%, prudent GP reserves of \$3.92 billion and ample liquidity

Ready to put pandemic behind us, well-placed to support customers and deliver shareholder returns



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