



Live more,  
Bank less

# CEO Observations

10 Feb 2021



# Business Outlook

- **Business momentum healthy in 4Q**

- Broad-based loan growth across non-trade corporate, housing and wealth management segments
- Fee income resilient
  - Wealth management up 21% yoy from buoyant sentiment in low-rate environment
  - Cards recovering towards pre-Covid levels

- **Continued to fortify our balance sheet despite improving macro conditions**

- Increased allowances by \$577m, taking full year to \$3.1 bn
- GP reserves in excess of regulatory requirements
- Conservative stance on SP for existing NPA
- LVB asset quality risks decisively dealt with

# Business Outlook

- **Latest economic data support strong economic rebound for 2021**
- **Strong January performance provides head start to year**
  - Higher income yoy despite full impact of post-Covid NIM pressure
  - Treasury Markets income up significantly
  - Fee income up from high year-ago base from broad-based improvements
  - Strong loan and deposit growth momentum

# Credit Outlook

- **Asset quality trends encouraging**

- Loans under moratorium have declined significantly from respective peaks
  - Singapore housing: Down to 10%
  - Singapore SME: Down to 25%
  - Hong Kong large corporate and SME: Down to 50%
- Low delinquencies

- **If current trends hold, severe stress scenario unlikely to materialise**

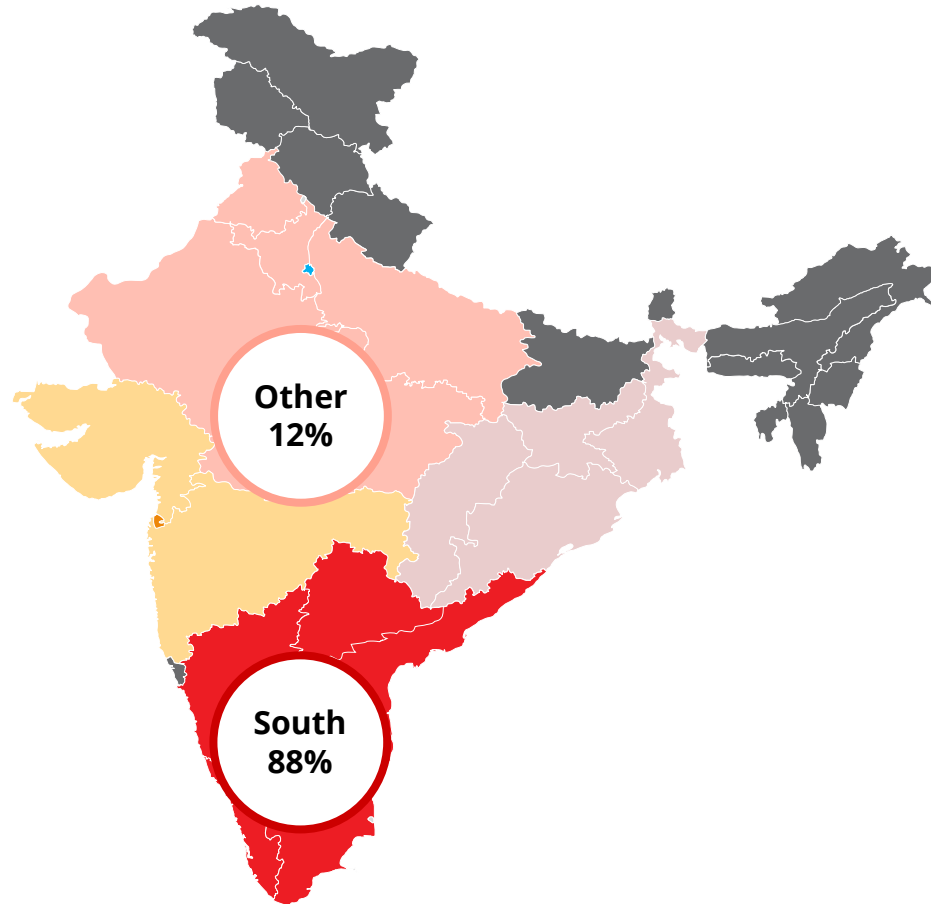
- Total allowances over 2020-2021 likely to be in the middle of the \$3bn-\$5bn range
- More definitive view towards mid-year with seasoning of extended moratoriums

# Proactive through the Crisis

- **New platforms for growth**
  - Lakshmi Vilas Bank (LVB)
  - China securities joint venture
  - Digital Exchange
  - Retail wealth management
  - Supply chain digitalisation

# LVB: Accelerates DBS India strategy

## Selective physical network to create South India play



*Distribution of LVB's 563 branches and 974 ATM networks*

## LVB and transaction highlights

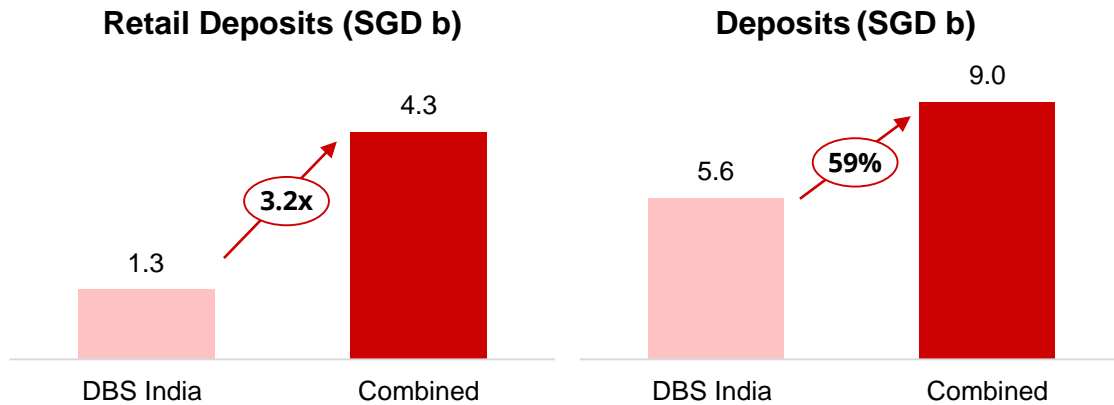
- Well-established private sector bank since 1926
- Largely South India based network with higher GDP per capita<sup>(1)</sup> and long-standing connections with Singapore
- >2 million retail and >125,000 non-retail customers
- Amalgamation of LVB's assets and liabilities into DBS India via Section 45 of Banking Regulation Act allowed control on Day 1 while preserving DBS India's Wholly-Owned Subsidiary status

## Strategic rationale

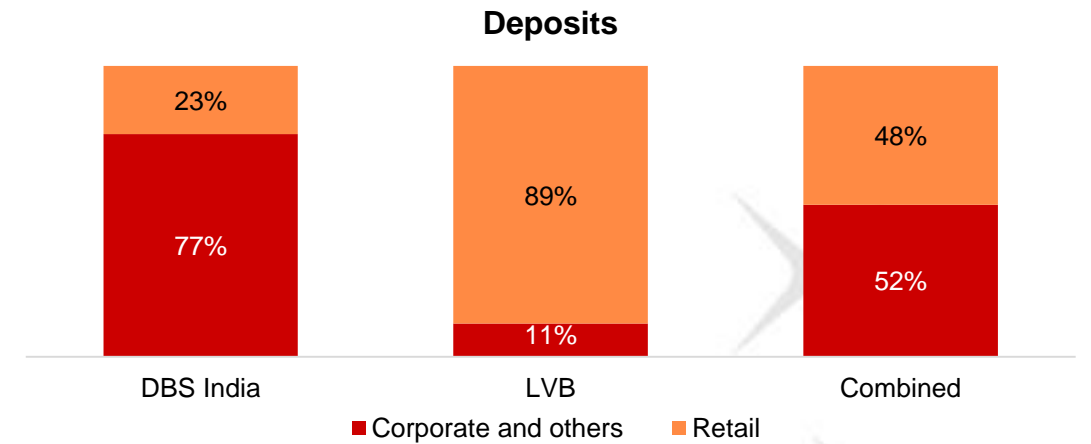
- Overlay DBS' digital capabilities with LVB's customer base and network to accelerate business
  - Builds retail through CASA scale-up in selected urban clusters and cross-sell of personal loans to LVB's customer base
  - Extends DBS Treasures proposition to LVB's affluent segment
  - Leverages LVB's pan-Indian presence in top 20 urban centres to scale up Asset-Back Lending ("ABL") to SMEs
- Niche Non-Resident Indian ("NRI") propositions leveraging DBS' Singapore and global South Indian diaspora network

# LVB: Combined platform well positioned for future growth

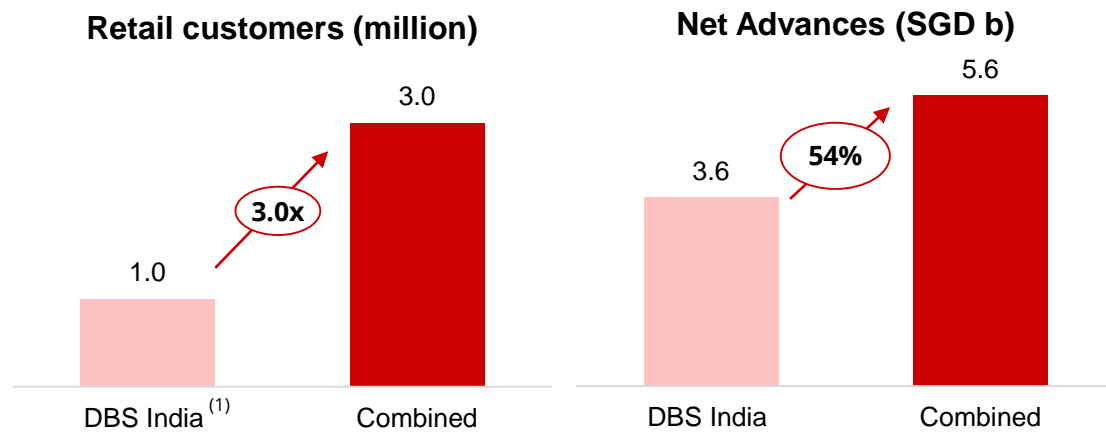
## Substantially scales up deposits base, in particular retail



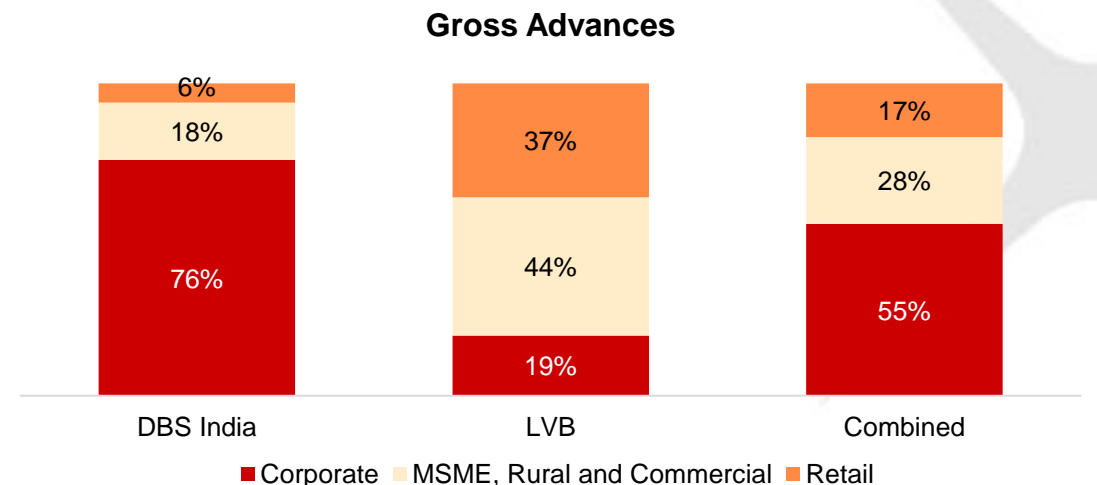
## Increases efficient granular retail deposits



## Meaningful addition to customer base and loan book<sup>(1)</sup>



## Growing MSME, Rural and Commercial segment lending



Based on SGD:INR FX of 1:55.3 and latest available as of Dec 2020 unless otherwise stated

(1) Number of savings accounts as of latest available

**Thank You**