CEO Observations

3 Nov 2022

3Q business momentum sustained, asset quality resilient

- **Underlying loan growth strong**
  - Growth in non-trade corporate loans and mortgage faster than first two quarters
- **Liquidity remains healthy**
- **Fee income stabilising**
  - Wealth management and capital markets remain challenged due to market conditions
  - Underlying wealth management momentum strong with 9M net new money inflows doubling from year ago to S$15b
  - Card fees continue to grow as travel picks up
- **Asset quality resilient, prudent provisioning**
  - New NPA formation remains low, significant upgrades and repayments this quarter; nevertheless, added S$350m to GP overlays

DBS

2023 outlook

- **Tail-risk scenario of high inflation and high rates playing out**
  - Potential US recession, Asia slowdown
  - Upside from China opening up
- **Loan pipeline remains healthy, can reach mid-single digit growth**
  - Possible moderation in 4Q momentum due to lower onshore borrowing cost in China
- **Double-digit fee income growth led by wealth management and cards**
- **NIM expected to reach around 2.25% by mid-2023 assuming Fed Funds Rate peaks at 4.75%**
- **Cost-income ratio below 40%**
- **ROE projected to be comfortably above 15%**

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