Edited transcript of DBS fourth-quarter 2025 media briefing, 9 February 2026

Edna Koh Welcome to DBS's fourth-quarter and full-year 2025 financial results briefing.

Chng Sok Hui Good morning.

Highlights. We delivered a strong set of results for full-year 2025. Pre-tax profit rose to a new high of $13.1 billion. Return on equity was 16.2% and return on tangible equity was 17.8%.

Total income grew 3% to a record $22.9 billion despite a challenging rate environment. Average Sora and Hibor both fell by almost two percentage points and there were adverse translation effects from a stronger Singapore dollar. Group net interest income was nonetheless modestly higher, driven by record deposit growth and proactive balance sheet management.

Fee income and treasury customer sales both grew double digits and reached new highs, led by wealth management. Markets trading income rose to the highest level since 2021. The cost-income ratio was unchanged at 40%. Net profit was 3% lower at $11.0 billion. This was due to higher tax expenses of $400 million from the consequential implementation of the 15% global minimum tax. For the fourth quarter, pre-tax profit was $2.80 billion, down 6% from a year ago. Total income declined 3% to $5.33 billion as higher fee income and treasury customer sales were offset by the impact of rate headwinds and the absence of non-recurring gains recorded a year ago.

Asset quality remained sound. A previously watchlisted real estate exposure was prudently recognised as an NPL during the quarter, contributing to higher specific allowances. The impact was partially offset by a release of general allowances set aside in prior periods. Allowance coverage stood at 130% and at 197% after considering collateral.

Capital levels stayed strong. The transitional CET-1 ratio was 17.0%, with the fully phased-in ratio at 15.0%.

The Board proposed a final total dividend of 81 cents per share for the fourth quarter, comprising a 66-cent ordinary dividend, up six cents from the previous payout, and a 15-cent Capital Return dividend. The Board remains committed to managing down the stock of excess capital and, barring unforeseen circumstances, plans to maintain the 15 cent per share Capital Return dividend each quarter through 2026 and 2027.

Full-year performance. For the full year, total income and pre-tax profit were records.

Group net interest income was modestly higher at $14.5 billion, a new high, as record deposit growth and proactive hedging offset the impact of rate headwinds. Within this, commercial book net interest income fell 4% or $549 million, as net interest margin narrowed due to the rates impact.

Fee income rose 18% or $730 million to a record $4.90 billion, led by wealth management.

Commercial book other non-interest income was $2.13 billion. Treasury customer sales to wealth and corporate clients grew 14% to a new high, but the increase was offset by lower other income which had non-recurring gains a year ago.

Markets trading income rose 49% or $452 million to $1.37 billion, the highest since 2021, benefiting from lower funding costs and a more conducive trading environment.

Expenses increased 4% or $354 million to $9.25 billion led by staff costs. The cost-income ratio was unchanged at 40%, and profit before allowances rose 2% or $249 million to a new high of $13.7 billion.

Total allowances were 27% or $169 million higher at $791 million. Specific allowances were $854 million or 19 basis points of loans, largely due to the real estate NPL in the fourth quarter. General allowances of $63 million were written back during the year, including the release of allowances previously set aside for the real estate exposure.

There was a one-time item relating to the bank's CSR commitment announced in 2023 to allocate up to $1 billion over ten years to support vulnerable communities. With $100 million set aside from the year's profits, the cumulative amount since 2023 stands at $300 million.

Fourth quarter year-on-year performance. For the fourth quarter, pre-tax profit was $2.80 billion, 6% lower than a year ago.

Group net interest income declined 4%. Within this, commercial book net interest income fell 6% or $239 million to $3.59 billion as net interest margin narrowed due to the rate headwinds.

Fee income rose 14% or $131 million to $1.10 billion led by wealth management.

Commercial book other non-interest income was $486 million, within which treasury customer sales rose 13% or $56 million.

Expenses declined 1% or $23 million to $2.37 billion. The cost-income ratio was stable.

Profit before allowances was $2.96 billion, 5% or $151 million lower.

Total allowances were unchanged at $209 million as higher specific allowances were offset by a write back of general allowances.

Fourth quarter quarter-on-quarter performance. Compared to the previous quarter, fourth-quarter net profit declined 20%.

Group net interest income was marginally higher. Within this, commercial book net interest income rose 1% or $34 million, as deposit growth momentum was sustained. Deposits increased $16 billion or 3% in constant-currency terms, offsetting the impact from lower Sora.

Fee income fell 19% or $258 million and commercial book other non-interest income declined 16% or $92 million due to seasonally slower client activity.

Markets trading income fell 65% or $285 million from the previous quarter's high base and seasonal factors. The business also took the opportunity to rebalance the portfolio which will position us well for 2026.

Expenses declined 1% or $21 million to $2.37 billion.

Specific allowances were higher, partially offset by a general allowance write-back.

Net interest income. Compared to the previous quarter, group net interest income was marginally higher at $3.59 billion. Net interest margin declined three basis points to 1.93% as Sora continued to trend lower during the quarter.

The impact of lower rates was offset by two factors:

First, balance sheet hedges that had been proactively increased over the past few years helped mitigate the decline in net interest margin.

Second, deposit growth remained strong. Deposits rose $16 billion or 3% in constant-currency terms during the quarter, bringing the full-year increase to $64 billion or 12%, the largest absolute increase in the bank's history. The growth outpaced loans, and the surplus was deployed into liquid assets. This was accretive to net interest income and return on equity, though it modestly reduced net interest margin.

For the full year, group net interest income was modestly higher at $14.5 billion, as balance sheet hedging and deposit growth offset the sharp declines in Sora and Hibor as well as adverse FX translation from a stronger Singapore dollar. Commercial book net interest income declined 4% from a lower net interest margin.

Deposits. During the quarter, total deposits rose 3% or $16 billion in constant currency terms, mostly from Casa inflows. Casa increased in both Sing dollars and foreign currencies. Sing dollar Casa rose from seasonal year-end retail inflows and a continued shift of funds from treasury bills back into deposits. Foreign currency Casa growth was driven by both wealth and corporate clients.

For the full year, total deposits grew $64 billion or 12% in constant currency terms, the largest absolute increase in the bank's history, with over two-thirds of the increase in Casa.

Liquidity remained healthy. The Group's Liquidity Coverage Ratio was 155% and Net Stable Funding Ratio was 117%, both comfortably above regulatory requirements.

Loans. During the quarter, gross loans rose 2% or $10 billion in constant-currency terms to $451 billion. The increase was led by trade loans, with modest increases in non-trade corporate and wealth management loans.

As deposits continued to grow faster than loans, the surplus was deployed into liquid assets. This was accretive to net interest income and return on equity.

For the full year, loans rose 6% or $24 billion, with broad-based growth across trade, non-trade corporate and wealth management loans. High-quality liquid assets increased by $42 billion.

Gross fee income. Gross fee income rose 15% for the full year to a record $5.86 billion. Growth was broad-based and led by wealth management, which increased 29% to a new high. Transaction service and loan-related fees also reached record levels, while investment banking fees strengthened.

For the fourth quarter, gross fee income rose 12% from a year ago to $1.38 billion. The increase was led by wealth management fees. Transaction service and investment banking fees were also higher.

Compared to the previous quarter, gross fee income declined 13%. Wealth management and loan-related fees fell due to seasonal factors, while transaction service fees were lower compared to a strong third quarter. The declines were partially offset by higher card fees.

Wealth management segment. The wealth management segment comprises Treasures, Treasures Private Client, and Private Bank. Wealth management was a key growth driver for the year. Full-year segment income rose 9% to $5.68 billion, underpinned by record investment product and bancassurance sales.

Assets under management grew 19% in constant-currency terms from a year ago to a new high of $488 billion. This quarter, we have started to disclose net new money at the bottom of this slide. The figures include inflows from Treasures, Treasures Private Client and the Private Bank. Total inflows for the three segments were $12 billion for the fourth quarter, bringing full-year inflows to a record $39 billion, 21% higher than 2024.

For the fourth quarter, segment income rose 5% from a year ago to $1.30 billion, driven by higher non-interest income from stronger investment product and bancassurance sales. This more than offset a decline in net interest income from lower rates.

Customer-driven non-interest income. This slide shows non-interest income from the commercial book that is customer-driven. While fee income and treasury customer sales are recorded under different P&L lines due to accounting treatment, both are driven by consumer and corporate demand for financial solutions and should be viewed together.

For the full year, customer-driven non-interest income rose 16% to $7.04 billion, as net fee income rose 18% to $4.90 billion and treasury customer sales grew 14% to $2.14 billion. Both were at new highs, driven by broad-based growth and led by wealth management.

For the fourth quarter, growth momentum remained strong. Customer-driven non-interest income rose 13% from a year ago, around the average pace over the prior four quarters. The performance reflected our continued efforts to broaden and deepen relationships with wealth, corporate and institutional clients.

Expenses. Expenses were tightly managed. Full-year expenses rose 4% from a year ago to $9.25 billion led by higher staff costs. The cost-income ratio was unchanged at 40%.

Fourth-quarter expenses were 1% lower both quarter-on-quarter and year-on-year at $2.37 billion, driven by lower staff costs.

Hong Kong. Hong Kong's full-year net profit rose 3% in constant-currency terms to a record $1.61 billion as total income increased 6% to $3.52 billion driven by higher non-interest income.

Net interest income was 3% higher at $2.09 billion from deposit growth. Net interest margin was slightly higher as the impact of lower Hibor on the commercial book was offset by an improvement in markets trading. Deposits rose 10% led by Casa inflows, while loans grew 1%. Surplus deposits were deployed into non-loan assets, supporting net interest income.

Net fee income rose 22% to $993 million led by wealth management. Other non-interest income was 7% lower at $441 million as lower markets trading non-interest income was partially offset by higher treasury customer sales.

Expenses increased 3% to $1.33 billion from higher staff costs.

Total allowances doubled to $296 million, reflecting higher specific allowances largely from the real estate NPL in the fourth quarter.

Non-performing assets. The NPL ratio was unchanged from the previous quarter at 1.0%, notwithstanding the recognition of the real estate exposure as an NPL in the fourth quarter.

The exposure had been on our watchlist for two years. The borrow is currently not in default status. We reviewed the credit and took a prudent decision to downgrade it to NPL following our subjective default assessment.

Specific allowances. Specific allowances for the fourth quarter rose to $415 million, with a large part of the increase due to the real estate NPL. The increase was partially offset by a release of general allowances that had been previously set aside for the exposure.

For the full year, specific allowances amounted to $845 million or 19 basis points of loans, broadly in line with our through-cycle average.

General allowances. As of end-December, total allowance reserves stood at $6.28 billion, comprising $2.42 billion in specific allowance reserves and $3.86 billion in general allowance reserves.

The slight decline in GP reserves from the previous quarter was partly due to the release of general allowances previously set aside for the real estate NPL, which were reclassified to specific allowances. As previously communicated, GP is set aside once an exposure is placed on watchlist and is released if the watchlisted exposure is subsequently classified as an NPL.

General allowance reserves remain prudent, with the GP overlay at $2.4 billion. The GP overlay of $2.4 billion is in addition to baseline GP and takes into account stress scenarios such as heightened geopolitical and macroeconomic risk.

Allowance coverage was at 130% and at 197% after considering collateral.

Capital. The reported CET1 ratio increased 0.1 percentage points from the previous quarter to 17.0% driven by profit accretion and stable RWA. On a fully-phased in basis, the pro-forma ratio was 15.0%.

The leverage ratio was 6.2%, more than twice the regulatory minimum of 3%.

Dividends. The Board proposed a final total dividend of 81 cents per share for the fourth quarter, comprising a 66-cent ordinary dividend, up six cents from the previous payout, and a 15-cent Capital Return dividend. This brings the total dividend for the year to $3.06 per share or $8.68 billion, an increase of 38% from the previous year.

Assuming dividends are held at 81 cents per quarter, annualised dividends will be $3.24 per share, representing a dividend yield of 5.5% based on last Friday's closing share price.

In summary. We delivered record full-year pre-tax profit and achieved a 16% ROE, demonstrating the resilience and adaptability of our franchise amidst rate and tax headwinds. Fee income and treasury customer sales reached new highs led by wealth management, while deposit growth was the strongest in the bank's history. While rate pressures and geopolitical tensions are expected to persist, the quality of our franchise and strong balance sheet provide a solid foundation for the year ahead.

Tan Su Shan Thanks, Sok Hui.

When I look back at 2025, there were many external factors beyond our control, including geopolitics, interest rates, FX, markets, and tax. Despite a perfect storm in terms of rates, marked by sharp declines in Sora and Hibor, adverse FX translation from a strong Singapore dollar and higher tax rates, DBS delivered many records — in net interest income, in fee income, in total income, and in profit before tax.

What was most pleasing were the records in volume growth. We delivered record deposit volumes, with constant-currency deposit growth of 12%. We also saw record wealth net new money, which is structural, and record AUM. This tells me that our engines are firing. I would also credit the group net interest income performance despite the headwinds to our teams doing an excellent job being nimble in balance sheet management and increasing our fixed-rate assets, which rose to $210 billion.

Teams across the Group were firing on all cylinders in capturing deposit growth. I attribute this to the hard work we have done over time in using AI, machine learning, contextual nudges — all the effort put into acquiring new-to-bank customers, being customer-centric, automating nudges, and using AI smartly. We are seeing a snowballing effect in volume growth.

In markets, we recorded our highest markets trading income since 2021. Markets trading income rose 49% to $1.37 billion. Because 2025 was such a strong year for trading, we took the opportunity to rebalance our portfolio in the fourth quarter. The fourth quarter is also normally seasonal — by December, people close their books and go on holiday — so trading is typically softer. That said, we are off to a strong start in 2026. January was very good indeed.

We also saw wealth management segment income reach a record $5.7 billion. Wealth management fee income was up 29%. This strength was broad-based — offshore wealth, onshore wealth — with growth in China, India, Indonesia, and Taiwan, as well as in our two major hubs, Hong Kong and Singapore, both of which grew very nicely.

As Sok Hui mentioned, we will now start sharing net new money across our Treasures, Treasures Private Client and Private Banking segments. This is important because DBS approaches wealth holistically. We view wealth as a continuum — customers are not fixed in one segment but move across segments as their wealth grows. Customers may start with Treasures, move to Treasures Private Client as accredited investors, and then to the Private Bank with access to more sophisticated products. We have taken the continuum seriously, and this has been a key part of our success in growing our wealth management franchise. This has been high ROE structural growth

In Institutional Banking, we saw structural growth in TMT, particularly around the tech ecosystem. We saw structural growth in the Financial Institutions Group, especially in institutional equities. Investment banking recovered, with the long-awaited IPO market finally returning in 2025, and both Hong Kong and Singapore performing remarkably well. In payments and transaction services, DBS was named Best Bank for Cash and Corporate Banking in Asia by Coalition Greenwich. This is customer-rated — you cannot pitch for it — and it validates the good work done by our GTS and IBG teams. We also delivered record loan-related fees, up 14% to $733 million. This reflects our success in winning lead-bank roles in loan structuring mandates. We captured strong growth in event-driven activity — LBOs, structured deals, M&A — which was up 59% year-on-year. This shows that we are winning wallet share, mind share, and moving up the tiers with our clients.

Asset quality remains sound. Our NPL ratio was stable. As Sok Hui mentioned, we did take a subjective NPL in the fourth quarter. The customer has not defaulted, but the name was on our watchlist for some time, and we had set aside general provisions. Overall, we are comfortable with our exposures. GP reserves remain sufficient, with the GP overlay at $2.4 billion.

On capital distributions, the ordinary dividend increased by six cents to 66 cents, and we will be maintaining Capital Return dividends of 15 cents per quarter this year and next year. With a fourth-quarter total dividend of 81 cents, we are looking at an annualised $3.24 cents going forward.

As a purpose-driven bank, we remain committed to contributing to society. We made a 10-year commitment of up to $1 billion to support vulnerable segments. This year, we set aside $100 million from profits, and cumulatively since 2023, we have contributed $300 million.

Turning to the outlook for 2026. It is difficult to predict. I tell clients to buckle up — it will be a volatile year. In just the first month, we saw events in Venezuela, Greenland, cryptocurrencies, significant dollar movements, elections in Japan and Thailand. It feels like a year condensed into a month. In this environment, customers will continue to look for stability, resilience, and reliability. They will want to diversify concentrated exposures across currencies, markets, and supply chains. They will seek safe havens and dependable, long-term partners. We believe DBS can be a beneficiary of this volatility by standing out as a safe, dependable and future-forward bank.

Our outlook is for total income to be around 2025 levels despite rate headwinds. The net interest income guidance assumes Sora at around 1.25%, lower than the 2024 average, two further Fed rate cuts, and a stronger Sing dollar. We expect strong deposit growth as well as continued growth in investment AUM. We will also continue to be nimble. Volatility brings risks, but it also creates opportunities, including opportunities to lock in attractive rates as we hedge the balance sheet.

We expect commercial book non-interest income growth in the high single digits, with wealth management growth in the mid-teens underpinned by structural tailwinds. We will also continue to grow our FIG and GFM businesses.

On costs, we will remain disciplined. We are targeting mid-single-digit expense growth, around 4%, compared with the 8% average in recent years.

Specific allowances are assumed to be between 17 and 20 basis points. And depending on macroeconomic and geopolitical conditions, there may be some room for general allowance write-backs this year.

Net profit is expected to be slightly below 2025 levels.

We will maintain cost discipline, credit discipline, and operational discipline. We will continue work in technology resilience, in data resilience through cybersecurity and data lifecycle management, and in upskilling our people.

The speed of AI adoption has been astonishing. It allows us to free staff from mundane administrative work and redeploy them to higher-value activities. This is work we are actively doing, and it is very exciting for us.

We believe we have three moats that will keep DBS ahead. First, a data moat — high-quality customer data that we already use extensively to serve customers better. Second, a trust moat — built over cycles as a safe, dependable bank with strong credit ratings. Third, a cultural moat — our people's ability to be nimble, agile, and comfortable working with new technologies and new ways of working. Together, these moats position DBS well for long-term, sustainable growth.

Chanyaporn Chanjaroen (Bloomberg) First, given the strong deposit growth, are you looking to place more funds with MAS, similar to what you did in a previous year? Second, could you provide more colour on the Hong Kong specific provisions — you referred to it as a subjective assessment — but can you give more details? Third, on Indonesia, given Moody's outlook downgrade, what impact do you see, particularly on your loan book? Are you lending more there? And Rthvika also has one question.

Rthvika Suvarna (Bloomberg) You mentioned that fourth-quarter expenses benefited from lower staff costs. Could you expand on that? Does this involve headcount reduction, and is this optimisation continuing into 2026?

Tan Su Shan On the first question, deposit growth has been stronger than loan growth, and we have been deploying surplus deposits into high-quality liquid assets, or HQLA. This is across a range of high-quality, well-rated assets, including government bills.

On the Hong Kong specific allowances, we cannot mention the name. You are right that this was a subjective assessment. As mentioned earlier, we were ahead in having the name on our watchlist, and we had set aside general allowances for it. These general allowances were released, partially offsetting the specific allowances when the exposure was downgraded to an NPL.

On Indonesia, we think the developments are positive over the long term. In the short term, there is some market volatility and market pain, but the longer-term implications — increased transparency, governance, and free float — are constructive. The swift actions taken by the authorities following the announcements were commendable. Our Indonesia portfolio is focused on large, high-quality blue-chip names. We regularly review the portfolio, and I do not have too much concern about credit quality. It is not a large book and we should be okay.

On staff headcount, we completed the LVB integration in India and the Citi Taiwan integration, and following these integrations, duplicate roles rolled off. A significant portion of the headcount reduction came from the realisation of post-integration synergies in these two markets. Looking ahead, AI will change the nature of white-collar work. This is not specific to DBS, Singapore, Hong Kong, or Asia; it is a global phenomenon. Whether generative AI, agentic AI, or traditional machine learning, companies that embrace these technologies and use them effectively will benefit. The key is human-machine interaction. How we train people to work with machines, how we train them to use AI agents safely, and how we use AI to increase capacity so people can move into higher-value roles. Personally, I am excited about this. The work we are doing now is focused on retraining people across the organisation — engineers, relationship managers, call centre staff, operations teams etc. We want our people to feel safe learning and using these new tools and to see AI as a new capability, a new "superpower," that enables them to take on higher-order roles.

Chng Sok Hui The only thing I would add is that fourth-quarter results were not as strong as the third quarter, so bonus accruals were lower. That contributed to the decline in staff costs.

Foo Boon Ping (The Asian Banker) Congratulations, Su Shan and Sok Hui, on the strong and creditable set of results, especially given the "perfect storm" you mentioned. Looking at the year, different segments have carried the bank in different ways — retail funding, corporate lending, wealth advisory and distribution, and treasury flows. Against the backdrop of rate headwinds, how do you see the role of the retail franchise in Singapore and Hong Kong evolving, and what changes in customer behaviour stood out over the year?

Second, how does the new RMB clearing bank role add to your existing transaction banking or treasury business? Does it deepen operating balances and client mandates, or is it mainly about improving settlement efficiency for what you already handle? How do you intend to scale this?

Finally, you mentioned AI. How is AI changing the business in terms of efficiency, decision-making, or revenue generation? Do you have a Digital Value Capture equivalent for AI?

Tan Su Shan On your first question, against the backdrop of rate headwinds, deposit growth has become more important. We operate in two major financial hubs, Singapore and Hong Kong, and both continue to see strong deposit inflows. Hong Kong benefits from southbound flows from China, while Singapore benefits from global flows. These flows are structurally good for us. If deposit growth remains stronger than loan growth, we will continue to deploy surplus liquidity into HQLA. That is a trend we are seeing.

At the same time, we are operating in a somewhat K-shaped economic environment. The stronger segments of the population will continue to perform well, whereas the weaker segments are seeing some stress, and they might need more help from governments.

In our other core markets, we continue to see strong structural growth in India. That should continue apace. China appears to be in recovery. Indonesia faces some short-term challenges, but structurally, we remain constructive on the long term. Taiwan has been a fantastic growth story and should continue to do well, supported by the tech hardware ecosystem and onshore wealth growth.

There are structural tailwinds we want to harness. At the same time, there will be headwinds from markets, rates, and FX, which we need to navigate and manage. We also remain mindful of the K-shaped nature of the economic growth and reduce risks in certain segments where we continue to see credit headwinds.

On your second question regarding the RMB clearing role which we announced in December — we believe the role of the renminbi as a trading and investment currency will continue to grow. There are mandates to be won, and the team is actively working on that. The US dollar will remain dominant — over 80% of global trade financing is still cleared in dollars. That said, clients are increasingly looking to diversify into other currencies such as RMB and the Euro. For those trading with China, RMB is a natural choice for trade settlement. As global trade and investment diversify, we expect the use of RMB as a payments and investment currency to continue to grow.

On AI and how it is changing the business, we refer to this internally as Operating Model Transformation, or OMT. We have multiple OMT initiatives across the bank. For example, in Institutional Banking, our IBG and credit teams have worked together to use AI to significantly streamline credit memo preparation. In wealth management and retail, there are several OMTs underway. Our COO office has also implemented OMTs in operations, including greater use of chatbots to handle queries. To advance usage of generative AI, we have also rolled out horizontal use cases, i.e. for use across the bank, including DBS GPT which was launched in the middle of last year. While the initial rollout had its challenges, usage has steadily improved. Today, over 60% of staff are using it actively for a wide range of purposes — from translations to policy and procedure queries to internal and external communications. With the rise of agentic AI, we have also developed our own governance framework to ensure safe use, with guardrails around the use of personal agents, team agents, and enterprise agents.

On reporting the value generated by AI, in the past, when we were using more deterministic machine-learning models, we relied on A/B testing to quantify economic value, whether in revenue uplift, cost savings, or loss avoidance. With generative and agentic AI, usage can be much more widespread and embedded in day-to-day work, which makes the impact harder to isolate. We are still working through how best to measure this. That said, we expect a significant part of the value will come from capacity creation and speed. For example, completing tasks that previously took months or years in a matter of weeks. The capacity freed up can then be redeployed into growth areas. There remains substantial growth potential across wealth, trading, financial institutions, technology, and payments. What excites us is the ability to harness productivity gains, free capacity and then redeploy for growth.

Foo Boon Ping A follow-up on your K-shaped economy point — how are you tackling the lower-trajectory growth areas? Are you de-risking or repricing in those areas?

Tan Su Shan We have always been very supportive of say our SME customers and will continue to be so. What we do is conduct constant stress testing. Since Covid, this has become second nature to us. Our aim is to stay ahead of emerging trends so that we can proactively identify weaker cases and support them early. Support can take different forms — facilitating M&A, providing early warnings to help clients reduce risk, or adjusting exposures appropriately. We have reduced risk in certain areas of our portfolio, such as in unsecured consumer lending, and we have been very deliberate and thoughtful in managing risk within our SME portfolio as well.

Rae Wee (Reuters) Just a follow-up on Indonesia. How do you plan to navigate the near-term headwinds, despite the more positive longer-term outlook?

Tan Su Shan As I mentioned earlier, we have been closely reviewing our Indonesia portfolio, and we do not see any reason for panic. Structurally, we believe the developments are positive for Indonesia over the long term. Indonesia is a very resilient country — it has been through a lot of ups and downs. The fundamentals of the country in terms of natural resources, the ambition to adopt AI, or the country's ability to be resilient will be intact. Our exposure is not large, and we are very focused on lending to quality names. So, in the short term, we are not overly concerned, and over the longer term, we see this as a net positive. My IBG head is here — Kwee Juan, would you like to add anything?

Han Kwee Juan As Su Shan mentioned, in Indonesia we are focused on larger clients, and we continue to support them. Much of the volatility you are seeing is market-related, whereas we lend primarily to operating companies that generate cash flows. Their day-to-day operations are not directly affected by market movements. That is an important distinction. Overall, as Su Shan said, improvements in market governance will be a positive development.

Goola Warden (The Edge) You mentioned several times that surplus deposits are being deployed into HQLA. Is there no loan growth? That is my first question. Second, what types of HQLA are these — are they mainly sovereigns? And how NIM-accretive are they? Third, what was your exit NIM? And how do you see NIM developing in 2026? Has your NIM sensitivity changed because of how you manage the balance sheet?

Tan Su Shan Let me address the question on loan growth first. We are forecasting loan growth in the mid-single digits, so it is not that we are not seeing loan growth, we are. As I mentioned earlier, we are structuring a lot of deals, and as rates come down, more deals should come through. In January, we have been very busy in large corporate loan growth. We are also seeing growth in other areas, including mortgages, where new mortgage bookings have been steady. So loan growth is there. It is just that deposit growth has been much stronger, which is why we have to deploy surplus funding.

Chng Sok Hui On average we are able to deploy incremental deposits at around a one-percentage-point NIM, so that in itself is not an issue. We can also position along the yield curve and take a view when rates are constructive. Placing surplus liquidity into HQLA works well for us because the ROE is attractive, and these are mainly sovereign risk. We are not taking big risks in the HQLA portfolio, and you can see this in our Pillar 3 disclosures.

On exit NIM, our fourth-quarter NIM was 1.93% and January NIM was 1.92%, so NIM has been fairly stable at the group level

In terms of net interest income sensitivity to interest rates, Singapore-dollar sensitivity has increased over the past year. As more deposits come in, there is greater sensitivity to SGD rates, which is positive if rates move up.

Goola Warden Has deposit growth been more Singapore dollar than US dollar?

Chng Sok Hui It is a mix. You can see this in our disclosures. Singapore-dollar Casa grew by $28 billion this year, foreign-currency Casa grew by $19 billion, and fixed deposits grew by $17 billion. Overall, deposit growth has been very strong.

Goola Warden Do US dollar deposits go into US sovereigns, and Singapore dollar deposits into Singapore government securities?

Chng Sok Hui No, it does not work like that. We can, through cross-currency swaps, manage the portfolio to optimise overall margins.

Goola Warden The other concern is foreign exchange rates?

Chng Sok Hui We do not take FX exposure in this portfolio. FX risk is hedged. We have good processes in place to do the hedging.

Russell Pereira (The Asian Banker) My question is on IBG. With the AI-driven investment upcycle, the rebound in electronics, and the growth in intra-Asian trade and trade outside the US, are there particular areas where you would like to strengthen IBG's positioning, beyond getting the RMB clearing role?

Tan Su Shan I will start, and Kwee Juan can add. Within IBG we continue to see structural tailwinds, particularly in TMT, including technology, data centres, and the broader AI-related capex cycle. We are also seeing structural growth in Financial Institutions, as more capital is being deployed into capital markets. These structural flows into Asian markets should continue.

On trade outside the US, you are right. Our economists refer to this as "TOTUS" — trade outside the United States — and that has grown meaningfully since Liberation Day around April last year. What we are seeing is increased intra-regional trade within Asia. This includes trade between North Asia and ASEAN, between North and South Asia, within North Asia, and with India. We are also seeing increased trade flows between the GCC and Asia, including China, and this trend appears to be continuing. There is also greater regional cooperation. For example, programmes like the "Queen Bee" initiatives in Singapore — where large multinational corporates bring along SMEs and mid-sized companies as part of a broader ecosystem to expand into other markets — continue to gain traction. As supply chains diversify, what we refer to as "intentional supply chains," we see continued long-term opportunities for IBG to support these ecosystems. Kwee Juan, would you like to add?

Han Kwee Juan On the AI side, a significant opportunity is in ecosystem financing. This typically involves short-dated financing — around 30 to 60 days — for suppliers across the AI ecosystem. As more data centres are built, demand rises for equipment and related infrastructure. We are also seeing growing interest in areas such as GPU-as-a-service among our clients. In parallel, activity in semiconductors is picking up, as each server requires different types of semiconductors. All of this is driven by the broader build-out of data centres and AI capabilities, and these trends are creating meaningful opportunities across the ecosystem that IBG is well positioned to support.

Edna Koh Thank you everyone.