

# CEO Observations

May 2, 2017

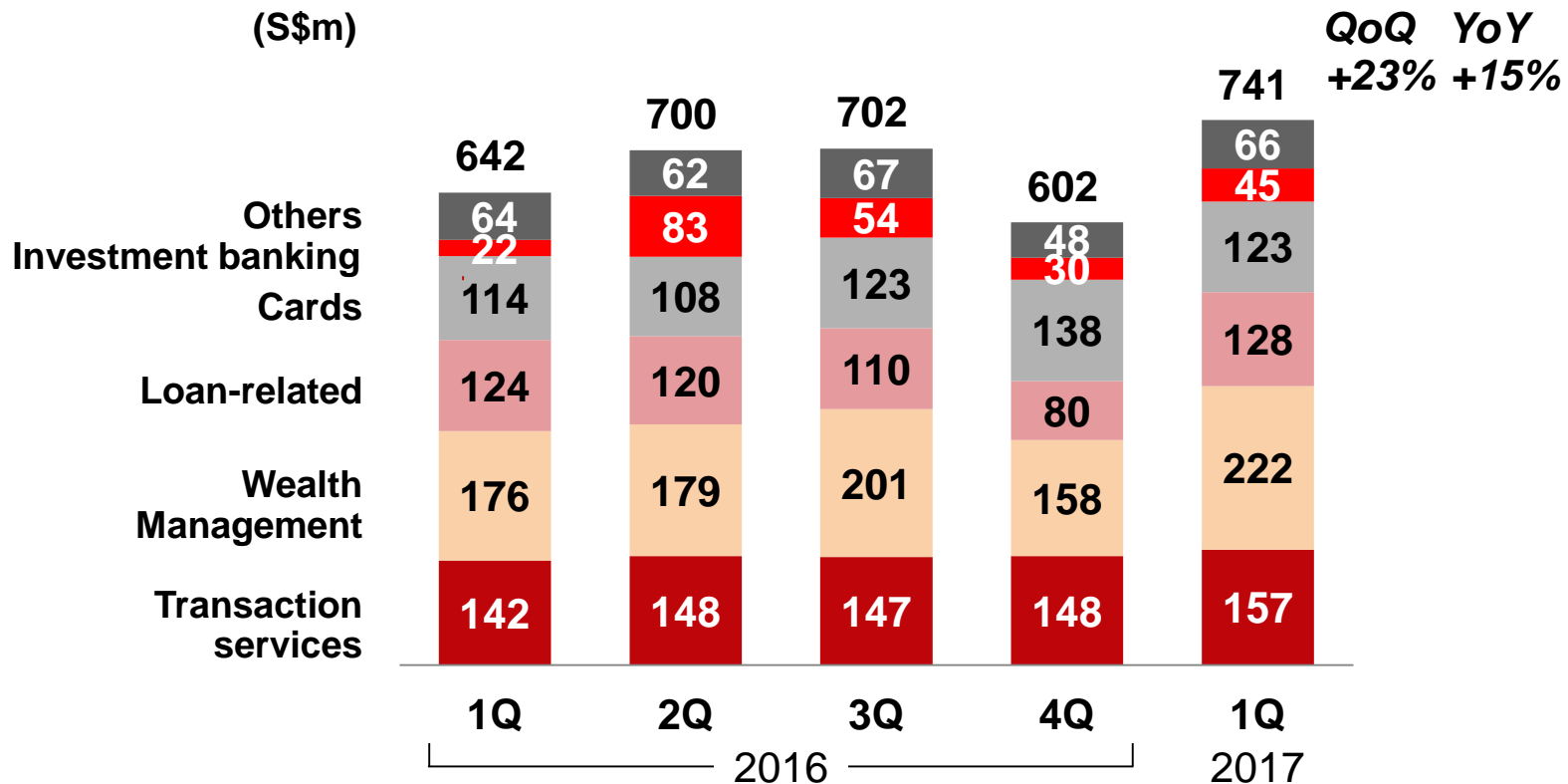
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# Key highlights

- Business momentum healthy, achieved \$2.89b income despite a weak trading quarter
- Net fee income at record \$665m

# Fee income at record, new highs in wealth management and transaction services



# Key highlights

- Business momentum healthy, achieved \$2.89b income despite a weak trading quarter
- Net fee income at record \$665m
- Productivity gains: expenses -1% yoy; cost-income ratio improved to 43%
- NPA formation moderates, NPL ratio stable at 1.4%
- Allowance coverage at 103%
- Net profit at record \$1.21b

# Portfolio update: Support services

4Q16 results briefing in February

## Portfolio update: Support services

Dec 2016 <sup>1</sup>	Producers	Traders	Processors	Others <small>(includes Support Services)</small>	Total
(S\$b)					
<b>Exposure</b>	6	4	4	7	22
<i>Of which:</i>					
Loans	5	2	4	6	17

Unchanged at Mar 2017

### Update on portfolio

- \$1.8b to state-owned / government-linked shipyards
- Remaining \$5.5b

\$2.6b to 5 names

\$2.9b to 90 names

2 names in NPA

1/2 of portfolio has weakness;  
3 names moved to NPA this quarter

- Adequate specific provisions

Unchanged at Mar 2017

3 additional names moved to NPA this quarter

# On provisions

- Realistic collateral valuations used
- “Standard” vessels realising values within expected range
- India NPL sales also reflect adequate provisions
- Some variability around restructuring outcomes and values of “non-standard” vessels; to be negotiated case by case

# Outlook

- Loan and income: maintain mid-single digit growth
  - Loan pipeline healthy
  - NIM: expect 2016 average if rate assumptions materialise
  - Fee income streams strong
- Cost-income ratio: hold around 43%
- NPL formation: moderate from 2016
- Total allowances: expect similar level to 2016, ex Swiber