CEO Observations

29 Apr 2022

Outlook

- **Macroeconomic forecasts downgraded since last quarter**
  - Slower growth, higher inflation and supply chain disruptions key risks to watch
  - Continuing Covid-19 uncertainty
- **Portfolio remains resilient**
  - Stress tests of vulnerable sectors and countries reveal no imminent areas of concern
  - SME portfolio seasoned by stresses in recent years and is largely secured
  - Retail portfolio well secured
  - No material impact from China lockdown due to nature of exposure
  - Untouched GP overlays provide additional buffer

Outlook

- **Overall business pipeline continues to be healthy**
  - Loans expected to grow 1-2% in 2Q, bringing 1H loan growth to around 3-4%
    - Full-year growth to be mid-single digit percentage if 2H growth slows
  - Fee outlook mixed
    - Cards to benefit from domestic and border re-openings
    - Wealth and investment banking dependent on market conditions
  - Treasury Markets income above expectations so far, continued market volatility could be beneficial
- **Significant earnings upside from faster pace of interest rate increases**
  - NII sensitivity of S$18m-20m per basis point of USD rates
- **Expense growth guidance for full year maintained at slightly above 2021**

Thank You