



Live more,
Bank less

Record full-year earnings

DBS Group Holdings
4Q 2021 financial results
February 14, 2022

Highlights

Full-year earnings up 44% to record \$6.80 billion, ROE rises from 9.1% to 12.5%

- Strong business momentum mitigates impact of lower interest rates and lower investment gains from high base
- Loan growth of 9% highest in seven years, fee income and Treasury Markets income rise to records
- Underlying expenses up 1%, cost-income ratio at 45%

Fourth-quarter earnings at \$1.39 billion, up 37% on year; business momentum sustained over quarter

- Loans up 1% on quarter, NIM unchanged at 1.43%
- Fee income up 9% on year from broad-based growth, including transaction services and cards
- Expenses stable on quarter at \$1.67 billion

Asset quality resilient, balance sheet healthy

- NPA declines \$0.72 billion or 11% on quarter from two significant repayments. NPL rate falls from 1.5% to 1.3%
- Full-year GP write-back at \$447 million, GP overlays maintained; SP at 12bp, below pre-pandemic levels
- CET-1 at 14.4%, LCR at 135%, NSFR at 123%

One-time items

- Gain of \$104 million on completion of SZRCB transaction
- Contribution of \$100 million to DBS Foundation and other charitable causes

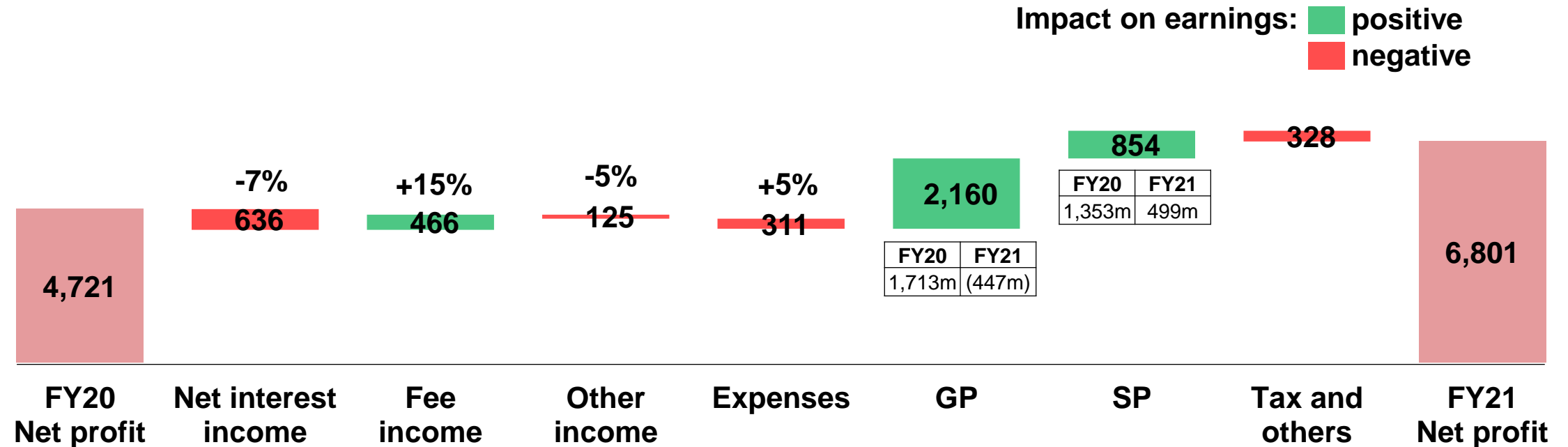
4Q dividend rises to 36 cents per share, annualised dividend up 9% to \$1.44 per share

Full-year net profit up 44%

(S\$m)	FY21	YoY %
Total income	14,297	(2)
Expenses	6,469	5
Profit before allowances	7,828	(7)
Allowances	52	(98)
Net profit	6,801	44

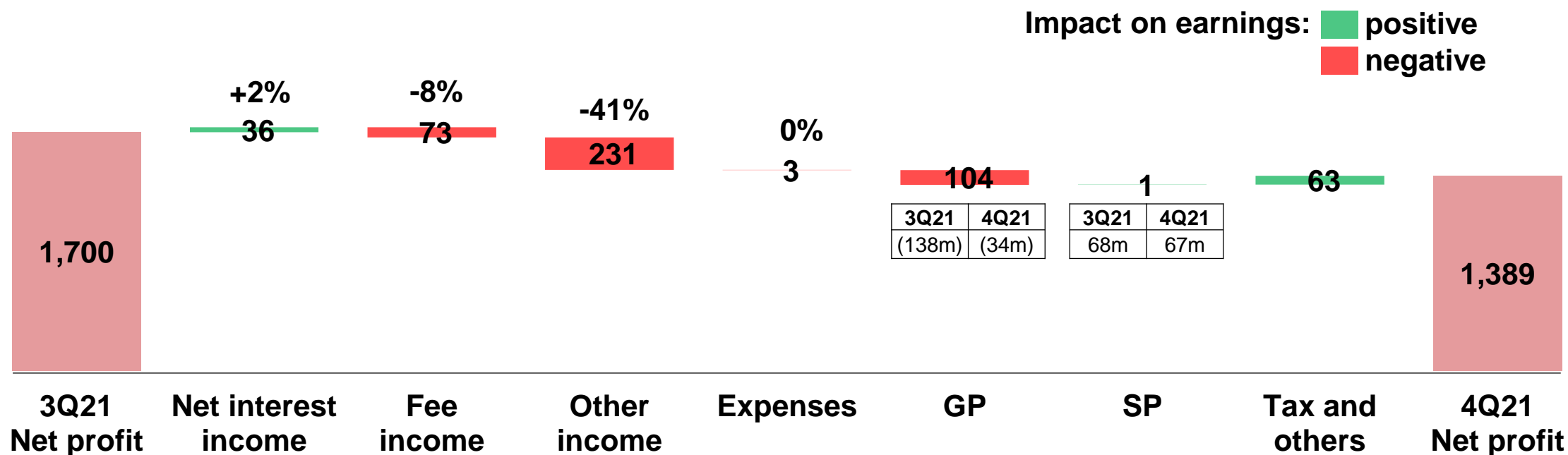
record

- Net interest income falls 7% as full impact of interest rate cuts more than offset 9% loan growth
- Fee income up 15% as most fee activities grow
- Other income down 5% as record trading income offset by lower investment gains from high base
- SP at 12bp of loans, GP write-back of \$447m from repayments, credit upgrades and transfers to NPA

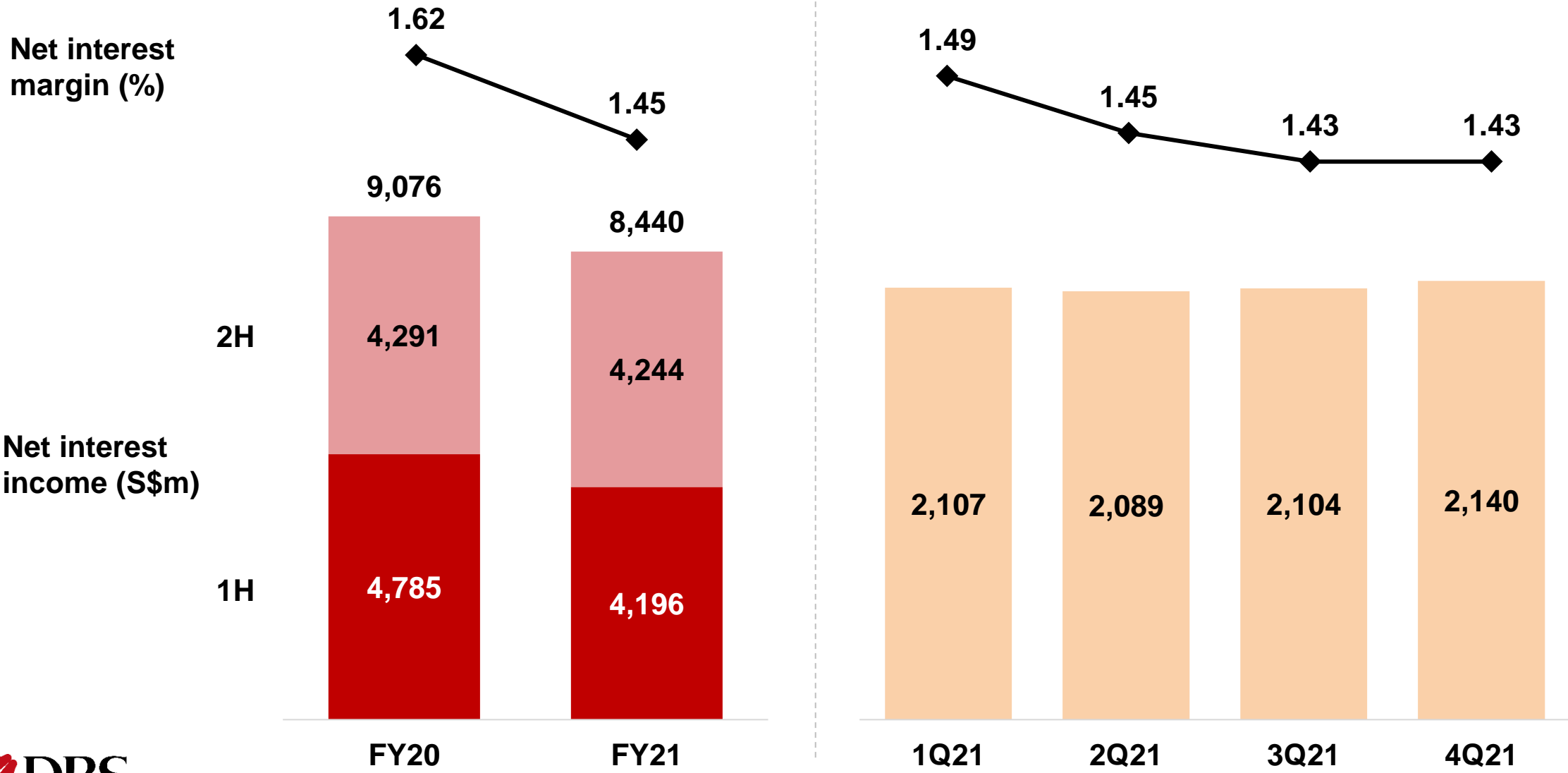


4Q net profit down 18% on quarter

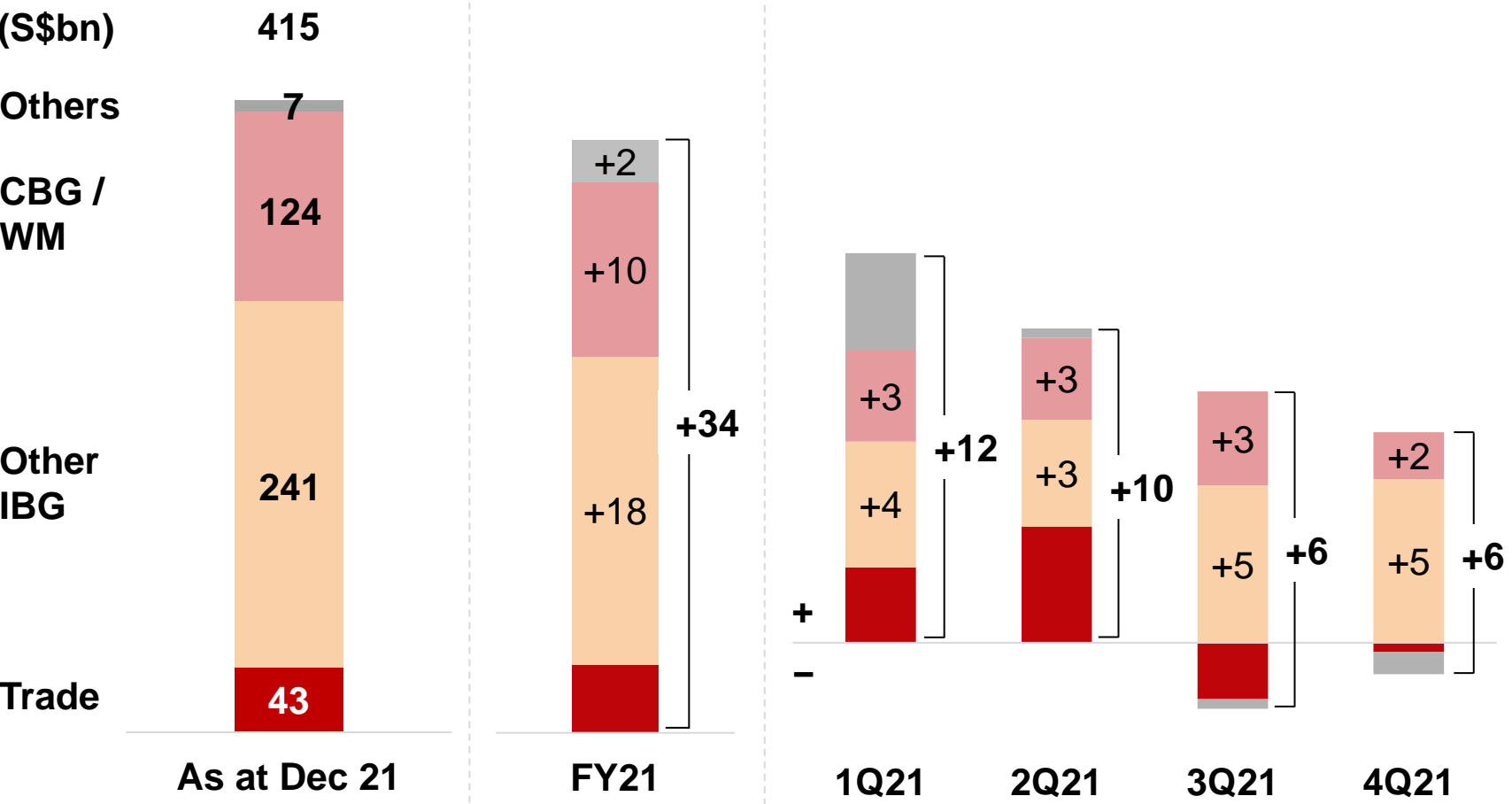
(S\$m)	4Q21	QoQ %	
Total income	3,293	(8)	▪ Net interest income up 2% from loan growth and stable NIM
Expenses	1,671	0	▪ Non-interest income falls 21% due to seasonally-lower fee income and trading activities
Profit before allowances	1,622	(14)	▪ Expenses stable
Allowances	33	NM	▪ SP at 6bp of loans; GP write-back of \$34m, GP overlays maintained
Net profit	1,389	(18)	



4Q net interest income up 2% on quarter, NIM unchanged at 1.43%



Loans up 1% on quarter, 9% on year



In constant-currency terms

- Loans up \$6bn or 1% in 4Q
- Non-trade corporate loans up \$5bn led by Singapore and Hong Kong
- Consumer loans up \$2bn from higher housing and wealth management loans
- Loans up 9% over the full year from broad-based growth

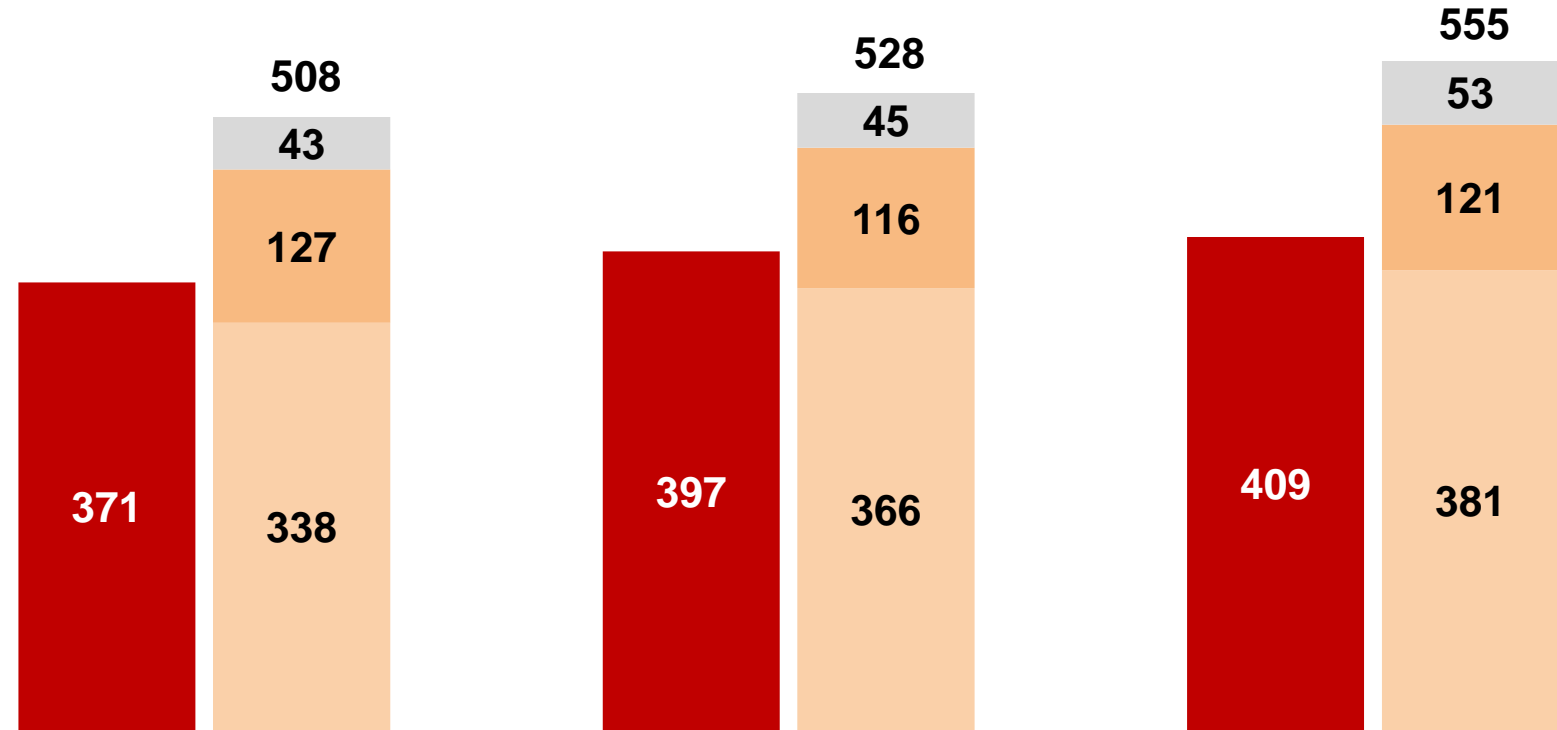
Constant-currency change



Gross loans

Deposits up 7% on year, Casa ratio at record 76%

(S\$bn)



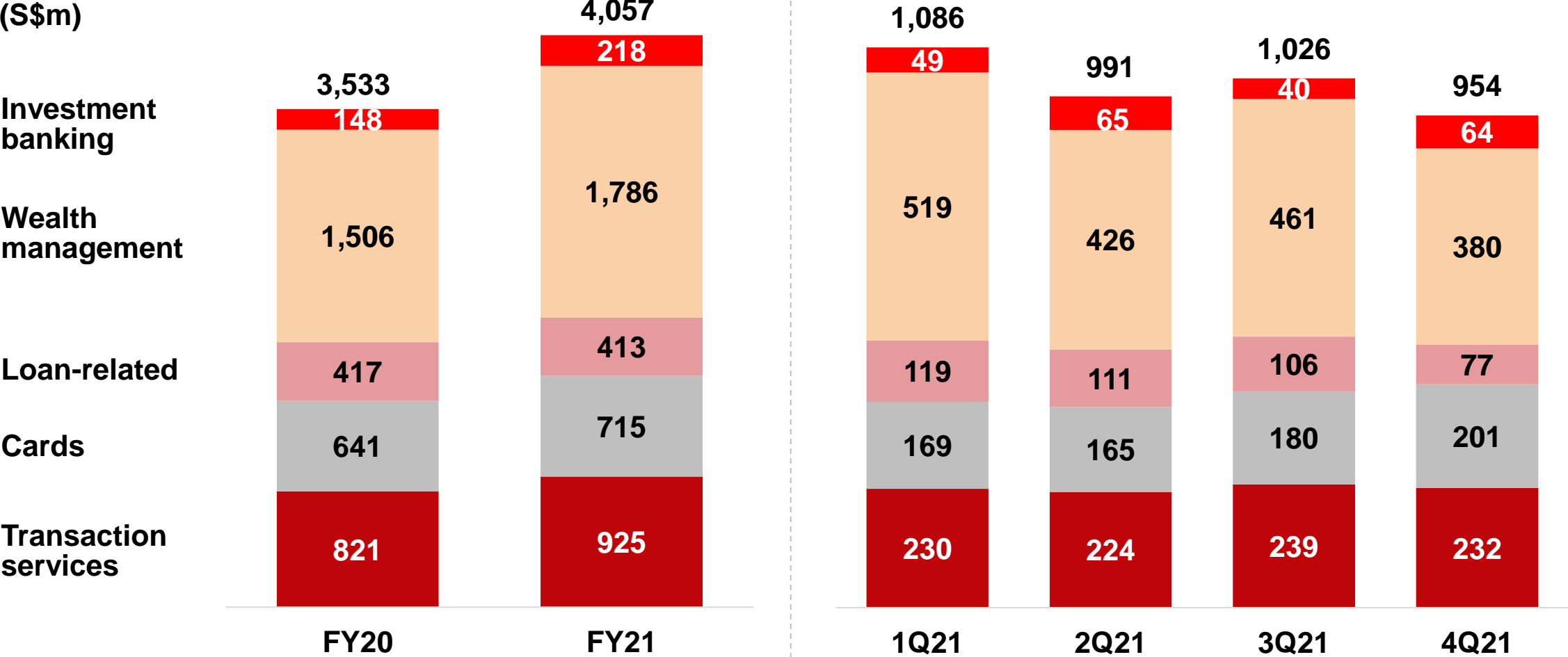
	Dec-20	Jun-21	Dec-21
HQLA (S\$bn)	116	122	126
<u>Ratios (%)</u>			
LDR	80	82	81
LCR	137	136	133
NSFR	125	127	123



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

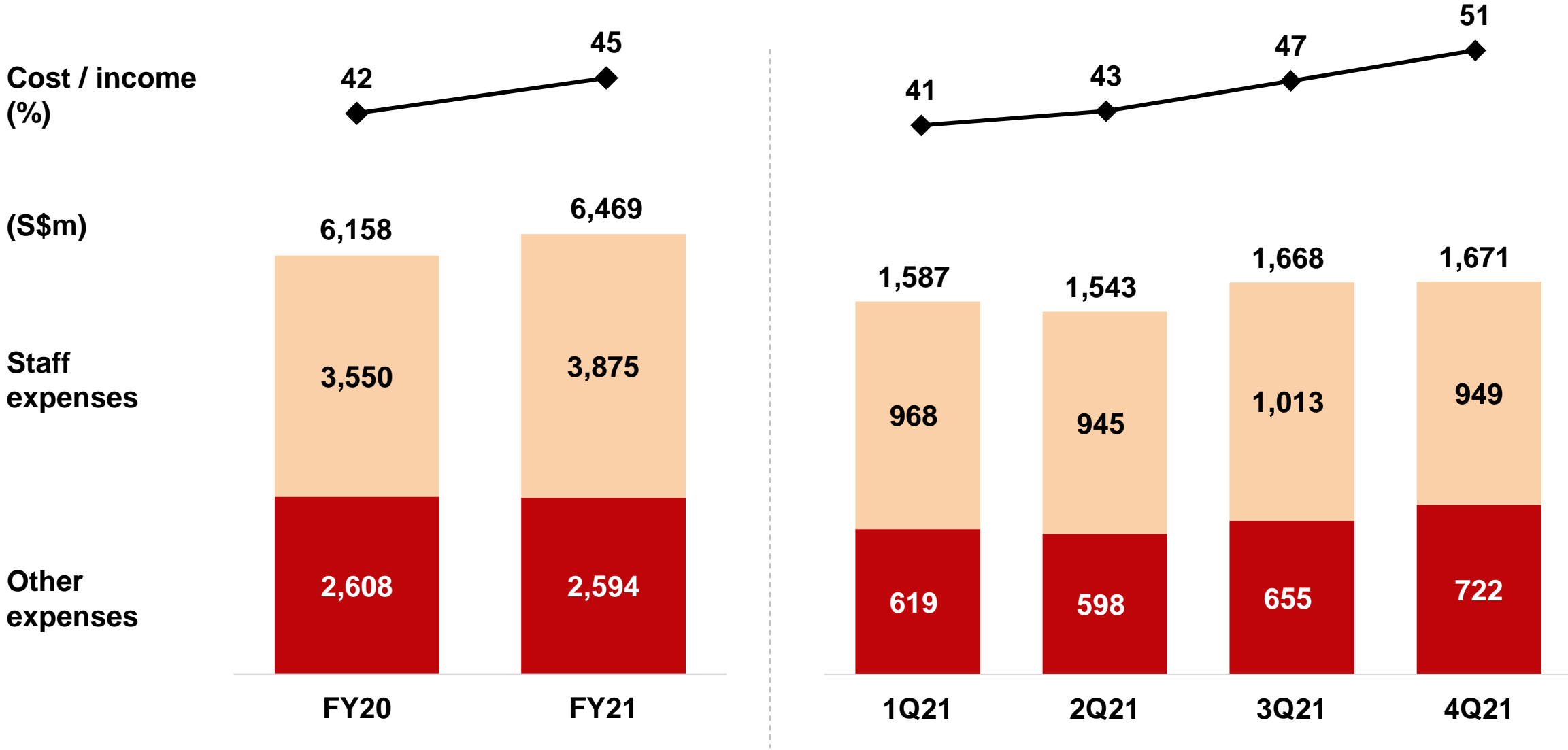
Full-year fee income up 15% to record

(S\$m)



Gross fee income

Full-year underlying expenses up 1%, cost-income ratio at 45%



Underlying expenses exclude costs relating to the amalgamation of Lakshmi Vilas Bank and the previous year's government grants

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

(S\$m)	FY21	FY20	YoY %
Total income	5,322	5,767	(8)
Loans and deposits	2,263	3,016	(25)
Investment products	2,221	1,944	14
Cards	755	730	3
Others	83	78	6
Expenses	3,353	3,288	2
Profit before allowances	1,969	2,479	(21)
AUM (S\$bn)	291	264	10
SGD savings (S\$bn)	156	139	12

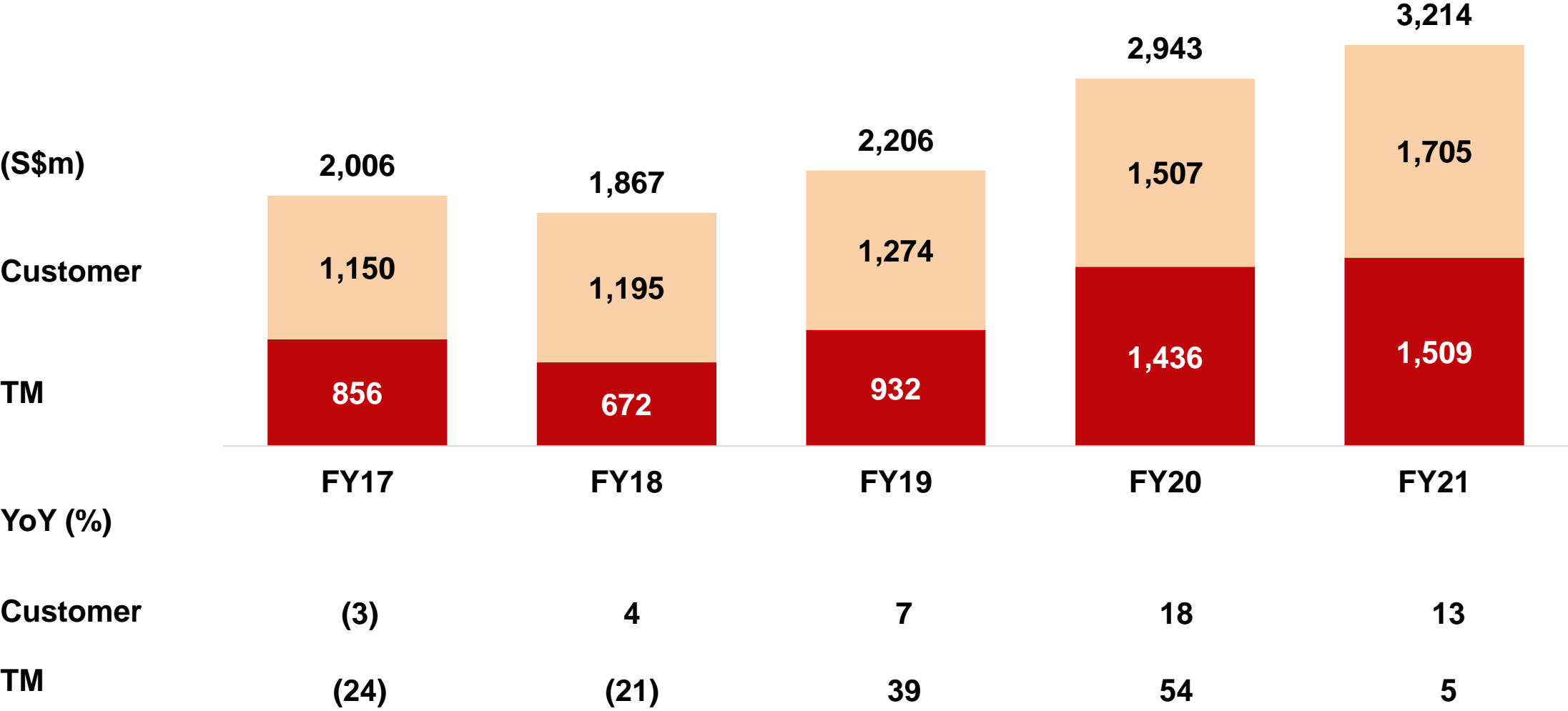
- Full-year total income at \$5.32bn, 8% lower than year ago
- Impact of lower interest rates mitigated by loan and deposit growth, higher investment products and cards income
- Wealth management AUM increase 10% to \$291bn
- Market share for SGD deposits and Singapore housing loans maintained

Full-year IBG total income up 4% as loan growth and higher treasury sales offset lower interest rates

(S\$m)	FY21	FY20	YoY %
Total income	5,984	5,745	4
Loans	3,300	3,027	9
Trade	757	719	5
Cash / SFS	1,002	1,200	(17)
Treasury	764	677	13
Investment banking	161	122	33
Expenses	2,086	1,987	5
Profit before allowances	3,898	3,758	4
Assets (S\$bn)	313	293	7
GTS deposits (S\$bn)	186	166	12

- Full-year total income at \$5.98bn, up 4% from year ago
- Income growth from loans, trade, treasury customer sales and investment banking more than offset lower cash management income due to lower interest rates
- Strong loan and deposit growth
 - Assets up 7%
 - GTS deposits up 12%

Full-year TM income and customer income rise to records



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

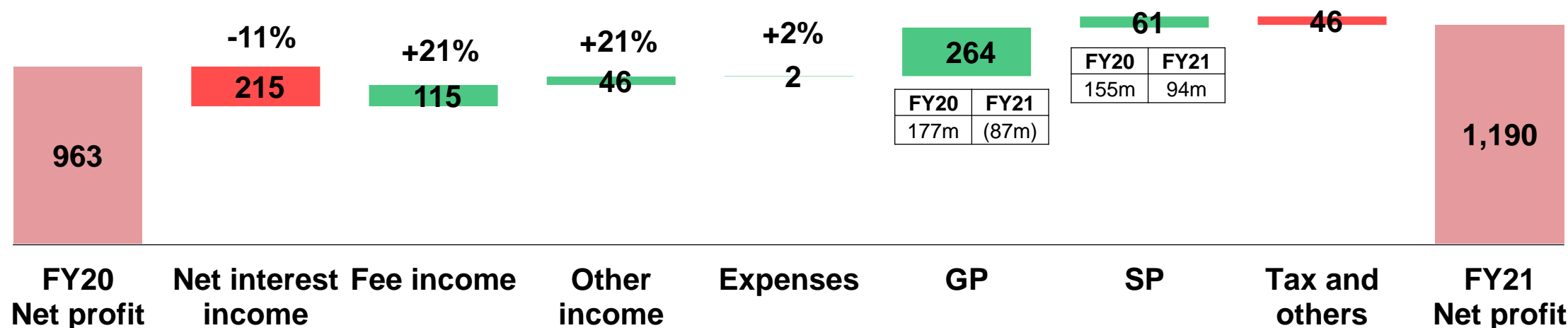
Hong Kong full-year earnings up 27%

(S\$m)	FY21	YoY (%)	Constant-currency YoY%
Total income	2,480	(2)	1
Expenses	1,057	(0)	2
Profit before allowances	1,423	(4)	(1)
Allowances	7	(98)	(98)
Net profit	1,190	24	27

- Total income up 1% to \$2.48bn as fee and other income offset lower NIM
- Profit before allowances stable at \$1.42bn
- Total allowances fall to \$7m from GP write-backs and two-thirds decline in SP

Constant-currency change YoY%:

Impact on earnings: ■ positive ■ negative



NPAs decline 11% on quarter from full repayments of two significant exposures, NPL ratio falls from 1.5% to 1.3%

(S\$m)	FY20	FY21	1Q21	2Q21	3Q21	4Q21
NPAs at start of period	5,773	6,686	6,686	6,585	6,621	6,570
IBG and others	792	(872)	(153)	50	(104)	(665)
New NPAs	1,945	1,006	271	288	342	291
Upgrades, settlements and recoveries	(580)	(1,345)	(272)	(205)	(355)	(700)
Write-offs	(573)	(533)	(152)	(33)	(91)	(256)
CBG / WM	(24)	(47)	(7)	(17)	(1)	(22)
Translation	(67)	82	59	3	54	(34)
NPAs at end of period	6,474	5,849	6,585	6,621	6,570	5,849
Amalgamation of LVB	212	-	-	-	-	-
Total NPAs	6,686	5,849	6,585	6,621	6,570	5,849
NPL ratio (%)	1.6	1.3	1.5	1.5	1.5	1.3



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

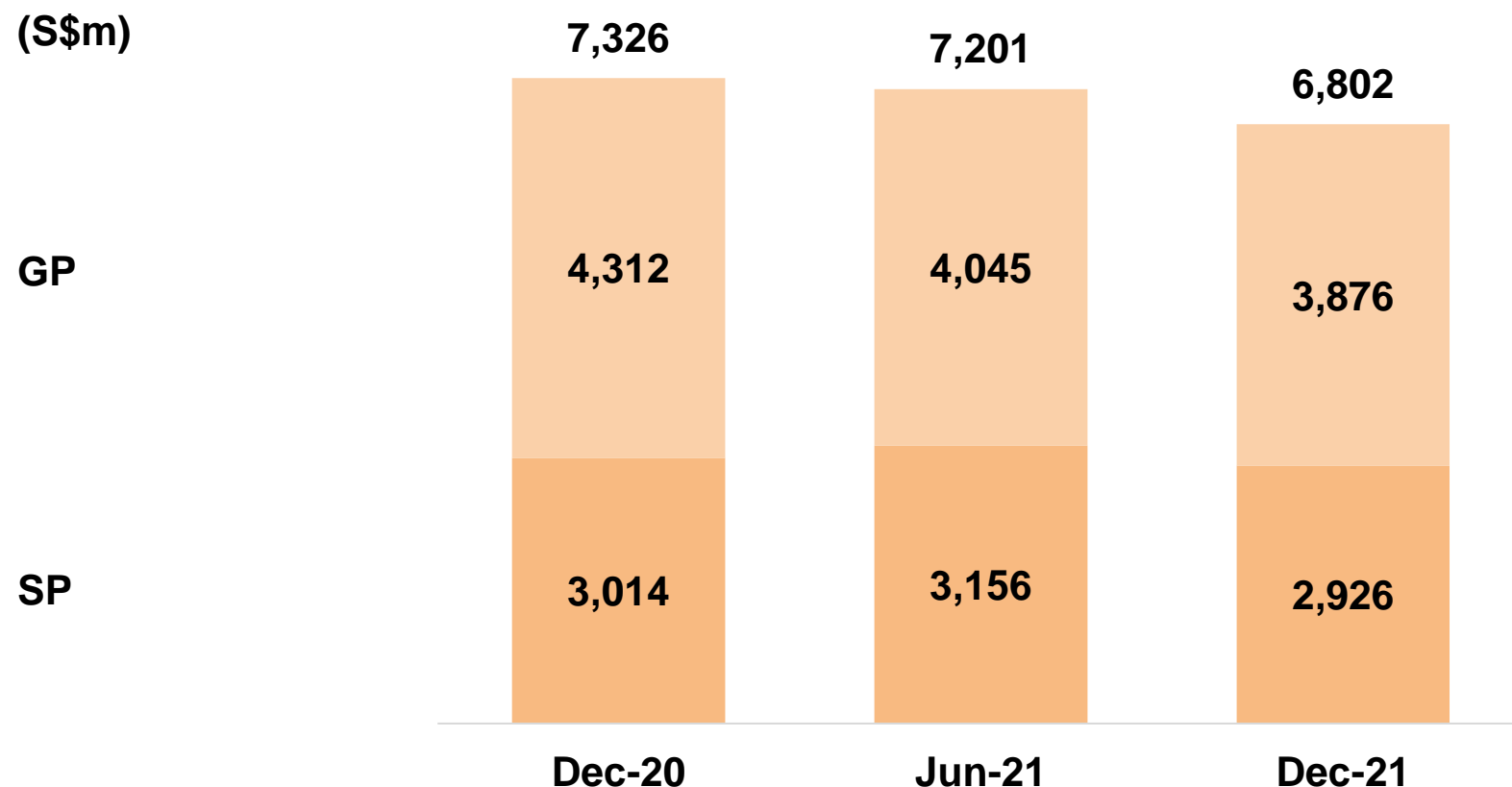
Full-year SP of 12bp below pre-pandemic levels

(S\$m)	FY20	FY21	1Q21	2Q21	3Q21	4Q21
IBG and others	874	344	164	107	27	46
Add charges for	1,012	586	181	160	151	116
New NPLs	759	346	103	82	32	57
Existing NPLs	253	240	78	78	119	59
Subtract charges for	138	242	17	53	124	70
Upgrades	1	1	0	0	0	0
Settlements	120	196	12	42	103	62
Recoveries	17	45	5	11	21	8
CBG / WM	300	127	37	36	34	20
SP charges for loans	1,174	471	201	143	61	66
Other credit exposures	176	27	(2)	21	7	1
Total SP charges	1,350	498	199	164	68	67
SP / loans (bp)	31	12	21	14	6	6



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GP reserves at \$3.88bn remain prudent

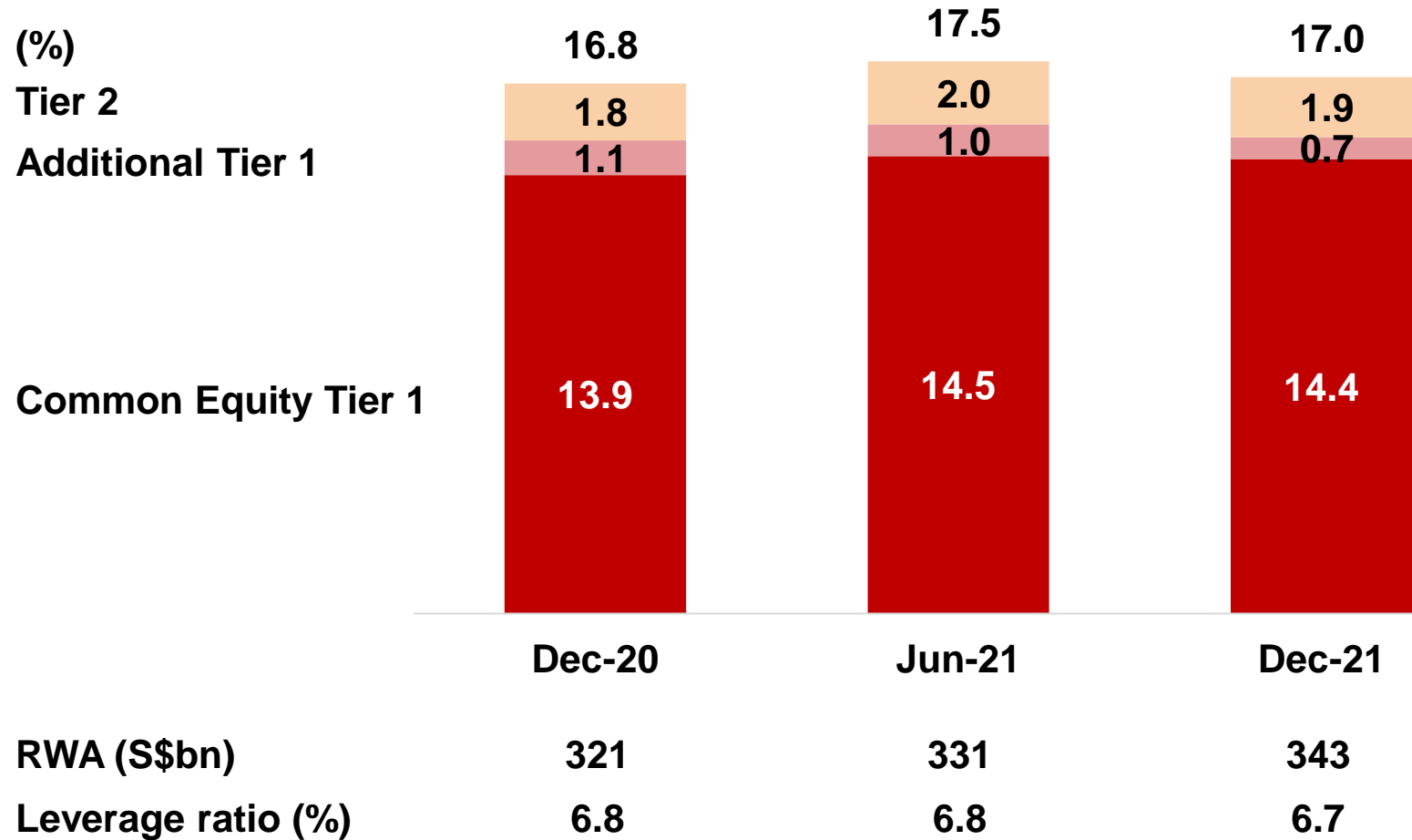


- Balance sheet remains well-fortified against risks
- GP write-back of \$447m in 2021 was from repayments, credit upgrades and transfers to NPA; GP overlays maintained
- GP reserves at \$3.88bn, \$0.4bn above MAS requirement and \$1.1bn above Tier-2 eligibility

Total allowance reserves as % of:

NPA	110	109	116
Unsecured NPA	206	199	214

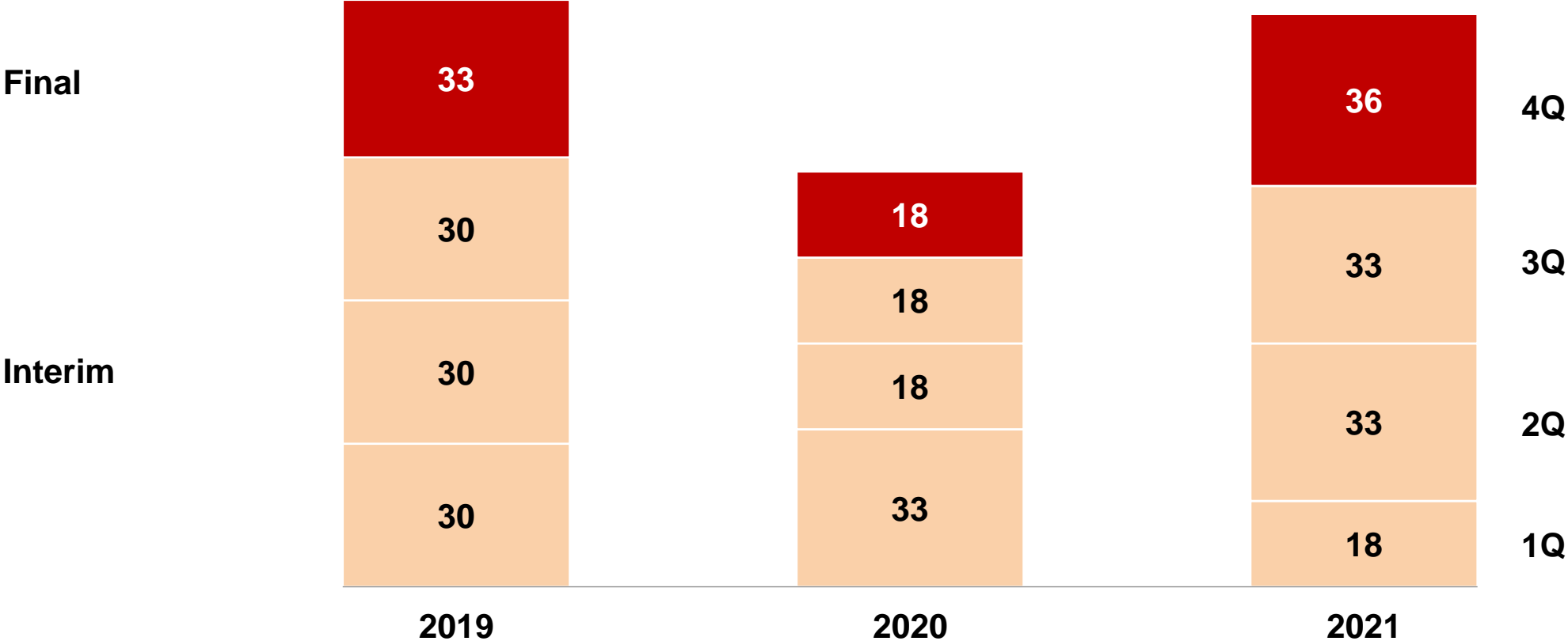
Strong CET-1 and leverage ratios



On conservative assumption that operational risk penalty is not lifted before the consolidation of Citigroup's Taiwan consumer banking business, and there is no capital accretion, the CET-1 would be 13.3%, which is at the upper end of the target operating range

Quarterly dividend rises 9% to 36 cents per share, annualised dividend at \$1.44 per share

(S¢ per share)



In summary – record full-year earnings

Stellar results despite low interest rate environment as we captured business opportunities across franchise

Expenses well managed

Reaped benefits of prudent risk management

Dividend up 9% to annualised \$1.44 per share, in line with policy of paying sustainable dividends that grow progressively with earnings

Setting aside further \$100 million for DBS Foundation and other charitable causes

Expected interest rate increases will be beneficial to earnings in coming year

Expanded footprint in India, the Greater Bay Area and Taiwan as well as new digital platforms provide additional growth engines



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Supplementary slides

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Record full-year 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

SP

Allowances

Net profit

One-time items

- SZRCB gain¹

- CSR commitment²

Net profit incl. one-time items

	FY21	FY20	YoY %
Net interest income	8,440	9,076	(7)
Fee income	3,524	3,058	15
Trading income	1,791	1,405	27
Other income	542	1,053	(49)
Non-interest income	5,857	5,516	6
Total income	14,297	14,592	(2)
Staff expenses	3,875	3,550	9
Other expenses	2,594	2,608	(1)
Expenses	6,469	6,158	5
Profit before allowances	7,828	8,434	(7)
GP	(447)	1,713	NM
SP	499	1,353	(63)
Allowances	52	3,066	(98)
Net profit	6,801	4,721	44
One-time items	4	-	NM
- SZRCB gain ¹	104	-	NM
- CSR commitment ²	(100)	-	NM
Net profit incl. one-time items	6,805	4,721	44



¹ Recognised on completion of Shenzhen Rural Commercial Bank (SZRCB) acquisition

² Refers to Corporate Social Responsibility (CSR) commitment to DBS Foundation and other charitable causes

Hong Kong earnings up 27% on year

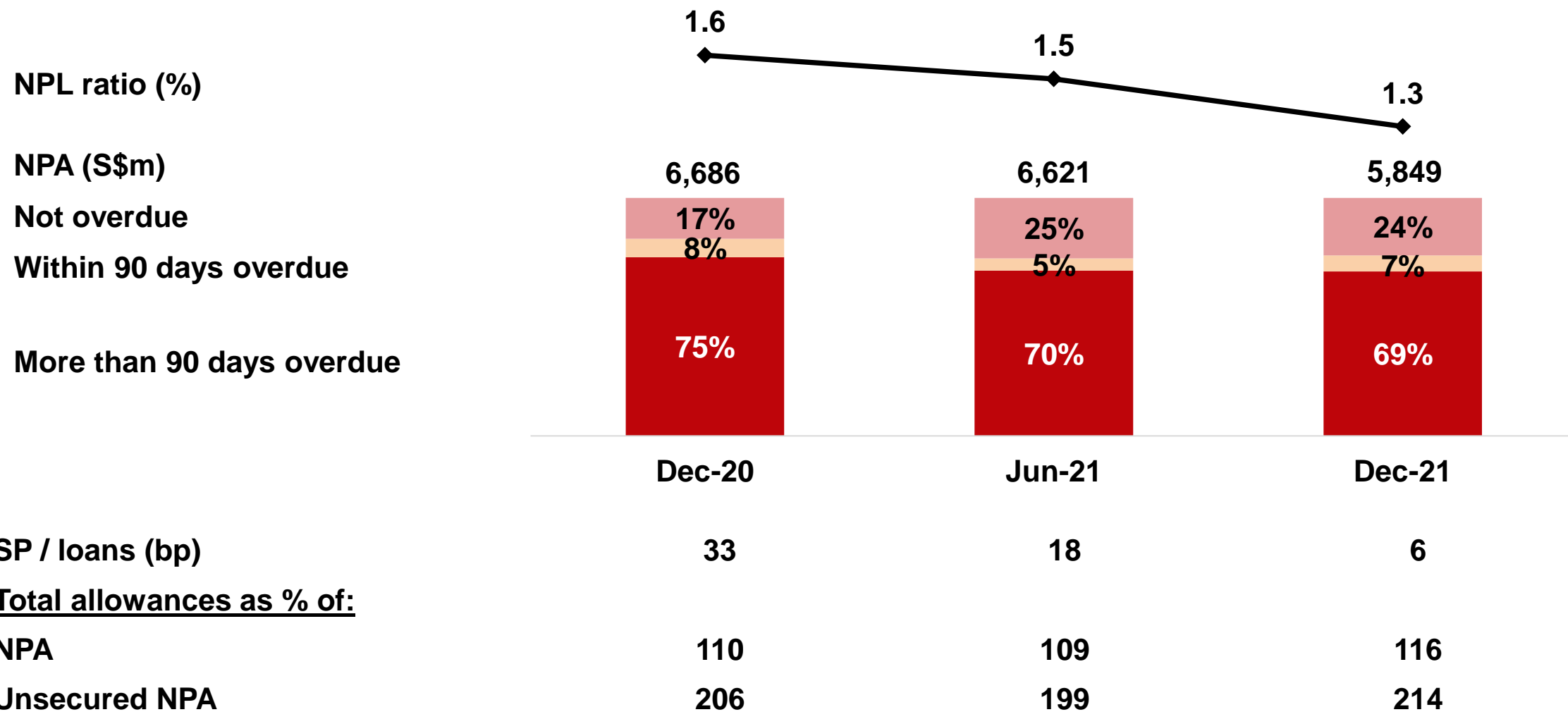
Constant-currency terms

(S\$m)	FY21	FY20	YoY %	YoY %
Net interest income	1,392	1,607	(13)	(11)
Net fee and commission income	776	661	17	21
Other non-interest income	312	266	17	21
Total income	2,480	2,534	(2)	1
Expenses	1,057	1,059	(0)	2
Profit before allowances	1,423	1,475	(4)	(1)
GP	(87)	177	NM	NM
SP	94	155	(39)	(38)
Allowances	7	332	(98)	(98)
Net profit	1,190	963	24	27
Net interest margin (%)	1.25	1.55		
Loan growth (%)				11
Non-trade growth (%)				13
Trade growth (%)				(0)
Deposit growth (%)				(3)*



* Excluding transitory funds, deposits grew 6% yoy

NPL at 1.3%, allowance coverage above 100%



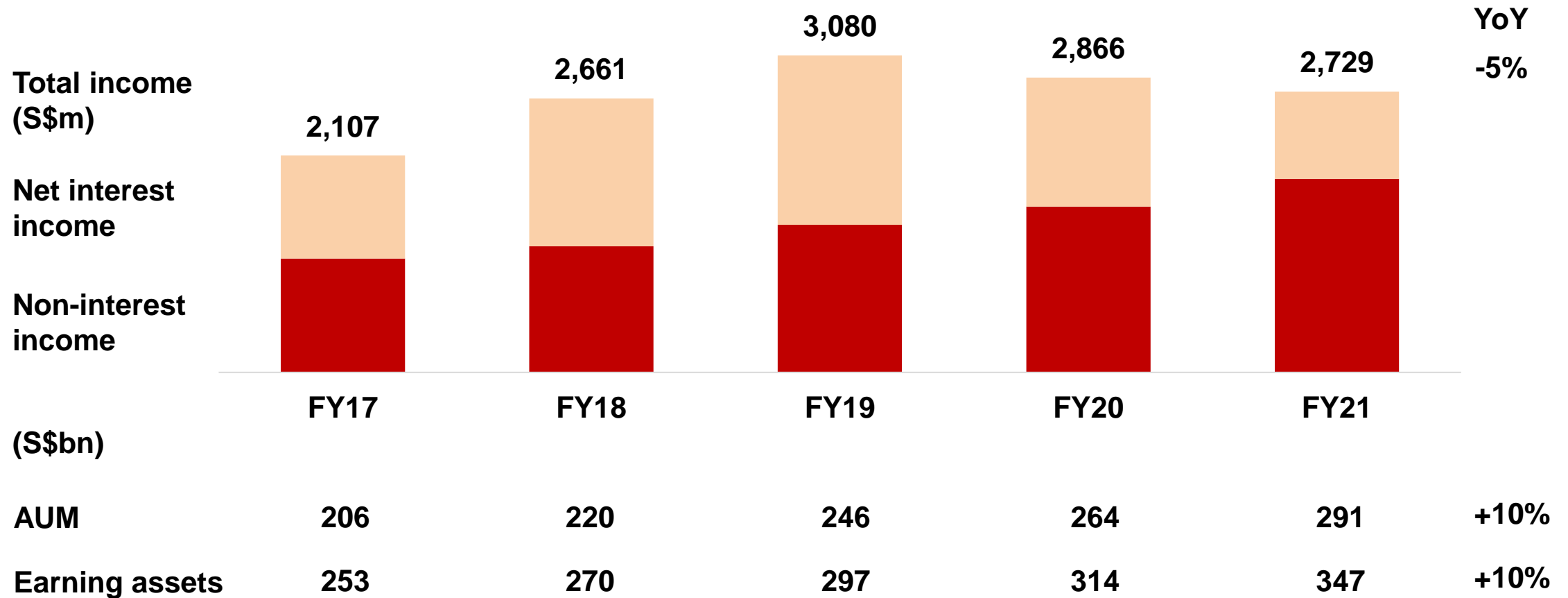
Fixed income duration remains short

(\$m)	Dec 21	
	FVOCI	HTC
Government securities	17,925	22,657
Less than 3 years	11,276	9,251
3 to 5 years	2,891	3,974
5 to 10 years	3,376	8,405
More than 10 years	382	1,027
Supranational, bank and corporate bonds	16,981	27,058
Total	34,906	49,715

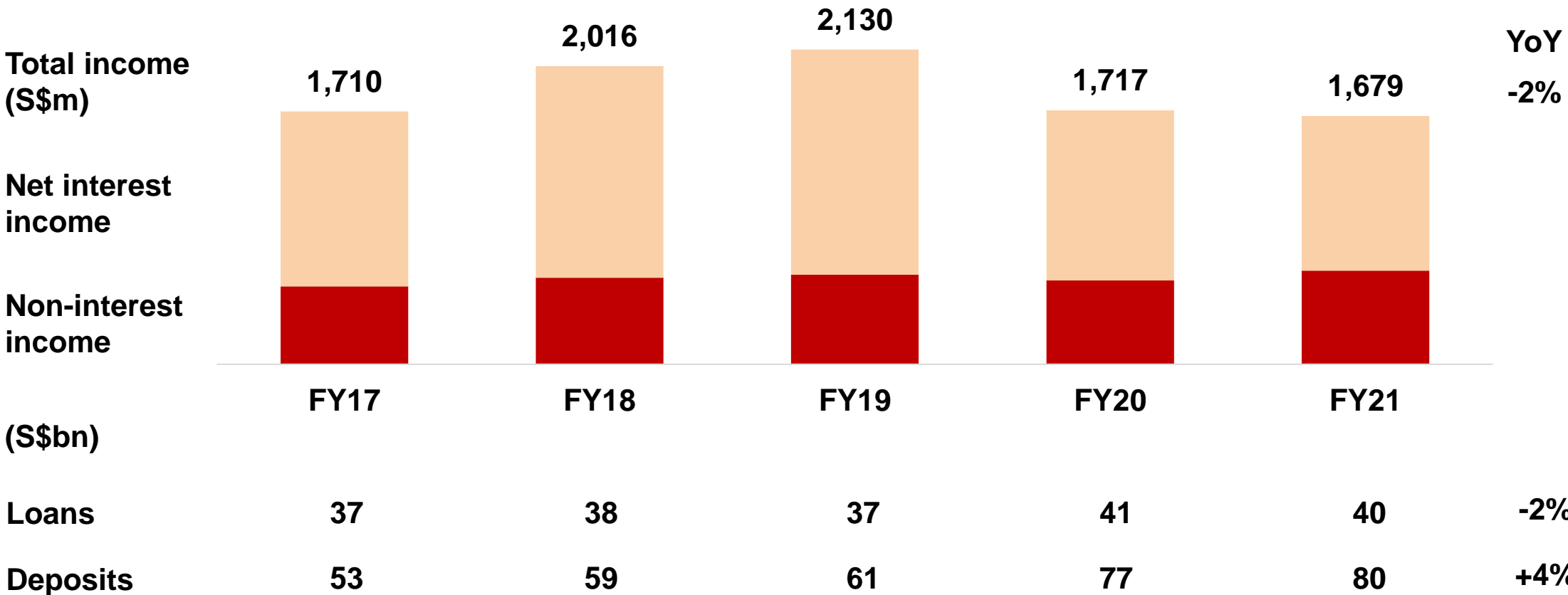
Deposits up 4% on half and up 7% on year in constant-currency terms

	(S\$bn)	HoH (%)		YoY (%)	
	Dec-21	Reported	Underlying	Reported	Underlying
Deposits	502	4	4	8	7
By product					
Casa	381	4	4	13	12
Fixed deposits and others	121	4	3	(5)	(7)
By currency					
Singapore dollar	220	2	2	8	8
US dollar	174	7	6	14	12
HK dollar	31	(4)	(4)	(20)	(22)
Chinese yuan	21	12	10	30	25
Others	56	3	4	6	6
LDR (%)	Dec-21	Jun-21		Dec-20	
Overall	81	82		80	
Singapore dollar	72	73		74	
US dollar	70	73		69	

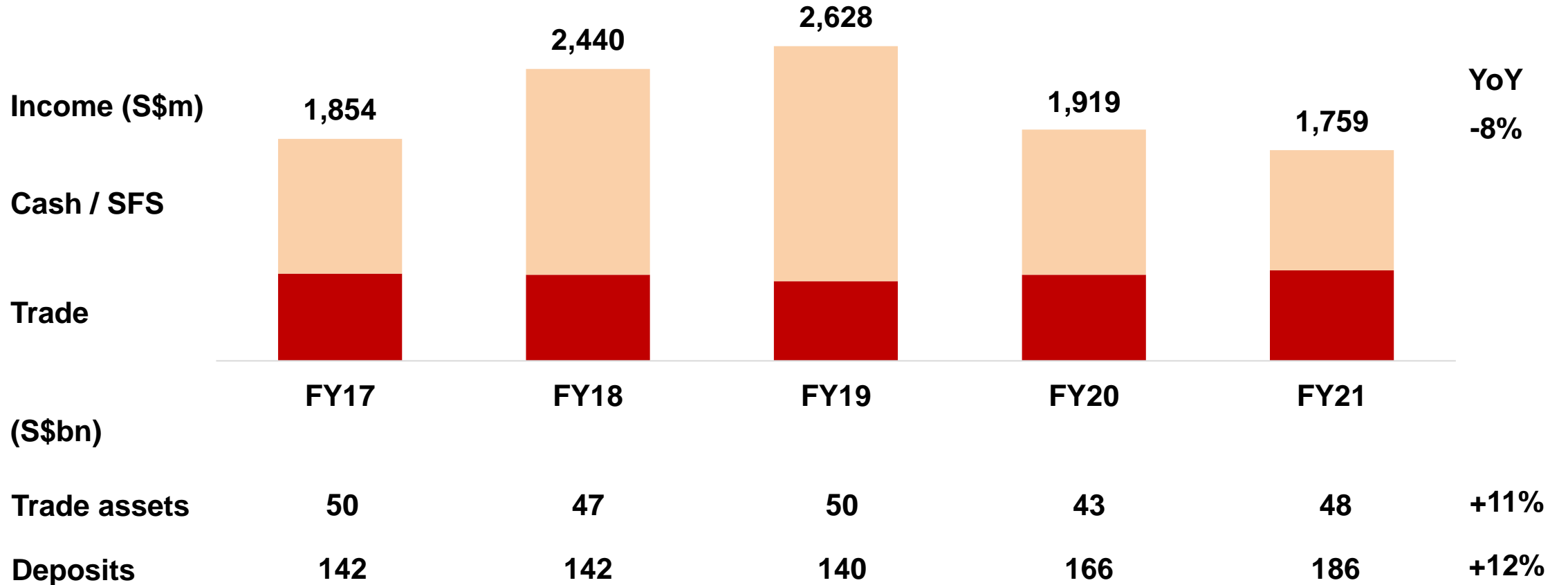
Wealth Management segment



SME segment



Global transaction services





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