



Live more,
Bank less

Record third-quarter operating performance

**DBS Group Holdings
3Q 2019 financial results
November 11, 2019**

Highlights

Third-quarter earnings up 15% from a year ago to \$1.63 billion

- Total income increases 13% from year ago to record \$3.82 billion
- Fee income at new high of \$814 million
- Cost-income ratio improves two percentage points from year ago to 42%
- Profit before allowances up 17% to \$2.21 billion, also a new high
- Net profit up 18% excluding one-time charge for revaluation of India deferred tax assets

Nine-month net profit up 13% to record \$4.88 billion

- Total income rises 12% to \$11.1 billion, underpinned by higher loan volumes and net interest margin, record fee income and stronger trading performance
- Cost-income ratio improves one percentage point to 42%
- ROE up from 12.4% a year ago to 13.6%

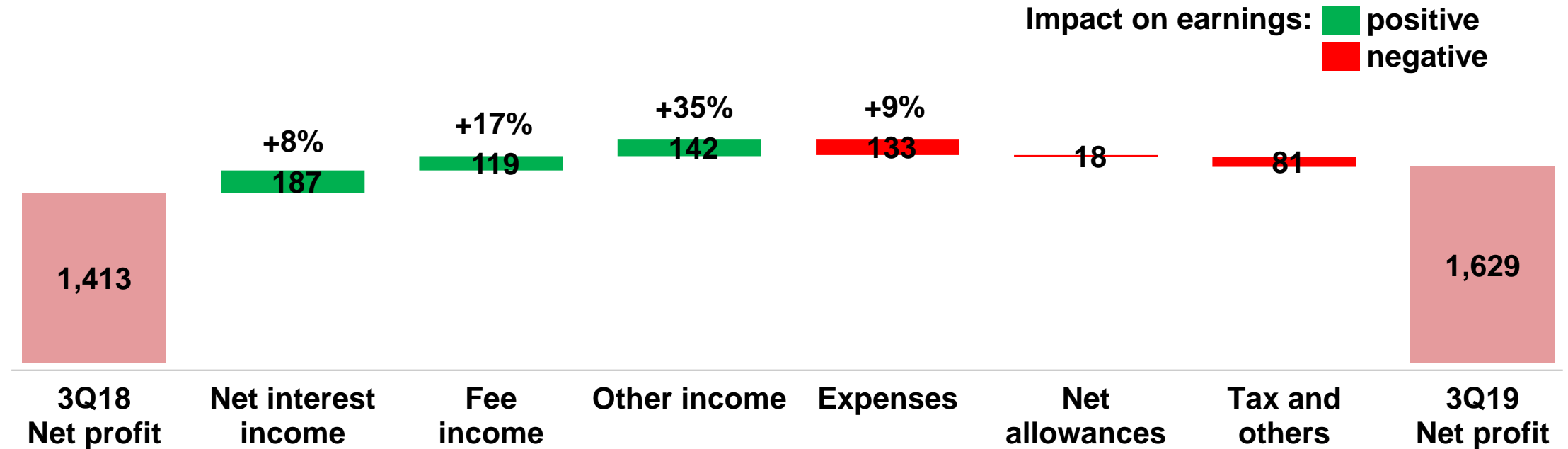
Balance sheet remains healthy

- NPL rate stable at 1.5%, SP at 21 basis points of loans for third quarter
- CET-1 at 13.8%, LCR at 131%, NSFR at 110%

3Q net profit up 15% on year

(S\$m)		3Q19	YoY %
Total income	record	3,823	13
Expenses		1,614	9
Profit before allowances	record	2,209	17
Allowances		254	8
Net profit		1,629	15

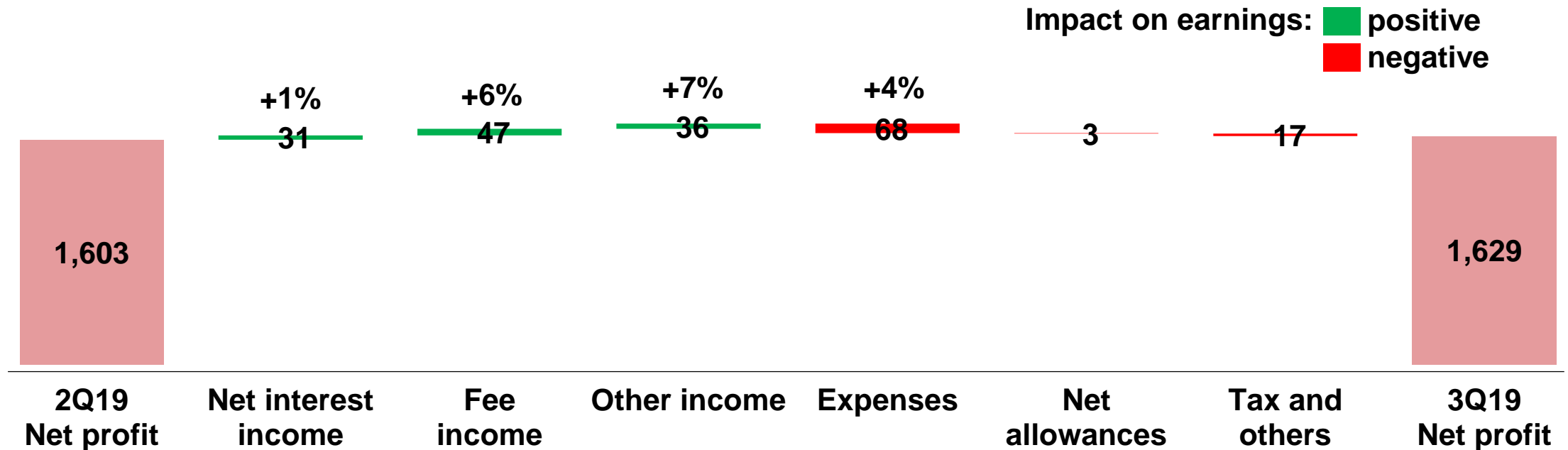
- Total income up 13% to quarterly high from loan growth, higher net interest margin, record fee income and stronger trading income
- Cost-income ratio improves two percentage points to 42%
- Higher GP moderated by decline in SP
- Net profit up 18% excluding one-time tax charge



3Q net profit up 2% on quarter

(S\$m)		3Q19	QoQ %
Total income	record	3,823	3
Expenses		1,614	4
Profit before allowances	record	2,209	2
Allowances		254	1
Net profit		1,629	2

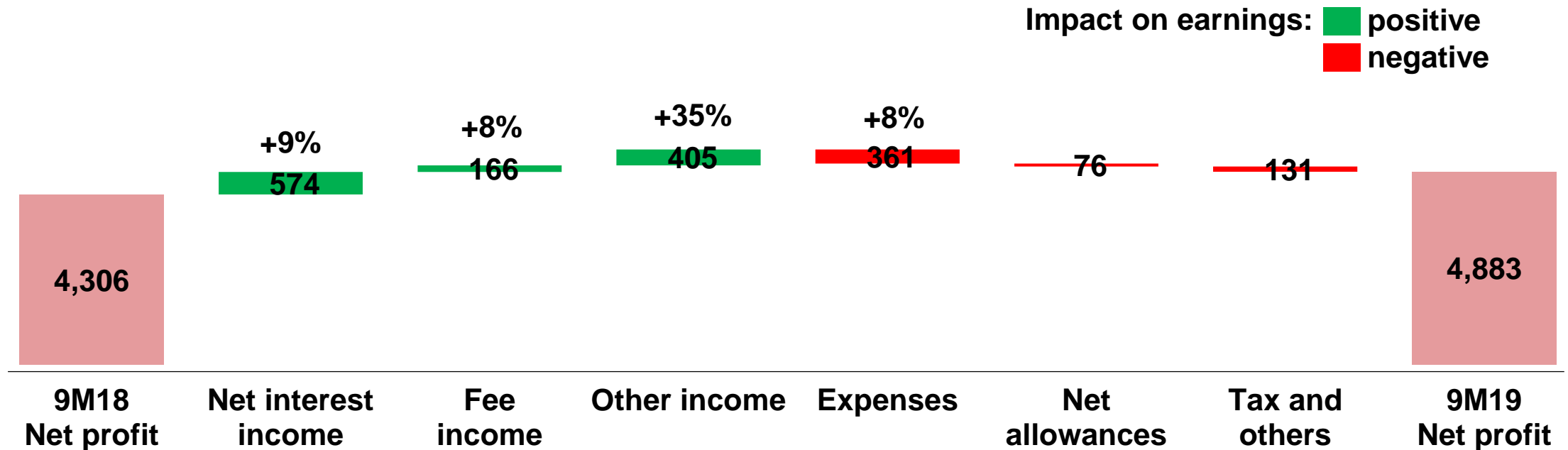
- Sustained momentum in fee income and stronger trading gains result in 3% increase in total income to a new high
- Net interest income up 1%, net interest margin stable
- Cost-income ratio stable at 42%
- Net profit up 4% excluding one-time tax charge



9M net profit up 13% on year

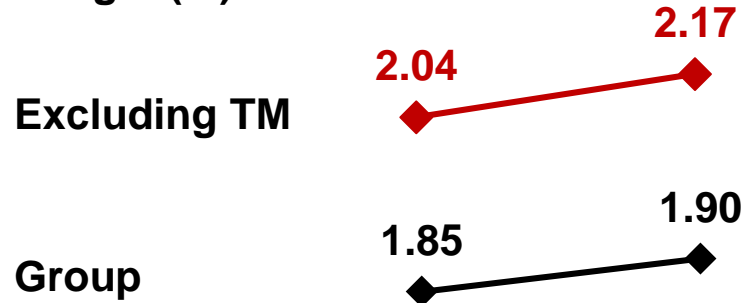
(S\$m)		9M19	YoY %
Total income	record	11,083	12
Expenses		4,658	8
Profit before allowances	record	6,425	14
Allowances		581	15
Net profit	record	4,883	13

- Record total income underpinned by non-trade corporate loan growth, higher net interest margin, record fee income and stronger trading income
- Positive jaw results in one-percentage-point improvement in cost-income ratio to 42%
- SP stable at 19 basis points of loans

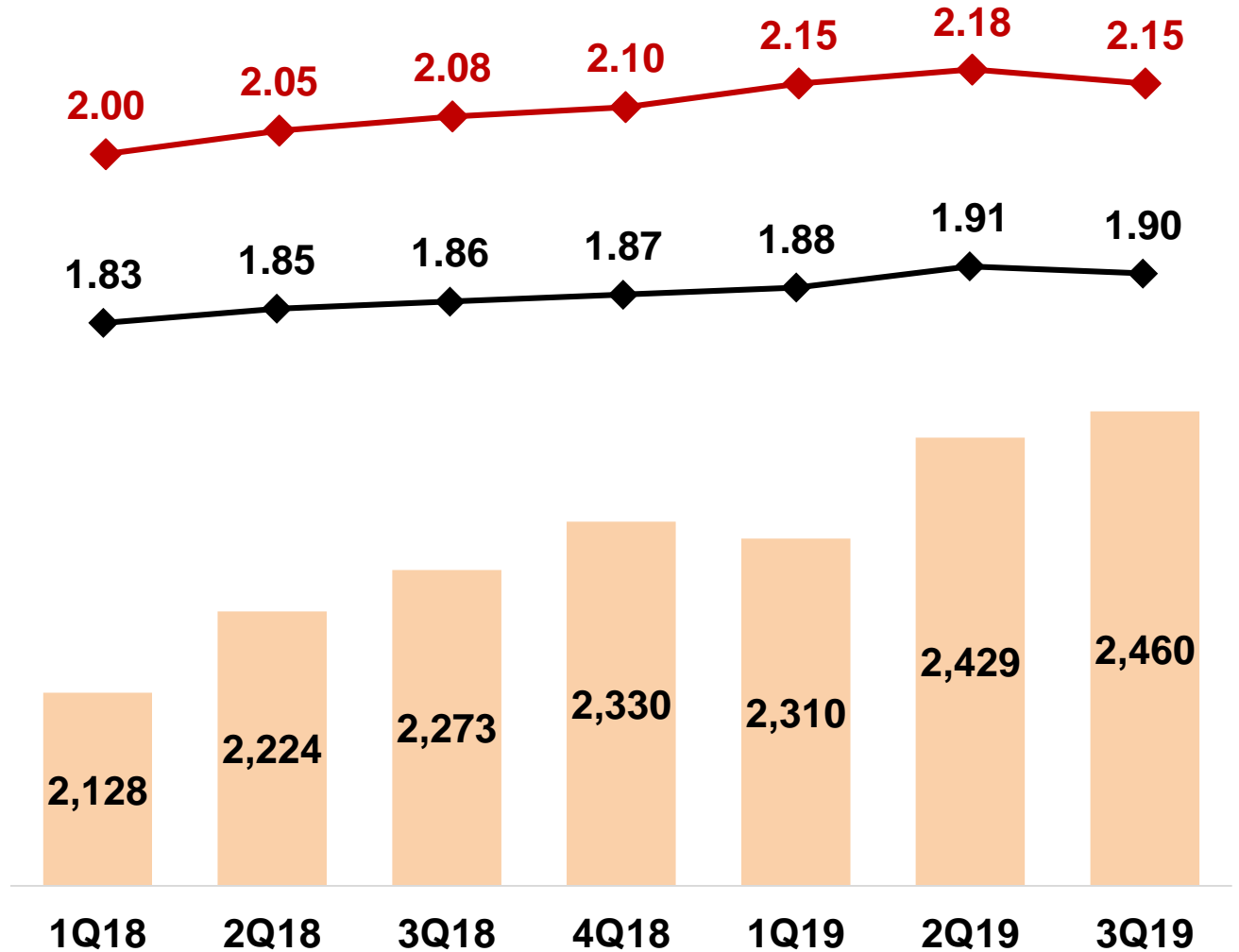
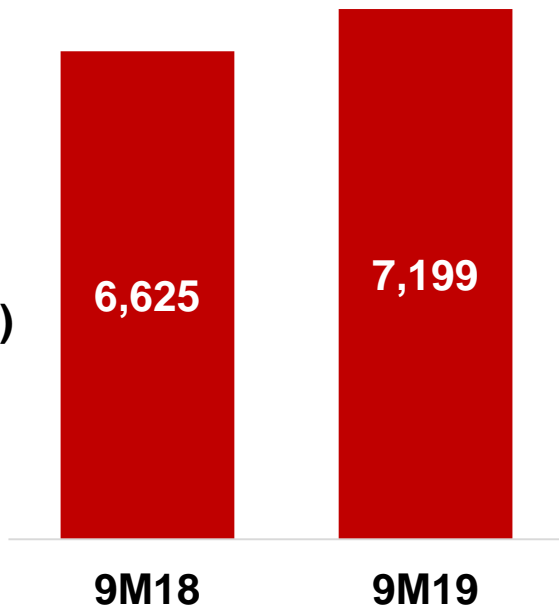


Net interest income up 1% on quarter, NIM stable

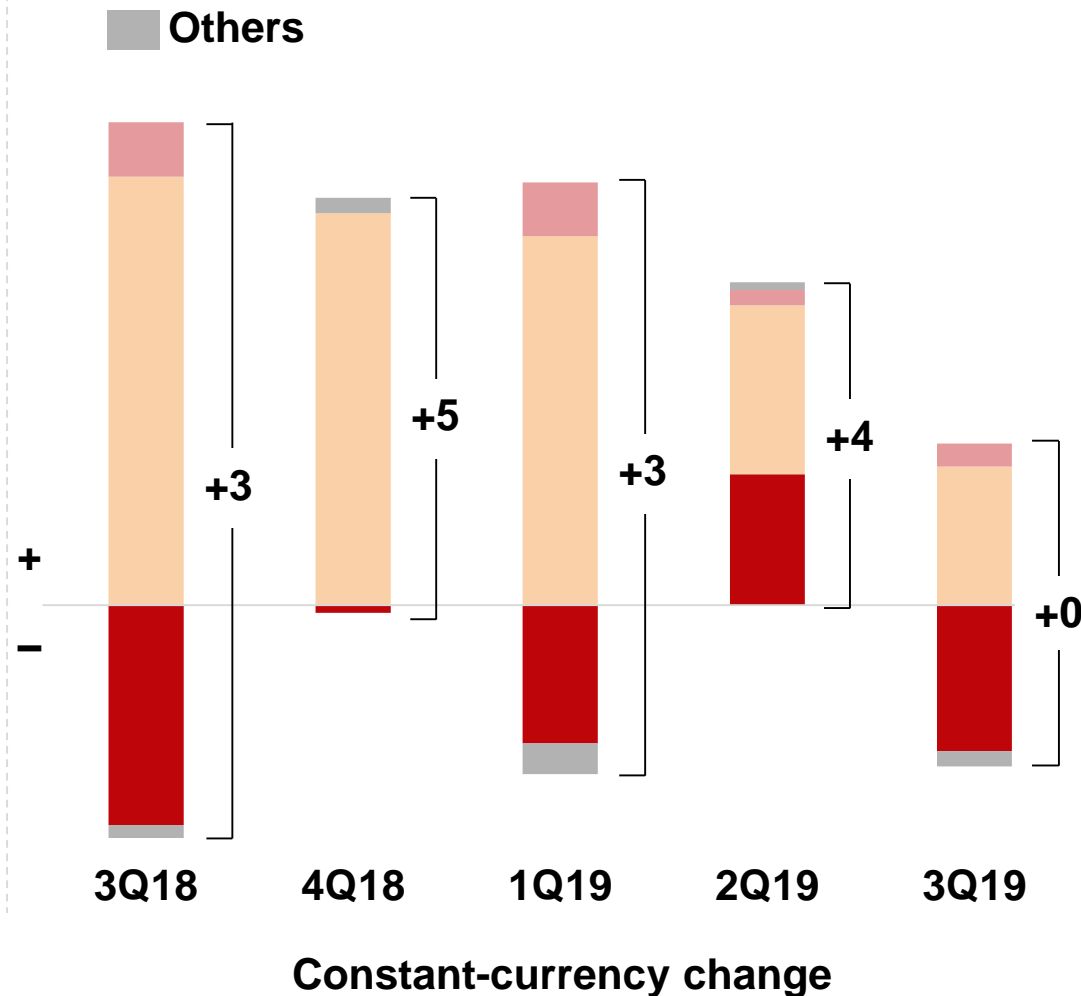
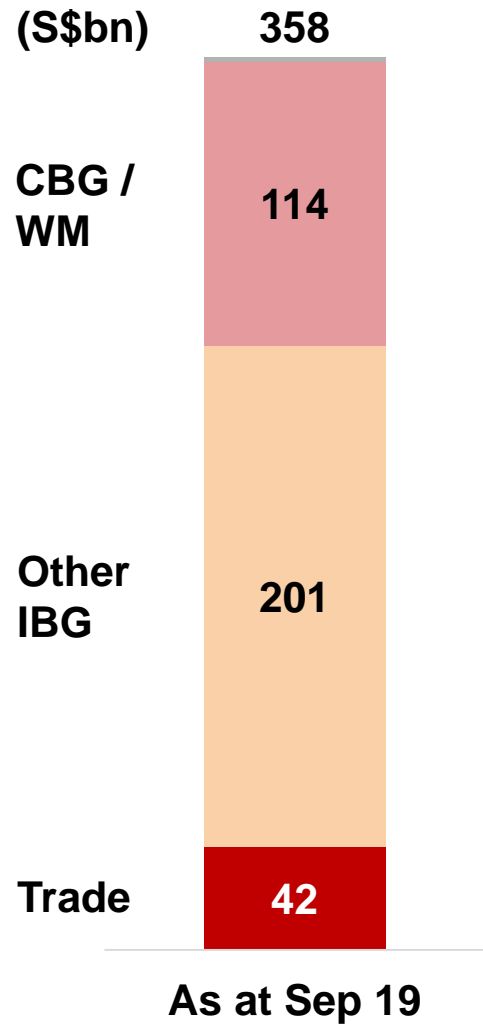
Net interest margin (%)



Net interest income (S\$m)



Non-trade corporate and non-housing consumer loans up 1% on quarter

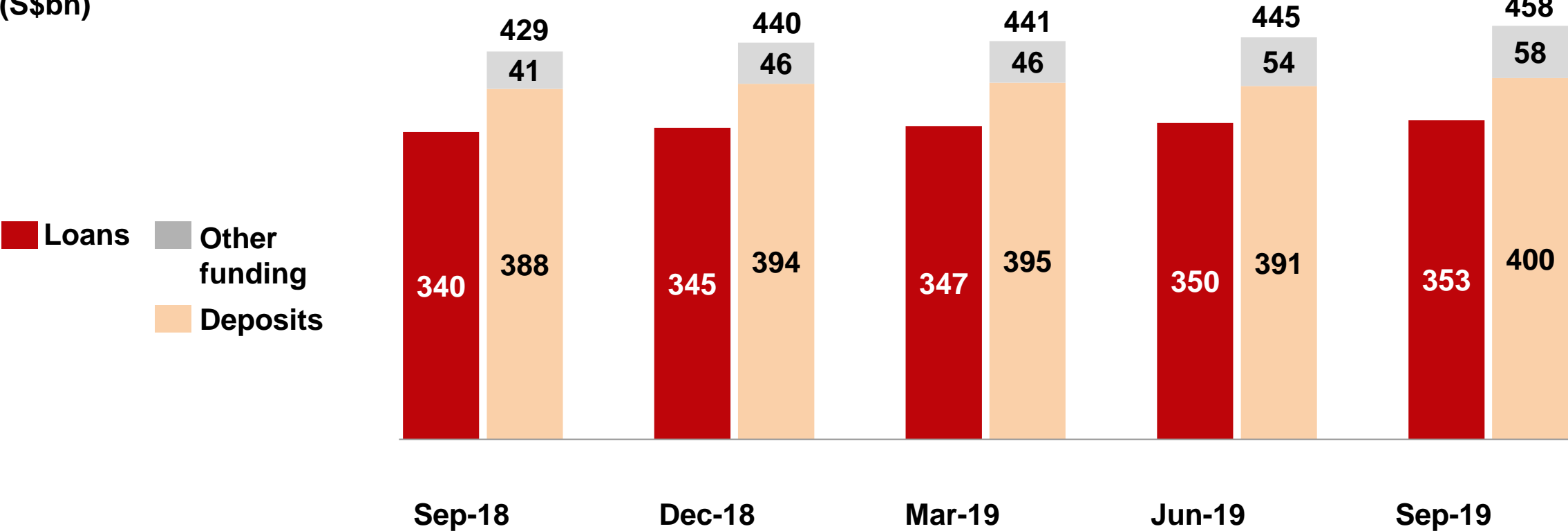


In constant-currency terms

- Overall loans stable on quarter as growth in non-trade corporate loans and non-housing consumer loans offset by declines in trade loans and housing loans
- Overall loans up \$7 billion or 2% for year to date

Ample liquidity with LCR at 131%

(S\$bn)



Ratios (%)

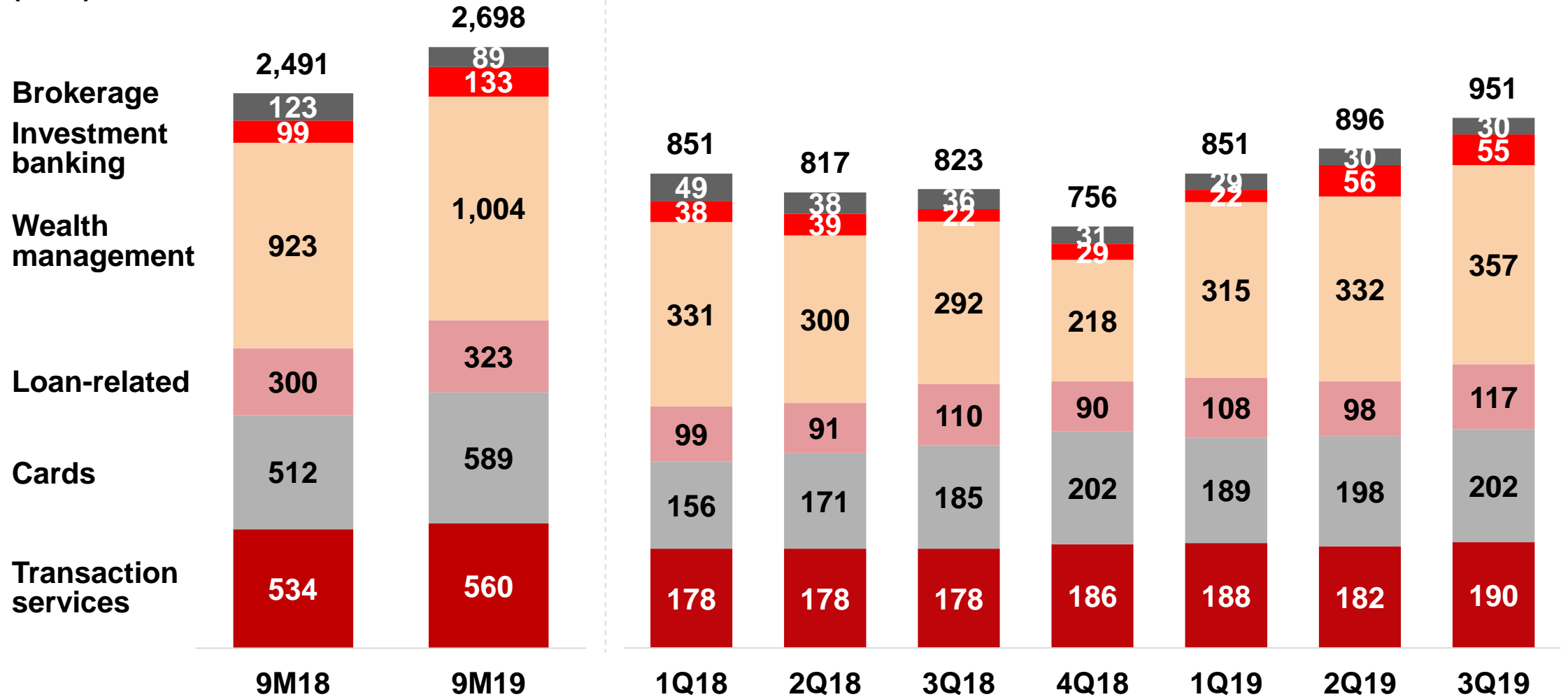
LDR	88	88	88	90	88
LCR	132	138	137	137	131
NSFR	109	109	111	109	110



Other funding comprises senior medium term notes, commercial papers, negotiable certificates of deposit, other debt securities and covered bonds

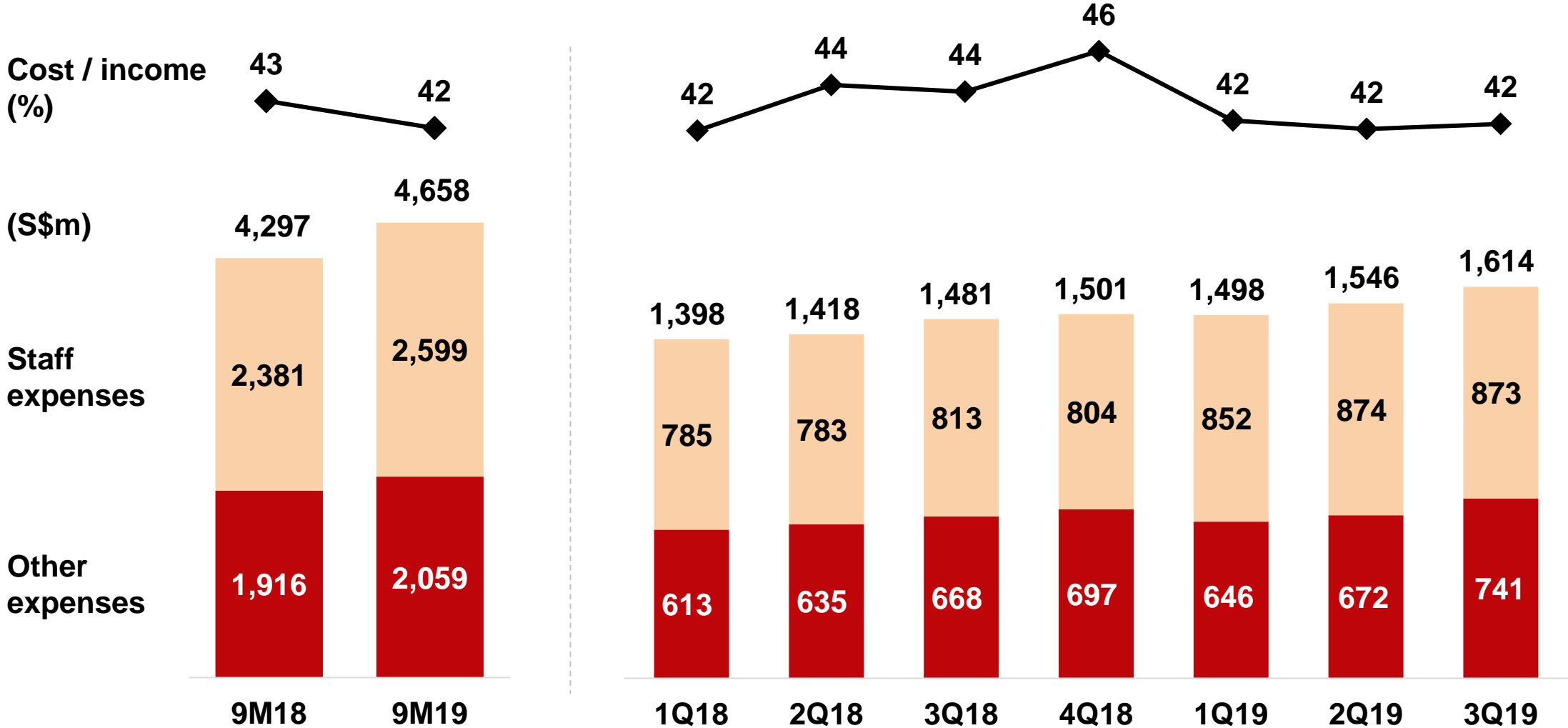
3Q gross fee income up 16% on year, led by wealth management, cards and investment banking

(S\$m)



Gross fee income

Cost-income ratio at 42%



9M CBG / WM income up 14% from broad-based growth

(S\$m)	9M19	9M18	YoY %
Total income	4,790	4,204	14
Retail	2,428	2,176	12
Wealth Management	2,362	2,028	16
Loans and deposits	2,822	2,387	18
Investment products	1,324	1,213	9
Cards	597	568	5
Others	46	36	28
Expenses	2,441	2,225	10
Profit before allowances	2,349	1,979	19
AUM (S\$bn)	241	220	9
SGD savings (S\$bn)	114	117	(3)

- Total income up 14% to record \$4.79 billion from growth across all products
- Wealth Management segment income up 16% to new high of \$2.36 billion as AUM increases 9% to \$241 billion
- Market share maintained for SGD savings deposits at 53% and Singapore housing loans at 31%

9M IBG income growth led by cash management

(S\$m)	9M19	9M18	YoY %
Total income	4,577	4,263	7
Corporate	2,956	2,800	6
SME	1,621	1,464	11
Loans	2,003	1,958	2
Trade	500	543	(8)
Cash / SFS	1,498	1,207	24
Treasury	469	460	2
Investment banking	107	95	13
Expenses	1,482	1,358	9
Profit before allowances	3,095	2,905	7
Assets (S\$bn)	274	260	5
GTS deposits (S\$bn)	140	141	(1)

- Total income growth of 7% led by 24% increase in cash management to record \$1.5 billion
- Assets rise 5% from loan growth, GTS deposits flat from reduction in higher-cost accounts

9M TM income up 35% from strong performance and low year-ago base

YoY (%)

Customer

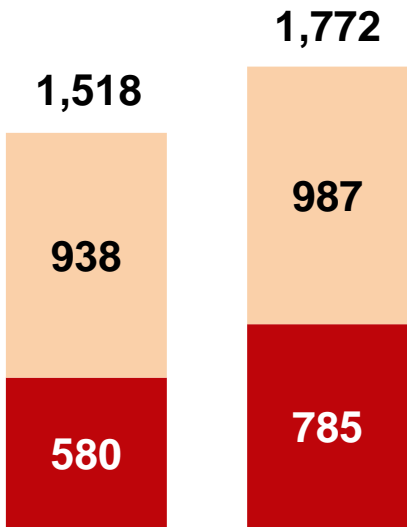


TM

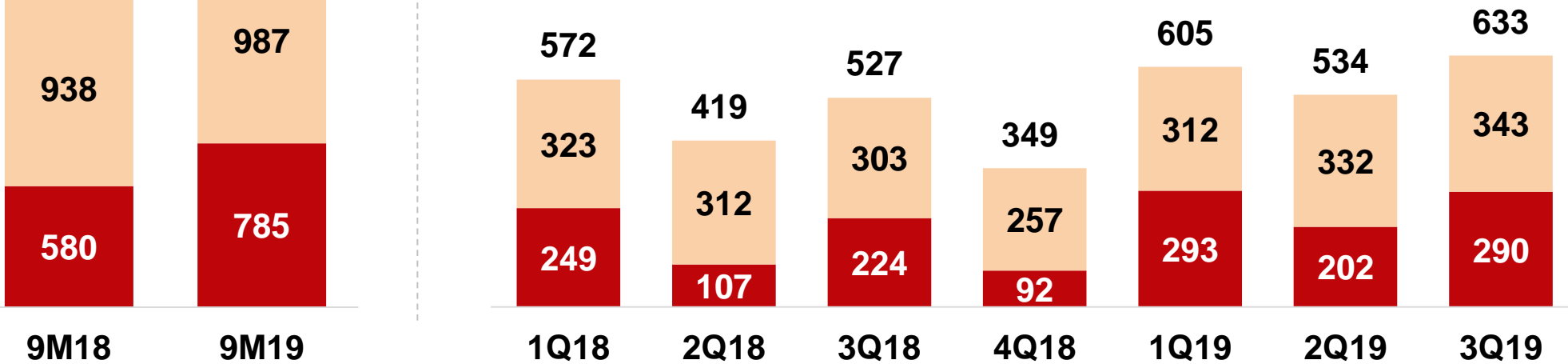


(S\$m)

Customer



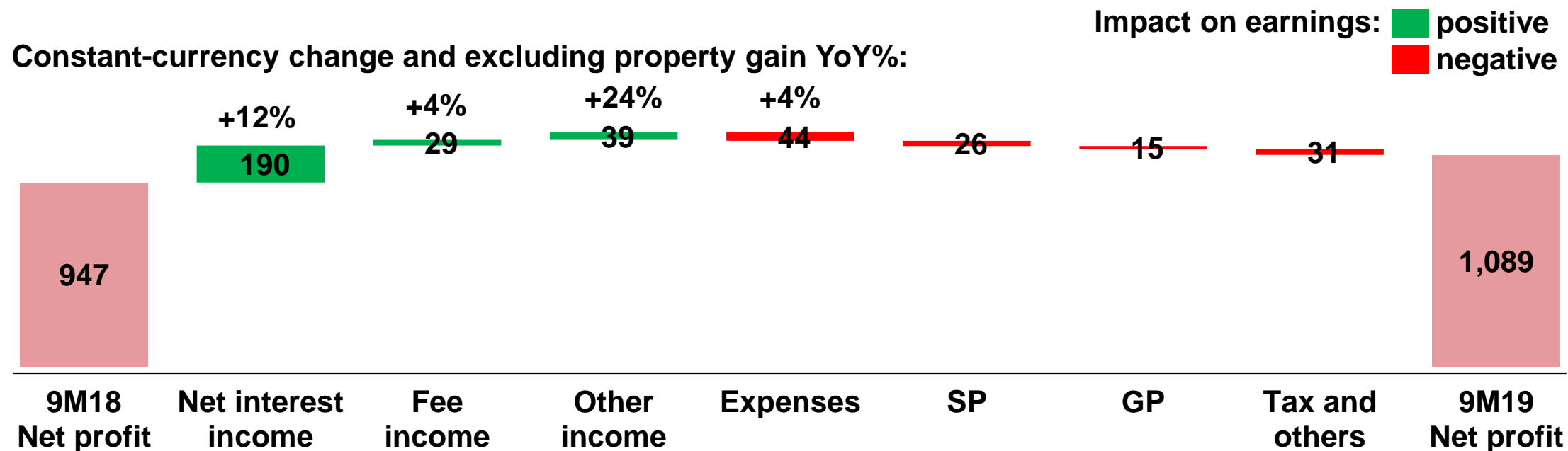
TM



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

9M Hong Kong constant-currency earnings up 13%

<u>Excluding property gain (S\$m)</u>	<u>9M19</u>	<u>YoY%</u>	<u>Constant-currency YoY%</u>	
Total income	record 2,215	13	11	<ul style="list-style-type: none"> Total income up 11% to new high from loan growth, higher NIM, growth in cash management, bancassurance and loan-related fees Positive jaw results in 13% increase in net profit to new high of \$1.09 billion
Expenses	827	6	4	
Profit before allowances	record 1,388	18	16	
Allowances	82	100	>100	
Net profit	record 1,089	15	13	



3Q Hong Kong constant-currency earnings up 12% on year

(S\$m)	Constant-currency terms				
	3Q19	3Q18	YoY %	2Q19	QoQ %
Net interest income	525	487	6	518	0
Net fee and commission income	175	148	17	166	4
Other non-interest income	56	37	55	68	(20)
Non-interest income	231	185	24	234	(3)
Total income	756	672	11	752	(1)
Expenses	299	296	(1)	276	7
Profit before allowances	457	376	20	476	(5)
GP (ECL Stage 1 and 2)	49	10	>100	3	>100
SP (ECL Stage 3)	10	18	(41)	14	(23)
Allowances	59	28	>100	17	>100
Net profit	334	293	12	385	(15)
Net interest margin (%)	2.09	2.06		2.14	
Loan growth (%)			5		2
Non-trade growth (%)			9		4
Trade growth (%)			(15)		(10)
Deposit growth (%)			(1)		(0)

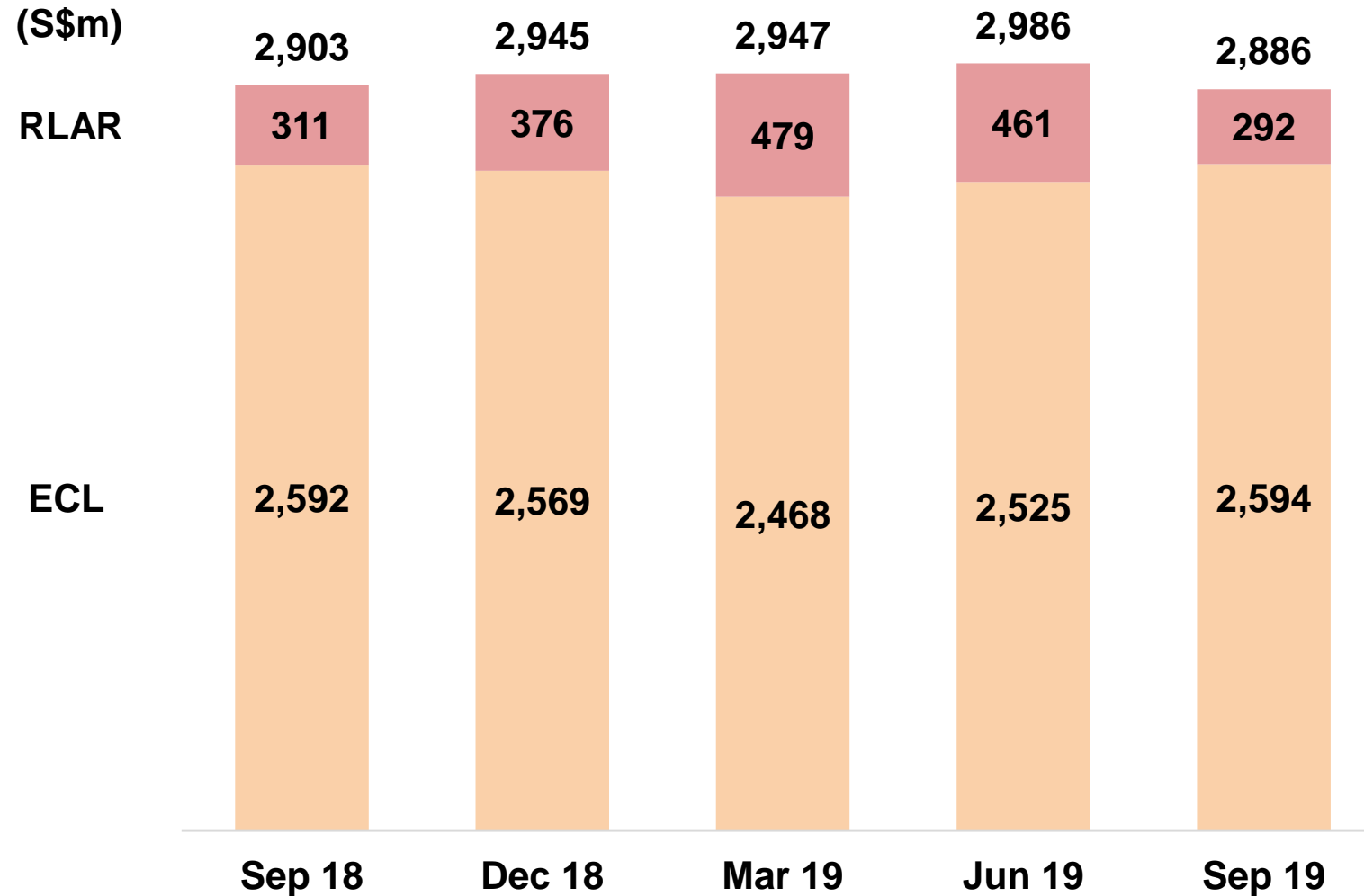
NPL ratio stable at 1.5%

(S\$m)	3Q18	4Q18	1Q19	2Q19	3Q19
NPAs at start of period	5,870	5,902	5,684	5,648	5,821
IBG and others	69	(217)	(51)	171	46
New NPAs	233	280	109	277	367
Upgrades, settlements and recoveries	(104)	(318)	(139)	(82)	(95)
Write-offs	(60)	(179)	(21)	(24)	(226)
CBG / WM	(17)	(8)	41	9	(7)
Translation	(20)	7	(26)	(7)	84
NPAs at end of period	5,902	5,684	5,648	5,821	5,944
NPL ratio (%)	1.6	1.5	1.5	1.5	1.5

3Q SP for loans stable at 21 bps

(S\$m)	3Q18	4Q18	1Q19	2Q19	3Q19
IBG and others	124	158	87	142	140
Add charges for	136	187	102	154	164
New NPLs	82	102	22	49	82
Existing NPLs	54	85	80	105	82
Subtract charges for	12	29	15	12	24
Upgrades	0	0	0	0	0
Settlements	8	9	9	9	18
Recoveries	4	20	6	3	6
CBG / WM	55	60	43	48	50
SP charges for loans	179	218	130	190	190
Other credit exposures	46	11	43	3	7
Total SP charges	225	229	173	193	197
SP / loans (bp)	21	25	15	22	21

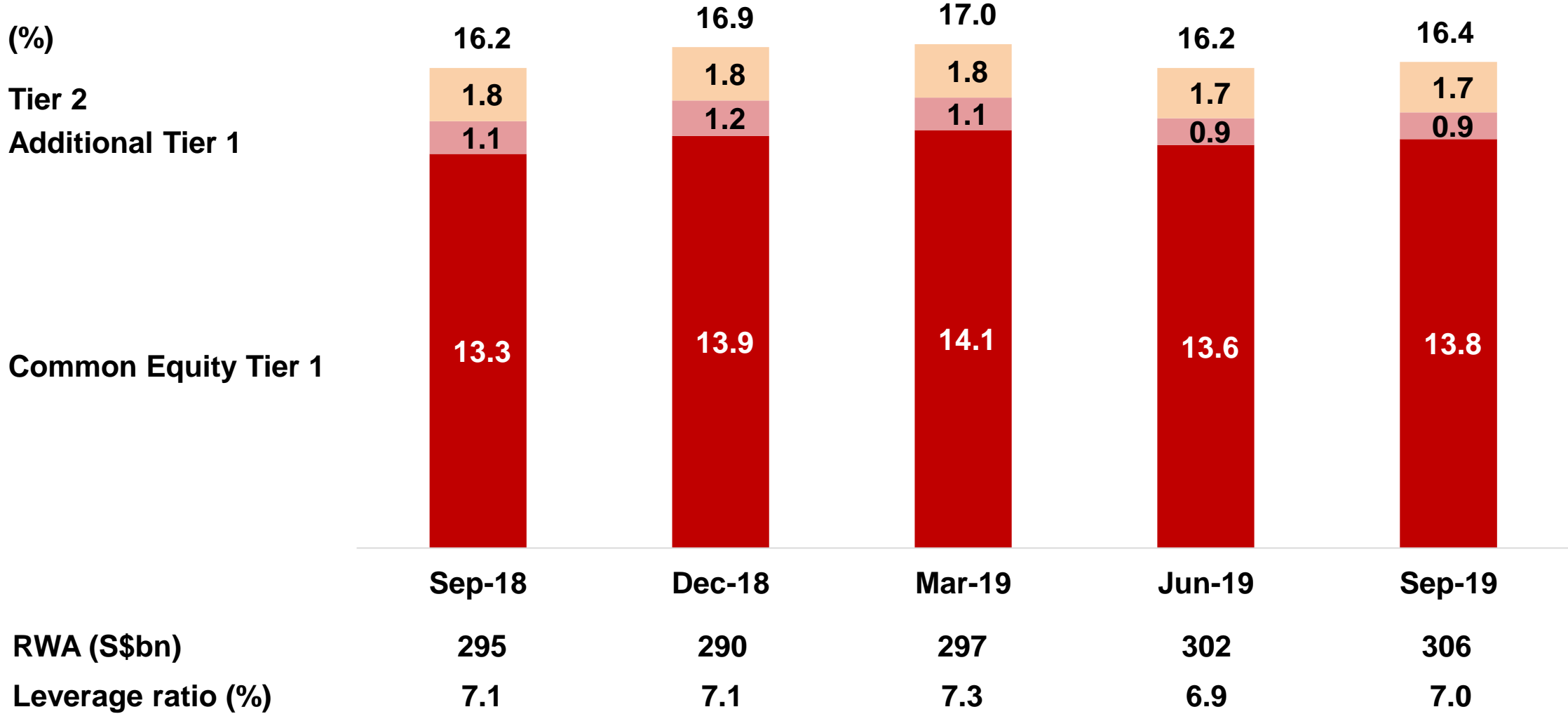
Moderate rise in GP (ECL Stage 1 and 2)



ECL movement during 3Q

Net increase taken as prudent measure due to ongoing political and economic uncertainty

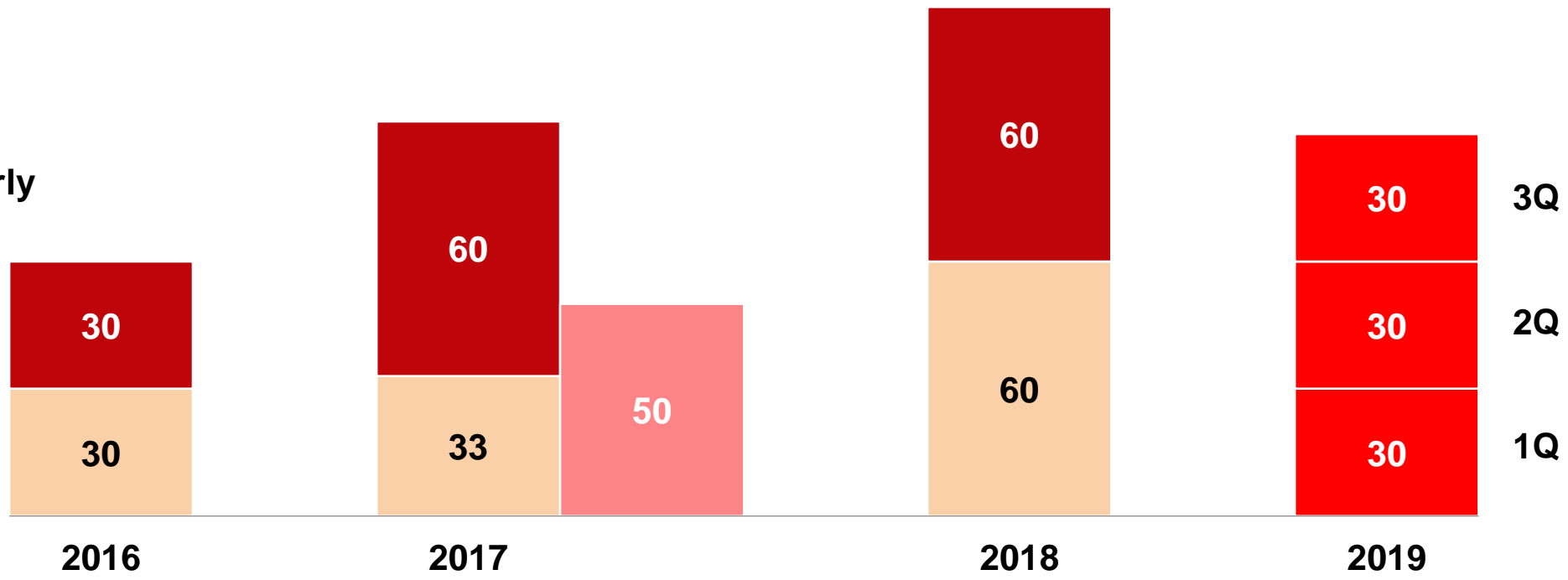
Strong CET-1 and leverage ratios



3Q dividend at 30 cents per share

(S¢ per share)

- Final
- Interim
- Special
- Quarterly



In summary – record operating performance

Record results demonstrate resilience of franchise underpinned by nimble execution and strong balance sheet

Nine-month ROE increases to 13.6% from business growth and improved structural profitability of franchise

Well placed to deliver healthy shareholder returns despite political and economic headwinds



Live more,
Bank less

Supplementary slides

**DBS Group Holdings
3Q 2019 financial results
November 11, 2019**

Record 9M earnings

(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 (ECL Stage 1 and 2)

SP (ECL Stage 3)

Allowances

Net profit

One-time items

Net profit incl. one-time items

	9M19	9M18	YoY %
Net interest income	7,199	6,625	9
Fee income	2,311	2,145	8
Trading income	1,231	949	30
Other income	342	219	56
Non-interest income	3,884	3,313	17
Total income	11,083	9,938	12
Staff expenses	2,599	2,381	9
Other expenses	2,059	1,916	7
Expenses	4,658	4,297	8
Profit before allowances	6,425	5,641	14
GP (ECL Stage 1 and 2)	19	23	(17)
SP (ECL Stage 3)	562	482	17
Allowances	581	505	15
Net profit	4,883	4,306	13
One-time items	0	(48)	NM
Net profit incl. one-time items	4,883	4,258	15

3Q earnings up 15% on year

(S\$m)

	3Q19	3Q18	YoY %	2Q19	QoQ %
Net interest income	2,460	2,273	8	2,429	1
Fee income	814	695	17	767	6
Trading income	431	354	22	357	21
Other income	118	53	>100	156	(24)
Non-interest income	1,363	1,102	24	1,280	6
Total income	3,823	3,375	13	3,709	3
Staff expenses	873	813	7	874	(0)
Other expenses	741	668	11	672	10
Expenses	1,614	1,481	9	1,546	4
Profit before allowances	2,209	1,894	17	2,163	2
GP (ECL Stage 1 and 2)	61	9	>100	58	5
SP (ECL Stage 3)	193	227	(15)	193	0
Allowances	254	236	8	251	1
Net profit	1,629	1,413	15	1,603	2
One-time items	0	0	0	0	0
Net profit incl. one-time items	1,629	1,413	15	1,603	2

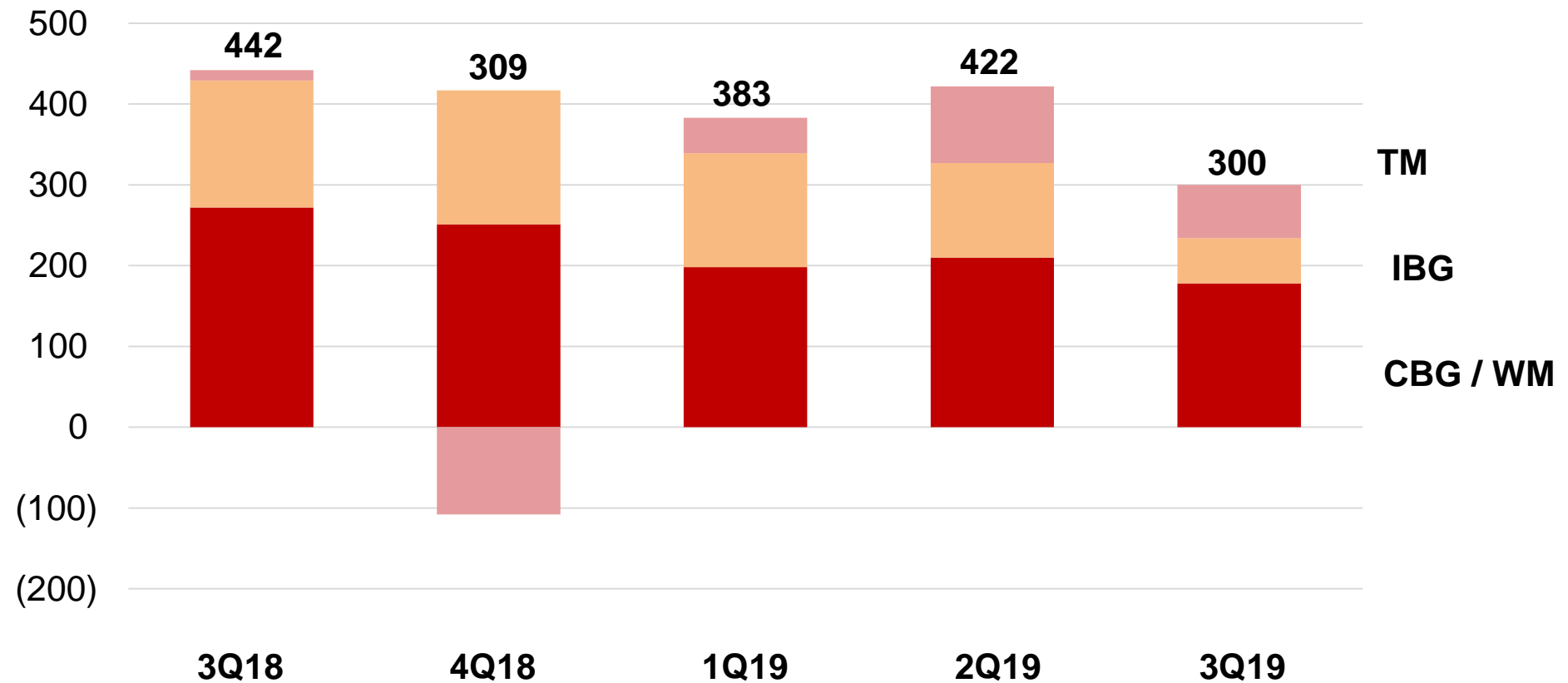
9M ROE higher at 13.6%

(%)	3Q19	3Q18	2Q19	9M19	9M18
Net interest margin	1.90	1.86	1.91	1.90	1.85
Fee income / total income	21	21	21	21	22
Non-interest income / total income	36	33	35	35	33
Cost / income	42	44	42	42	43
ROE	13.4	12.2	13.4	13.6	12.4
Loan / deposit	88	88	90	88	88
SP / loans (bp)	21	21	22	19	18
NPL ratio	1.5	1.6	1.5	1.5	1.6

Income momentum of the three business units sustained

Change over year-ago period

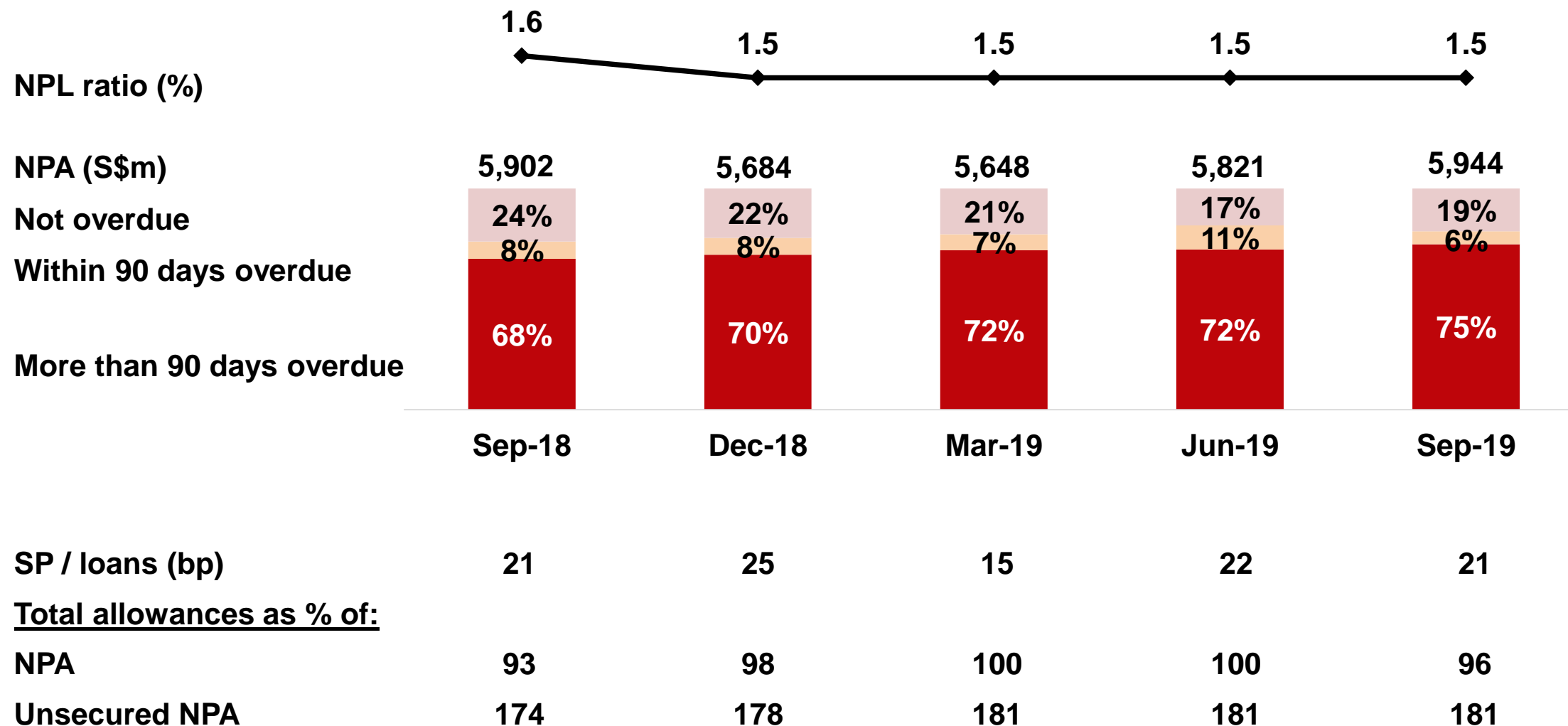
(S\$m)



9M regional profit before allowances little changed on year

(S\$m)	9M19	9M18	YoY %
Net interest income	1,081	1,101	(2)
Non-interest income	748	631	19
Total income	1,829	1,732	6
Expenses	1,098	1,031	6
Profit before allowances	731	701	4
Allowances	266	165	61
Net profit	314	414	(24)

NPL stable, allowance coverage healthy



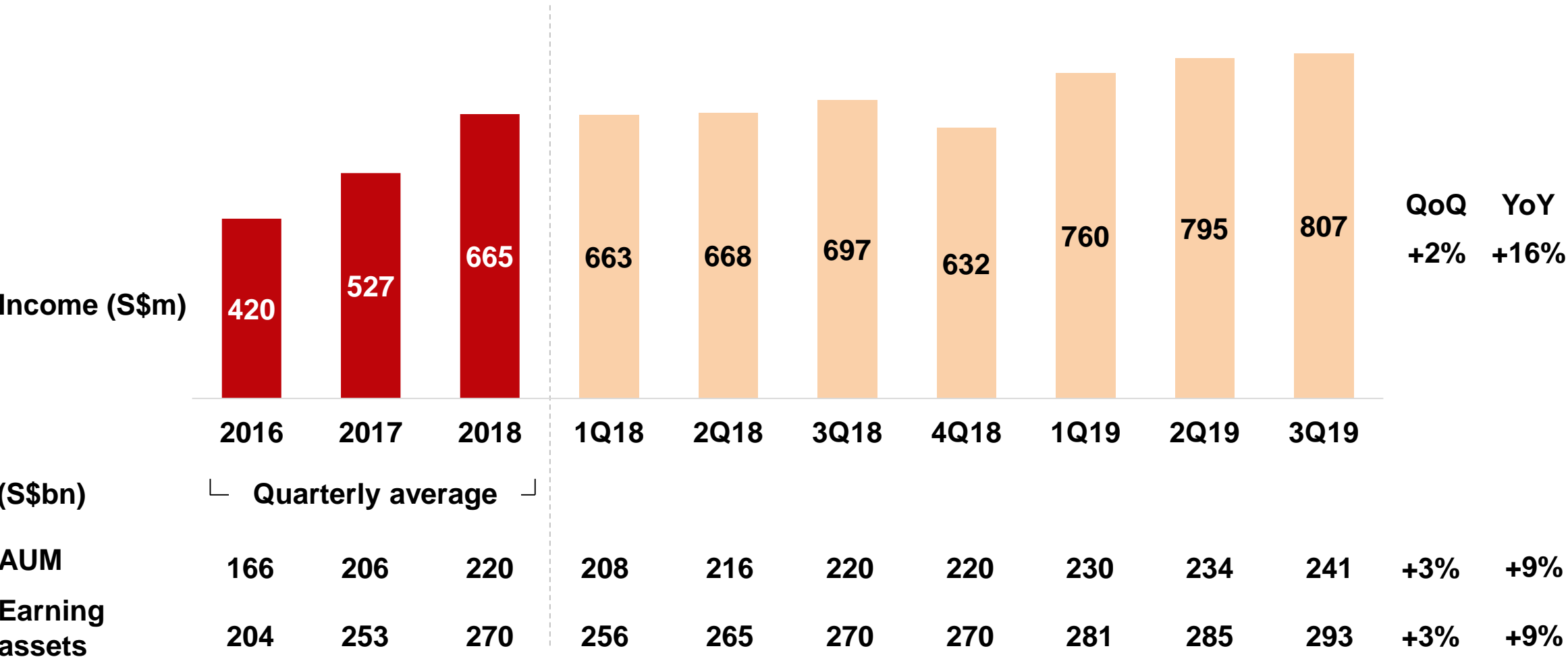
FVOCI duration remains short

(\$m)	Sep 19	Jun 19
Government securities	21,578	19,355
Less than 3 years	16,210	16,001
3 to 5 years	1,826	1,459
5 to 10 years	3,496	1,825
More than 10 years	46	70
Supranational, bank and corporate bonds	10,672	9,926
Equities	2,312	2,282
Total	34,562	31,563
FVOCI reserves	(9)	(13)

Deposits up 1% on quarter and up 3% on year in constant-currency terms

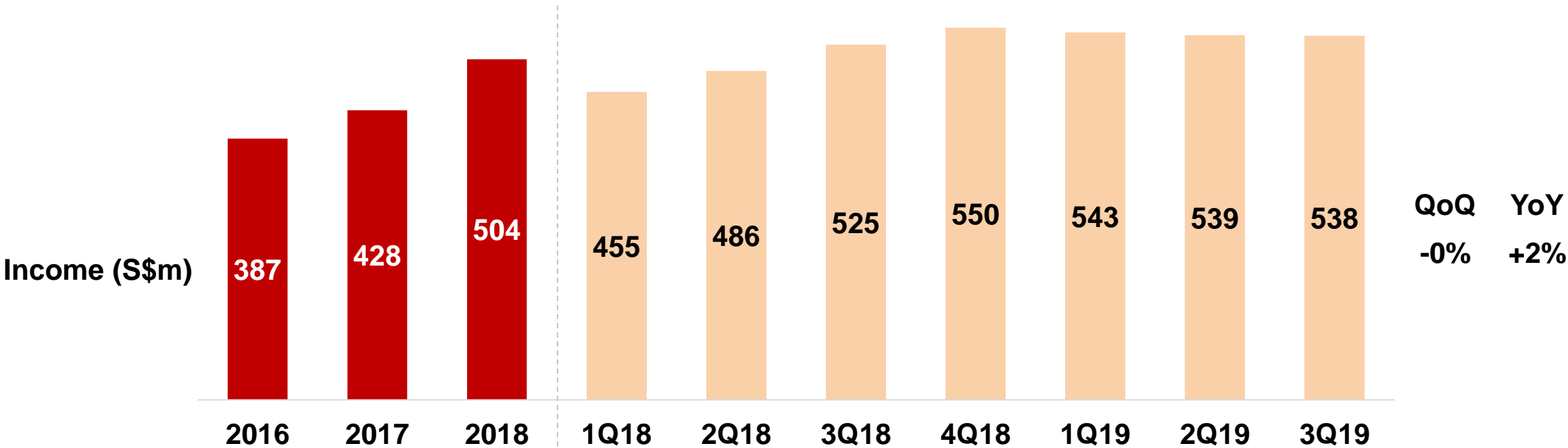
	(S\$bn)	QoQ (%)		YoY (%)	
	Sep 19	Reported	Underlying	Reported	Underlying
Deposits	400	2	1	3	3
By product					
Casa	231	1	0	1	0
Fixed deposits	165	4	3	7	7
Other	4	4	4	3	3
By currency					
Singapore dollar	162	2	2	4	4
US dollar	141	4	1	6	4
HK dollar	37	6	4	(3)	(4)
Chinese yuan	12	(1)	1	(2)	0
Others	48	(1)	(1)	1	2
LDR (%)	Sep-19	Jun-19		Sep-18	
Overall	88	90		88	
Singapore dollar	88	90		89	
US dollar	78	79		82	

Wealth Management segment



Comprising Treasures, Treasures Private Client and Private Bank

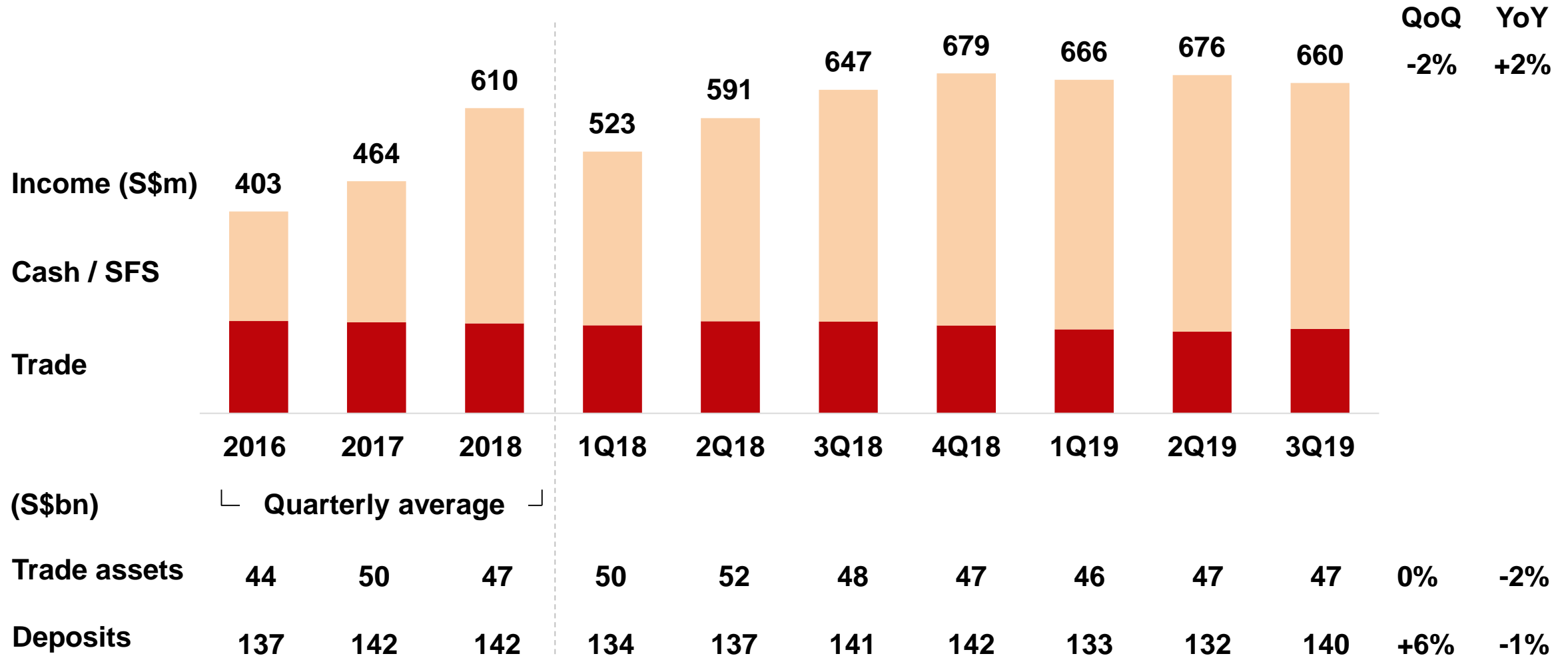
SME segment



(S\$bn)	Quarterly average									QoQ	YoY	
Loans	37	37	38	37	38	39	38	37	37	38	+3%	-3%
Deposits	49	53	59	52	56	57	59	58	59	60	+2%	+5%



Global transaction services





Live more,
Bank less

Record third-quarter operating performance

**DBS Group Holdings
3Q 2019 financial results
November 11, 2019**