News Release

Ref No: 02/2019

**DBS FIRST-QUARTER NET PROFIT UP 9% TO RECORD SGD 1.65 BILLION,
RETURN ON EQUITY AT 14%**

*** * ***

***Healthy business momentum and higher net interest margin
enable earnings to surpass year-ago record quarter***

SINGAPORE, 29 April 2019 – DBS Group's net profit for first quarter 2019 increased 9% to a record SGD 1.65 billion. Total income grew 6% to a new high of SGD 3.55 billion. Healthy business momentum and a higher net interest margin more than offset the impact of a high base for wealth management, brokerage and investment banking fee income as well as a property gain a year ago. New non-performing asset formation remained low and total allowances halved. Return on equity rose to 14.0%, the highest in more than a decade.

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

Healthy business momentum underpins record performance

Compared to the year-ago period, net interest income rose 9% to SGD 2.31 billion. Loans grew 5% in constant-currency terms to SGD 347 billion. The increase was led by non-trade corporate loans, which expanded 11% from broad-based activities across the region. Consumer loans were 3% higher. These increases were moderated by an 11% decline in trade loans due to unattractive pricing and a general market slowdown. Net interest margin increased five basis points to 1.88% in line with higher interest rates in Singapore and Hong Kong.

Net fee income was 2% lower at SGD 730 million. Wealth management, brokerage and investment banking fee income declined 12% in aggregate due to exceptionally buoyant market sentiment a year ago, but the impact was mitigated by fee income increases in other categories. Card fees increased 21% to SGD 189 million from higher customer transactions across the region. Transaction service fees rose 6% to SGD 188 million as both cash management and trade finance fees increased. Loan-related fees grew 9% to SGD 108 million.

Other non-interest income rose 5% to SGD 511 million as increases in trading income and net gain on investment securities more than offset a property gain of SGD 86 million a year ago. Trading income rose 20% to SGD 443 million from gains in interest rate and credit activities. Net gain on investment securities doubled to SGD 53 million from a low year-ago base.

By business unit, Consumer Banking / Wealth Management income rose 15% to SGD 1.56 billion from higher deposit and bancassurance income. Institutional Banking

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

income grew 10% to SGD 1.50 billion from higher cash management and loan income. Treasury Markets income increased 18% to SGD 293 million. The income growth from the three business units was moderated by a halving in Others income due in part to the property disposal gain a year ago.

Expenses rose 7% to SGD 1.50 billion. The cost-income ratio was 42%, similar to a year ago. Profit before allowances increased 5% to SGD 2.05 billion.

Earnings up 25% from previous quarter

Compared to the previous quarter, net profit was 25% higher, boosted by a recovery in wealth management and trading income. Overall business momentum was sustained.

Net interest income rose 1% on a day-adjusted basis. Loans grew 1% as non-trade corporate loans increased 3% from working capital and deal-related borrowing led by Singapore and Hong Kong corporates. Trade loans declined 4%. Net interest margin rose one basis point. Excluding Treasury Markets activities, net interest margin rose five basis points mainly from higher interest rates in Singapore as well as the repricing of housing loans.

Net fee income rose 15%. Wealth management fees increased 44% with a recovery in market sentiment from the previous quarter's volatility. Loan-related fees were also higher. Other non-interest income grew 83% as trading income doubled from a weak quarter.

Expenses were stable and profit before allowances was 18% higher.

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

Balance sheet remains strong

Asset quality continued to be benign. Non-performing assets were stable from the previous quarter at SGD 5.6 billion as new non-performing asset formation remained low. The NPL rate was unchanged at 1.5%.

Total allowances fell to SGD 76 million, half the level a year ago and two-fifths the previous quarter. Specific allowances amounted to SGD 176 million, with charges for loans declining to 15 basis points from 20 basis points a year ago and 25 basis points in the previous quarter. There was a general allowance write-back of SGD 100 million, with half the amount contributed by improved portfolio credit quality and the balance due to an improvement in external credit conditions during the quarter. Allowance coverage rose to 100% from 98% in the previous quarter and 90% a year ago. Taking into account collateral, allowance coverage was at 181%.

Deposits were stable from the previous quarter and rose 5% from a year ago to SGD 395 billion. The liquidity coverage ratio of 137% and the net stable funding ratio of 111% were both above the regulatory requirement of 100%.

The Common Equity Tier-1 ratio rose 0.2 percentage points from the previous quarter to 14.1% as earnings accretion outpaced risk-weighted asset growth. The leverage ratio of 7.3% was more than twice the regulatory requirement of 3%.

Dividend payment frequency changed to four times a year

The Board decided that, from financial year 2019, dividends will be paid four times a year, instead of two times a year, to provide shareholders with more regular

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

income streams. The policy of paying sustainable dividends that rise progressively with earnings remains unchanged.

For the first quarter, the Board declared a dividend of SGD 30 cents per share, consistent with the previous financial year's payout of SGD 1.20 per share. The first-quarter dividend is scheduled to be paid on 31 May 2019.

The final dividend of financial year 2018 of SGD 60 cents a share, which was approved by shareholders at the recent annual general meeting, is scheduled to be paid on 17 May 2019.

DBS CEO Piyush Gupta said, "We have had a good start to the year as business momentum was sustained and non-interest income recovered from the recent weakness. The record earnings and ROE progression demonstrate the strengthened profitability of our franchise from digitalisation, a shift towards higher-returns businesses and more nimble execution. We are well placed to continue capturing growth opportunities across the region and delivering healthy shareholder returns."

About DBS
DBS is a leading financial services group in Asia with a presence in 18 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 "Global Bank of the Year" by The Banker and "Best Bank in the World" by Global Finance. 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. In addition, DBS has been accorded the "Safest Bank in Asia" award by Global Finance for ten consecutive years from 2009 to 2018.

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

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, and positively impacting communities through supporting social enterprises, as it banks the Asian way. It has also established a SGD 50 million foundation to strengthen its corporate social responsibility efforts in Singapore and across Asia.

With its extensive network of operations in Asia and emphasis on engaging and empowering its staff, DBS presents exciting career opportunities. The bank acknowledges the passion, commitment and can-do spirit in all of our 27,000 staff, representing over 40 nationalities. For more information, please visit www.dbs.com.

[End]

For more information, contact:

Karen Ngui
Group Strategic Marketing & Communications
DBS Bank
Email: karenngui@dbs.com
Tel: (65) 6878 3008
Mobile: (65) 9030 8080

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

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