Edited transcript of DBS third-quarter 2026 analyst call, 5 November 2026

Nicholas Teh Welcome to the analyst briefing. You have heard the presentation during the media briefing, so we can go straight to Q&A.

Jayden Vantakaris (Macquarie) I want to ask about the guidance. You have mid-single-digit growth for net interest income, which seems to be implied by the outlook for rates and loans. What are your thoughts around fees? The total income guidance implies that the fee trajectory is going to slow a bit versus the wealth performance this year. Is there something you are seeing that is giving you some pause and explaining the softer guidance? Then, could you also comment on deposit competition? Some of your peers have said that it has heated up, but your margins have been really strong. Are you seeing any pick-up in deposit competition?

Tan Su Shan On fees and non-NII, we said that if the markets are good, because a lot of it depends on both volatility and volumes, if you have good volatility, hopefully more upside than downside, and good volumes, then since this year we are growing by double digits, hopefully next year we will continue to grow by low double digits. But if the markets melt down, sentiment turns negative and volumes dry up, it is hard to go against the market. Then we are looking at high-single-digit growth.

But the underlying client growth is solid, net new money is solid, and what is also solid is the fact that the franchise is now pivoting towards a stronger recurring income shape. More discretionary, in-house discretionary and third-party discretionary. That percentage of AUM has been growing very nicely.

On the retail wealth side, as I have always said, it is the regular savings plan. It is getting more consumers on board, and they save a little bit more every year and give us their CDP accounts etc. That is all snowballing quite nicely. It is a slow but gradual accumulation of fees at the lower retail end.

Then the fees for transaction banking are growing quite well. That speaks to us winning a lot more mandates for transaction services and trade. It is cross-border cash payments, trade services, supply chain financing, custody growth, and also the fact that we are one of the few banks that can tokenise deposits and tokenise gold. Again, it is the velocity of flow. If you win a lot more operating accounts, you naturally get more flow, more cash out and more fees.

That speaks to your other question around deposit growth and deposit competition. Earlier in the year, we saw some of our peers reducing their loan rates, whether on mortgages or large corporate loans. We deliberately lost some market share and held our own. We kept our deposit rates high, kept our frontline rates high and did not cut our deposit rates. We won market share in the last two quarters, especially in the last quarter, because we were quite prescient in predicting that rates were going to rise, but also because we wanted to increase

our market share deliberately. The teams did a lot of work to both gather deposits and win new mandates across consumer, wealth and corporate. Going forward, a lot of work is still being done on mapping out the elasticity of deposit rates using AI and agentic use cases. We are also taking advantage of volatility in the markets to continue to hedge our interest rates going forward, grabbing whatever high rates we see.

I will let my colleagues chime in on deposits.

Han Kwee Juan In IBG, we have been quite good at gathering Casa. If you look at Casa performance this quarter, it is good because we are getting new mandates and green light for implementation. Our acquisition has also seen customers funding their accounts earlier, so we have got good momentum on acquisition. It is a combination of new-to-bank clients adding deposits and new mandates from existing customers offering cash management mandates. These are helping us gather deposits, and it is something we will continue to work on because it is a machinery. You just have to win, implement and keep going on that basis.

Shee Tse Koon On wealth management fees, the one thing I would like to call out is that we should not always look at just one quarter, particularly when we had a record quarter last quarter. If you look at nine months versus nine months, wealth has grown north of 20%. When we look at what fuels such performance, a lot of that is still the acquisition of new customers and deepening those relationships by getting net new money.

In Q3, we had record net new money. That means there is a lot of dry powder. Building on what Su Shan said, how that gets deployed will depend on how markets perform. Having said that, over the years we have also been diversifying the revenue streams from our wealth business. This includes pretty sizable growth in discretionary portfolio management, reasonable growth in funds distribution which will have some level of trailer fees, and insurance momentum, which has been very strong this year. So with the increasing client base and the dry powder, I think we have what it takes to do well, barring any market meltdown.

Harsh Modi (J.P. Morgan) Two questions. The first is on capital planning over the next three years. How much CET1 have you recouped in the last five weeks from the end of the quarter? And more broadly, over the next couple of years, it seems that NII growth is more linked to RWA growth, so excess CET1 generation will come off. In that regard, how do you think about the regular dividend? Do we get the six-cent pickup in the fourth quarter this year and then stabilise at 72 cents? On capital return, we have five more quarters to go, but once that 75 cents is paid, is there scope for those payments to continue, or for any further buybacks? How should we think about broader capital management in, say, 2028?

The second question is on the MAS statement last Friday that Singapore-based banks should rethink their relationships with companies and clients related to haze. At both the corporate and private bank, is there any meaningful impact for DBS?

Tan Su Shan I will kick off and get Sok Hui and Phil to add in. Our fully phased-in CET1 ratio is 14%, and post the operational risk multiplier reduction, it goes up to 14.1%. That means excess capital above 13% is about $5 billion. We are still fully committed to distributing the capital return of 15 cents per quarter until the end of 2027.

On the $3 billion buyback programme, we have spent about $0.4 billion, so we have $2.6 billion left. It will be opportunistic. If the markets are really bad, we will use it. And if for some reason we cannot finish using it, we will find other ways of returning it. For example, we could extend the capital return dividend beyond 2027, and we will ask the Board to deliberate next year.

Our ordinary dividend growth will be funded purely by earnings growth. We are building the franchise for structural growth in terms of number of clients, volumes for both deposits and loans, fee growth for wealth and GTS, and cost delta reductions. We have been successful and we hope to continue to demonstrate success there.

Our AI agentic workflows are kicking in and we can now build capacity for growth. I spoke about it earlier. Our nine month cost delta is plus 2% versus plus around 8% in the years before, and yet with that delta, we have done a lot of foundational work and investments around our tech architecture, data architecture, human training and retraining, and agent and human workflows. All that is not trivial. It is very hard work, and it has meant that the culture we have around being journey-focused, and our ability now to shift left, which means going more upstream, puts us in a better position to bring in new clients, new volumes and work our way through to fee gathering.

I will let Sok Hui or Philip weigh in on capital planning and CET1.

Chng Sok Hui Harsh, on the regular dividend increase, given that we have a record nine months, I think we are in a good position. But ultimately it is the Board's decision, and depending on what happens, we will look at the earnings trajectory over a multi-year period before we consider the fourth-quarter 2026 dividend.

Your question was also on a slightly longer time horizon. Our planning assumption is that if we can grow profits at about 5% cagr, we should be able to grow dividends at about 5% cagr. That is the long-term direction we consider.

On RWA, although it looks like it is RWA-led growth, there is actually a lot of fee growth. We also have a discipline in IBG of asset recycling and being RWA-focused on whatever we onboard.

Han Kwee Juan On the palm oil names, maybe just to level set, our approach to the palm oil industry is that we require borrowers to align with no deforestation, no peat and no exploitation, commonly known as NDPE. We also tell them that RSPO certification is good industry practice that they should follow. On that basis, more than 90% of our portfolio is

RSPO-compliant and everyone is complying with NDPE. We have zero tolerance for land clearance by burning. That is essentially our position. Based on the names highlighted, a handful are our customers and we do have some small exposures, but in the overall scheme of things, they are really quite small. These customers have consistently shared with us that they are under RSPO, which is the certification that we feel is best practice for the palm oil industry.

Shee Tse Koon On the private banking side, building on what Kwee Juan has said, our overarching views and policies will always be aligned with that. Some private banking customers might be shareholders of these companies, including listed companies. So it is, to a certain extent, another level removed. Many high-net-worth individuals also have a whole series of different assets, companies and businesses that they run. Even if they are part of some of these names being looked into, it might only be one part of the overall wealth that they have accumulated over many years. So there are multiple ways of looking at it. Having said that, our portfolio is very diversified. Our clients come from between 110 and 120 nationalities. In the wider scheme of things, there is not a huge impact overall.

Harsh Modi Just to double-check one thing, Su Shan. Is 13% to 13.5% the comfort range that you are targeting? Is there a number we should think about over the next three to five years, or is it just something you want to be close to?

Tan Su Shan We are comfortable with 13% to 13.5%, and anything above 14% is very comfortable. But 12.5% to 13.5% is still the management operating range that we have officially communicated in the past.

Tan Yong Hong (Citi) Just to clarify the guidance. If we assume balance sheet growth of 5%, and based on your NII sensitivity parameters, net interest income should grow quite significantly next year. How do we reconcile this with your earlier commentary on mid-single-digit growth for NII?

A related question is whether there is a trade-off between net interest income and trading income. If you look at this quarter, the commercial book NIM is down, but the markets NIM is good. Are you deploying more into treasury assets now, given that yields are higher, which is translating into better markets NIM? As a result, should we moderate our expectations for trading income, especially if the current environment holds?

Finally, on wealth, net new money was $15 billion. What was the impact from FCNR, and how much of the AUM growth came from retail-to-wealth segment migration and market movements?

Chng Sok Hui There is some natural diversification between our commercial book and trading book. That is why we have been giving you the interest rate sensitivities to Singapore dollar and US dollar interest rates for the overall business. This round, you see that we are

giving you NII sensitivity guidance of about $10 million per basis point for Singapore dollar interest rates, and minus $2 million per basis point for US dollar interest rates. In our commercial book, the US dollar is actually quite balanced. But the overall is a minus $2 million because the trading book is basically funded in US dollars.

You can make your own assumptions about how much you think rates will rise for both the US dollar and the pass-through to Singapore dollar rates, because not every US rate hike will have the same effect and translation into Singapore dollar rates. We also model that as Singapore dollar rates go up, there may be some deposit outflow into Treasury bills, which we have seen in previous periods.

On the whole, if you take third-quarter net interest income, annualise it, and add a bit of net interest income uplift from some passthrough of higher US rates into Singapore dollar rates, and factor in growth in loans and deposits, I think you arrive at a growth number that would be just below 5%. That is how we are looking at net interest income.

Tan Yong Hong Because of the deployment into treasury assets, should we also expect any offsets from the markets trading book?

Philip Fernandez Yong Hong, the two are quite separate. Markets trading is the GFM business, which is public markets. For the hedging business and everything we do in the corporate centre, that goes under hedge accounting and into the net interest income line. So when we talk about NII, that includes the impact of interest rates. And just one more comment to add to what Sok Hui said, one other unknown is how much deposits are going to grow next year. This year, we saw about 9%, give or take, across Singapore dollar and US dollar deposits blended. Next year, we think it might go back to mid-single digits. If you have a different assumption around that, you can always work it into your numbers. That is another reason why you might come up with a higher number than ourselves.

Tan Su Shan On your question about net new money of $15 billion, just to clarify, that $15 billion is without FCNR.

Tan Yong Hong What is the FCNR number?

Chng Sok Hui $5 billion. As I mentioned in the earlier media briefing, net new money is $15 billion for this quarter. You add in FCNR and you get to about $20 billion.

Tan Yong Hong Does that mean migration from retail to private banking was high?

Shee Tse Koon No, it is not migration, though we do have a wealth continuum, and we do have clients migrating from the retail to wealth segments. But if it is just migration, it is left pocket, right pocket. When we say net new money, it is new money and assets coming in from outside to fund the account. It is new clients being acquired and existing clients bringing more of their assets in. Movements of AUM between segments do not add to net new money.

Tan Yong Hong Because if you take wealth segment AUM of $544 billion, subtract the $15 billion of net new money and compare it with last quarter's $516 billion, the difference is $13 billion, which is quite sizable for this quarter, especially as market conditions were not as favourable.

Shee Tse Koon If you are looking at AUM growth quarter-on-quarter, adding the $15 billion and the $5 billion FCNR, and the rest would mostly be some mark-to-market. AUM is always a function of net new money plus mark-to-market movements on what has been deployed into investments. The strong momentum of our wealth business has always been built on these two pillars. We have been able to bring in net new money consistently for many quarters, and through the advice we give, have our clients deploy that money into investments, and thankfully those investments have done well, resulting in positive mark-to-market movements.

Tan Yong Hong And there is also some existing retail customers moving up to wealth?

Shee Tse Koon Yes, of course. That would also be new-to-wealth customers. If we had retail customers who were never on the investment journey, because of our digital wealth nudges and advice, some of them have started investing. We have seen a bit of that as well.

Tan Yong Hong So that impacts AUM, but not net new money?

Shee Tse Koon Correct, that impacts AUM. If the investments they have made have grown through mark-to-market movements that also impacts AUM. Moving from deposits into investments is also left pocket, right pocket, but they will benefit from the mark-to-market. So I hope you can see how the dynamics work here.

Melissa Kuang (Goldman Sachs) I have a few questions. First, on wealth, net new money was really robust this quarter. Do you think this is a new benchmark that you can deliver? You have a target for where you want net new money to be, but given the big step-up this quarter, is this a new level at which you will run? And how do you think about net new money in volatile markets? Have you seen periods where it can drop off?

My second question is on expenses. You have given guidance on both the cost-income ratio and absolute expense growth in the mid-single digits. Which one should we focus on? Is it the lower of the two? If income is better, do we get to a 40% cost-income ratio, but if not, would expenses be adjusted down as well?

Shee Tse Koon On net new money momentum, I would say do not look at it purely from a quarter-to-quarter perspective. It is better to look at it from a nine month versus nine month perspective. Generally, we do our business planning on an annual basis, and we look at the momentum we have been able to build over time in net new money. The positive thing is that we have been very consistent over the last few years, and this has been a marked increase from several years ago. We can clearly see the momentum growing on an annual basis, and

we believe we are able to sustain and grow it. Part of the reason we should not look at it quarter to quarter is that it sometimes depends on the new customers we bring in. Some take a bit more time to onboard, and when they are onboarded, they may take more time to organise the transfer of their assets. That is why I would not look at momentum on a quarter-to-quarter basis, but in a more holistic fashion. At the very least, look at nine months versus nine months, and then year to year.

Tan Su Shan Melissa, I will take your cost-income ratio question. As a team, we are very disciplined around where we spend, but as my Chairman likes to say, you cannot cut your costs to greatness.

We invest for both the long term and for the immediate. The immediate investments are around things like cybersecurity and the data foundation. We are building a really good foundation for tech, data, resiliency and making ourselves future-ready. All that cannot be compromised, and we spend on it.

Having said that, we have been able to save more than we predicted around capacity and people costs. Why? Because using these new agentic workflows has led to capacity and productivity improvements for our staff. Someone who used to cover X number of clients can now cover X plus Y number of clients. And a client empowered with AI may now have one, two or three more products with us.

If you get your data architecture, tech resilience and tech architecture right, then you are future-ready for an agentic world where you can use fewer humans and more agents to do a lot of your work. Because we have been managing through journeys, we can also look at reworking our workflows and work processes. We call this operating model transformation, reworking our workflows and shifting left. Shifting left means spending more time and effort to acquire new customers, new-to-bank customers or new-to-product customers, cross-sell if you will, so that we can make more money with less effort.

So I do not manage just to hit a cost-income ratio target. We manage in an agile fashion because as we use AI, we may realise that we can save some money somewhere, and then we save.

Sometimes we also say we need to invest in growth. We have been investing in wealth, FIG, GTS and payments. We do not skimp on those investments. We continue to invest. The wealth teams have been hiring a lot of RMs, and we have not been cutting them. But existing RMs have been enabled by agentic workflows to do more. Every RM and every investment counsellor can do more. Similarly, in IBG, every RM that we have, and even our operations people, can now be trained to be more sales-oriented because agents can do a lot of the operational work. Our coders and people who used to do low-level production, such as level-one production engineers, are no longer needed in the same numbers because of AI. They can become level-two or level-three engineers, where there is more domain knowledge, for

example in wealth tech, trading tech and our new core banking systems. They have to upskill themselves to go up one level and become more accretive to us. My hope is that while I am not single-mindedly focused on, say, a 40% cost-income ratio, we can show growth with less need to spend, so that we can increase productivity across the board.

Akash Rawat (UBS) I have a few questions on wealth management. First, the invested portion of AUM was 59% last quarter. What is that number this quarter? Second, the fees to invested AUM margin seems to have dipped in Q3 because activity levels were lower. Our calculation suggests It is down by 14-15 basis points quarter-on-quarter. How is that trending in October? Has the number gone back up or is it still down? Third, there does not seem to be any impact from the China regulations on net new money in Q3. Is it possible that we will see this in Q4?

Shee Tse Koon In terms of invested AUM compared to total AUM, it has gone up marginally to 59% this quarter. If you look at it, the wealth segment includes Private Bank, Treasures Private Client and Treasures. Typically, Treasures customers would hold relatively more deposits than Treasures Private Client and Private Bank customers. These are good opportunities we have, especially as we work through the wealth continuum. At the Private Bank level, invested AUM is about 70%. From there, you can see our ability to deploy this dry powder, as I like to call it, and bring customers through the wealth continuum. So invested AUM is 59%, a marginal improvement. That is not necessarily surprising because our net new money is very strong. As we have always mentioned, the whole engine is about bringing in net new money and then gradually deploying cash into investments. That is why, while net new money has gone up, we have still been able to hold this ratio and have it marginally increase. I think it is a reasonable performance.

On return on AUM, if we look at this relative to the market, I would say that we are probably still a reasonably strong performer. The dip is partially due to market conditions, because equity structures, which often contribute a fair amount to return on AUM, slowed down a bit in the third quarter.

Tan Su Shan It is dependent on market flows and volumes. But as I said earlier, the team has been gradually moving more of their AUM to discretionary, both in-house and third-party discretionary. The discretionary figure is now about $59 billion for wealth and $72 billion for wealth and retail. It has been growing quite nicely and very consistently every quarter. That means the recurring income part will grow.

Wealth fees over AUM are very much dependent on the markets. The good news is that if you keep growing net new money, that new money will dilute your denominator. But gradually it will convert, as customers set up their trusts, insurance and estate planning, and then start to invest. It takes time for the new money to be deployed. It is not immediate, but it should snowball.

Shee Tse Koon On China regulations, there has been no apparent impact on net new money. I would say this is reasonably consistent with what we have guided in the past. In the first place, the way we conduct our business has always been compliant. Whatever regulations are in place, we have always taken measures to ensure that we are compliant with how things are done. Therefore, with these regulations coming in, there is not such a direct impact. Secondly, our franchise has always been very diversified, as we have said for many quarters. As a result, despite some of these new regulations, we have still been able to keep the momentum up.

Tan Su Shan I just came back from Hong Kong, and our Hong Kong onshore wealth management growth has been very strong. The momentum continues in Hong Kong, for sure, and Taiwan.

Joanna Cheah (Jeffries) Two questions from me. First, to follow up on net new money, I appreciate that you mentioned it is quite diversified, but could you share a little more specifically where the inflows are coming from, from a geographic perspective? Are there any particular one or two markets driving the bulk of this increase?

Second, on your GP reserves, I noticed that they have continued to decline despite the ongoing macro and geopolitical uncertainty. How much scope remains for further reserve releases, and what do you think could drive credit costs higher from current levels?

Shee Tse Koon I am afraid I cannot break down the different geographies for you because, as I mentioned, our customer base comes from 110 to 120 nationalities. We run our franchise by several regions, and then sub-teams and sub-regions, so it is not that easy for me to break it up for you.

Joanna Cheah Is it fair to say that it is quite broad-based? There are no one or two markets that really stood out in driving the $15 billion of net new money?Shee Tse Koon

Shee Tse Koon Yes, it is very broad-based. However, as I said, we do not look at it in just one quarter. Sometimes in one quarter, it might be a few markets, and in another quarter, other markets. If you look at it in totality, it has always been very broad-based. And to an earlier question, we have been consistent in what we have said. Despite some regulatory changes, we have been able to keep this momentum going.

Tan Su Shan On general provisions, there are two reasons. The first is that we have been de-risking on the consumer loan side. We have been deliberately shrinking our cards and unsecured loan volumes, so that is why the GP reserves have gone down. The other reason is repayments, which is not a bad thing. We had quite a few repayments, so that is why GP reserves came down.

Chng Sok Hui Under our methodology, if a credit is very weak but not yet NPL, we step up our general provisions quite a bit. As we communicated in previous quarters, because of

the big repayments we saw, we were able to reduce general provision allowances. The other factor is the de-risking in emerging markets, particularly credit cards and unsecured loans, as we shift towards higher-quality financing. That has also reduced the general provisions we need to set aside. So it is very much a function of the business, client behaviour and repayments that we have seen.

Nick Lord (Morgan Stanley) Two questions. First, coming back to wealth management, the thing that stands out in terms of your AUM growth is that you seem to have achieved a positive return for your clients in the quarter, which is great, but very different from what everybody else has achieved. Most people have seen negative investment returns in the quarter. Is there anything in particular that has allowed you to achieve that result? Second, I wanted to invite Su Shan to say a little more about what you mentioned in the media briefing on AI agents. Do you see a role where DBS could develop its own agents for retail or institutional customers as part of the product set, given the risks of having other people's agents operating within your bank? And have you seen much interest, perhaps not so much from retail customers, but from corporate clients, in using agents for their banking services?

Shee Tse Koon On investment performance, we have this DBS CIO barbell strategy that we coined quite a while ago and have been very disciplined in following. This is something we deploy in our own discretionary portfolio management strategy, and also use to help construct portfolios when advising our clients. If clients follow that, by and large, when we look at our barbell DPM performance, we have been quite consistent compared with similar portfolios elsewhere. On a like-for-like basis, our portfolios have generally been within the top 4% to 8–9% in terms of performance. So I would think that would be a big contribution to how our portfolios have performed.

Tan Su Shan Nick, are you looking at wealth segment AUM being up $28 billion whereas net new money was $15 billion, and trying to triangulate the difference? FCNR was $5 billion, so with net new money, that is $20 billion. Then there were some mark-to-market gains and some retail migration to wealth. So that could be it.

Nick Lord Most people have seen AUM flat. Do you think your investment performance would be better?

Shee Tse Koon If we look at our DPM portfolios, they generally outperform market benchmarks.

Tan Su Shan Nick, on your question around agentic use cases and where we are, earlier this year we said we were going to roll out 12 enterprise use cases. We call them operating model transformations, where we use agentic AI to relook our workflows and make massive changes to optimise them, make life easier for our customers and get them to do more with us, but also make life easier for our colleagues.

Are we worried? Yes, we are. We worry about our clients divulging their passwords and credentials to unknown third-party agents. We worry about autonomous agents hacking banking systems. So we worry a lot about an agentic world and the risks that the financial system has to face. If there is one thing that causes sleepless nights, that is it.

That is why the investments we will not compromise on are building our tech resiliency, cyber resiliency and data resiliency. If you want to keep trust in an agentic world, the winners and losers will be differentiated by how strong and ready they are in the face of these potential unknown attacks. That is why all the investments we have made around tech and data resiliency are so important. We are still doing that work, and we want to stay ahead.

If you want to be an agentic bank, you have to learn how to use agents in a safe way. That includes building the harness. We have a lot of debates at the Board around what the architectural coherence should be for an agentic bank. What kind of sovereign models do we need to have? What kind of sovereign codes, sovereign harnesses and sovereign control planes do we need? We are learning all that right now.

I will not pretend that I have all the answers today, but my team and I have workshops coming up to determine where we want to land. We actually did land two months ago, but things are changing so fast that we have to change our landing from September and perhaps come up with a new landing by December on where we want to go with agents. But from our early experience deploying agents in operations, tech, IBG and wealth, we are seeing very good, solid early wins.

I can ask Kwee Juan to share how agents have helped him deliver more fee growth in IBG.

Han Kwee Juan Nick, I think your question has two parts on agents. I just want to clarify what you are looking for. One is how we are using agents, and the other is whether our customers are asking us to provide agents to them as they use with our system. Is that the second part?

Nick Lord Correct.

Han Kwee Juan On the first part, we are an extensive user of agents in our workflows. One of the things we have done is that since last year, we started building an agentic solution for credit memo creation, including analysis and recommendations. That went live in April this year across 12 markets. About 1,500 RMs are using it, and on a year-to-date basis, it has already generated more than 1,800 credit memos. That gives us the confidence of knowing how to build agents that are purposeful for that particular journey.

Extending that to external agents, today our chatbot Joy in our digital banking solution IDEAL is an agentic agent of sorts. When customers ask for information, there are a few agents in the background that pull information and present it to the customer. This is for information only, and it happens in the background where customers do not see it.

The next thing we are building is the next edition of IDEAL. We will be creating a hub called Agents Hub, based on what we see as common requests from our clients. As they use our system for information, liquidity management and managing their exposures, these are agents that we think customers are likely to call when using IDEAL.

We are doing customer immersion now to see the level of comfort they would have in providing these capabilities to their staff as they use our systems. It is a discovery journey right now, and we are looking at how we can make customers' lives easier when using our digital banking solutions, helping them achieve the outcomes they want, especially when it comes to information gathering.

Nicholas Teh Okay, we are at the end of the briefing. Thank you everyone for joining. We will speak to you again next quarter.