



Live more,
Bank less

Record full-year earnings and ROE

DBS Group Holdings
4Q 2023 financial results
February 7, 2024

Highlights

Full-year total income of \$20.2 billion, net profit of \$10.3 billion and ROE of 18% all at records

- Commercial book total income up 27% to \$19.5 billion
 - NIM expands 65bp from higher interest rates
 - Net fee income rebounds 9% from higher card and wealth management fees
 - Treasury customer sales reaches a new record
- Treasury Markets income declines 38% due to higher funding cost
- Underlying cost-income ratio at 39%

Fourth quarter net profit up 2% YoY to \$2.39 billion

- Total income rises 9% YoY from higher commercial book NIM and fee income, moderated by lower Treasury Markets income

Balance sheet remains strong

- NPA declines 5% QoQ, NPL ratio lower at 1.1%, SP remains low at 11bp for 4Q and full year
- Allowance coverage at 128% and at 226% after considering collateral
- CET-1 ratio at 14.6%, LCR at 144%, NSFR at 118%

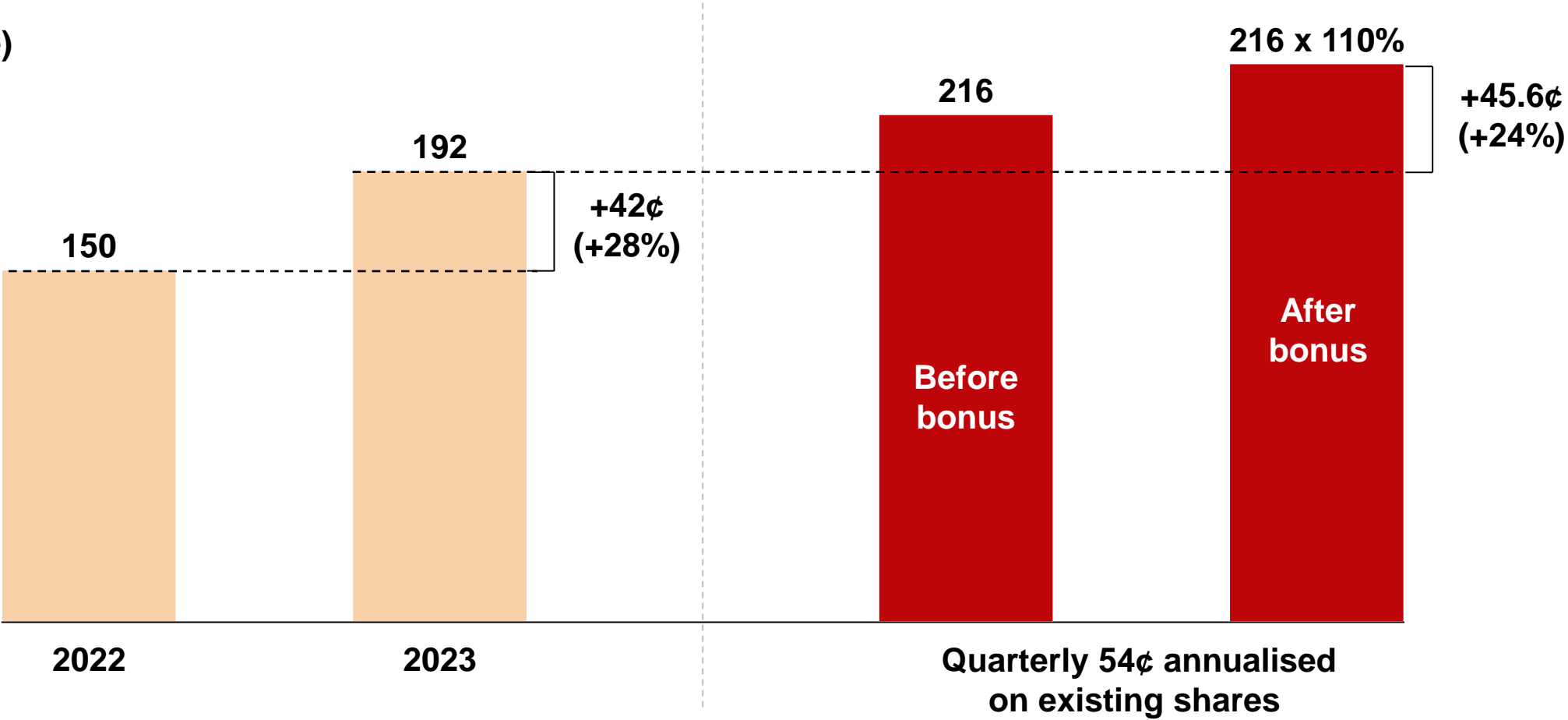
Quarterly dividend rises to 54¢ per share, 1-for-10 bonus issue proposed

- Bonus issue increases pace of capital returns to shareholders
- Annualised ordinary dividend going forward will be \$2.16 per share over the enlarged share base

Inaugural \$100 million set aside as part of ten-year \$1 billion CSR commitment

Ordinary dividend increase of 28% for 2023. Another 24% after 1-for-10 bonus with dividend yield of 7.5%

(S¢ per share)



Dividend yield (%) 7.5

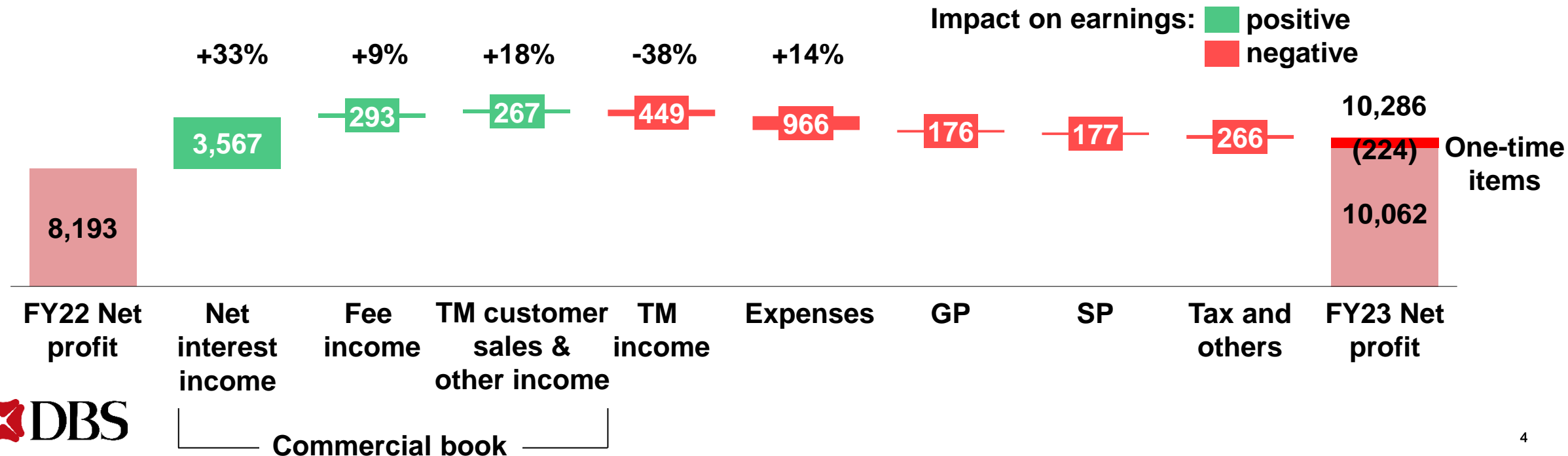


Dividend yield based on 6 Feb 2024 share price

Full-year net profit crosses \$10bn, total income crosses \$20bn

(S\$m)		FY23	YoY %
Total income	record	20,180	22
Commercial book		19,455	27
Treasury Markets (TM)		725	(38)
Expenses		8,056	14
Profit before allowances	record	12,124	29
Allowances		590	>100
Net profit	record	10,286	26
Net profit incl one-time item	record	10,062	23

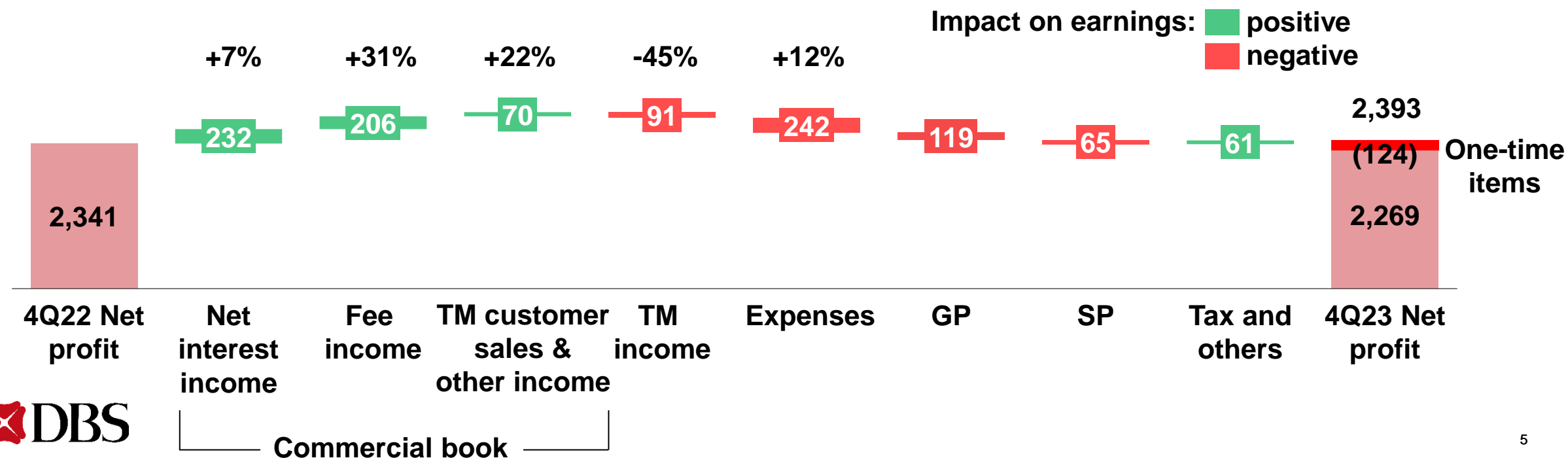
- Commercial book total income rises 27% from 65bp NIM expansion, rebound in fees and record treasury customer sales
- TM income declines 38% from higher funding costs
- Underlying cost-income ratio at 39%
- SP at 11bp of loans, GP of \$78m taken



4Q net profit up 2% YoY as total income rises 9%

(S\$m)	4Q23	YoY %
Total income	5,007	9
Commercial book	4,894	12
Treasury Markets (TM)	113	(45)
Expenses	2,205	12
Profit before allowances	2,802	7
Allowances	142	NM
Net profit	2,393	2
Net profit incl one-time item	2,269	(3)

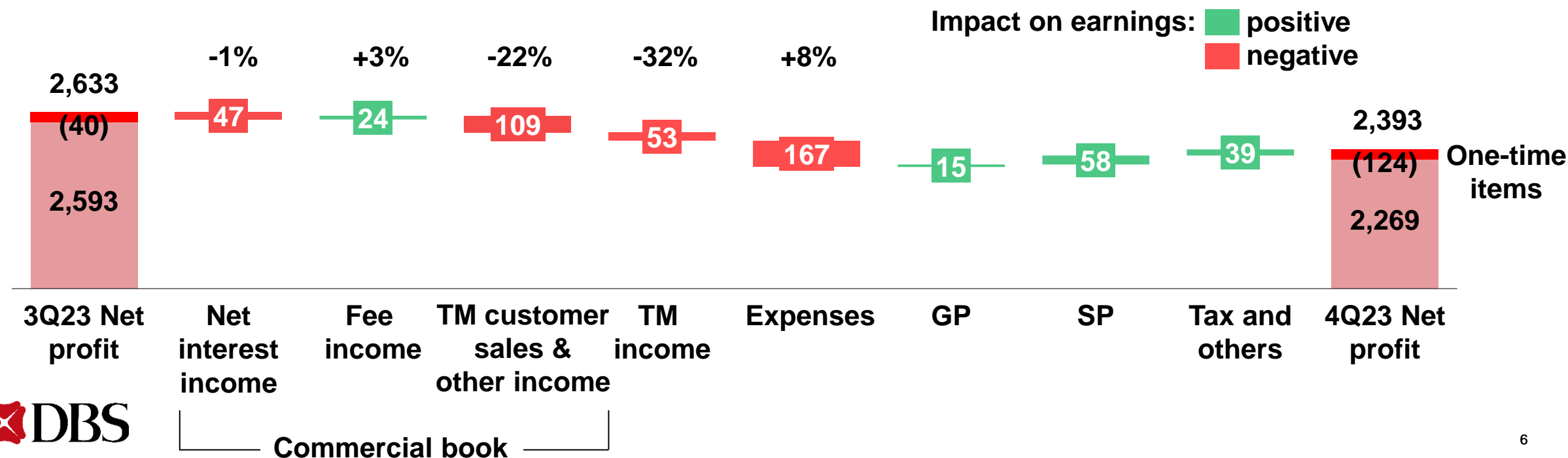
- Commercial book total income up 12% from 14bp NIM expansion and broad-based non-interest income growth
- TM income falls 45% from higher funding cost
- Expense growth of 3% excluding Citi Taiwan and non-recurring technology and other costs
- Allowances rise from low base, GP set aside compared to write-back a year ago



4Q net profit down 9% QoQ

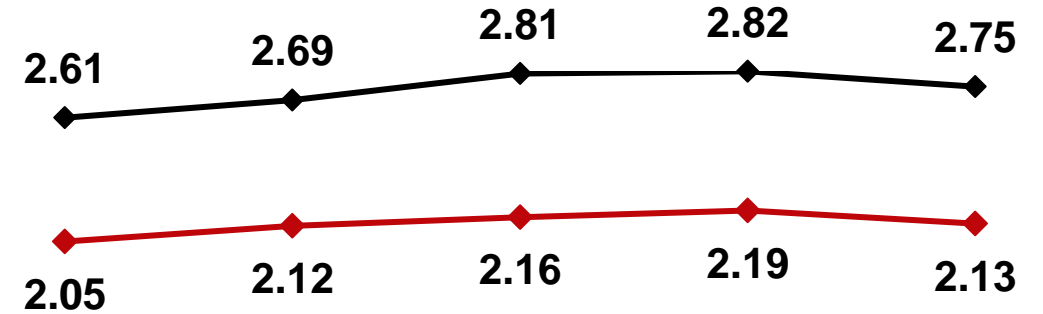
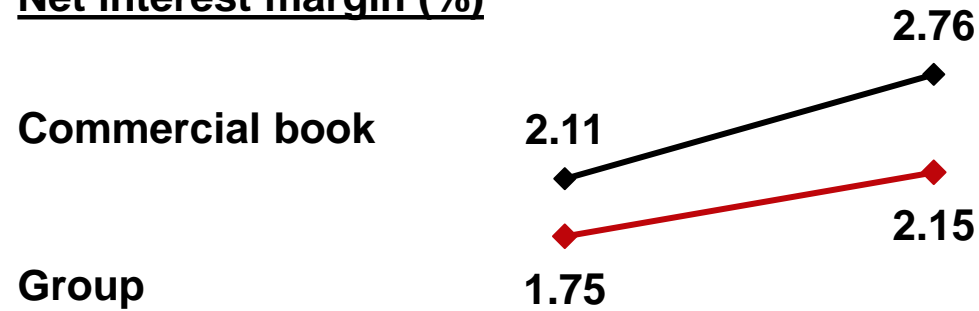
(S\$m)	4Q23	QoQ %
Total income	5,007	(4)
Commercial book	4,894	(3)
Treasury Markets (TM)	113	(32)
Expenses	2,205	8
Profit before allowances	2,802	(11)
Allowances	142	(34)
Net profit	2,393	(9)
Net profit incl one-time item	2,269	(12)

- Commercial book total income declines 3% from lower NIM and seasonally lower non-interest income
- Fee income rises 3% as Citi Taiwan more than offsets seasonally slower wealth management activity
- Expense growth of 2% excluding Citi Taiwan and non-recurring technology and other costs
- SP of 11bp of loans, GP of \$3m taken

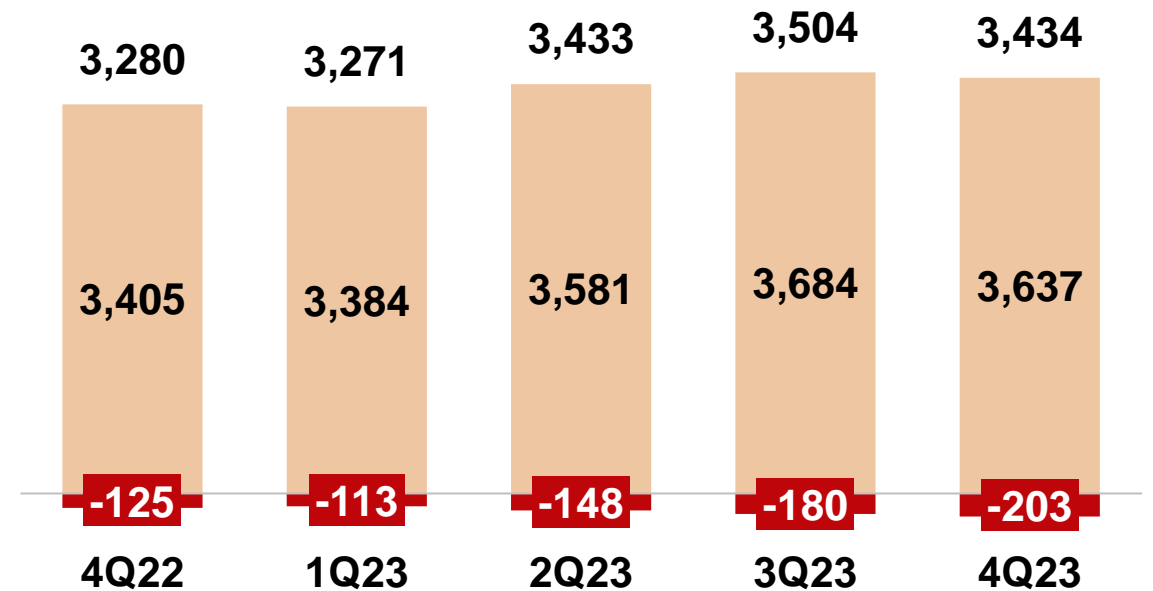
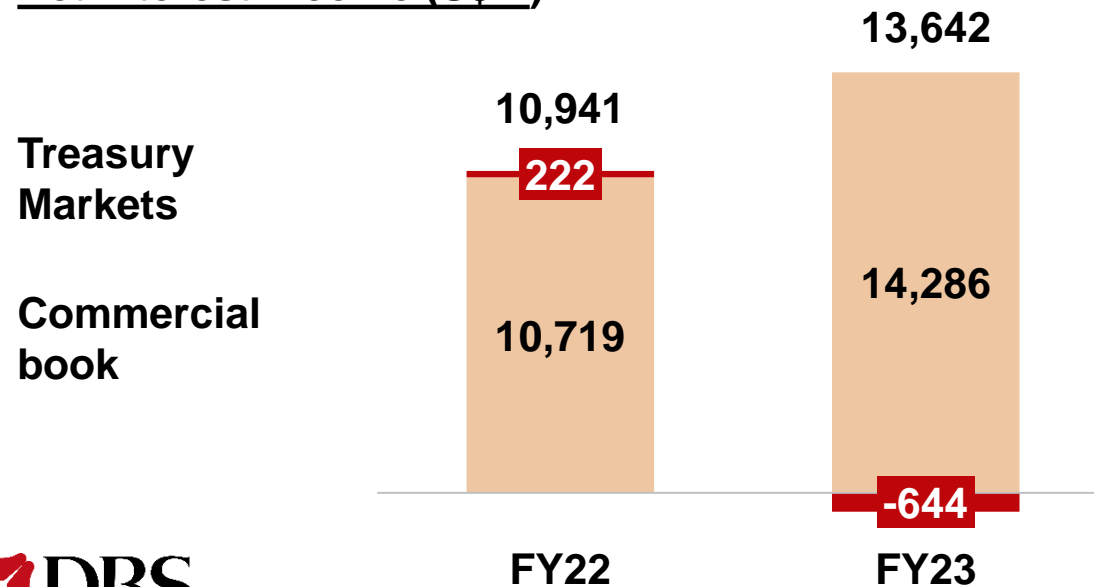


4Q commercial book net interest income down 1% QoQ, NIM of 2.75% stable to exit-3Q NIM

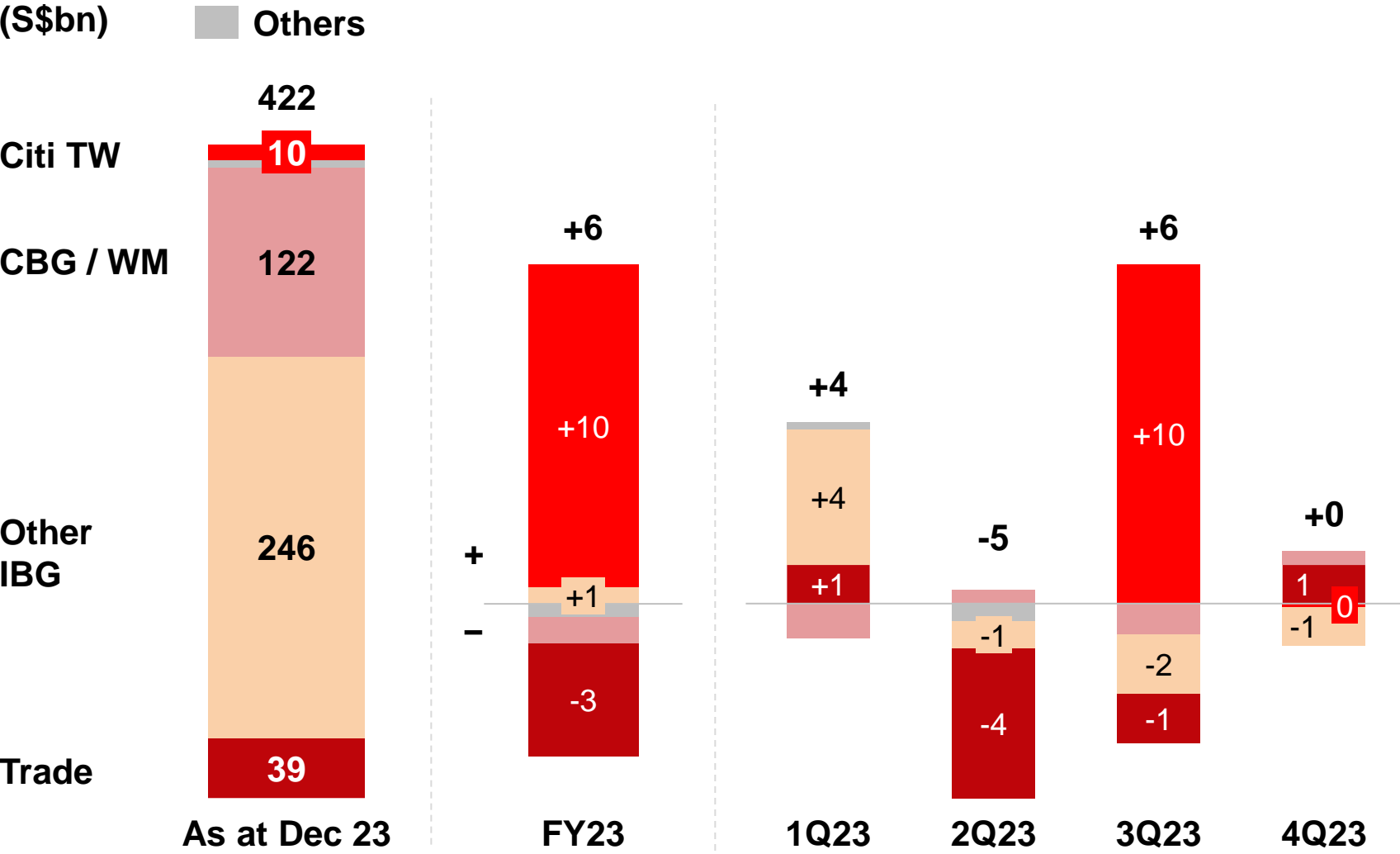
Net interest margin (%)



Net interest income (S\$m)



Loans stable QoQ, up 1% for full year in constant-FX terms



In constant-currency terms

- 4Q loans stable as higher trade and consumer loans offset by lower non-trade corporate loans
- Full-year loans growth driven by Citi Taiwan
- Excluding Citi Taiwan, full-year loans decline \$4bn with most of the decline due to trade loans

Constant-currency change

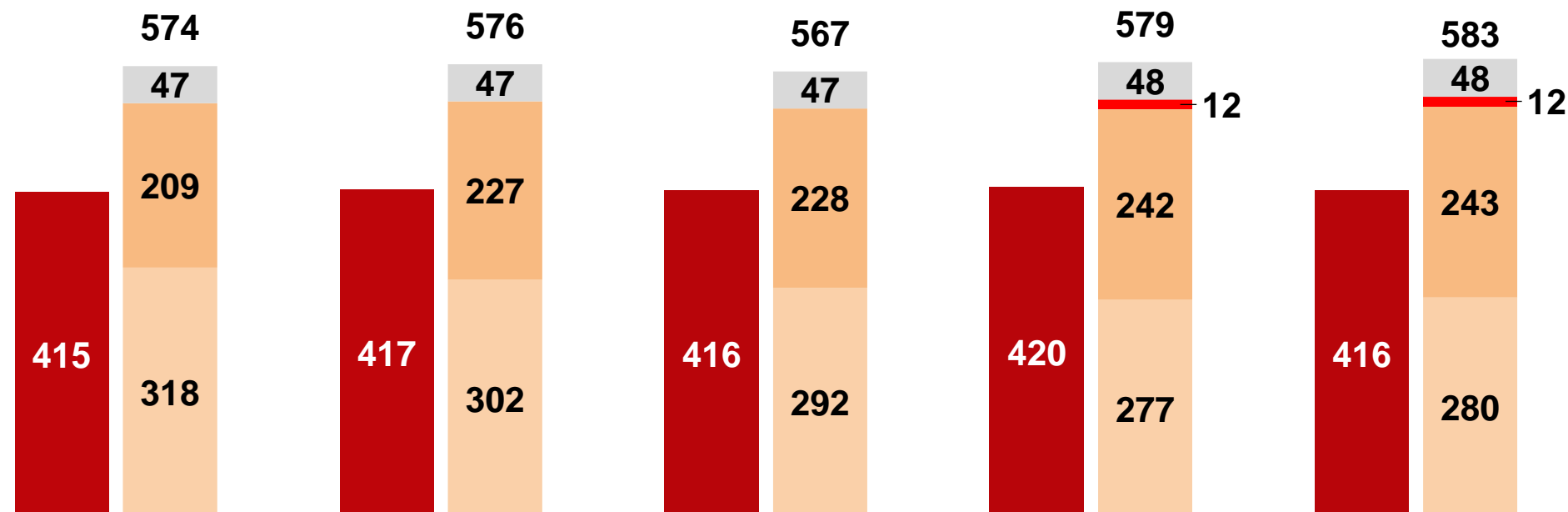


Gross loans

Deposits rise 2% QoQ, 3% YoY in constant-FX terms

(S\$bn)

- Loans
- Other funding
- FD and others
- Casa
- Citi TW



Dec 22 Mar 23 Jun 23 Sep 23 Dec 23

HQLA (S\$bn) 145 144 149 146 148

Ratios (%)

LDR 79 79 80 79 78

LCR 146 147 146 138 144

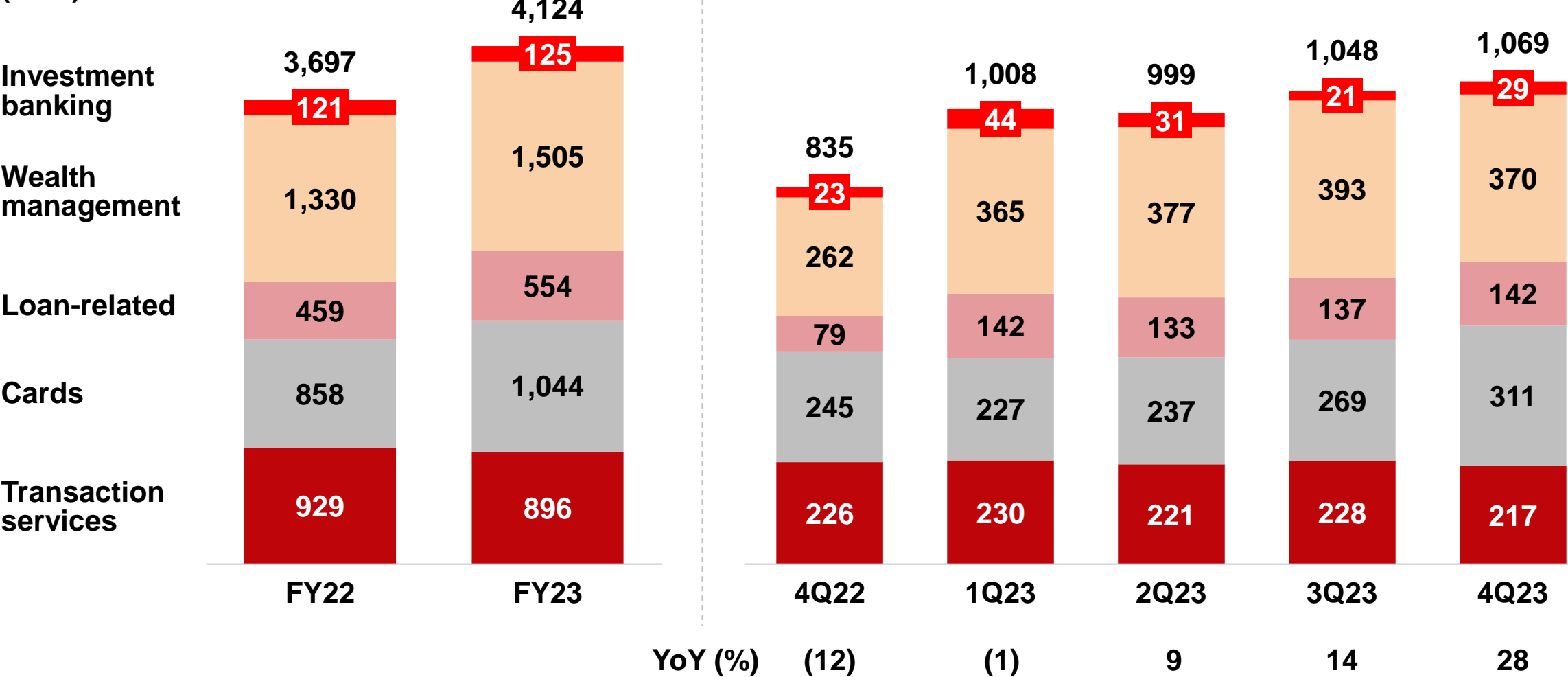
NSFR 117 118 116 117 118



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

Full-year gross fee income growth led by cards, wealth management and loan-related fees

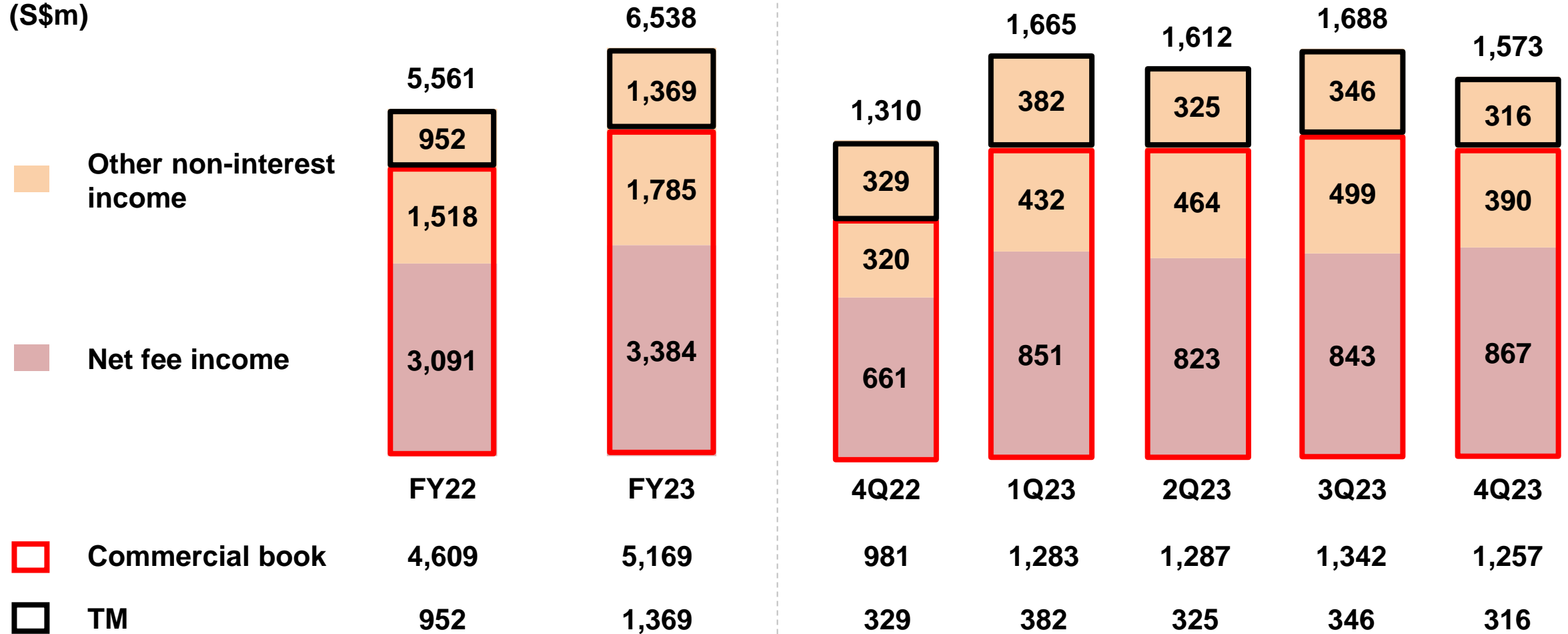
(S\$m)



Gross fee income

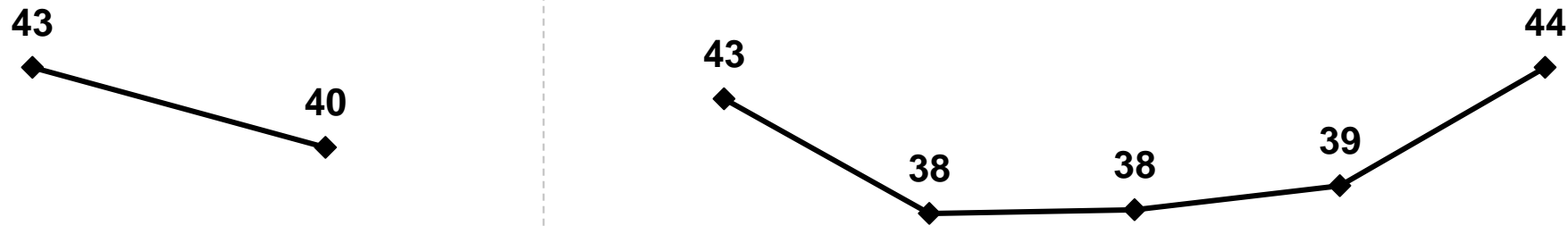
Full-year commercial book non-interest income up 12% from rebound in fees and record treasury customer sales

(S\$m)



Full-year underlying cost-income ratio at 39%

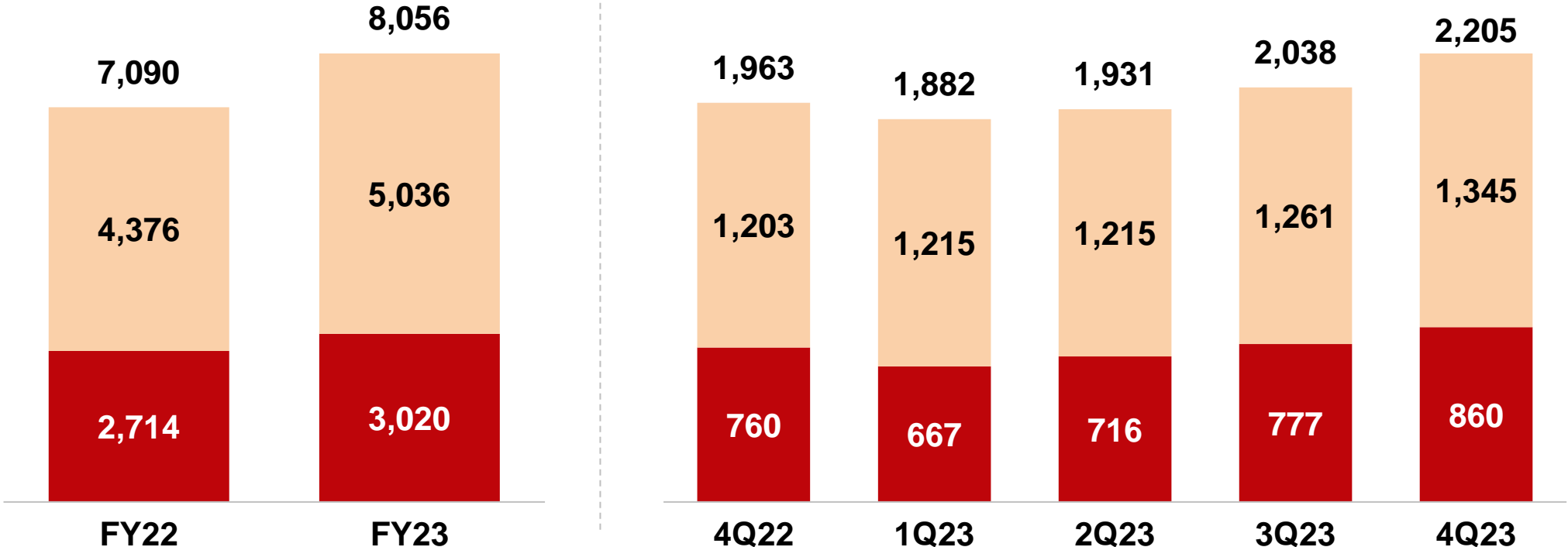
Cost / income (%)



(S\$m)

Staff expenses

Other expenses



Full-year CBG / WM income up 35% from higher interest rates and investment product income

(S\$m)	FY22	FY23	YoY %
Total income	6,654	8,957	35
Loans and deposits	3,999	6,045	51
Investment products	1,815	2,141	18
Cards	717	702	(2)
Others	123	69	(44)
Expenses	3,803	4,412	16
Profit before allowances	2,851	4,545	59
AUM (S\$bn)	297	365	23
SGD savings (S\$bn)	138	128	(7)

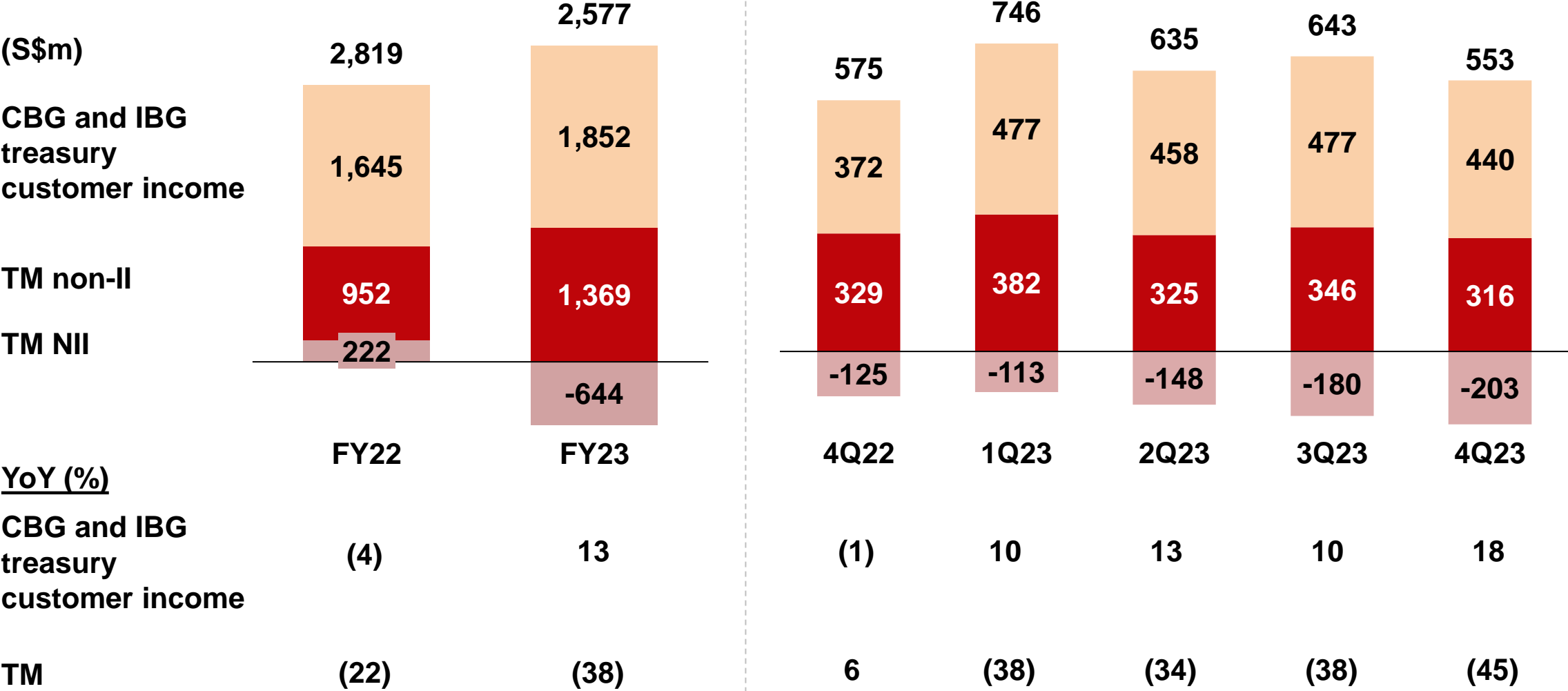
- Full-year total income up 35% to \$8.96bn, with Wealth Management segment income up 35% to \$4.43bn
- Higher income from deposits as well as investment products
- Wealth management AUM increase 23% to record \$365bn
- Customer base up 6 million to 18 million

Full-year IBG income up 22% led by cash management

(S\$m)	FY22	FY23	YoY %
Total income	7,688	9,357	22
Loans	3,445	3,373	(2)
Trade	764	666	(13)
Cash / SFS	2,499	4,329	73
Treasury	892	893	0
Investment banking	88	96	9
Expenses	2,254	2,489	10
Profit before allowances	5,434	6,868	26
Assets (S\$bn)	326	318	(3)
GTS deposits (S\$bn)	197	190	(3)

- Full-year total income up 22% to \$9.36bn
- Increase led by cash management income, partially offset by decline in trade income
- GTS deposits decline 3% due to unattractive pricing

Full-year treasury customer income up 13% to record, TM income declines



IBG and CBG treasury customer income comprises of net interest income, fee income and other non-interest income

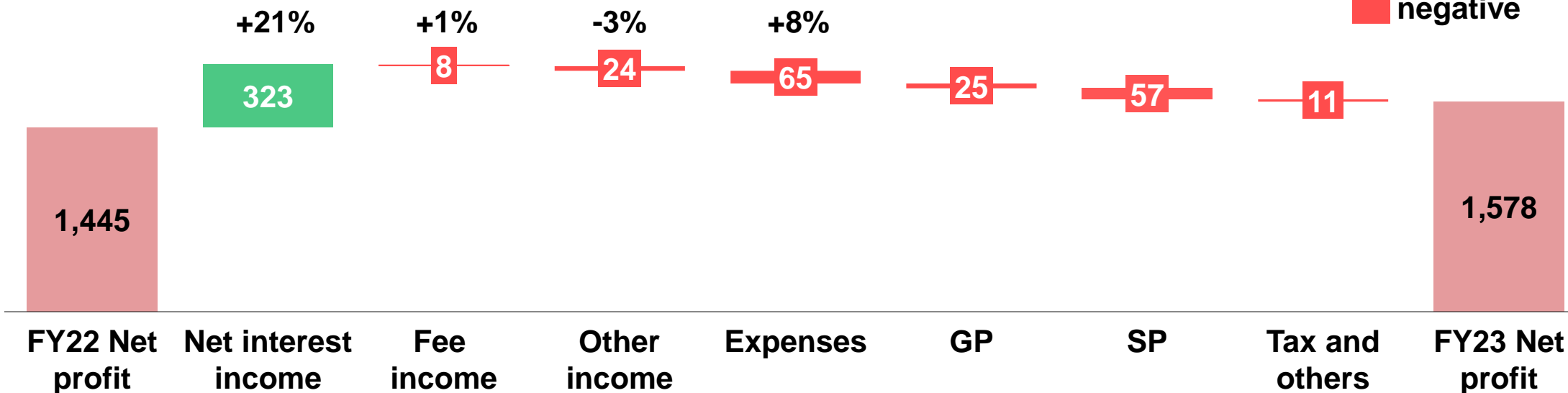
Full-year Hong Kong net profit up 12%

(S\$m)	<u>FY23</u>	<u>YoY %</u>	<u>Constant-currency YoY%</u>
Total income	3,214	10	13
Expenses	1,202	6	8
Profit before allowances	2,012	13	16
Allowances	138	>100	>100
Net profit	1,578	9	12

- Total income up 13% from NIM expansion of 44bp
- Expenses up 8%, positive jaw of 5%pt
- Total allowances up from low base, SP of 19bp

Constant-currency change YoY%:

Impact on earnings: ■ positive ■ negative



NPA declines 5% QoQ as NPA formation remains low

(S\$m)	FY22	FY23	1Q23	2Q23	3Q23	4Q23
NPAs at start of period	5,849	5,125	5,125	4,951	4,990	5,303
IBG and others	(464)	(311)	(133)	(5)	(41)	(139)
New NPAs	1,157	675	218	166	224	127
Upgrades, settlements and recoveries	(1,002)	(683)	(251)	(139)	(221)	(139)
Write-offs	(619)	(303)	(100)	(32)	(44)	(127)
CBG / WM	(112)	(1)	(9)	(7)	45	(23)
Translation	(148)	(83)	(32)	51	(17)	(85)
NPAs at end of period	5,125	4,730	4,951	4,990	4,977	5,056
Citi Taiwan	-	326	-	-	326	-
NPAs at end of period incl Citi Taiwan	5,125	5,056	4,951	4,990	5,303	5,056
NPL ratio (%)	1.1	1.1	1.1	1.1	1.2	1.1



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

4Q and full-year SP remain low at 11bp

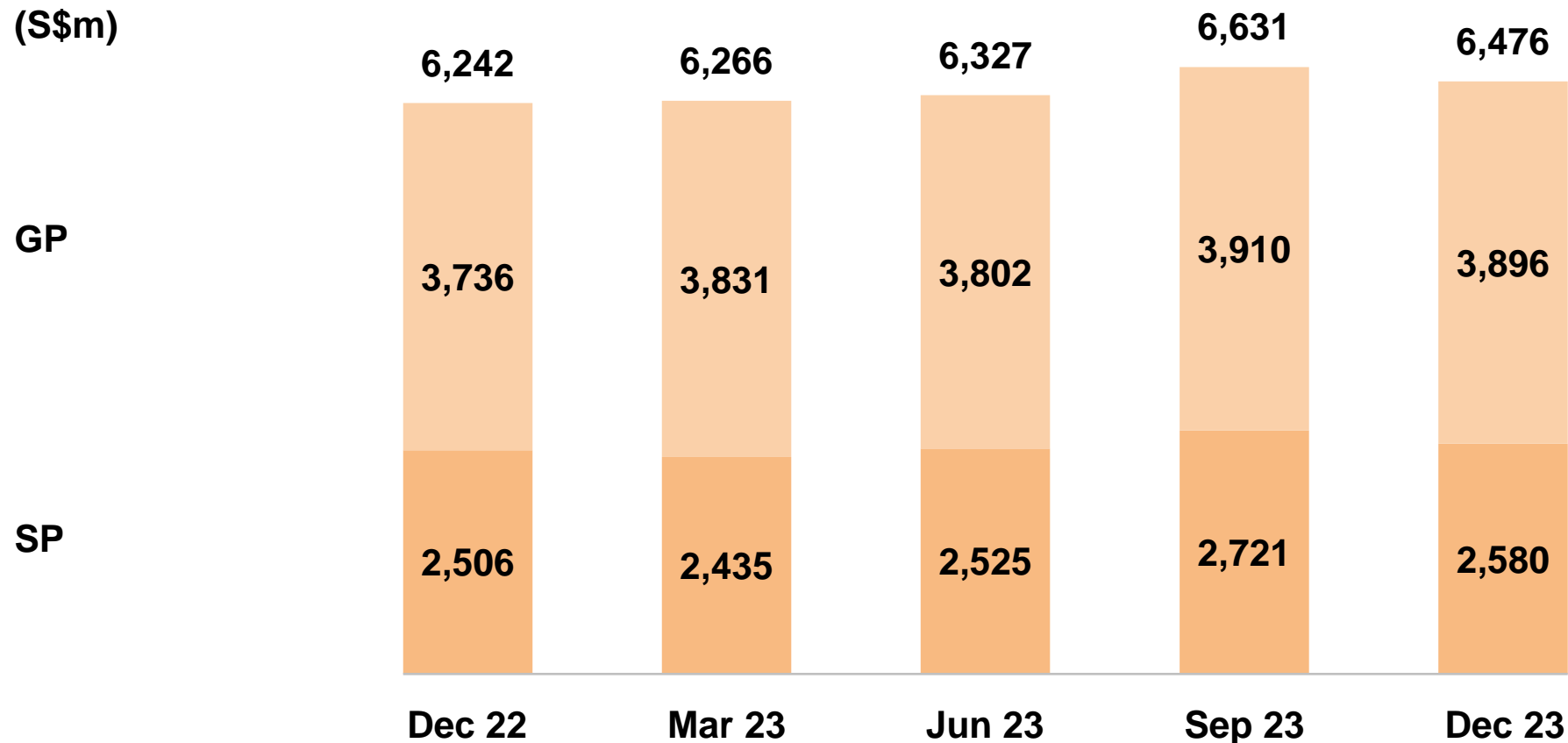
(S\$m)	FY22	FY23	1Q23	2Q23	3Q23	4Q23
IBG and others	194	220	24	57	114	25
Add charges for	465	403	84	110	160	76
New NPLs	307	245	17	87	97	15
Existing NPLs	158	158	67	23	63	61
Subtract charges for	271	183	60	53	46	51
Upgrades	47	5	1	0	4	2
Settlements	183	138	50	39	34	40
Recoveries	41	40	9	14	8	9
CBG / WM	129	246	34	49	73	90
SP charges for loans	323	466	58	106	187	115
Other credit exposures	9	47	4	10	9	24
Total SP charges	332	513	62	116	196	139
SP / loans (bp)	8	11	6	10	18	11



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

Allowance coverage at 128%

(S\$m)

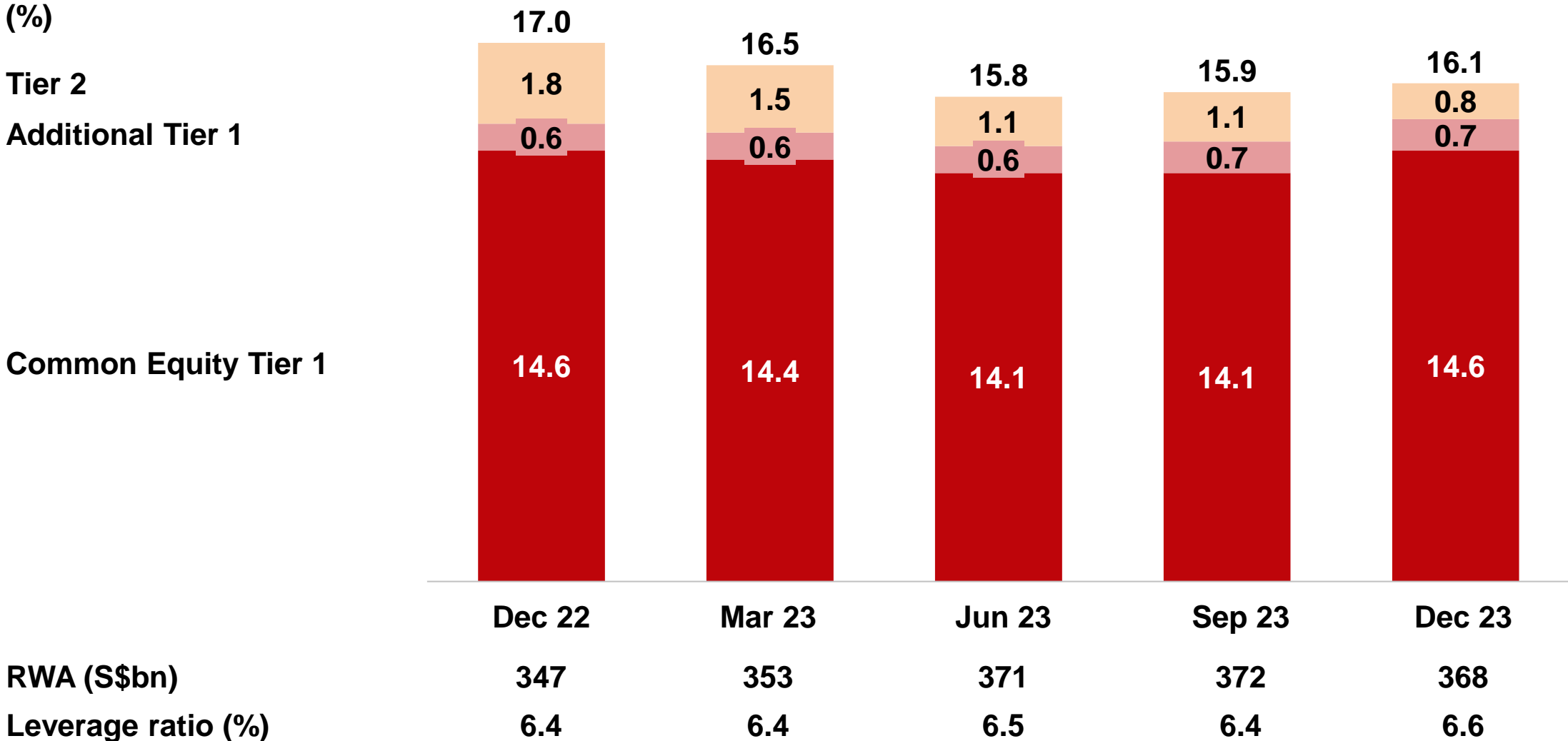


▪ Allowance coverage comfortably above 100% and exceeds 200% after considering collateral

Total allowance reserves as % of:

NPA	122	127	127	125	128
Unsecured NPA	215	229	224	216	226

Strong CET-1 and leverage ratios



In summary

Record performance with total income, net profit and ROE at new highs and significantly above previous years

Franchise and digital transformations carried out over past decade have reaped substantial benefits in a higher interest rate environment

Stepped-up capital returns through dividend increase and bonus issue, as well as inaugural contribution of SGD 100 million to community

While interest rates expected to soften and geopolitical tensions persist, our franchise strengths put us in good stead to sustain performance in coming year



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Supplementary slides

**DBS Group Holdings
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February 7, 2024**

Full-year net profit up 26% to \$10.3bn

(S\$m)

Net interest income

Fee income

Trading income

Other income

Non-interest income

Total income

Staff expenses

Other expenses

Expenses

Profit before allowances and amortisation

Amortisation of intangible assets

GP

SP

Allowances

Share of profits/losses of associates and JVs

Net profit

One-time items

Net profit incl. one-time items

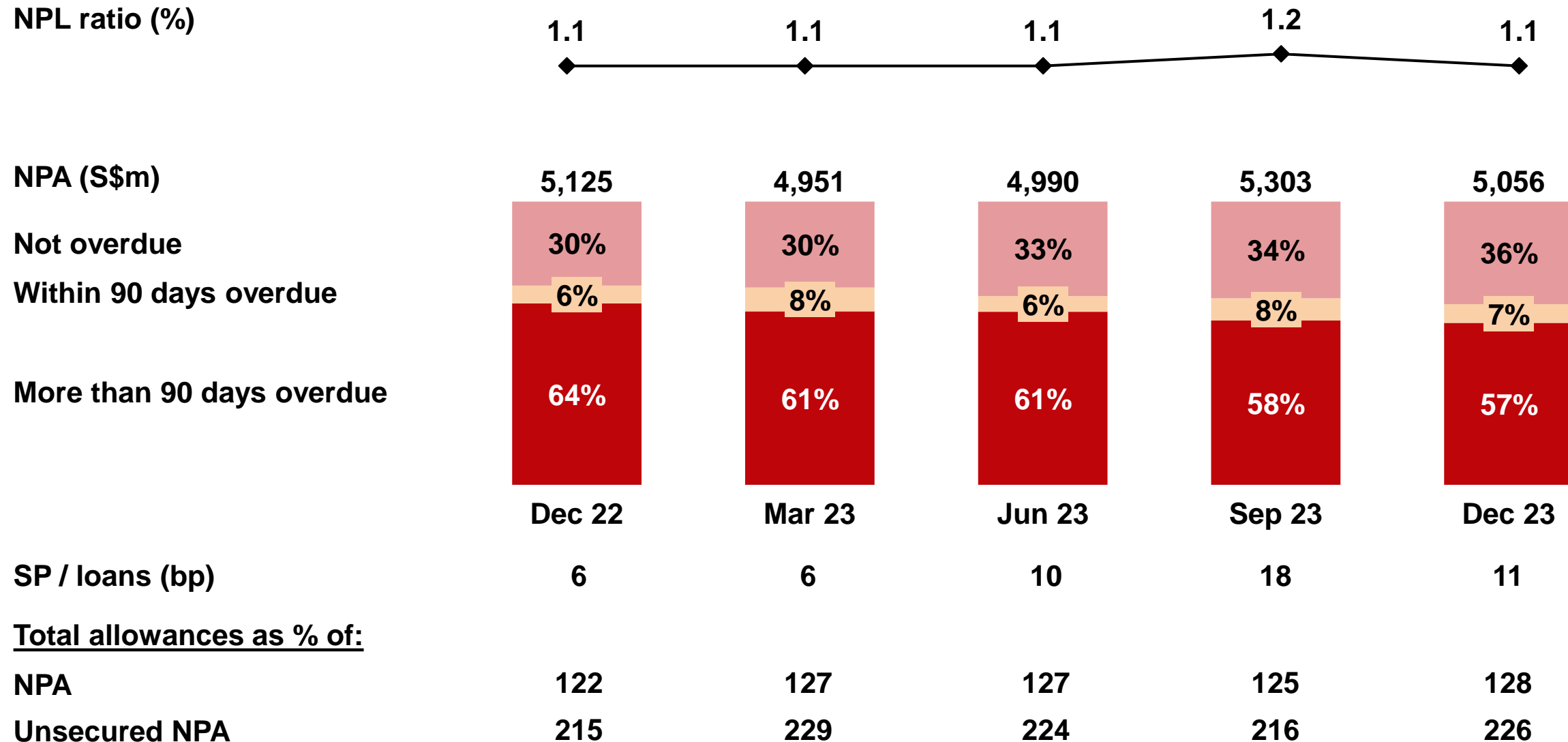
	FY23	FY22	YoY %
Net interest income	13,642	10,941	25
Fee income	3,384	3,091	9
Trading income	2,866	2,313	24
Other income	288	157	83
Non-interest income	6,538	5,561	18
Total income	20,180	16,502	22
Staff expenses	5,036	4,376	15
Other expenses	3,020	2,714	11
Expenses	8,056	7,090	14
Profit before allowances and amortisation	12,124	9,412	29
Amortisation of intangible assets	9	-	NM
GP	78	(98)	NM
SP	512	335	53
Allowances	590	237	>100
Share of profits/losses of associates and JVs	214	207	3
Net profit	10,286	8,193	26
One-time items	(224)	-	NM
Net profit incl. one-time items	10,062	8,193	23

Full-year Hong Kong net profit up 12%

Constant-currency terms

(S\$m)	FY23	FY22	YoY %	YoY %
Net interest income	2,167	1,844	18	21
Net fee and commission income	664	672	(1)	1
Other non-interest income	383	407	(6)	(3)
Total income	3,214	2,923	10	13
Expenses	1,202	1,137	6	8
Profit before allowances	2,012	1,786	13	16
GP	(0)	(25)	NM	NM
SP	138	81	70	72
Allowances	138	56	>100	>100
Net profit	1,578	1,445	9	12
Net interest margin (%)	1.91	1.47		
Loan growth (%)				(7)
Non-trade growth (%)				(7)
Trade growth (%)				(6)
Deposit growth (%)				0

NPL ratio at 1.1%, allowance coverage above 100%



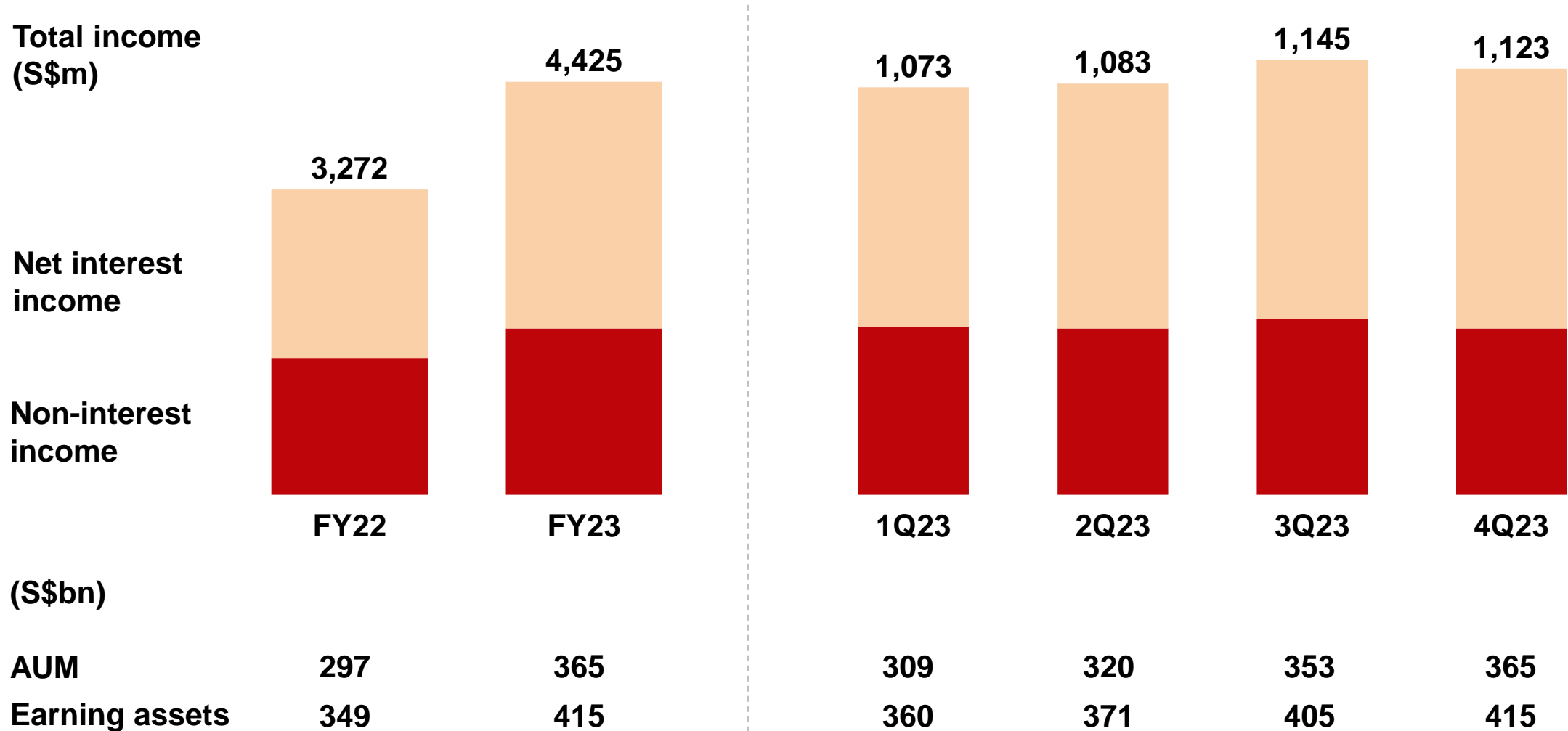
Fixed income duration remains short

(\$m)	Dec 23	
	FVOCI	HTC
Government securities	29,832	24,460
Less than 3 years	22,720	7,090
3 to 5 years	2,854	4,473
5 to 10 years	3,947	12,395
More than 10 years	311	502
Supranational, bank and corporate bonds	21,655	36,437
Total	51,487	60,897

Deposits up 4% HoH and 3% YoY in constant-FX terms

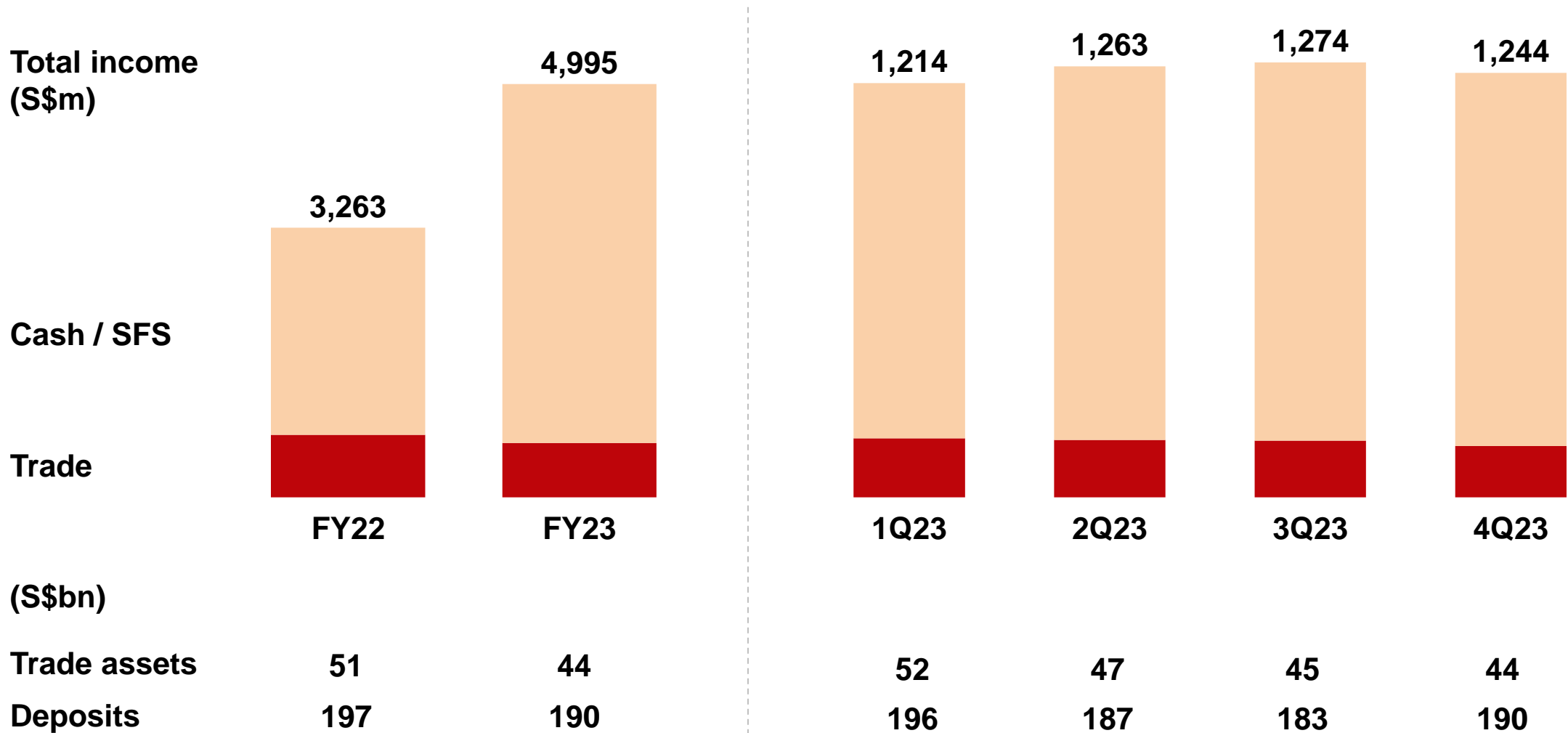
	(S\$bn)	HoH (%)		YoY (%)	
	Dec 23	Reported	Underlying	Reported	Underlying
Deposits	535	3	4	2	3
By product					
Casa	286	(2)	(1)	(10)	(9)
Fixed deposits and others	249	9	12	19	21
By currency					
Singapore dollar	192	(7)	(7)	(10)	(10)
US dollar	210	5	8	6	8
HK dollar	33	(1)	2	(9)	(7)
Chinese yuan	25	25	26	15	19
Others	76	24	26	31	31
LDR (%)	Dec 23	Jun 23		Dec 22	
Overall	78	80		79	
Singapore dollar	85	80		77	
US dollar	48	55		58	

Full-year Wealth Management segment income up 35% to record



Comprising Treasures, Treasures Private Client and Private Bank
AUM excluding transitory flows

Full-year GTS income up 53% to record

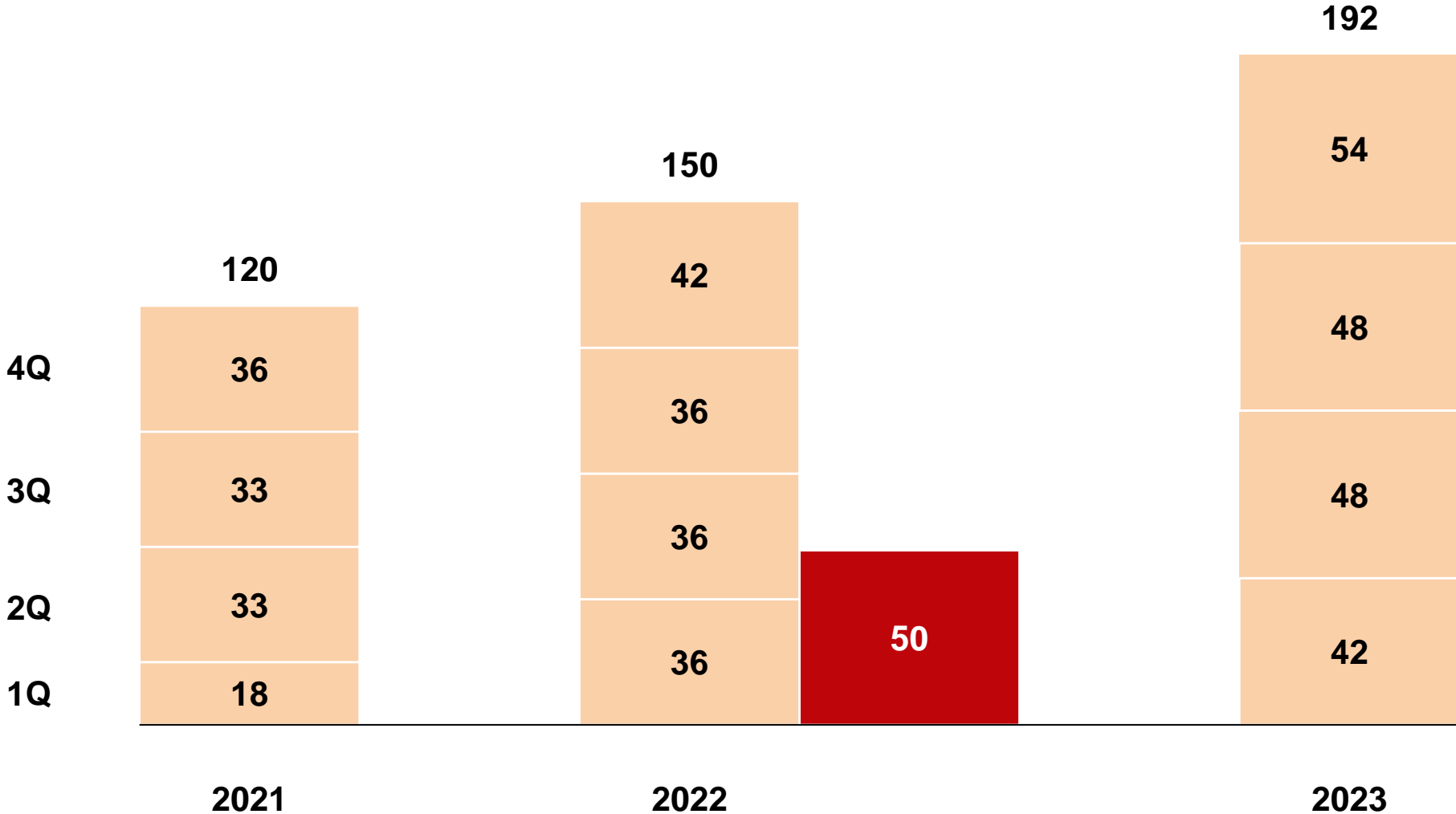


Quarterly ordinary dividend rises to 54 cents per share

(S¢ per share)

Ordinary

Special





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Record full-year earnings and ROE

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