News Release

Ref No. 04/2023

DBS SECOND-QUARTER NET PROFIT UP 48% TO RECORD SGD 2.69 BILLION AS TOTAL INCOME CROSSES SGD 5 BILLION

*** * ***

First-half earnings up 45% to SGD 5.26 billion, return on equity increases to 18.9%, both at new highs

*** * ***

Board raises quarterly dividend to 48 cents per share, bringing first-half dividend to 90 cents per share

Singapore, 3 Aug 2023 – DBS Group achieved a record performance in second-quarter 2023. Net profit rose 48% from a year ago to SGD 2.69 billion, with return on equity reaching 19.2%, both at new highs. Total income increased 35% to exceed SGD 5 billion for the first time. Commercial book net interest margin rose 96 basis points, including 12 basis points during the quarter. Fee income grew 7%, the first year-on-year increase in six quarters, led by wealth management and cards,

DBS Group Holdings Ltd
12 Marina Boulevard
DBS Asia Central @
Marina Bay Financial
Centre Tower 3
Singapore 018982

Tel: 65.6878 8888
www.dbs.com

Co. Reg. No. 199901152M

while treasury customer sales and other income rose 21%. A 34% decline in Treasury Markets trading income partially offset the gains in the commercial book. The cost-income ratio improved six percentage points to 38%.

First-half net profit rose 45% to SGD 5.26 billion and return on equity climbed to a new high of 18.9%. Total income increased 34% to SGD 10.0 billion, driven by the commercial book from a higher net interest margin as well as improved card fees and treasury customer income. The performance was moderated by lower Treasury Markets trading income.

Asset quality continued to be resilient with the NPL ratio at 1.1% and specific allowances at 10 basis points of loans for the second quarter and eight basis points for the first half.

The Board declared a dividend of SGD 48 cents per share for the second quarter, an increase of six cents per share from the previous payout. The increase is in line with guidance and reflects the stronger earnings prospects for the year. Together with the first-quarter dividend, the total dividend for first-half 2023 amounted to 90 cents per share.

Second-quarter performance

Commercial book net interest income rose 54% from a year ago and 6% from the previous quarter to SGD 3.58 billion. Net interest margin increased 96 basis points from a year ago, including 12 basis points during the quarter, to 2.81% from higher interest rates. Loans fell 1% or SGD 5 billion in constant-currency terms during the quarter to SGD 416 billion. Trade loans declined 10% or SGD 4 billion due to a general market slowdown and unattractive pricing. Non-trade corporate, housing

DBS Group Holdings Ltd
12 Marina Boulevard
DBS Asia Central @
Marina Bay Financial
Centre Tower 3
Singapore 018982
Tel: 65.6878 8888
www.dbs.com

Co. Reg. No. 199901152M

and wealth management loans were little changed. Deposits fell 3% or SGD 14 billion in constant-currency terms to SGD 520 billion due to a decline in Casa deposits.

Commercial book net fee income rose 7% from a year ago to SGD 823 million, the first year-on-year increase in six quarters. Wealth management fees increased 12% to SGD 377 million from higher bancassurance and investment product sales. Card fees grew 17% to SGD 237 million from higher spending including for travel. Loan-related fees rose 17% to SGD 133 million. These increases were moderated by a 5% decline in transaction service fees led by trade finance. Compared to the previous quarter, net fee income declined 3% as improvements in wealth management and card fees were offset by lower investment banking, transaction service and loan-related fees.

Commercial book treasury customer sales and other income rose 21% from a year ago and 7% from the previous quarter to SGD 464 million.

Expenses increased 16% from a year ago due mainly to higher staff costs. Compared to the previous quarter, expenses rose 3%. The cost-income ratio improved six percentage points from a year ago and was unchanged from the previous quarter at 38%.

Profit before allowances was SGD 3.11 billion, 50% higher than a year ago and 2% above the previous quarter.

Integration costs of SGD 60 million were accrued in the quarter for the acquisition of the Taiwan consumer banking business from Citigroup Inc. Including this one-time item, net profit was SGD 2.63 billion.

DBS Group Holdings Ltd
12 Marina Boulevard
DBS Asia Central @
Marina Bay Financial
Centre Tower 3
Singapore 018982

Tel: 65.6878 8888

www.dbs.com

Co. Reg. No. 199901152M

First-half performance

Commercial book net interest income rose 61% from a year ago to SGD 6.97 billion. Net interest margin improved 100 basis points to 2.75% from higher interest rates. Loans were stable over the first six months. Non-trade corporate loans grew 1% or SGD 3 billion, which was offset by an 8% or SGD 3 billion contraction in trade loans. Housing loans were stable, while wealth management loans declined modestly. Deposits fell 2% with a decline in Casa deposits partially offset by growth in fixed deposits.

Commercial book net fee income grew 1% to SGD 1.67 billion, with a 4% decline in the first quarter offset by a 7% increase in the second quarter. Wealth management fees were stable as a decline in the first quarter was offset by growth in the second quarter. Card fees increased 19% while loan-related fees rose 7%, which were offset by a 5% decline in transaction service fees.

Commercial book treasury customer sales and other income rose 22% to SGD 896 million as treasury customer sales reached a record.

Expenses were 15% higher than a year ago at SGD 3.81 billion, and stable from the previous half. The cost-income ratio improved from 44% to 38%. Profit before allowances rose 50% to SGD 6.17 billion.

Business unit performance

For the first half, commercial book total income grew 42% to SGD 9.54 billion. Consumer Banking / Wealth Management income increased 48% to SGD 4.27 billion from higher deposit and wealth management product sales income. Institutional

DBS Group Holdings Ltd
12 Marina Boulevard
DBS Asia Central @
Marina Bay Financial
Centre Tower 3
Singapore 018982

Tel: 65.6878 8888

www.dbs.com

Co. Reg. No. 199901152M

Banking income rose 38% to SGD 4.69 billion. The growth was led by a tripling in cash management income from higher interest rates.

Treasury Markets trading income declined 36% to SGD 446 million due to a high year-ago base in the first quarter and the impact of higher funding costs.

Asset quality, liquidity and capital

Asset quality remained resilient. The non-performing loan ratio was unchanged from the previous quarter at 1.1%. Non-performing assets were little changed from the previous quarter at SGD 4.99 billion as new non-performing loan formation remained low and was offset by repayments and write-offs.

Specific allowances for the second quarter amounted to SGD 114 million or 10 basis points of loans, bringing the half-year amount to SGD 176 million or eight basis points. There was a general allowance write-back of SGD 42 million in the second quarter from transfers to NPA and credit upgrades, resulting in a net charge of SGD 57 million for the first half. Total allowance reserves amounted to SGD 6.33 billion. Allowance coverage was at 127% and at 224% when collateral was considered.

Liquidity continued to be ample. The liquidity coverage ratio of 146% and the net stable funding ratio of 116% were well above regulatory requirements of 100%.

Capital remained healthy with the Common Equity Tier-1 ratio at 14.1%. The leverage ratio was at 6.5%, more than twice the regulatory minimum of 3%.

DBS CEO Piyush Gupta said, “We achieved another set of record results as second-quarter and first-half earnings reached new highs with return on equity at 19%. The commercial book benefited from higher interest rates and broad-based

DBS Group Holdings Ltd
12 Marina Boulevard
DBS Asia Central @
Marina Bay Financial
Centre Tower 3
Singapore 018982
Tel: 65.6878 8888
www.dbs.com

Co. Reg. No. 199901152M

growth in non-interest income activities, which was moderated by higher funding costs for Treasury Markets. During the quarter, we commenced work to strengthen the resilience of our technology while awaiting completion of the independent review into the recent digital disruptions.

"While there is some macroeconomic uncertainty, our prospects for the rest of the year are anchored on a franchise with a proven ability to capture business opportunities. Our longstanding prudence in building general allowance reserves and maintaining strong capital ratios will position us well to withstand headwinds."

About DBS

DBS is a leading financial services group in Asia with a presence in 19 markets. Headquartered and listed in Singapore, DBS is in the three key Asian axes of growth: Greater China, Southeast Asia and South Asia. The bank's "AA-" and "Aa1" credit ratings are among the highest in the world.

Recognised for its global leadership, DBS has been named "World's Best Bank" by Global Finance, "World's Best Bank" by Euromoney and "Global Bank of the Year" by The Banker. The bank is at the forefront of leveraging digital technology to shape the future of banking, having been named "World's Best Digital Bank" by Euromoney and the world's "Most Innovative in Digital Banking" by The Banker. In addition, DBS has been accorded the "Safest Bank in Asia" award by Global Finance for 14 consecutive years from 2009 to 2022.

DBS provides a full range of services in consumer, SME and corporate banking. As a bank born and bred in Asia, DBS understands the intricacies of doing business in the region's most dynamic markets.

DBS is committed to building lasting relationships with customers, as it banks the Asian way. Through the DBS Foundation, the bank creates impact beyond banking by supporting social enterprises: businesses with a double bottom-line of profit and social and/or environmental impact. DBS Foundation also gives back to society in various ways, including equipping communities with future-ready skills and building food resilience.

With its extensive network of operations in Asia and emphasis on engaging and empowering its staff, DBS presents exciting career opportunities. For more information, please visit www.dbs.com.

[End]

DBS Group Holdings Ltd
12 Marina Boulevard
DBS Asia Central @
Marina Bay Financial
Centre Tower 3
Singapore 018982

Tel: 65.6878 8888

www.dbs.com

Co. Reg. No. 199901152M

For more information, contact:

Edna Koh
Group Strategic Marketing & Communications
DBS Bank
Email: ednakoh@dbs.com
Tel: (65) 6878 8134
Mobile: (65) 9753 0117

Michael Sia
Investor Relations
DBS Bank
Email: michaelsia@dbs.com
Tel: (65) 6878 4751
Mobile: (65) 9636 9472