CEO Observations

13 Feb 2023

Record performance in 4Q

- **Record quarterly total income, net profit and ROE**
  - Commercial book NIM up 31bps. Group NIM highest in a decade
  - ROE of 17% is 4%pt higher than when NIM was last at current levels
- **Sustained underlying loan momentum, pipeline healthy**
  - 4Q decline due to repayment of opportunistic borrowings
  - Broad-based drawdowns of non-trade corporate loans
  - Market share gains for quarter and full year for Singapore corporate and consumer loans
- **Fee income mixed**
  - Card fees at quarterly record
  - Wealth management fees lower, but net new money at quarterly and full-year record

DBS

Record performance in 4Q

- **Underlying expenses well controlled. Underlying cost-income ratio at 41%**
- **Asset quality resilient**
- **Ordinary quarterly dividend increase to 42 cents per share and special dividend of 50 cents per share reflect improved earnings profile and strong capital position**
  - Combined payout totalling 92 cents per share brings full-year payout to $2.00 per share

Outlook

- **Interest rate increases to moderate, rate cuts not envisaged in 2023**
- **Maintaining full-year 2023 guidance for mid-single digit loan growth, double-digit fee income growth**
  - China's reopening to benefit regional operating environment
- **Downside risk of 5-7 bps to peak group NIM guidance of 2.25% due to outflows to T-bills, strengthening SGD and higher TM funding costs**
  - Commercial book NIM continues to be supported by lagged asset repricing
- **Cost growth guidance unchanged at 9-10%. Cost-income ratio below 40%**
- **Upside from SP, now expected at 10-15 bps. Sufficient GP buffer to cushion idiosyncratic risks**

These statements are based on management's current expectations and are subject to uncertainty and changes in circumstances. These statements are not guarantees of future results or occurrences. Actual results may differ from those included in these statements due to a variety of factors.

Thank You