



Live more,
Bank less

CEO Observations

14 Feb 2022



Business Momentum

- **Record full year net profit reflects strength of our diversified franchise**
 - Loan growth of 9% highest in seven years, mitigates impact of interest rate cuts
 - Sustained deposit growth, record Casa ratio of 76%
 - Fee income up 15%, first three quarters were quarterly records
 - Wealth management and transaction banking at new highs
 - Investment banking benefited from record fixed income and recovery in equity market activities
 - Card spending surpassed pre-Covid levels
 - Treasury Markets income and treasury customer income also at new highs
- **Expense growth well managed. Cost-income ratio at 45%**
- **Improved asset quality from higher repayments, decline in new NPA formation to pre-Covid levels**

Business Outlook

- **Business momentum expected to remain healthy amid moderation in economic recovery**
 - Mid-single-digit loan growth or better, double-digit fee income growth
 - Potential risks from US market selloff and China slowdown
- **Balance sheet poised to benefit from rising interest rates**
 - NII sensitivity of S\$18m-20m per bp of USD rates
- **Expense growth slightly above 2021**

Credit Outlook

- **Asset quality to remain resilient**
- **Total allowances expected to be similar to 2021 levels, barring unforeseen circumstances**
- **Any credit impact from rising interest rates expected to be moderate**
 - Potential risks from SME portfolio, but well stress tested and secured

Franchise Expansion

- **Meaningfully boosted profitability with inorganic transactions**
- **Deepened customer wallet share and significantly grew flow volumes by leveraging digital capabilities**
- **Diversified franchise by launching new business initiatives**



Two-day disruption to online banking

- **Problem due to a malfunctioning access control server**
- **Experts have reviewed the incident**
- **Several remedial actions taken, focused on diagnostics and recovery protocols**
- **Another independent review is underway**
- **We take this matter very seriously and will continually review our processes to serve our customers better**

Sharing our success with shareholders and the community

- **Increased dividend by 9% to annualised S\$1.44 per share**
 - In line with policy of paying sustainable dividends that grow progressively with earnings, though moderated down due to additional operational risk capital charge
 - CET-1 ratio at upper end of target range even under conservative assumptions
- **Made further commitment of S\$100m to DBS Foundation (DBSF) and other charitable causes**

Thank You