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To: Shareholders

The Board of Directors of DBS Group Holdings Ltd ("DBSH" or "the Company") reports the following:

<u>Trading Update for the First Quarter Ended 31 March 2024</u>

Details of the financial results are enclosed.

<u>Dividends</u>

The Board has declared an interim one-tier tax-exempt dividend of 54 cents for each DBSH ordinary share for the first quarter of 2024 (the "1Q24 Interim Dividend"). The additional DBSH ordinary shares arising from the bonus issue will qualify for such dividend. The estimated dividend payable is $1,536 million.

The DBSH Scrip Dividend Scheme will not be applied to the 1Q24 Interim Dividend.

The DBSH ordinary shares will be quoted ex-dividend on 9 May 2024 (Thursday). The payment date for the 1Q24 Interim Dividend will be on or about 20 May 2024 (Monday).

The Transfer Books and Register of Members of DBSH will be closed from 5.00 p.m. on 10 May 2024 (Friday) up to (and including) 13 May 2024 (Monday) for the purpose of determining shareholders' entitlement to the 1Q24 Interim Dividend.

By order of the Board

Marc Tan
Group Secretary

2 May 2024
Singapore

More information on the above announcement is available at www.dbs.com/investor

First-quarter net profit rises 15% to SGD 2.96 billion while return on equity increases to 19.4%, both at new highs

DBS Group's net profit for first-quarter 2024 rose 15% from a year ago to a record SGD 2.96 billion while return on equity reached 19.4%. Total income grew 13% to a new high of SGD 5.56 billion as net interest margin was stable at 2.14%, fee income crossed SGD 1 billion for the first time and treasury customer sales reached a record. The cost-income ratio was little changed at 37% and profit before allowances rose 14% to SGD 3.48 billion. Asset quality remained resilient with NPL ratio at 1.1% and specific allowances at 10 basis points of loans.

Compared to the previous quarter, net profit was 24% higher. Total income grew 11% from the record fee income and treasury customer sales, as well as higher markets trading income[1]. Expenses declined 6%, partly due to non-recurring items in the previous quarter.

Quarter-on-quarter performance

Commercial book net interest income was stable from the previous quarter at SGD 3.65 billion. Net interest margin rose two basis points to 2.77% as fixed-rate asset repricing was moderated by a lower Hibor.

Loans grew 1% or SGD 6 billion in constant-currency terms to SGD 425 billion. The increase was due to non-trade corporate loans which rose 3% or SGD 7 billion. Trade loans and consumer loans were little changed.

Deposits rose 1% or SGD 7 billion in constant-currency terms to SGD 547 billion. Casa outflows, which slowed from the previous year, was offset by an increase in fixed deposits.

Commercial book net fee income rose 20% to a record SGD 1.04 billion. Wealth management fees grew 45% to SGD 536 million from a continued strengthening of market sentiment and from

[1] "Treasury Markets" was renamed "Global Financial Markets" as part of a business reorganisation in first-quarter 2024. "Markets trading income" comprises the market-making and trading activities of Global Financial Markets.

seasonal factors. Loan-related fees increased 30% to SGD 185 million while transaction service fees rose 6% to SGD 231 million. The increases were moderated by a 38% decline in investment banking fees due to slower capital market activities and by a 3% decline in card fees from seasonal factors.

Commercial book other non-interest income grew 59% to SGD 621 million led by treasury customer sales which rose to a new high.

Markets trading income more than doubled to SGD 246 million.

Expenses of SGD 2.08 billion were 6% lower than the previous quarter, which had included non-recurring items.

Profit before allowances rose 24% to SGD 3.48 billion.

Year-on-year performance

Commercial book net interest income increased 8%. Net interest margin rose eight basis points from higher interest rates. Loans grew 1% from higher non-trade corporate loans and the consolidation of Citi Taiwan. Deposits were 3% higher.

Net fee income grew 23%. The growth was led by a 47% increase in wealth management fees from stronger market sentiment and an increase in assets under management. Card fees rose 33% from higher spending while loan-related fees grew 30%. The consolidation of Citi Taiwan benefitted wealth management and card fees.

Commercial book other non-interest income grew 44% led by an increase in treasury customer sales.

Markets trading income declined 9% from higher funding costs.

Expenses rose 10%, with Citi Taiwan accounting for five percentage points of the increase. The cost-income ratio of 37% was little changed.

Profit before allowances rose 14% from a year ago.

Balance sheet

Liquidity remained healthy. The liquidity coverage ratio of 144% and net stable funding ratio of 116% were both well above regulatory requirements.

Asset quality remained resilient. Non-performing assets rose 3% from the previous quarter to SGD 5.22 billion with the NPL ratio unchanged at 1.1%. New non-performing asset formation was partially offset by repayments and write-offs. Specific allowances were 19% lower at SGD 113 million or 10 basis points of loans. General allowances of SGD 22 million were taken. Allowance coverage stood at 125% and at 223% after considering collateral.

The Common Equity Tier-1 ratio rose 0.1 percentage points from the previous quarter to 14.7% as profit accretion was partly offset by higher risk weighted assets. The leverage ratio of 6.5% was more than twice the regulatory minimum of 3%.

The Board declared a dividend of SGD 54 cents per share for the first quarter over the enlarged post-bonus share base.

DBS CEO Piyush Gupta said, “Our record earnings have given us a strong start to the year. We had broad-based business momentum as loans grew and both fee income and treasury customer sales reached new highs. While geopolitical tensions persist, macroeconomic conditions remain resilient and our franchise is well positioned to capture business opportunities. We are optimistic that total income and earnings will be better than previously guided and we will be able to deliver another year of strong shareholder returns.”

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	1st Qtr 2024	1st Qtr 2023	% chg	4th Qtr 2023	% chg
Selected income statement items ($m)					
Commercial book total income[1]	**5,311**	4,667	14	4,894	9
Net interest income	**3,647**	3,384	8	3,637	0
Net fee and commission income	**1,043**	851	23	867	20
Treasury customer sales and other income	**621**	432	44	390	59
Markets trading income[2]	**246**	269	(9)	113	>100
Net interest income[3]	**(142)**	(113)	(26)	(203)	30
Non-interest income	**388**	382	2	316	23
Total income	**5,557**	4,936	13	5,007	11
Expenses	**2,079**	1,882	10	2,205	(6)
Profit before allowances and amortisation	**3,478**	3,054	14	2,802	24
Amortisation of intangible assets	**6**	-	NM	9	(33)
Allowances for credit and other losses	**135**	161	(16)	142	(5)
ECL[4] Stage 3 (SP)	**113**	62	82	139	(19)
ECL[4] Stage 1 and 2 (GP)	**22**	99	(78)	3	>100
Share of profits/losses of associates and JVs	**51**	63	(19)	47	9
Profit before tax	**3,388**	2,956	15	2,698	26
Net profit	**2,956**	2,571	15	2,393	24
Citi Integration[5]	**(5)**	-	NM	(24)	79
Provision for CSR[6]	**-**	-	-	(100)	NM
Reported net profit	**2,951**	2,571	15	2,269	30
Selected balance sheet items ($m)					
Customer loans	**424,833**	416,976	2	416,163	2
Constant-currency change			*1*		*1*
Total assets	**783,208**	744,968	5	739,301	6
of which: Non-performing assets	**5,221**	4,951	5	5,056	3
Customer deposits	**547,197**	529,223	3	535,103	2
Constant-currency change			*3*		*1*
Total liabilities	**719,336**	687,184	5	677,054	6
Shareholders' funds	**63,683**	57,595	11	62,065	3
Key financial ratios (%)[7, 8]					
Net interest margin – Group[3]	**2.14**	2.12		2.13	
Net interest margin – Commercial Book[1]	**2.77**	2.69		2.75	
Cost/income ratio	**37.4**	38.1		44.0	
Return on assets	**1.56**	1.41		1.28	
Return on equity[9, 10]	**19.4**	18.6		16.1	
NPL ratio	**1.1**	1.1		1.1	
Total allowances/ NPA	**125**	127		128	
Total allowances/ unsecured NPA	**223**	229		226	
SP for loans/ average loans (bp)	**10**	6		11	
Common Equity Tier 1 capital adequacy ratio	**14.7**	14.4		14.6	

	1st Qtr 2024	1st Qtr 2023	% chg	4th Qtr 2023	% chg
Per share data[8] ($)					
Per basic and diluted share					
– earnings[7]	**4.57**	4.02		3.65	
– reported earnings	**4.57**	4.02		3.60	
– net book value[10]	**23.71**	21.41		23.14	
Post-bonus issue per share data[8, 11] ($)					
Per basic and diluted share					
– earnings[7]	**4.16**	3.65		3.32	
– reported earnings	**4.15**	3.65		3.27	
– net book value[10]	**21.55**	19.46		21.03	

Notes:

1 Excludes Markets trading income

2 "Treasury Markets" was renamed "Global Financial Markets" (GFM) as part of a business reorganisation in first-quarter 2024. "Markets trading income" comprises the market-making and trading activities of GFM. It excludes customer sales income, which is reflected in the Consumer Banking/Wealth Management and Institutional business segments under Commercial book

3 Income from perpetual securities, which have stated coupon rates, was reclassified from Markets Trading non-interest income to Markets Trading net interest income with effect from first-quarter 2024 to better align the income of these securities with its associated funding. The reclassification has been applied prospectively. For first-quarter 2024, $56 million was reclassified, and the impact to 1Q24 Group NIM was +1.6 basis points. The comparative amounts of $59 million for fourth-quarter 2023 and $59 million for first-quarter 2023 continued to be classified as Markets Trading non-interest income

4 Refers to expected credit loss

5 Refers to Citibank Taiwan integration costs and accounting harmonisation, net of tax

6 Refers to provision for Corporate Social Responsibility (CSR) commitment to DBS Foundation and other charitable causes

7 Excludes impact arising from Citi Integration and provision for CSR

8 Return on assets, return on equity, ECL Stage 3 (SP) for loans/average loans and per share data are computed on an annualised basis

9 Calculated based on net profit attributable to the shareholders net of dividends on other equity instruments

10 Non-controlling interests and other equity instruments are not included as equity in the computation

11 The weighted average number of ordinary shares used for per share data computation have been adjusted retrospectively for the 258.7 million bonus shares issued on 26 April 2024 as if the bonus issue had occurred at the beginning of the earliest period presented

NM Not Meaningful

Pillar 3 and LCR disclosures document and the Main Features of Capital Instruments document are published in the Investor Relations section of the Group website: (https://www.dbs.com/investors/default.page) and (https://www.dbs.com/investors/fixed-income/capital-instruments) respectively