News Release

Ref No. 01/2023

DBS FULL-YEAR NET PROFIT RISES 20% TO RECORD SGD 8.19 BILLION

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Fourth-quarter earnings up 69% to SGD 2.34 billion,
return on equity increases to 17.2%, both new highs

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Board proposes final dividend of 42 cents per share
and special dividend of 50 cents per share

SINGAPORE, 13 February 2023 – DBS Group achieved a record performance in 2022 as net profit grew 20% to SGD 8.19 billion. Total income rose 16% to SGD 16.5 billion, crossing SGD 16 billion for the first time. Higher interest rates boosted net interest income, more than offsetting a decline in non-interest income due to financial market volatility. The cost-income ratio improved from 46% to 43%. Asset quality was resilient. The NPL ratio declined from 1.3% at end-2021 to

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1.1%, and specific allowances fell from 12 basis points of loans to 8 basis points. Return on equity climbed from 12.5% to a new high of 15.0%.

For the fourth quarter, net profit reached a quarterly record of SGD 2.34 billion, up 69% from a year ago. Total income rose 41% to SGD 4.59 billion as net interest income increased 53% while trading income and investment gains improved from a low base. Compared to the previous quarter, net profit rose 5% as higher net interest income and lower general allowances more than offset seasonally lower non-interest income. Return on equity was 17.2%, a new quarterly high.

In line with the stronger earnings profile, the Board proposed a final dividend of 42 cents per share, an increase of six cents from the previous payout. Barring unforeseen circumstances, the annualised dividend will rise to SGD 1.68 per share. Given the strong capital base, the Board also proposed a special dividend of 50 cents per share.

Total income

(SGD m)	**Full year 2022**	YoY%	**Fourth quarter 2022**	QoQ%	YoY%
Total income	**16,502**	**16**	**4,590**	**2**	**41**
Commercial book	**15,328**	**21**	**4,386**	**4**	**43**
Net interest income	10,719	40	3,405	14	74
Net fee and commission income	3,091	(12)	661	(14)	(19)
Other non-interest income	1,518	1	320	(31)	13
Treasury Markets	**1,174**	**(22)**	**204**	**(24)**	**6**

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Commercial book – full-year

Net interest income grew 40% to a record SGD 10.7 billion. Net interest margin increased 48 basis points to 2.11% from higher interest rates.

Loans rose 4% or SGD 14 billion in constant-currency terms to SGD 415 billion. Growth in the first nine months was moderated by a slight decline in the fourth quarter. While underlying loan demand remained healthy, some corporates shifted their borrowing to cheaper financing options or repaid opportunistic borrowing, and wealth management customers reduced margin loans.

For the year, non-trade corporate loans increased 5% or SGD 13 billion to SGD 248 billion from broad-based growth across countries and sectors. Trade loans rose 4% or SGD 2 billion to SGD 44 billion, with an increase in the first half partially offset by a decline in the second half due to unattractive pricing. Housing loans grew 4% or SGD 3 billion to SGD 81 billion, with the majority of the growth occurring in the second half. Other consumer loans fell 7% or SGD 3 billion to SGD 43 billion as wealth management loans declined.

Net fee income fell 12% to SGD 3.09 billion. Wealth management fees declined 26% to SGD 1.33 billion as weaker market conditions led to lower investment product sales. Investment banking fees were also lower, by 44% to SGD 121 million, as capital market activities slowed.

Other fee activities continued to grow. Card fees rose 20% to a new high of SGD 858 million as overall card spending reached a record and travel spending progressively recovered. Loan-related fees increased 11% to SGD 459 million. Transaction service fees were stable at SGD 929 million as higher cash management and trade fees were offset by lower brokerage commissions from institutional clients.

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Other non-interest income rose 1% to SGD 1.52 billion as an increase in treasury customer sales to both corporate and wealth management customers was moderated by lower investment gains.

Commercial book – fourth quarter

Net interest income grew 14% from the previous quarter to SGD 3.40 billion. Net interest margin rose 31 basis points to 2.61% as asset repricing from higher interest rates more than offset increases in deposit costs. Compared to a year ago, net interest income rose 74% bolstered by higher interest rates.

Net fee income fell 14% from the previous quarter to SGD 661 million due to seasonally slower wealth management and loan-related activities. Compared to a year ago, net fee income declined 19% due to lower wealth management and investment banking fees.

Other non-interest income declined 31% from the previous quarter to SGD 320 million due to lower investment gains and treasury customer sales. Compared to a year ago, other non-interest income rose 13% from an increase in treasury customer sales.

Business unit performance

Full-year Consumer Banking / Wealth Management income rose 25% to SGD 6.65 billion as higher interest rates more than offset the impact of lower wealth management product sales. Wealth Management customer segment income increased 20% as higher interest rates and a doubling of net new money inflows more than offset lower fee income from investment sales. Institutional Banking

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income increased 28% to SGD 7.69 billion. The growth was led by a more than doubling of cash management income as a result of higher interest rates. Income from lending and from treasury customer sales were also higher. These gains were moderated by weaker capital markets activity. Treasury Markets income declined 22% from the previous year's exceptional levels to SGD 1.17 billion.

Expenses

Full-year expenses were 10% higher at SGD 7.09 billion led by higher staff costs. The cost-income ratio improved from 46% to 43%. Profit before allowances rose 22% to a new high of SGD 9.41 billion.

Fourth-quarter expenses amounted to SGD 1.96 billion. They included a non-recurring accelerated depreciation of fixed assets, a one-time special award to all staff, and some expenses for the integration of Citigroup Taiwan's consumer banking business. Excluding the three items, expenses increased 3% from the previous quarter and 13% from a year ago, and the cost-income ratio was 41%. Profit before allowances was SGD 2.63 billion, 1% below the previous quarter and 66% higher than a year ago.

Balance sheet

Asset quality remained resilient in the fourth quarter. Non-performing assets fell 8% from the previous quarter to SGD 5.13 billion. New NPA formation was more than offset by repayments and write-offs as well as currency effects. The NPL ratio improved from 1.2% to 1.1%. Specific allowances were SGD 74 million or six basis

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points of loans. Full-year specific allowances fell by one-third to SGD 335 million or eight basis points of loans.

There was a general allowance write-back of SGD 116 million in the fourth quarter due to transfers to NPA, upgrades and repayments. This resulted in a general allowance write-back of SGD 98 million for the full year. Total allowance reserves amounted to SGD 6.24 billion, resulting in an allowance coverage of 122% and of 215% after considering collateral.

Liquidity was healthy. Deposits rose 2% from the previous quarter and 7% from a year ago in constant-currency terms to SGD 527 billion as fixed deposit growth more than offset current and savings account outflows. The liquidity coverage ratio of 146% and the net stable funding ratio of 117% were both above regulatory requirements of 100%.

Capital remained strong. The Common Equity Tier-1 ratio rose 0.8 percentage points from the previous quarter to 14.6% from profit accretion, a decline in risk-weighted assets and currency effects. The leverage ratio of 6.4% was more than twice the regulatory minimum of 3%.

DBS CEO Piyush Gupta said, “The record return on equity of 17% for the fourth quarter and 15% for the full year reflect the benefit of higher interest rates as well as significant structural gains from our decade-long transformation initiatives. The Commercial book total income growth of 21% for the full year and 43% for the fourth quarter attest to the strength of our franchise.

“Our business pipelines are healthy and asset quality robust. We expect confidence to return to markets in the coming year as interest rate increases ease and China reopens. The substantial increase in our ordinary dividend and the special

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dividend to a total of 92 cents per share reflect our robust earnings profile and the strength of our capital position. This brings the total payout for the financial full year to SGD 2.00 per share."

About DBS

DBS is a leading financial services group in Asia with a presence in 19 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 "World's Best Bank" by Global Finance, "World's Best Bank" by Euromoney and "Global Bank of the Year" by The Banker. 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 and the world's "Most Innovative in Digital Banking" by The Banker. In addition, DBS has been accorded the "Safest Bank in Asia" award by Global Finance for 14 consecutive years from 2009 to 2022.

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, as it banks the Asian way. Through the DBS Foundation, the bank creates impact beyond banking by supporting social enterprises: businesses with a double bottom-line of profit and social and/or environmental impact. DBS Foundation also gives back to society in various ways, including equipping communities with future-ready skills and building food resilience.

With its extensive network of operations in Asia and emphasis on engaging and empowering its staff, DBS presents exciting career opportunities. For more information, please visit www.dbs.com.

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