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CEO observations

**DBS Group Holdings
2Q 2023 financial results
August 3, 2023**

Another record quarter

- **ROE at new quarterly high of 19.2%, total income crosses \$5bn**
- **NIM rises for sixth consecutive quarter**
 - Group NIM up 4bp QoQ to 2.16% as commercial book NIM rises 12bp
- **Fee income up 7% YoY, first YoY increase in six quarters**
- **Cost-income ratio at 38%**
 - Expense growth driven by base effects
- **Asset quality resilient**
 - New NPA formation and SP remain low
- **2Q dividend increased to 48¢ per share, bringing 1H dividend to 90¢ per share**
 - Reflects stronger growth prospects for the year
 - In line with guidance for baseline annual increase of 24 cents per share, with upside depending on business conditions and macroeconomic outlook

Outlook

- **Overall macroeconomic and business outlook slower**
 - Loan growth of low-single-digit for full year from non-trade corporate loans and trade loans in 2H
 - Dampened by higher interest rates and sharp rise in Hibor
- **Upside bias to NIM from current levels**
 - US interest rate increases in 2H and rise in Hibor not previously expected
 - Continued support from one-fifth of commercial book yet to reprice
 - Lower deposit repricing pressure than expected as system liquidity remains ample and loan growth subdued
- **Fee income growth of high-single-digit in 2H, mid-single-digit for full year**
 - Further upside from cards from higher spending
 - Continued momentum expected in wealth management, including from net new money inflows of \$12 billion in 1H

Outlook

- **Treasury Markets trading income affected by higher funding costs, run-rate lowered to \$230 million per quarter**
- **Expense growth around 10% for full year, cost-income ratio below 40%**
 - Base effects in 1H wane in 2H
- **SP at low end of 10-15bp range**
- **Another record year as 1H drivers sustained into 2H, full-year ROE above 17%**



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