



News Release

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DBS FIRST-QUARTER NET PROFIT RISES TO RECORD SGD 1.27 BILLION

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Total income increases 12% to new high of SGD 2.74 billion

SINGAPORE, 27 April 2015 – DBS Group's net profit for first-quarter 2015 rose to a record SGD 1.27 billion. Excluding one-time items of SGD 136 million, net profit increased 10% to SGD 1.13 billion. Total income grew 12% to SGD 2.74 billion as net interest income and non-interest income both reached new highs. The growth was broad-based across all business units.

Compared to the previous quarter, net profit before one-time items increased 35%, led by higher non-interest income. Return on equity was 12.2%.



Net profit growth of 10% from year ago underpinned by 12% rise in total income

Net interest income increased 14% to SGD 1.69 billion. Loans grew by a reported 11% to SGD 281 billion; in constant-currency terms, loan growth was 6%. An increase in regional corporate borrowing and secured consumer loans was partially offset by a decline in trade loans. Net interest margin increased three basis points to 1.69%.

Non-interest income crossed SGD 1 billion for the first time, rising 9% to SGD 1.05 billion. Fee income increased 10% to SGD 560 million. Wealth management contributions rose 43% from higher unit trust and insurance sales while fees from credit and debit cards increased 23%, reflecting a continuing strengthening of the wealth management and consumer banking franchises. Other fee segments were generally maintained at the previous year's levels.

Other non-interest income grew 7% to SGD 486 million as DBS was well positioned during a quarter marked by monetary easing by various central banks. While trading income of SGD 356 million was similar to first-quarter 2014, it was significantly higher than recent quarters as a result of favourable positions in foreign exchange and interest rates. Income from investment securities tripled to SGD 103 million as profits were realised on government securities. Income from treasury customer flows of SGD 335 million was comparable to the strong year-ago levels.

All business units achieved record income. Consumer Banking / Wealth Management income rose 29% to SGD 861 million, with the Wealth Management segment growing 41% to SGD 365 million. Institutional Banking income was 5% higher at SGD 1.35 billion while Treasury income increased 38% to SGD 386 million.



Total expenses increased 13%, in line with income growth, to SGD 1.18 billion. The cost-income ratio was at 43%. Profit before allowances rose 10% to SGD 1.56 billion.

Total allowances were 20% higher at SGD 181 million. Specific allowances for loans of SGD 151 million or 22 basis points of loans were higher than a year ago but similar to recent quarters. General allowances of SGD 21 million were lower than a year ago.

There was a one-time gain of SGD 136 million during the quarter from the disposal of a property investment in Hong Kong.

Net profit rises 35% from the previous quarter

Compared to the previous quarter, net interest income increased 1%. Loans increased by a reported 2% but were little changed in constant-currency terms. While regional corporate and secured consumer loans grew, trade loans fell in line with lower commodity prices and an industry decline in China-related trade finance volumes.

Net interest margin eased two basis points from 1.71% in the previous quarter to 1.69%. The underlying margin was stable. The effect of higher SGD rates was offset by a lower average loan-deposit ratio as trade loans declined.

Non-interest income was 57% higher. Fee income increased 22%. The growth was broad-based and led by higher contributions from wealth management and lending activities. Trading income was four times the previous quarter's seasonally-low levels.

Total income increased 17% while expenses were 5% higher. Profit before allowances rose 28%.

Total allowances were 14% lower. Specific allowances for loans were little changed while general allowances declined in line with loan growth.



Balance sheet remains strong

Asset quality remained healthy. The non-performing loan rate was unchanged from the previous quarter at 0.9%. Allowance coverage of non-performing assets of 161% was around historical highs and was at 294% if collateral was considered.

Liquidity remained ample to support growth and meet contingencies. Deposits rose 2% during the quarter and 8% over the previous 12 months to SGD 324 billion. The loan-deposit ratio was at 87%. The SGD and all-currency liquidity coverage ratios were at 424% and 131%, above the respective regulatory requirements of 100% and 60%.

DBS was also well-capitalised. The Common Equity Tier-1 ratio of 13.4% and total capital adequacy ratio of 15.3% were both above regulatory requirements. The leverage ratio of 7.1% was more than twice the minimum of 3% currently envisaged by the Basel Committee.

DBS CEO Piyush Gupta said, "DBS started the year on a solid footing, with strong all-round performance yet again. Despite a slowdown in trade volumes, the bank's first-quarter earnings reached a record high. This is testament to the strength and resilience of the DBS franchise. We will continue to grow our business, while keeping a watchful eye on the economy."

About DBS

DBS - Living, Breathing Asia

DBS is a leading financial services group in Asia, with over 280 branches across 17 markets. Headquartered and listed in Singapore, DBS has a growing presence in the three key Asian axes of growth: Greater China, Southeast Asia and South Asia. The bank's capital position, as well as "AA-" and "Aa1" credit ratings, is among the highest in Asia-Pacific. DBS has been recognised for its leadership in the region, having been named "Asia's Best Bank" by The Banker, a member of the Financial Times group, and "Best Bank in Asia-Pacific" by Global Finance. The bank has also been named "Safest Bank in Asia" by Global Finance for six consecutive years from 2009 to 2014.



DBS provides a full range of services in consumer, SME and corporate banking activities across Asia. As a bank born and bred in Asia, DBS understands the intricacies of doing business in the region's most dynamic markets. These market insights and regional connectivity have helped to drive the bank's growth as it sets out to be the Asian bank of choice. DBS is committed to building lasting relationships with customers, and positively impacting communities through supporting social enterprises, as it banks the Asian way. It has also established a SGD 50 million foundation to strengthen its corporate social responsibility efforts in Singapore and across Asia.

With its extensive network of operations in Asia and emphasis on engaging and empowering its staff, DBS presents exciting career opportunities. The bank acknowledges the passion, commitment and can-do spirit in all of our 21,000 staff, representing over 40 nationalities. For more information, please visit www.dbs.com.

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For more information, contact:

*Edna Koh
Group Strategic Marketing & Communications
DBS Bank
Email: ednakoh@dbs.com
Tel: (65) 6878 8134
Fax: (65) 6222 4478
Mobile: (65) 9753 0117*

*Michael Sia
Investor Relations
DBS Bank
Email: michaelsia@dbs.com
Tel: (65) 6878 4751
Fax: (65) 6226 3702
Mobile: (65) 9636 9472*