Live more, Bank less

To: Shareholders

The Board of Directors of DBS Group Holdings Ltd ("DBSH" or "the Company") reports the following:

Trading Update for the Third Quarter Ended 30 September 2024

Details of the financial results are enclosed.

Dividends

The Board has declared an interim one-tier tax-exempt dividend of 54 cents for each DBSH ordinary share for the third quarter of 2024 (the "3Q24 Interim Dividend"). The estimated dividend payable is $1,536 million.

The DBSH Scrip Dividend Scheme will not be applied to the 3Q24 Interim Dividend.

The DBSH ordinary shares will be quoted ex-dividend on 14 November 2024 (Thursday). The payment date for the 3Q24 Interim Dividend will be on or about 25 November 2024 (Monday).

The Transfer Books and Register of Members of DBSH will be closed from 5.00 p.m. on 15 November 2024 (Friday) up to (and including) 18 November 2024 (Monday) for the purpose of determining shareholders' entitlement to the 3Q24 Interim Dividend.

By order of the Board

Marc Tan
Group Secretary

7 November 2024
Singapore

More information on the above announcement is available at www.dbs.com/investor

Third-quarter net profit rises 15% to surpass SGD 3 billion for first time

Nine-month net profit up 11% to record SGD 8.79 billion, return on equity at 18.8%

Board announces new SGD 3 billion share buyback programme

DBS Group's third-quarter 2024 net profit crossed SGD 3 billion for the first time, rising 15% from a year ago and 8% from the previous quarter to SGD 3.03 billion. Total income rose 11% from a year ago and 5% from the previous quarter to SGD 5.75 billion. These increases were driven by balance sheet growth, record fee income led by wealth management, higher treasury customer sales, and the strongest markets trading income in ten quarters. The cost-income ratio was 39%.

For the nine months, net profit increased 11% to a new high of SGD 8.79 billion. Return on equity was at 18.8%. Total income rose 11% to SGD 16.8 billion from growth in both the commercial book and markets trading.

Asset quality continued to be resilient, with the NPL ratio declining to 1.0%. Non-performing assets fell 8% from the previous quarter. Specific allowances were at 14 basis points of loans for the third quarter and 11 basis points for the nine months.

Dividend and share buyback

The Board declared a quarterly dividend of SGD 54 cents per share for the third quarter, bringing the dividend for the nine months to SGD 1.62 per share.

In addition, the Board announced the establishment of a new SGD 3 billion share buyback programme. Under the programme, shares will be purchased in the open market and cancelled. The buybacks will be carried out at management's discretion and subject to market conditions. Further details can be found in a separate announcement.

Third quarter 2024 vs. second quarter 2024

Commercial book net interest income increased 1% to SGD 3.80 billion. Net interest margin was stable at 2.83% helped by the repricing of fixed-rate assets. Loans expanded SGD 3 billion or 1% in constant-currency terms to SGD 418 billion, led by a SGD 2 billion growth in trade loans. Deposits grew SGD 10 billion or 2% in constant-currency terms to SGD 545 billion from Casa inflows, some of which were transitory.

Commercial book net fee income grew 6% to a record SGD 1.11 billion. The increase was largely due to wealth management fees, which rose 18% to SGD 609 million. There was broad-based growth in investment products and bancassurance from stronger investor sentiment. Investment banking fees were also higher, rising 63% to SGD 31 million from increased debt capital market income. Transaction service fees were stable at SGD 227 million. Card fees and loan-related fees were lower than their previous-quarter records, falling 4% to SGD 302 million and 22% to SGD 146 million respectively.

Commercial book other non-interest income rose 8% to SGD 517 million, contributed by higher treasury customers sales.

Markets trading income rose 77% to SGD 331 million, the highest in ten quarters, as FX, interest rate and equity derivative activities benefited from market volatility.

Expenses increased 4% to SGD 2.25 billion led by higher staff and computerisation costs. The cost-income ratio was 39%, and profit before allowances grew 6% to SGD 3.50 billion.

Third quarter 2024 vs. third quarter 2023

Commercial book net interest income rose 3% driven by balance sheet growth, with loans increasing 2% and deposits rising 6% in constant-currency terms. Net interest margin was stable.

Commercial book net fee income rose 32%, led by a 55% increase in wealth management. Commercial book other non-interest income grew 4%, with the increase also driven by wealth management.

Markets trading income doubled driven by FX, interest rates and equity derivatives.

Expenses rose 10%, with Citi Taiwan accounting for three percentage points of the increase. The cost-income ratio was stable, and profit before allowances grew 11%.

Nine months 2024 vs. nine months 2023

For the nine months, total income rose 11% to SGD 16.8 billion.

Commercial book net interest income grew 5% to SGD 11.2 billion from a four-basis-point expansion in net interest margin and balance sheet growth. Loans rose 2% in constant-currency terms over the first nine months of the year while deposits grew 4%.

Commercial book net fee income increased 27% to a record SGD 3.20 billion led by wealth management, card and loan-related fees. Commercial book other non-interest income rose 16% to SGD 1.62 billion led by treasury customer sales which reached a new high.

Markets trading income was 25% higher at SGD 764 million, with all of the increase in the third quarter.

Expenses rose 11% to SGD 6.50 billion, with Citi Taiwan accounting for four percentage points of the increase. The cost-income ratio was stable at 39%, and profit before allowances rose 10% to SGD 10.3 billion.

Balance sheet

Asset quality was resilient. Non-performing assets declined 8% from the previous quarter to SGD 4.68 billion as repayments, upgrades and write-offs more than offset new non-performing asset formation. The NPL ratio fell from 1.1% to 1.0%. Specific allowances were SGD 120 million or 14 basis points of loans for the third quarter. Allowance coverage was at 135% and at 242% after considering collateral.

Liquidity remained ample. The liquidity coverage ratio of 144% and the net stable funding ratio of 115% were both well above regulatory requirements of 100%.

Capital remained healthy. With the implementation of final Basel III reforms on 1 July 2024, the reported Common Equity Tier-1 ratio was 17.2% based on transitional arrangements, while the pro-forma ratio on a fully phased-in basis was 15.2%. The leverage ratio was at 6.8%, more than twice the regulatory minimum of 3%.

DBS CEO Piyush Gupta said, “We achieved another record performance in the third quarter. Commercial book net interest margin was supported by reduced interest rate sensitivity of our balance sheet, while wealth management drove fee income to a new high as a benign macroeconomic and interest rate outlook buoyed investor confidence. The new buyback programme we announced today is underpinned by our strong capital position and ongoing earnings generation, and it is another affirmation of our commitment to capital management. We remain well positioned to continue delivering healthy shareholder returns.”

	3rd Qtr 2024	3rd Qtr 2023	% chg	2nd Qtr 2024	% chg	9 Mths 2024	9 Mths 2023	% chg
Selected income statement items ($m)								
Commercial book total income	**5,422**	5,026	8	5,295	2	**16,028**	14,561	10
Net interest income	**3,796**	3,684	3	3,769	1	**11,212**	10,649	5
Net fee and commission income	**1,109**	843	32	1,048	6	**3,200**	2,517	27
Treasury customer sales and other income	**517**	499	4	478	8	**1,616**	1,395	16
Markets trading income	**331**	166	99	187	77	**764**	612	25
Net interest income[1]	**(199)**	(180)	(11)	(175)	(14)	**(516)**	(441)	(17)
Non-interest income	**530**	346	53	362	46	**1,280**	1,053	22
Total income	**5,753**	5,192	11	5,482	5	**16,792**	15,173	11
Expenses	**2,249**	2,038	10	2,172	4	**6,500**	5,851	11
Profit before allowances and amortisation	**3,504**	3,154	11	3,310	6	**10,292**	9,322	10
Amortisation of intangible assets	**6**	-	NM	6	-	**18**	-	NM
Allowances for credit and other losses	**130**	215	(40)	148	(12)	**413**	448	(8)
ECL Stage 3 (SP)	**120**	197	(39)	97	24	**330**	373	(12)
ECL Stage 1 and 2 (GP)	**10**	18	(44)	51	(80)	**83**	75	11
Share of profits/losses of associates and JVs	**66**	62	6	63	5	**180**	167	8
Profit before tax	**3,434**	3,001	14	3,219	7	**10,041**	9,041	11
Net profit	**3,027**	2,633	15	2,803	8	**8,786**	7,893	11
Citi Integration	**-**	(40)	NM	(14)	NM	**(19)**	(100)	81
Reported net profit	**3,027**	2,593	17	2,789	9	**8,767**	7,793	12
Selected balance sheet items ($m)								
Customer loans	**418,068**	419,927	(0)	424,837	(2)	**418,068**	419,927	(0)
Constant-currency change			*2*		*1*			*2*
Total assets	**789,609**	745,173	6	790,111	(0)	**789,609**	745,173	6
of which: Non-performing assets	**4,680**	5,303	(12)	5,077	(8)	**4,680**	5,303	(12)
Customer deposits	**544,961**	531,269	3	551,088	(1)	**544,961**	531,269	3
Constant-currency change			*6*		*2*			*6*
Total liabilities	**722,154**	685,053	5	724,617	(0)	**722,154**	685,053	5
Shareholders' funds	**67,266**	59,940	12	65,301	3	**67,266**	59,940	12
Key financial ratios (%)[2,3]								
Net interest margin – Group[1]	**2.11**	2.19		2.14		**2.13**	2.16	
Net interest margin – Commercial Book	**2.83**	2.82		2.83		**2.81**	2.77	
Cost/ income ratio	**39.1**	39.3		39.6		**38.7**	38.6	
Return on assets	**1.52**	1.39		1.44		**1.51**	1.41	
Return on equity[4,5]	**18.7**	18.2		18.2		**18.8**	18.6	
NPL ratio	**1.0**	1.2		1.1		**1.0**	1.2	
Total allowances/ NPA	**135**	125		129		**135**	125	
Total allowances/ unsecured NPA	**242**	216		227		**242**	216	
SP for loans/ average loans (bp)	**14**	18		8		**11**	11	
Common Equity Tier-1 (CET-1) ratio[6]	**17.2**	14.1		14.8		**17.2**	14.1	
Fully phased-in CET-1 ratio[7]	**15.2**	NA		NA		**15.2**	NA	

	3rd Qtr 2024	3rd Qtr 2023	% chg	2nd Qtr 2024	% chg	9 Mths 2024	9 Mths 2023	% chg
Per share data[3,8] ($)								
Per basic and diluted share								
– earnings[2]	**4.21**	3.65		3.93		**4.10**	3.69	
– reported earnings	**4.21**	3.64		3.93		**4.09**	3.66	
– net book value[5]	**22.81**	20.28		22.12		**22.81**	20.28	

Notes:
1 Income from perpetual securities, which have stated coupon rates, was reclassified from Markets Trading non-interest income to Markets Trading net interest income with effect from first-quarter 2024 to better align the income of these securities with its associated funding. The reclassification was applied prospectively. For third-quarter 2024, $52 million was reclassified, bringing the nine-month amount to $162 million with a NIM impact of +1.5 basis points. The comparative amount of $178 million for the first nine months of 2023 continued to be classified as Markets Trading non-interest income
2 Excludes impact arising from Citi Integration
3 Return on assets, return on equity, ECL Stage 3 (SP) for loans/average loans and per share data are computed on an annualised basis
4 Calculated based on net profit attributable to the shareholders net of dividends on other equity instruments
5 Non-controlling interests and other equity instruments are not included as equity in the computation
6 CET-1 ratio as at 30 Sep 2024 was computed based on the Basel III reforms implemented from 1 July 2024 under transitional arrangements
7 Calculated based on the Basel III reforms output floor at 72.5% when fully phased-in on 1 January 2029
8 The weighted average number of ordinary shares used for per share data computation have been adjusted retrospectively for the 258 million bonus shares issued on 26 April 2024 as if the bonus issue had occurred at the beginning of the earliest period presented
NM Not Meaningful
NA Not Applicable

Pillar 3 and LCR disclosures document and the Main Features of Capital Instruments document are published in the Investor Relations section of the Group website: (https://www.dbs.com/investors/default.page) and (https://www.dbs.com/investors/fixed-income/capital-instruments) respectively