To: Shareholders

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

Trading Update for the Third Quarter Ended 30 September 2021

Details of the financial results are enclosed.

Dividends

The Board has declared an interim one-tier tax-exempt dividend of 33 cents for each DBSH ordinary share for the third quarter of 2021 (the "3Q21 Interim Dividend"). The estimated dividend payable is $848 million.

The DBSH Scrip dividend Scheme will not be applied to the 3Q21 Interim Dividend.

The DBSH ordinary shares will be quoted ex-dividend on 12 November 2021. The payment date for the cash dividends will be on 26 November 2021 (Friday).

The Transfer Books and Register of Members of DBSH will be closed from 5.00 p.m. on 15 November 2021 (Monday) up to (and including) 16 November 2021 (Tuesday) for the purpose of determining shareholders' entitlement to the 3Q21 Interim Dividend.

By order of the Board

Teoh Chia-Yin
Group Secretary

5 November 2021
Singapore

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

Third-quarter net profit up 31% from a year ago to SGD 1.70 billion; business momentum sustained and asset quality resilient

Nine-month net profit up 46% to record SGD 5.41 billion

DBS Group reported net profit of SGD 1.70 billion for third-quarter 2021, up 31% from a year ago and stable from the previous quarter. Business momentum was sustained as loans grew 2% over the quarter and fee income was the second highest on record. Asset quality continued to be resilient. Non-performing assets declined 1% from the previous quarter and specific allowances fell to six basis points of loans as repayments more than offset new non-performing asset formation during the quarter. General allowances of SGD 138 million were written back as portfolio quality improved.

Nine-month net profit increased 46% to SGD 5.41 billion with the first, second and third quarters the three highest in history. Loans grew 8% over the nine months, while fee income and Treasury Markets income rose to new highs. Specific allowances halved to 14 basis points and were below pre-pandemic levels, while general allowances of SGD 413 million were written back. The strong business momentum and decline in allowances more than offset the impact of lower interest rates. Return on equity was 13.4%.

For the third quarter, net interest income rose 1% from the previous quarter to SGD 2.10 billion. Loans grew SGD 6 billion or 2% in constant-currency terms to SGD 405 billion. Non-trade corporate loans increased SGD 5 billion, with the growth led by drawdowns in Singapore and Greater China. Housing loans rose SGD 1 billion, a similar pace as the first two quarters, as bookings continued to be strong. Other consumer loans grew SGD 2 billion due to wealth management. These increases were offset by a SGD 2 billion decline in trade loans from higher repayments. Net interest margin fell two basis points to 1.43% as a result of lower market interest rates. Compared to a year ago, net interest income was 3% lower as a 10 basis points decline in net interest margin was moderated by broad-based loan growth of 9%.

Fee income was SGD 888 million, up 2% from the previous quarter with momentum sustained across most activities. Wealth management fees rose 8% to SGD 461 million with higher activity across a range of investment products. Transaction service fees grew 7% to a new high of SGD 239 million from increases in cash management and trade finance. Card fees rose 9% to SGD 180 million as consumer spending continued to recover towards pre-pandemic levels. These increases were moderated by declines in investment banking fees from a high base and in loan-related fees. Compared to a year ago, fee income increased 11%, with the growth led by wealth management, transaction services and cards.

Other non-interest income declined 10% from the previous quarter and 6% from a year ago to SGD 569 million. Higher trading gains were more than offset by a decline in investment gains against both comparative periods.

Expenses were at SGD 1.67 billion. Underlying expenses[1] were 6% higher than the previous quarter due to base salary increases carried out at mid-year and investments for future growth. Underlying expenses were 2% higher than a year ago.

For the nine months, net interest income was 9% lower at SGD 6.30 billion as broad-based loan growth of 9% from a year ago was more than offset by a 22 basis points decline in net interest margin. Fee income rose 17% to a new high of SGD 2.71 billion with the growth led by wealth management, investment banking, transaction services and cards. Other non-interest income fell 3% to SGD 2.00 billion as record trading income was offset by a decline in investment gains due to more favourable market opportunities a year ago. Expenses were SGD 4.80 billion, up 1% on an underlying basis. The cost-income ratio was 44%. Profit before allowances declined 8% to SGD 6.21 billion.

Asset quality remained resilient in the third quarter. New non-performing asset formation was more than offset by repayments, resulting in a 1% decline in non-performing assets from the previous quarter to SGD 6.57 billion. The NPL rate was unchanged at 1.5%. Third-quarter

[1] Underlying expenses exclude the erstwhile Lakshmi Vilas Bank and the previous year's government grants.

specific allowances fell to SGD 68 million or six basis points of loans due to a write-back for a non-performing loan. For the nine months, they halved to SGD 432 million or 14 basis points, below pre-pandemic levels.

A general allowance write-back of SGD 138 million was made in the third quarter, bringing the nine-month write-back to SGD 413 million. General allowance overlays built up in prior periods were maintained. General allowance reserves remained prudent at SGD 3.92 billion, which were SGD 0.6 billion above the MAS requirement and SGD 1.1 billion above Tier-2 eligibility. Together with specific allowance reserves, total allowance reserves amounted to SGD 7.06 billion, resulting in an allowance coverage of 107% and of 205% after considering collateral.

Liquidity was ample. Deposits grew 1% or SGD 4 billion from the previous quarter and 9% or SGD 42 billion from a year ago in constant-currency terms to SGD 489 billion. Current and savings accounts accounted for 75% of customer deposits. The liquidity coverage ratio of 131% and the net stable funding ratio of 127% were both above regulatory requirements of 100%.

The Common Equity Tier-1 ratio was unchanged from the previous quarter at 14.5% as profit accretion was offset by risk-weighted asset growth. The ratio was above the group's target operating range as well as regulatory requirements. The leverage ratio of 6.8% was more than twice the regulatory minimum of 3%.

The Board declared a quarterly dividend of SGD 33 cents per share for the third quarter, bringing the dividend for the nine months to SGD 84 cents a share.

DBS CEO Piyush Gupta said, "Broad-based business momentum was sustained in the third quarter and our pipelines remain healthy into next year. A progressive normalisation of interest rates in the coming quarters will be beneficial to earnings. Asset quality continues to be resilient and total allowances are likely to remain low. These positives will offset expected cost pressures as the economic recovery takes hold. With a franchise recently recognised once again as the world's best bank, we are ready to put the pandemic behind us and are in a strong position to capture opportunities and deliver shareholder value."

Live more, Bank less

	3rd Qtr 2021	3rd Qtr 2020	% chg	2nd Qtr 2021	% chg	9 Mths 2021	9 Mths 2020	% chg
Selected income statement items ($m)								
Net interest income	**2,104**	2,171	(3)	2,089	1	**6,300**	6,956	(9)
Net fee and commission income	**888**	798	11	868	2	**2,709**	2,311	17
Other non-interest income	**569**	608	(6)	632	(10)	**1,995**	2,062	(3)
Total income	**3,561**	3,577	-	3,589	(1)	**11,004**	11,329	(3)
Expenses	**1,668**	1,539	8	1,543	8	**4,798**	4,578	5
Profit before allowances	**1,893**	2,038	(7)	2,046	(7)	**6,206**	6,751	(8)
Allowances for credit and other losses	**(70)**	554	NM	79	NM	**19**	2,489	(99)
ECL[1] Stage 3 (SP)	**68**	318	(79)	164	(59)	**432**	990	(56)
ECL[1] Stage 1 and 2 (GP)	**(138)**	236	NM	(85)	(62)	**(413)**	1,499	NM
Profit before tax	**1,963**	1,484	32	1,967	-	**6,187**	4,262	45
Net profit	**1,700**	1,297	31	1,703	-	**5,412**	3,709	46
Selected balance sheet items ($m)								
Customer loans	**404,723**	371,358	9	396,963	2	**404,723**	371,358	9
Constant-currency change			*9*		*2*			*9*
Total assets	**676,272**	638,131	6	671,841	1	**676,272**	638,131	6
of which: Non-performing assets	**6,570**	6,517	1	6,621	(1)	**6,570**	6,517	1
Customer deposits	**488,899**	446,886	9	482,837	1	**488,899**	446,886	9
Constant-currency change			*9*		1			*9*
Total liabilities	**618,659**	583,271	6	614,070	1	**618,659**	583,271	6
Shareholders' funds	**57,430**	54,031	6	57,594	-	**57,430**	54,031	6
Key financial ratios (%)[2]								
Net interest margin	**1.43**	1.53		1.45		**1.45**	1.67	
Cost/ income ratio	**46.8**	43.0		43.0		**43.6**	40.4	
Return on assets	**1.01**	0.81		1.03		**1.10**	0.79	
Return on equity[3]	**12.1**	10.0		12.7		**13.4**	9.7	
NPL ratio	**1.5**	1.6		1.5		**1.5**	1.6	
(Total allowances + RLAR)/ NPA[4]	**107**	107		109		**107**	107	
(Total allowances + RLAR)/ unsecured NPA[4]	**205**	200		199		**205**	200	
SP for loans/ average loans (bp)	**6**	31		14		**14**	30	
Common Equity Tier 1 capital adequacy ratio	**14.5**	13.9		14.5		**14.5**	13.9	
Leverage ratio[5]	**6.8**	6.9		6.8		**6.8**	6.9	
Average all-currency liquidity coverage ratio[6]	**131**	135		137		**135**	134	
Net stable funding ratio[7]	**127**	123		127		**127**	123	
Per share data ($)								
Per basic and diluted share								
– earnings	**2.58**	1.98		2.62		**2.78**	1.90	
– net book value[8]	**21.43**	19.94		21.10		**21.43**	19.94	

Notes:
1 Refers to expected credit loss
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 other equity instruments. Non-controlling interests and other equity instruments are not included as equity in the computation of return on equity
4 Computation includes regulatory loss allowance reserves (RLAR) (30 Sep'21 :Nil; 30 Jun'21: Nil; 30 Sep'20: Nil)
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

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