



Live more,
Bank less

Resilient full-year operating performance

**DBS Group Holdings
4Q 2020 financial results
February 10, 2021**

Highlights

Full-year earnings 26% lower at \$4.72 billion

- Total allowances quadruple to \$3.07bn as general allowances of \$1.71bn conservatively set aside
- Profit before allowances rises 2% to new high of \$8.43 billion

Total income stable at \$14.6bn despite economic disruption caused by the pandemic

- Net interest income falls 6% from 27bp NIM decline, mitigated by 4% loan growth
- Fee income stable at \$3.06bn
- Investment gains triple as government bond portfolio performs well from lower interest rates
- Expenses fall 2%, positive jaw results in one percentage point improvement in the cost-income ratio

Balance sheet remains healthy

- GP reserves up 72% to \$4.31bn, exceeding MAS minimum requirement by 42% and Tier 2 eligibility by \$1.5bn
- Allowance coverage at 110% and at 206% after taking collateral into account
- Record Casa inflows of \$99bn; LCR at 137%, NSFR at 125%
- CET-1 at 13.9%, leverage ratio at 6.8%

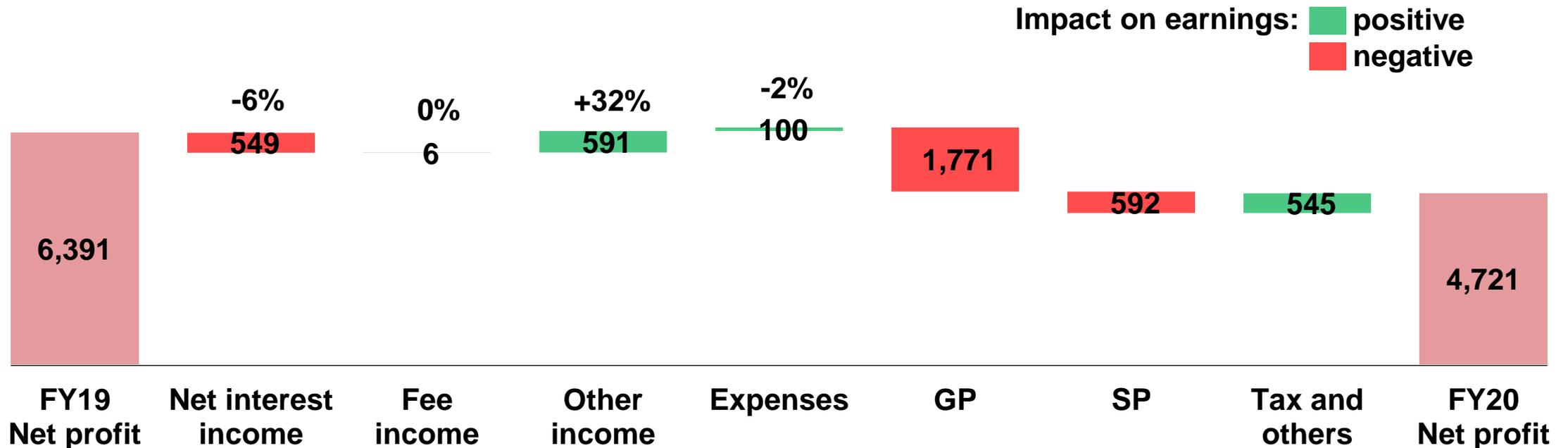
4Q dividend at 18 cents per share, in line with MAS guidance



Full-year net profit down 26%

(S\$m)	FY20	YoY %
Total income	14,592	0
Expenses	6,158	(2)
Profit before allowances	record 8,434	2
Allowances	3,066	>100
Net profit	4,721	(26)

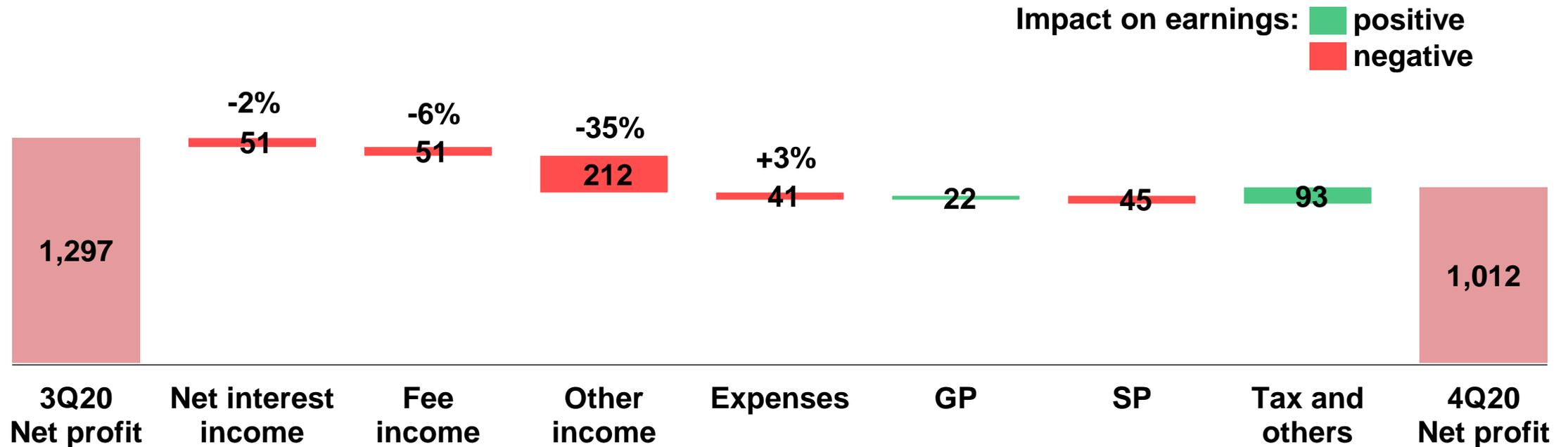
- Net interest income down 6% from the impact of interest rate cuts at the end of first quarter
- Fee income stable despite a challenging economic environment
- Other income up 32% as investment gains tripled
- GP of \$1.71bn conservatively set aside to fortify the balance sheet against potential pandemic risks



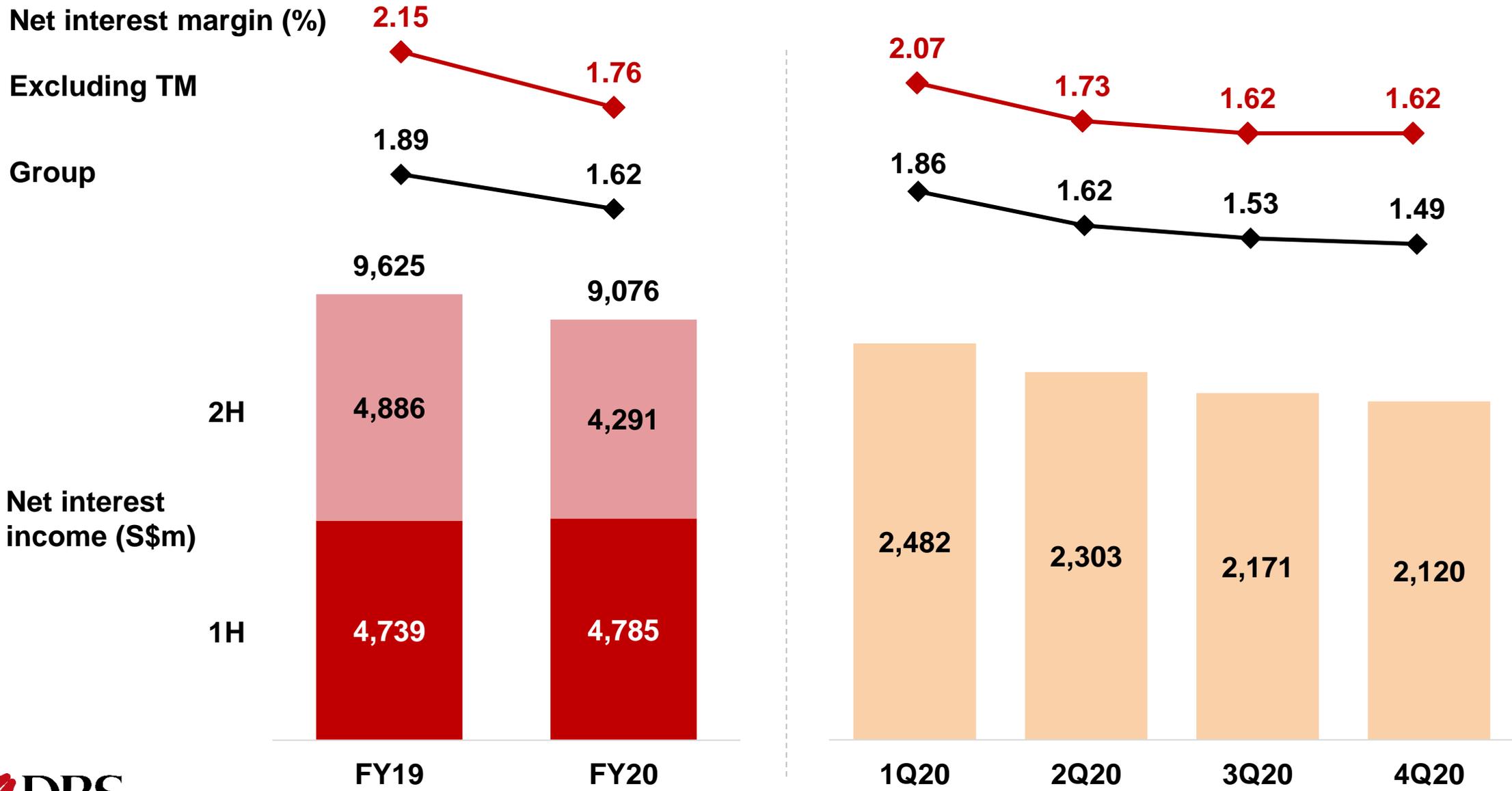
4Q net profit down 22%

(S\$m)	4Q20	QoQ %
Total income	3,263	(9)
Expenses	1,580	3
Profit before allowances	1,683	(17)
Allowances	577	4
Net profit	1,012	(22)

- Total income down 9% due to 4bp lower NIM from loans repricing in a low interest rate environment, seasonally-lower fee income and lower gains from investment securities
- Pace of general allowance build up slows as full-year total allowances reach \$3bn

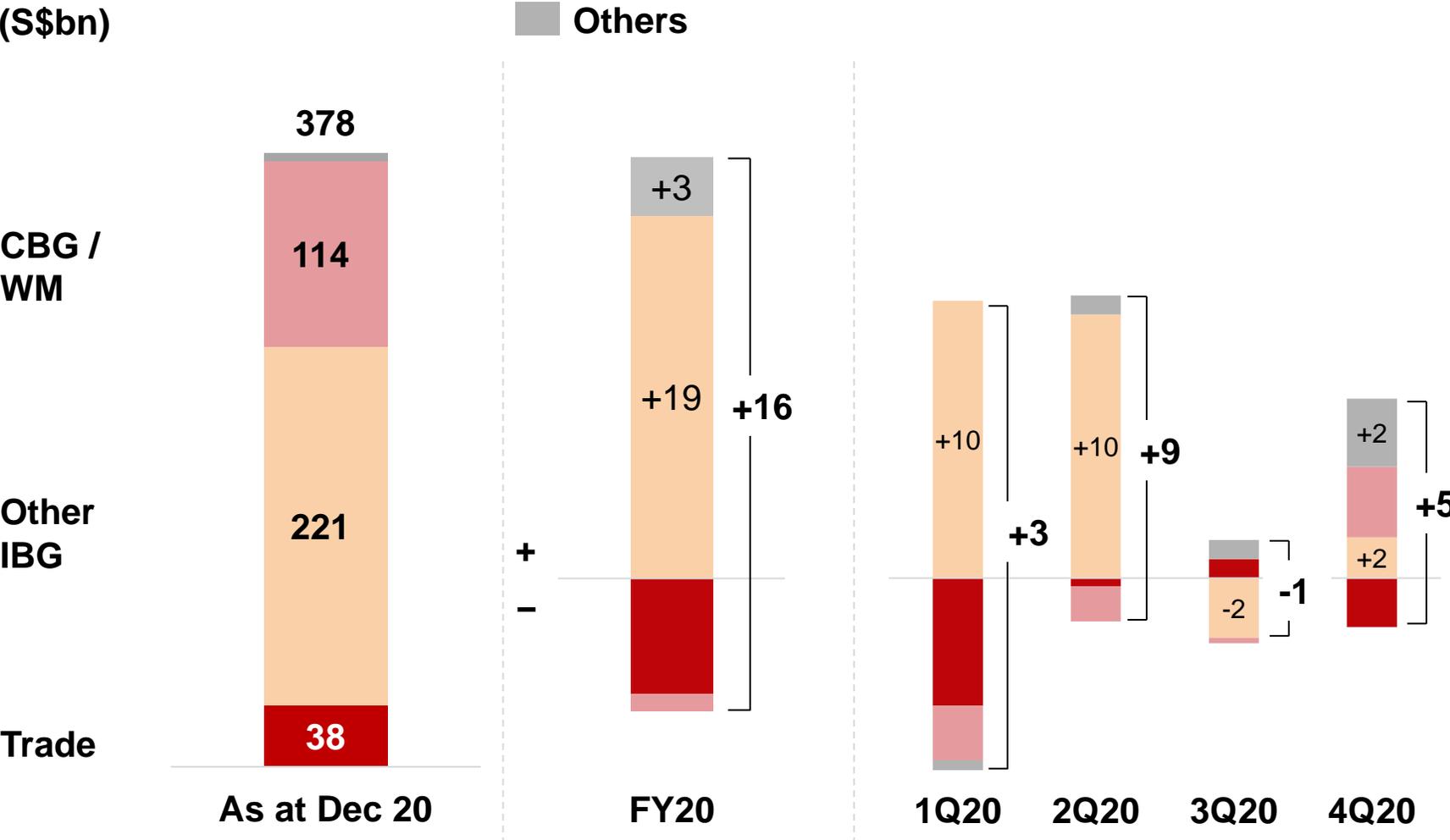


4Q net interest income down 2% on quarter



Loans up 1% on quarter

(S\$bn)



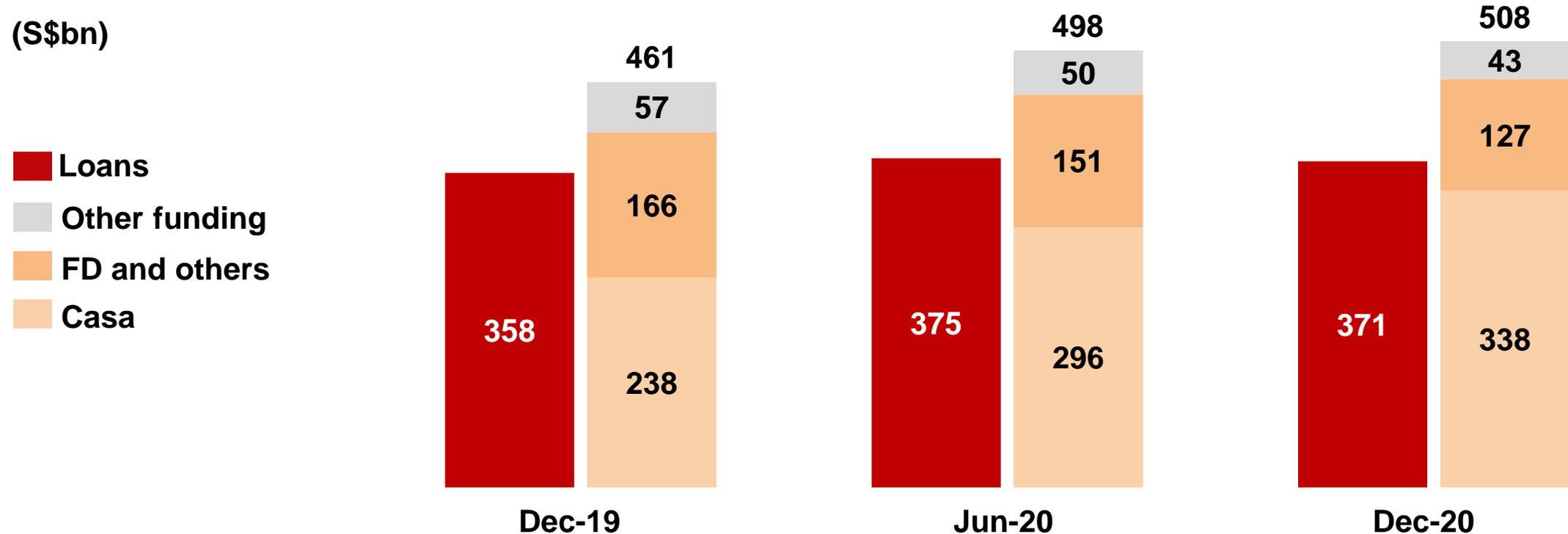
- Loans up \$5bn or 1% from growth in consumer and non-trade corporate loans, and \$2bn loans from Lakshmi Vilas Bank (LVB)
- Singapore housing loans rise following strong bookings in 3Q
- Loans up 4% over the full year led by non-trade corporate loan growth



Gross loans. Others includes SGD 2 billion from Lakshmi Vilas Bank

Deposits up 15% on year from Casa inflows

(S\$bn)



HQLA (S\$bn)

Dec-19

92

Jun-20

108

Dec-20

116

Ratios (%)

LDR

89

84

80

LCR

135

134

137

NSFR

110

121

125



Lakshmi Vilas Bank added SGD 3 billion of deposits. HQLA refers to high quality liquid assets; Other funding comprises senior medium term notes, commercial papers, negotiable certificates of deposit, other debt securities and covered bonds

Full-year gross fee income stable on year

(S\$m)

Brokerage

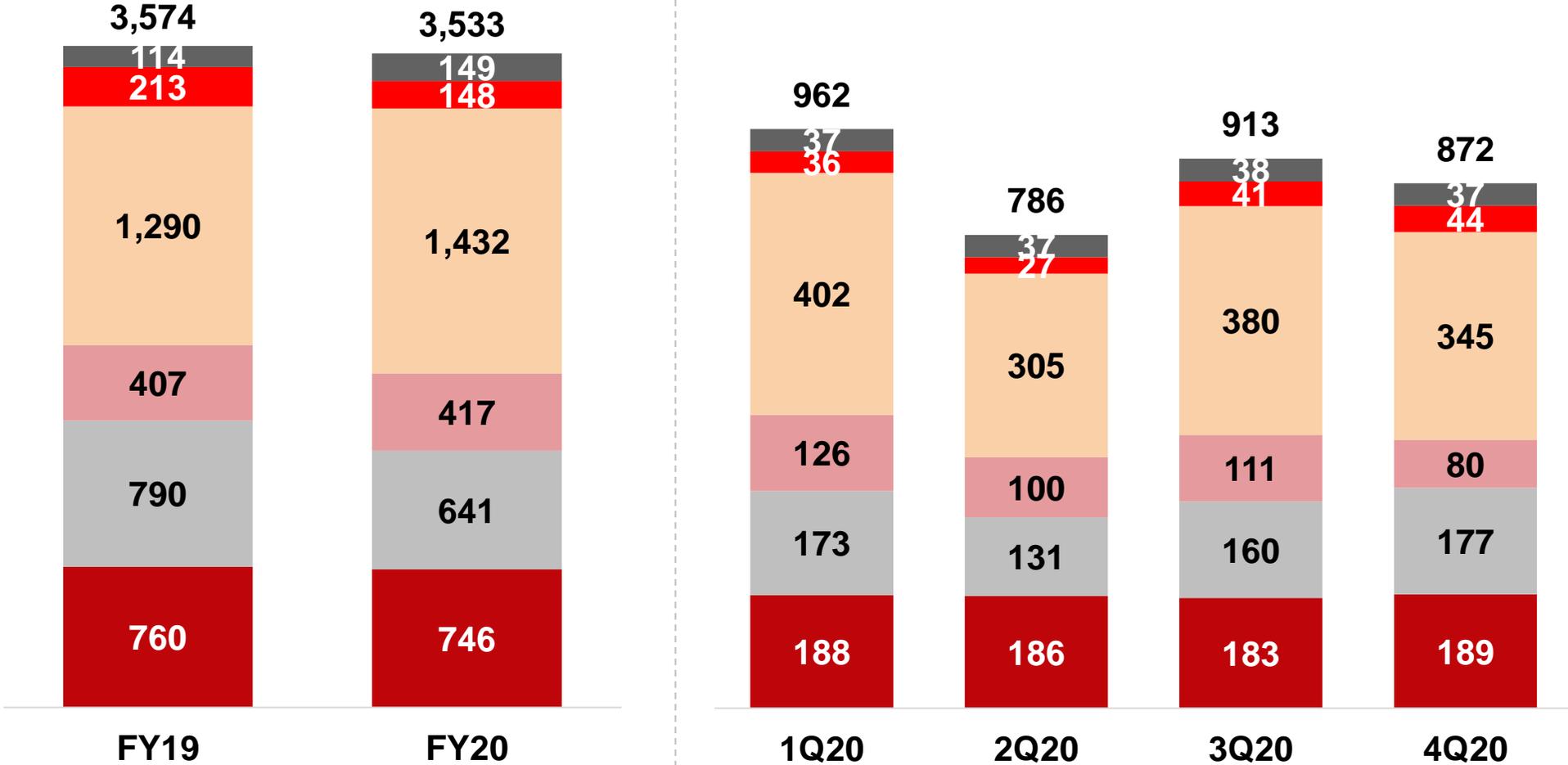
Investment banking

Wealth management

Loan-related

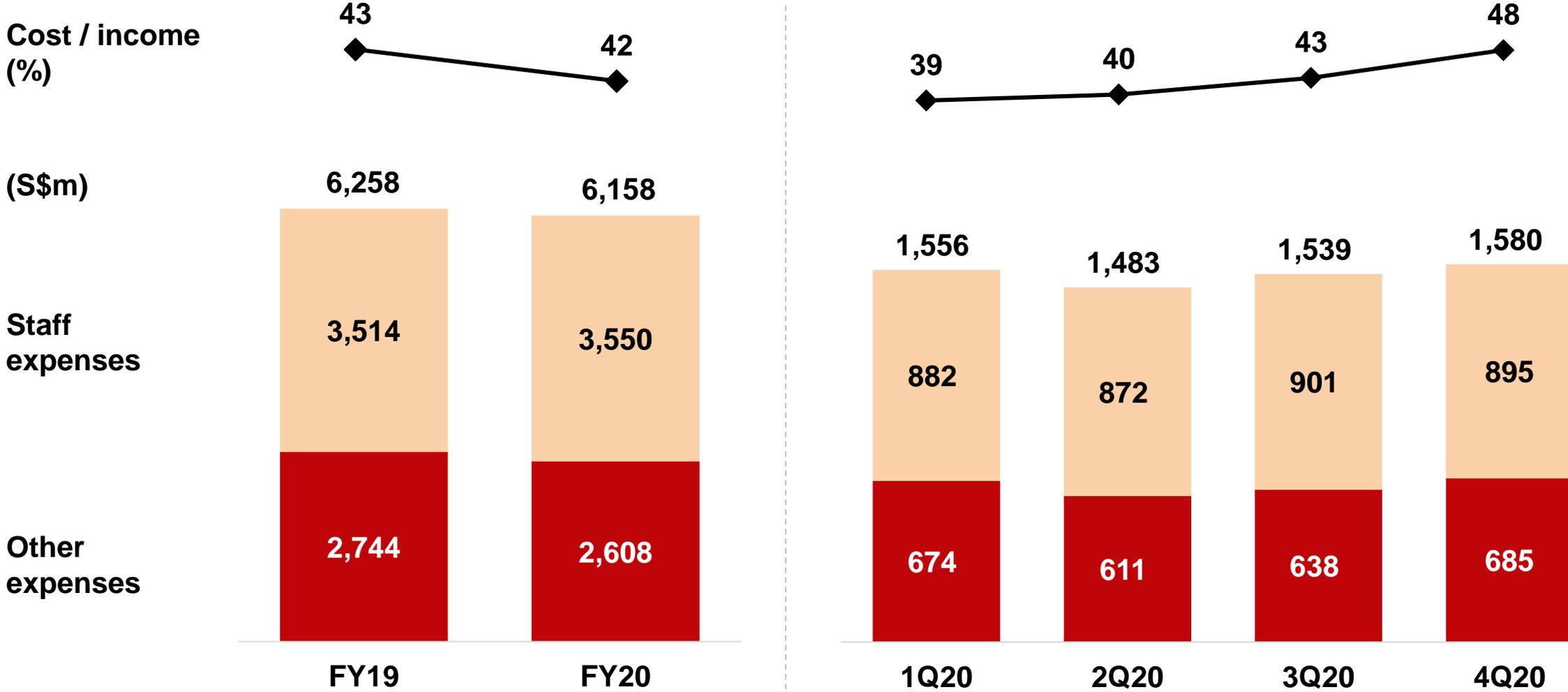
Cards

Transaction services



Gross fee income

Full-year expenses stable, cost-income ratio at 42%



Full-year CBG income down 8% from lower interest rates and card spending

(S\$m)	FY20	FY19	YoY %
Total income	5,767	6,299	(8)
Retail	2,902	3,219	(10)
Wealth Management	2,866	3,080	(7)
Loans and deposits	3,016	3,729	(19)
Investment products	1,944	1,714	13
Cards	730	795	(8)
Others	78	61	27
Expenses	3,288	3,280	0
Profit before allowances	2,479	3,019	(18)
AUM (S\$bn)	264	246	7
SGD savings (S\$bn)	139	116	19

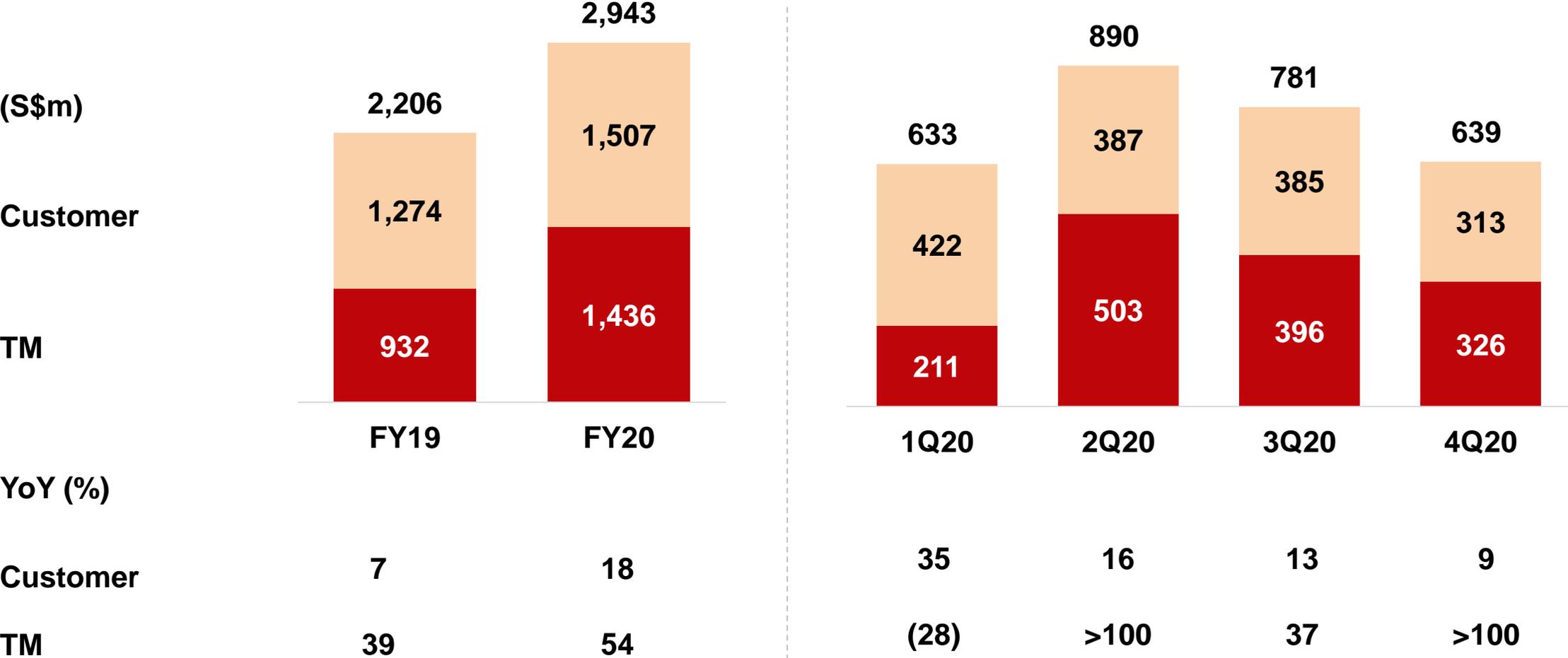
- Full-year total income at \$5.77bn, 8% lower than a year ago
- Weaker income from lower deposit margin and cards fees, mitigated by higher investment product income and higher loan margins
- Wealth management AUM increased 7% to \$264bn
- Market share for SGD savings deposits at 52% and Singapore housing loans at 31%

Full-year IBG total income down 5% as lower interest rates offset loan growth and higher treasury sales

(S\$m)	FY20	FY19	YoY %
Total income	5,745	6,073	(5)
Corporate	4,028	3,947	2
SME	1,717	2,126	(19)
Loans	3,027	2,677	13
Trade	719	666	8
Cash / SFS	1,200	1,955	(39)
Treasury	677	601	13
Investment banking	122	174	(30)
Expenses	1,987	2,015	(1)
Profit before allowances	3,758	4,058	(7)
Assets (S\$bn)	293	278	5
GTS deposits (S\$bn)	166	140	19

- Full-year total income at \$5.75bn, 5% lower than a year ago
- Cash management income declined due to lower interest rates. Investment banking income weaker from lower market activity
- Higher loan-related income and trade income due to better margins. Higher treasury income driven by interest rate products
- Strong loan and deposit growth
 - Assets up 5%
 - GTS deposits up 19%

Full-year TM income increases 54%, customer income up 18%



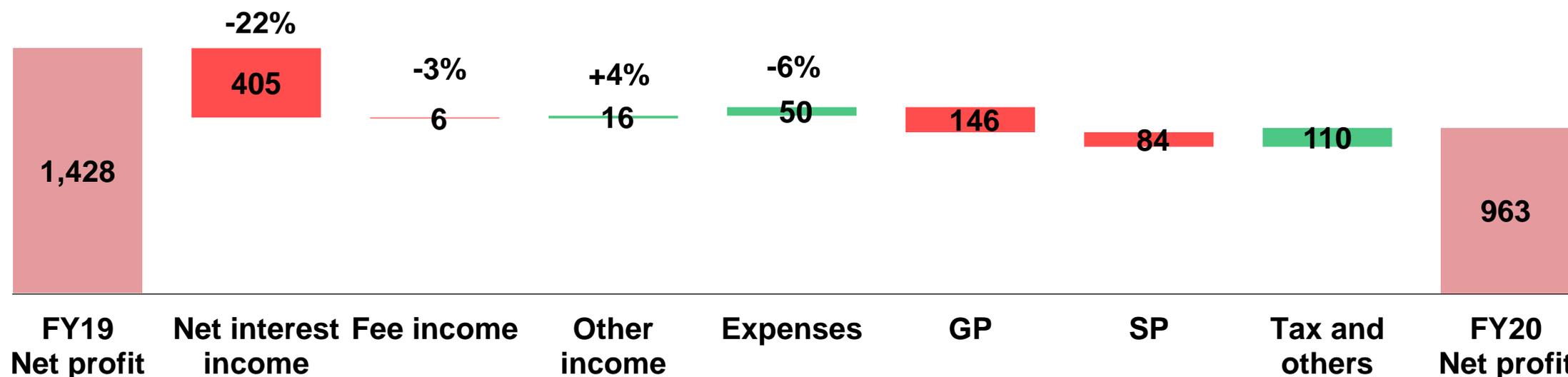
Treasury customer income is included under IBG/CBG segment income. It is included in this chart for a complete product view

Hong Kong full-year earnings down 34%

(S\$m)	FY20	YoY (%)	Constant-currency YoY%
Total income	2,534	(13)	(15)
Expenses	1,059	(5)	(6)
Profit before allowances	1,475	(19)	(21)
Allowances	332	>100	>100
Net profit	963	(33)	(34)

- Total income declines 15% to \$2.53bn from lower interest rates
- Profit before allowances 21% lower at \$1.48bn
- GP of \$177m conservatively taken for potential risks arising from the pandemic

Constant-currency change YoY%:



India franchise boosted by amalgamation of Lakshmi Vilas Bank (LVB)

- DBS India Ltd (ex-LVB) franchise achieved strong performance in 2020, with total income up 40% to record \$376m and pre-tax profit quadrupling to \$89m
- LVB amalgamated with DBS India Ltd with effect from 27 November 2020. DBS India franchise expands to 600 branches and 1,000 ATMs, adds two million retail and 125,000 non-retail customers, strengthening deposit franchise
- Provisional goodwill of \$153 million, with fair value of assets at \$3.89bn and liabilities at \$4.04bn
- Minimal impact of 0.3%pt to Group CET-1 ratio
- Asset quality decisively dealt with: net NPA transferred of \$212m fully secured, GP conservatively built up to 9.5% of performing loans

(S\$m)

Gross NPA	881	
SP	669	76% of gross NPA
Net NPA transferred	212	Adds 3% to group NPA
Performing loans	1,930	
Total loans transferred	2,142	
GP in group financial statements	183	9.5% of performing loans

4Q new NPA formation in line with recent average run-rate

(S\$m)	FY19	FY20	1Q20	2Q20	3Q20	4Q20
NPAs at start of period	5,684	5,773	5,773	6,592	6,354	6,517
IBG and others	118	792	620	(201)	236	135
New NPAs	1,221	1,945	1,023	115	543	541
Upgrades, settlements and recoveries	(413)	(580)	(340)	(201)	(78)	(240)
Write-offs	(690)	(573)	(63)	(115)	(229)	(166)
CBG / WM	22	(24)	(0)	27	5	(55)
Translation	(51)	(67)	199	(64)	(78)	(123)
NPAs at end of period	5,773	6,474	6,592	6,354	6,517	6,474
LVB	-	212	-	-	-	212
Total NPAs	5,773	6,686	6,592	6,354	6,517	6,686
NPL ratio (%)	1.5	1.6	1.6	1.5	1.6	1.6



Lakshmi Vilas Bank's NPAs transferred net of allowances. Quarterly movements may not sum up to the full year as the presentation is based on the classification of the borrower in the respective period

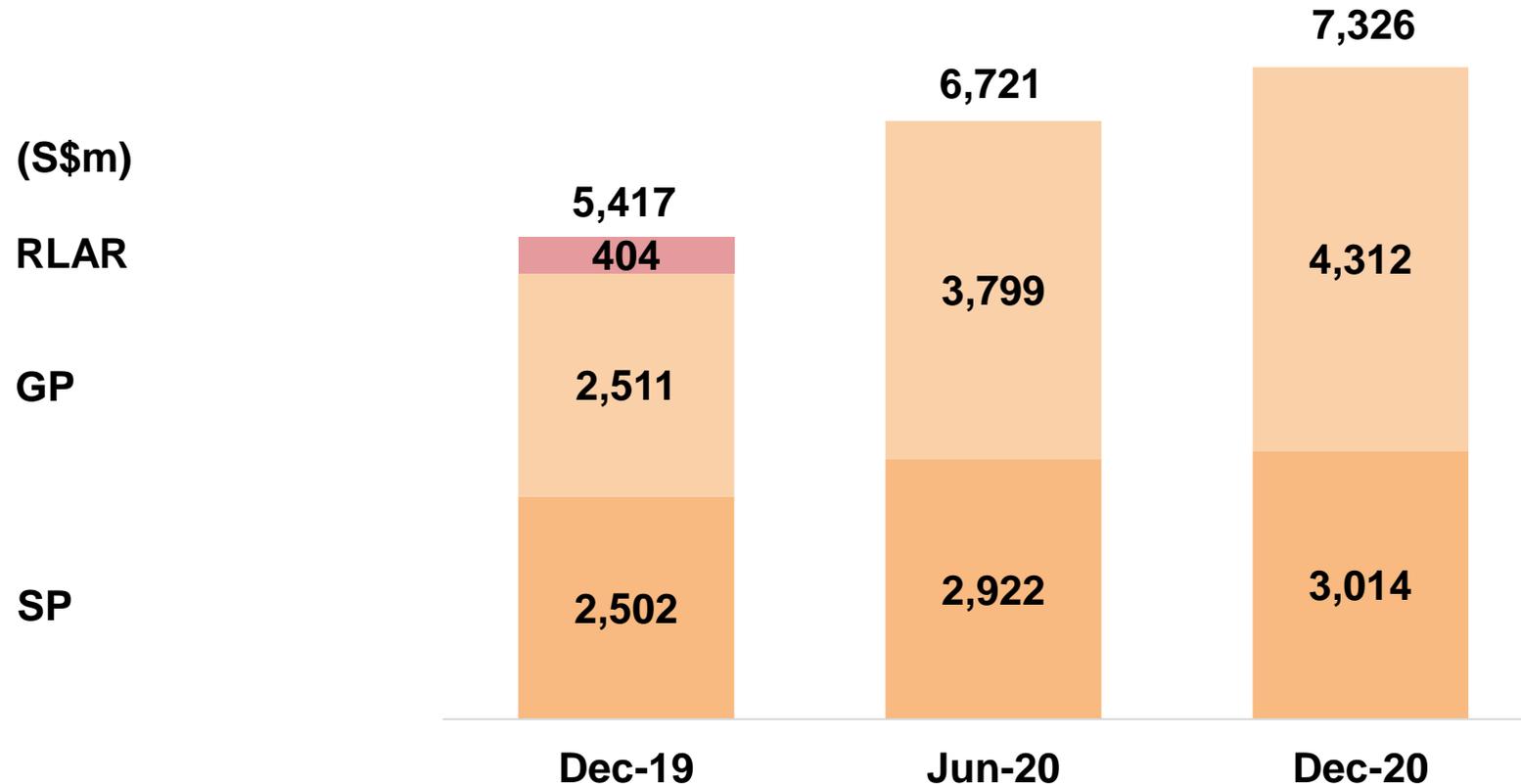
4Q SP at 34bp of loans, in line with full year

(S\$m)	FY19	FY20	1Q20	2Q20	3Q20	4Q20
IBG and others	501	874	257	146	189	282
Add charges for	575	1,012	359	165	212	293
New NPLs	264	759	315	16	161	153
Existing NPLs	311	253	44	149	51	140
Subtract charges for	74	138	102	19	23	11
Upgrades	1	1	0	0	0	0
Settlements	54	120	100	15	14	8
Recoveries	19	17	2	4	9	3
CBG / WM	197	300	57	96	107	40
Other credit exposures	64	176	69	47	20	40
Total SP charges	762	1,350	383	289	316	362
SP / loans (bp)	20	31	35	26	31	34



Quarterly movements may not sum up to the full year as the presentation is based on the classification of the borrower in the respective period

GP reserves rise 72% on year to \$4.31bn



Conservative GP reserves

- Balance sheet conservatively fortified against potential risks arising from the Covid-19 pandemic
- GP reserves raised beyond Tier-2 eligibility by \$1.5bn, forming a buffer for the total capital adequacy ratio.
- GP reserves exceed MAS requirement by 42%

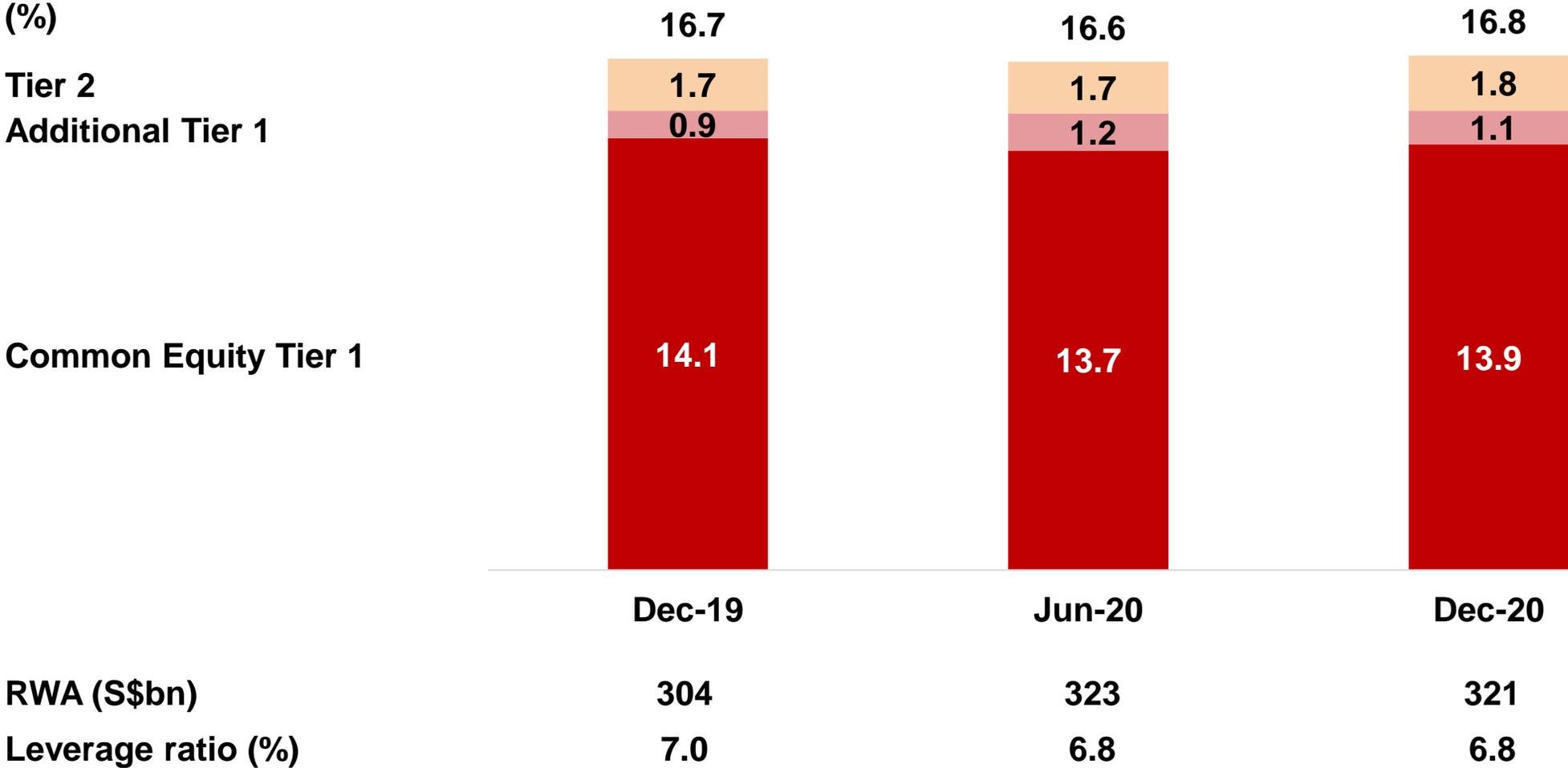
Total allowance reserves as % of:

NPA	94	106	110
Unsecured NPA	191	199	206



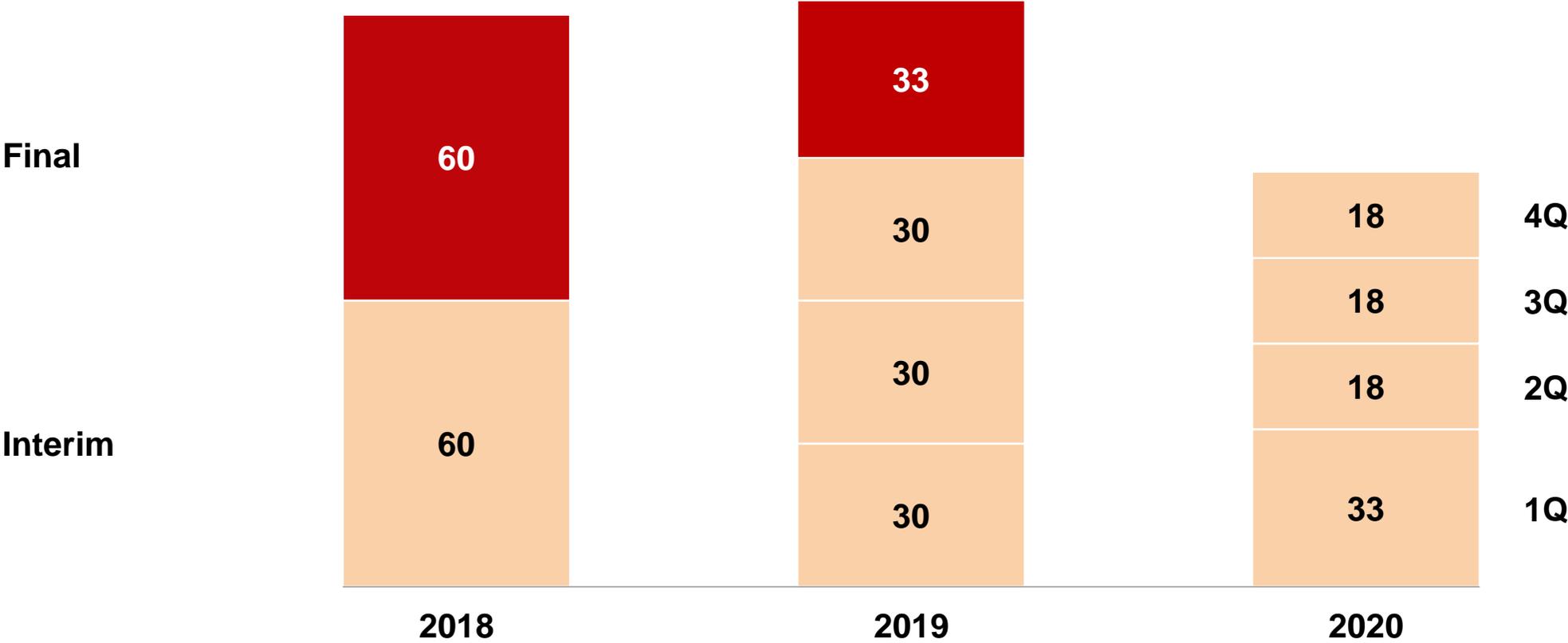
RLAR is regulatory loss allowance reserves which is set aside from retained earnings

Strong CET-1 and leverage ratios



4Q dividend at 18 cents per share

(S¢ per share)



In summary – resilient full-year operating performance

Stable total income despite external headwinds attests to the quality of the franchise

Balance sheet fortified by additional general allowances of \$1.71bn

Business pipeline healthy, strong momentum at start of 2021

New growth platforms include Lakshmi Vilas Bank, China Securities JV, Digital Exchange, retail wealth planning and supply chain digitalisation

Enhanced franchise and strong balance sheet strengthen our ability to continue supporting customers and delivering shareholder returns



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Supplementary slides

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Full-year earnings down 26%

(S\$m)

Net interest income

Fee income

Trading income

Other income

Non-interest income

Total income

Staff expenses

Other expenses

Expenses

Profit before allowances

GP

SP

Allowances

Net profit

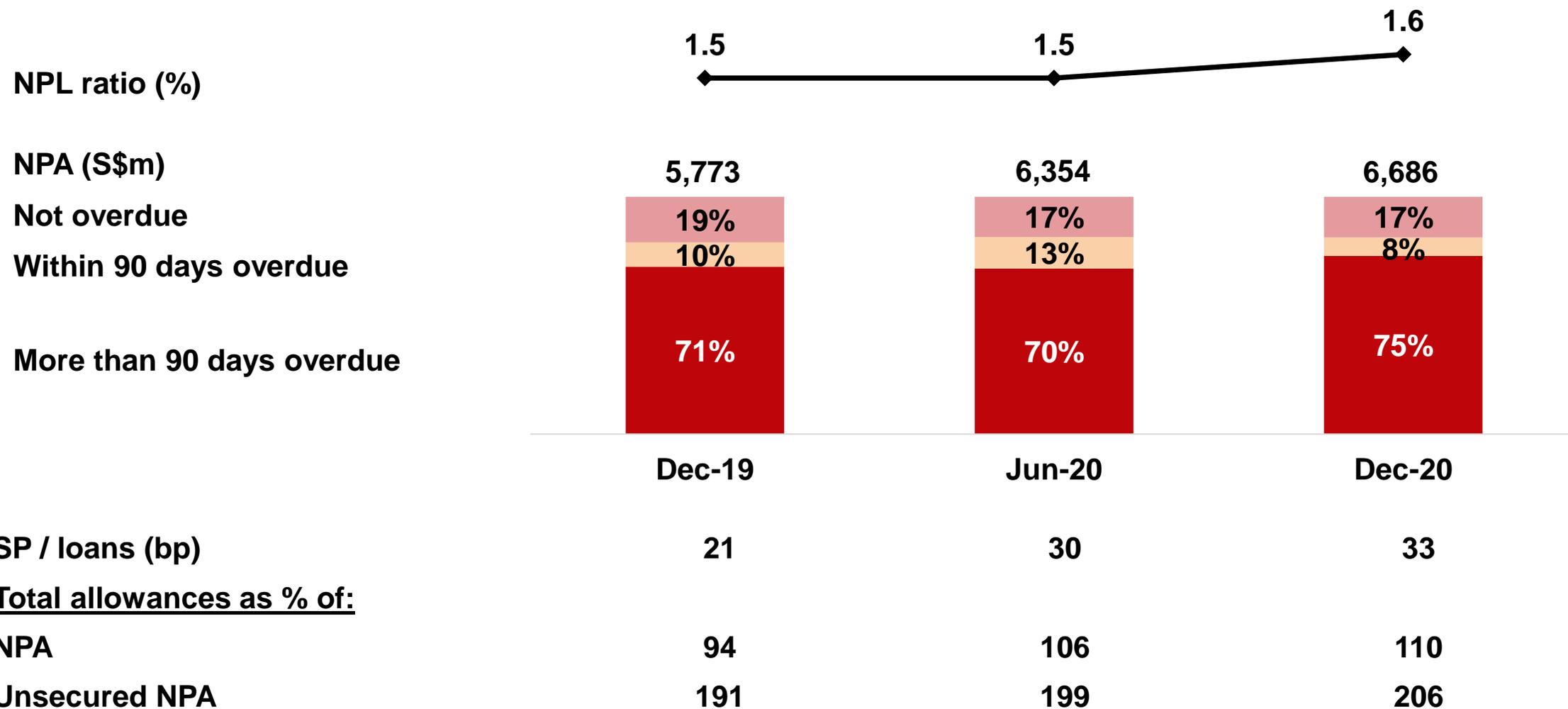
	FY20	FY19	YoY %
	9,076	9,625	(6)
	3,058	3,052	0
	1,405	1,459	(4)
	1,053	408	>100
	5,516	4,919	12
	14,592	14,544	0
	3,550	3,514	1
	2,608	2,744	(5)
	6,158	6,258	(2)
	8,434	8,286	2
	1,713	(58)	NM
	1,353	761	78
	3,066	703	>100
	4,721	6,391	(26)

Hong Kong full-year earnings down 34% on year

Constant-currency terms

(S\$m)	FY20	FY19	YoY %	YoY %
Net interest income	1,607	2,012	(20)	(22)
Net fee and commission income	661	667	(1)	(3)
Other non-interest income	266	250	6	4
Total income	2,534	2,929	(13)	(15)
Expenses	1,059	1,109	(5)	(6)
Profit before allowances	1,475	1,820	(19)	(21)
GP	177	31	>100	>100
SP	155	71	>100	>100
Allowances	332	102	>100	>100
Net profit	963	1,428	(33)	(34)
Net interest margin (%)	1.55	2.07		
Loan growth (%)				3
Non-trade growth (%)				6
Trade growth (%)				(18)
Deposit growth (%)				9

NPL stable, allowance coverage above 100%



Includes Lakshmi Vilas Bank

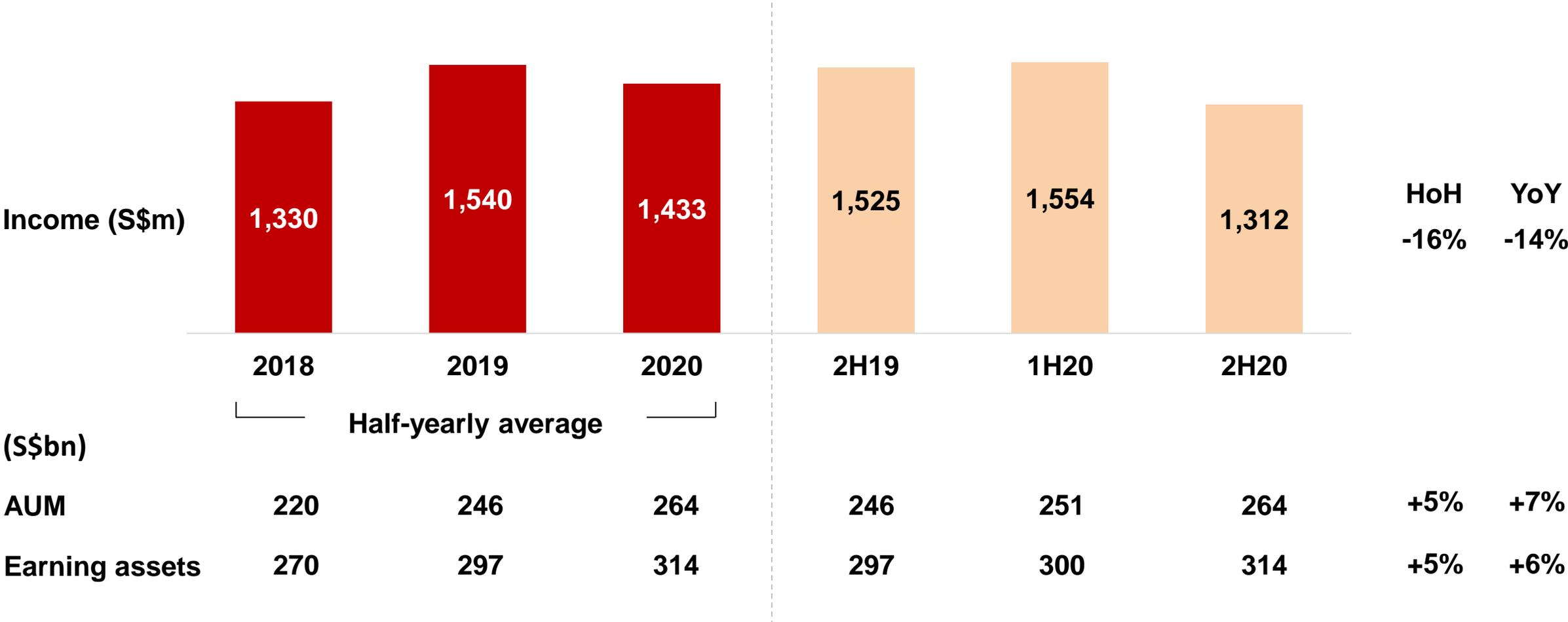
Fixed income duration remains well-balanced across the curve

(\$m)	Dec 20	
	FVOCI	HTC
Government securities	17,370	21,692
Less than 3 years	10,830	9,647
3 to 5 years	2,411	3,552
5 to 10 years	3,511	7,034
More than 10 years	618	1,459
Supranational, bank and corporate bonds	19,080	26,721
Total	36,450	48,413

Deposits up 6% on half and up 15% on year in constant-currency terms

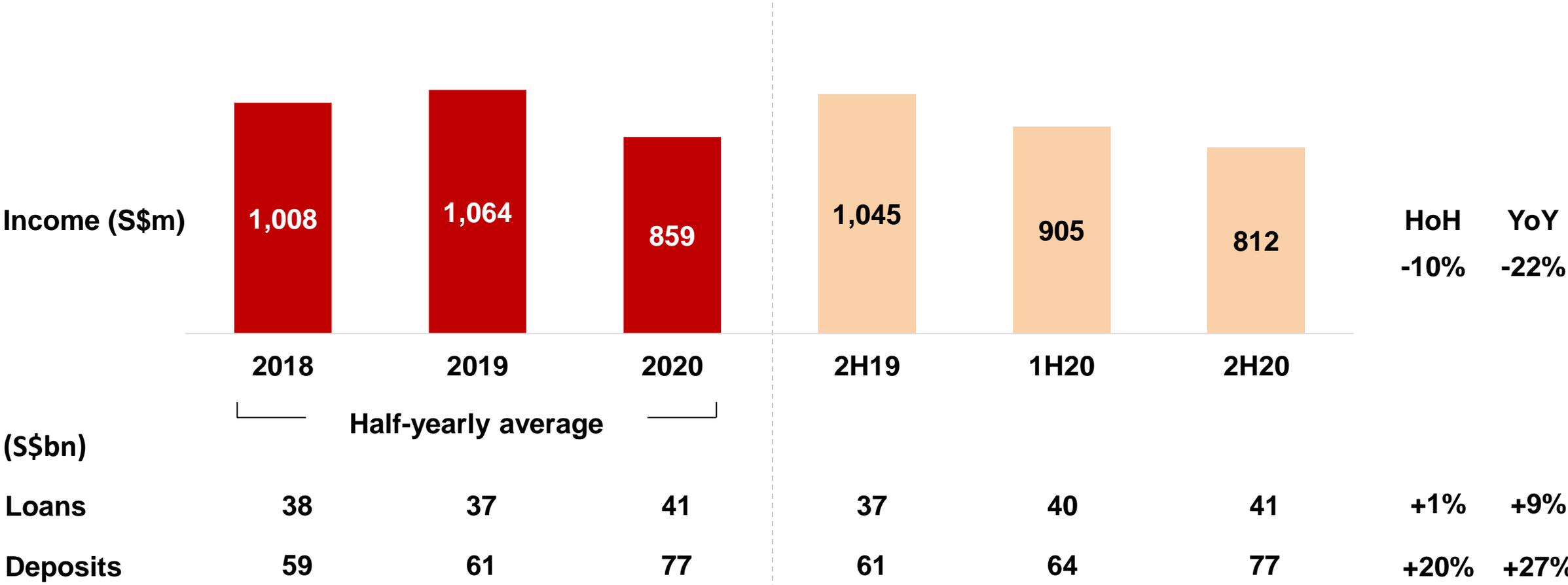
	(S\$bn)	HoH (%)		YoY (%)	
	Dec-20	Reported	Underlying	Reported	Underlying
Deposits	465	4	6	15	15
By product					
Casa	338	14	16	42	42
Fixed deposits and others	127	(16)	(13)	(23)	(23)
By currency					
Singapore dollar	204	4	4	26	26
US dollar	153	1	7	9	10
HK dollar	39	8	13	5	6
Chinese yuan	16	20	17	22	17
Others	52	3	1	4	0
LDR (%)	Dec-20	Jun-20		Dec-19	
Overall	80	84		89	
Singapore dollar	74	75		89	
US dollar	69	77		77	

Wealth Management segment

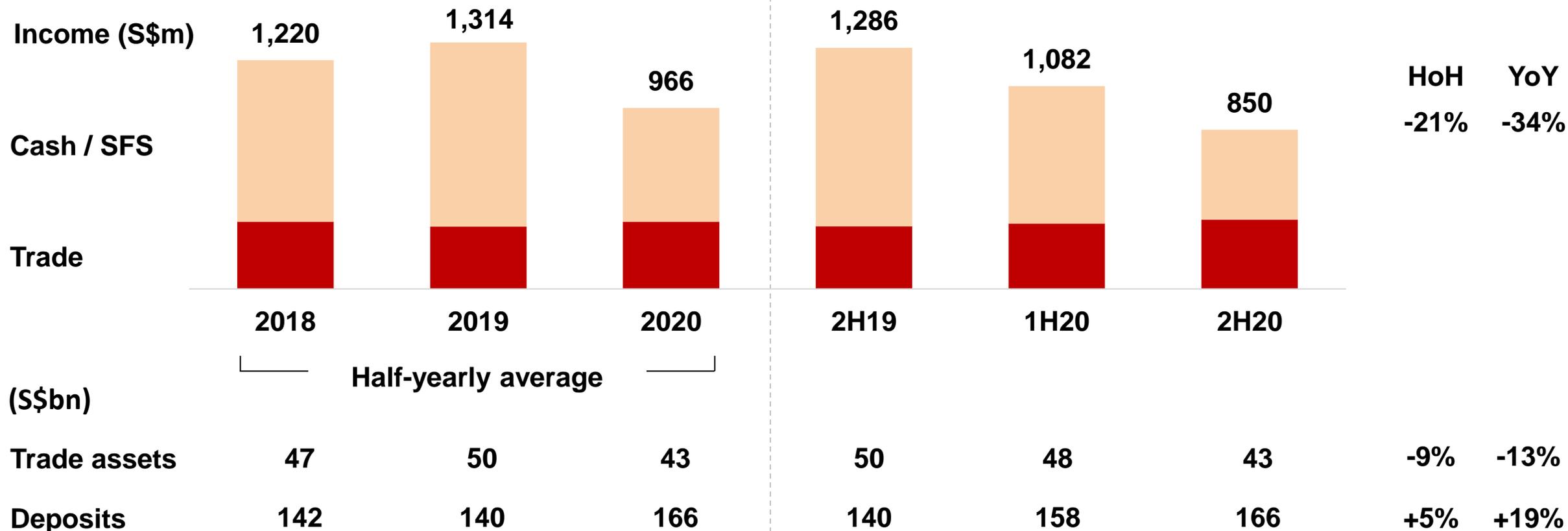


Comprising Treasures, Treasures Private Client and Private Bank

SME segment



Global transaction services



Assets and deposits at end of period



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