



Live more,
Bank less

Acquisition of Citibank's Taiwan Consumer Banking Business

28 January 2022



Transaction overview

Business Acquired

- Citibank's Taiwan consumer banking business⁽¹⁾ ("Citi Consumer Taiwan"), comprising:
 - Earning Assets of S\$20.3BN (S\$11.3BN in Loans and S\$9.0BN in Investment AUM⁽²⁾)
 - Deposits of S\$15.1BN, of which ~70% are CASA⁽³⁾
 - 45 branches, ~2.7MM credit cards and unsecured accounts and 0.5MM deposit and wealth customers
- DBS will make offers of employment to all ~3,500 Citi Consumer Taiwan employees

Purchase Consideration and Financial Impact

- Total purchase consideration to be based on net assets at completion plus a premium of S\$956MM⁽⁴⁾
 - ~70 bps impact to DBS Group's capital ratio based on ~S\$2.2BN capital injection into DBS Taiwan for (a) premium of S\$956MM to be paid to Citi and (b) ~S\$1.2BN to support incremental RWA⁽⁵⁾ and capital needs
 - Represents 1.8x P/B and 9x P/E based on S\$250MM net profit (pre-Covid average)
- Immediately EPS and ROE accretive after completion (excluding one-time transaction costs)
- Funded by excess capital, with no impact to ability to pay dividends

Timeline and Closing

- Subject to regulatory approvals and migration, target completion in middle of 2023

Notes: Based on S\$ to NT\$ rate of 20.75 throughout the presentation

(1) Figures as of 3Q 2021 unless indicated

(2) Assets under Management

(3) Current Account and Savings Accounts, which represents low-cost sticky deposits

(4) Premium based on earning assets as of 30 Sep 2021, to be adjusted depending on financial performance of Citi Consumer Taiwan at completion and capped at \$1.06BN

(5) Assuming 13% CET1 ratio on estimated Risk Weighted Assets ("RWA")



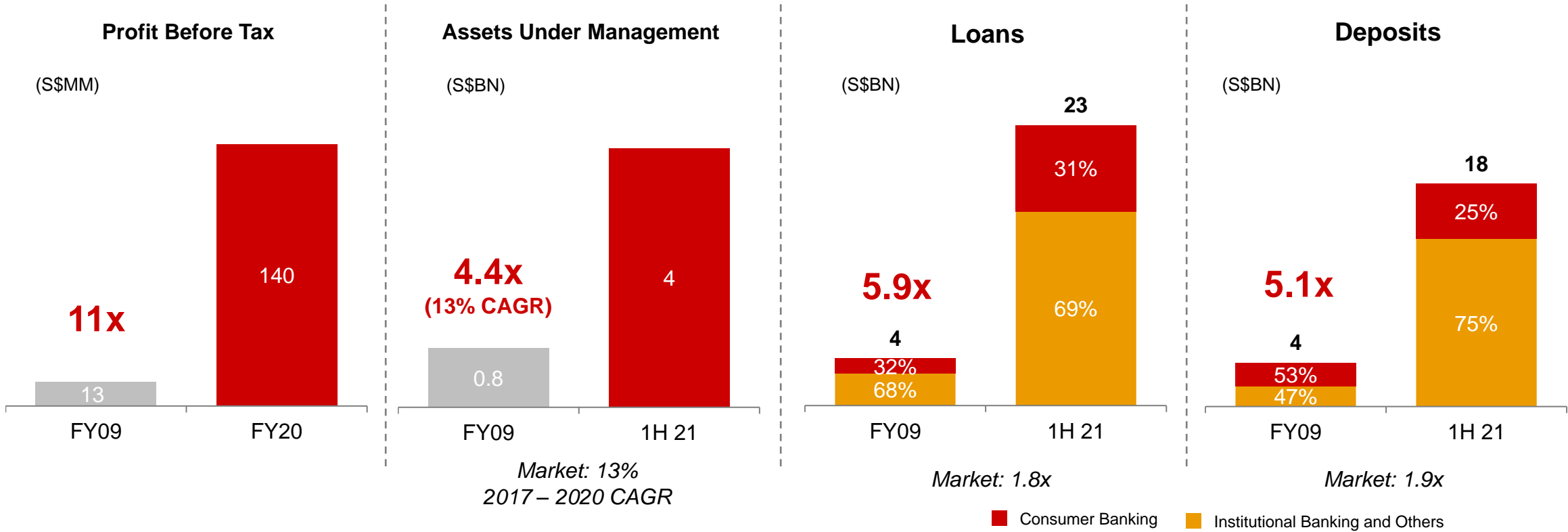
Strategic rationale of the acquisition

1. Taiwan is an attractive banking market for wealth and technology sectors, and already contributes meaningfully to DBS
2. Prized Citi franchise that generates average of S\$250MM net profit per annum and over 20% ROE pre-Covid
3. Accelerates DBS Taiwan's growth by >10 years with synergies from economies of scale and strong CASA to support expansion in institutional and SME banking
4. Accretive to earnings and ROE; capital position remains strong

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Taiwan is an attractive banking market for wealth and technology sectors, and already contributes meaningfully to DBS

DBS Taiwan has experienced above market growth to become meaningful contributor to DBS; 57% of IBG⁽¹⁾ assets from TMT sector



Largest number of HNWI in DBS' core markets (ex China) and >20% market share in global chips production capacity



Notes: Market data based on public disclosures
(1) Institutional Banking Group

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Prized Citi franchise that generates average of S\$250MM net profit per annum and over 20% ROE pre-Covid

Best foreign bank in Taiwan

Highly profitable

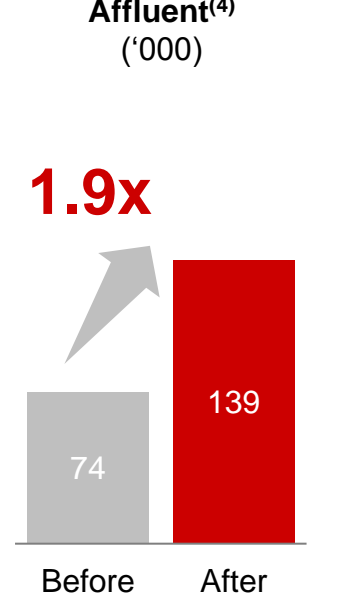
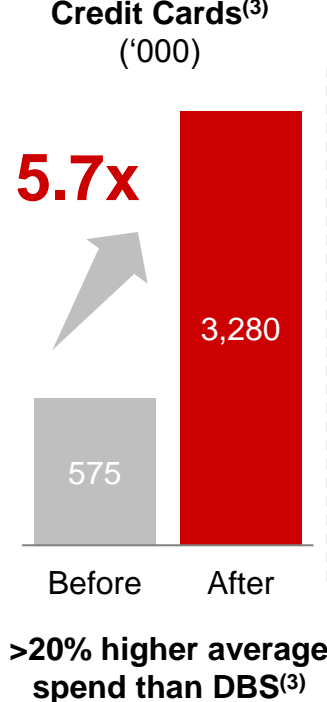
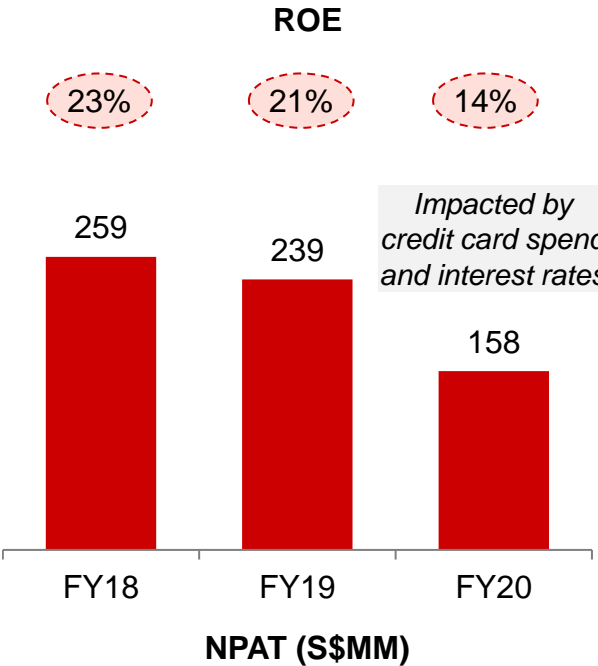
High quality and digitally engaged customers⁽²⁾

#1 foreign bank with investment AUM of **S\$9.0BN⁽¹⁾**

#1 foreign credit cards issuer with high activation and spend rates

High quality customer base

Top class management team and productive workforce



Combined average TRB⁽⁶⁾ per customer


Notes:
 (1) As of 3Q 2021
 (2) As of Dec 2021 for DBS Taiwan and Jun 2021 for Citi Consumer Taiwan; Not accounting for potential overlaps
 (3) Accounts as of Jun 2021, spend per card in force between Jan to Oct 2021
 (4) Comprises of DBS Treasures and Citigold customers
 (5) High Net Worth ("HNW"); Comprises of DBS TPC and Citi CPC customers
 (6) Total Relationship Balance; includes balance of deposits, investment AUM and insurance AUM



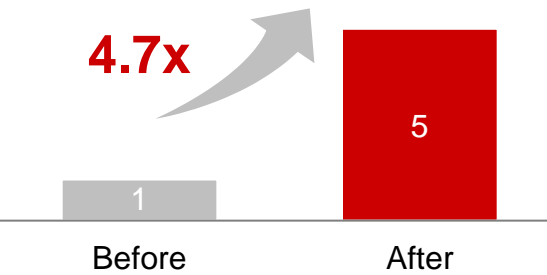
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Accelerates DBS Taiwan's growth by >10 years with synergies from economies of scale and strong CASA to support expansion in institutional and SME banking

DBS Taiwan will become the largest foreign bank in Taiwan by assets

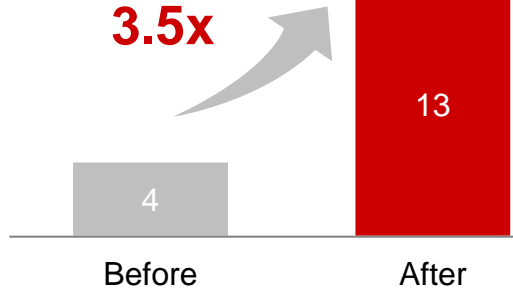
 **Boosts credit card franchise with quality base**


Credit Cards and Unsecured Loans ENR⁽¹⁾ (\$\$BN)



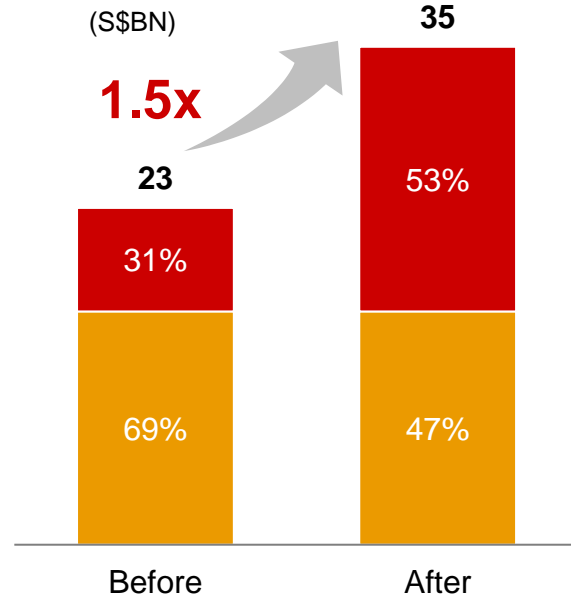
 **Becomes largest foreign wealth manager**

Assets under Management (\$\$BN)



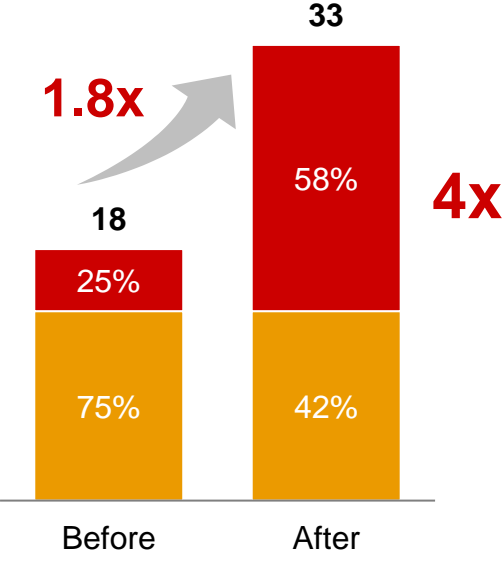
 **Adds sizeable loan portfolio overnight**

Loans (\$\$BN)



 **Improves CASA from 39% to 53%**

Deposits (\$\$BN)



■ Consumer Banking ■ Institutional Banking and Others



Notes: Data as of Jun 2021
(1) Ending net receivables

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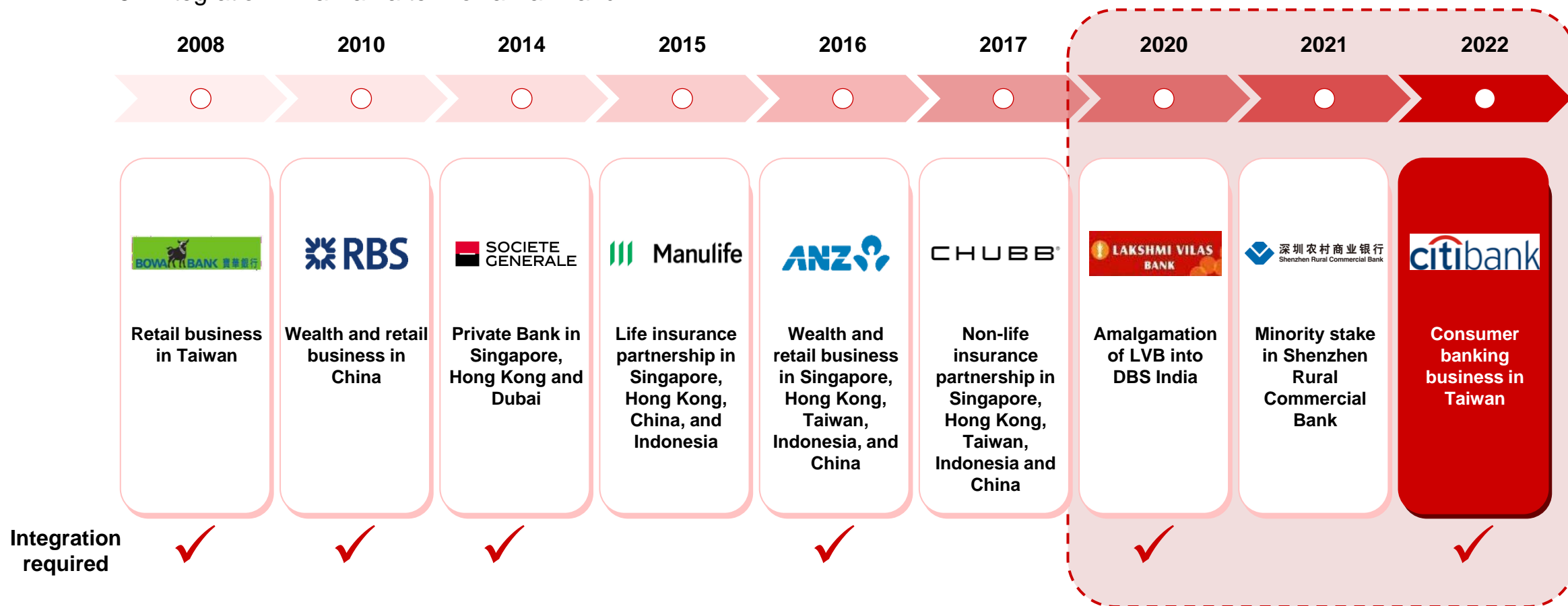
Accretive to earnings and ROE; capital position remains strong

- **Immediately accretive** to DBS Group's EPS and ROE after completion (excluding one-time transaction costs)
- Expected to add **at least S\$250MM net profit** per annum after Covid recovery
- **Achievable cost synergies** from reduction of global and regional costs, and economies of scale in technology and operations
- **Potential revenue upside** from cross-selling differentiated products to combined customer base
- Manageable one-time **transaction costs of ~S\$200MM**, single country to integrate
- **No impact to ability to pay dividends**

Timeline and closing: Continues our track record of growth through strategic transactions

- Subject to regulatory approval and migration, target completion in middle of 2023
- 3rd integration in Taiwan after Bowa Bank and ANZ

Transactions undertaken since start of Covid-19



Conclusion



In line with strategy to make bolt-on acquisitions in our core markets

- *3rd strategic acquisition since start of Covid-19, all of which will give us a platform to build meaningful scale in our core markets*



Strategically compelling

- *High quality customer base and profitable franchise*
- *Accelerates DBS Taiwan's growth and synergies from economies of scale and CASA acquired*



Financially attractive

- *Immediately earnings and ROE accretive after completion*



Leverages our capital strength and expertise in integrating acquired assets

- *Efficient use of excess capital, no impact to ability to pay dividends, low execution risks*