Resilient first-quarter operating performance

DBS Group Holdings

1Q 2020 financial results

April 30, 2020

Highlights

First-quarter total income rises 13% on year and 16% on quarter to cross $4bn for the first time

- Loans up 1% on quarter underpinned by growth in non-trade corporate loans, largely from Singapore and Hong Kong
- Net interest margin stable on quarter at 1.86%
- Fee income up 14% from a year ago to $832m
- Other non-interest income increased 39% from a year ago to SGD 712m, led by gains in investment securities

Cost-income ratio improves to 39%

- Expenses fall 3% on quarter to $1.56bn from lower general expenses and staff costs
- Profit before allowances rises 20% from a year ago to record $2.47bn

Balance sheet remains strong

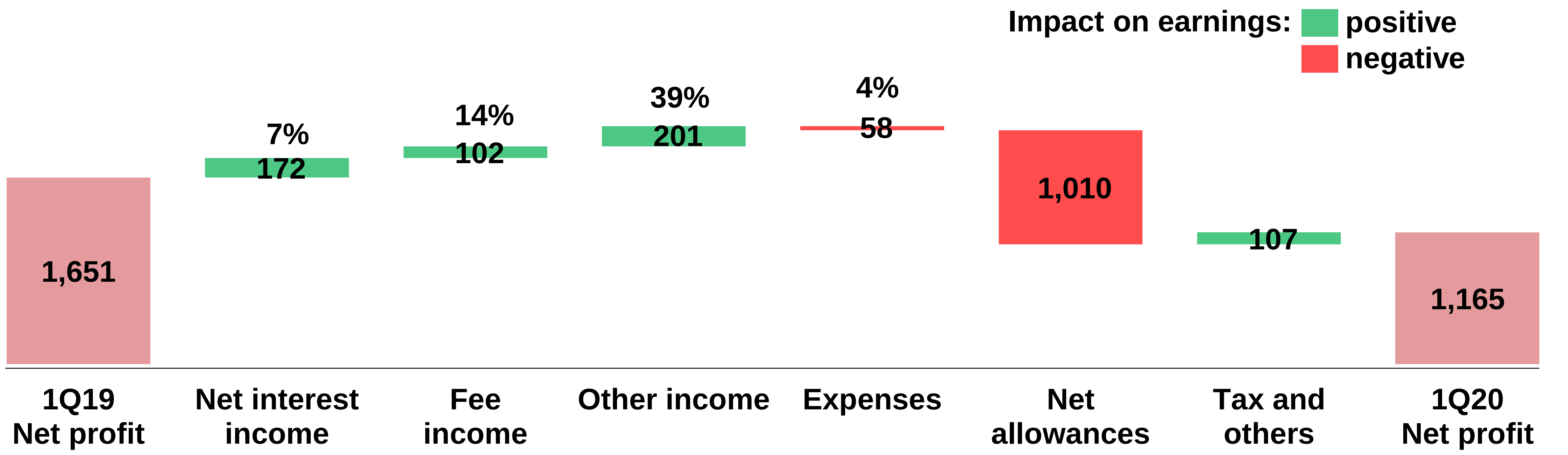
- GP reserves raised $0.70bn to $3.23bn to fortify the balance sheet
- Allowance coverage at 92%, or 173% after taking collateral into account
- NPL rate at 1.6% from 1.5% one quarter ago, non-performing assets up 14%
- Ample liquidity as deposits rose by a record 7% on quarter. LCR at 133% and NSFR at 112%
- CET-1 at 13.9% is comfortably above regulatory requirements

Quarterly dividend maintained at 33 cents

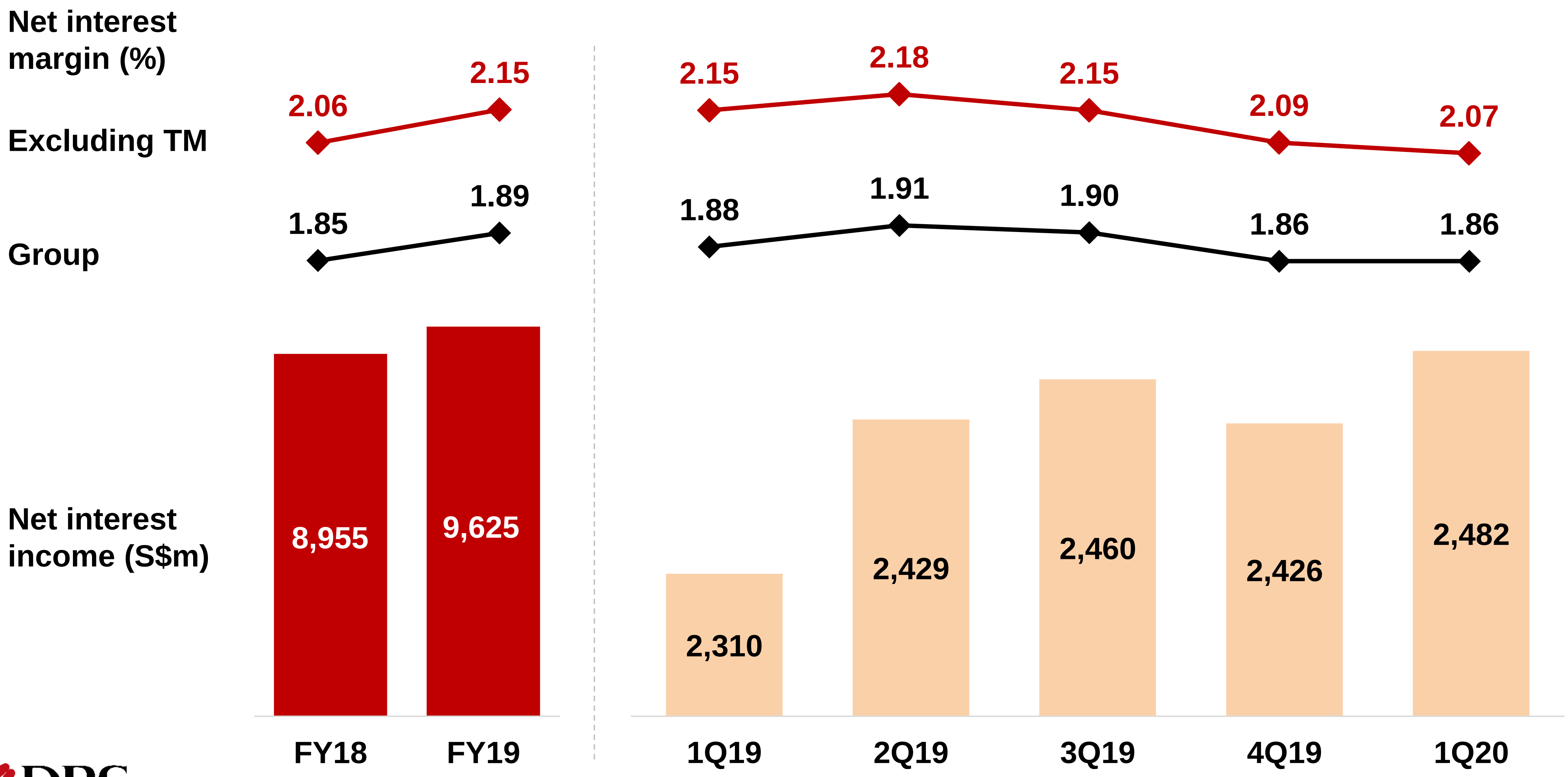
Record total income, GP of $0.70bn to fortify the balance sheet

(S$m)		1Q20	YoY %
Total income	record	4,026	13
Expenses		1,556	4
Profit before allowances	record	2,470	20
Allowances		1,086	>100
Net profit		1,165	(29)

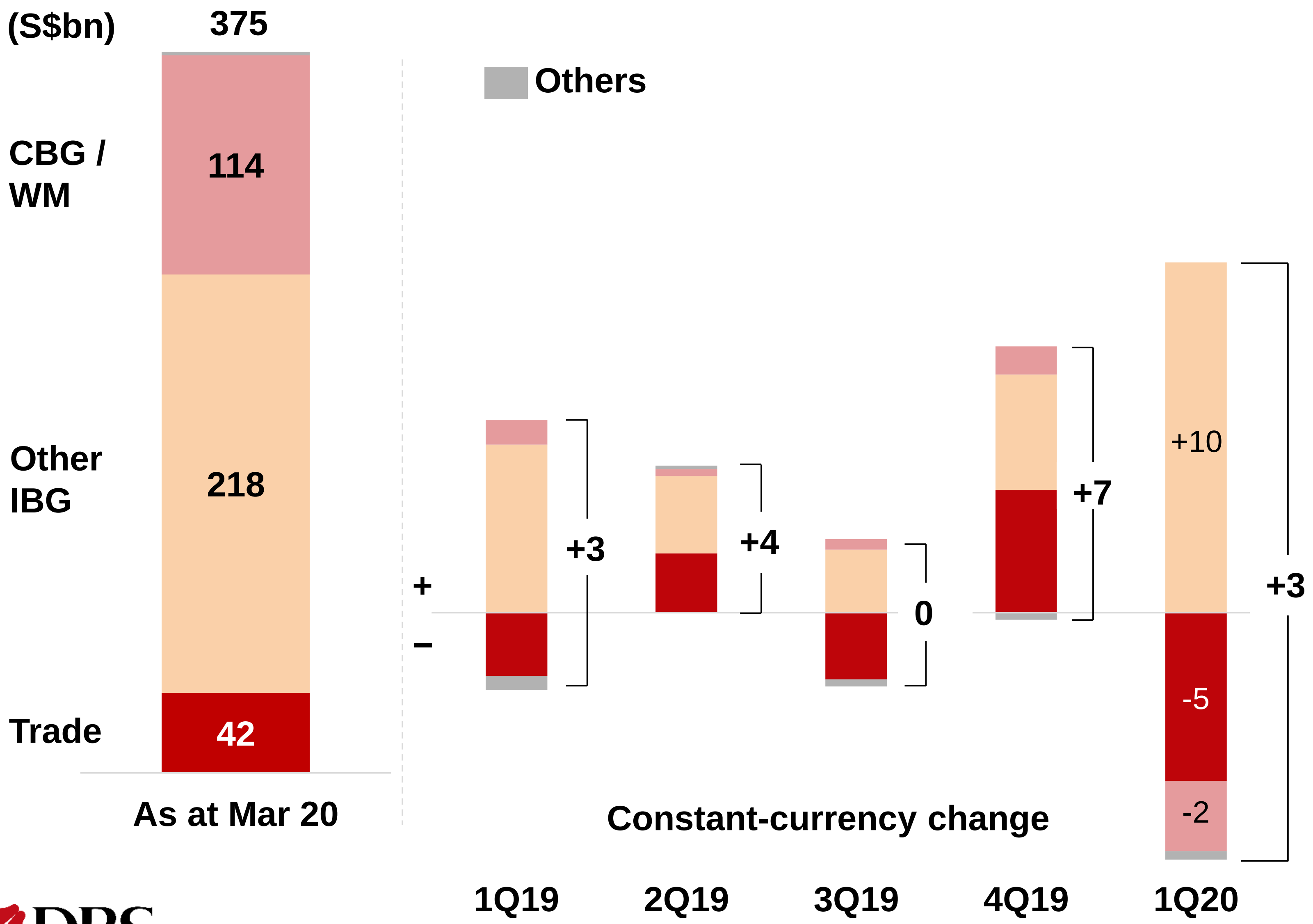
- Record total income up 13% from loan growth, stronger fee income and higher investment gains
- Balance sheet fortified by general allowances of $0.70bn to pre-empt risks arising from the ongoing Covid-19 pandemic
- Net profit down 29% from a year ago



Net interest income up 2% on quarter on higher loan volumes and stable NIM



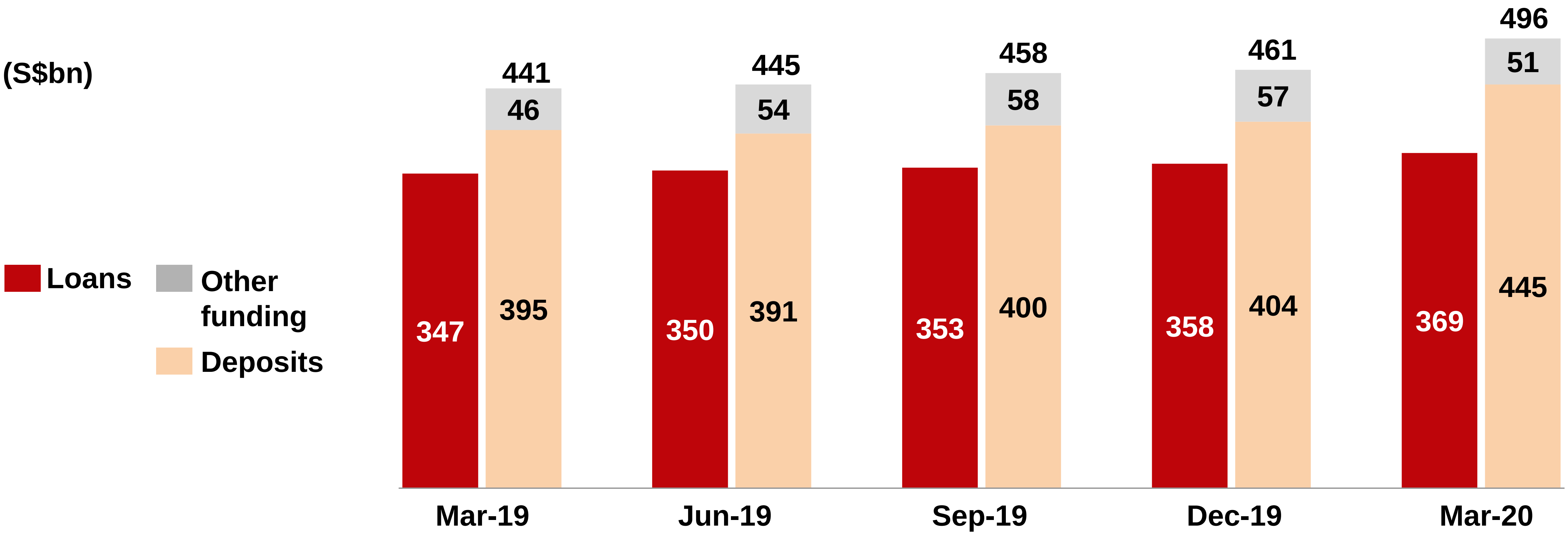
Loans grow 1% on quarter led by corporate loans



<u>In constant-currency terms</u>

- Loans grow $3bn or 1% on quarter
- Growth in non-trade corporate loans offset by lower trade and wealth management loans

Deposits up 7% on quarter to $445bn



	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
HQLA (S$bn)	90	92	92	92	92
<u>Ratios (%)</u>					
LDR	88	90	88	89	83
LCR	137	137	131	139	133
NSFR	111	109	110	110	112

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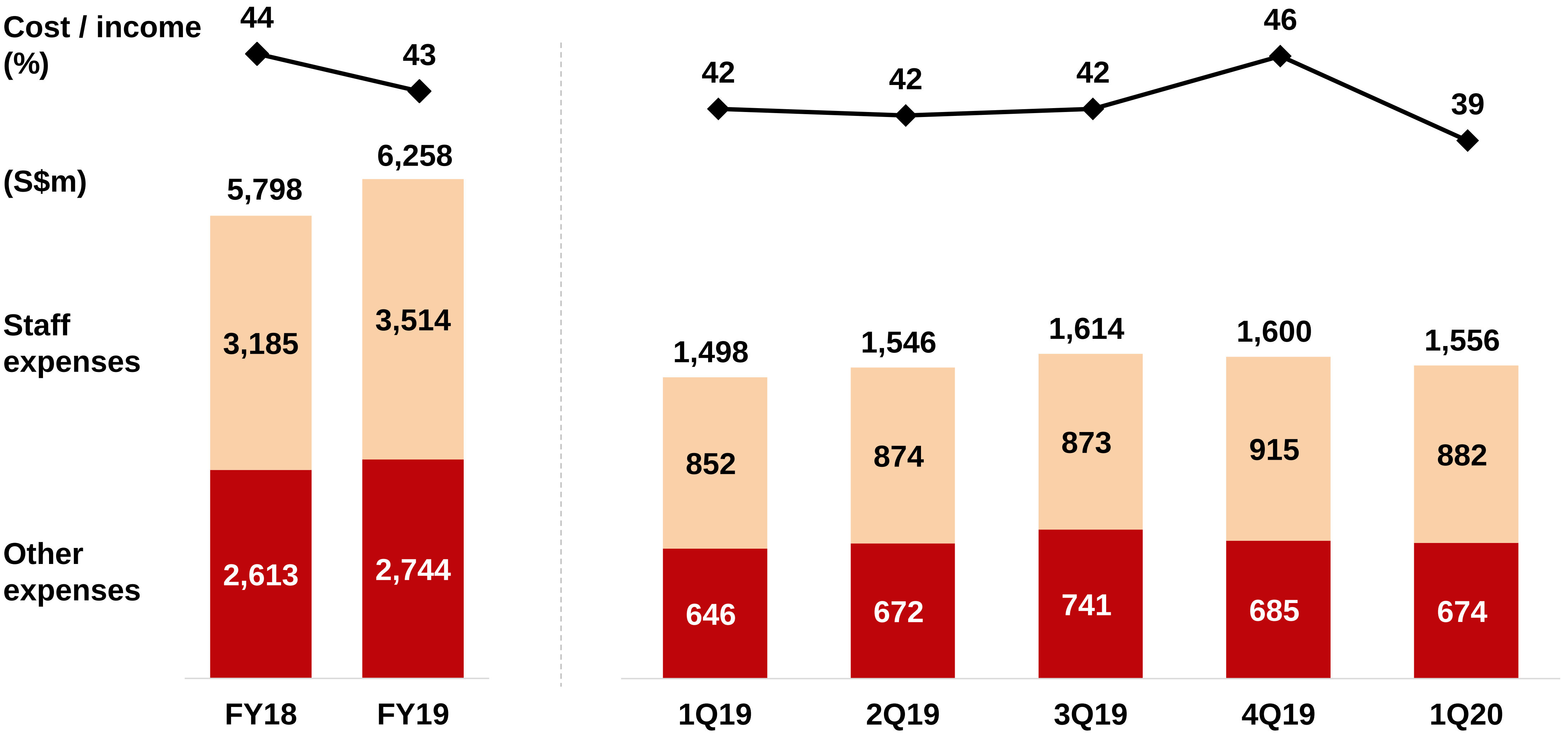
HQLA is high quality liquid assets; Other funding comprises senior medium term notes, commercial papers, negotiable certificates of deposit, other debt securities and covered bonds

Cost discipline maintained, cost-income ratio at 39%



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NPL ratio rises to 1.6%

(S$m)	1Q19	2Q19	3Q19	4Q19	1Q20
NPAs at start of period	**5,684**	**5,648**	**5,821**	**5,944**	**5,773**
IBG and others	**(51)**	**171**	**46**	**(50)**	**679**
New NPAs	109	277	367	575	1,023
Upgrades, settlements and recoveries	(139)	(82)	(95)	(206)	(281)
Write-offs	(21)	(24)	(226)	(419)	(63)
CBG / WM	**41**	**9**	**(7)**	**(20)**	**(0)**
Translation	**(26)**	**(7)**	**84**	**(101)**	**140**
NPAs at end of period	**5,648**	**5,821**	**5,944**	**5,773**	**6,592**
NPL ratio (%)	**1.5**	**1.5**	**1.5**	**1.5**	**1.6**

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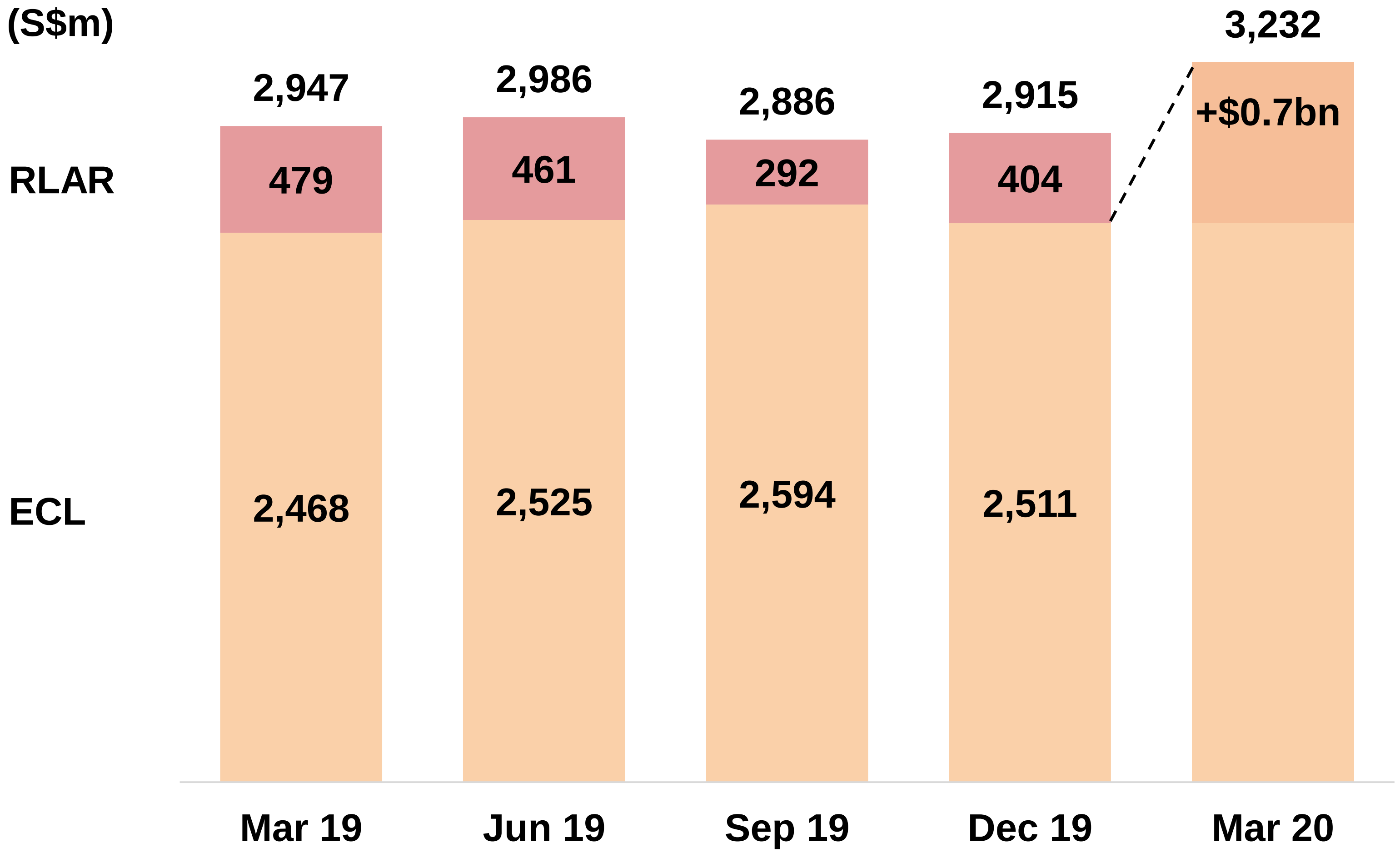
SP at 35 bp of loans

(S$m)	1Q19	2Q19	3Q19	4Q19	1Q20
IBG and others	**87**	**142**	**140**	**127**	**257**
Add charges for	**102**	**154**	**164**	**165**	**359**
New NPLs	22	49	82	65	315
Existing NPLs	80	105	82	100	44
Subtract charges for	**15**	**12**	**24**	**38**	**102**
Upgrades	0	0	0	1	0
Settlements	9	9	18	32	100
Recoveries	6	3	6	5	2
CBG / WM	**43**	**48**	**50**	**61**	**57**
SP charges for loans	**130**	**190**	**190**	**188**	**314**
Other credit exposures	**43**	**3**	**7**	**11**	**69**
Total SP charges	**173**	**193**	**197**	**199**	**383**
SP / loans (bp)	**15**	**22**	**21**	**21**	**35**

Pre-emptively raised general allowances by $0.7bn to $3.2bn to fortify balance sheet



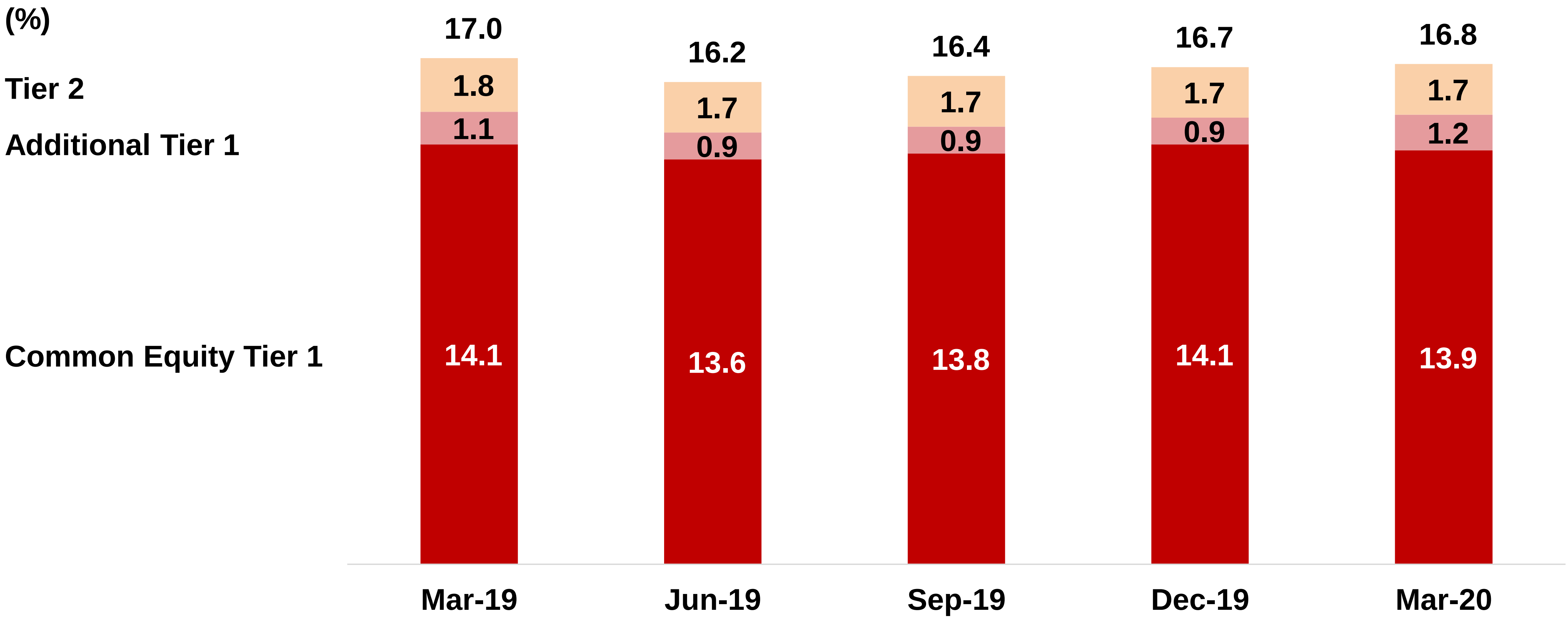
ECL movement during 1Q

Balance sheet pre-emptively fortified against risks arising from the Covid-19 pandemic

GP reserves increased 29% to $3.23bn

RLAR is regulatory loss allowance reserves which is set aside from retained earnings

CET-1 ratio of 13.9% - little changed on quarter



	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
RWA (S$bn)	297	302	306	304	320
Leverage ratio (%)	7.3	6.9	7.0	7.0	6.9

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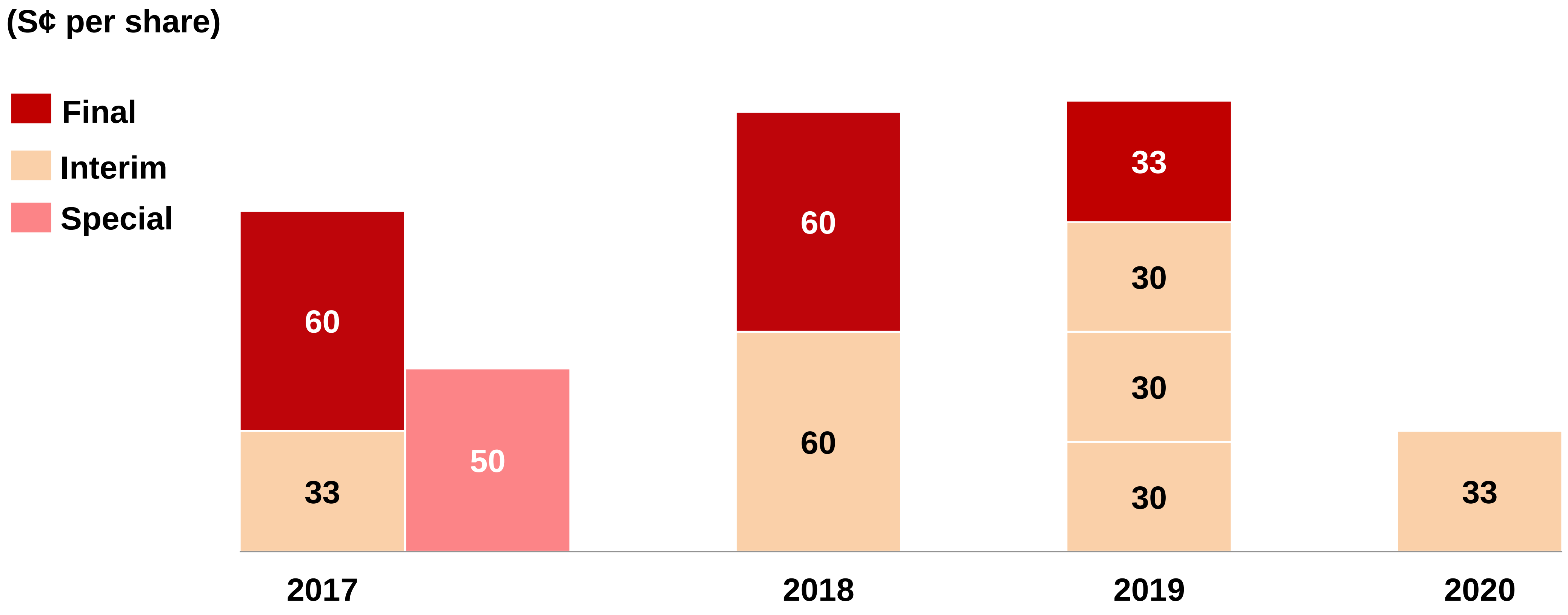
1Q dividend at 33 cents per share



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In summary – resilient first-quarter operating performance

Record operating performance in first quarter reflects resilience of franchise and disciplined cost management

Pre-emptively raised general allowances by $0.7bn to $3.2bn to fortify balance sheet

Capital, funding and liquidity remain strong; we are well-positioned to support our customers in uncertain markets

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