DBS
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To: Shareholders

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

Financial Results for the Year/ Fourth Quarter Ended 31 December 2019

Details of the financial results are in the accompanying performance summary.

Dividends

For the financial year ended 31 December 2019, the Directors have recommended a final one-tier tax exempt dividend of 33 cents for each DBSH ordinary share ("FY19 Final Dividend"), subject to shareholders' approval at the Annual General Meeting to be held on 31 March 2020. Barring unforeseen circumstances, the annualised dividend will be $1.32 per share, an increase of 10%.

Details of the proposed dividends, along with interim ones paid during the course of the financial year, are as follows:

In $ millions	2019*	2018
DBSH Ordinary shares		
Interim one-tier tax exempt dividend of 90 cents (2018: 60 cents)	2,300	1,538
Final one-tier tax exempt dividend of 33 cents (2018: 60 cents)	845	1,535
	3,145	3,073

* With effect from financial year 2019, dividends are paid quarterly instead of semi-annually to provide shareholders with a more regular income stream.

Ex-dividend Date

The DBSH ordinary shares will be quoted ex-dividend on 7 April 2020 (Tuesday).

Closure of Books

The Transfer Books and Register of Members of DBSH will be closed from 5.00 p.m. on 8 April 2020 (Wednesday) up to (and including) 9 April 2020 (Thursday) for the purpose of determining shareholders' entitlement to the FY19 Final Dividend.

Please refer to the separate announcement titled "Notice of Books Closure and Dividend Payment Date" released by DBSH today.

Scrip Dividend Scheme

The DBSH Scrip Dividend Scheme will not be applied to the FY19 Final Dividend.

…DBS/

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www.dbs.com

Co. Reg. No. 199901152M

Payment Date

The payment date for cash dividends will be on 21 April 2020 (Tuesday).

By order of the Board

Teoh Chia-Yin
Group Secretary

13 February 2020
Singapore

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

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Performance Summary

Financial Results
For the Fourth Quarter ended
31 December 2019 and For the Year 2019

DBS Group Holdings Ltd
Incorporated in the Republic of Singapore
Company Registration Number: 199901152M

Contents

OVERVIEW

DBS Group Holdings Ltd ("DBSH") prepares its consolidated DBSH Group ("Group") financial statements in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)). The accounting policies and methods of computation applied for the current financial periods are consistent with those applied for the financial year ended 31 December 2018, with the exception of changes as disclosed in the **Performance Summary for First Quarter 2019.** The adoption of SFRS(I) 16 Leases resulted in an impact to retained earnings of $95 million.

	4th Qtr 2019	4th Qtr 2018	% chg	3rd Qtr 2019	% chg	Year 2019	Year 2018	% chg
Selected income statement items ($m)								
Net interest income	**2,426**	2,330	4	2,460	(1)	**9,625**	8,955	7
Net fee and commission income	**741**	635	17	814	(9)	**3,052**	2,780	10
Other non-interest income	**294**	280	5	549	(46)	**1,867**	1,448	29
Total income	**3,461**	3,245	7	3,823	(9)	**14,544**	13,183	10
Expenses	**1,600**	1,501	7	1,614	(1)	**6,258**	5,798	8
Profit before allowances	**1,861**	1,744	7	2,209	(16)	**8,286**	7,385	12
Allowances for credit and other losses	**122**	205	(40)	254	(52)	**703**	710	(1)
Profit before tax	**1,739**	1,539	13	1,955	(11)	**7,583**	6,675	14
Net profit	**1,508**	1,319	14	1,629	(7)	**6,391**	5,625	14
One-time items	**-**	-	-	-	-	**-**	(48)	NM
- ANZ integration costs	**-**	-	-	-	-	**-**	(16)	NM
- Others[1]	**-**	-	-	-	-	**-**	(32)	NM
Net profit including one-time items	**1,508**	1,319	14	1,629	(7)	**6,391**	5,577	15
Selected balance sheet items ($m)								
Customer loans	**357,884**	345,003	4	353,436	1	**357,884**	345,003	4
Constant-currency change			*4*		*2*			*4*
Total assets	**578,946**	550,751	5	580,714	-	**578,946**	550,751	5
Customer deposits	**404,289**	393,785	3	400,217	1	**404,289**	393,785	3
Constant-currency change			*3*		2			*3*
Total liabilities	**527,147**	500,876	5	529,441	-	**527,147**	500,876	5
Shareholders' funds	**50,981**	49,045	4	50,446	1	**50,981**	49,045	4
Key financial ratios (%) (excluding one-time items)[2]								
Net interest margin	**1.86**	1.87		1.90		**1.89**	1.85	
Non-interest/total income	**29.9**	28.2		35.7		**33.8**	32.1	
Cost/income ratio	**46.2**	46.3		42.2		**43.0**	44.0	
Return on assets	**1.04**	0.95		1.12		**1.13**	1.05	
Return on equity[3]	**12.1**	11.3		13.4		**13.2**	12.1	
Loan/deposit ratio	**88.5**	87.6		88.3		**88.5**	87.6	
NPL ratio	**1.5**	1.5		1.5		**1.5**	1.5	
ECL[4] Stage 3 (SP) for loans/average loans (bp)	**21**	25		21		**20**	19	
Common Equity Tier 1 capital adequacy ratio	**14.1**	13.9		13.8		**14.1**	13.9	
Tier 1 capital adequacy ratio	**15.0**	15.1		14.7		**15.0**	15.1	
Total capital adequacy ratio	**16.7**	16.9		16.4		**16.7**	16.9	
Leverage ratio[5]	**7.0**	7.1		7.0		**7.0**	7.1	
Average all-currency liquidity coverage ratio[6]	**139**	138		131		**136**	133	
Net stable funding ratio[7]	**110**	109		110		**110**	109	
Per share data ($)								
Per basic and diluted share								
– earnings excluding one-time items	**2.31**	2.01		2.50		**2.46**	2.16	
– earnings	**2.31**	2.01		2.50		**2.46**	2.15	
– net book value[8]	**19.17**	18.12		18.96		**19.17**	18.12	

Notes:
1 One-time items for year 2018 include a remeasurement of deferred taxes due to a change in the applicable tax rate arising from the conversion of India Branch to a wholly-owned subsidiary
2 Return on assets, return on equity, ECL Stage 3 (SP) for loans/average loans and per share data are computed on an annualised basis
3 Calculated based on net profit attributable to the shareholders net of dividends on preference shares and other equity instruments. Non-controlling interests and other equity instruments are not included as equity in the computation of return on equity
4 Refers to expected credit loss
5 Leverage Ratio is computed based on MAS Notice 637
6 Liquidity Coverage Ratio (LCR) is computed based on MAS Notice 649. For average SGD LCR and other disclosures required under MAS Notice 651, refer to https://www.dbs.com/investor/index.html
7 Net stable funding ratio (NSFR) is computed based on MAS Notice 652
8 Non-controlling interests are not included as equity in the computation of net book value per share
NM Not meaningful

Compared to a year ago, fourth-quarter net profit rose 14% to $1.51 billion from broad-based business momentum. Total income increased 7% to $3.46 billion from loan growth and a double-digit improvement in fee income. Compared to the previous quarter, net profit was 7% lower. Total income declined 9% due to seasonally-lower non-interest income and a decline in net interest margin from falling interest rates. Business momentum over the quarter remained healthy as loans rose 2% in constant-currency terms.

Net interest income rose 4% from a year ago but fell 1% from the previous quarter to $2.43 billion. Loans increased 4% in constant-currency terms from a year ago. Net interest margin was little changed from a year ago at 1.86% but it was four basis points lower than the previous quarter due to lower interest rates.

Net fee income grew 17% from a year ago to $741 million, led by wealth management and investment banking fees. Net fee income was 9% below the previous quarter due mainly to seasonally lower wealth management fees.

Other non-interest income rose 5% from a year ago to $294 million due to higher gains on investment securities. It was half the previous quarter as quieter markets at year-end resulted in lower trading income and gains on investment securities.

Expenses rose 7% from a year ago from higher staff costs but fell 1% from the previous quarter to $1.60 billion.

Profit before allowances was 7% higher than a year ago but 16% below the previous quarter at $1.86 billion.

Non-performing assets (NPA) declined 3% from the previous quarter to $5.77 billion as new NPA formation was more than offset by write-offs and recoveries. The NPL rate was stable at 1.5%. Specific allowances were $199 million, or 21 basis points of loans, in line with recent quarterly trends. Allowance coverage was at 94% and at 191% if collateral was considered.

The liquidity coverage ratio was at 139% and the net stable funding ratio was at 110%. The Common Equity Tier 1 ratio was at 14.1% while the leverage ratio was at 7.0%, all comfortably above regulatory requirements.

For the full year, total income increased 10% to $14.5 billion. Net profit rose 14% to a record $6.39 billion. Return on equity rose to 13.2%, also a new high.

QUARTERLY BREAKDOWN

($m)	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Full Year
Net interest income					
2018	2,128	2,224	2,273	2,330	8,955
2019	2,310	2,429	2,460	2,426	9,625
% chg	9	9	8	4	7
Non-interest income					
2018	1,232	979	1,102	915	4,228
2019	1,241	1,280	1,363	1,035	4,919
% chg	1	31	24	13	16
Total income					
2018	3,360	3,203	3,375	3,245	13,183
2019	3,551	3,709	3,823	3,461	14,544
% chg	6	16	13	7	10
Expenses					
2018	1,398	1,418	1,481	1,501	5,798
2019	1,498	1,546	1,614	1,600	6,258
% chg	7	9	9	7	8
Allowances for credit and other losses					
2018	164	105	236	205	710
2019	76	251	254	122	703
% chg	(54)	>100	8	(40)	(1)
Profit before tax					
2018	1,798	1,680	1,658	1,539	6,675
2019	1,977	1,912	1,955	1,739	7,583
% chg	10	14	18	13	14
Net profit					
2018	1,521	1,372	1,413	1,319	5,625
2019	1,651	1,603	1,629	1,508	6,391
% chg	9	17	15	14	14
One-time items					
2018	(10)	(38)	-	-	(48)
2019	-	-	-	-	-
% chg	NM	NM	-	-	NM
Net profit including one-time items					
2018	1,511	1,334	1,413	1,319	5,577
2019	1,651	1,603	1,629	1,508	6,391
% chg	9	20	15	14	15

Note:
NM Not meaningful

Total income and net profit were higher than the year-ago period for all four quarters, with the second and third benefitting from strong growth in non-interest income.

Net interest income grew for all four quarters from loan growth and from a higher net interest margin in the first three quarters.

Non-interest income registered double-digit growth compared to the year-ago period from the second quarter. There was a high-base for fee income in the first quarter.

Expenses grew less quickly than or was broadly in line with total income for all four quarters. The cost-income ratio for the full year improved one percentage point from a year ago.

Total allowances were lower for the first and fourth quarters than the year-ago period due to general allowance write-backs. Second-quarter allowances were higher due to a lumpy specific allowance write-back in the previous year. General allowances charges were also higher in the second quarter.

Net profit for the first quarter was a quarterly record.

NET INTEREST INCOME

Average balance sheet	4th Qtr 2019 Average balance ($m)	4th Qtr 2019 Interest ($m)	4th Qtr 2019 Average rate (%)	4th Qtr 2018 Average balance ($m)	4th Qtr 2018 Interest ($m)	4th Qtr 2018 Average rate (%)	3rd Qtr 2019 Average balance ($m)	3rd Qtr 2019 Interest ($m)	3rd Qtr 2019 Average rate (%)
Interest-bearing assets									
Customer non-trade loans	**312,058**	**2,514**	**3.20**	298,307	2,496	3.32	308,458	2,606	3.35
Trade assets	**46,757**	**365**	**3.09**	45,961	410	3.54	45,532	394	3.43
Interbank assets[1]	**48,707**	**192**	**1.57**	46,773	209	1.77	48,860	224	1.82
Securities and others	**109,010**	**717**	**2.61**	103,209	675	2.59	111,730	751	2.67
Total	**516,532**	**3,788**	**2.91**	494,250	3,790	3.04	514,580	3,975	3.07
Interest-bearing liabilities									
Customer deposits	**402,414**	**931**	**0.92**	390,871	1,025	1.04	396,574	1,034	1.03
Other borrowings	**86,974**	**431**	**1.96**	76,479	435	2.26	91,059	481	2.10
Total	**489,388**	**1,362**	**1.10**	467,350	1,460	1.24	487,633	1,515	1.23
Net interest income/margin[2]		**2,426**	**1.86**		2,330	1.87		2,460	1.90

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Average balance sheet	Year 2019 Average balance ($m)	Year 2019 Interest ($m)	Year 2019 Average rate (%)	Year 2018 Average balance ($m)	Year 2018 Interest ($m)	Year 2018 Average rate (%)
Interest-bearing assets						
Customer non-trade loans	**306,598**	**10,247**	**3.34**	288,656	8,959	3.10
Trade assets	**45,610**	**1,574**	**3.45**	48,471	1,556	3.21
Interbank assets[1]	**49,175**	**877**	**1.78**	45,935	819	1.78
Securities and others	**108,223**	**2,894**	**2.67**	100,328	2,464	2.46
Total	**509,606**	**15,592**	**3.06**	483,390	13,798	2.85
Interest-bearing liabilities						
Customer deposits	**397,788**	**4,129**	**1.04**	384,140	3,488	0.91
Other borrowings	**84,736**	**1,838**	**2.17**	69,868	1,355	1.94
Total	**482,524**	**5,967**	**1.24**	454,008	4,843	1.07
Net interest income/margin[2]		**9,625**	**1.89**		8,955	1.85

Notes:
1 Includes non-restricted balances with central banks.
2 Net interest margin is net interest income expressed as a percentage of average interest-bearing assets.

Net interest income rose 4% from a year ago to $2.43 billion. Net interest margin was stable at 1.86%. Asset volumes were higher across all categories, led by customer non-trade loans.

Compared to the previous quarter, net interest income fell 1% from lower interest rates.

For the full year, net interest income rose 7% to $9.63 billion from asset growth and a four-basis point increase in net interest margin to 1.89%.

Volume and rate analysis ($m) Increase/(decrease) due to change in	**4th Qtr 2019 vs 4th Qtr 2018**			**4th Qtr 2019 vs 3rd Qtr 2019**		
	Volume	**Rate**	**Net change**	**Volume**	**Rate**	**Net change**
Interest income						
Customer non-trade loans	115	(97)	18	30	(122)	(92)
Trade assets	7	(52)	(45)	11	(40)	(29)
Interbank assets	9	(26)	(17)	(1)	(31)	(32)
Securities and others	38	4	42	(18)	(16)	(34)
Total	169	(171)	(2)	22	(209)	(187)
Interest expense						
Customer deposits	30	(124)	(94)	15	(118)	(103)
Other borrowings	60	(64)	(4)	(22)	(28)	(50)
Total	90	(188)	(98)	(7)	(146)	(153)
Net impact on net interest income	79	17	96	29	(63)	(34)
Due to change in number of days			-			-
Net Interest Income			96			(34)

Volume and rate analysis ($m) Increase/(decrease) due to change in	**Year 2019 vs Year 2018**		
	Volume	**Rate**	**Net change**
Interest income			
Customer non-trade loans	556	732	1,288
Trade assets	(92)	110	18
Interbank assets	57	1	58
Securities and others	194	236	430
Total	715	1,079	1,794
Interest expense			
Customer deposits	124	517	641
Other borrowings	288	195	483
Total	412	712	1,124
Net impact on net interest income	303	367	670
Due to change in number of days			-
Net Interest Income			670

NET FEE AND COMMISSION INCOME

($m)	4th Qtr 2019	4th Qtr 2018	% chg	3rd Qtr 2019	% chg	Year 2019	Year 2018	% chg
Brokerage	**25**	31	(19)	30	(17)	**114**	154	(26)
Investment banking	**80**	29	>100	55	45	**213**	128	66
Transaction services[1]	**200**	186	8	190	5	**760**	720	6
Loan-related	**84**	90	(7)	117	(28)	**407**	390	4
Cards[2]	**201**	202	-	202	-	**790**	714	11
Wealth management	**286**	218	31	357	(20)	**1,290**	1,141	13
Fee and commission income	**876**	756	16	951	(8)	**3,574**	3,247	10
Less: Fee and commission expense	**135**	121	12	137	(1)	**522**	467	12
Total	**741**	635	17	814	(9)	**3,052**	2,780	10

Notes:
1 Includes trade & remittances, guarantees and deposit-related fees. The "Others' category has been subsumed under "Transaction services" from 1st Quarter 2019. The change has been applied retrospectively to prior periods
2 Net of interchange fees paid

Net fee income grew 17% from a year ago to $741 million. The increase was led by a 31% rise in wealth management fees to $286 million from higher sales across all products. Investment banking fees almost tripled to $80 million. Transaction services fees grew 8% to $200 million led by cash management. These increases were partially offset by declines in loan-related and brokerage fees.

Net fee income was 9% below the previous quarter. Wealth management declined due to seasonal factors. Loan-related and brokerage fees were also lower. These declines were partially offset by increases in investment banking and transaction services fees.

For the full year, net fee income rose 10% to $3.05 billion, led by wealth management and investment banking.

OTHER NON-INTEREST INCOME

($m)	4th Qtr 2019	4th Qtr 2018	% chg	3rd Qtr 2019	% chg	Year 2019	Year 2018	% chg
Net trading income	**228**	229	-	431	(47)	**1,459**	1,178	24
Net income from investment securities	**45**	31	45	105	(57)	**334**	131	>100
Net gain on fixed assets	**-**	5	(100)	1	(100)	**1**	91	(99)
Others (include rental income and share of profits of associates)	**21**	15	40	12	75	**73**	48	52
Total	**294**	280	5	549	(46)	**1,867**	1,448	29

Other non-interest income rose 5% from a year ago to $294 million from increases in net gain from investment securities and other income. Other non-interest income was about half the previous quarter due to quieter markets at year-end.

For the full year, other non-interest income rose 29% to $1.87 billion from broad-based increases partially offset by the impact of a $91 million property disposal gain a year ago.

EXPENSES[1]

($m)	4th Qtr 2019	4th Qtr 2018	% chg	3rd Qtr 2019	% chg	Year 2019	Year 2018	% chg
Staff	**915**	804	14	873	5	**3,514**	3,185	10
Occupancy	**119**	122	(2)	112	6	**452**	443	2
Computerisation	**234**	254	(8)	292	(20)	**1,062**	937	13
Revenue-related	**94**	92	2	93	1	**353**	360	(2)
Others	**238**	229	4	244	(2)	**877**	873	-
Total	**1,600**	1,501	7	1,614	(1)	**6,258**	5,798	8
Staff count at period-end[2]	**28,419**	26,748	6	27,872	2	**28,419**	26,748	6
Staff count at period-end excluding insourcing staff [2]	***25,033***	*24,570*	*2*	*24,815*	*1*	***25,033***	*24,570*	*2*
Included in the above table was:								
Depreciation of properties and other fixed assets[3]	**154**	87	77	158	(3)	**609**	331	84

Note:
1 Excludes one-time item.
2 Staff count has been remeasured to be based on full-time equivalent. Comparatives have been restated to align to the new basis.
3 Includes depreciation for right-of-use assets of $57 million for 4th Quarter 2019 (3rd Quarter 2019: $59 million) and $233 million for Full Year 2019. Prior to 2019, the expenses for operating leases were reflected as rental expenses.

Expenses rose 7% from a year ago to $1.60 billion. For the full year, expenses rose 8% to $6.26 billion.

The cost-income ratio for the full year improved one percentage point from a year ago.

ALLOWANCES FOR CREDIT AND OTHER LOSSES

($m)	4th Qtr 2019	4th Qtr 2018	% chg	3rd Qtr 2019	% chg	Year 2019	Year 2018	% chg
ECL[1] Stage 1 and 2 (GP)	**(77)**	(24)	(>100)	61	NM	**(58)**	(1)	(>100)
ECL[1] Stage 3 (SP) for loans[2]	**188**	218	(14)	190	(1)	**698**	657	6
Singapore	**91**	89	2	83	10	**336**	253	33
Hong Kong	**19**	33	(42)	14	36	**59**	64	(8)
Rest of Greater China	**-**	49	(100)	27	(100)	**37**	53	(30)
South and Southeast Asia	**79**	47	68	68	16	**267**	271	(1)
Rest of the World	**(1)**	-	NM	(2)	50	**(1)**	16	NM
ECL[1] Stage 3 (SP) for other credit exposures	**11**	11	-	7	57	**64**	52	23
Total ECL[1] Stage 3 (SP)	**199**	229	(13)	197	1	**762**	709	7
Allowances for other assets	**-**	-	-	(4)	NM	**(1)**	2	NM
Total	**122**	205	(40)	254	(52)	**703**	710	(1)

Notes:
1 Refers to expected credit loss.
2 SP for loans by geography are determined according to the location where the borrower is incorporated.
NM Not Meaningful

Specific allowances of $199 million were in line with the previous quarter and 13% lower than a year ago. There was a net general allowance write-back of $77 million.

For the full year, total allowances of $703 million were 1% lower than the previous year.

PERFORMANCE BY BUSINESS SEGMENTS

($m)	Consumer Banking/ Wealth Management	Institutional Banking	Treasury Markets	Others	Total
Selected income statement items					
4th Qtr 2019					
Net interest income	**987**	**1,067**	**67**	**305**	**2,426**
Net fee and commission income	**417**	**315**	**-**	**9**	**741**
Other non-interest income	**105**	**114**	**80**	**(5)**	**294**
Total income	**1,509**	**1,496**	**147**	**309**	**3,461**
Expenses	**839**	**533**	**161**	**67**	**1,600**
Allowances for credit and other losses	**93**	**51**	**(3)**	**(19)**	**122**
Profit before tax	**577**	**912**	**(11)**	**261**	**1,739**
3rd Qtr 2019					
Net interest income	1,021	1,075	43	321	2,460
Net fee and commission income	480	321	-	13	814
Other non-interest income	123	144	247	35	549
Total income	1,624	1,540	290	369	3,823
Expenses	834	521	155	104	1,614
Allowances for credit and other losses	60	183	1	10	254
Profit before tax	730	836	134	255	1,955
4th Qtr 2018					
Net interest income	999	1,100	42	189	2,330
Net fee and commission income	353	279	-	3	635
Other non-interest income	97	118	50	15	280
Total income	1,449	1,497	92	207	3,245
Expenses	806	481	150	64	1,501
Allowances for credit and other losses	54	204	(4)	(49)	205
Profit before tax	589	812	(54)	192	1,539
Year 2019					
Net interest income	**4,037**	**4,309**	**138**	**1,141**	**9,625**
Net fee and commission income	**1,790**	**1,225**	**-**	**37**	**3,052**
Other non-interest income	**472**	**539**	**794**	**62**	**1,867**
Total income	**6,299**	**6,073**	**932**	**1,240**	**14,544**
Expenses	**3,280**	**2,015**	**614**	**349**	**6,258**
Allowances for credit and other losses	**242**	**327**	**(5)**	**139**	**703**
Profit before tax	**2,777**	**3,731**	**323**	**752**	**7,583**
Year 2018[1]					
Net interest income	3,596	4,116	319	924	8,955
Net fee and commission income	1,627	1,125	-	28	2,780
Other non-interest income	430	519	353	146	1,448
Total income	5,653	5,760	672	1,098	13,183
Expenses	3,031	1,839	602	326	5,798
Allowances for credit and other losses	228	550	(20)	(48)	710
Profit before tax	2,394	3,371	90	820	6,675

($m)	Consumer Banking/ Wealth Management	Institutional Banking	Treasury Markets	Others	Total
Selected balance sheet and other items[2]					
31 Dec 2019					
Total assets before goodwill and intangibles	**117,088**	**278,336**	**105,538**	**72,814**	**573,776**
Goodwill and intangibles					**5,170**
Total assets					**578,946**
Total liabilities	**223,574**	**195,114**	**50,815**	**57,644**	**527,147**
Capital expenditure for 4th Qtr 2019	**41**	**12**	**5**	**172**	**230**
Depreciation for 4th Qtr 2019	**9**	**3**	**1**	**141**	**154**
30 Sep 2019					
Total assets before goodwill and intangibles	116,746	273,860	111,458	73,479	575,543
Goodwill and intangibles					5,171
Total assets					580,714
Total liabilities	220,838	192,518	55,662	60,423	529,441
Capital expenditure for 3rd Qtr 2019	31	11	4	83	129
Depreciation for 3rd Qtr 2019	12	3	1	142	158
31 Dec 2018					
Total assets before goodwill and intangibles	115,470	263,125	108,646	58,335	545,576
Goodwill and intangibles					5,175
Total assets					550,751
Total liabilities	212,853	191,287	47,641	49,095	500,876
Capital expenditure for 4th Qtr 2018	40	6	2	172	220
Depreciation for 4th Qtr 2018	10	3	1	73	87

Notes:
1 Expenses and profit before tax exclude one-time item.
2 Refer to sections on Customer Loans and Non-Performing Assets and Loss Allowance Coverage for more information on business segments.

The business segment results are prepared based on the Group's internal management reporting, which reflects its management structure. As the activities of the Group are highly integrated, internal allocations have been made in preparing the segment information. Amounts for each business segment are shown after the allocation of certain centralised costs, funding income and the application of transfer pricing, where appropriate. Transactions between segments are recorded within the segment as if they are third party transactions and are eliminated on consolidation.

The various business segments are described below:

Consumer Banking/ Wealth Management

Consumer Banking/ Wealth Management provides individual customers with a diverse range of banking and related financial services. The products and services available to customers include current and savings accounts, fixed deposits, loans and home finance, cards, payments, investment and insurance products.

Compared to a year ago, profit before tax eased 2% to $577 million. Total income rose 4% to $1.51 billion. Net interest income decreased 1% to $987 million from lower net interest margin. Non-interest income increased 16% to $522 million due to higher fees from investment and bancassurance products. Expenses were 4% higher at $839 million while allowances were $39 million higher at $93 million.

Compared to the previous quarter, profit before tax fell 21% as total income declined 7%. Net interest income fell 3% from lower net interest margin and non-interest income decreased 13% primarily from lower sales of investment and bancassurance products. Expenses rose 1% and allowances were $33 million higher.

For the full year, profit before tax rose 16% to $2.78 billion. Total income grew 11% to $6.30 billion. Net interest income increased 12% to $4.04 billion from higher loan and deposit volumes and an improved net interest margin. Non-interest income rose 10% to $2.26 billion from higher fees from investment, bancassurance and cards. Expenses rose 8% to $3.28 billion due to continued investment in business capabilities. Total allowances increased $14 million to $242 million.

Institutional Banking

Institutional Banking provides financial services and products to institutional clients, including bank and nonbank financial institutions, government-linked companies, large corporates and small and medium sized businesses. Products and services comprise the full range of credit facilities from short-term working capital financing to specialised lending. It also provides global transactional services such as cash management, trade finance and securities and fiduciary services; treasury and markets products; corporate finance and advisory banking as well as capital markets solutions.

Compared to a year ago, profit before tax grew 12% to $912 million. Total income was flat at $1.50 billion. Net interest income fell 3% to $1.07 billion due to lower net interest margin from cash management, which was offset by higher loan volume. Non-interest income grew 8% to $429 million largely from stronger capital market activities. Expenses increased 11% to $533 million while a general allowance write-back resulted in total allowances declining by three-quarters to $51 million.

Compared to the previous quarter, profit before tax grew 9%. Total income was 3% lower, impacted by lower net interest margin from cash management, seasonally lower treasury customer flows, and partially offset by higher capital market activities. Expenses rose 2% and allowances declined by two-thirds.

For the full year, profit before tax grew 11% to $3.73 billion. Total income rose 5% to $6.07 billion from cash management, loan-related activities, capital markets activities and treasury customer flows, which were partially offset by lower income from trade finance. Expenses were 10% higher at $2.02 billion. Allowances were 41% lower at $327 million due to general allowance write-backs.

Treasury Markets

Treasury Markets' activities primarily include structuring, market-making and trading across a broad range of treasury products.

Compared to a year ago, total income increased 60% to $147 million due to higher contributions from credit and equity activities, partially offset by foreign exchange. Expenses were 7% higher at $161 million due to higher business-related expenses.

Compared to the previous quarter, total income declined 49% largely due to lower contributions from trading activities, while expenses rose 4% due to higher business-related expenses.

For the full year, profit before tax more than tripled to $323 million. Total income increased 39% to $932 million due to higher contributions from broad-based trading. Expenses rose 2% to $614 million.

Income from sale of treasury products offered to customers of Consumer Banking/Wealth Management and Institutional Banking is not reflected in the Treasury Markets segment, but in the respective customer segments.

Compared to a year ago, income from treasury customer activities rose 12% to $288 million due to higher income from sales of equity, interest rate and fixed income products.

Compared to the previous quarter, income from customer activities fell 16% mainly due to lower product sales across various instruments. For the full year, income rose 7% to $1.28 billion mainly due to higher income from credit, foreign exchange, interest rate and fixed income products, partially offset by lower income from equity sales.

Others

The Others segment encompasses the results of corporate decisions that are not attributed to business segments. It includes earnings on capital deployed into high quality assets, earnings from non-core asset sales and certain other head office items such as centrally raised allowances. DBS Vickers and the Islamic Bank of Asia are also included in this segment.

PERFORMANCE BY GEOGRAPHY

($m)	S'pore	Hong Kong	Rest of Greater China	South and South-east Asia	Rest of the World	Total
Selected income statement items						
4th Qtr 2019						
Net interest income	**1,541**	**493**	**157**	**163**	**72**	**2,426**
Net fee and commission income	**455**	**169**	**47**	**52**	**18**	**741**
Other non-interest income	**151**	**52**	**37**	**31**	**23**	**294**
Total income	**2,147**	**714**	**241**	**246**	**113**	**3,461**
Expenses	**905**	**282**	**202**	**183**	**28**	**1,600**
Allowances for credit and other losses	**(8)**	**20**	**16**	**89**	**5**	**122**
Profit before tax	**1,250**	**412**	**23**	**(26)**	**80**	**1,739**
Income tax expense	**130**	**73**	**1**	**(8)**	**25**	**221**
Net profit	**1,109**	**339**	**22**	**(17)**	**55**	**1,508**
3rd Qtr 2019						
Net interest income	1,560	525	151	157	67	2,460
Net fee and commission income	514	175	51	56	18	814
Other non-interest income	365	56	78	37	13	549
Total income	2,439	756	280	250	98	3,823
Expenses	949	299	176	164	26	1,614
Allowances for credit and other losses	44	59	48	92	11	254
Profit before tax	1,446	398	56	(6)	61	1,955
Income tax expense	193	64	13	30	17	317
Net profit	1,244	334	43	(36)	44	1,629
4th Qtr 2018						
Net interest income	1,469	501	160	134	66	2,330
Net fee and commission income	382	148	41	52	12	635
Other non-interest income	160	49	39	19	13	280
Total income	2,011	698	240	205	91	3,245
Expenses	872	273	177	153	26	1,501
Allowances for credit and other losses	109	31	6	36	23	205
Profit before tax	1,030	394	57	16	42	1,539
Income tax expense	117	65	9	4	16	211
Net profit	904	329	48	12	26	1,319

($m)	S'pore	Hong Kong	Rest of Greater China	South and South-east Asia	Rest of the World	Total
Year 2019						
Net interest income	**6,140**	**2,012**	**597**	**604**	**272**	**9,625**
Net fee and commission income	**1,900**	**667**	**194**	**227**	**64**	**3,052**
Other non-interest income	**1,146**	**250**	**267**	**138**	**66**	**1,867**
Total income	**9,186**	**2,929**	**1,058**	**969**	**402**	**14,544**
Expenses	**3,638**	**1,109**	**740**	**667**	**104**	**6,258**
Allowances for credit and other losses	**225**	**102**	**49**	**292**	**35**	**703**
Profit before tax	**5,323**	**1,718**	**269**	**10**	**263**	**7,583**
Income tax expense	**695**	**290**	**59**	**33**	**77**	**1,154**
Net profit	**4,589**	**1,428**	**210**	**(22)**	**186**	**6,391**
Year 2018[1]						
Net interest income	5,664	1,830	675	530	256	8,955
Net fee and commission income	1,722	617	175	206	60	2,780
Other non-interest income	788	294	270	56	40	1,448
Total income	8,174	2,741	1,120	792	356	13,183
Expenses	3,355	1,056	719	562	106	5,798
Allowances for credit and other losses	408	72	44	183	3	710
Profit before tax	4,411	1,613	357	47	247	6,675
Income tax expense	572	251	82	4	65	974
Net profit	3,763	1,362	275	43	182	5,625
Selected balance sheet items						
31 Dec 2019						
Total assets before goodwill and intangibles	**375,320**	**91,608**	**50,292**	**21,690**	**34,866**	**573,776**
Goodwill and intangibles	**5,133**	**29**	**-**	**8**	**-**	**5,170**
Total assets	**380,453**	**91,637**	**50,292**	**21,698**	**34,866**	**578,946**
Non-current assets[2]	**2,650**	**751**	**331**	**318**	**10**	**4,060**
Gross customer loans	**226,192**	**68,114**	**31,557**	**12,029**	**24,535**	**362,427**
30 Sep 2019						
Total assets before goodwill and intangibles	369,354	98,472	49,374	22,708	35,635	575,543
Goodwill and intangibles	5,133	30	-	8	-	5,171
Total assets	374,487	98,502	49,374	22,716	35,635	580,714
Non-current assets[2]	2,601	764	333	322	11	4,031
Gross customer loans	223,531	69,487	30,234	12,187	22,934	358,373
31 Dec 2018						
Total assets before goodwill and intangibles	349,941	90,523	51,283	23,612	30,217	545,576
Goodwill and intangibles	5,137	30	-	8	-	5,175
Total assets	355,078	90,553	51,283	23,620	30,217	550,751
Non-current assets[2]	1,633	362	145	144	4	2,288
Gross customer loans	218,513	65,202	30,267	13,361	22,302	349,645

Notes:
1 Expenses, profit before tax, tax expense and net profit exclude one-time items.
2 Includes investments in associates, properties and other fixed assets.

The performance by geography is classified based on the location in which income and assets are recorded. Hong Kong comprises mainly DBS Bank (HK) Limited and DBS HK branch. Rest of Greater China comprises mainly DBS Bank (China) Ltd, DBS Bank (Taiwan) Ltd and DBS Taipei branch. South and Southeast Asia comprises mainly PT Bank DBS Indonesia, DBS India Ltd (DBS India branches previously) and DBS Labuan branch. All results are prepared in accordance with Singapore Financial Reporting Standards (International).

Singapore

Net profit increased 23% from a year ago to $1.11 billion. Total income grew 7% to $2.15 billion. Net interest income rose 5% to $1.54 billion from loan growth. Fee income increased 19% to $455 million due to higher fees from investment banking and wealth management. Other non-interest income declined 6% to $151 million from lower trading income. Expenses grew 4% to $905 million.

Compared to the previous quarter, net profit was 11% lower. Total income fell 12% from a lower net interest margin and seasonally-lower non-interest income. Expenses fell 5%. Total allowances declined due to a general allowance write-back.

For the full year, net profit rose 22% to $4.59 billion as total income increased 12% to $9.19 billion from broad-based growth while expenses rose less quickly by 8% to $3.64 billion. Profit before allowances grew 15% to $5.55 billion. Total allowances halved to $225 million due to a general allowance write-back.

Hong Kong

Net profit of $339 million was 3% higher than a year ago. Total income grew 2% to $714 million. Net interest income fell 2% to $493 million as a lower interest margin offset the impact of a 5% growth in loans. Fee income grew 14% to $169 million due to higher wealth management and investment banking fees. Other non-interest income rose 6% to $52 million. Expenses increased 3% to $282 million. Total allowances fell 35% to $20 million as specific allowances declined.

Compared to the previous quarter, net profit was 1% higher. Total income fell 6%. Net interest income declined 6% from a lower interest margin. Fee income fell 3% as an increase in investment banking and loan-related fees was offset by lower cash management, bancassurance and investment product sales. Other non-interest income fell 7% due to lower year-end activity. Expenses declined 6%. Total allowances fell 66% from lower general allowances.

For the full year, net profit rose 5% to $1.43 billion, or 12% excluding a property gain booked in the previous year. Net interest income grew 10% to $2.01 billion from loan growth and a higher net interest margin. Fees rose 8% to $667 million from cards, loan-related activities and bancassurance. Excluding the property gain in the previous year, other non-interest income rose 20% to $250 million. Expenses grew 5% to $1.11 billion. Total allowances rose 42% to $102 million from higher general allowances.

Rest of Greater China

Net profit halved to $22 million from a year ago as expenses increased 14% and allowances more than doubled to $16 million. Total income was stable at $241 million as an increase in non-interest income was offset by a decline in net interest income.

Compared to the previous quarter, net profit halved from a 14% decline in total income while expenses grew 15%. Total allowances fell by two third from lower specific allowances.

For the full year, net profit fell 24% to $210 million, from a 6% decline in total income to $1.06 billion as net interest income fell 12%, partially moderated by higher fee income. Expenses increased 3% while allowances grew 11%.

South and Southeast Asia

South and Southeast Asia recorded a net loss of $17 million compared to a profit of $12 million a year ago. Total income rose 20% to $246 million from higher net interest income and other non-interest income while expenses increased 20% to $183 million. Total allowances more than doubled to $89 million.

Compared to the previous quarter, net loss halved as the third quarter results incorporated a tax charge of $38 million from the revaluation of deferred tax assets due to a cut in India’s corporate tax rate. Total income fell 2% from non-interest income while expenses rose 12%. Total allowances fell 3%.

For the full year, total income rose 22% to $969 million from broad-based growth. Expenses rose 19% to $667 million, while total allowances grew 60% to $292 million. Due to higher tax charges from India, the region recorded a loss of $22 million compared to a profit of $43 million a year ago.

Rest of the World

Net profit doubled to $55 million as total income grew 24% to $113 million from broad-based growth. Expenses increased 8% to $28 million while allowances fell four-fifths to $5 million.

Compared to the previous quarter, net profit rose 25% due to a 15% increase in total income from higher net interest income and trading income. Expenses grew 8% while allowances halved.

For the full year, net profit grew 2% to $186 million due to a 13% growth in total income to $402 million. Expenses of $104 million were 2% lower than a year ago, while total allowances rose to $35 million from a low base.

CUSTOMER LOANS

($m)	31 Dec 2019	30 Sep 2019	31 Dec 2018
Gross	**362,427**	358,373	349,645
Less:			
ECL[1] Stage 3 (SP)	**2,305**	2,621	2,440
ECL[1] Stage 1 & 2 (GP)	**2,238**	2,316	2,202
Net total	**357,884**	353,436	345,003
By business unit			
Consumer Banking/Wealth Management	**114,380**	114,166	112,672
Institutional Banking	**246,296**	242,269	234,467
Others	**1,751**	1,938	2,506
Total (Gross)	**362,427**	358,373	349,645
By geography[2]			
Singapore	**168,704**	168,266	163,449
Hong Kong	**55,062**	57,114	54,333
Rest of Greater China	**53,009**	51,670	50,925
South and Southeast Asia	**29,438**	29,646	28,377
Rest of the World	**56,214**	51,677	52,561
Total (Gross)	**362,427**	358,373	349,645
By industry			
Manufacturing	**37,635**	39,792	36,868
Building and construction	**85,144**	81,449	76,532
Housing loans	**73,606**	73,340	75,011
General commerce	**45,664**	46,096	47,470
Transportation, storage & communications	**31,574**	31,264	30,549
Financial institutions, investment & holding companies	**24,660**	23,047	25,022
Professionals & private individuals (excluding housing loans)	**34,121**	33,998	30,590
Others	**30,023**	29,387	27,603
Total (Gross)	**362,427**	358,373	349,645
By currency			
Singapore dollar	**144,878**	142,932	141,838
US dollar	**108,106**	110,235	110,086
Hong Kong dollar	**44,310**	43,208	40,898
Chinese yuan	**14,019**	12,802	12,481
Others	**51,114**	49,196	44,342
Total (Gross)	**362,427**	358,373	349,645

Notes:
1 Refers to expected credit loss.
2 Loans by geography are determined according to the location where the borrower, or the issuing bank in the case of bank backed export financing is incorporated.

Gross customer loans rose 2% from the previous quarter in constant-currency terms to $362 billion. The growth was led by trade loans and non-trade corporate loans. Consumer loans also grew, with housing loans rising moderately after three consecutive quarters of decline.

Compared to a year ago, gross customer loans were 4% higher in constant-currency terms from growth in non-trade corporate loans and wealth management consumer loans.

NON-PERFORMING ASSETS AND LOSS ALLOWANCE COVERAGE

	31 Dec 2019			30 Sep 2019			31 Dec 2018		
	NPA ($m)	NPL (% of loans)	SP[4] ($m)	NPA ($m)	NPL (% of loans)	SP[4] ($m)	NPA ($m)	NPL (% of loans)	SP[4] ($m)
By business unit									
Consumer Banking/ Wealth Management	**700**	**0.6**	**153**	720	0.6	142	678	0.6	140
Institutional Banking and Others	**4,702**	**1.9**	**2,152**	4,834	2.0	2,479	4,573	1.9	2,300
Total non-performing loans (NPL)	**5,402**	**1.5**	**2,305**	5,554	1.5	2,621	5,251	1.5	2,440
Debt securities, contingent liabilities & others	**371**	**-**	**197**	390	-	201	433	-	172
Total non-performing assets (NPA)	**5,773**	**-**	**2,502**	5,944	-	2,822	5,684	-	2,612
By geography[1]									
Singapore	**3,722**	**2.2**	**1,405**	3,567	2.1	1,506	3,335	2.0	1,488
Hong Kong	**492**	**0.9**	**279**	494	0.9	277	511	0.9	258
Rest of Greater China	**357**	**0.7**	**130**	400	0.8	136	411	0.8	130
South and Southeast Asia	**751**	**2.6**	**463**	995	3.4	658	908	3.2	521
Rest of the World	**80**	**0.1**	**28**	98	0.2	44	86	0.2	43
Total non-performing loans (NPL)	**5,402**	**1.5**	**2,305**	5,554	1.5	2,621	5,251	1.5	2,440
Debt securities, contingent liabilities & others	**371**	**-**	**197**	390	-	201	433	-	172
Total non-performing assets (NPA)	**5,773**	**-**	**2,502**	5,944	-	2,822	5,684	-	2,612
Loss Allowance Coverage									
ECL[2] Stage 3 (SP)			**2,502**			2,822			2,612
ECL[2] Stage 1 and 2 (GP)			**2,511**			2,594			2,569
Total allowances			**5,013**			5,416			5,181
(Total allowances+RLAR) / NPA[3]			**94%**			96%			98%
(Total allowances+RLAR) / unsecured NPA[3]			**191%**			181%			178%

Notes:
1 NPLs by geography are determined according to the location where the borrower is incorporated.
2 Refers to expected credit loss.
3 Computation includes regulatory loss allowance reserves (RLAR) of $404 million for 31 Dec’19 (30 Sep’19: $292 million ; 31 Dec’18: $376 million) as part of total allowances.
4 Refers to Expected Credit Loss Stage 3.

($m)	31 Dec 2019		30 Sep 2019		31 Dec 2018	
	NPA	SP[1]	NPA	SP[1]	NPA	SP[1]
By industry						
Manufacturing	**551**	**296**	570	323	572	302
Building and construction	**308**	**140**	275	146	248	127
Housing loans	**195**	**11**	198	11	182	10
General commerce	**586**	**313**	718	372	645	268
Transportation, storage & communications	**3,099**	**1,346**	3,042	1,516	2,869	1,506
Financial institutions, investment & holding companies	**65**	**19**	91	18	48	18
Professionals & private individuals (excluding housing loans)	**498**	**138**	490	126	504	129
Others	**100**	**42**	170	109	183	80
Total non-performing loans	**5,402**	**2,305**	5,554	2,621	5,251	2,440
Debt securities, contingent liabilities & others	**371**	**197**	390	201	433	172
Total non-performing assets	**5,773**	**2,502**	5,944	2,822	5,684	2,612

($m)	31 Dec 2019		30 Sep 2019		31 Dec 2018	
	NPA	SP[1]	NPA	SP[1]	NPA	SP[1]
By loan grading						
Non-performing assets						
Substandard	**3,393**	**453**	3,219	455	3,010	400
Doubtful	**1,139**	**808**	1,206	848	1,166	704
Loss	**1,241**	**1,241**	1,519	1,519	1,508	1,508
Total	**5,773**	**2,502**	5,944	2,822	5,684	2,612
Of which: restructured assets						
Substandard	**660**	**99**	706	105	744	105
Doubtful	**339**	**184**	366	181	302	126
Loss	**432**	**432**	465	465	510	510
Total	**1,431**	**715**	1,537	751	1,556	741

($m)	31 Dec 2019	30 Sep 2019	31 Dec 2018
	NPA	NPA	NPA
By collateral type			
Unsecured non-performing assets	**2,842**	3,151	3,127
Secured non-performing assets by collateral type			
Properties	**1,004**	818	799
Shares and debentures	**162**	185	185
Cash deposits	**8**	24	22
Others	**1,757**	1,766	1,551
Total	**5,773**	5,944	5,684

Note:
1 Refers to Expected Credit Loss Stage 3.

($m)	31 Dec 2019 NPA	30 Sep 2019 NPA	31 Dec 2018 NPA
By period overdue			
Not overdue	**1,110**	1,154	1,271
Within 90 days	**589**	343	432
Over 90 to 180 days	**601**	616	436
Over 180 days	**3,473**	3,831	3,545
Total	**5,773**	5,944	5,684

Non-performing assets fell 3% from the previous quarter to $5.77 billion as new NPA formation was more than offset by recoveries and write-offs. The majority of new NPA formation during the quarter was from exposures that were fully collateralised.

Allowance coverage was at 94% and 191% with collateral taken into account.

CUSTOMER DEPOSITS

($m)	31 Dec 2019	30 Sep 2019	31 Dec 2018
By currency and product			
Singapore dollar	**162,509**	162,401	158,778
Fixed deposits	**19,289**	21,363	17,031
Savings accounts	**116,148**	113,880	114,952
Current accounts	**26,977**	27,023	26,686
Others	**95**	135	109
US dollar	**140,769**	140,802	138,153
Fixed deposits	**84,403**	87,646	84,915
Savings accounts	**22,893**	20,806	21,280
Current accounts	**32,056**	30,788	30,006
Others	**1,417**	1,562	1,952
Hong Kong dollar	**37,078**	37,126	37,054
Fixed deposits	**18,435**	18,216	18,163
Savings accounts	**8,207**	7,851	8,368
Current accounts	**10,259**	10,890	10,345
Others	**177**	169	178
Chinese yuan	**13,257**	11,645	13,073
Fixed deposits	**7,579**	7,014	7,539
Savings accounts	**1,169**	1,098	1,134
Current accounts	**3,846**	2,665	3,458
Others	**663**	868	942
Others	**50,676**	48,243	46,727
Fixed deposits	**32,987**	30,854	31,401
Savings accounts	**8,926**	8,730	7,709
Current accounts	**7,876**	7,708	6,645
Others	**887**	951	972
Total	**404,289**	400,217	393,785
Fixed deposits	**162,693**	165,093	159,049
Savings accounts	**157,343**	152,365	153,443
Current accounts	**81,014**	79,074	77,140
Others	**3,239**	3,685	4,153

Customer deposits rose 2% from the previous quarter and 3% from a year ago in constant-currency terms to $404 billion, with savings deposits leading the increase.

DEBTS ISSUED

($m)	31 Dec 2019	30 Sep 2019	31 Dec 2018
Subordinated term debts[1]	**3,538**	3,573	3,599
Senior medium term notes[1]	**11,155**	12,637	11,577
Commercial papers[1]	**25,914**	25,182	16,986
Negotiable certificates of deposit[1]	**4,562**	4,317	4,147
Other debt securities[1]	**10,291**	11,006	7,734
Covered bonds[2]	**5,206**	4,570	5,268
Total	**60,666**	61,285	49,311
Due within 1 year	**41,174**	41,286	31,870
Due after 1 year[3]	**19,492**	19,999	17,441
Total	**60,666**	61,285	49,311

Notes:
1 Unsecured
2 Secured
3 Includes instruments in perpetuity

CAPITAL ADEQUACY

($m)	31 Dec 2019	30 Sep 2019	31 Dec 2018
Share capital	**11,205**	11,205	11,205
Disclosed reserves and others	**37,369**	36,946	34,658
Total regulatory adjustments to Common Equity Tier 1 capital	**(5,704)**	(5,739)	(5,622)
Common Equity Tier 1 capital	**42,870**	42,412	40,241
Additional Tier 1 capital instruments	**2,590**	2,599	3,394
Tier 1 capital	**45,460**	45,011	43,635
Total allowances eligible as Tier 2 capital	**1,662**	1,663	1,605
Tier 2 capital instruments	**3,571**	3,605	3,628
Total capital	**50,693**	50,279	48,868
Risk-Weighted Assets ("RWA")			
Credit RWA	**252,402**	253,931	242,526
Market RWA	**28,696**	29,960	26,170
Operational RWA	**22,673**	22,357	20,940
Total RWA	**303,771**	306,248	289,636
Capital Adequacy Ratio ("CAR") (%)			
Common Equity Tier 1	**14.1**	13.8	13.9
Tier 1	**15.0**	14.7	15.1
Total	**16.7**	16.4	16.9
Minimum CAR including Buffer Requirements (%)[1]			
Common Equity Tier 1	**9.3**	9.4	8.7
Effective Tier 1	**10.8**	10.9	10.2
Effective Total	**12.8**	12.9	12.2
Of which: Buffer Requirements (%)			
Capital Conservation Buffer	**2.5**	2.5	1.875
Countercyclical Capital Buffer	**0.3**	0.4	0.3

Note:
1 Includes minimum Common Equity Tier 1, Tier 1 and Total CAR of 6.5%, 8.0% and 10.0% respectively.

Compared to the previous quarter, capital adequacy ratios improved due mainly to net profit accretion, partly offset by dividend paid in the quarter. The Group's leverage ratio stood at 7.0%, well above the 3% minimum requirement.

PILLAR 3, LIQUIDITY COVERAGE RATIO AND NET STABLE FUNDING RATIO DISCLOSURES

The Group's combined Pillar 3, Liquidity Coverage Ratio and Net Stable Funding Ratio disclosures document and Main Features of Capital Instruments document are published in the Investor Relations section of the Group's website (https://www.dbs.com/investors/default.page) and (https://www.dbs.com/investors/capital-and-other-disclosures/capital-disclosures) respectively. These disclosures are pursuant to MAS's Notices to Banks No. 637 "Notice on Risk Based Capital Adequacy Requirements for Banks incorporated in Singapore", No. 651 "Liquidity Coverage Ratio ("LCR") Disclosure" and No. 653 "Net Stable Funding Ratio ("NSFR") Disclosure".

UNREALISED PROPERTY VALUATION SURPLUS

The unrealised property valuation surplus as at 31 December 2019 was approximately $1,483 million.

AUDITED CONSOLIDATED INCOME STATEMENT

In $ millions	4th Qtr 2019[1]	4th Qtr 2018[1]	+/(-) %	3rd Qtr 2019[1]	+/(-) %	Year 2019	Year 2018	+/(-) %
Income								
Interest income	**3,788**	3,790	-	3,975	(5)	**15,592**	13,798	13
Interest expense	**1,362**	1,460	(7)	1,515	(10)	**5,967**	4,843	23
Net interest income	**2,426**	2,330	4	2,460	(1)	**9,625**	8,955	7
Net fee and commission income	**741**	635	17	814	(9)	**3,052**	2,780	10
Net trading income	**228**	229	-	431	(47)	**1,459**	1,178	24
Net income from investment securities	**45**	31	45	105	(57)	**334**	131	>100
Other income	**21**	20	5	13	62	**74**	139	(47)
Non-interest income	**1,035**	915	13	1,363	(24)	**4,919**	4,228	16
Total income	**3,461**	3,245	7	3,823	(9)	**14,544**	13,183	10
Employee benefits	**915**	804	14	873	5	**3,514**	3,188	10
Other expenses	**685**	697	(2)	741	(8)	**2,744**	2,626	4
Total expenses	**1,600**	1,501	7	1,614	(1)	**6,258**	5,814	8
Profit before allowances	**1,861**	1,744	7	2,209	(16)	**8,286**	7,369	12
Allowances for credit and other losses	**122**	205	(40)	254	(52)	**703**	710	(1)
Profit before tax	**1,739**	1,539	13	1,955	(11)	**7,583**	6,659	14
Income tax expense	**221**	211	5	317	(30)	**1,154**	1,006	15
Net profit	**1,518**	1,328	14	1,638	(7)	**6,429**	5,653	14
Attributable to:								
Shareholders	**1,508**	1,319	14	1,629	(7)	**6,391**	5,577	15
Non-controlling interests	**10**	9	11	9	11	**38**	76	(50)
	1,518	1,328	14	1,638	(7)	**6,429**	5,653	14

Note:
1 Unaudited

AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In $ millions	4th Qtr 2019[1]	4th Qtr 2018[1]	+/(-) %	3rd Qtr 2019[1]	+/(-) %	Year 2019	Year 2018	+/(-) %
Net profit	**1,518**	1,328	14	1,638	(7)	**6,429**	5,653	14
Other comprehensive income								
Items that may be reclassified subsequently to income statement:								
Translation differences for foreign operations	**(265)**	(37)	(>100)	234	NM	**(175)**	(94)	(86)
Other comprehensive income of associates	**(3)**	1	NM	2	NM	**1**	3	(67)
Gains (losses) on debt instruments classified at fair value through other comprehensive income and others								
Net valuation taken to equity	**125**	240	(48)	209	(40)	**933**	(105)	NM
Transferred to income statement	**(79)**	(43)	(84)	(135)	41	**(403)**	(151)	(>100)
Taxation relating to components of other comprehensive income	**-**	(19)	NM	(9)	NM	**(58)**	16	NM
Items that will not be reclassified to income statement:								
Gains (losses) on equity instruments classified at fair value through other comprehensive income (net of tax)	**58**	(96)	NM	(53)	NM	**136**	(154)	NM
Fair value change from own credit risk on financial liabilities designated at fair value (net of tax)	**(46)**	71	NM	12	NM	**(63)**	111	NM
Other comprehensive income, net of tax	**(210)**	117	NM	260	NM	**371**	(374)	NM
Total comprehensive income	**1,308**	1,445	(9)	1,898	(31)	**6,800**	5,279	29
Attributable to:								
Shareholders	**1,298**	1,435	(10)	1,889	(31)	**6,761**	5,201	30
Non-controlling interests	**10**	10	-	9	11	**39**	78	(50)
	1,308	1,445	(9)	1,898	(31)	**6,800**	5,279	29

Note:
1 Unaudited
NM Not Meaningful

DBS GROUP HOLDINGS LTD AND ITS SUBSIDIARIES

AUDITED BALANCE SHEETS

	The Group			The Company		
In $ millions	**31 Dec 2019**	**30 Sep 2019[1]**	**31 Dec 2018**	**31 Dec 2019**	**30 Sep 2019[1]**	**31 Dec 2018**
Assets						
Cash and balances with central banks	**26,362**	21,538	22,185			
Government securities and treasury bills	**49,729**	53,563	47,278			
Due from banks	**39,336**	42,120	40,178	**36**	53	24
Derivatives	**17,235**	22,098	17,029	**121**	161	54
Bank and corporate securities	**63,746**	63,853	58,197			
Loans and advances to customers	**357,884**	353,436	345,003			
Other assets	**15,424**	14,904	13,418	**-**	-	5
Associates	**835**	842	838			
Subsidiaries	**-**	-	-	**27,409**	27,474	28,153
Properties and other fixed assets	**3,225**	3,189	1,450			
Goodwill and intangibles	**5,170**	5,171	5,175			
Total assets	**578,946**	580,714	550,751	**27,566**	27,688	28,236
Liabilities						
Due to banks	**23,773**	22,802	22,648			
Deposits and balances from customers	**404,289**	400,217	393,785			
Derivatives	**17,512**	21,944	16,692	**19**	7	18
Other liabilities	**20,907**	23,193	18,440	**96**	102	100
Other debt securities	**57,128**	57,712	45,712	**3,818**	3,909	4,141
Subordinated term debts	**3,538**	3,573	3,599	**3,538**	3,573	3,599
Total liabilities	**527,147**	529,441	500,876	**7,471**	7,591	7,858
Net assets	**51,799**	51,273	49,875	**20,095**	20,097	20,378
Equity						
Share capital	**10,948**	10,964	10,898	**10,961**	10,974	10,900
Other equity instruments	**2,009**	2,009	2,812	**2,009**	2,009	2,812
Other reserves	**4,102**	4,229	3,701	**173**	158	180
Revenue reserves	**33,922**	33,244	31,634	**6,952**	6,956	6,486
Shareholders' funds	**50,981**	50,446	49,045	**20,095**	20,097	20,378
Non-controlling interests	**818**	827	830			
Total equity	**51,799**	51,273	49,875	**20,095**	20,097	20,378
Other Information						
Net book value per share ($)						
(i) Basic and diluted	**19.17**	18.96	18.12	**7.08**	7.08	6.88

Note:
1 Unaudited

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

The Group	Attributable to shareholders of the Company						
In $ millions	Share Capital	Other equity instruments	Other reserves	Revenue reserves	Total Shareholders' funds	Non-controlling interests	Total equity
Balance at 1 January 2019	**10,898**	**2,812**	**3,701**	**31,634**	**49,045**	**830**	**49,875**
Impact of adopting SFRS(I) 16 on 1 January 2019				**(95)[2]**	**(95)**		**(95)**
Balance at 1 January 2019 after adoption of SFRS(I) 16	**10,898**	**2,812**	**3,701**	**31,539**	**48,950**	**830**	**49,780**
Purchase of treasury shares	**(114)**				**(114)**		**(114)**
Draw-down of reserves upon vesting of performance shares	**164**		**(164)**		**-**		**-**
Cost of share-based payments			**120**		**120**		**120**
Dividends paid to shareholders[1]				**(3,931)**	**(3,931)**		**(3,931)**
Dividends paid to non-controlling interests					**-**	**(38)**	**(38)**
Acquisition of non-controlling interests					**-**	**(13)**	**(13)**
Redemption of perpetual capital securities issued by the Company		**(803)**		**(2)**	**(805)**		**(805)**
Total comprehensive income			**445**	**6,316**	**6,761**	**39**	**6,800**
Balance at 31 December 2019	**10,948**	**2,009**	**4,102**	**33,922**	**50,981**	**818**	**51,799**
Balance at 1 January 2018	11,082	1,812	4,256	30,308	47,458	2,344	49,802
Impact of adopting SFRS(I) 9 on 1 January 2018			(86)	95	9		9
Balance at 1 January 2018 after adoption of SFRS(I) 9	11,082	1,812	4,170	30,403	47,467	2,344	49,811
Purchase of treasury shares	(303)				(303)		(303)
Draw-down of reserves upon vesting of performance shares	119		(119)		-		-
Issue of perpetual capital securities		1,000			1,000		1,000
Cost of share-based payments			112		112		112
Dividends paid to shareholders[1]				(4,432)	(4,432)		(4,432)
Dividends paid to non-controlling interests					-	(85)	(85)
Change in non-controlling interests					-	(7)	(7)
Redemption of preference shares issued by a subsidiary					-	(1,500)	(1,500)
Total comprehensive income			(462)	5,663	5,201	78	5,279
Balance at 31 December 2018	10,898	2,812	3,701	31,634	49,045	830	49,875

Notes:
1 Includes distributions paid on capital securities classified as equity (2019: $96 million; 2018: $74 million)
2 The impact was updated to $95 million in 4th Quarter 2019

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 DECEMBER 2019

The Group	Attributable to shareholders of the Company						
In $ millions	Share Capital	Other equity instruments	Other reserves	Revenue reserves	Total Shareholders' funds	Non-controlling interests	Total equity
Balance at 1 October 2019	**10,964**	**2,009**	**4,229**	**33,233[2]**	**50,435**	**827**	**51,262**
Purchase of treasury shares	**(16)**				**(16)**		**(16)**
Cost of share-based payments			**30**		**30**		**30**
Dividends paid to shareholders[1]				**(766)**	**(766)**		**(766)**
Dividends paid to non-controlling interests					**-**	**(19)**	**(19)**
Total comprehensive income			**(157)**	**1,455**	**1,298**	**10**	**1,308**
Balance at 31 December 2019	**10,948**	**2,009**	**4,102**	**33,922**	**50,981**	**818**	**51,799**
Balance at 1 October 2018	10,974	2,812	3,606	30,284	47,676	839	48,515
Purchase of treasury shares	(76)				(76)		(76)
Cost of share-based payments			29		29		29
Dividends paid to shareholders[1]				(19)	(19)		(19)
Dividends paid to non-controlling interests					-	(19)	(19)
Total comprehensive income			66	1,369	1,435	10	1,445
Balance at 31 December 2018	10,898	2,812	3,701	31,634	49,045	830	49,875

Notes:
1 Includes distributions paid on capital securities classified as equity (4th Qtr 2019: nil; 4th Qtr 2018: $19 million)
2 Includes updated impact on adopting SFRS(I) 16 on 1 January 2019

AUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

The Company

In $ millions	Share capital	Other equity instruments	Other reserves	Revenue reserves	Total equity
Balance at 1 January 2019	**10,900**	**2,812**	**180**	**6,486**	**20,378**
Purchase of treasury shares	**(104)**				**(104)**
Transfer of treasury shares	**165**				**165**
Draw-down of reserves upon vesting of performance shares			**(164)**		**(164)**
Cost of share-based payments			**120**		**120**
Dividends paid to shareholders[1]				**(3,931)**	**(3,931)**
Redemption of perpetual capital securities issued by the Company		**(803)**		**(2)**	**(805)**
Total comprehensive income			**37**	**4,399**	**4,436**
Balance at 31 December 2019	**10,961**	**2,009**	**173**	**6,952**	**20,095**
Balance at 1 January 2018	11,092	1,812	170	6,532	19,606
Purchase of treasury shares	(303)				(303)
Transfer of treasury shares	111				111
Draw-down of reserves upon vesting of performance shares			(119)		(119)
Issue of perpetual capital securities		1,000			1,000
Cost of share-based payments			112		112
Dividends paid to shareholders[1]				(4,432)	(4,432)
Total comprehensive income			17	4,386	4,403
Balance at 31 December 2018	10,900	2,812	180	6,486	20,378

Note:
1 Includes distributions paid on capital securities classified as equity (2019: $96 million; 2018: $74 million)

UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 DECEMBER 2019

The Company

In $ millions	Share capital	Other equity instruments	Other reserves	Revenue reserves	Total equity
Balance at 1 October 2019	**10,974**	**2,009**	**158**	**6,956**	**20,097**
Purchase of treasury shares	**(13)**				**(13)**
Cost of share-based payments			**30**		**30**
Dividends paid to shareholders[1]				**(766)**	**(766)**
Total comprehensive income			**(15)**	**762**	**747**
Balance at 31 December 2019	**10,961**	**2,009**	**173**	**6,952**	**20,095**
Balance at 1 October 2018	10,976	2,812	127	6,515	20,430
Purchase of treasury shares	(76)				(76)
Cost of share-based payments			29		29
Dividends paid to shareholders[1]				(19)	(19)
Total comprehensive income			24	(10)	14
Balance at 31 December 2018	10,900	2,812	180	6,486	20,378

Note:
1 Includes distributions paid on capital securities classified as equity (4th Qtr 2019: nil; 4th Qtr 2018: $19 million)

AUDITED CONSOLIDATED CASH FLOW STATEMENT

In $ millions	Year 2019	Year 2018	4th Qtr 2019[3]	4th Qtr 2018[3]
Cash flows from operating activities				
Profit before tax	**7,583**	6,659	**1,739**	1,539
Adjustments for non-cash and other items:				
Allowances for credit and other losses	**703**	710	**122**	205
Depreciation of properties and other fixed assets	**609**	331	**154**	87
Share of profits or losses of associates	**(50)**	(29)	**(12)**	(10)
Net loss/ (gain) on disposal, net of write-off of properties and other fixed assets	**26**	(86)	**23**	(2)
Net income from investment securities	**(334)**	(131)	**(45)**	(31)
Cost of share-based payments	**120**	112	**30**	29
Interest expense on subordinated term debts	**76**	47	**18**	15
Interest expense on lease liabilities	**29**	-	**7**	-
Profit before changes in operating assets & liabilities	**8,762**	7,613	**2,036**	1,832
Increase/(Decrease) in:				
Due to banks	**1,304**	5,037	**1,109**	1,708
Deposits and balances from customers	**10,908**	19,598	**4,807**	5,988
Other liabilities	**1,349**	1,498	**(6,607)**	(3,821)
Other debt securities and borrowings	**11,492**	5,351	**(653)**	4,692
(Increase)/Decrease in:				
Restricted balances with central banks	**1,502**	(276)	**3,080**	89
Government securities and treasury bills	**(2,476)**	(7,878)	**3,518**	2,810
Due from banks	**678**	(4,488)	**2,746**	(5,866)
Bank and corporate securities	**(5,149)**	(2,817)	**107**	(2,747)
Loans and advances to customers	**(14,269)**	(22,854)	**(5,495)**	(5,383)
Other assets	**(2,280)**	(1,176)	**4,242**	3,639
Tax paid	**(635)**	(891)	**(23)**	(375)
Net cash generated from/ (used in) operating activities (1)	**11,186**	(1,283)	**8,867**	2,566
Cash flows from investing activities				
Dividends from associates	**29**	25	**7**	5
Proceeds from disposal of interest in associate	**21**	11	**7**	3
Acquisition of interest in associate	**-**	(69)	**-**	-
Proceeds from disposal of properties and other fixed assets	**2**	105	**-**	6
Purchase of properties and other fixed assets	**(586)**	(533)	**(230)**	(220)
Proceeds from acquisition of business	**-**	262	**-**	-
Acquisition of/ change in non-controlling interests	**(13)**	(7)	**-**	-
Net cash used in investing activities (2)	**(547)**	(206)	**(216)**	(206)
Cash flows from financing activities				
Issue of perpetual capital securities	**-**	1,000	**-**	-
Issue of subordinated term debts	**-**	3,013	**-**	-
Interest paid on subordinated term debts	**(76)**	(56)	**(30)**	(32)
Redemption/purchase of subordinated term debts	**-**	(508)	**-**	-
Redemption of preference shares issued by a subsidiary	**-**	(1,500)	**-**	-
Redemption of perpetual capital securities issued by the Company	**(805)**	-	**-**	
Purchase of treasury shares	**(114)**	(303)	**(16)**	(76)
Dividends paid to non-controlling interests	**(38)**	(85)	**(19)**	(19)
Dividends paid to shareholders of the Company[1]	**(3,931)**	(4,432)	**(766)**	(19)
Net cash used in financing activities (3)	**(4,964)**	(2,871)	**(831)**	(146)
Exchange translation adjustments (4)	**39**	(109)	**93**	(53)
Net change in cash and cash equivalents[2] (1)+(2)+(3)+(4)	**5,714**	(4,469)	**7,913**	2,161
Cash and cash equivalents at beginning of period	**14,221**	18,693	**12,022**	12,060
Impact of adopting SFRS(I) 9 on 1 January 2018	**-**	(3)	**-**	-
Cash and cash equivalents at end of period	**19,935**	14,221	**19,935**	14,221

Notes:
1 Includes distributions paid on capital securities classified as equity
2 Cash and cash equivalents refer to cash and non-restricted balances with central banks
3 Unaudited

OTHER FINANCIAL INFORMATION

1. Off-balance Sheet Items

In $ millions	**31 Dec 2019**	**30 Sep 2019**	**31 Dec 2018**
Contingent liabilities	**28,267**	26,688	24,603
Commitments[1]	**297,938**	297,005	273,246
Financial Derivatives	**2,184,839**	2,270,007	2,063,378

Note:
1 Includes commitments that are unconditionally cancellable at any time of $248,258 million for 31 Dec 2019 (30 Sep 2019: $245,847 million; 31 Dec 2018: $230,291 million).

ADDITIONAL INFORMATION

SHARE CAPITAL

(a) The movement in the number of issued and fully paid-up ordinary shares is as follows:

Number of shares	Year 2019	Year 2018	4th Qtr 2019	4th Qtr 2018
Issued Ordinary shares				
Balance at beginning of period and end of period	**2,563,936,434**	2,563,936,434	**2,563,936,434**	2,563,936,434
Treasury shares				
Balance at beginning of period	**(12,320,500)**	(6,303,700)	**(9,314,500)**	(9,120,500)
Purchase of treasury shares	**(4,150,000)**	(12,254,800)	**(500,000)**	(3,200,000)
Shares transferred to trust holding shares pursuant to DBSH Share Plan/ DBSH Employee Share Plan	**6,656,000**	6,238,000	-	-
Balance at end of period	**(9,814,500)**	(12,320,500)	**(9,814,500)**	(12,320,500)
Issued Ordinary shares net of Treasury shares	**2,554,121,934**	2,551,615,934	**2,554,121,934**	2,551,615,934

(b) The weighted average number of Issued Ordinary shares net of Treasury shares (both basic and fully diluted) for the full year of 2019 is 2,555,615,824.

INTERESTED PARTY TRANSACTIONS PURSUANT TO LISTING RULE 920(1)

The Company has not obtained a general mandate from shareholders for Interested Person Transactions.

CONFIRMATION OF DIRECTORS AND EXECUTIVE OFFICERS' UNDERTAKINGS PURSUANT TO LISTING RULE 720(1)

The Company has procured undertakings from all its directors and executive officers in compliance with Listing Rule 720(1).

REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CEO OR SUBSTANTIAL SHAREHOLDER

Pursuant to Rule 704(13) of the SGX Listing Manual, DBSH wishes to advise that there are no persons occupying a managerial position in DBSH, DBS Bank Ltd or any of the principal subsidiaries of DBSH who are relatives of a director or chief executive officer or substantial shareholder of DBSH.

The auditor's report dated 12 February 2020, as extracted from the financial statements of DBS Group Holdings Ltd and its subsidiaries for the year ended 31 December 2019 which has been prepared in accordance with Singapore Financial Reporting Standards (International), is as follows:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DBS GROUP HOLDINGS LTD

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying consolidated financial statements of DBS Group Holdings Ltd (the "Company") and its subsidiaries (the "Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group, as set out on pages 1 to 81, comprise:

- the consolidated income statement of the Group for the year ended 31 December 2019;
- the consolidated statement of comprehensive income of the Group for the year then ended;
- the balance sheets of the Group and of the Company as at 31 December 2019;
- the consolidated statement of changes in equity of the Group for the year then ended;
- the consolidated cash flow statement of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our audit approach

Overview

Materiality

- We determined the overall Group materiality based on 5% of the Group's profit before tax.

Group scoping

- Full scope audit procedures were performed over the Singapore Operations of DBS Bank Ltd. and DBS Bank (Hong Kong) Limited ("significant components").
- We identified DBS Bank Ltd. Hong Kong Branch, DBS Bank (China) Limited, PT Bank DBS Indonesia, DBS Bank (Taiwan) Ltd and DBS Bank India Limited as component entities where certain account balances were considered to be significant in size in relation to the Group ("other components"). Consequently, specific audit procedures for the significant account balances of these components were performed to obtain sufficient appropriate audit evidence.

Key audit matters

- Specific allowances for loans and advances to customers
- General allowances for credit losses (Stage 1 and 2 Expected Credit Loss)
- Goodwill
- Valuation of financial instruments held at fair value

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

How we determined overall Group materiality	5% of the Group's profit before tax
Rationale for benchmark applied	• We chose 'profit before tax' as, in our view, it is the benchmark against which performance of the Group is most commonly measured. • We selected 5% based on our professional judgement, noting that it is also within the range of commonly accepted profit-related thresholds.

In performing our audit, we allocated materiality levels to the significant components and other components of the Group. These are less than the overall Group materiality.

How we developed the audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates. The Group's financial reporting process is dependent on its Information Technology ("IT") systems. Our audit scope included testing the operating effectiveness of the controls over the integrity of key financial data processed through the IT systems that are relevant to financial reporting.

In establishing the overall Group audit approach, we determined the extent of audit procedures that are needed to be performed across the Group by us or by other PwC network firms operating under our instruction who are familiar with the local laws and regulations in each of these territories (the "component auditors"). Where the work was performed by component auditors, we determined the level of involvement we needed to have in the procedures to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the financial year ended 31 December 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Specific allowances for loans and advances to customers As at 31 December 2019, the specific allowances for loans and advances to customers of the Group was $2,305 million, the majority of which related to Institutional Banking Group ("IBG") customers. Specific allowances refer to loss allowance for credit-impaired exposures (i.e. Stage 3) per SFRS (I) 9. Expected Credit Losses ("ECL") on non-impaired exposures (i.e. Stage 1 and Stage 2) is set out under the 'General allowances for credit losses' key audit matter. We focused on this area because of the subjective judgements by management in determining the necessity for, and estimating the size of, allowances against loans and advances. In particular, we focused on specific allowances for loans and advances to IBG customers because any assessment of impairment can be inherently subjective and involves significant judgement over both the timing of recognition of any impairment and the estimation of the size of such impairment. This includes: • the principal assumptions underlying the calculation of specific allowances for loans and advances to IBG customers where there is evidence of impairment losses (including the future profitability of the borrowers and the expected realisable value of collateral held); and • the classification of loans and advances in line with MAS Notice 612 ("MAS 612").	We assessed the design and evaluated the operating effectiveness of the controls over the specific allowances for loans and advances to IBG customers. These controls included: • oversight of credit risk by the Group Credit Risk Committee; • timely management review of credit risk; • the watchlist identification and monitoring process; • timely identification of impairment events; • classification of loans and advances in line with MAS 612; and • the collateral monitoring and valuation processes. We determined that we could rely on these controls for the purposes of our audit. We inspected a sample of loans and advances to IBG customers to assess whether the classification of the loans and advances is in line with MAS 612 and, where there was evidence of an impairment loss, whether it had been identified in a timely manner including, where relevant, how forbearance had been considered. Where impairment had been identified, for a sample of loans and advances, our work included: • considering the latest developments in relation to the borrower; • examining the forecasts of future cash flows prepared by management including key assumptions in relation to the amount and timing of recoveries; • comparing the collateral valuation and other sources of repayment to support the calculation of the impairment against external evidence, where available, including independent valuation reports; • challenging management's assumptions; and • testing the calculations.

Key audit matter	How our audit addressed the key audit matter
We applied judgement in selecting samples focused on borrowers incorporated in China, India and Indonesia, and with exposures to certain sectors in view of continued heightened credit risks impacting the portfolio. (Refer also to Notes 3 and 18 to the financial statements.)	For a sample of performing loans and advances to IBG customers which had not been identified by management as potentially impaired, considering the latest developments in relation to the borrower, we challenged management's assumptions on whether management's classification was appropriate, using external evidence where available in respect of the relevant borrower. Based on procedures performed, we have assessed that the specific allowances for loans and advances is appropriate.
General allowances for credit losses (Stage 1 and 2 Expected Credit Loss) SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9") adopted in 2018 introduced a new impairment measurement framework, referred to as Expected Credit Loss. In estimating ECL over future time periods, significant judgement is required. We focused on the Group's measurement of general allowances on non-impaired exposures ($2,511 million). This covers both 'Stage 1' exposures (where there has not been a significant increase in credit risk), and 'Stage 2' exposures (where a significant increase in credit risk has been observed). The ECL framework implemented by the Group involves significant judgement and assumptions that relate to, amongst others: • adjustments to the Group's Basel credit models and parameters; • use of forward-looking and macro-economic information; • estimates for the expected lifetime of revolving credit facilities; • assessment of significant increase in credit risk; and • post model adjustments to account for limitations in the ECL models, for example the risk to the portfolio from the current geopolitical trade conditions. (Refer also to Notes 3 and 11 to the financial statements.)	We critically assessed management's assumptions and estimates relating to Stage 1 and Stage 2 ECL for retail and non-retail portfolios as at 31 December 2019. This included assessing refinements in methodologies made during the year. We tested the design and operating effectiveness of key controls focusing on: • involvement of governance committees, including review and approval of post model adjustments; • completeness and accuracy of external and internal data inputs into the ECL calculations; and • accuracy and timeliness of allocation of exposures into Stage 1 and Stage 2 based on quantitative and qualitative triggers. The Group's internal experts performed an independent model validation of the ECL methodologies and assumptions. We reviewed the outcomes from this work as part of our assessment of the ECL estimate. Through the course of our work, we challenged the rationale and calculation basis of post model adjustments. Overall, we assessed the methodologies and assumptions used by the Group to estimate the ECL on non-impaired exposures to be appropriate.

Key audit matter	How our audit addressed the key audit matter
Goodwill As at 31 December 2019, the Group had $5,170 million of goodwill as a result of acquisitions. We focused on this area as management makes significant judgement in estimating future cash flows in undertaking its annual goodwill impairment assessment. The key assumptions used in the discounted cash flow analyses relate to: • cash flow forecasts; • discount rate; and • long-term growth rate. (Refer also to Notes 3 and 27 to the financial statements.)	We assessed the appropriateness of management's identification of the Group's cash generating units and the process by which indicators of impairment were identified. For DBS Bank (Hong Kong) Limited's franchise (goodwill of $4,631 million as at 31 December 2019), we evaluated management's cash flow forecasts and the process by which they were developed. Together with valuation specialists in our team, we assessed discount rate and growth rate assumptions against the Group's own historical performance and available external industry and economic indicators. We reviewed management's sensitivity analysis over the key assumptions to determine whether any reasonably possible change in these assumptions would result in an impairment, and also performed our own stress analysis based on the situation in Hong Kong. We concur with management's assessment that goodwill balances are not impaired as at 31 December 2019.
Valuation of financial instruments held at fair value Financial instruments held by the Group at fair value include derivative assets and liabilities, trading securities, certain debt instruments and other assets and liabilities designated at fair value. The Group's financial instruments are predominantly valued using quoted market prices ('Level 1') or market observable prices ('Level 2'). The valuation of 'Level 3' instruments rely on significant unobservable inputs. We considered the overall valuation of financial instruments (Level 1, 2 and 3) to be a key audit matter given the financial significance to the Group, nature of underlying products and estimation involved to determine fair value. In determining fair value, management also make adjustments to recognise credit risk, funding costs, bid-offer spreads and in other cases parameter	We assessed the design and tested the operating effectiveness of the controls over the Group's financial instruments valuation processes. These included the controls over: • management's testing and approval of new models and revalidation of existing models; • the completeness and accuracy of pricing data inputs into valuation models; • monitoring of collateral disputes; and • governance mechanisms and monitoring over the valuation processes by the Group Market and Liquidity Risk Committee, including over derivative valuation adjustments. We determined that we could rely on the controls for the purposes of our audit. In addition, we: • engaged our own specialists to use their own models and input sources to determine an independent estimate of fair value for a sample of the Group's Level 1 and Level 2 financial instruments. We compared these to the Group's calculations of fair value to assess individual material valuation differences or systemic bias; • assessed the reasonableness of the methodologies used and the assumptions made for a sample of financial instrument valuations

Key audit matter	How our audit addressed the key audit matter
and model risk limitations. This is broadly consistent with the banking industry, albeit the methodology to calculate some of these adjustments continues to evolve. (Refer also to Notes 3 and 41 to the financial statements.)	with significant unobservable valuation inputs (Level 3 instruments); • performed procedures on collateral disputes to identify possible indicators of inappropriate valuations; and • performed tests of inputs and assessed the methodology over fair value adjustments, in light of available market data and industry trends. Overall, the valuation of financial instruments held at fair value was within a reasonable range of outcomes.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement included in pages 82 to 85 (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the Annual Report ("the Other Sections") which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Melvin Poon.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore,12 February 2020