



Live more,
Bank less

CEO Observations

February 18, 2019



Record performance in 2018

- **Income at record \$13.2bn, 11% growth yoy**
- **Net profit at record \$5.6bn, 28% growth yoy**
- **ROE at 12.1%, highest since 2007**

Driven by structural improvements in our franchise

Greater proportion of high-returns businesses

Income mix	2009	2018	2018 vs 2009 x
Total income (S\$m)	6,603	13,183	2x
Wealth management*	8%	20%	5x
Cash / SFS	3%	13%	8x

Significant lift from North Asia

Net Profit (S\$m)	2009	2018	2018 vs 2009 x
Hong Kong	464	1,362	3x
Rest of Greater China	68	275	4x

Some macroeconomic slowdown...

- Synchronised economic slowdown globally
- Uncertain geopolitical situation: US-China trade tensions, Brexit, US elections

... but some mitigating factors

- Global supply chains will take time to shift from China. Shifts are likely to remain mostly within the region
- Domestic consumption likely to hold up
- Central banks rethinking monetary policy, becoming more dovish
- Possibility of fiscal stimulus (election year in some Asian countries)

2019 outlook

- **Mid-single-digit loan growth and continued NIM progression**
- **High-single-digit income growth**
- **Cost-income ratio at 43%**
- **Specific allowances at cycle average**
- **Continued ROE improvement**