

CEO Observations

February 18, 2019

Record performance in 2018

- Income at record \$13.2bn, 11% growth yoy
- Net profit at record \$5.6bn, 28% growth yoy
- ROE at 12.1%, highest since 2007



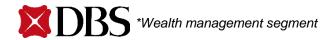
Driven by structural improvements in our franchise

Greater proportion of high-returns businesses

Income mix	2009	2018	2018 vs 2009 ×
Total income (S\$m)	6,603	13,183	2x
Wealth management*	8%	20%	5x
Cash / SFS	3%	13%	8x

Significant lift from North Asia

Net Profit (S\$m)	2009	2018	2018 vs 2009 ×
Hong Kong	464	1,362	3x
Rest of Greater China	68	275	4x



Some macroeconomic slowdown...

- Synchronised economic slowdown globally
- Uncertain geopolitical situation: US-China trade tensions, Brexit, US elections

... but some mitigating factors

- Global supply chains will take time to shift from China. Shifts are likely to remain mostly within the region
- Domestic consumption likely to hold up
- Central banks rethinking monetary policy, becoming more dovish
- Possibility of fiscal stimulus (election year in some Asian countries)



2019 outlook

- Mid-single-digit loan growth and continued NIM progression
- High-single-digit income growth
- Cost-income ratio at 43%
- Specific allowances at cycle average
- Continued ROE improvement

