DBS Group Holdings Ltd
Annual Report 2021

DBS

Live more,
Bank less

NEW

DIGITALLY READY

INITIATIVES

SUSTAINABLE SOLUTIONS

NEW

GROWTH

About us

DBS is a leading financial services group in Asia with a presence in 18 markets. Headquartered and listed in Singapore, DBS is in the three key Asian axes of growth: Greater China, Southeast Asia and South Asia. The bank's "AA-" and "Aa1" credit ratings are among the highest in the world.

Recognised for its global leadership, DBS has been named "**World's Best Bank**" by Euromoney, "**Global Bank of the Year**" by The Banker and "**Best Bank in the World**" by Global Finance. The bank is at the forefront of leveraging digital technology to shape the future of banking, having been named "**World's Best Digital Bank**" by Euromoney and the world's "**Most Innovative in Digital Banking**" by The Banker. In addition, DBS has been recognised as "**Safest Bank in Asia**" by Global Finance for 13 consecutive years from 2009 to 2021.

About this report

This Annual Report is prepared in accordance with the following regulations, frameworks and guidelines:

- The Banking (Corporate Governance) Regulations 2005, and all material aspects of the Code of Corporate Governance 2018 and the Guidelines on Corporate Governance for Designated Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers issued in November 2021 by the Monetary Authority of Singapore.
- Singapore Exchange Securities Trading Limited (SGX-ST) Listing Rules.
- The International Integrated Reporting Framework issued in December 2014 by the International Integrated Reporting Council.
- The Guidelines on Responsible Financing issued in October 2015 (revised June 2018) by the Association of Banks in Singapore.
- Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in October 2021, which updates and supersedes the previous (June 2017) version.
- The Global Reporting Initiative (GRI) Standards – Core Option, issued in October 2016 (with subsequent revisions), and the G4 Financial Services sector disclosures by the GRI Global Sustainability Standards Board.

Scan here to view our Sustainability Report

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Overview

This section provides information on who we are and our leadership team. It also contains a joint message from the Chairman and CEO.

Reflections from the top

This section contains the CEO's thoughts on some pertinent matters and recaps the year's performance through the lens of our senior leaders.

Governance, Risk Management and Sustainability

This section details our commitment to sound and effective governance, risk management and sustainability.

Financial and other reports

Financial Reports

Annexure

Shareholder Information

OUR ACHIEVEMENTS

2021 saw DBS bag a record number of global accolades, including many first-time wins. Global wins included “World’s Best Bank” and “World’s Best Digital Bank” from Euromoney, “Global Bank of the Year” and the global award for “Most Innovative in Digital Banking” from Financial Times publication The Banker, and “World’s Safest Commercial Bank” from New York-based Global Finance.

World’s Best Bank

World’s Best Digital Bank

Global Bank of the Year

KEY AWARD CITATIONS INCLUDE:

“Of all banks we cover worldwide, DBS was the one that most clearly demonstrated a rare skill: not just surviving a crisis but using it as a chance to innovate and to be a better bank. As well as fortitude and profitability, it showed opportunism and smart thinking, all underpinned by its digital leadership.”

World’s Best Bank 2021, Euromoney

“Once again DBS has demonstrated its world-class deployment of innovative technology solutions that is not only delivering material benefits for clients but is also driving a reimagination of banking as we know it today. Importantly, the bank has also taken a lead in sustainable and transition financing, spearheading framework and taxonomy developments to support the shift to a low-carbon global economy. A truly forward-looking organisation with solid foundations and a spirit of innovation.”

Global Bank of the Year, The Banker

“It is a fitting tribute to a bank that is renowned for being ahead of its peers in adopting emerging technologies that are reshaping the banking industry. During the past year, it launched DBS Digital Exchange, NAV Planner, and a Covid contact-tracing solution using AI/ machine learning. These initiatives are testament to DBS’ innovative spirit.”

Most Innovative in Digital Banking, The Banker

Our efforts on the sustainability front also received recognition from renowned publications, with Global Finance recognising us for our “Outstanding Leadership in Sustainable Project Finance” and “Outstanding Leadership in Green Bonds”, while The Asset named us “Best ESG Transaction Bank” in Asia-Pacific. In Singapore, the Ministry of Sustainability and the Environment acknowledged our efforts to champion a more sustainable way of living with the “President’s Award for the Environment”.

Shee Tse Koon, DBS Singapore Country Head, receiving the President’s Award for the Environment, awarded by Singapore’s Ministry of Sustainability and the Environment from Singapore’s President Halimah Yacob

WHO WE ARE

DBS is one of Asia’s leading banks, operating in the most dynamic region of the world. We are focused on leveraging digital technology to reimagine banking to provide our customers a full range of services in consumer banking, wealth management and institutional banking. We also see a purpose beyond banking and are committed to supporting our customers, employees and the community towards a sustainable future.

BUSINESS HIGHLIGHTS

Income (SGD)
14.3 billion

Net profit (SGD)
6.80 billion

Total assets (SGD)
686 billion

Over
33,000
Employees

Over
340,000
Institutional Banking Customers

Over
11.8 million
Consumer Banking/ Wealth Management Customers

SUSTAINABILITY HIGHLIGHTS

Achieved more than
600,000 kg
of food impact as part of reducing food waste and enhancing food security

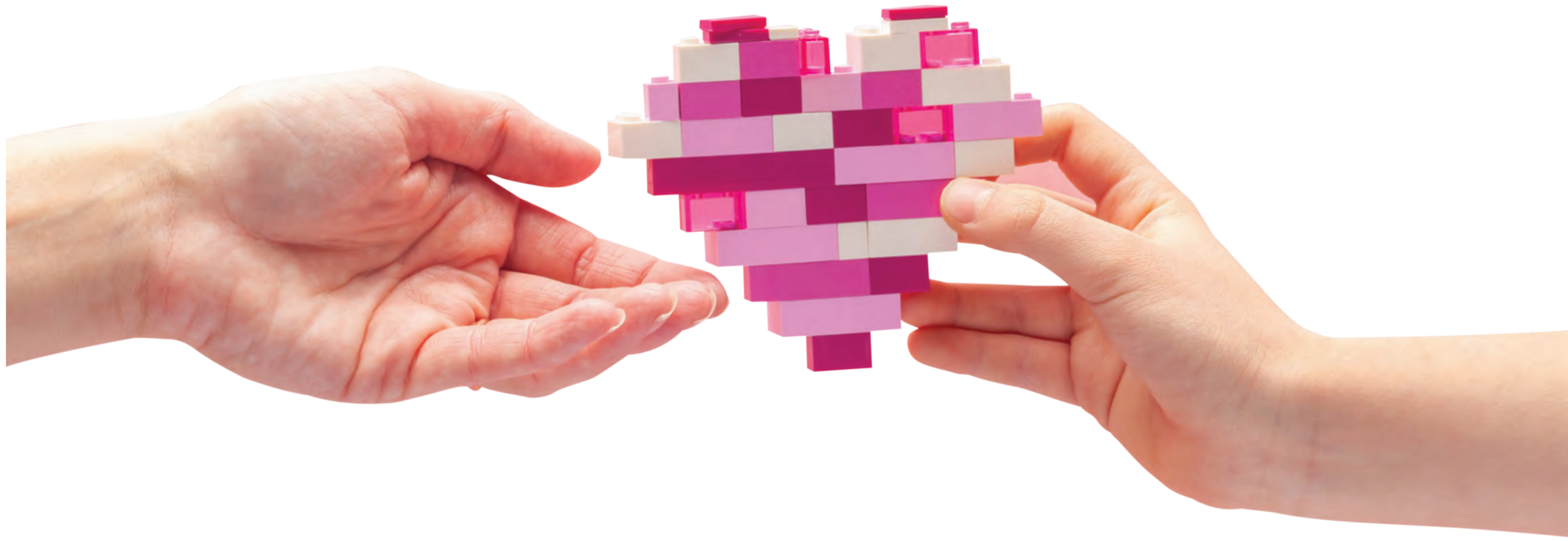
Awarded
58 accolades
in recognition of sustainability and purpose-driven efforts

Set aside
SGD 100 million
to enhance support for social enterprises and community causes

Committed
SGD 20.5 billion
in sustainable financing transactions

Engaged in more than
100,000 hours
of employee volunteerism activities

Disbursed record
SGD 3 million
through DBS Foundation Grant programme to support social enterprises



BOARD OF DIRECTORS

The Board is committed to helping the Group achieve long-term success. The Board provides direction to management by setting the Group's strategy and overseeing its implementation. It ensures risks and rewards are appropriately balanced.

INDEPENDENT

Majority of our Board comprise independent and non-executive directors.

DIVERSE

Good mix of nationalities, gender and backgrounds.

HIGHLY-EXPERIENCED

Two-thirds of the Board are seasoned bankers, while the rest have extensive experience in other related industries.

AWARD WINNING

DBS Chairman Peter Seah awarded the Order of Nila Utama (With Distinction) in 2021 – one of Singapore's top national honours.

Read more about the Board of Directors on pages 191 to 195.

Peter Seah
Non-Executive Chairman

Piyush Gupta
Chief Executive Officer

Olivier Lim
Lead Independent Director

Chng Kai Fong
Non-Executive Director

Bonghan Cho
Independent Director

Ho Tian Yee
Non-Executive Director

Punita Lal
Independent Director

Judy Lee
Independent Director

Anthony Lim
Independent Director

Tham Sai Choy
Independent Director

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GROUP MANAGEMENT COMMITTEE

The Group Management Committee executes the strategy and long-term goals of the Group. It drives business performance and organisational synergies. It is also responsible for protecting and enhancing our brand and reputation.

Group Management Committee members have more than 30 years of experience on average.

One in four of our Group Management Committee members are women.

1 **Piyush Gupta***, Chief Executive Officer
2 **Chng Sok Hui***, Chief Financial Officer
3 **Eng-Kwok Seat Moey**, Capital Markets
4 **Philip Fernandez**, Corporate Treasury
5 **Neil Ge**, China
6 **Derrick Goh**, Audit
7 **Han Kwee Juan**, Strategy & Planning
8 **Lam Chee Kin**, Legal, Compliance & Secretariat
9 **Lee Yan Hong**, Human Resources
10 **Lim Him Chuan**, Taiwan
11 **Sim S Lim***, Consumer Banking/Wealth Management
12 **Andrew Ng***, Treasury & Markets
13 **Jimmy Ng***, Chief Information Officer
14 **Karen Ngui**, Strategic Marketing & Communications
15 **Sebastian Paredes***, Hong Kong
16 **Shee Tse Koon***, Singapore
17 **Soh Kian Tiong***, Chief Risk Officer
18 **Surojit Shome**, India
19 **Paulus Sutisna**, Indonesia
20 **Tan Su Shan***, Institutional Banking

*Those marked by * are also in the Group Executive Committee*

Read more about the Group Management Committee on pages 196 to 198.

LETTER FROM THE CHAIRMAN & CEO

> *"The robust economic recovery belied a pandemic that continued to rage on for most of the year, which resulted in economic and border re-openings happening in fits and starts. Against this mixed backdrop, we turned in our best year ever, with not just excellent financial performance but also all-round delivery against key scorecard goals."*

In 2021, global economies bounced back from the depths of a pandemic-induced recession. Thanks to mass vaccinations, pent-up consumer demand, accommodative monetary policy and strong fiscal support, global growth rebounded sharply. In Singapore, our home market, the economy grew 7.6%. Hong Kong, our second-largest market, expanded 6.4%.

The robust economic recovery belied a pandemic that continued to rage on for most of the year, which resulted in economic and border re-openings happening in fits and starts.

Against this mixed backdrop, we turned in our best year ever, with not just excellent financial performance but also all-round delivery against key scorecard goals.

In particular, we made good progress in transforming the bank through managing by customer journeys; kept employee morale high through the pandemic, and launched multiple new businesses within a short 12 months.

Notably, we were recognised by not one but two global publications as being the best in the world yet again.

An outstanding year

For the year, DBS delivered record net profit of SGD 6.80 billion, up 44%. Return on equity, at 12.5%, was the second-highest in more than a decade. These achievements were extraordinary given the near-zero interest rate environment globally, and speak to the strength of our broad-based franchise and the success of multi-year transformation efforts.

With the collapse in interest rates since the pandemic, net interest margin came under severe pressure. Even full-year loans growth at a seven-year high was unable to fully offset the impact of lower rates, and net interest income fell to SGD 8.44 billion. We were, however, able to substantially make up for this through the strength of our fee and trading income.

In Consumer Banking/ Wealth Management, the fall in interest income was moderated by fee income. Wealth management fees, in particular, rose to a record SGD 1.79 billion as our digitalisation efforts continued to bear fruit. For example, by leveraging artificial intelligence (AI) and hypersonalisation, our NAV Planner tool generates more than 30 million insights each month to help customers manage their money better. Our human cum robo-advisory service, digiPortfolio, has also grown in popularity in recent years, fuelled by demand from a predominantly Gen Z/ millennial demographic. In 2021, retail investors accounted for 32% of total assets under management.

SGD 14.3 BILLION
Total income
Total income remained stable despite the economic disruption caused by the pandemic.

12.5%
Return on equity
Return on equity was the second-highest in more than a decade.

SGD 6.80 BILLION
Net profit
Net profit rose 44% to a record SGD 6.80 billion, restoring a trend of consecutively higher earnings that the pandemic had disrupted in the previous year.

SGD 1.20
Dividend
We proposed a final dividend of SGD 36 cents per share, bringing the full-year ordinary dividend to SGD 1.20 per share.

> *"We believe the inorganic transactions and investments we made over the last 12 months will strengthen our franchise and position us well to ride the crest of a structurally rising Asia. We expect payoff from these initiatives will materialise in the short to medium-term. Looking further out, given that technological changes could fundamentally reshape the financial system, we must do what we can to be ahead of the curve."*

Institutional Banking did well across the board, from lending to cash management, trade finance and capital markets. Corporate lending was broad-based across geographies and industries. Cash management fees were boosted by the strength of our digital offerings, while trade finance fees benefitted from higher regional trade volumes. Investment banking fees rose on the back of a recovery in equity markets, as well as record fixed income fees as companies took advantage of the low interest rate environment to tap debt funding.

Treasury Markets (TM) had another record year, with trading income of SGD 1.51 billion, up 5%. Treasury customer income, which is booked in Consumer Banking and Institutional Banking, was SGD 1.71 billion. The combined trading and customer income growth outperformed many Wall Street banks. Much of TM's success over the past two years can be attributed to its digital transformation, enhancing its scalability, efficiency and competitiveness. For example, TM uses algorithms to offer faster and more accurate FX pricing to customers, and harnesses data to provide personalised trading recommendations.

During the year, China's common prosperity agenda dominated headlines as its government cracked down on several industries and tempered the exuberant property market. Some banks were caught on the wrong side of these policy moves. Given our prudent risk management, DBS was able to navigate China and its idiosyncratic risks without suffering any material credit loss.

For the year, we booked just SGD 52 million in total allowances, down significantly from SGD 3.07 billion a year ago, as asset quality improved.

In a turbulent time, DBS continued to be recognised as a safe and trusted bank. Coupled with the strides we have made in innovating our cash management offerings, over the past two years, we benefitted from SGD 143 billion in current and savings account (Casa) inflows into the bank. Today, Casa as a proportion of total deposits is 76%, a record high, positioning us to benefit strongly when central banks start hiking interest rates in 2022.

Positioning ourselves for the future

In 2021, we made significant down payments for the future, executing several inorganic transactions and launching a multitude of new businesses that will position us well in the coming decade.

These initiatives were borne out of the "Get Ahead" and "Future of Work" internal taskforces that were created in the midst of the pandemic, as we sought to identify megatrends and structural shifts taking place in our industry and society-at-large.

Scaling our business in key Asian markets

Reflecting our belief in Asia's long-term prospects, in 2021, we capitalised on the opportunity to do several strategically important deals that will strengthen our franchise in key growth markets.

In India, we successfully amalgamated Lakshmi Vilas Bank (LVB). LVB gives us an enlarged footprint, particularly in southern India on which to overlay our digital strategy. It also scales up our consumer and SME businesses significantly. Integration has progressed well, and after an initial focus on stabilising the LVB franchise, business momentum has picked up.

In Taiwan, we agreed to acquire Citigroup's Taiwan consumer banking business (Citi Consumer Taiwan). Citi Consumer Taiwan is an incredibly attractive and high-returns franchise, and widely considered to be the best foreign consumer bank in Taiwan. It will accelerate DBS Taiwan's growth by at least 10 years, making it Taiwan's largest foreign bank by assets. The transaction is expected to be accretive to earnings and return on equity immediately after completion, which is slated for mid-2023.

In China, we acquired a 13% stake in Shenzhen Rural Commercial Bank (SZRCB), becoming its largest single shareholder. SZRCB is a well-managed profitable franchise, and the investment allows us to accelerate our Greater Bay Area (GBA) strategy via Shenzhen, arguably GBA's fastest-growing city.

DBS Bank (Hong Kong) received approval to offer investment products and solutions to GBA customers under the Wealth Management Connect scheme. This represents a significant opportunity given the more than six million affluent households in the GBA. Through our partnership with the Postal Savings Bank of China, one of the largest retail banks in China, we expect a quarter of DBS Hong Kong's Treasures Wealth customers to come from the GBA region over the next three years.

China's capital markets liberalisation also presents another exciting growth opportunity. To position ourselves early to capture two-way deal-flow as China opens up, we launched DBS Securities (China) Limited, a joint venture securities company, in June. Already, business has surpassed expectations – we completed five onshore capital markets transactions since starting operations, and the pipeline is robust.

Underlining our confidence in the future of Asia, DBS also committed to participating in two funds. One is the USD 500 million EvolutionX Debt Capital, which was set up with Temasek to provide non-dilutive financing to growth-stage technology-enabled companies across Asia. The other is Muzinich Asia Pacific (APAC) Private Debt I, which provides us with growth exposure to recovery opportunities in the region.

Being ahead of the curve as emerging technologies reach tipping point

The financial services industry is on the cusp of massive changes. While blockchain and artificial intelligence technologies have been in existence for some years, they are finally reaching a tipping point and creating exponential impact in areas such as trade finance and digital currencies.

DBS acquired a 13% stake in Shenzhen Rural Commercial Bank to accelerate expansion in the rapidly growing Greater Bay Area.

To ensure that DBS is ahead of the curve in harnessing these technologies, we launched a number of new businesses, both on our own and in partnership with others.

They include the DBS Digital Exchange (DDEx), which offers tokenisation, trading and custody services of digital assets; Partior, a blockchain-based cross-border clearing and settlement provider; Climate Impact X (CIX), a global exchange and marketplace for high-quality carbon credits; and DBS Fixed Income Execution (FIX) Marketplace, Asia's first fully digital and automated fixed income execution platform.

Since its launch in December 2020, DDEx has seen good business momentum, both in terms of new clients onboarded as well as assets under custody. Partior became operational in October 2021, and is in the midst of signing up banks keen to join the network. CIX goes live in Q1 2022. DBS FIX Marketplace executed 20 issuances amounting to SGD 4 billion in 2021.

In 2020, we incorporated a new company, DBS Finnovation, to house some of these new businesses. Being separately held, it provides an opportunity for us to create greater value transparency and monetise these new ventures when the time is right.

We recognise that embracing new technologies comes with some risks. We saw this in our two-day digital disruption and in the growing number of scams in Singapore. We are cognisant of these risks, and are working on strengthening the resiliency of our services and enhancing our fraud surveillance and prevention capabilities.

Building and securing a sustainability future

For a few years now, DBS has focused on advancing the sustainability agenda through responsible banking, responsible business practices and creating impact beyond banking. More recently, we established a Board Sustainability Committee to provide greater governance and oversight into climate-related risks and opportunities, as well as our broader environmental, social and governance efforts.

We felt this was important as we continued to dial up our commitments in the space, both in terms of tackling climate change as well as the growing social issues in our midst.

In 2021, DBS also became the first Singapore bank to become a signatory to the United Nations-convened, industry-led Net-Zero Banking Alliance. This commits us to transitioning the operational and attributable greenhouse gas emissions from our lending and investment portfolios to align with pathways to net zero by 2050 or sooner.

In line with this, we were also the first Singapore bank to commit to zero thermal coal exposure by 2039. Since April 2021, DBS has ceased onboarding new customers that derive more than 25% of their revenue from thermal coal, and we will lower the threshold as time progresses. At the same time, we will leverage the DBS Sustainable and Transition Finance Framework to achieve meaningful decarbonisation in carbon-intensive sectors, as well as nudge more companies to embed sustainability into their business models. In 2021, DBS committed SGD 20.5 billion in sustainable financing transactions, taking our cumulative efforts to date to SGD 39.4 billion.

With Covid-19 exacerbating issues of social inequality, over the past year both DBS Bank and DBS Foundation continued to increase our support for community and social causes. Recognising that there is more we can do, the Board approved an additional SGD 100 million to be set aside to catalyse greater impact.

Transforming the way we work

Given the rapid pace of change, we believe the successful organisation of the future will have to operate very differently.

In 2021, we re-architected our most important customer processes – namely, those around credit cards, wealth management, consumer finance, foreign exchange and supply chain – horizontally. We felt that if we are to be truly customer-obsessed, then we must manage by customer journeys. Given that journeys are by definition horizontal, silo-breaking cross-functional teams are best-placed to deliver differentiated customer experience and business outcomes. The horizontal organisation formalises the collaboration and joint accountability needed to maximise end-to-end customer and business outcomes. Results have been positive so far.

With Covid-19, the nature of work has also changed. Along with this, we instituted a hybrid work model where employees need only be in the office three days a week. We also availed flexi-work arrangements to those who prefer to work fewer hours. With these shifts, we reconfigured our workspaces, improving occupancy footprint efficiencies. In addition, 80,000 sq ft of our office space was turned into Joyspaces, or activity-based workplaces, in 2021. More workspaces will be transformed to allow for greater ideation and interaction in the next few years.

Recognitions

In 2021, DBS was recognised by Euromoney and The Banker as being the best in the world.

In naming us "World's Best Bank", Euromoney said, "Of all the banks we cover worldwide, DBS was the one that most clearly demonstrated a rare skill: not just surviving a crisis, but using it as a chance to innovate and to be a better bank. As well as fortitude and profitability, it showed opportunism and smart thinking, all underpinned by its digital leadership."

The Banker, a leading Financial Times publication, recognised us as 'Global Bank of the Year' for "driving a reimagination of banking as we know it today". "Importantly, the bank has also taken a lead in sustainable and transition financing, spearheading framework and taxonomy developments to support the shift to a low-carbon global economy. A truly forward-looking organisation with solid foundations and a spirit of innovation," it said.

DBS was also named to the FTSE4Good Global Index and the Bloomberg Gender-Equality Index for the fifth consecutive year.

Board and management changes

During the year, we appointed two non-executive directors to the Board. They are senior civil servant Chng Kai Fong and risk management veteran Judy Lee. Kai Fong is the Second Permanent Secretary of The Smart Nation and Digital Government Group. Judy is Managing Director of Dragonfly LLC, an international risk advisory firm based in New York. Concurrently, she is CEO of Dragonfly Capital Ventures LLC, which develops and invests in renewable energy in Southeast Asia. Both are strong additions to DBS' 10-member Board.

Underscoring our deep bench strength, we filled the Chief Risk Officer (CRO) role vacated by Tan Teck Long internally. Soh Kian Tiong, who has over 25 years of experience in business and risk roles, stepped into the CRO role seamlessly in November.

Dividends

The Board has proposed a final dividend of SGD 36 cents per share for approval at the forthcoming annual general meeting. This is an increase of three cents per share from the previous payout. This will bring the dividend for financial year 2021 to SGD 1.20 per share.

DBS agreed to acquire Citigroup's consumer banking business in Taiwan in January 2022, accelerating DBS Taiwan's growth by at least 10 years.

Barring unforeseen circumstances, the annualised dividend going forward will rise to SGD 1.44 per share, an increase of 9%.

Going forward

At the time of writing, the world seems ready to open up and we are learning to live with Covid-19. At the same time, geopolitics is casting some shadows, and the macroeconomic policy pathways are uncertain. In such an environment, we have to continue to be watchful and nimble. We take heart that our business pipeline is robust. Importantly, we have a prudently managed balance sheet that is poised to benefit from rising interest rates.

The inorganic transactions and investments we made over the last 12 months will strengthen our franchise, and position us well to ride the crest of a structurally rising Asia. We expect payoff from these initiatives will materialise in the short to medium-term, and give us additional engines of growth.

Looking further out, given that technological changes could fundamentally reshape the financial system, we must do what we can to be ahead of the curve. With DDEx, Partior and CIX, we have put some irons in the fire, and are learning by doing.

In short, while 2021 was our best-ever year, we will continue to re-position ourselves as a bank of the future.

Peter Seah
Chairman
DBS Group Holdings

Piyush Gupta
Chief Executive Officer
DBS Group Holdings

ACCELERATING GROWTH

We continue to deepen our presence in Asia through strategic growth opportunities. The digitalisation capabilities we have put in place since 2014 have also enabled us to better support our customers, helping them navigate the pandemic.

NEW OPPORTUNITIES

INTELLIGENT BANKING

LEVERAGING DIGITAL

INTUITIVE AND INVISIBLE

Expanding our presence in Asia

Lakshmi Vilas Bank

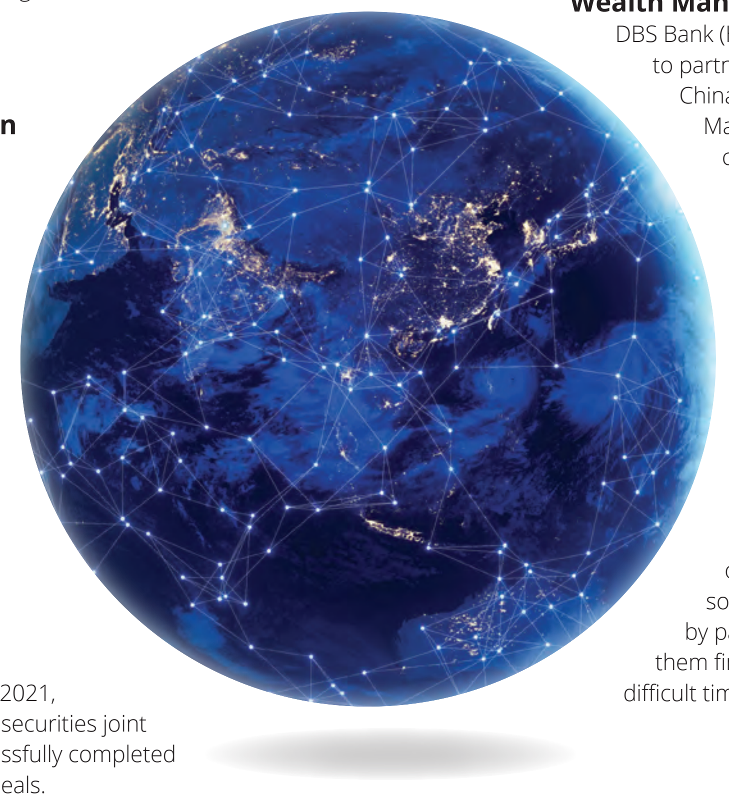
Since the successful amalgamation of India's Lakshmi Vilas Bank (LVB) with DBS Bank India Limited in November 2020, we have made steady progress in growing the business. Over the past year, LVB's current and savings account balances, as well as its gold loans portfolio, have grown. Wealth management sales have also increased. Analytics-based lending is being offered through the LVB network in a phased manner.

Citigroup's consumer banking business in Taiwan

To accelerate our growth in Asia, we agreed to acquire Citigroup's consumer banking business in Taiwan (Citi Consumer Taiwan) in January 2022. Citi Consumer Taiwan is widely recognised as the best foreign consumer bank in the market with a high-quality customer base and top-class management team and workforce. Following the acquisition, DBS will be Taiwan's largest foreign bank by assets.

DBS Securities (China)

DBS Securities (China) received its securities business licence in June 2021, becoming the first Sino-Singapore securities joint venture. During the year, we successfully completed five onshore investment banking deals.



Shenzhen Rural Commercial Bank

DBS acquired a 13% stake in Shenzhen Rural Commercial Bank (SZRCB), becoming its biggest shareholder. SZRCB is a well-managed profitable franchise, and the investment allows us to accelerate our Greater Bay Area (GBA) strategy via Shenzhen, arguably GBA's fastest-growing city.

Wealth Management Connect Scheme

DBS Bank (Hong Kong) is the only Hong Kong bank to partner two banks – Postal Savings Bank of China and DBS Bank (China) – in the Wealth Management Connect Scheme. Through this collaboration, we are able to tap on the expertise and network of each partner to give our customers in the Greater Bay Area access to a more diversified suite of investment products and solutions, and digital banking capabilities.

Muzinich Asia Pacific (APAC) Private Debt Fund

We became an anchor investor in private debt fund, Muzinich Asia Pacific (APAC) Private Debt I. The fund focuses on identifying special situations opportunities arising from fundamentally-sound businesses that have been dislocated by pandemic disruptions, while providing them financing support to tide through these difficult times.

Making banking intelligent, intuitive and invisible

Helping customers grow their wealth with DBS NAV Planner

In 2021, we continued to improve the functionality and features of DBS NAV Planner, including leveraging artificial intelligence and hyper-personalisation technology to generate 30 million insights each month to help our customers manage their money better.

Enabling SMEs to access digital trade financing

Digitalisation was a lifebuoy that kept SMEs afloat during the pandemic. Through our ecosystem-led platforms, we were able to digitally onboard more than 4,000 suppliers so that they could get access to digital financing solutions quickly and seamlessly throughout the pandemic. For instance, more than nine in 10 of our supply chain finance transactions were carried out through our digital platforms in 2021. We also leveraged our extensive API suite to deliver a broad array of digital trade solutions to help our customers navigate the disruptions seamlessly.

Protecting customers with self-managed card security access features

We ramped up payments security for our 3.6 million debit and credit cardholders in Singapore, enabling them to personally manage the security access on their card accounts via a comprehensive suite of payment control features. These features, which can be conveniently accessed through the DBS/ POSB digibank app, act as multiple locks that cardholders can choose to activate in order to block unauthorised transactions.

Leveraging the power of emerging technologies

Digital Exchange

We continue to see strong traction on the DBS Digital Exchange (DDEx) with trading values exceeding SGD 1 billion in 2021. Digital assets under custody grew more than 10 times in the past 12 months to SGD 800 million. In addition, DBS Vickers, our brokerage arm, received formal approval to provide digital payment token services, enabling it to provide direct support to asset managers and companies when they trade their digital payment tokens through DDEx.

Partior

We aim to transform the future of payments through Partior, a blockchain-based cross-border clearing and settlement provider, by enabling more efficient digital clearing and settlement solutions across the banking industry. Partior went live in October 2021.

Climate Impact X

We partnered Singapore Exchange, Standard Chartered and Temasek to set up Climate Impact X (CIX) to democratise corporate access to high-quality carbon credits, offset their unavoidable carbon emissions and up the ante on efforts to scale global voluntary carbon markets. CIX is expected to go live in early 2022.

FIX Marketplace

To propel efforts to create more efficient capital markets, DBS launched Fixed Income Execution (FIX) Marketplace, Asia's first fully digital and automated fixed income execution platform. On FIX Marketplace, issuers can originate their own issuances and connect with investors directly. As at end-2021, FIX Marketplace has carried out 20 issuances amounting to SGD 4 billion.

Investing in the future of tech unicorns

EvolutionX Debt Capital

To support the development of new economy companies in Asia, we partnered with Temasek to set up EvolutionX Debt Capital. The USD 500 million growth stage debt financing platform focuses on providing financing to growth-stage technology-enabled companies across the region, with a focus on China, India and Southeast Asia.

HARNESSING NEW TECHNOLOGY

We continue to reimagine the future of banking by pursuing new initiatives and pushing the frontiers of technology to unlock new avenues of growth.

REDEFINING BANKING

BLOCK CHAIN TECHNOLOGY

INNOVATIVE SOLUTIONS

DIGITAL TRANSFORMATION

CHAMPIONING SUSTAINABILITY

Tackling climate change is a key priority, and DBS is joining global efforts to achieve net-zero carbon emissions by 2050. At the same time, the pandemic has exacerbated social issues in our midst. Recognising this, we have increased our support for the community and will continue to do more going forward.

GREEN ENERGY

NET ZERO

COMMUNITY MINDED

ECO-CONSCIOUS LIVING

Shaping a more climate-aligned future

Net-Zero Banking Alliance

DBS is the first Singapore bank to become a signatory to the United Nations-convened Net-Zero Banking Alliance. This reinforces our commitment to the global transition towards net zero.

Driving positive impact through sustainable finance

To reinforce DBS' efforts in responsible banking, we raised our sustainable finance target to SGD 50 billion by 2024. We aim to help more customers incorporate sustainable business practices into their overall business strategy. For instance, we partnered with one of the world's largest fashion retailers, Inditex, which owns brands such as Zara, Pull&Bear and Bershka, to launch an organic cotton procurement financing pilot programme. This enabled us to provide financing to more than 2,000 farmers in India through local Farmer Producer Organisations. With greater visibility of their cashflow, farmers can better plan for their business needs and grow their sustainable farming operations. In 2021, we committed a total of SGD 20.5 billion in sustainable financing transactions.

Broadening our suite of sustainable investments

To galvanise more wealth management clients to adopt ESG standards in their investments, DBS Private Bank has committed to growing its suite of sustainable investments, products and solutions to more than 50% of its assets under management by 2023.

Tracking steadily towards zero thermal coal commitment by 2039

DBS is the first Singapore bank to commit to zero thermal coal exposure by 2039. In April 2021, we ceased the onboarding of new customers who derive more than 25% of their revenue from thermal coal and will lower the threshold as time progresses.

Greening our environmental footprint

We are on track to achieve net-zero operational carbon emissions across the bank by 2022. DBS' four-storey office building in Newton will be transformed into a net-zero property with climate-friendly features. As at end 2021, 100% of DBS' new suppliers have committed to the bank's Sustainability Sourcing Principles.

LiveBetter

To encourage eco-conscious living, we launched LiveBetter in Singapore – a one-stop digital platform where users can easily access eco-friendly tips, donate to local green causes, and invest in sustainability-themed funds. The industry-first platform is now available to all DBS/ POSB customers in Singapore via the bank's digibank app.

Towards Zero Food Waste

Since 2020, we have sought to raise awareness of the problem of food waste and rallied the community to address it. Our efforts have resulted in more than 800,000 kg of food impact across Asia to date, of which more than 600,000 kg was achieved in 2021. This comprises excess food that was redistributed, and food waste that was reduced and recycled.

Creating social good

Enhancing support for the community with additional SGD 100 million in funding

In 2021, DBS set aside SGD 100 million to enhance support for social enterprises (SEs) and community causes. We also doubled down on the DBS Foundation (DBSF) Grant programme, increasing our grant budget to SGD 3 million. In all, 19 SEs were selected to receive grants from DBSF to catalyse their growth for greater impact. The total number of SEs supported by DBSF grew 19% in 2021 to 824.

Donating to those hard-hit by the pandemic across the region

At the height of the pandemic, DBS marked our solidarity with colleagues, customers and the community across the region through a broad range of relief support. This included donating oxygen concentrators and other medical supplies to India and Indonesia to aid in the fight against the pandemic.

Banking accounts for migrant workers and foreign domestic workers

POSB is the only bank to partner the Migrant Workers' Centre and Centre for Domestic Employees to set up banking accounts for more than 640,000 migrant workers and foreign domestic workers. Some 67% of them use the POSB digibank app to conduct their banking transactions today. In 2021, the number of remittances by work permit account holders grew 23%.

CEO
REFLECTIONS

Piyush Gupta shares his views on key growth and sustainability initiatives.

Q1: What was the rationale behind DBS' recent acquisitions – Lakshmi Vilas Bank, Shenzhen Rural Commercial Bank and Citi Consumer Taiwan?

I have always maintained that in the long term, DBS needs to be more deeply embedded in one or more of our four markets outside of Singapore and Hong Kong, which include China, India, Indonesia and Taiwan. While we are relying on digital expansion in these markets, our experience has shown that a digital-only strategy has been difficult to monetise adequately, and a "phygital" (digital coupled with appropriate physical scale) approach results in better customer selection and path to profitability. Building such scale through inorganic transactions has always been a consideration; unfortunately, the regulatory environment made this difficult through much of the last decade. The discontinuities of the past couple of years have provided new opportunities in this regard, and we have been fortunate to be able to use this window to make meaningful advances through three transactions.

The three transactions we did over the last 18 months – amalgamating Lakshmi Vilas Bank (LVB) in India, acquiring Citigroup's consumer banking business in Taiwan (Citi Consumer Taiwan), and investing in Shenzhen Rural Commercial Bank (SZRCB), will position DBS well for growth as we look out into the next decade.

India continues to be a very attractive banking market, especially in the SME and retail segments. The opportunity to serve as a "white knight" for LVB came to us because we had chosen to establish a local subsidiary bank as the operating entity, rather than operating through a branch. We found LVB attractive because of its deep presence in the five South Indian states, a part of the country that has attractive economic characteristics and historical connectivity to Singapore. At the same time, it gives us a presence in 42 of India's top 60 cities, improves our funding base through retail deposits, and helps us broaden our product platform through offerings like gold loans and Loans against Property. The performance in the first year post merger has been good, and we are confident that we now have a platform that will allow us rapid growth in the coming years.

While we are cognisant of policy adjustments coming out of China, we remain committed to the market. Our strategy in China is anchored on three thrusts. First, we bank the large state-owned companies, particularly potential world-beaters with regional growth ambitions. In 2021, we added an investment banking capability through a securities joint venture so we can support these companies in their capital markets activities too. Second, in the Greater Bay Area (GBA), we want to go deeper and bank SMEs down the supply chain. Third, we are keen to expand into the consumer finance space through ecosystem partners.

Acquiring a 13% stake in SZRCB allows us to accelerate our GBA strategy via Shenzhen, arguably GBA's fastest-growing city. We also see mutually-beneficial collaboration between SZRCB and our franchises in Hong Kong and China. While the stake is a minority one, it is the largest held by a single shareholder. We may have the opportunity to increase our shareholding in future as well.

DBS has been in Taiwan since 1983, and while the franchise is a meaningful contributor to the Group today, adding Citi Consumer Taiwan is game-changing for a number of reasons. The transaction will accelerate DBS Taiwan's growth by at least 10 years, making it Taiwan's largest foreign bank by assets. The combined entity will have the largest credit cards balance, investment AUM, loan book and deposit base amongst foreign banks in Taiwan. This will provide synergies from economies of scale, including reduction of global and regional overheads. Citi Consumer Taiwan's strong low-cost deposit base will also support the expansion of DBS Taiwan's institutional and SME banking business.

By 2024, we expect these transactions to add some SGD 1.2 billion-1.3 billion to our revenue base, and an incremental SGD 0.5 billion to our bottom line. They will strengthen our franchise, and position us well to ride the crest of a structurally rising Asia.

Q2: How will digital monies and decentralised finance affect the banking industry? How are you responding to them?

Let me parse the question of digital currencies into the following:

- Are we likely to see a continued reduction in notes and coins, replaced by bits and bytes? The answer to this is a clear yes. Digital money is not a new concept, whether it be through use of credit cards or wire transfers. In fact, 97% of money in circulation is digital. With the ubiquity of the mobile phone, it is quite clear that e-wallets and electronic transfers will increasingly proliferate.
- Are we likely to see privately-issued digital coins (e.g. Bitcoin) take over the role of state-backed money? The answer to this is probably no. The reason for this is that money needs to have three attributes: be a unit of account, a medium of exchange and a store of value. Privately-issued coins find it hard to attain the first two of these. The reasons for this are several. These include a lack of ubiquity, absence of faith in the "issuer", and large volatility in value, among others. While the technology used to issue these coins (blockchain) is indeed very powerful, and does form a basis for creating immutability and transparency, the truth is that it will still be a while before the common man will universally accept this when it comes to regular monetary transactions. I also expect that regulators (and politicians) will be loath to give up control of monetary policy and economic management tools, and will therefore be very circumspect about letting private money grow. Having said this, I do think that private money (crypto) will continue to grow as a meaningful store of value, much like gold is today.
- Are we likely to see more Central Bank Digital Currencies (CBDCs) in that case? I think this is a possibility, with 85% of central banks in the world currently studying and/or piloting CBDCs – so the direction of travel seems clear. However, my suspicion is that the use case for cross-border settlements will be more compelling than for local settlements. When thinking of local CBDCs, central banks will wrestle with a critical question: to what extent do they want to disintermediate the extant banking system, and its role in credit creation? And if they go down an "intermediated" CBDC approach (i.e. use the existing banking system for custody of retail CBDC wallets), do they achieve meaningful improvement over existing banking solutions?
- Central banks are evaluating the potential impact of CBDCs on the efficacy of monetary policy, credit creation and availability, enabling greater financial inclusion, as well as the safety and stability of the financial system. We continue to stay close to these developments by participating in industry sandboxes and experimenting with the technology.

Beyond digital currencies, another key innovation that blockchain technology has enabled is Decentralised Finance (DeFi), where tokenisation and the use of smart contracts allow peer-to-peer financial transactions without the need for intermediaries, based on self-governance by the DeFi community. This will result in a rethink of the nature and construct of existing social and economic arrangements. I believe this creates several implications, of which three points stand out in my mind.

i. The programmability of smart contracts will allow us to reimagine workflows, such as processes pertaining to settlements, Anti-Money Laundering (AML) and Know Your Customer (KYC). This could dramatically change the structure of back-office operations by reducing costs and boosting overall efficiency and effectiveness.

ii. There will be creation of new or modified roles in this alternate financial system for existing intermediaries. In this regard, we can draw parallels to the creation of the mutual fund industry, which disintermediated commercial banking, but led to the evolution of investment banking and wealth management. In the same way, I believe there will be an evolution of existing roles in the industry. There will also continue to be a role for client ownership and management of client experiences for banks.

iii. The intent of DeFi is to democratise finance by replacing centralised institutions, including government bodies. In my view, this is unlikely to occur. Going down this path will require humanity to confront the intractable but important question around the roles of the nation state, and its responsibility for the safety and stability of the financial system. My belief is that the nation state will still be a critical organising principle and will not be diminished anytime soon.

We are keeping a firm pulse on these developments, and will continue to explore ways to harness its benefits and create new opportunities and revenue streams.

Q3: DBS is among the first 100 banks globally to have signed the Net-Zero Banking Alliance commitment. Are you confident of meeting this enormous commitment, and what are the steps taken so far?

We strongly believe that the climate crisis is one of the biggest challenges for mankind, and that it will take commitment and effort from all of us – individuals, governments and corporations – to find solutions that safeguard our planet and our future generations. At DBS, we have been engaged with this issue over the past few years, and have made steady progress with respect to our lending policies and our portfolio development (notably, the commitments to exit coal, and the growth of our renewables financing portfolio).

That notwithstanding, we did not sign up for the Net-Zero Banking Alliance (NZBA) commitment till late last year, principally because we were reluctant to give assurances for 2050 without establishing some milestones along the way, and having some line of sight to what we can and would have to do to get there.

Our confidence in meeting this ambitious goal stems from five steps we took before our pledge that establish a clear line of sight over short and medium-term milestones.

The first step was to get a better handle on the carbon intensity of our existing portfolio. While we have been reporting under the Task Force on Climate-Related Financial Disclosures (TCFD) for a few years, this has been based on a sample size of 300 to 400 customers, covering around 10% of our base. In the course of the last year, we have been able to extend coverage to close to 3,000 customers, now covering over a third of the base. We have also worked with external consultants to create quantitative models that better allow us to estimate the residual portfolio.

The second step was to get greater confidence around possible transition pathways for different industries. In our modelling, we apply scenarios which are commonly used globally, such as those from the Network for Greening the Financial System (NGFS) or the International Energy Agency (IEA). To be fair, this is still work in progress, and will undoubtedly have different textures by country. However, these pathways help guide us with respect to how much we would need to do by when.

The third step was to establish a taxonomy that precisely categorises sustainable and transition activities by sector. We embedded this in our Sustainable and Transition Finance Framework and Taxonomy document that guides our engagement with customers as we help them establish transition strategies to reduce greenhouse gas emissions and build resilience to climate change. All of our efforts have already resulted in significantly enhanced client engagements. We made good progress in our sustainable finance business in 2021. For the year, we committed SGD 12.4 billion of sustainability-linked loans and SGD 6.9 billion of green loans. Cumulatively we have committed SGD 39.4 billion in sustainable financing transactions, against our sustainable financing target of SGD 50 billion by 2024. This was also the second consecutive year that we topped the Asia Pacific (ex-Japan) league table for arranging green and sustainability-linked loans.

Our fourth step was to integrate ESG into our risk management framework and strategic planning. We are developing quantitative models to assess climate-related risks in order to do so.

Our fifth step was to start actively reducing the carbon footprint in our own operations, which we will reduce to net zero by 2022.

In keeping with our commitment, we will enhance our reporting on the various measures in the coming periods to transparently update all our stakeholders on our progress.

Piyush Gupta
Chief Executive Officer
DBS Group Holdings

CFO STATEMENT

> *"We reported record net profit of SGD 6.80 billion in 2021, restoring a trend of consecutively higher earnings that had been disrupted by the pandemic the previous year. Net profit was 44% higher than 2020 and 6% above the previous high in 2019. Return on equity was 12.5%."*

We reported record net profit of SGD 6.80 billion in 2021, restoring a trend of consecutively higher earnings that had been disrupted by the pandemic the previous year. Net profit was 44% higher than 2020 and 6% above the previous high in 2019. Return on equity was 12.5%.

The results were achieved despite a further setback of SGD 1.0 billion in net interest income due to the full impact of interest rate cuts made by central banks in response to the pandemic. Together with a reduction of SGD 1.8 billion in 2020, net interest income was set back by SGD 2.8 billion compared to 2019. In addition, we had realised SGD 0.5 billion of exceptional investment gains in 2020 as a result of market opportunities, which were not repeated in 2021.

Two factors drove the record performance.

The first was business volume growth. Loans rose 9% in constant-currency terms, the fastest since 2014. The increase was broad-based across corporate, trade, housing and wealth management loans. Fee income increased 15% to a record SGD 3.52 billion as most fee activities grew. Treasury Markets income from both trading and customer activities also reached new highs. Given the unevenness of the economic recovery, our ability to capture such diversified growth reflected not only cyclical factors but also structural improvements we made in recent years to entrench our franchise.

The second factor driving the record performance was the prudence of our risk management. We had carried out a rigorous process at the onset of the pandemic to estimate credit costs resulting from the economic disruption. The unsecured consumer, SME and several sectors among large corporates were identified to be the more vulnerable portfolios. Using various stress assumptions, we estimated total allowances to be SGD 3 billion-5 billion over 2020-21. We front-loaded the estimated charges by setting aside SGD 3.07 billion in 2020, which included SGD 1.71 billion of general allowances, to fully cover credit costs for the least-stressed scenario.

Asset quality turned out better than our least-stressed scenario. With new non-performing asset formation falling to pre-pandemic levels and offset by repayments of existing non-performing assets, non-performing assets declined 13% and the non-performing loan rate fell from 1.6% to 1.3%. Specific allowances fell by two-thirds to SGD 499 million or 12 basis points of loans, below pre-pandemic levels. The quality of our performing loan portfolio improved from repayments of weaker exposures and credit upgrades, and general allowances of SGD 447 million were written back.

Strong broad-based business momentum

Net interest income fell 7% to SGD 8.44 billion due to the full impact of interest rate cuts made in March 2020. Net interest margin fell 17 basis points to 1.45%, with the majority of the decline occurring in the first half. Net interest margin stabilised towards year-end, with the 1.43% in the fourth quarter unchanged from the third quarter.

Broad-based loan growth moderated the net interest margin pressure. Loans expanded 9% or SGD 34 billion to SGD 409 billion, twice our expectations at the beginning of the year. All loan categories contributed to the increase.

Non-trade corporate loans grew 8% or SGD 18 billion to SGD 241 billion. The growth was diversified. More than half was from the region compared to two-thirds from Singapore in the previous year. By industry, three-fifths of the increase was in real estate for business restructuring, acquisitions and privatisations. The remainder was spread across other industries, led by technology, media and telecoms; and energy and resources. We carried out 112 sustainable loan transactions with a committed amount of SGD 21 billion, double the 54 transactions amounting to SGD 10 billion the previous year.

Trade loans grew 10% or SGD 4 billion to SGD 43 billion. The growth was in line with higher regional trade activity, partially offset by lumpy repayments in the second half.

Housing loans rose 5% or SGD 4 billion to SGD 79 billion. Growth in the past two years had been affected by the extended impact of cooling measures introduced in mid-2018 and by lockdowns in 2020. New bookings were strong throughout 2021 for both new launches and resale transactions, with the full-year amount rising 27% to a record.

Other consumer loans increased 15% or SGD 6 billion to SGD 45 billion, led by wealth management customers.

Deposits grew 7% or SGD 32 billion to SGD 502 billion. The increase was from current and savings account (Casa), which rose SGD 41 billion, enabling us to release higher-cost fixed deposits. The proportion of Casa to total deposits increased three percentage points to a record 76%. The strong Casa deposit growth reflected our longstanding dominance in savings deposits in Singapore as well as an improved Casa franchise in the rest of the group. In Hong Kong, the Casa ratio rose to 83%.

Surplus deposits were placed with the central bank, which resulted in a seven-basis-point headwind to net interest margin as they yielded less than customer loans. They were however accretive to earnings and to return on equity as central bank placements did not incur any risk weights.

The larger deposit base and higher Casa ratio, together with refinements to the balance sheet, have heightened our leverage to interest rate movements. A one-percentage-point rise in USD interest rates would now increase net interest income by SGD 1.8 billion-2.0 billion compared to SGD 1.4 billion previously.

The ample liquidity resulted in a liquidity coverage ratio of 135% and net stable funding ratio of 123%, well above regulatory requirements.

Net fee income rose 15% to SGD 3.52 billion. Notably, the first three quarters of the year were the three highest on record; fee income was seasonally low in the fourth quarter. Both cyclical and structural factors contributed to the growth.

Wealth management fees increased 19% to a record SGD 1.79 billion. While low interest rates and an improving economic outlook created a conducive environment, the growth was also due to business initiatives we undertook. We expanded our reach to the retail segment, which now contributed 15-20% of investment product and bancassurance income. Our digital platforms enabled customers to carry out transactions when face-to-face activity was restricted by lockdowns, spurring a longer-term shift to digital transactions because of their ease of use and instantaneous completion. The increased customer engagement has resulted in a higher wallet share for us. Finally, annuity products such as our discretionary portfolio service have provided new sources of income that are recurring.

Card fees increased 12% to SGD 715 million as combined credit and debit card spending reached record levels even as travel spending remained subdued.

Transaction service fees grew 13% to SGD 925 million, also a new high. Cash management fees were boosted by the convenience and speed of our digital platforms as well as our culture of working hand-in-hand with customers to devise solutions for their specific needs. Trade fees grew from higher regional trade volumes and supply chain financing.

Investment banking fees rose 47% to SGD 218 million. Fixed income fees reached a new high with strong issuances in a low interest rate environment. Sustainable transactions were a focus, for which we arranged 41 issues totalling SGD 23 billion to corporates, financial institutions and statutory boards. Equity market fees grew by double-digit percentages from a low year-ago base, with transactions that included Reits and special-purpose acquisition companies. Our China securities joint venture, which began operations in the second half, was quick off the mark with five onshore China investment banking deals.

Treasury Markets trading income rose 5% to SGD 1.51 billion, while customer income grew 13% to SGD 1.71 billion. Both were at new highs. The growth was driven by expanded distribution of our digital platforms, better targeting of products to customers from data analytics and mining, and enhanced management of trading positions from algorithms.

Part of Treasury Markets income was reflected under other non-interest income, which fell 5% to SGD 2.33 billion. The higher Treasury Market contributions were offset by a decline in investment gains due to a high base arising from market opportunities a year ago. Other non-interest income also included a maiden, two-month associate contribution of SGD 26 million for our 13% stake in Shenzhen Rural Commercial Bank (SZRCB).

By business unit, Consumer Banking/ Wealth Management income declined 8% to SGD 5.32 billion. The impact of lower interest rates was moderated by higher income from loan and deposit growth, investment products, bancassurance and cards. Institutional Banking income rose 4% to SGD 5.98 billion as the impact of lower interest rates was offset by loan and deposit growth and higher non-interest income including treasury customer sales and capital market activities. Treasury Markets trading income increased 5% to SGD 1.51 billion, double the level three to four years before, from higher contributions in a range of activities including equities and credit trading.

By region, Singapore income was impacted by lower interest rates and fell 4% to SGD 8.95 billion. Net interest margin narrowed as loans repriced in line with lower interest rates and a more liquid balance sheet was maintained. Partially offsetting the lower net interest margin were higher asset volumes and record performances in fee and trading income. Hong Kong income rose 1% in constant-currency terms to SGD 2.48 billion as higher non-interest income more than offset the impact of lower interest rates on net interest income. The increase in non-interest income was broad-based across product and customer segments. Rest of Greater China income rose 11% to SGD 1.23 billion driven by stronger wealth management and treasury customer income. South and Southeast Asia income rose 2% to SGD 1.12 billion due mainly to the amalgamation of Lakshmi Vilas Bank (LVB). Organic loan-related fees and treasury customer income were also higher in India.

Expenses were well managed at SGD 6.47 billion. Excluding LVB and the previous year's government grants, underlying expenses were up only 1%, with the increase occurring in the second half. Base salary increments were carried out at mid-year (instead of the usual beginning of the year) after the economic recovery had taken hold. Investments for future growth were also stepped up. These cost increases were moderated by lower occupancy costs, which fell as we began rationalising our office space with the implementation of flexible work policies since end-2020. The cost-income ratio was 45%.

Asset quality improves

Asset quality turned out better than we expected at the beginning of the year, when Covid-19 infections were still surging in many parts of the world. Uncertain about how loans exiting government moratoriums would perform, we had guided for total allowances of SGD 1 billion for the year. Credit quality remained benign as the year progressed, and credit costs came in well below initial guidance.

At end-2021, loans under moratorium declined to SGD 0.4 billion from SGD 13 billion the year before. Full-year new non-performing asset formation fell to pre-pandemic levels. Repayments of existing non-performing assets increased, including for oil and gas support service exposures that exceeded their written-down values as well as the full repayment of two significant exposures in the fourth quarter. As a result, total non-performing assets fell 13% to SGD 5.85 billion, and the non-performing loan rate improved from 1.6% to 1.3%. Specific allowances fell two-thirds to SGD 499 million or 12 basis points of loans, below pre-pandemic levels.

At the same time, the quality of the performing loan portfolio improved, underpinned by stronger economic conditions. Repayment of weaker exposures, credit upgrades as well as transfers to non-performing assets resulted in a general allowance write-back of SGD 447 million. The write-backs did not touch general allowance overlays built up in previous years, which were fully maintained.

With the decline in specific allowances and write-back of general allowances, total allowances amounted to SGD 52 million for the year.

Allowance reserves continued to be high. General allowance reserves amounted to SGD 3.88 billion, which were SGD 0.4 billion above the MAS requirement and SGD 1.1 billion above Tier-2 eligibility. Together with specific allowance reserves, total allowance reserves amounted to SGD 6.80 billion. Allowance coverage of non-performing assets was at 116% and at 214% when collateral was considered.

One-time items

Two one-time items were recorded for the year. There was a gain of SGD 104 million on completion of the SZRCB transaction. There was also a contribution of SGD 100 million to the DBS Foundation and other charitable causes. We had previously set aside SGD 50 million in 2013 to establish the Foundation to further our commitment to social and community development.

Capital ratios remain strong

Our Common Equity Tier 1 (CET-1) ratio rose from 13.9% to 14.4% as profit accretion outpaced risk-weighted asset growth. The leverage ratio of 6.7% was more than twice the regulatory requirement of 3%.

Two events subsequent to 31 December 2021 had an impact on the CET-1 ratio. The acquisition of Citigroup's Taiwan consumer banking business, which was announced on 28 January 2022, had an impact of 0.7 percentage points. An operational risk penalty imposed in February 2022 due to the two-day digital disruption in November 2021 had an impact of 0.4 percentage points. On the conservative assumption that the penalty is not lifted before the consolidation of the Taiwan business, and assuming no capital accretion, the CET-1 would be at 13.3%, which is at the upper end of our target operating range.

Increase in quarterly dividend

We are proposing, for approval at the forthcoming annual general meeting, a fourth-quarter dividend of SGD 36 cents per share, a 9% increase from the previous payout. This will bring the dividend for financial year 2021 to SGD 1.20 per share. It would also mean that, barring unforeseen circumstances, the annualised dividend going forward would be SGD 1.44 per share. The increase is in line with our policy of paying sustainable dividends that grow progressively with earnings.

Superior total shareholder returns

We delivered total shareholder returns of 35%, comprising share price gains and the dividend for the calendar year.

Our share price rose 30%, outperforming the Straits Times Index as well as other financial sector shares on SGX. For the calendar year, we paid out a dividend of SGD 1.02 per share. For fourth-quarter 2020 and first-quarter 2021, we paid out 18 cents per share in line with an earlier guidance from MAS for banks to moderate their dividend. With the lifting of the restrictions, we reverted to our pre-pandemic payout of SGD 33 cents per share for the remaining two calendar quarters.

Outlook – cyclical factors structurally boosted by new growth engines

Over the past year or so, we made several acquisitions to expand our franchise in growth markets. LVB, which was amalgamated in November 2020, provides us with an enlarged footprint and significantly scales up our retail and SME customer base in India, particularly southern India, which has extensive business and cultural ties with Southeast Asia. To position ourselves to capture two-way deal-flow as China's financial markets open further, we launched DBS Securities (China) Limited, a joint venture securities company, in June 2021. Our acquisition of a 13% stake in SZRCB, which was completed in October 2021, deepens our exposure in the Greater Bay Area. And our purchase of Citigroup's prized Taiwan consumer banking business in January 2022 accelerates our growth in that market by more than ten years, provides us with a solid Casa deposit base and propels us to biggest foreign bank.

At the same time, we developed new digital assets to harness the benefits of emerging technologies. The DBS Digital Exchange offers tokenisation, trading and custody services for digital assets. Partior is a blockchain-based platform for the real-time settlement of cross-border interbank payments and aims to overcome inefficiencies in current practices. Climate Impact X is a global exchange and marketplace for high-quality carbon credits. We housed these platforms in a holding company, DBS Finnovation, to enhance transparency and better enable their future monetisation.

These new engines will provide a structural boost to our growth prospects in addition to the positive cyclical factors during the coming year. While there are risks from a US financial market sell-off and a slowdown in China, economic activity continues to pick up and borders are progressively re-opening.

We enter 2022 with healthy business pipelines. At time of writing, we are expecting loans to grow by better than mid-single-digit and fee income to grow by double-digit percentage terms. In addition, expected interest rate increases will progressively boost our earnings over time. We will continue to exercise cost discipline while investing for the future.

Asset quality, which improved over the past year, is expected to remain resilient and total allowances to remain low. There are potential asset quality risks in the SME portfolio from rising interest rates, but we have repeatedly stress-tested the portfolio and it is largely secured.

With a broad-based franchise that has been augmented by new growth engines, proven nimbleness in execution, a prudently managed balance sheet and cyclical tailwinds, we expect to deliver further earnings growth and shareholder returns in the coming year.

Chng Sok Hui
Chief Financial Officer
DBS Group Holdings

(A) Digitalisation

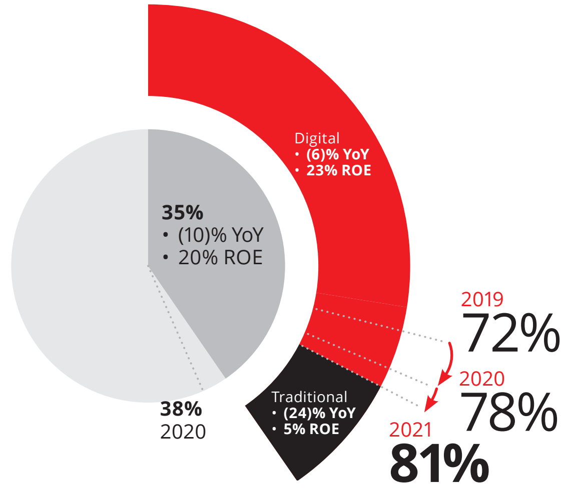
We continued to progress our digital transformation agenda for the Consumer and SME businesses in Singapore and Hong Kong. In 2021, we prospectively tightened the qualifying criteria for digital customers to reflect our drive towards deeper digital engagement with customers. To be considered digital, a customer now needed to have performed at least 75% of their financial or non-financial transactions using digital channels on a rolling 12-month basis, compared with 50% previously. The change did not materially impact the comparability of 2021 metrics with those reported for previous years.

The proportion of digital customers rose to 58% in 2021, an increase of six percentage points compared with the pre-Covid year 2019. This reflected an accelerated pace of digital adoption over the Covid period as the digital customer base grew 0.5 million to 3.8 million through conversion of traditional customers and new customer acquisition.

The higher profitability and greater resilience of the digital segment became even more apparent in 2021, when the full impact of interest rate cuts made in March 2020 were acutely felt by the Singapore and Hong Kong consumer and SME businesses. The digital segment fared significantly better as it was able to mitigate the income drag from lower interest rates with its more diversified product base including wealth management, bancassurance and cards. Consequently, the reported cost-income ratio of the digital segment was half that of the traditional segment in 2021. The overall Singapore and Hong Kong consumer and SME businesses continued to demonstrate cost discipline. Normalising for the effects of interest rates and government grants received in 2020, the cost-income ratio in 2021 of the overall businesses was flat to 2020.

The ROE differential between the two segments also widened substantially, with the digital segment's at 23% compared to the traditional segment's at 5%.

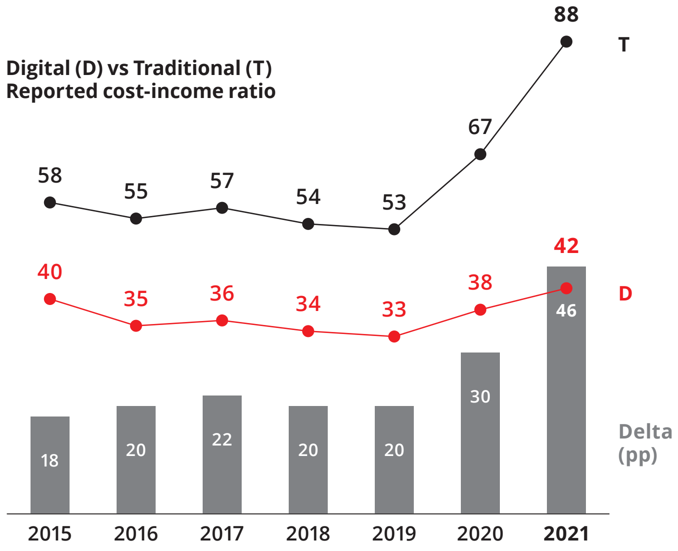
2021 income



- The overall consumer and SME businesses in Singapore and Hong Kong contributed **35% of Group income**, compared to 38% in 2020 as the full-period impact of interest rate cuts made in March 2020 was disproportionately felt by these businesses
- The digital segment continues to be material, with **increasing reported share** of customers (58% in 2021 from 52% reported in 2019), income (81% from 72%) and operating profit (96% from 79%). The growth in its share reflected the greater resilience of its income due to a more diversified product base
- Digital segment continues to be more valuable with **sustained higher income per customer and better efficiency** compared to Traditional segment

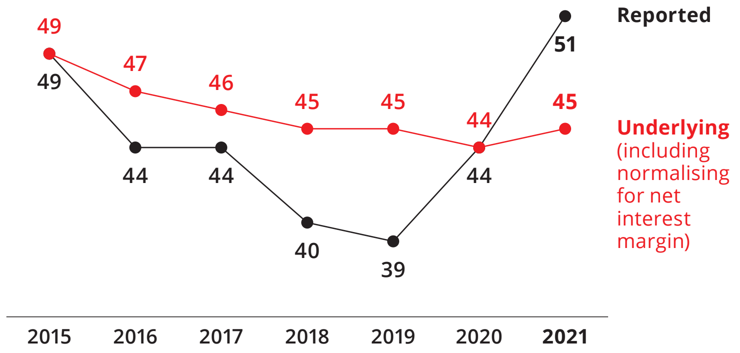
Cost-income ratio (%)
Overall Consumer and SME (Singapore, Hong Kong)

Digital (D) vs Traditional (T)
Reported cost-income ratio



- The cost-income ratio increases since 2019 were driven by a low interest rate environment
- The digital segment fared better due to its more diversified product base

Reported vs Underlying cost-income ratio



- Excluding government grants received in 2020, the 2021 underlying cost-income ratio was flat to the previous year

(B) Business unit performance

Consumer Banking/ Wealth Management total income declined 8% to SGD 5.32 billion. The impact of lower interest rates was moderated by higher income from loan and deposit growth as well as wealth management and card fees. Expenses increased 2% to SGD 3.35 billion. Total allowances fell to SGD 46 million from lower specific allowances and a general allowance write-back.

Institutional Banking income rose 4% to SGD 5.98 billion as higher income from loans and deposits, treasury customer activities and capital markets offset the impact of lower interest rates. Expenses increased 5% to SGD 2.09 billion. Total allowances fell to SGD 141 million from lower specific allowances and a general allowance write-back.

Treasury Markets income increased 5% to a record SGD 1.51 billion due to higher contributions from credit and equity derivatives activities. Expenses rose 2% to SGD 647 million.

The Others segment encompasses the results of corporate decisions that are not attributed to business segments as well as the contribution of LVB as its activities have not been aligned with the Group's segment definitions. The segment includes earnings on capital deployed into high quality assets, earnings from non-core asset sales and certain other head office items such as centrally raised allowances. Total income fell 10% to SGD 1.48 billion due to lower gains on investment securities managed by Corporate Treasury. Total allowances of SGD 130 million were written back due to a general allowance write-back.

(SGD million)	Consumer Banking/ Wealth Management	Institutional Banking	Treasury Markets	Others	Total
Year 2021					
Net interest income	2,548	3,999	783	1,110	8,440
Net fee and commission income	2,186	1,282	-	56	3,524
Other non-interest income(1)	588	703	726	316	2,333
Total income	**5,322**	**5,984**	**1,509**	**1,482**	**14,297**
Expenses(1)	3,353	2,086	647	383	6,469
Total allowances	46	141	(5)	(130)	52
Profit before tax	**1,923**	**3,757**	**867**	**1,229**	**7,776**
Year 2020					
Net interest income	3,339	3,995	840	902	9,076
Net fee and commission income	1,869	1,160	-	29	3,058
Other non-interest income	559	590	596	713	2,458
Total income	**5,767**	**5,745**	**1,436**	**1,644**	**14,592**
Expenses	3,288	1,987	634	249	6,158
Total allowances	456	1,485	14	1,111	3,066
Profit before tax	**2,023**	**2,273**	**788**	**284**	**5,368**

(1) Excluding one-time items

(C) Net interest income

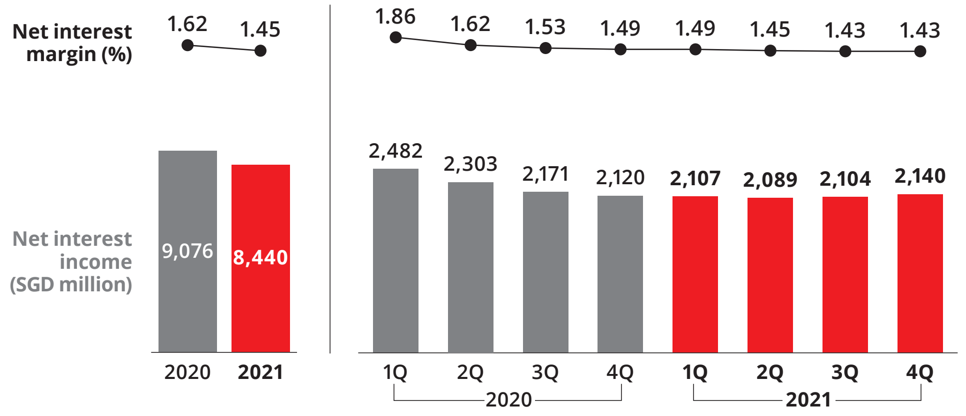
Net interest income declined 7% to SGD 8.44 billion.

Net interest margin fell 17 basis points to 1.45% as benchmark interest rates used for pricing loans remained low and from an increased deployment of surplus deposits at lower yields.

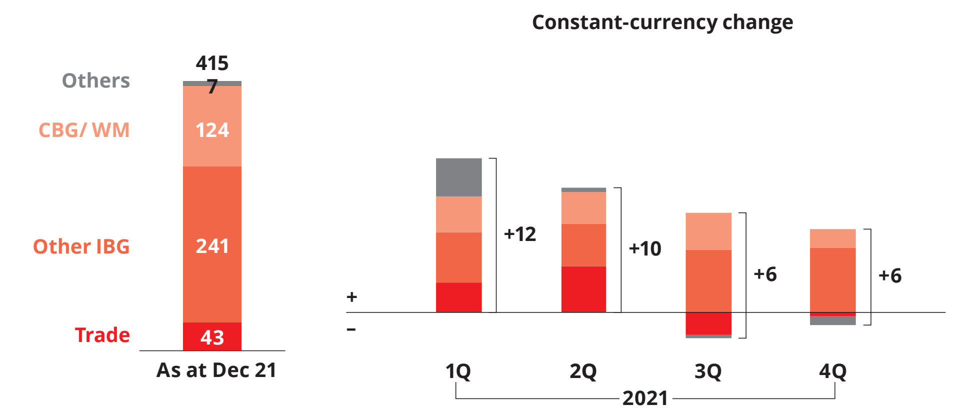
In constant-currency terms, gross loans rose 9% or SGD 34 billion to SGD 415 billion. The increase was led by an 8% or SGD 18 billion increase in non-trade corporate loans led by Singapore and Greater China customers. Trade loans rose 10% or SGD 4 billion. Consumer loans rose 9% or SGD 10 billion from growth in wealth management and housing loans.

In constant-currency terms, deposits rose by 7% or SGD 32 billion to SGD 502 billion. Casa deposits grew SGD 41 billion, enabling more expensive fixed deposits to be let go. As a result, the Casa ratio rose from 73% to 76%. Our market share of total SGD deposits was maintained.

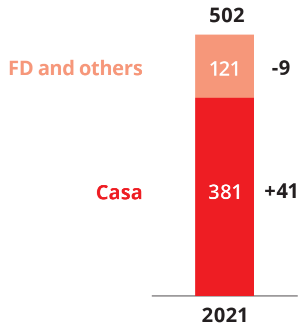
Net interest income – NIM



Gross loans (SGD billion)



Deposits (SGD billion)



	2020	2021
Ratios (%)		
Casa/ total deposits	73	**76**
LDR	80	**81**
LCR	136	**135**
NSFR	125	**123**

(D) Non-interest income

Net fee income increased 15% to SGD 3.52 billion. Wealth management fees grew 19% to a record SGD 1.79 billion. Strong investor sentiment amidst the low interest rate environment drove demand across a wide range of investment products. Part of the growth was due to business initiatives that increased customer engagement. Transaction service fees rose 13% to SGD 925 million from higher cash management and trade finance fees. Card fees rose 12% to SGD 715 million as card spending rose to a record. Investment banking fees were 47% higher at SGD 218 million from stronger equity underwriting and fixed income activities.

Other non-interest income fell 5% to SGD 2.33 billion as record trading income was offset by lower investment gains due to favourable market opportunities a year ago. Gains on investment securities fell 60% to SGD 387 million while trading income rose 27% to a record SGD 1.79 billion as Treasury Markets non-interest income and treasury customer income both rose to new highs.

Fee income

(SGD million)	2021	2020	YoY%
Investment banking	**218**	148	47
Transaction services[1]	**925**	821	13
Loan-related	**413**	417	(1)
Cards	**715**	641	12
Wealth management[1]	**1,786**	1,506	19
Fee and commission income	**4,057**	3,533	15
Less: Fee and commission expense	**533**	475	12
Total net fee and commission income	**3,524**	3,058	15

Other non-interest income

(SGD million)	2021	2020	YoY%
Net trading income	**1,791**	1,405	27
Net income from investment securities	**387**	963	(60)
Others (include rental income, share of profits of associates, and gain on fixed assets)[2]	**155**	90	72
Total	**2,333**	2,458	(5)

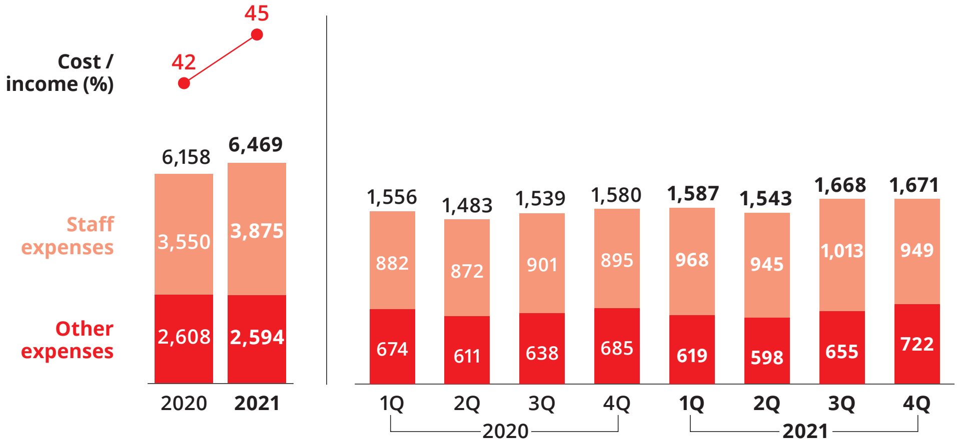
(1) *The institutional and retail brokerage fees previously presented under brokerage line have been reclassified to transaction services and wealth management lines respectively. Prior year's comparatives have been restated to conform with current year's presentation*

(2) *Excluding one-time item*

(E) Expenses

Expenses were 5% higher at SGD 6.47 billion. Excluding the amalgamation of LVB and the previous year's government grants, underlying expenses were up by 1%. Staff costs rose from the impact of base salary increments in the second half. Investments for future growth were also stepped up. These cost increases were moderated by lower occupancy costs from the rationalising of office space with the implementation of flexible work policies.
The cost-income ratio was 45%.

Expenses (SGD million)[1]



(1) *Excluding one-time item*

(F) Asset quality and allowances

New non-performing asset formation fell to pre-pandemic levels as asset quality turned out better than expected. After repayments and write-offs, NPA fell 13% to SGD 5.85 billion and the NPL rate improved to 1.3% from 1.6% a year ago. Specific allowances fell two-thirds to SGD 499 million or 12 basis points of loans, below pre-pandemic levels.

Repayments of weaker exposures, credit upgrades as well as transfers to NPA resulted in a general allowance write-back of SGD 447 million. The write-backs did not touch general allowance overlays built up in previous years, which were fully maintained.

With the decline of specific allowances and write-back of general allowances, total allowances amounted to SGD 52 million for the year.

Allowance reserves continued to be high. General allowance reserves amounted to SGD 3.88 billion, which were SGD 0.4 billion above the MAS requirement and SGD 1.1 billion above Tier-2 eligibility. Together with specific allowance reserves, total allowance reserves amounted to SGD 6.80 billion. Allowance coverage of non-performing assets was at 116% and at 214% when collateral was considered.

(SGD million)	2021	2020
NPAs at start of period	**6,686**	**5,773**
IBG and others	**(872)**	**792**
New NPAs	1,006	1,945
Upgrades, settlements and recoveries	(1,345)	(580)
Write-offs	(533)	(573)
CBG/ WM	**(47)**	**(24)**
Translation	**82**	**(67)**
NPAs at end of period	**5,849**	**6,474**
Amalgamation of LVB	**–**	**212**
Total NPAs	**5,849**	**6,686**
NPL ratio (%)	1.3	1.6
SP/ loans (bp)	12	31
Cumulative general and specific allowances as % of:		
NPA	116	110
Unsecured NPA	214	206

OUR 2021 PRIORITIES

We use a balanced scorecard approach to measure how successfully we are serving stakeholders and executing our long-term strategy. Our scorecard, which is based on our strategy, is used to set objectives, drive behaviours, measure performance and determine the remuneration of our people, making it a living tool.

Traditional Key Performance Indicators (40%)

Shareholders

Achieve sustainable growth

Measure financial outcomes and risk-related KPIs to ensure that growth is balanced against the level of risk taken, including compliance and control.

Read more about this on page 29.

Customers

Position DBS as bank of choice

Measure progress in customer satisfaction, depth of customer relationships and strength of brand positioning.

Read more about this on page 29.

Employees

Position DBS as employer of choice

Measure progress in being an employer of choice, including employee engagement and people development.

Read more about this on page 30.

Transform the Bank – Make Banking Joyful (21%)

Transforming towards managing through customer journeys

Build journey architecture to support managing through journeys (MtJ)

Measure the progress in developing and implementing the framework as well as building capabilities for managing through customer journeys.

Deliver differentiated customer experiences and superior outcomes

Measure the progress in implementing data-driven operating models (DDOM) and horizontal organisations (HO) to deliver differentiated customer experiences and superior outcomes including improved financials as well as digital customer acquisition, transactions and engagement.

Read more about this on page 31.

Areas of focus (39%)

Transforming the way we work

Drive transformation through greater adoption of an Agile and DDOM approach, improve employee journeys while maintaining productivity under a work-from-home model, and broaden practice of transformational leadership.

Industrialise use of artificial intelligence/ machine learning (AI/ ML) and innovate at scale with continued investments in next-generation technology.

Read more about this on page 32.

Scaling our businesses

Scale and drive value across the Group with strategic expansion and segment strategies.

Read more about this on page 32.

Igniting new opportunities

Explore new income streams and opportunities for growth by leveraging our digital capabilities and emerging technology trends.

Read more about this on page 33.

Building a sustainable franchise

Strengthen our risk and compliance framework and champion efforts in responsible banking, responsible business practices and impact beyond banking.

Read more about this on page 33.

Traditional KPIs

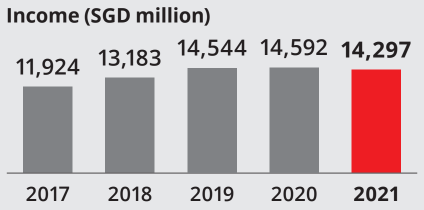
KPI/ Target | **Outcome**

Shareholders

Read more about this on pages 20 to 27 in "CFO statement"

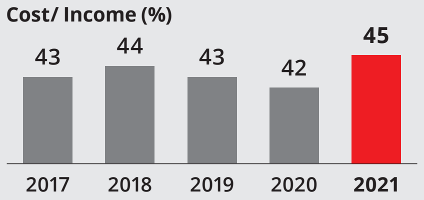
KPI/ Target: Deliver consistent income growth

Outcome: Income dipped slightly by 2% to SGD 14.3 billion as strong business momentum mitigated the impact of lower interest rates and a decline in investment gains from a high base. Loan growth of 9% was the highest in seven years, while fee income and Treasury Markets income rose to record levels.


Income (SGD million)

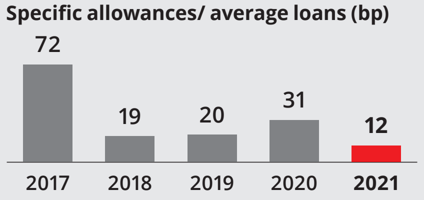
KPI/ Target: Be cost efficient while investing for growth, with cost-income ratio improving over time

Outcome: The cost-income ratio rose by 3 percentage points to 45%. Excluding costs relating to the amalgamation of Lakshmi Vilas Bank and the previous year's government grants, underlying expenses increased by 1% due to mid-year salary increments and investments for future growth.


Cost/ Income (%)

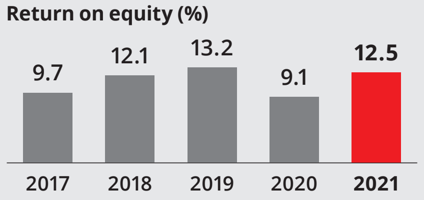
KPI/ Target: Grow exposures prudently, aligned to risk appetite

Outcome: There was a general allowance write-back of SGD 447 million and specific allowances fell to 12 basis points of loans due to improved asset quality. The NPL ratio improved from 1.6% to 1.3%.


Specific allowances/ average loans (bp)

KPI/ Target: Deliver consistent return on equity (ROE)

Outcome: ROE rose to 12.5%, the second highest in more than a decade despite the near-zero interest rate environment.


Return on equity (%)

Customers

KPI/ Target: Achieve broad-based increase in customer satisfaction across markets and segments

Outcome: For Asia-based large corporates, we improved our position from 4th to 2nd for market penetration across our core markets. We also ranked first for Global Best Service Overall in the Euromoney Cash Management Survey 2021 (Non-Financial Institutions) for the fourth consecutive year.

Customer engagement in Wealth Management rose, driven by improvements in advisory services as well as digital solutions and insights. However, customer satisfaction in Consumer Banking declined due to issues relating to digital services and fees. We have prioritised enhancements to our digital applications and revised communications to provide greater clarity on fees.

Customer engagement score(1)

	2020	**2021**
CES for Wealth Management	4.22	**4.27**
CES for Consumer Banking	4.31	**4.27**
CES for SME Banking	4.32	**4.41**
Asia-based Large Corporates Market Penetration Ranking	4th	**2nd**
CSISG(2), Finance and Insurance Sector ratings	75.6	**73.8**
CSISG, Finance and Insurance Sector rankings	2nd	**5th**

(1) *Scale: 1 = worst and 5 = best, based on Customer Satisfaction Survey (CSS) conducted by Aon Hewitt, Ipsos and Qualtrics for Wealth Management; and Ipsos and Qualtrics for Consumer Banking. Based on Aon Hewitt for SME banking and Greenwich Associates for large corporates market penetration ranking.*

(2) *Customer Satisfaction Index of Singapore, jointly developed by the Institute of Service Excellence at Singapore Management University and the Singapore Workforce Development Agency.*

Traditional KPIs

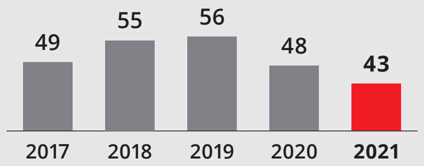
KPI/ Target | **Outcome**

Customers

Deepen wallet share of individual and corporate customers

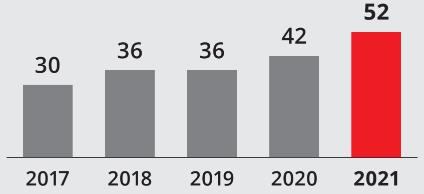
IBG non-loan income ratio fell to 43%, reflecting the impact of lower global interest rates on IBG deposit income, which was partly offset by an increase in non-interest income from treasury customer sales and capital market activities.

IBG non-loan income ratio (%)



CBG non-interest income ratio increased by 10 percentage points to 52%, benefitting from higher income from investment products, bancassurance, and cards.

CBG non-interest income ratio (%)



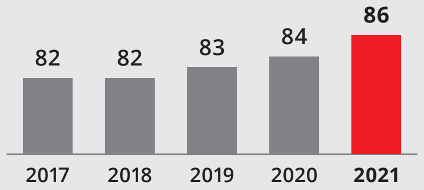
Employees

Maintain employee engagement levels

Our employees remain highly engaged despite the prolonged pandemic. We improved our ranking from the 87th percentile in 2020 to the 91st percentile in the 2021 Kincentric My Voice Survey across a global benchmark, with an improvement in the employee engagement score to 86%. Dimensions with notable improvements include survey follow-up, enabling productivity and manager effectiveness. We were named Kincentric Best Employer for the sixth time in Singapore and across Asia Pacific, and were certified as Best Employer in nine other markets. We were also recognised in Kincentric's inaugural Special Recognition Award for Diversity, Equity and Inclusion best practices.

In the coming years, we will continue to improve on the dimensions of survey follow-up, talent and staffing, as well as rewards and recognition where we currently lag when benchmarked against Kincentric's Best Employers in Asia Pacific.

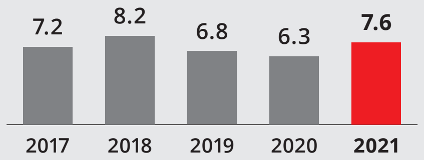
My Voice employee engagement score (%)



Provide our people with opportunities for internal mobility to enhance professional and personal growth

We are committed to building the long-term careers of our people by providing them with various career opportunities within the organisation. Through our talent management processes as well as initiatives to encourage employees to take charge of their career growth including the Be My Guest programme (for job shadowing and exposure to other departments' work), Opportunity Marketplace and internal job portal, our internal mobility rate improved from 6.3% (of our employees) in 2020 to 7.6% in 2021.

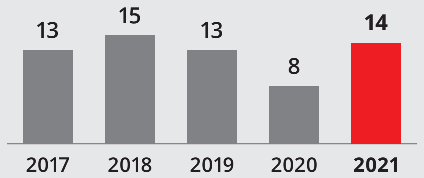
Mobility: internal mobility rate (%)



Maintain or reduce voluntary turnover

Our group-wide voluntary attrition rate rose slightly to 13.7% in comparison to pre-pandemic (2019). However, across our core markets, our attrition rates were lower than the market average with the exception of China where it was on par with the market.

Turnover (%)



Transform the Bank – Make Banking Joyful

KPI/ Target | **Outcome**

Transforming towards managing through journeys (MtJ)

Build journey architecture to support new way of managing through journeys

We developed and implemented DDOM and HO playbooks for MtJ. We scaled training across MtJ elements for all teams and received positive ratings of 4.5 out of 5, and 9 out of 10 for the playbooks and training respectively.

Critical customer journeys including credit cards, consumer finance, wealth management, supply chain, and transactional foreign exchange services were re-architected for MtJ. We successfully rolled out MtJs for 24 customer journeys across all six core markets. We created HOs comprising cross-functional teams with joint accountability for crucial business priorities to break silo-thinking. In addition, we designed DDOMs to identify outcome drivers, leverage AI/ML, and ensure continuous improvement through iterative experimentation.

We made good progress in the first year of a multi-year journey, and will continue to sustain the change and improve our journey architecture over the next few years.

Deliver differentiated customer experiences and superior outcomes

We re-defined and implemented an improved end-to-end credit card journey across all our markets. Using machine learning, we instrumented customer feedback and transaction behaviour at scale to recommend the most relevant card products to customers. We also engaged in continuous experimentation to create a differentiated customer journey. As a result, we achieved an increase in overall digital acquisition channel share for credit cards to 88%, with growth led by Singapore, Hong Kong and Taiwan, and higher customer satisfaction in card application in these markets.

To transform the customer experience in consumer finance, we harnessed data, digital capabilities, and partnerships to enable a faster, smarter, and more seamless way to apply for a loan. Our ecosystem partnerships with lending platforms Ctrip in China and Kredivo in Indonesia contributed to significant loan growth as we offered a 100% digital and straight-through-processing (STP) loan journey from onboarding to repayment. By deploying multi-language models to obtain customer feedback at scale and running experiments on service interactions, we improved client communications and reduced the number of complaints received at our call centres across the region by almost 50%.

In wealth management, we reimagined the sales and service experience by implementing AI/ ML driven nudges that provide relevant and actionable insights for relationship managers to engage their customers, as well as enabling customers with timely information through digital channels. This led to a strong uplift of 21% in Investment & Insurance fee income in Singapore, Hong Kong, and Taiwan, as well as record customer satisfaction scores in Hong Kong and Taiwan.

Digital Acquisition Channel Share	2020	2021
Credit Card	75%	**88%**
Consumer Finance (Unsecured Loans)	54%	**76%**
Wealth	45%	**57%**

Our efforts to accelerate customer origination, acquisition, lending, and servicing of open account trade along global supply chains through anchor and platform-led channels contributed to strong customer satisfaction scores and robust growth in relevant assets by 79% and income by 59%. Digital transactions such as supplier payment services saw a healthy uplift across Singapore, Hong Kong, China, India and Indonesia on the back of greater utilisation of digital trade solutions.

Our Treasury Markets and Global Transaction Services businesses collaborated to design a seamless customer journey for transactional foreign exchange. By focusing on integrating customer journeys across our digital channels for payments and trade in foreign currency transactions, we saw foreign exchange revenues from digital channels rise by 22% in all core markets and received a strong customer satisfaction score of 4.34 out of 5.

Read more about this in the Letter from the Chairman and CEO on pages 8 to 11.

Selected Areas of Focus

	KPI/ Target	Outcome
Transform the way we work	Drive transformation through greater adoption of an Agile and DDOM approach, improve employee journeys while maintaining productivity under a work-from-home model, and broaden practice of transformational leadership	The ongoing pandemic has accelerated our transformation of the way we work, manage and engage our employees, and develop the leadership skills of our managers to build great teams. We leveraged our technological capabilities to design processes and build security controls to enable remote working. As a result, more than 85% of our employees expressed confidence in the new way of working and felt adequately supported to embrace hybrid working. We delivered improvements in essential employee journeys such as default open remote access, IT and business application support and client engagement. Our Enabling Productivity scores in the annual My Voice survey improved three percentage points to 84%, and negative feedback fell significantly. Support units such as HR, Finance, Risk, Legal & Compliance and Audit adopted agile methodologies and data-driven operating models. We built data control towers and AI/ ML models to enhance effectiveness and improve decision-making. For example, our Audit team adopted the continuous monitoring approach, which enabled the team to identify and address risks and gaps in a more timely fashion. To further embed transformational leadership across the organisation, we conducted 100 team leadership workshops to build great leaders and great teams. We made strong progress in creating a work culture embedded in a growth mindset across the bank, increasing collaboration across teams, and improving managerial effectiveness. We continued to inculcate a culture of active feedback, with employee feedback doubling to over 120,000 (of which 50,000 were developmental feedback) from 2020. Over 3,000 employees were upskilled/ reskilled in line with changing business needs.
	Industrialise use of AI/ ML and innovate at scale with continued investments in next-generation technology	As we progress towards becoming a technology company, we continue to invest in our technology, engineering, data/ AI and innovation capabilities. We further strengthened our data platforms through improvements in data ingestion, discoverability, and system stability. We fully deployed ALAN, a single AI/ ML platform that enables data and models reusability whilst ensuring 100% of use cases and models are compliant with our PURE(3) and AI governance frameworks. We accelerated our move to a hybrid multi-cloud infrastructure and drove site-reliability engineering transformation through staff up-skilling. These investments drove economic value from AI and enabled the launch of new blockchain-based businesses. DBS is the first bank in Singapore to be certified with the Data Protection Trustmark (DPTM) by Singapore Infocomm Media Development Authority. We continue to be re-certified with the DPTM, underscoring our responsible data protection practices. ***Read more about this in the Letter from the Chairman and CEO on pages 8 to 11 and CIO Statement on pages 36 to 37.***
Scaling our Businesses	Scale and drive value across existing businesses within the Group	Our Hong Kong digibank outperformed, with a more than five times increase in customer acquisition, as well as over four times growth in revenue and assets under management (AUM). However, our India and Indonesia digibanks remained impacted by the pandemic. We continued to sharpen our focus on cost management and target the emerging affluent customer segment in India and Indonesia. We further entrenched our digital bank leadership in Singapore through deeper integration of the online customer experience across digital tools. The launch of our companion app strategy between digibank and PayLah! helped increase the number of PayLah! users to 2.2 million, and contributed to a 69% growth in PayLah! transactions. We integrated SGFinDex(4) in our digital financial planning tool, DBS NAV Planner, enabling customers to gain a consolidated view of their financial health. Monthly active users on DBS NAV Planner increased by 56% and digitally-managed investment sales volumes grew by 52%. Meaningful progress was made in our SME repositioning strategies to drive productivity and financial performance in Indonesia, Taiwan, and Hong Kong. In the financial institutions business, the strategy to expand our target markets was executed well and generated strong momentum. We launched DBS Securities in China, offering an extensive suite of investment banking services. We had noteworthy early successes for IPOs on local exchanges and cross-border referrals for capital and debt market deals. To accelerate our expansion in the Greater Bay Area, we acquired a 13% stake in Shenzhen Rural Commercial Bank. ***Read more about this in Letter from the Chairman and CEO on pages 8 to 11 and Head of Consumer Banking/ Wealth Management Statement on pages 40 to 41.***

(3) Purposeful, Unsurprising, Respectful and Explainable

(4) SGFinDex allows individuals in Singapore to use a national digital identity and centrally managed online consent system to access, through applications, their financial information held across different government agencies and financial institutions.

Selected Areas of Focus

	KPI/ Target	Outcome
Igniting new opportunities	Explore new income streams and opportunities for growth by integrating LVB and leveraging our digital capabilities and emerging technology trends	Despite the pandemic, we made good progress in integrating Lakshmi Vilas Bank (LVB) into our India franchise with strong deposits growth. Based on a dipstick survey on LVB employees, 94% were positive about the amalgamation of LVB with DBS India. An inaugural customer satisfaction survey post-amalgamation also showed high customer satisfaction levels, with a score of 4.41 on a scale of 5. We continued to invest in several opportunities to unlock potential business value and experiment with game-changing new technologies through new ventures such as DDEx, Partior and CIX. We also expanded our product offerings through new platforms such as DBS Fixed Income Execution (FIX) Marketplace, Muzinich Asia Pacific (APAC) Private Debt I and EvolutionX Debt Capital. ***Read more about this in Letter from the Chairman and CEO on pages 8 to 11 and the Head of Institutional Banking Statement on pages 38 and 39.***
Building a sustainable franchise	Strengthen our risk and compliance framework and champion efforts in responsible banking, responsible business practices and impact beyond banking	We improved our anti-money laundering (AML) risk and fraud risk management through boosting our data analytics capabilities and upskilling analysts at our transaction surveillance unit. This led to higher quality risk decisions. We enhanced our CBG fraud surveillance tools and processes, and conducted joint investigations with the authorities. This reduced total potential gross loss by our customers and increased enforcement actions against scammers. In 2021, we strengthened our three sustainability pillars of responsible banking, responsible business practices, and impact beyond banking. In particular, we developed concrete plans to reinforce our ongoing efforts to combat climate change. We signed up to the United Nations-convened Net-Zero Banking Alliance and committed to align our lending and investment portfolios with net-zero emissions by 2050. We have also raised our sustainable finance target to SGD 50 billion by 2024 and committed to phasing out thermal coal exposures by 2039. Our sustainable financing(5) transaction volumes doubled from last year to SGD 20.5 billion, of which sustainability-linked loans tripled to SGD 12.4 billion. In recognition of our market leadership, we ranked first as Mandated Lead Arranger for green and sustainability-linked loans in Debtwire's Loans League Table. In Singapore, we launched the LiveBetter platform for all digibank customers. This is a first-in-market solution offering sustainability-themed funds and eco-friendly tips, as well as options to donate to local green causes. In the two months following the platform's launch in end-October 2021, over 100,000 customers visited the LiveBetter site. We continued our drive towards Zero Food Waste, reducing more than 600,000 kg of food impact, three times that in the previous year, through raising awareness and redistributing excess food that would have gone to waste. Amid pandemic restrictions, our employees focused on virtual and remote volunteering, achieving more than 100,000 volunteer hours, our highest ever. Our efforts to be a force for good have garnered several top awards for sustainability, including the Singapore President's Award for the Environment and many others from global publications such as FinanceAsia, Global Finance, and The Asset(6). ***Read more about this in the CRO statement on pages 34 to 35 and Sustainability Report.***

(5) Sustainable financing comprises-
- ***Sustainability-linked loans: Loans that are structured to enable customers to pay variable interest depending on their achievement of a set of pre-agreed ESG performance targets which are validated by an independent ESG rating agency or verification party***
- ***Green loans: Loans made exclusively to finance eligible green projects in energy efficiency, pollution prevention and others***
- ***Renewable and clean energy loans: Loans made to finance renewable and clean energy projects such as solar, wind and others***
- ***Sustainable loans: Loans made exclusively to finance or refinance eligible social (including the provision of affordable basic infrastructure and access to essential services for vulnerable populations) and green projects (including categories such as renewable energy, biodiversity conservation and green buildings).***
- ***Social loans: Loans made exclusively to finance eligible social projects for affordable infrastructure for target populations, access to basic services and others.***

(6) FinanceAsia: Best Sustainable Bank (Singapore); Global Finance: Outstanding Leadership in Resource Management, Outstanding Leadership in Sustainable Project Finance, Outstanding Leadership in Green Bonds; The Asset: Best Social Impact Adviser, Best ESG Transaction Bank (Asia-Pacific).

CRO
STATEMENT

"Asset quality stayed healthy despite the challenges posed by the pandemic, China's economic slowdown and regulatory risks, and global supply chain disruptions."

Top and emerging risks

The Board and senior management drive a robust process to identify and monitor our top and emerging risks.

In 2021, credit risk continued to be the top risk we focused on. We closely monitored our customers exiting from Covid-19 debt relief programmes or operating in vulnerable industries such as hospitality and aviation. No material adverse impact for any specific customer segments was identified. The global economy grew but at an uneven pace across countries due to differing vaccination rates and supply chain disruptions arising from the pandemic resurgence. Amid these uncertainties, our portfolios remained resilient and our specific allowances came in lower at SGD 499 million.

Apart from credit risk, our market and liquidity risks continued to be managed well during the year. In relation to our overall business, we also looked at (i) new business risks, (ii) technology risks, (iii) environmental, social and governance (ESG) risks, (iv) financial crime risks, (v) data governance risks and (vi) cyber security and data protection.

Credit risk and portfolio management

The credit risk in our institutional banking portfolio continued to be manageable. A majority of loan moratoriums in Singapore ended during the year, with low delinquency rates observed. In Hong Kong, while loan moratoriums have been extended into 2022, credit loss is expected to be minimal given the low extension take-up rate. Our loans under moratorium declined from SGD 5 billion at the beginning of 2021 to less than SGD 0.5 billion by the end of 2021.

Portfolio reviews were conducted against the backdrop of the global chip shortage and energy crunch. The global chip shortage situation was partially mitigated by chip users moving from 'just-in-time' to stockpile inventory system as well as adjusting their product mix to focus on higher margin products. Many of the energy players were also assessed to be able to pass on the higher energy costs to their customers. While there were no immediate concerns, we continued to monitor the potential downstream impact.

From a location perspective, our exposures to Singapore, Hong Kong and China constituted more than 80% of our Institutional Banking portfolio, and we were proactive in managing our risks.

Headwinds were observed as China launched regulatory crackdowns on its technology sector. A number of Chinese real estate developers also experienced liquidity crunches or defaulted on their debt. While the equity prices of Chinese technology players declined significantly, the major technology players' underlying business models remained viable with strong cashflow generation capability. Our Chinese technology and real estate portfolios were assessed to be stable as our exposures were mainly to larger and investment-grade names, with the remaining exposure generally well-secured.

In Indonesia and India, the resurgence of Covid-19 cases due to the Omicron strain resulted in restrictions in activities. Our portfolio primarily comprised lending to large corporates and remained resilient.

Our overall consumer credit quality remained healthy. Residential mortgages in our consumer banking business are primarily in Singapore and Hong Kong, the majority of which are for owner occupation. Overall, our mortgages are mostly well-secured with relatively low loan-to-value ratios. Unsecured consumer credit loans constituted less than 2% of the bank's total loan exposure.

Looking ahead, US-China tensions and the uneven economic recovery across the world are also likely to persist. Given the challenges, we will continue to exercise prudence in our client selection and credit underwriting criteria.

Besides actively managing our portfolio risks, we enhanced our internal risk management tools to improve the quality of our risk management capabilities. We concluded our multi-year credit architecture programme journey which put in place a robust credit risk data infrastructure and workflow management system across the Group, underpinned by modern technology architecture to support our Institutional Banking business. We also developed credit underwriting models that enabled the start of our consumer finance business in China as well as pre-emptive lending models to further entrench our digital bank leadership in Singapore. On the risk monitoring front, we rolled out early alert models to address specific credit risks arising from Covid-19 relief programmes and introduced tools to automate and identify specific portfolio risks arising from emerging macro risks.

New business risks

During the year, DBS launched Partior (blockchain-based cross-border clearing and settlement provider) and Climate Impact X (carbon exchange), in addition to the DBS Digital Exchange (DDEx) set up in 2020. A risk management and governance framework was put in place to oversee our new businesses. An accountable executive is also identified for each major new business to ensure clarity of accountability and responsibility. Material risks are identified at inception of each business and the appropriate risk committees updated. Where we are the majority shareholder, the risks are reviewed as part of the bank's risk governance framework.

Post amalgamation with Lakshmi Vilas Bank (LVB) in 2020, we strengthened the risk organisation at LVB and folded it in to the overall DBS India Limited (DBIL) risk framework and oversight. The integration of LVB's operating systems and network into DBIL is well underway and will be completed by Q3 2022.

Technology risks

Our technology risk management framework is an integral part of the bank's overall risk management approach. The framework is based on a three-pronged approach of risk evaluation, response and governance. As part of risk evaluation, we identify and analyse the risks, define the risk metrics and monitor the issues, risk events and key risk indicators. Responses are made through risk-based decisions taking into account risk control and mitigation measures. Updates on our technology risk profiles are provided regularly to the various risk committees.

In November 2021, we encountered a two-day digital disruption in Singapore. In relation to this incident, management initiated remedial measures to improve the resilience of our services and incident response, with due consideration given to regulatory requirements and expectations.

Read more about our technology transformation in the "CIO Statement" on pages 36 to 37.

Environmental, social and governance (ESG) risks

Assessment of ESG risks is embedded into our credit underwriting process with emphasis on climate risk, and is an integral part of our overall credit risk assessment framework. In 2021, we strengthened the criteria for underwriting transactions with adverse ESG considerations.

We have in place a Group Sustainability Council which oversees sustainability matters, and in 2021, a Climate Steering Committee was established to further strengthen the bank's climate risk management, focusing on governance, client engagement, climate risk policy and underwriting, stress testing and disclosure. We also recently established a Board Sustainability Committee to provide greater governance and oversight into climate-related risks and opportunities, as well as our broader ESG efforts.

Read more about "Responsible financing" in the Sustainability Report.

Financial crime risks

The financial crime risk mitigation programme had been enhanced over the years by leveraging technology and data analytics. An array of artificial intelligence and machine learning capabilities is used to supplement rules-based engines to conduct surveillance at different levels such as transaction, customer, and country levels. Customer due diligence was further refined with dynamic analytical reviews based on changes in static data or transactional behaviour. We continued to focus on public-private sector collaboration, actively participating in initiatives between financial institutions and law enforcement agencies.

Digital scams in Singapore are becoming more sophisticated and widespread at the national level, with relentless attempts by scammers seeking to exploit unsuspecting victims. We have implemented multi-pronged measures to strengthen fraud prevention and recovery measures including real-time blocking capabilities, loss recovery and customer communication/ education. We are also collaborating with national agencies to protect our customers.

Data governance risks

We recognise that responsible practices around data governance are key for customer and stakeholder trust. Our data governance framework was developed along the following three prisms: (a) a baseline prism encompassing data security, data quality, and legal and regulatory compliance, (b) an ethical prism – PURE (Purposeful, Unsurprising, Respectful and Explainable) – for the responsible use of data, and (c) a model governance prism, covering regulated and artificial intelligence models and their performance over time.

Cyber security and data protection

Cyber security risk is an evolving risk as the bank and our customers establish remote workings as the new working norm in the face of the pandemic. We continued to invest in our cyber defence capabilities to secure internal assets from emerging cyber threats, and strengthen our ability to detect and respond to the threat actors' modus operandi. We stayed vigilant as we broadened our ecosystem partnerships, vendor support, and service provider engagements. Cyber security experts were engaged to validate our control environment against cyber threats and third-party risks. We believe our people are an integral part of our cyber defence, and we stepped up our efforts to raise the security awareness of our staff on the prevailing cyber threats and scams.

Operational risks amidst Covid-19 disruptions

We continued to proactively manage the operational risks which arose from the new or modified processes during the pandemic and as we moved towards a hybrid work arrangement. Risk identification and assessment processes were put in place to identify risks and assess adequacy and sustainability of controls in the new/ modified processes so as to ensure the risks were adequately mitigated. We also continued to work with our material outsourced service providers to ensure service delivery was not adversely impacted.

Read more about our principal risks and risk management approach on pages 78 to 96.

Soh Kian Tiong
Chief Risk Officer
DBS Group Holdings

2022 FOCUS AREAS

- Continue to refine and streamline end-to-end credit processes across all markets
- Further deepen credit and portfolio management capabilities
- Continue to monitor material risks arising from new businesses
- Sharpen focus on SME portfolio in light of inflationary pressure and rising interest rates
- Enhance IT resilience and technology change management
- Enhance climate risk management capabilities and disclosure
- Mitigate financial crime risk
- Continue to strengthen multi-layered cyber security defence

CIO STATEMENT

> *"Our strong technology DNA, suite of digital assets, products and services, and early technology investments, have created further distance between us and our competitors, and have allowed us to move into a new chapter of transformation."*

In the last decade, we focused on technology transformation to build a robust and scalable foundation. The Covid-19 pandemic validated our strategy. At the onset of the pandemic, our staff swiftly switched to remote working without any loss of productivity, continued delivering on our book of work and experimented with emerging technologies such as 5G, Internet of Things (IoT) and blockchain. We doubled down on our technology investments to create further distance between us and our competitors, which allowed us to move into a new chapter of transformation to deliver superior customer experiences.

Our forays in this digital era are underlined by the versatile assets we create, our technology DNA, the technologists we have, and our ability to provide sustainable banking experiences. It would be apt to identify DBS as a technology company that holds a banking licence.

Disrupting the financial industry with our digital assets

Translating emerging technologies into business solutions and services

Our early adoption of blockchain, artificial intelligence (AI) and IoT a few years ago allowed us to reap the fruits of our labour. Through experimentation with and adoption of emerging technologies, we successfully developed a suite of scalable assets and achieved further breakthroughs.

We set up three blockchain-enabled businesses, DBS Digital Exchange (DDEx), Partior and Climate Impact X (CIX), housed under our DBS Finnovation subsidiary.

DDEx reimagines what capital markets could look like with an integrated digital asset ecosystem. We are the only bank that offers a unified suite of solutions including deal origination, tokenisation, listing, trading and digital asset custody.

By harnessing the benefits of smart contracts abilities, Partior enables banks worldwide to provide real-time cross-border multi-currency payments, trade finance, foreign exchange and Delivery versus Payment securities settlements on an open industry platform, with programmability, immutability, and traceability built into it.

CIX, which uses technological advances such as satellite monitoring and machine learning, aims to be the leading global exchange and marketplace for high-quality carbon credits. Last November, CIX completed its first-of-its-kind portfolio auction with industry changemakers.

Just as we experimented with blockchain while the technology was still nascent, in a similar vein, we are exploring initiatives relating to the metaverse, decentralised finance, tokenisation beyond financial assets and digital twin technology. As these technologies mature and more use cases develop, they, along with other emerging capabilities, will become major enablers of our business opportunities.

Building our technological muscle

Riding on the momentum of our digital transformation journey that began about a decade ago, we invested in three strategic technology capabilities: Cloud, AI/ Machine Learning (ML) and Site Reliability Engineering (SRE). We continue to rely on today's cutting-edge technologies to scale new heights and revolutionise the future of banking.

Leveraging the power of cloud

Our move to a hybrid, multi-cloud infrastructure resulted in greater resiliency, scalability, reduced infrastructure costs, and the flexibility to move between cloud computing models and service providers. Unlike most organisations that completely shifted to public cloud, we managed to achieve better results by re-engineering our existing private cloud. With aggressive automation, we are three times more efficient than the industry benchmark when it comes to managing virtual machines, and our cloud efficiency has the ability to undertake four times the workload of a typical bank on a single hardware.

Riding on our private cloud infrastructure, we deployed workloads onto the public cloud at scale in a safe and secured manner. We developed Evolve, a tool that allows developers to obtain products and services on a self-service basis, and apply pre-determined, in-built controls and best practices during application deployment, resulting in rapid application builds, simplified operations and faster time-to-market solutions.

DBS' holistic approach to public cloud adoption is a major enablement to the bank and our joint ventures, from advancing data agenda and IT implementation, to application onboarding. Our digital assets can be readily utilised in businesses outside of ours.

Being an AI-fuelled bank

With our cloud approach setting the right infrastructure for growth and scalability, we have developed numerous cutting-edge programmes in-house. Our internal, self-service data platform, ADA (Advancing DBS with AI), is a single source of truth that ensures governance, discoverability, quality, and security. ADA's usage saw exponential growth bank-wide in 2021, and it supported initiatives that generated close to SGD 100 million in impact on our top and bottom lines.

Our award-winning AI protocol and knowledge management hub helped scale AI/ ML practices at an enterprise level, and accelerated delivery to deployment time by 60%. Our Enterprise Data Security Framework engine addresses the paramount need to secure data accesses while using cloud frameworks. Its role-based access control capability holds its own weight among technological giants like Google, Apple, Amazon and LinkedIn.

Developing and scaling robust and resilient systems through SRE

Inspired by the global technological giants, adopting SRE practices has allowed us to manage complex systems in a resilient manner. Developing a strong suite of SRE assets in-house enabled us to drive automation and reliability at scale in 2021. DRONE, our in-house developed DBS Release and Orchestration Engine, serves over 33,000 deployments monthly, and has reduced our average deployment time by half. Another platform DARE, or DBS Auto Remediation Engine, automates application recovery when pre-identified failure scenarios are met. To date, it has been adopted by over 85 applications, improving their recovery times substantially.

While our SRE programmes are primarily designed for in-house developed applications, we need to consciously extend such practices to our third-party software vendors and service providers. We hit a bump in our transformation journey when we experienced a two-day digital disruption in November 2021. We take this very seriously, and are working on a series of remedial actions to review and improve the resilience of our services and incident response. Concurrently, we continue to strengthen our systems to fortify our infrastructure and to enhance our customer journeys.

Re-engineering our operations through technology

In this era of digital banking, it is imperative to digitalise and automate operations processes to provide prompt and joyful servicing and products to customers. We have made substantial progress in these areas and improved our baseline and time to market. The synergy between Business, Operations and Technology teams co-leading the transformation of operations and customer servicing under our Platform Operating Model, has provided differentiated digital customer and employee journeys.

We successfully provided seamless connectivity from inception to fulfilment, enabling consistent role-based access to employees on the systems they operate on. Through the re-use of digital assets and processes, we standardised the blueprint of our best-in-class workflows and streamlined and automated customers' requests to recommend appropriate products and services. This approach will be scaled up across all markets in 2022 as we focus on establishing a hassle-free network of workbenches and workflows.

This network will refine employee journeys and provide a more productive experience. Manual handoffs will be minimised; transactions can be traced and audited; while systems, which will be available regardless of location, will facilitate job sharing as we scale our Work-From-Anywhere initiative and expand our global talent pool.

Building a diverse and future-ready workforce

DBS technologists form more than 25% of our workforce. Our digital DNA enables us to keep up with the lightning-speed evolution of technology. At the same time, gender-inclusive initiatives such as DBS Women-in-Technology and Hack2Hire-Her have also successfully increased our family of female technologists. Today, 40% of our senior management positions (Senior Vice President and above) are held by women.

Our employees are provided with numerous opportunities to future-proof themselves. Since 2021, over 1,000 technologists have been upskilled through learning gamification to support the rapidly increasing demand for cloud technologies.

Banking sustainably in a digital world

By keeping a pulse on trends and identifying emerging technologies, we are able to create holistic solutions and innovations for a better society. As part of our aspiration for our Singapore offices to rely solely on renewable energy by 2030, our data centre and server rooms are being transformed into carbon neutral assets, while self-service branches and kiosks are being redesigned to leverage solar power for its energy needs.

The switch to electric vehicles for Cash and Valuables Escort services reduces CO2 equivalent by up to 17 tonnes per vehicle annually. We committed to ensuring net-zero operational carbon emissions across the bank by the end of 2022 and are on track to reduce our operational carbon footprint by 25% from 2020 levels.

Our office building in Newton, Singapore, is being transformed into a net-zero emissions development. Our Singapore, Taiwan, India and Indonesia markets have collectively increased their renewable energy usage by 7%.

In closing

We set a strong foundation and expanded our line-up of digital assets, products and services in the past decade. That is one aspect of growth; it is equally important to address the other side of the coin, that is, how we bounce back from adversity. Success is rarely a straight path, and bumps along the way are an integral part of the journey. They have not deterred us in our quest to becoming a leading technology-led business; instead, they have strengthened our resolve to emerge stronger and to continue forging ahead.

We will continue to augment our heritage as a purpose-driven bank by creating long-term positive impact for our customers, employees, and community. We work hard to build today, for tomorrow.

Jimmy Ng
Chief Information Officer
DBS Group Holdings

2022 FOCUS AREAS

- Externalise strengths and enable partners to leverage our digital assets
- Enable adoption at scale for hybrid, multi-cloud infrastructure
- Modernise applications, enhance existing suite of SRE enablers, and execute on the last mile of mainframe decommission
- Experiment with emerging technologies such as 5G, IoT, metaverse and DeFi
- Accelerate data ingestion on Data Platform and move it securely to public cloud
- Scale workflows and workbenches bank-wide under a horizontal organisation construct
- Enhance employee journeys and experiences through automation of systems and processes, and toil reduction agenda
- Enhance talent acquisition pipeline, strengthen Technology Employee Value Proposition and drive extensive future-ready training in line with world-class engineering companies

INSTITUTIONAL BANKING

"We will continue to focus on capturing cross-border trade recovery, tapping on our strong foundation in digital transformation, regional connectivity and industry expertise. Sustainable financing will remain a key priority as we work with customers to redirect capital towards more sustainable outcomes."

2021 overview

In 2021, the global economy saw uneven recovery across different markets. IBG overcame headwinds from a low interest rate environment and achieved broad-based growth through an unrelenting focus on customers, ecosystems and partnership strategies.

As global trade rebounded, we saw increased client activities, loan demand, deal flows and capital market volumes. The digital acceleration that started last year continued and we saw good traction on the usage of our digital tools and applications.

Steady performance amidst pandemic

IBG delivered solid revenue of SGD 5.98 billion, up 4%, supported by broad-based loan growth and record current and savings account (Casa) volumes. Record Casa volumes were achieved as clients recognised the value of our digital innovations, cash management solutions and safe franchise. Amidst a low interest rate environment, net interest income was stable at SGD 4 billion.

We registered record non-interest income, up 13% and achieving the SGD 2 billion mark for the first time. Allowances were below pre-pandemic levels owing to heightened credit vigilance through proactive and continuous monitoring of our portfolio. Profit before tax grew 65% to SGD 3.76 billion, primarily driven by lower allowances. The cost-income ratio was little changed at 35%.

There was strong broad-based growth across most industries, with Financial Institutions (FI), Technology, Media and Telecommunications, and Real Estate industries demonstrating particularly good momentum. In particular, our FI business registered double-digit growth in revenues across all key capital markets of Singapore, United Kingdom (UK) and Greater China, primarily through targeted expansion of our FI customer base and deepening relationships with institutional investors looking to invest in Asia.

We executed well on our market strategies. In Greater China, we sharpened our Greater Bay Area strategy to capture business flows from new industries, promoted sustainable financing and continued to embed our trade and financing solutions deeper into supply chains, with a focus not just on large corporates, but SMEs as well. We also strengthened client relationships in Taiwan.

Our business in India saw strong traction as we focused on deepening relationships and delivering valuable solutions to help our clients succeed. To better serve them, we introduced platform-based financing programmes, offshore treasury and market solutions, as well as digital collection and payment solutions. As a result, revenues from India grew 21%. We expect these efforts to drive meaningful future growth.

Outside core markets, our business saw steady momentum as we focused on driving new client acquisitions through differentiated capabilities in supply chain, digitalisation and sustainability. We registered a 12% increase in income led by the UK, Australia and Vietnam.

Fortifying our business for the future

Even as we scale our business across the region, we are innovating and building for the future. We identified key trends such as hyper-digitalisation, supply chain shifts and an increased focus on sustainability which would re-shape the post-pandemic economy.

To capture rising venture capital flows across the region, we beefed up our proposition in the digital economy space. Our Digital Economy Group and FI Group plugged into the startup and private equity ecosystem across the region to identify opportunities to nurture and finance the growth of Asia's future unicorns. This was well-received by digital economy companies, entrepreneurs and investors, and we won multiple mandates to support leading digital economy players throughout our key markets. We supported our long-time customer, Carro, with a range of auto facilities and increased our limits for a block discounting facility to support its strong growth.

We also partnered Temasek to jointly launch a USD 500 million growth debt financing platform, EvolutionX Debt Capital, to provide non-dilutive financing to growth-stage technology-enabled companies across Asia.

We expect to leverage on our Securities Business licence granted by the Chinese Securities Regulatory Commission to provide best-in-class onshore investment banking products and services for both domestic and international customers.

Our digital asset ecosystem anchored by the DBS Digital Exchange (DDEx) gained good traction since its launch in 2020. We closed the year with over SGD 800 million in digital assets in our digital custodial services.

Treasury Markets – Tapping new opportunities

We launched DBS Fixed Income Execution (FIX) Marketplace, Asia's first fully digital and automated fixed income execution platform, to empower issuers to directly engage the market and investors. Keppel Corporation self-executed the first tranche of its USD 1 billion Euro-Commercial Paper Programme with its maiden issuance on the platform. As at end 2021, 20 issuances amounting to SGD 4 billion were done on FIX Marketplace.

SGD million	2021	2020	YoY%
Total income	**5,984**	5,745	4
• Corporate	**4,305**	4,028	7
• SME	**1,679**	1,717	(2)
Expenses	**2,086**	1,987	5
Profit before allowances	**3,898**	3,758	4
Allowances	**141**	1,485	(91)
Profit before tax	**3,757**	2,273	65

To further capitalise on growth opportunities arising from the pandemic, DBS entered into an agreement to be an anchor investor in Muzinich Asia Pacific (APAC) Private Debt I, a private debt fund focused on special situations opportunities in Asia Pacific. DBS was also the first bank in Asia to be issued a membership with the London Metal Exchange outside of London, enhancing our support to corporate clients in Asia accessing an international, robust, and regulated metals market. Revenues for our TM business grew by a record 13%.

Leadership in capital markets

DBS remained in pole position in Singapore's equity space, advising and lead managing the largest number and value of equity deals on the SGX, accounting for 95% of the total equity proceeds from the Singapore market. We continued to play a dominant role in growing Singapore as an international financial centre for REITs and business trusts, contributing close to 90% of the total equity proceeds raised from the REIT market.

DBS continued to dominate the SGD bond market with close to SGD 18.9 billion in issuances and around 31% market share. We continue to make headway in the Asia ex-Japan G3 bond markets with issuances of close to USD 73 billion.

We were ranked by Bloomberg as the top advisory house in Singapore and second in Southeast Asia for mergers and acquisitions by transaction value. Key deals included CapitaLand's strategic restructuring where we served as sole financial advisor.

SMEs – Supporting them as they recover and grow

Over the course of the pandemic, we proactively engaged SMEs to extend working capital and business transformation support. Since 2020, DBS has approved over 14,000 collateral-free loans totalling more than SGD 6.4 billion to SMEs in Singapore, with over 90% of the loans going to micro and small enterprises.

In Singapore and India, we simplified processes where our online corporate account opening process for SMEs made use of facial biometrics to speed up information authentication and verification.

Executing on our ecosystems strategy

Through our ecosystem-led platforms, we onboarded more than 3,000 suppliers to expedite access to financing solutions, without the hassle of manual paperwork. We also expanded our platform and ecosystem partnerships and leveraged alternate lending solutions for trade to provide working capital to SMEs, merchants and suppliers. Our Supply Chain Finance assets grew 44%.

Trade fees benefited from higher regional trade volumes and fulfilment of pent-up demand. Corporate Trade Services grew 19% driven by strong momentum in structured and commodity trade.

Overall, transaction services fees were up 13% to a new high of SGD 925 million from growth in trade finance and cash management fees.

In recognition of our efforts, DBS achieved the Euromoney Cash Management Survey 2021 "Global Best Service Overall" accolade among corporates for the fourth consecutive year, and "Asia-Pacific Market Leader Overall" among financial institutions.

Committed to sustainable financing

We made good progress in growing our sustainable finance business during the year, committing SGD 12.4 billion of sustainability-linked loans and SGD 6.9 billion of green loans. Since 2018, we have completed SGD 39.4 billion in sustainable financing transactions, bringing us closer to our SGD 50 billion sustainable finance target by 2024. In addition, we raised more than SGD 23.5 billion in ESG bonds for our customers in 2021 – more than double the proceeds raised the previous year. Our commitment to clients' sustainability fundraising needs catapulted us to pole position in South and Southeast Asian Offshore ESG Bonds League Tables for 2021.

We arranged National Environment Agency's SGD 1.65 billion inaugural bond issuance, the largest by a Singapore statutory board, contributing towards Singapore's ambition of becoming the green finance capital of Asia.

As a testament to our leadership in sustainable financing, sustainable loans, green and social bonds, we won eight out of 10 segment awards in Global Finance's inaugural Sustainable Finance Awards.

A smooth IBOR transition

With the discontinuation of interest rate benchmarks such as the London Inter-bank Offered Rate and Swap Offer Rate, DBS has been partnering our clients to achieve a smooth and seamless transition to alternative Risk-Free Benchmark Rates.

We achieved many firsts for Singapore Overnight Rate Average (SORA)-pegged facilities in Singapore, including the SGD 500 million SORA-based sustainability-linked loan to Sembcorp Marine Financial Services, the wholly-owned subsidiary of Sembcorp Marine.

Looking ahead

Covid-19 remains a lingering threat to economic recovery. However, we are optimistic that business momentum will be sustained in the coming year. The pick-up in interest rates and a largely positive credit environment should bode well for our bottom-line.
We will continue to focus on capturing cross-border trade recovery, tapping on our strong foundation in digital transformation, regional connectivity, and industry expertise. Sustainable financing will remain a key priority as we work with customers to redirect capital towards more sustainable outcomes.

Tan Su Shan
Institutional Banking
DBS Group Holdings

2022 FOCUS AREAS

- Differentiate DBS as a leader in sustainable finance
- Capture cross-border and trade recovery
- Deliver on digital leadership from API and connectivity solutions
- Continued credit vigilance, KYC/ AML and credit processes

CONSUMER BANKING/ WEALTH MANAGEMENT

> *"We believe technology can play a crucial part in contributing solutions towards the common good. In 2022, we will continue to create and support innovative solutions that yield positive impact."*

2021 Overview

In a year marked by continued headwinds from Covid-19, low interest rates and market uncertainties, Consumer Banking/ Wealth Management demonstrated its resilience by delivering healthy results. This was a result of our disciplined cost management, increased productivity through digitalisation and pivot towards fee income. As business momentum grows and the economic recovery takes hold, we continue to build out our franchise footprint and grow our ecosystem and partnership plays, so our customers can bank seamlessly with us, wherever they are.

Consumer Banking/ Wealth Management: Strong fee income growth cushions macro impact

Despite the drag from 2021 headwinds, we were nevertheless able to deliver robust earnings for Consumer Banking/ Wealth Management with higher non-interest income and lower allowances. Our total income came in at SGD 5.32 billion, a fall of 8% against last year, while strong cost discipline kept our expenses flat. Net profit before tax fell 5% to SGD 1.92 billion.

Net interest income fell 24% to SGD 2.55 billion as the low interest rate environment extended into 2021. The impact was moderated by the strong recovery in Singapore housing loans and we maintained our lead in mortgage market share. We continue to be circumspect about providing unsecured loans amid the challenging environment which resulted in lower balances in Singapore and Indonesia.

Non-interest income was strong, rising 14% to SGD 2.77 billion. Income was buoyed by higher fees from investment, bancassurance and cards, as consumer spending began its return to pre-pandemic levels, and investments continued to climb across our key markets, growing by 14% and reaching SGD 2.22 billion in record income.

The bancassurance business saw double-digit growth and maintained its leading new business market share in Singapore. Annualised premium sales in our life insurance business reached more than SGD 1.04 billion in new sales volume, with general insurance premiums growing by more than 19%.

Overall, we see promising signs of recovery in the region and are well-placed to support our customers.

Wealth Management: Growing to new heights

Our wealth management franchise continued to build on last year's strong fee income performance, with non-interest income rising 17% to SGD 1.88 billion. Investment AUM increased by 20% to SGD 153 billion and total AUM rose 10% to SGD 291 billion. Overall, wealth management income declined 5% to SGD 2.73 billion as net interest income fell 32% to SGD 848 million due to net interest margin compression. The wealth franchise now represents 19% of group income.

We continued to grow the range and diversity of our wealth products, with 2021 being a transformative year for our in-house managed investment products. The launch of DBS Barbell Income Fund, DBS I.D.E.A Fund and DBS ESG Focus Note drove robust funds growth and revenues, and AUM from in-house managed investment products more than doubled to SGD 10 billion. Our alternatives proposition was also strengthened with expanded offerings from top-tier private equity (PE) fund managers, increased deal flow in our PE Access programme, and the establishment of the PE Hybrid platform which combines referral and custody.

We also expanded into the mass affluent segment with our unique DBS Treasures proposition in Singapore, which provides access to our industry-leading digital platform, sophisticated offerings and holistic approach to wealth management across investments, protection, legacy planning, liability management, and more.

In May, we introduced Asia's first bank-backed trust solution for cryptocurrencies via DBS Trustee for private banking clients. The offering builds on DBS Digital Exchange's proposition, providing security and transparency for crypto-assets with institutional-grade safekeeping and custodial services, and robust due diligence on the chain source. The solution enables clients to integrate cryptocurrency assets into their wealth succession plans.

In October, our Hong Kong franchise and Postal Savings Bank of China (PSBC) launched a partnership to participate in the Wealth Management Connect scheme. The partnership aims to contribute to the acceleration of economic development in the Greater Bay Area (GBA) by leveraging the advantages of both banks to bring geographical and risk diversification to investment portfolios of GBA customers. The partnership will introduce an entirely mobile-first digital customer journey, from applying for the account to transacting investments and monitoring portfolios.

SGD million	2021	2020	YoY%
Total income	**5,322**	5,767	(8)
• Retail	**2,593**	2,902	(11)
• Wealth Management	**2,729**	2,866	(5)
Expenses	**3,353**	3,288	2
Profit before allowances	**1,969**	2,479	(21)
Allowances	**46**	456	(90)
Profit before tax	**1,923**	2,023	(5)

Our wealth management business was also recognised in 2021 as "Most Innovative Private Bank in the World", "Best Private Bank for Use of Technology" and "Best Private Bank for Digital Client Solutions" by Global Finance, and "Best Private Bank for Family Offices – Asia" by Professional Wealth Management.

Consumer Banking: Becoming more intelligent, intuitive and invisible

We aim to become an intelligent banking (IB) powerhouse that delivers hyper-personalised advisory and engagement to our customers. IB harnesses advanced analytics, machine learning (ML) and artificial intelligence (AI) technologies to deliver insights and 'nudges' to our customers through our digital channels, to simplify banking and help customers better manage their money. The introduction of IB has also resulted in incremental revenue, with more than 30 million nudges generated every month to customers across our six key markets.

In April, DBS NAV Planner, one of the world's most advanced financial planning solutions, added an AI-powered digital investment advisory feature to help investors determine and meet regulatory requirements, before investing amid market volatility. This led to a four-fold increase in customers who completed their investment journeys. AUM of digitally-managed investments (digiPortfolio, InvestSaver ETFs and online unit trusts) also grew by 52%. DBS NAV Planner now has 2.6 million users and is part of our commitment to help one million customers get insured and invested by 2023. It also garnered 80% of participants on SGFinDex – the world's first public-private open banking initiative.

We continue to build on DBS digibanking, our digital banking proposition which provides two intuitive apps to fulfil all our customers' banking and lifestyle needs. Customers can conduct their everyday transactions via DBS PayLah! – which is partitioned from banking accounts – and easily switch to DBS digibank for banking, for greater security and peace of mind. DBS PayLah! can be used to book tickets and rides, pay expenses, access rewards, and to scan to pay at more than 180,000 points. In 2021, DBS PayLah!, which now has 2.2 million users, added Takashimaya and Shopee as partners. Transactions have also surged by 69%.

DBS Remit saw another year of exceptional growth, with remittance volumes rising 24%. From Singapore, customers can remit to more than 50 destinations in 19 currencies, on a near real-time or same-day basis with no fees. DBS Remit is also available to customers in Hong Kong, India and Indonesia.

We launched our digital consumer finance platform in China in 2021 with promising early results. We have integrated with two major ecosystem platforms and plan to add more strategic partners. Our partnership-led strategy gives us access to China's large and growing consumer lending market even as we evolve our data analytical capabilities to enhance customer engagement and our offerings. Within the first year of business launch, we have digitally disbursed more than SGD 700 million in loans.

The amalgamation of Lakshmi Vilas Bank (LVB) into DBS Bank India Limited has been successful and integration continues to be on track, having achieved our first-year targets. LVB's expanded branch network and larger retail customer base – where we can overlay our world-class digital banking and build a sticky deposit base – has improved the mix of our deposit and loan books. We maintain our expectations of being earnings accretive within three years.

Helping customers to live more sustainably

To encourage customers to adopt sustainable living habits, we rolled out a slew of green offerings in 2021. We introduced DBS Green Solutions, a suite of green retail offerings which includes a green renovation loan, incentives to switch to green energy and Singapore's first green car loan. DBS was also the first in Singapore to launch an eco-friendly credit card. The DBS Live Fresh card is made of recycled PVC (polyvinyl chloride) and rewards sustainable purchases.

In March, in line with our sustainability agenda, DBS Private Bank committed to have more than 50% of our AUM in sustainable investments – defined as rated BBB and above by MSCI ESG Ratings – by 2023. Following efforts to guide and engage clients on sustainable investing, client interest surged and this target was quickly met in October, two years ahead of time. AUM in sustainable investments now comprises 53% of our portfolio.

In June, DBS Indonesia introduced the Green Savings Account, where customers can contribute towards a sustainability cause by automatically donating a portion of their savings interest. Run in partnership with social enterprise KRAKAKOA, all donations collected are distributed in the form of fertilisers and seeds, and sustainability training for 1,000 cocoa farmers in Indonesia.

In October, we launched LiveBetter – a one-stop digital platform integrated into DBS digibank where customers can easily access eco-friendly tips, donate to green causes and invest in sustainability-themed funds. In 2022, LiveBetter will also have the industry's first autonomous carbon calculator. It automatically generates carbon footprint profiles and insights based on customers' spending.

What we look forward to in 2022

The acceleration of digital adoption across the world triggered an irreversible shift in how people live, work and play. At the same time, with the intensifying climate crisis and increasing inequality, we believe technology can play a crucial part in contributing solutions towards the common good. This belief is integrated in our business strategy, exemplified in the decisions we make, and ever mindful of the communities and environment in which we operate. In 2022, we will continue to create and support innovative solutions that yield positive impact.

Sim S Lim
Consumer Banking/
Wealth Management
DBS Group Holdings

2022 FOCUS AREAS

- Build on 'phygital' agenda by doubling down on AI/ ML capabilities, and boosting synergies between physical footprint and digital services
- Continue to grow wealth business by capturing GBA opportunities, championing ESG, and providing world-class digital capabilities
- Scale up ecosystem partnerships to provide intelligent, intuitive and invisible services

POSB
HIGHLIGHTS IN 2021

Neighbours first, bankers second

Since our founding in 1877, POSB takes pride in serving generations from all walks of life. While our neighbourhoods and lifestyles have changed with the times, we remain the "People's Bank" that provides pioneering solutions that make banking simpler for all segments of the population. They include children, young adults, families, seniors and the community at large. By widening our reach in the community through various initiatives, we remain committed to bringing value to our customers in Singapore.

FOR CHILDREN AND FAMILIES

POSB Smart Buddy Programme

We continued to expand the world's first integrated in-school savings and payments programme to more schools. The POSB Smart Buddy programme, which was launched in 2017, creates a contactless payments ecosystem within the school environment to help cultivate sensible savings and spending habits among young students in an interactive, engaging manner.

In 2021, some **40,000** students across **80** schools have adopted Smart Buddy smartwatches and cards for digital payments. Students and their parents are able to track spending and savings patterns via the Smart Buddy mobile app in real-time. **36** schools are utilising Smart Buddy to disburse government subsidies to more than **3,500** students under the MOE Financial Assistance Scheme.

POSB PAssion Run for Kids

We organised our first-ever hybrid POSB PAssion Run for Kids incorporating onsite activities and a virtual race in 2021, bringing Singapore's largest charity kids run event into its 13th year.

More than **2,400** participants took part and raised over **SGD 800,000** for the POSB PAssion Kids Fund.

To date, **SGD10.8 million** has been raised, with more than **700,000** children benefitting from **182** programmes. This included partnering the North East Community Development Council to introduce the North East G!nnovation Challenge to schools in the North East District to promote the use of innovation to help solve today's environmental challenges.

Financial literacy workshops for youths

We collaborated with the National Library Board, People's Association, schools and social service agencies such as APSN, to organise **58** financial literacy workshops for more than **2,300** students and youths, including those with special needs.

FOR THE COMMUNITY

POSB remains the only bank to work with the Migrant Workers' Centre and Centre for Domestic Employees to set up banking accounts for more than **640,000** migrant workers and foreign domestic workers. Some **67%** of them use the POSB digibank app to conduct their banking transactions today. In 2021, remittance volumes for work permit holder accounts grew, with the number of remittances increasing by **23%** year-on-year.

We also piloted the use of data analytics and robotics in one of our POSB 24/7 self-service branches to better serve our customers. For instance, Temi robot has been deployed in the branch to help remind customers to adhere to safe management measures.

FOR SENIORS

POSB digital literacy workshops

We continued to support seniors in their transition to digital banking with our digital ambassadors providing personalised assistance at our branches.

We also deepened our partnership with the Infocomm Media Development Authority, People's Association, RSVP Singapore – The Organisation of Senior Volunteers, NTUC U Live, the National Library Board and The Council for the Third Age to enhance the digital literacy of our seniors.

In 2021, we organised more than **120** face-to-face and virtual ePayments workshops, engaging more than **5,700** seniors in Singapore.

CORPORATE GOVERNANCE

Governance framework

Our governance framework is anchored on competent leadership, effective internal controls, a strong risk culture and accountability to stakeholders. Our Board plays a key role in setting our governance standards to meet our stakeholders' expectations, and our leadership model ensures an appropriate balance of power, accountability and independence in decision-making across our various functional and geographic units.

Our corporate governance practices comply with the Banking (Corporate Governance) Regulations 2005 (Banking CG Regulations). We also comply, in all material aspects, with the Guidelines on Corporate Governance for Designated Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers issued by the Monetary Authority of Singapore (MAS) on 9 November 2021 (Revised CG Guidelines), which comprises:

i) the Code of Corporate Governance 2018 (2018 Code); and

ii) the additional guidelines added by the MAS to take into account the unique characteristics of the business of banking, given the diverse and complex risks undertaken by financial institutions (Additional Guidelines).

The Revised CG Guidelines supersede and replace the Guidelines on Corporate Governance for Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers issued by the MAS on 3 April 2013. The expectations in the Revised CG Guidelines that relate to disclosures are effective from 1 January 2022 and will apply to financial institutions' annual reports covering financial years commencing from 1 January 2022. However, as part of our continued efforts to enhance our corporate governance disclosures, we have disclosed against the express disclosure requirements in the Revised CG Guidelines.

We have described our corporate governance practices for our financial year ended 31 December 2021 with specific reference to the 2018 Code and the Additional Guidelines. A summary disclosure of our compliance with the express disclosure requirements in the 2018 Code and the Additional Guidelines, have been provided on pages 104 to 106.

Board highlights – 2021

Focus on Strategy

The Board had in-depth discussions in the course of 2021 on how DBS could create value for all stakeholders by (i) leveraging on its technology strengths to build new engines of growth; and (ii) accelerating growth in various Asian markets. During the annual Board strategy offsite (which was held over a three day period in Singapore at the end of September 2021), the Board actively deliberated on:

- how DBS' technology capabilities compared to those of big technology companies (such as Google, Amazon, Netflix, Revolut, Ant Group);
- the progress of new business initiatives which use DBS' technology capabilities (including DBS Digital Exchange, Partior, Climate Impact X and DBS Fixed Income Execution (FIX) Marketplace) and how we can create value from these initiatives;
- the new/ incremental risks to DBS which could arise from the commercialisation of its technology strengths;
- using technology to entrench DBS' digital bank leadership in Singapore amidst the increasingly competitive landscape (with competition from digital banks and fintechs); and
- doubling down on DBS' Asia strategy, with particular focus on how we can accelerate our growth in China (following the acquisition of a 13% stake in Shenzhen Rural Commercial Bank (SZRCB)), India (following the acquisition of Lakshmi Vilas Bank (LVB)), and Indonesia.

Focus on Technology Risks

The Board had an in-depth discussion on the two-day digital disruption in digital banking services (which occurred in November 2021), including the events which led to the disruption, the actions which were taken to resolve the issues, remedial actions as well as communications to our customers. In addition, both the Audit Committee (AC) and Board Risk Management Committee (BRMC) were kept updated on cybersecurity issues, including the results of the cyber red team simulation conducted in 2021 to assess DBS' cyber security posture across all jurisdictions (with particular focus on remote working scenarios, insider threat scenarios and IT systems hosted in the cloud), and the areas where follow-up actions were required.

Focus on Sustainability

Environmental, social and governance (ESG) issues were a significant focus area for the Board during 2021. The Board was given a presentation by an external expert on Vision 2050, which was launched by the World Business Council for Sustainable Development (a global CEO-led organisation of over 200 leading businesses (including DBS) working together to accelerate the transition to a sustainable world). Vision 2050 sets out various transformational pathways which industries could take to achieve the vision of having around 9 billion people living well and within the limits of the planet by 2050.

The Board discussed the actions being taken by business/ support units pursuant to the three pillars of the DBS Sustainability Framework (i.e. Responsible Banking; Responsible Business Practices; Impact Beyond Banking). It also discussed DBS' decision to commit to net zero by 2050 by being the first Singapore bank to join the United Nations-convened Net Zero Banking Alliance (NZBA) in 2021, and the proposed glidepaths to enable DBS to achieve certain targets by 2030.

Establishment of Board Sustainability Committee

In view of the heightened expectations among external stakeholders on DBS' sustainability agenda and commitments, as well as the increased requirements in the areas of governance, target setting, tracking and disclosures following DBS' public commitment to join the NZBA, the Board approved the establishment of a Board Sustainability Committee (BSC) in February 2022 to provide better focus on sustainability matters. The Chairperson of the BSC is Mr Piyush Gupta, and the members of the BSC are Mr Tham Sai Choy, Ms Judy Lee and Mr Chng Kai Fong. Fees payable to the members of the BSC (who are non-executive Directors) will be similar to the fees payable to members of the Compensation and Management Development Committee (CMDC), and will be subject to shareholders' approval at our annual general meeting (AGM) to be held in 2023.

Pursuing inorganic acquisitions and new business initiatives

The Board reviewed and deliberated on several inorganic acquisitions and new business initiatives, including the (i) acquisition of a 13% stake in SZRCB; (ii) acquisition of Citigroup's consumer banking business in Taiwan; and (iii) establishment of a USD 500 million growth debt financing platform with Temasek Holdings (Private) Limited for Asia's growth stage technology-enabled companies. In addition, following the merger of LVB with DBS Bank India Limited (DBIL) at the end of November 2020, the Board closely monitored the progress of the integration of LVB's business with DBIL in the course of 2021.

The BRMC also deliberated on the risks arising from new business initiatives (including the DBS Digital Exchange and the DBS digital ecosystem) and ensured that appropriate risk management and governance policies and procedures were put in place to manage these risks.

Board Renewal

Board renewal is a key focus for us. In 2021, the Nominating Committee (NC) continued the search for potential candidates who could be lined up for appointment as Directors of DBS Group Holdings Ltd (DBSH) and DBS Bank Ltd (DBS Bank). New Directors will be introduced gradually so that the Board and Board committees have a smooth transition period.

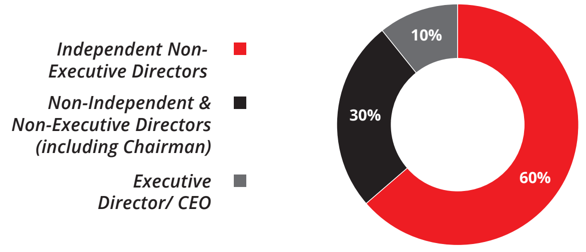
As part of the Board renewal process in 2021, three long-serving Directors (Ms Euleen Goh, Mr Andre Sekulic and Mrs Ow Foong Pheng) stepped down on 30 March 2021 after having served on the Board for nine years or more, while two new Directors (Mr Chng Kai Fong and Ms Judy Lee) were appointed.

The NC had appointed a global search firm to identify and recommend candidates for appointment as Directors. The NC considered various candidates recommended by the global search firms as well as candidates recommended by other Board members. Diversity was one of the key considerations in the board renewal process to ensure that the Board is appropriately balanced to support the long-term success of DBS. Other key considerations included (i) whether the skillsets of the candidates would replace skillsets of long-serving Directors, and/or would supplement the collective skillsets of the Directors and bring different perspectives to the Board; (ii) whether the candidate would fit in with our Board's culture and diversity; (iii) the independence status of the candidate; and (iv) whether the candidate would be able to commit sufficient time to fulfil the duties of a Director. A skills matrix is used to assess if the skills and experience of a candidate complement those of the existing Board members. Potential candidates are informed of the level of contribution and commitment expected of a DBS Director.

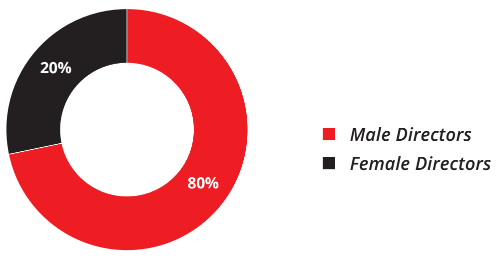
Two new Directors appointed in 2021

Mr Chng Kai Fong was appointed as a Non-Executive and Non-Independent Director of each of DBSH and DBS Bank with effect from 31 March 2021, and serves on the AC, NC and the recently established BSC. As Mrs Ow Foong Pheng was due to step down as a Director at the 2021 AGM on 30 March 2021, the Board approved the appointment of Mr Chng, who is a senior Singapore civil servant, as a new non-executive Director to provide the Board with insights and perspectives from the public sector, as well as government connectivity. Mr Chng is currently the Second Permanent Secretary of The Smart Nation and Digital Government Group (SNDGG), Prime Minister's Office. Prior to joining SNDGG, he was the Managing Director of Singapore Economic Development Board (EDB) from 2017 to 2021. Before he joined EDB, he was the Principal Private Secretary to the Prime Minister of Singapore.

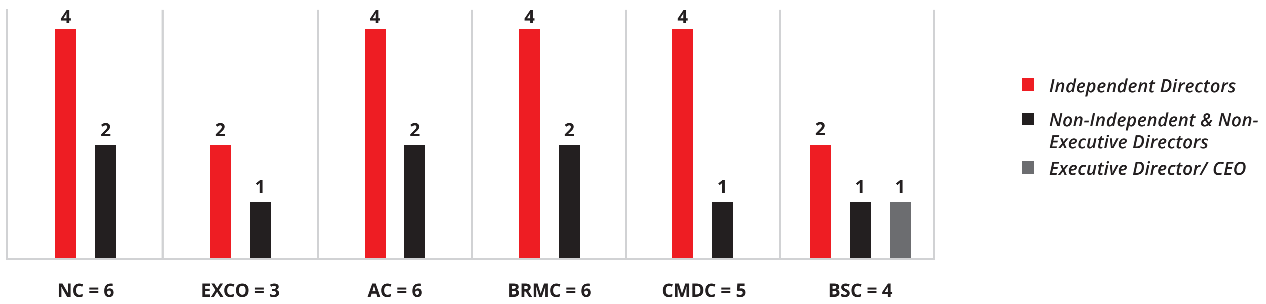
Independence



Gender Diversity



Composition of Board Committees



Ms Judy Lee, an American citizen, was appointed as an Independent Director of each of DBSH and DBS Bank with effect from 4 August 2021, and serves on the AC, BRMC, CMDC and the recently established BSC. She was one of the candidates recommended by the global search firm. Ms Lee has over 30 years of experience as a banker, risk management expert and advisor to CEOs; within banking, she has worked in trading, capital markets and derivatives. In addition, in quantitative risk management, she has been a pioneer, practitioner and advisor across all risk types and industries. Ms Lee is currently the Managing Director of Dragonfly LLC, an international risk advisory firm based in New York. Concurrently, she is CEO of Dragonfly Capital Ventures LLC, which develops and invests in renewable energy in Southeast Asia.

Change of Group Chief Risk Officer

The Board was actively involved in the change of the Group Chief Risk Officer (CRO) in 2021. After Mr Tan Teck Long (the previous CRO) tendered his resignation in September 2021, an ad-hoc Board meeting was quickly convened to discuss the reasons for Mr Tan's resignation, the candidate for appointment as the new CRO as well as the plans to manage the CRO transition. The Board noted that Mr Tan wanted to return to a customer facing role, and expressed its appreciation to Mr Tan, who started his career in DBS as a trainee officer in 1993, for his extensive contributions to DBS over the past 28 years.

The Board reviewed and approved the appointment of Mr Soh Kian Tiong as the new CRO. As part of the succession planning for members of the Group Management Committee (GMC), Mr Soh was being groomed to be one of the successors for the CRO role. Mr Soh is a career DBS banker with over 25 years of experience in business and risk roles in Singapore, Hong Kong and Mainland China.

Competent leadership

Our board

The Board directs DBS in the conduct of its affairs and provides sound leadership to management. We have 10 Board members (including two female directors) with a broad range of experience and deep industry expertise. The make-up of our Board reflects diversity of gender, nationality, age, skills and knowledge. Independent Directors form the majority of the Board, and there are no alternate Directors on our Board.

Our Chairman, Mr Peter Seah, sits on all Board committees (other than the recently established Board Sustainability Committee) and he also chairs the Board Executive Committee (EXCO). Mr Seah performs a key role as an ambassador for DBS in our dealings with various stakeholders as well as in ensuring effective communication with our shareholders. He guides the Board through its decision-making process and ensures that the Board operates effectively as a team.

There is a very positive and constructive working relationship between our Chairman and CEO, Mr Piyush Gupta. Mr Gupta oversees the execution of DBS' strategy and is responsible for managing the day-to-day operations. Other than the CEO, none of the other Directors is a former or current employee of DBSH or its subsidiaries.

Lead independent director
The Lead Independent Director, Mr Olivier Lim, had regular private sessions with the other independent Directors in the course of the year and provided feedback to the Chairman where necessary.

Key Information on our Directors
The table below sets out key information on our Directors, the number of meetings which our Directors attended during 2021 as well as the remuneration for each Director for financial year ended 31 December 2021 (FY2021). The remuneration of non-executive Directors (including the Chairman) does not include any variable component. Please refer to pages 55 to 56 for more details on the non-executive Directors' fee structure for FY2021.

Director Independence status	Meetings attendance record (1 January to 31 December 2021)								Total Directors' remuneration for FY2021 (SGD)		
	BOD(1)	NC(2)	EXCO(3)	AC(4)	BRMC(5)	CMDC(6)	AGM	Offsite(7)	Directors' fees(a)(SGD)	Share-based remuneration(b) (SGD)	Others(c) (SGD)
	No. of meetings held in 2021										
	7	6	12	4	5	5	1	1			
Mr Peter Seah, 75 Non-Executive and Non-Independent Chairman • Chairman since 1 May 10 • Board member since 16 Nov 09 • Last re-elected on 30 Apr 20	7	6	12	4	5	5	1	1	**Total: $1,934,573**		
									$1,321,250	**$566,250**	**$47,073**
Dr Bonghan Cho, 57 Non-Executive and Independent Director • Board member since 26 Apr 18 • Last re-elected on 25 Apr 19	7	6	–	4	–	5	1	1	**Total: $248,500**		
									$173,950	**$74,550**	–
Ms Euleen Goh, 66 • Stepped down as a Non-Executive and Non-Independent Director on 30 March 2021	1(d)	–	–	–	1(d)	1(d)	1	–	**Total: $70,826(d)**		
									$69,863	–	**$963**
Mr Ho Tian Yee, 69 Non-Executive and Non-Independent Director • Board member since 29 Apr 11 • Last re-elected on 30 Apr 20 • Stepped down as Lead Independent Director on 29 Apr 20	7	–	–	–	5	–	1	1	**Total: $202,000**		
									$141,400	**$60,600**	–
Mr Olivier Lim, 57 Non-Executive and Lead Independent Director • Board member since 7 Nov 17 • Last re-elected on 30 Apr 20 • Lead Independent Director since 29 Apr 20	7	6	12	–	5(e)	–	1	1	**Total: $418,185**		
									$292,729.50	**$125,455.50**	–
Mr Andre Sekulic, 71 • Stepped down as a Non-Executive and Independent Director on 30 March 2021	1(f)	–	–	1(f)	–	1(f)	1	–	**Total: $59,363(f)**		
									$59,363	–	–
Mrs Ow Foong Pheng, 58 • Stepped down as a Non-Executive and Non-Independent Director on 30 March 2021	1(g)	1(g)	–	1(g)	–	–	1	–	**Total: $61,329(g)**		
									$61,329	–	–
Mr Tham Sai Choy, 62 Non-Executive and Independent Director • Board member since 3 Sept 18 • Last re-elected on 25 Apr 19	7	6	–	4	5	–	1	1	**Total: $355,000**		
									$248,500	**$106,500**	–
Ms Punita Lal, 59 Non-Executive and Independent Director • Board member since 1 Apr 20 • Last re-elected on 30 Mar 21	7	6	–	3(h)	–	5	1	1	**Total: $269,370**		
									$188,559	**$80,811**	–
Mr Anthony Lim, 63 Non-Executive and Independent Director • Board member since 1 Apr 20 • Last re-elected on 30 Mar 21	7	–	12	–	5	4(i)	1	1	**Total: $332,651**		
									$232,855.70	**$99,795.30**	–
Mr Chng Kai Fong, 43 Non-Executive and Non-Independent Director • Board member since 31 Mar 21	6(j)	5(j)	–	3(j)	–	–	1(j)	1	**Total: $179,171 (j)**		
									$179,171	–	–
Ms Judy Lee, 54 Non-Executive and Independent Director • Board member since 4 Aug 21	5(k)	–	–	1(k)	2(k)	2(k)	–	1	**Total: $135,296**		
									$94,707.20	**$40,588.80**	–
Mr Piyush Gupta, 62 Executive Director/ CEO • Board member since 9 Nov 09 • Last re-elected on 30 Mar 21	7	6#	12#	4#	5#	5#	1	1	**Please refer to the Remuneration Report on page 65 for details on the CEO's compensation**		

• Appointment Dates
 # Mr Gupta attended these meetings at the invitation of the respective committees.

(1) Board of Directors (BOD)
(2) Nominating Committee (NC)
(3) Board Executive Committee (EXCO)
(4) Audit Committee (AC)
(5) Board Risk Management Committee (BRMC)
(6) Compensation and Management Development Committee (CMDC)
(7) This is our annual board strategy offsite
(a) Fees payable in cash, in 2022, for being a Director in 2021. This is 70% of each Director's total remuneration and is subject to shareholders' approval at the 2022 AGM.
(b) This is 30% of each Director's total remuneration and shall be paid in the form of DBSH's ordinary shares. The actual number of DBSH's ordinary shares to be awarded will be rounded down to the nearest share, and any residual balance will be paid in cash. This is subject to shareholders' approval at the 2022 AGM.
(c) Represents non-cash component and comprises (i) for Mr Peter Seah: car and driver, and (ii) for Ms Euleen Goh: season carpark fees.
(d) Ms Euleen Goh, who stepped down as non-executive director, chairperson of BRMC and member of CMDC on 30 March 2021 will receive all of her Director's remuneration in cash.
(e) Mr Olivier Lim was appointed as chairman of BRMC on 31 March 2021.
(f) Mr Andre Sekulic, who stepped down as non-executive Director, chairman of CMDC and member of AC on 30 March 2021 will receive all of his Director's remuneration in cash.
(g) Director's remuneration payable to Mrs Ow Foong Pheng will be paid fully in cash to a government agency, the Directorship and Consultancy Appointments Council (DCAC). Mrs Ow stepped down as non-executive Director and member of each of the AC and NC on 30 March 2021.
(h) Ms Punita Lal was appointed as member of AC on 31 March 2021. Ms Lal attended all AC (3) meetings after her appointment.
(i) Mr Anthony Lim was appointed as chairman of CMDC on 31 March 2021. Mr Lim attended all CMDC (4) meetings after his appointment.
(j) Mr Chng Kai Fong was appointed as non-executive and non-independent Director and member of AC and NC on 31 March 2021. Mr Chng attended all the Board (6), AC (3) and NC (5) meetings following his appointment. Mr Chng attended the 2021 AGM as an invitee. His Director's remuneration will be paid fully in cash to DCAC.
(k) Ms Judy Lee was appointed as non-executive and Independent Director and member of AC, BRMC and CMDC on 4 August 2021. Ms Lee attended all the Board (5), AC (1), BRMC (2) and CMDC (2) meetings following her appointment.

(Note: Directors are also paid attendance fees for Board and Board committee meetings, as well as for attending the AGM and the annual Board offsite.)

Key responsibilities of the Board
- Sets the strategic direction and long-term goals of DBS, and ensures that adequate resources are available to meet these objectives.
- Monitors the responsibilities delegated to the Board committees to ensure proper and effective oversight and control of DBS' activities.
- Establishes a framework for risks to be assessed and managed.
- Reviews management performance.
- Determines DBS' values and standards (including ethical standards) and ensures that obligations to its stakeholders are understood and met.
- Ensures that corporate responsibility and ethical standards underpin the conduct of DBS' business.
- Develops succession plans for the Board and CEO.
- Considers sustainability issues (including environmental and social factors) as part of DBS' strategy.

Board meetings and activities
Board and Board committee meetings are scheduled well in advance of each year in consultation with the Directors. There are five scheduled Board meetings each year. Ad-hoc meetings are also held when necessary. There were two ad-hoc Board meetings held in 2021. Please refer to the Board highlights – 2021 section on pages 44 to 45 for more information on the key focus areas of the Board in 2021.

Before each Board meeting, the Chairman oversees the setting of the agenda of Board meetings, in consultation with the CEO, to ensure that there is sufficient information and time to address all agenda items. The agenda also allows for flexibility when needed. Directors are provided with complete information related to agenda items in a timely manner. All materials for Board and Board committee meetings are uploaded onto a secure portal which can be accessed on tablet devices provided to the Directors.

During every quarterly Board meeting:

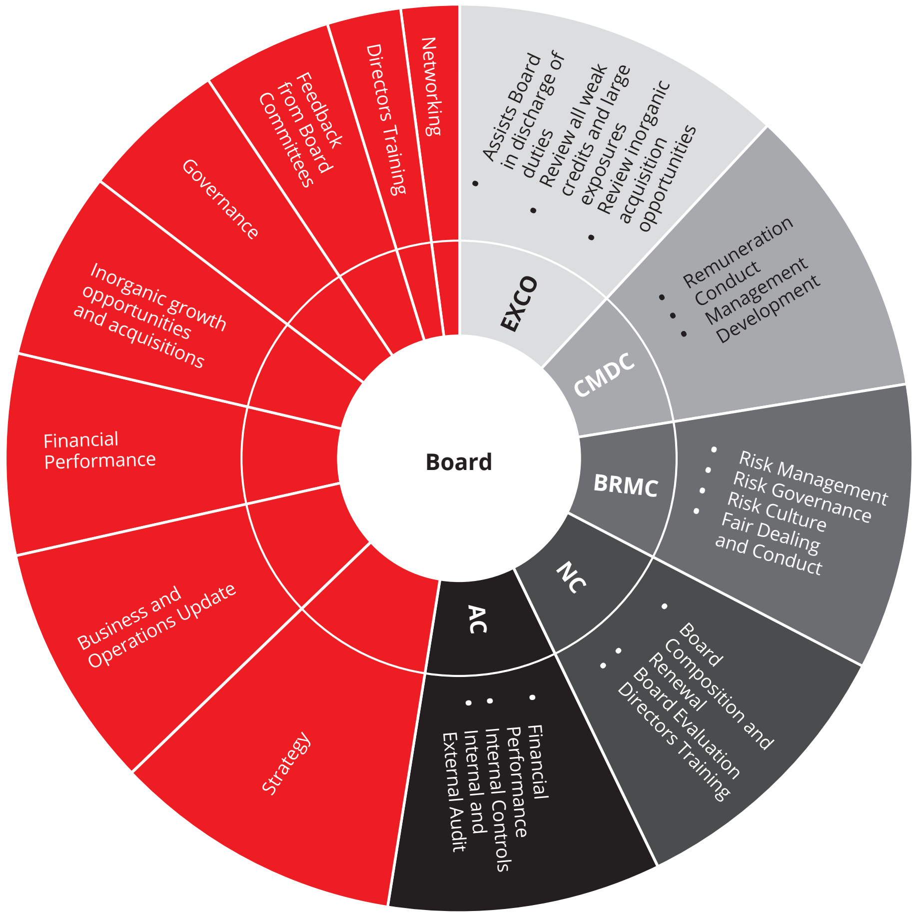
- the Chairperson of each Board committee provides an update on significant matters discussed at the Board committee meetings which are typically scheduled before the quarterly Board meeting;
- the CFO presents the financial performance for that quarter and significant financial highlights;
- the CEO gives an update on certain aspects of the Group's business and operations and/or a macro perspective on industry trends and developments;
- the Board holds a private session for Directors; and
- the Lead Independent Director holds a private session with the other independent Directors.

In 2021, the CEO updated the Board on (i) how DBS is building a sustainable franchise using the three pillars of DBS' sustainability framework; (ii) the Singapore consumer business, including how we are using data and digital tools to drive customer segmentation to shape the DBS brand and deliver on our brand promise; (iii) our progress in managing through customer journeys and creating horizontal organisations; (iv) the SME digital strategy; (v) various new business initiatives; and (vi) updates on the progress of the integration of the business of LVB with DBIL.

In addition to the quarterly Board meetings, a Board meeting is typically scheduled in December each year where the CEO gives the Board an update on DBS' performance against the balanced scorecard for that financial year. In addition, the CEO and CFO will present the Group's budget for the next financial year to the Board for approval.

The Chairman promotes open and frank debates by all Directors at every Board meeting. If there is a conflict of interest, the Director in question will recuse himself or herself from the discussions and abstain from participating in any Board decision. When exigencies prevent a Director from attending a Board or Board committee meeting in person, that Director can participate by telephone or video-conference.

Matters discussed by the Board and Board Committees in 2021



Note: Further details of the activities of the Board and Board committees in 2021 can be found on pages 44 to 45 and 47 to 56.

Directors have the discretion to engage external advisers. External professionals or in-house subject matter experts may also be invited to present key topics to the Board as well as updates on corporate governance, risk management, capital, tax, accounting, listing and other regulations, which may have an impact on DBS' affairs.

Directors have independent access to the Group Secretary. The Group Secretary attends all Board meetings and minutes are prepared to record key deliberations and decisions taken during the meetings. The Group Secretary facilitates communication between the Board, its committees and management, and generally assists Directors in the discharge of their duties. The Group Secretary helps with the induction of new Directors. The appointment and removal of the Group Secretary require the approval of the Board.

Frequent and effective engagement
Directors have ongoing interactions across various levels, functions and countries within DBS. In addition, some Directors also sit on the boards of our overseas subsidiaries; this arrangement gives the Board access to first-hand insight on the activities of these subsidiaries. The CFO provides the Board with detailed financial performance reports monthly.

Directors also have various opportunities to interact with members of the Group Management Committee (GMC) (for instance, at quarterly Board-hosted dinners and during the annual board strategy offsite). Due to Covid-19, many of these interactions in 2021 were conducted virtually.

Annual Board strategy offsite
Each year, the Board and our senior executives attend a strategy offsite held in one of our markets, which allows them to:

- focus on DBS' long-term strategy apart from the regular agenda at the quarterly Board meetings;
- engage in dynamic and in-depth strategic discussions to promote deeper understanding of our business environment and our operations, and refine our strategy; and
- engage with our stakeholders in the host country (such as regulators, media, customers including CEOs and CFOs of our corporate clients and staff in the local franchise).

The 2021 Board strategy offsite was held over a three-day period in Singapore at the end of September 2021. Please refer to the Board highlights – 2021 section on pages 44 to 45 for more information on the discussions during the 2021 Board strategy offsite.

Board committee members	Composition requirements
Nominating Committee (NC) • **Mr Tham Sai Choy *(Chairperson)*** • **Mr Olivier Lim *(Lead Independent Director)*** • **Dr Bonghan Cho** • **Ms Punita Lal** • Mr Peter Seah • Mr Chng Kai Fong	In accordance with the requirements of the Banking CG Regulations, a majority (four out of six members of the NC including the NC Chairperson) are Non-Executive and Independent Directors (INED). The Lead Independent Director is a member of the NC. All NC members are required to be re-appointed by the Board annually. Under the Banking CG Regulations, every NC member shall hold office until the next annual general meeting following that member's appointment, and shall be eligible for re-appointment. The appointment and re-appointment of NC members require the prior approval of the MAS.
Board Executive Committee (EXCO) • Mr Peter Seah *(Chairperson)* • **Mr Olivier Lim** • **Mr Anthony Lim**	In accordance with the requirements of the Banking CG Regulations, a majority (two out of three members of the EXCO) are INEDs.
Audit Committee (AC) • **Mr Tham Sai Choy *(Chairperson)*** • **Dr Bonghan Cho** • **Ms Punita Lal** • **Ms Judy Lee** • Mr Peter Seah • Mr Chng Kai Fong	In accordance with the requirements of the Banking CG Regulations, a majority (four out of the six members of the AC including the AC Chairperson) are INEDs. Mr Tham possesses an accounting qualification and was formerly the managing partner and Head of Audit of KPMG, Singapore. All members of the AC are non-executive Directors, and have recent and relevant accounting or related financial management expertise or experience.
Board Risk Management Committee (BRMC) • **Mr Olivier Lim *(Chairperson)*** • **Mr Tham Sai Choy** • **Mr Anthony Lim** • **Ms Judy Lee** • Mr Peter Seah • Mr Ho Tian Yee	All BRMC members are non-executive Directors, which exceeds the requirements of the Banking CG Regulations. All BRMC members are appropriately qualified to discharge their responsibilities, and have the relevant technical financial expertise in risk disciplines or businesses.
Compensation and Management Development Committee (CMDC) • **Mr Anthony Lim *(Chairperson)*** • **Dr Bonghan Cho** • **Ms Punita Lal** • **Ms Judy Lee** • Mr Peter Seah	In accordance with the requirements of the Banking CG Regulations, a majority (four out of the five members of the CMDC including the CMDC Chairperson) are INEDs.
Board Sustainability Committee (BSC) • Mr Piyush Gupta *(Chairperson)* • **Mr Tham Sai Choy** • **Ms Judy Lee** • Mr Chng Kai Fong	There are currently no specific composition requirements prescribed under Singapore regulations.

* *Names denoted in red are INEDs.*

Delegation by the Board to the Board committees
The Board has delegated authority to various Board committees to enable them to oversee certain specific responsibilities based on their terms of reference. The terms of reference of each Board committee set out the responsibilities of the Board committee, conduct of meetings including quorum, voting requirements and qualifications for Board committee membership. All our Board committees (other than the recently established BSC) comprise non-executive Directors only. Any change to the terms of reference for any Board committee requires Board approval. The minutes of Board committee meetings, which records the key deliberations and decisions taken during these meetings, are circulated to all Board members for their information.

Nominating Committee (NC)

Key responsibilities of the NC

- Regularly reviews the composition of the Board and Board committees, and independence of Directors;
- Identifies, reviews and recommends Board appointments for approval by the Board, taking into account the industry knowledge, skills, background, experience, professional qualifications, age and gender of the candidate and the needs of the Board;
- Conducts an annual evaluation of the performance of the Board, the Board committees and the Directors;
- Implements the Board Diversity Policy and reviews its effectiveness;
- Exercises oversight of the induction programme and continuous development programme for Directors, and ensures that first-time directors with no prior experience as a director of a listed company in Singapore undergo relevant training;

- Reviews and recommends to the Board the re-appointment of each Director having regard to his/ her performance, commitment and ability to contribute to the Board as well as his/ her age and skillset;
- Assesses annually whether each Director has sufficient time to discharge his/ her responsibilities; and
- Reviews the Board's succession plans for Directors.

Highlights of NC's activities in 2021

Board renewal process

Please refer to the Board highlights – 2021 section on pages 44 to 45.

Selection criteria and nomination process for Directors

Before a new Director is appointed, suitable candidates are identified from various sources. Thereafter, the NC conducts an assessment to:

- review the candidate (including qualifications, attributes, capabilities, skills, age, past experience) to determine whether the candidate is fit and proper in accordance with the fit and proper guidelines issued by the MAS; and
- ascertain whether the candidate is independent from DBSH's substantial shareholder and/or from management and business relationships with DBS.

The NC then interviews the short-listed candidates and makes its recommendations to the Board. All Board appointments are based on merit, taking into account the contributions the candidates can bring to the Board to enhance its effectiveness. Upon the appointment of a new Director, the NC will recommend to the Board his or her appointment to the appropriate Board committee(s) after matching the Director's skillset to the needs of each Board committee.

Induction and Training for new Directors

The NC oversees the onboarding of new Directors. All new Directors go through our induction programme, which covers the duties and obligations of a Director and the responsibilities of and work carried out by the Board committees. We provide a Director's pack, which acts as an aide memoire for the information covered by the induction programme. We have briefing sessions for Directors given by members of senior management on the various businesses of DBS and its supporting functions. The NC is also responsible for ensuring that new Directors with no prior experience as a director of a listed company in Singapore undergo training in the roles and responsibilities of a director of a listed company.

In 2021, the two new Directors (Mr Chng Kai Fong and Ms Judy Lee) attended our 4-day induction programme after they were appointed as Directors. As part of the induction programme, they had one-on-one meetings with members of the GMC. In addition, as DBS is the first listed company directorship for both Mr Chng and Ms Lee, they attended training sessions conducted by the Singapore Institute of Directors (SID) on the roles and responsibilities of a listed company director.

Annual review of Directors' independence

The NC reviews and determines annually whether each Director is independent in accordance with the stringent standards required of financial institutions prescribed under the Banking CG Regulations. Under the Banking CG Regulations, an "independent director" is defined to mean a Director who is:

- independent from any management and business relationship with DBS;
- independent from any substantial shareholder of DBS; and
- has not served on the Board of DBS for a continuous period of nine years or longer.

The NC assessed and concluded that (i) all Directors are considered to be independent from business relationships with DBS; (ii) with the exception of Mr Piyush Gupta, all Directors are considered to be independent from management relationships with DBS; (iii) with the exception of Mr Chng Kai Fong, all Directors are considered to be independent from DBSH's substantial shareholder, Temasek Holdings (Private) Limited (Temasek). Mr Chng, who is the Second Permanent Secretary for The Smart Nation and Digital Government Group, Prime Minister's Office, Singapore, is considered not independent of Temasek as the Singapore government is its ultimate owner; and (iv) Mr Peter Seah and Mr Ho Tian Yee are Non-Independent directors as they have served on the Board for more than nine years. Based on the NC's assessment, the Independent Directors are Dr Bonghan Cho, Ms Punita Lal, Ms Judy Lee, Mr Olivier Lim, Mr Anthony Lim and Mr Tham Sai Choy.

Although Mr Ho Tian Yee, Ms Judy Lee, Mr Olivier Lim, Mr Anthony Lim, Mr Peter Seah and Mr Tham Sai Choy are on the boards of companies that have business relationships with DBS, and are also directors of companies in which Temasek has investments (Temasek portfolio companies), the NC considers these Directors (i) independent of business relationships as the revenues arising from such relationships are not material; and (ii) independent of Temasek as their appointments on the boards of Temasek portfolio companies are non-executive in nature and they are not involved in the day-to-day conduct of the businesses of the Temasek portfolio companies. In addition, none of these Directors sit on any of the boards of the Temasek portfolio companies as a representative of Temasek and they do not take instructions from Temasek in acting as Directors.

Board performance and evaluation

The NC makes an assessment at least once a year to determine whether the Board and Board committees are performing effectively and identifies steps for improvement. The NC believes that it is important to obtain an independent perspective on the Board's performance once every three to four years, and to gain insights on the Board's performance against peer boards and best practices. An external evaluator was last engaged to conduct the Board performance evaluation for the financial year ended 2018.

In 2021, the NC engaged Aon Hewitt (Aon), an independent external evaluator, to conduct the Board evaluation for FY2021. Aon is not connected with DBS or any of the Directors. As part of the evaluation process, a Board evaluation questionnaire (which included questions on Board composition, Board information, Board processes/culture, Board accountability, Capital/risk, Management, Standards of Conduct, Board relationships and effectiveness of Board committees) was circulated to each Director and the completed questionnaires were returned to Aon. Thereafter, Aon conducted one-on-one interviews with each Director to get more in-depth feedback and perspectives on the performance of the Board. The NC and the Board then discussed the results of the Board evaluation, which reflected that the Board is above the market 90th percentile for all categories evaluated (based on other board evaluation surveys conducted by Aon).

In addition to the annual Board evaluation exercise, the NC also conducts an annual review of each Director to determine whether each Director remains qualified for office. In making its determination, the NC will take into account (i) the Director's age, track record, experience, skills and capabilities; (ii) whether each Director is able to and has been adequately carrying out his/ her duties as a Director, including the contributions and performance of each Director; and (iii) whether each Director has committed sufficient time to his/ her duties as a director of DBS. The Board is satisfied that each Director has diligently discharged his or her duties as a Director of DBS and has contributed meaningfully to DBS.

Directors' time commitment

The meeting attendance records of all Directors as well as a list of their directorships of listed companies and their principal commitments are fully disclosed in our Annual Report. The NC assesses each Director's ability to commit time to DBS' affairs in accordance with internal guidelines which take into account the number of other board and committee memberships a Director holds, as well as the size and complexity of the companies in which he/ she is a board member. Additionally, each Director is required to complete an annual self-assessment of his/ her time commitments.

While the Board has not set a maximum number of listed company board representations a Director may hold, all Directors appreciate the high level of commitment required of a Director. All Directors have met the requirements under the NC's guidelines.

Directors' tenure

The NC members believe that it is in the interests of DBS for the Board to be comprised of Directors with longer tenures who have a deep understanding of the banking industry, as well as Directors with shorter tenures who can bring fresh ideas and perspectives. There are currently three Directors who have served for more than ten years, and this is balanced by the progressive refreshing of the Board where six long-serving Directors have stepped down and seven new Directors have been appointed since November 2017.

The NC specifically considered the skillsets and contributions of the three long-serving Directors (being Mr Peter Seah, Mr Ho Tian Yee and Mr Piyush Gupta). The NC deliberated and agreed that it is in DBS' interests for these Directors to continue serving on the Board of DBS for the following reasons:

i) it is important that Mr Peter Seah remains as the Board Chairman to provide leadership and continuity. Mr Seah is a veteran former banker with wide industry experience, and he has been instrumental in the growth and transformation of DBS over the past 12 years. From a strategic perspective, the next few years are critical as DBS continues to execute on its digital transformation and growth strategies (especially with the prevailing macro-economic and geo-political headwinds as well as challenges due to the Covid-19 pandemic) and enhance its franchise in the Greater Bay Area, China, India, Indonesia and Vietnam;

ii) it is in the interests of DBS for Mr Ho Tian Yee to continue serving on the Board for another year. Mr Ho is a seasoned banker with market risk/trading expertise gained from over 30 years of experience in managing and investing in global financial markets. Having served on the Board Risk Management Committee since he was appointed as a Director in April 2011, he has an in-depth understanding of DBS' risk environment and provides valuable insights and perspectives to help DBS navigate the complex and challenging risk landscape; and

iii) as CEO, Mr Piyush Gupta should remain as a Director to provide the Board with insights into the business.

Re-election of Directors

Under the Constitution of DBSH, one-third of Directors who are longest-serving since their last re-election are required to retire from office and, if eligible, stand for re-election at each AGM. Based on this rotation process, each Director is required to submit himself or herself for re-election by shareholders at least once every three years. In addition, new Directors (who are appointed in between AGMs) are required under DBSH's Constitution to stand for re-election at the first AGM after their appointment. The NC reviews and recommends to the Board the rotation and re-election of Directors at the AGM.

Prior to each AGM, Group Secretariat informs the NC which Directors are required to retire at that AGM. The NC will then review the composition of the Board and decide whether to recommend to the Board the re-election of these Directors, after taking into account factors such as their attendance, participation, contribution, expertise and competing time commitments.

At the 2022 AGM, Dr Bonghan Cho, Mr Olivier Lim and Mr Tham Sai Choy will be retiring by rotation, while Mr Chng Kai Fong and Ms Judy Lee are required to stand for re-election as this is the first AGM after their appointment. At the recommendation of the NC and as approved by the Board, all five Directors will be standing for re-election at the 2022 AGM.

Review of composition of Board Committees

The NC regularly reviewed the size and composition of the Board committees in 2021 to ensure that all independence requirements continue to be met, and that the Board committees are of an appropriate size and comprise the appropriate balance of skills, knowledge and experience, as well as diversity of nationality, age and gender.

The following changes were made to the composition of the Board committees in 2021:

- Following the retirement of Ms Euleen Goh from the Board at the conclusion of the 2021 AGM, Mr Olivier Lim took over from Ms Goh as the BRMC chairman with effect from 31 March 2021.
- Following the retirement of Mr Andre Sekulic from the Board at the conclusion of the 2021 AGM, Mr Anthony Lim took over from Mr Sekulic as the CMDC chairman with effect from 31 March 2021.
- Ms Punita Lal was appointed as a member of the AC with effect from 31 March 2021.
- Mr Chng Kai Fong was appointed as a member of the AC and the NC with effect from 31 March 2021.
- Ms Judy Lee was appointed as a member of the AC, the BRMC and the CMDC with effect from 4 August 2021.

Continuous development programme for all Directors

The NC monitors the frequency and quality of the Board training sessions, which are conducted either by external professionals or by management. The NC selects topics which are relevant to the Group's activities. Board members also contribute by highlighting areas of interests and possible topics.

The topics presented to the Board in 2021 as part of the continuous development programme included: (i) emerging technologies, including blockchain and distributed ledger, and the implications on DBS; (ii) insights from various external experts on (a) "Vision 2050: Time to Transform" launched by the World Business Council for Sustainable Development, (b) growth and value creation in fintechs, as well as (c) outlook and implications of recent policy actions in China; (iii) training session on various Accounting and Disclosure matters (including capital and liquidity regulations, expected credit loss and valuations); (iv) risk training session on DBS' Risk-Based Limit approach; and (v) updates on Interbank Offered Rate (IBOR) reform and implications on DBS.

Board diversity

We recognise that diversity is not merely limited to gender or any other personal attributes. We adopted a Board Diversity Policy which recognises the importance of having an effective and diverse Board, and states that the NC is responsible for setting the relevant objectives that promote and achieve diversity on the Board. In discharging its duties, the NC shall give due regard to the benefits of all aspects of diversity and strive to ensure that the Board is appropriately balanced to support the long-term success of DBS.

The main objective of the Board Diversity Policy is to continue to maintain the appropriate balance of perspectives, skills and experience on the Board to support the long-term success of DBS. The Board Diversity Policy provides that the NC shall endeavour to ensure that female candidates are included for consideration when identifying candidates to be appointed as new directors, with the aim of having not less than two female directors on the Board. Two out of ten directors on the Board (20% of the Board) are female.

The NC is responsible for developing a framework to identify the skills that the Board collectively needs in order to discharge the Board's responsibilities effectively, taking into account the complexity of DBS' existing risk profile, business operations and future business strategy. The NC has put in place a skills matrix which classifies skills, experience and knowledge of Directors into the following broad categories (i) Industry knowledge and experience; (ii) Financial and commercial acumen; (iii) Governance; (iv) Leadership; (v) Digital Transformation; and (vi) Sustainability.

The NC believes that there is an appropriate balance of industry knowledge, skills, background, experience, professional qualifications, age and gender on the Board, and is satisfied that the objectives of the Board Diversity Policy continue to be met.

Board Executive Committee (EXCO)

Key responsibilities of the EXCO

- Approves certain matters specifically delegated by the Board such as acquisitions and divestments up to a certain material limit, credit transactions, investments, capital expenditure and expenses that exceed the limits that can be authorised by the CEO;
- Reviews weak credit cases on a quarterly basis;
- Oversees the governance of strategic risks such as sustainability (including review of the annual Sustainability Report), technology, artificial intelligence and data (including data privacy and appropriate use of data); and
- Reviews and provides recommendations on matters that will require Board approval, including acquisitions and divestments exceeding certain material limits.

Highlights of EXCO's activities in 2021

- The EXCO assists the Board to enhance the business strategies and strengthen core competencies of DBS. The EXCO meets frequently (12 meetings in 2021) and is able to offer greater responsiveness in the decision-making process of DBS.
- In addition to its quarterly review of weak credit cases, matters discussed at the EXCO meetings in 2021 included (i) review of the DBS Sustainability Report; (ii) renewal of the credit programmes in Singapore for SMEs; (iii) annual reviews of country (transfer risk) limits; and (iv) various acquisition and investment opportunities, including the acquisition of Citigroup's consumer banking business in Taiwan.

Audit Committee (AC)

Key responsibilities of the AC

Financial reporting and disclosure matters

- Monitors the financial reporting process, significant financial reporting issues and judgements to ensure the integrity of the Group's consolidated financial statements;
- Reviews the Group's consolidated financial statements, other financial disclosures (including Basel Pillar 3 disclosures) and any announcements relating to the Group's financial performance prior to submission to the Board; and
- Provides oversight of external disclosure governance.

Internal controls

- Reviews (in parallel with the Board Risk Management Committee) the adequacy and effectiveness of internal controls, such as financial, operational, compliance and information technology controls, as well as risk management systems;
- Receives updates on significant incidents of non-compliance with laws and regulations, and reviews management's investigations of such incidents;
- Reviews and monitors remedial action plans to address significant internal control deficiencies identified by management, Group Audit, the external auditor and/ or regulators;
- Ensures that there are policies and arrangements in place by which DBS staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensures that arrangements are also in place for such concerns to be independently investigated and for appropriate follow-up action to be taken;
- Reviews the significant matters raised through the whistle-blowing channel; and
- Reviews all material related party transactions (including interested person transactions) and keeps the Board informed of such transactions, and the findings and conclusions from its review.

Internal audit

- Reviews at least annually, the independence, adequacy and effectiveness of the Group's internal audit function (Group Audit) and processes, and ensures that Group Audit is adequately resourced and set up to carry out its functions, including approving its budget;
- Reviews Group Audit's audit plans, the proposed areas of audit focus, and results of audits;
- Ensures that an internal quality assurance review (QAR) of Group Audit is conducted annually, and that an independent QAR is conducted at least once every five years; and
- Approves the hiring, removal, resignation, evaluation and compensation of the Head of Group Audit.

External auditor

- Determines the criteria for selecting, monitoring and assessing the external auditor, and makes recommendations to the Board on the appointment, re-appointment and removal of the external auditor;
- Approves the remuneration and terms of engagement of the external auditor;
- Reviews and discusses the key audit matters (identified by the external auditor pursuant to auditing standards) with the external auditor and management, and ascertains if these matters are presented appropriately;
- Reviews the scope and results of the external audits and the independence, adequacy and objectivity of the external auditor;
- Ensures that the external auditor promptly communicates to the AC, any information regarding internal control weaknesses or deficiencies, and that significant findings and observations regarding weaknesses are promptly rectified; and
- Reviews the assistance given by management to the external auditor.

The AC has the authority to investigate any matter within its terms of reference, and has full access to and cooperation from management.

Highlights of AC's activities in 2021

Oversight of financial reporting and disclosure matters

In response to the risk-based approach to quarterly reporting that was adopted by the Singapore Exchange Regulation (SGX RegCo) from 7 February 2020, the Group transitioned to a semi-annual reporting regime that is complemented by trading updates between the half-yearly financial reports. The trading updates, which comprise the profit and loss account, key balance sheet items, financial ratios and business commentary, are intended to provide investors with continued line of sight on the Group's ongoing performance.

The AC reviewed the Group's trading updates and half-yearly financial statements, and made recommendations to the Board for approval. The AC also took into account the assurances provided by the CEO and CFO that the financial statements are properly drawn up in accordance with the provisions of the Singapore Banking Act, Singapore Companies Act and Singapore Financial Reporting Standards (International) (SFRS(I)), and that the Group's financial risk management and internal control systems are adequate and effective.

The AC members were kept updated on changes to accounting standards and significant accounting matters involving the exercise of judgement. During the course of the financial year, the AC reviewed the following areas:

- Asset quality and the adequacy of provisions in light of the Covid-19 pandemic, giving due consideration to the application of the SFRS(I) ECL requirements as well as guidance provided by international regulators and the MAS;
- Valuation matters, including assessing the adequacy of valuation reserves and the carrying value of goodwill;
- The finalisation of the goodwill arising from the amalgamation of LVB, including the key drivers accounting for the variance from the provisional estimate; and
- The accounting treatment for key transactions during the year, including the acquisition of a 13% stake in Shenzhen Rural Commercial Bank.

The AC reviewed the Group's audited consolidated financial statements for FY2021 and discussed with management and the external auditor the significant matters which involved management judgement.

Please refer to the table below for further information on these significant matters. These matters are also discussed in the independent auditor's report on pages 112 to 117.

The AC is of the view that the Group's consolidated financial statements for FY2021 are fairly presented in conformity with the relevant SFRS(I) in all material aspects. The Board has been notified that the Group's external auditor, PricewaterhouseCoopers LLP (PwC), has read and considered the other information (i.e. other than the financial statements and auditor's report thereon) in the annual report, whether financial or non-financial, in accordance with the Singapore Standard on Auditing 720. For the financial year ended 31 December 2021: (i) no material inconsistencies between the other information, the financial statements and PwC's knowledge obtained in the audit; and (ii) no material misstatements of the other information, have been reported.

Oversight of Group Audit

The AC has direct oversight of Group Audit. The AC receives reports from Group Audit at each quarterly AC meeting, which provide the AC with an update on (i) the overall control environment (based on the results of the audit reviews in the preceding quarter); (ii) the key findings from audit reviews and the remediation actions which have been, or will be, taken to address these findings; (iii) an overview of the audit issues (including re-aged and past due issues) and audit reports issued during the preceding quarter; and (iv) any changes to the audit plan for AC approval.

Please refer to page 57 for details on Group Audit's key responsibilities and processes.

In addition to the findings from the routine audits conducted by Group Audit in 2021, the AC was also apprised of the findings from other reviews initiated by Group Audit. These reviews covered new businesses (such as DBS Securities (China) Limited, DBS Digital Exchange and the integration of LVB) as well as credit portfolios across key markets, factoring in Covid-19 conditions. The AC was also updated on the results of the cyber red team simulation conducted to assess DBS' cyber security posture across all locations which covered remote working scenarios, insider threats and IT systems hosted in the cloud.

The AC assessed the adequacy, effectiveness and independence of Group Audit, and is of the view that Group Audit is independent, effective and adequately resourced. Group Audit understands the risks that the Group faces and has aligned its work to review these risks.

There is at least one scheduled private session annually for the Head of Group Audit to meet the AC. The Chair of the AC meets the Head of Group Audit regularly to discuss the audit plans, current work, key findings and other significant matters of Group Audit regularly to discuss the audit plans, current work, key findings and other significant matters.

Reviewing performance, objectivity and independence of the external auditor

The AC has unfettered access to the external auditor. Separate sessions were held during each of the four quarterly AC meetings in 2021 for the AC to meet with the external auditor

AC commentary on key audit matters

Significant matters	How the AC reviewed these matters
Specific allowances for loans and advances	The AC reviewed the significant non-performing credit exposures periodically and considered management's judgments, assumptions and methodologies used in the determination of the level of specific allowances required. The AC focused on management's assessment of the ongoing effect of Covid-19 on the economic outlook and asset quality, relief measures granted as well as guidance issued by regulators on the recognition of loss allowances in the context of Covid-19. The AC noted that major weak credits are reviewed by the Board Executive Committee quarterly and presented to the AC. The AC was apprised of the external auditor's work over credit, which included sampling across performing, watch-list and non-performing portfolios to assess the appropriateness of the loan ratings and classification, the adequacy of specific allowances where applicable, and an evaluation of how the impact from Covid-19 had been taken into account. Additionally, the AC considered the results from Group Audit's independent assessment of the Group's credit portfolios across key markets and credit risk management process. The AC is of the view that the specific allowances that have been set aside for non-performing credit exposures are appropriate.
General allowances for credit losses	The AC reviewed the governance arrangements, including the matters considered by the Expected Credit Loss (ECL) Review Committee, as well as the key drivers of the quarterly movements in Stage 1 and Stage 2 ECL (General Allowances). These included the changes in portfolio asset quality, prevailing economic and geopolitical conditions, as well as post model adjustments made to reflect management's assessment of the ongoing effect of Covid-19. The AC noted that ECL models are validated by the Model Validation Team, which also monitors the models' performance, and approved by the Group Credit Risk Models Committee. The AC took into account the external auditor's observations, which included a review of selected portfolios by credit specialists, along with assessments of the Group's methodologies (including the reasonableness of certain forward-looking economic inputs), processes and controls. The AC, on the back of these reviews, considers the General Allowances to be within a reasonable range.
Goodwill	The AC reviewed the methodology and key assumptions driving the cash flow projections that are used in the determination of the value-in-use of the DBS Bank (Hong Kong) Ltd's franchise, including the macroeconomic outlook, geopolitical developments and downside risks from new Covid-19 variants. It assessed the sensitivities of the value-in-use to reasonably possible changes in the valuation parameters. The AC also reviewed the additional adjustments made to finalise the provisional goodwill arising from the acquisition of the assets and liabilities of Lakshmi Vilas Bank. The AC was apprised of the external auditor's observations from its review of management's goodwill impairment assessment, and concurs that there is no impairment as at 31 December 2021.
Valuation matters	The AC reviewed the governance arrangements, including the deliberations of the Group Valuation Committee, as well as the fair value hierarchy of financial instruments held at fair value, the quarterly movements in valuation reserves, the appropriateness of the Group's valuation methodology in light of industry developments, and the overall adequacy of valuation reserves. The AC was apprised of the external auditor's observations from its assessment of the Group's controls over the valuation process, as well as its conclusion, based on the result of its independent estimates, that the valuation of financial instruments held at fair value was within a reasonable range of outcomes. The AC considers the valuation process, policies and estimates as adopted and disclosed in the financial statements to be appropriate.

without the presence of management to discuss matters that might have to be raised privately.

The AC monitors the performance, objectivity and independence of the external auditor. For this purpose, the AC takes into account the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority (ACRA); the guidance provided in Practice Guidance 10 of the 2018 Code, as well as the principles outlined by the Basel Committee on Banking Supervision in its document "The External Audits of Banks".

The total fees due to PwC for the financial year ended 31 December 2021 and the breakdown of the fees for audit and non-audit services, are set out in the table below. The AC reviewed the non-audit services provided by the external auditor during the financial year and the associated fees. The AC is satisfied that the independence and objectivity of the external auditor have not been impaired by the provision of those services.

Fees relating to PwC services for FY2021	SGD (million)
For audit and audit-related services	9.8
For non-audit services	1.4
Total	**11.2**

The AC considered the following matters in its review of the external auditor's performance and when formulating its recommendation on the re-appointment of the external auditor:

- the performance of the external auditor against industry and regulatory standards;
- the scope of the audit plan and areas of audit focus as agreed with the external auditor;
- the quality of audit services rendered, and reports and findings presented, by the external auditor during the year;
- feedback received from various functions/ geographical locations, through an annual structured internal survey, on the adequacy and quality of the audit team's resources, the level of independence and scepticism exercised in carrying out its work, and its overall efficiency and effectiveness;
- the Audit Quality Indicators data of the external auditor; and
- the external auditor's self-assessment, including the confirmation of its independence, to the AC.

Based on these considerations, the AC has recommended, and the Board has endorsed, the re-appointment of PwC for shareholders' approval at the 2022 AGM. The Group has complied with Rule 712 and Rule 715 of the SGX Listing Manual in relation to its external auditor.

Board Risk Management Committee (BRMC)

Key responsibilities of the BRMC

- Supports the Board and management in setting the tone from the top so as to embed and maintain appropriate risk culture;
- Guides the development of, and recommends for the Board's approval, the risk appetite for various types of risk and exercises oversight on how this is operationalised into individual risk appetite limits;
- Approves the Group's overall and specific risk governance frameworks;
- Has direct oversight of the CRO (jointly with the CEO);
- Oversees the risk assessment framework established to manage the Group's financial crime, cybersecurity, fair dealing and regulatory risks;
- Oversees an independent risk management system and adequacy of resources to identify and evaluate risks;
- Reviews the risks arising from new business activities, and the associated risk management and governance approach;
- Reviews (in parallel with the Audit Committee) the adequacy and effectiveness of the Group's internal controls framework;
- Monitors market developments, such as macro-economic and country risks, financial and operational risks, risk concentrations, and stress tests related to these developments;
- Monitors risk exposures and profile against relevant risk thresholds, and risk strategy in accordance with approved risk appetite and/ or guidelines;
- Discusses risk reporting requirements and reviews the risk dashboard to keep track of major risk positions and risk developments;
- Monitors the quarterly portfolio reviews of total exposures as well as large exposures and asset quality;
- Discusses large risk events and subsequent remedial action plans;
- Oversees the risk models governance approach, including approving risk models used for capital computation and monitoring the performance of previously approved models;
- Exercises oversight of the Internal Capital Adequacy Assessment Process (ICAAP) including approval of stress scenarios and commensurate results for capital, risk-weighted assets, profit and loss and liquidity;
- Approves the Business Continuity Management attestation and Group Recovery Plan; and
- Exercises oversight of regulatory requirements relating to risk management.

Highlights of BRMC's activities in 2021

The BRMC's approach continued to be underpinned by a philosophy that risk management in complex and large organisations is best served by holistically integrating governance, culture, talent, structure and processes.

The BRMC was kept informed of major risk positions and risk developments through the risk dashboards. The BRMC monitored the global economic environment and, in particular, paid close attention to developments which could have material consequences for the key markets where we operate. The BRMC also provided guidance, where appropriate, to management. The BRMC considered vulnerabilities such as the global economic outlook, political landscape, liquidity tightening, rate hikes and market volatility, all of which could impact our strategy and portfolios in these markets.

In 2021, the BRMC discussed the findings and the impact arising from scenario analyses and portfolio reviews conducted on certain countries and specific sectors, including:

- the tapering of the Covid-19 pandemic government support measures and relief programmes;
- the impact of rising fuel prices and energy shortage; and
- the contagion effect from defaults of major Chinese enterprises, and the insolvencies of Greensill Capital and Archegos Capital Management.

The scenario analyses are in addition to the reviews of various regulatory and internal stress testing exercises.

The BRMC also reviewed management's assessment of the impact of the protracted US-China tensions, increased regulatory scrutiny on technology players and evolving socio-economic landscape in China. In addition, the BRMC discussed the geopolitical landscape in the region, inflationary pressure, and taper tantrum. It was kept informed of the utilisation of market risk limits (for both banking and trading books), the liquidity risk profile and limit utilisation (in all major currencies and legal entities), and the key operational risk profiles of the Group.

The BRMC deliberated over the new businesses and significant initiatives, which included DBS Digital Exchange, Climate Impact X, and LVB. The BRMC reviewed and approved the risk management and governance approach for new business initiatives, and was given regular updates on new developments and incremental risks arising from these new initiatives in the course of 2021.

The BRMC was also advised on the continued focus on global trends on anti-money laundering and countering the financing of terrorism, fair dealing and conduct risks as well as cyber security environment. The BRMC was updated on the various efforts made to address these risks.

The BRMC reviewed and approved the risk models governance framework, which covers the development, approval and ongoing performance monitoring. The BRMC received regular updates on risk appetite and economic capital utilisation, and was apprised of regulatory feedback and developments (such as approaches for risk models and capital computation) and Basel requirements. In addition, the BRMC was updated on the action plans following the internal group-wide risk and control culture survey conducted in 2020.

The BRMC, in partnership with the CEO, coordinated the smooth internal succession of the CRO.

Please refer to the section on 'Risk Management' in this Annual Report for more information on the BRMC's activities.

Compensation and Management Development Committee (CMDC)

Key responsibilities of the CMDC

- Exercises supervisory oversight of the overall principles, parameters and governance of DBS' remuneration policy and ensures the alignment of compensation with prudent risk taking to build a long-term sustainable business;
- Oversees the remuneration of senior executives and Directors, including making recommendations to the Board on the remuneration of executive directors; and
- Exercises oversight on management development and succession planning of the Group and ensures that robust plans are in place to deepen core competencies and bench strength as well as strengthen leadership capabilities and talent pipeline for the continued success of the Group.

Highlights of CMDC's activities in 2021

Group remuneration policy and annual variable pay pool

Please refer to the Remuneration Report on pages 61 to 65 for details on the remuneration of the CEO and DBS' remuneration strategy.

The CMDC reviews and approves DBS' remuneration policy and the annual variable pay pool, which are also endorsed by the Board. The CMDC provides oversight of the remuneration principles of the CEO, senior executives and control functions to ensure that they are in line with the Financial Stability Board's guidelines. As part of the review of the annual variable pay pool as well as the remuneration of the CEO and senior executives, the CMDC appraises how well DBS has performed against the balanced scorecard for each year.

Non-executive Directors' fee structure for FY2021 (unchanged from FY2020)

Basic annual retainer fees	SGD
Board	**100,000**
Lead Independent Director	**75,000**
Additional Chairman fees for:	
Board	**1,450,000**
Audit Committee	**90,000**
Board Risk Management Committee	**90,000**
Compensation and Management Development Committee	**65,000**
Executive Committee	**75,000**
Nominating Committee	**45,000**
Additional committee member fees for: ***(Note: Board committee chairpersons do not get these fees)***	
Audit Committee	**60,000**
Board Risk Management Committee	**60,000**
Compensation and Management Development Committee	**35,000**
Executive Committee	**60,000**
Nominating Committee	**30,000**

We have a robust disciplinary framework linked to individual compensation. The CMDC was apprised of the impact of disciplinary actions on individuals' compensation when approving the annual variable compensation pool and noted that (i) the Group's risk management and internal control systems are adequate and effective, and (ii) the 2021 Risk & Culture score from the Kincentric My Voice survey increased to 91%.

During the year, the CMDC reviews market trends to ensure that the Group's remuneration remains competitive in the context of our performance and productivity.

Talent Review and Succession Planning
The CMDC reviews the state of the talent and the strength of the human capital in DBS in support of its overall strategy. This includes a review of the talent bench strength, "team in the field", succession plans for CEO and GMC members, as well as development plans for our High Potentials (HIPOs).

Succession Planning is a rigorous process in DBS which includes inputs from the respective country and Group Functional Heads, followed by detailed reviews with the CEO. The CMDC reviewed the succession plans of CEO and the GMC members based on a DBS proprietary "Key Success Factors" framework, which comprises four dimensions of a DBS senior leader success profile viz (i) domain knowledge, (ii) critical experiences, (iii) leadership competencies and (iv) leadership traits. Potential successors for GMC were evaluated against these four dimensions to assess their readiness, and development plans to address their leadership gaps were put in place to prepare them for succession.

In assessing its Talent bench strength, DBS follows a robust HIPO identification process based on the "3P framework" namely Performance, PRIDE! and Potential. The assessment of potential is based on one's ability, aspiration and engagement. Identified HIPOs are developed through a comprehensive "triple-E development framework" which focuses on actionable development activities around education (conferences and leadership programs), exposure (mentoring, coaching and networking) and experience (new or stretched roles, cross country and cross function assignments), designed to accelerate their growth.

The commitment to HIPO development has paid off. In 2021, HIPO attrition was healthy at 6.2%, well within our target of below 10%. 49% of our HIPOs also took on enhanced or changed roles, well above our target of 30%.

Staff Welfare
The CMDC was also apprised of how we worked together effectively in the remote working environment. We have supported our colleagues, prioritising their wellbeing, safety and security, and have also accelerated the implementation of wellbeing initiatives, including the "Together" movement (which was implemented in 2020) where various programs are held (such as engagement programs, hangouts, seminars and training festivals) to galvanise staff together.

Remuneration of Non-Executive Directors

Please refer to pages 46 to 47 for details of remuneration of each non-executive Director (including the Chairman) for FY2021.

The CMDC reviews and recommends a framework to the Board for determining the remuneration of all non-executive Directors. The remuneration of non-executive Directors, including the Chairman, has been benchmarked against global and local financial institutions. Unless otherwise determined by the Board, non-executive Directors receive 70% of their fees in cash and the remaining 30% in share awards.

The share awards are not subject to a vesting period, but are subject to a selling moratorium whereby each non-executive Director is required to hold the equivalent of one year's basic retainer fees for his or her tenure as a Director and for one year after the date he or she steps down. The fair value of share grants to the non-executive Directors are based on the volume-weighted average price of the ordinary shares of DBSH over the 10 trading days immediately prior to (and excluding) the date of the AGM. The actual number of ordinary shares to be awarded are rounded down to the nearest share, and any residual balance is paid in cash. Other than these share awards, the non-executive Directors do not receive any other share incentives or securities under the DBSH Share Plan.

The table on page 55 sets out the annual fee structure for the non-executive Directors for FY2021. There is no change to the annual fee structure from FY2020. Non-executive Directors are also paid attendance fees for attending Board and Board committee meetings. Shareholders are entitled to vote on the remuneration of non-executive Directors at the 2022 AGM.

Although the non-executive Directors' fee structure for FY2021 remains unchanged from the previous year, the amount of non-executive Directors' remuneration for FY2021 is approximately 4% higher than that for FY2020. The higher remuneration for FY2021 is mainly attributable to the following reasons: (i) each of the non-executive Directors (who was in office during the last Annual General Meeting) received a basic retainer fee of SGD 90,000 for FY2020 (instead of SGD 100,000) as they had volunteered to take a 10% reduction in their basic retainer fees of SGD 100,000 for FY2020, in a show of solidarity with the nation and our stakeholders during the Covid-19 pandemic. In addition, the Board Chairman received a lower Board Chairman's fee of SGD 1,305,000 (instead of SGD 1,450,000) as he had also volunteered to take a 10% reduction in his Board Chairman's fees for FY2020 (in addition to the 10% reduction in his basic retainer fee); and (ii) higher attendance fees due to the increased number of Board and Board committee meetings held in FY2021 and increase in-person attendance at such meetings. As DBS had navigated the challenges posed by the Covid-19 pandemic well in 2021, there will be no reduction in non-executive Directors' remuneration for FY2021.

In addition, Mr Peter Seah (who is also the Chairman of DBS Bank (Hong Kong) Limited) received director's fees of HKD 1,010,000 for FY2021, and Mr Tham Sai Choy (who sits on the board of DBS Bank (China) Limited) received director's fees of CNY 471,000 in FY2021.

None of the Group's employees was an immediate family member of a Director with remuneration exceeding SGD 100,000 in 2021.

Effective controls

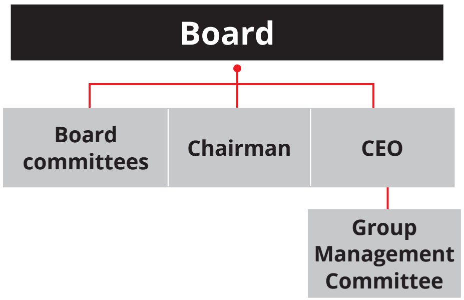
Group Approving Authority

The Group Approving Authority (GAA) is an integral part of our corporate governance framework.

The Board's responsibilities are well defined in the GAA. The Board is the decision-making body for matters with significant impact to DBS as a whole; these include matters with strategic, financial or reputational implications or consequences. The specific matters that require board approval under the GAA include:

- Group's annual and interim financial statements;
- investments and divestments exceeding certain material limits;
- Group's annual budget;
- capital expenditures and expenses exceeding certain material limits;
- capital-related matters including capital adequacy objectives, capital structure, capital issuance and redemption;
- dividend policy; and
- risk strategy and risk appetite statement.

Scope of delegation of authority in the GAA



The GAA ensures that appropriate controls and decision-making are consistently applied throughout DBS. Under the GAA, the Board has delegated to the CEO the responsibility to ensure that the Group's businesses and operations are operated in accordance with Board-approved strategies and standards, which include responsibilities for the internal control framework within DBS. On matters where authority has been delegated to him, the CEO may further delegate his responsibilities and authorities to any GMC member or members and may empower them to, in turn, delegate their responsibilities and authorities to other executives and committees of the Group.

The GAA covers internal authority only and does not override any specific provisions arising from statutory, regulatory, exchange listing requirements, or the DBSH's Constitution. The GAA is regularly reviewed and updated to accommodate changes in the scope and activities of DBS' business and operations. The Board approves the GAA and any change to it.

Internal controls framework

Our internal controls framework covers financial, operational, compliance and information technology controls, as well as risk management policies and systems. The Board, supported by the AC and BRMC, oversees the Group's system of internal controls and risk management. DBS has three lines of defence when it comes to risk taking, where each line of defence has a clear responsibility.

Board, CEO and Senior Management	Provides oversight of the three lines of defence		
	First line of defence	Second line of defence	Third line of defence
Role	Own and manage risks in respective areas of responsibility	Provide independent risk oversight, monitoring and reporting	Provide independent assurance
Unit	Business and support units	Risk Management, Legal and Compliance	Internal Audit

First line of defence

Our business and support units are our first line of defence. Their responsibilities include the identification and management of risks arising from and relating to their respective areas of responsibilities, and ensuring that our operations remain within approved boundaries of our risk appetite and policies.

DBS has an established incident notification protocol that sets out processes for the escalation of incidents according to the level of severity. In this way, appropriate levels of management are made aware of such incidents and can take action accordingly. There are also well-defined procedures for the escalation, investigation and follow up of any reported wrong-doing by a DBS employee, customer, vendor or third party.

Second line of defence

Risk Management Group, Group Legal and Compliance and parts of Group Technology & Operations and Group Finance form the second line of defence. They are responsible for the development and maintenance of risk management policies and processes and they provide objective review and challenge on the activities undertaken by business and support units.

Third line of defence

Group Audit forms the third line of defence. It provides an independent assessment and assurance on the reliability, adequacy and effectiveness of our system of internal controls, risk management, governance framework and processes.

Group Audit

Key responsibilities and processes

Group Audit is independent of the activities it audits. Its objectives, scope of authority and responsibilities are defined in the Audit Charter, which is approved by the AC. Group Audit reports functionally to the Chairperson of the AC and administratively to the CEO.

Group Audit's responsibilities include:

- evaluating the reliability, adequacy and effectiveness of the Group's system of internal controls, risk management, governance framework and processes;
- providing an objective and independent assessment of the Group's credit portfolio quality, the execution of approved credit portfolio strategies and control standards relating to credit management processes;
- reviewing whether DBS complies with laws and regulations and adheres to established policies; and
- reviewing whether management is taking appropriate steps to address control deficiencies.

Group Audit adheres to the DBS Code of Conduct and is guided by the Mission Statement in the Audit Charter. It adopted the Code of Ethics and aligned its practices with the International Professional Practices Framework established by the Institute of Internal Auditors (IIA). In addition, it has embedded IIA's 10 Core Principles for the Professional Practice of Internal Auditing into its activities.

Group Audit has unfettered access to the AC, the Board and management, as well as the right to seek information and explanation. Group Audit has an organisational and strategic alignment to the Group. The Head of Group Audit has a seat in the GMC and attends all the business reviews and strategic planning forums. The respective heads of audit in each of the five key locations outside Singapore are part of that location's management team.

Group Audit adopts a risk-based approach in its auditing activities. An annual audit plan is developed using a structured risk and control assessment framework through which the inherent risk and control effectiveness of each auditable entity in the Group are assessed. This risk assessment methodology and approach are aligned with that of the Group, including the risk taxonomy.

The assessment also covers risks arising from new lines of business, new products and emerging risks from DBS' operating environment. Audit projects are planned based on the results of the assessment, with priority given to auditing higher risk areas and as required by regulators.

Audit reports containing identified issues and corrective action plans are reported to the AC and senior management. Progress of the corrective action plans is monitored, and past due action plans are included in regular reports to the senior management and the AC. In all routine audits, Group Audit evaluates the control environment and management's control awareness which incorporates risk culture as guided by the Financial Stability Board's Guidance on Sound Risk Culture.

Group Audit apprises regulators and external auditors of all relevant audit matters. It works closely with external auditors to coordinate audit efforts.

Quality assurance and key developments

In line with leading practices, Group Audit has a quality assurance and improvement programme (QAIP) that covers its audit activity and conforms to the International Standards for the Professional Practice of Internal Auditing. As part of the QAIP, internal quality assurance reviews (QAR) are conducted quarterly and external QAR are carried out at least once every five years by qualified professionals from an external organisation. Since 2019, the internal QAR has been contracted to an independent assessor, Protiviti.

Based on Protiviti's assessment, Group Audit leads the industry in the use of Agile Auditing approach and application of digital audit tools. These tools incorporate both rule-based and predictive analytics, enabling continuous risk monitoring. In Protiviti's capability maturity model, Group Audit was rated the highest level for audit planning, agile auditing, dynamic risk assessment and data analytics. Group Audit was also recognised by Protiviti for its leading practices and cited in their annual global industry publication – Internal Auditing Around the World.

In 2021, Group Audit continued to apply the Data Driven Operating Model and Agile practices as part of its audit process. This enabled dynamic risk assessment and enhanced continuous monitoring which improved the speed of risk identification and response. The increased use of Group Audit's analytical tools and data driven approach, coupled with DBS' suite of remote working technologies, helped Group Audit effectively provide audit assurance, in spite of Covid-19 conditions.

Dealings in securities

Although the Group has transitioned to a semi-annual reporting regime, the trading updates that are provided for the first and third quarters of each financial year are, for the purpose of the "black-out" policies prescribed under Rule 1207(19) of the SGX Listing Rules, deemed to constitute "financial statements". Accordingly, Directors and employees are prohibited from trading in DBS' securities (i) one month before the release of the full-year financial statements; and (ii) two weeks before the release of its quarterly financial statements for the first, second and third quarters of each financial year.

In addition, business units and subsidiaries engaging in proprietary trading are restricted from trading in DBS' securities during the black-out period. Group Secretariat informs all Directors and employees of each black-out period ahead of time. Directors and employees are prohibited at all times from trading in DBS' securities if they are in possession of material non-public information.

GMC members are only allowed to trade in DBS' securities within specific window periods (15 market days immediately following the expiry of each black-out period) subject to pre-clearance. GMC members are also required to obtain pre-approval from the CEO before any sale of DBS' securities. Similarly, the CEO is required to seek pre-approval from the Chairman before any sale of DBS' securities. As part of our commitment to good governance and the principles of share ownership by senior management, the CEO is expected to build up and hold at least the equivalent of three times his annual base salary as shareholding over time.

DBS has put in place a personal investment policy which prohibits employees with access

Name of interested person	Aggregate contract value of all interested person transactions in 2021 (excluding transactions less than SGD 100,000) (SGD million)
Joint venture transactions entered into with DBSH's controlling shareholder	
Temasek Holdings (Private) Limited Group	**727.6***
Transactions entered into with associates of Temasek	
CapitaLand Investment Limited Group	**13.5**
Certis CISCO Security Pte Ltd Group	**11.6**
Mapletree Investments Pte Ltd Group	**2.9**
Mediacorp Pte Ltd Group	**0.5**
SATS Ltd Group	**0.9**
Singapore Airlines Limited Group	**5.5**
Singapore Technologies Engineering Ltd Group	**0.2**
Singapore Telecommunications Limited Group	**34.2**
SMRT Corporation Ltd Group	**0.3**
StarHub Ltd Group	**10.3**
Surbana Jurong Private Limited Group	**4.8**
Total (SGD million)	**812.3**

* *This value includes the aggregate amount of USD 500 million (or SGD 680 million) committed by both DBS and Temasek (comprising USD 250 million from each party) into EvolutionX, which is an equally-owned joint venture between DBS and Temasek.*

to price-sensitive information in the course of their duties from trading in securities in which they possess such price-sensitive information. Such employees are also required to seek pre-clearance before making any personal trades in securities, and may only trade through the Group's stockbroking subsidiaries and bank channels for securities listed in Singapore and Hong Kong. The personal investment policy discourages employees from engaging in short-term speculative trading.

Related Party Transactions

DBS has embedded procedures to comply with regulations governing related party transactions, including those in the Banking Act, MAS directives and the SGX Listing Rules. The Banking Act and MAS directives impose limits on credit exposures by DBS to certain related entities and persons, while the SGX Listing Rules cover interested person transactions in general.

All new Directors are briefed on relevant provisions that affect them. If necessary, existing credit facilities to related parties are adjusted prior to a Director's appointment, and all credit facilities to related parties are continually monitored. DBS has robust procedures to manage any potential conflict of interest between a Director and DBS. Checks are conducted before DBS enters into credit or other transactions with related parties to ensure compliance with regulations.

The aggregate contract values of DBS' interested person transactions entered into in 2021 are set out in the above table. These included three joint venture transactions which DBS entered into with its controlling shareholder, Temasek, relating to the establishment of (i) a blockchain-based clearing and settlement platform (Partior); (ii) a global exchange and marketplace for high-quality carbon credits (Climate Impact X); and (iii) a USD 500 million growth debt financing platform (EvolutionX). In addition, DBS entered into various interested person transactions with associates of Temasek on arm's length commercial terms and for the purpose of carrying out day-to-day operations (such as leasing of premises, telecommunication/ data services, IT systems and related services, redemption of KrisFlyer miles by DBS/ POSB credit card holders, logistics and security services).

Material contracts

Since the end of the previous financial year, no material contracts involving the interest of any Director or controlling shareholder of DBS has been entered into by DBS or any of its subsidiary companies, and no such contract subsisted as at 31 December 2021, save as disclosed via SGXNET.

Assessing the effectiveness of internal controls

DBS has a risk management process that requires all units to perform a half-yearly risk and control self-assessment (RCSA) to assess the effectiveness of their internal controls. In addition, all units of the Group are required to submit quarterly attestations on their controls relating to the financial reporting process, and annual attestations on their compliance with the overall internal controls framework. Based on the RCSA and the quarterly and annual attestations, the CEO and the key management personnel responsible for risk management and internal control systems provide an annual attestation to the AC relating to the adequacy and effectiveness of DBS' risk management and internal control systems.

Group Audit performs regular independent reviews to provide assurance on the adequacy and effectiveness of DBS' internal controls on risk management, control and governance processes. The overall adequacy and effectiveness of DBS' internal controls framework is reviewed by the AC and BRMC.

Board's commentary on adequacy and effectiveness of internal controls

The Board has received assurance from the CEO and CFO that, as at 31 December 2021, the Group's financial records have been properly maintained, and the financial statements give a true and fair view of DBS Group's operations and finances.

The Board has also received assurance from the CEO and the key management personnel responsible for risk management and internal control systems that, as at 31 December 2021, the Group's risk management and internal control systems were adequate and effective to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations. The Board noted that: (i) integration efforts on LVB are on track and expected to complete towards the end of 2022, and that at this point in time, there are some gaps between LVB's controls and DBIL's standards, which management is addressing; and (ii) in relation to the two-day digital disruption in November 2021 in Singapore, management has initiated remedial measures to improve the resilience of our services and incident response, with due consideration given to regulatory requirements and expectations.

Based on the internal controls established and maintained by the Group, work performed by internal and external auditors, reviews performed by management and various Board committees, as well as assurances received from and mitigation and remedial actions undertaken by management, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management systems were adequate and effective as at 31 December 2021 to address financial, operational, compliance risks and information technology risks which the Group considers relevant and material to its operations.

The Board notes that the internal controls and risk management systems provide reasonable, but not absolute, assurance that the Group will not be affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

Strong culture

Effective safeguards

We believe that effective safeguards against undesired business conduct have to go beyond a "tick-the-box" mentality. In DBS, other than relying on published codes of conduct, we also advocate the following organisational safeguards to maintain a strong risk and governance culture.

- **Tone from the top:** The tone set by the Board and senior management is vital; it is equivalent to the moral compass of the organisation. In addition to having in place comprehensive policies, we conduct a robust self-assessment on the Group's risk culture. Please refer to the risk culture section on this page for more information.
- **Aligning strategies and incentives via the balanced scorecard:** Please refer to the section on "Our 2021 priorities" on pages 28 to 33 for more information.
- **Respecting the voice of control functions:** We believe that respect for the voice of control functions is a key safeguard. We ensure that control functions are well integrated into our organisational structure so that they can properly discharge their responsibilities.
- **Risk ownership:** Please refer to pages 56 to 57 for details on our three lines of defence.
- **Having established escalation protocols:** We designed a notification protocol that makes it mandatory for staff to report significant incidents. This means that the organisation is prepared to receive bad news and take necessary remedial actions without shooting the messengers.
- **Encouraging constructive challenges at all levels:** Fundamentally, we inculcate a culture that encourages constructive challenges and debate, where all views are evaluated for decision-making. We also operate a culture where we actively engage the Board for their views early.
- **Reinforcing cultural alignment:** Finally, we conscientiously reinforce our cultural norms by rewarding right behaviours and censuring wrong ones.

Risk Culture

Risk Culture is closely intertwined with our corporate values and it encompasses the general awareness, attitudes and behaviour of our employees towards risks. The results of our Risk Culture and Conduct Survey conducted in 2021 indicated a satisfactory risk culture bank-wide.

In 2021, we continued to monitor our risk culture pulse with a risk culture and conduct dashboard, comprising multi-faceted indicators. Creating awareness continued to be the key focus as we further embedded a strong culture of risk and control across all levels within the organisation. We leveraged digital communication channels to share culture-related content and conducted training with case studies to aid managers in strengthening the "Tone from the Middle" and to enhance employee risk sensing and judgement. We continue to place emphasis on conduct as part of our compensation evaluation process.

The DBS Code of Conduct (Code of Conduct)

The Code of Conduct sets out the principles and standards of behaviour that are expected of employees of the Group (including part-time and temporary employees) when dealing with customers, business associates, regulators and colleagues. The principles covered in the Code of Conduct include professional integrity, confidentiality, conflicts of interests, fair dealings with customers and whistle-blowing. It also defines the procedures for employees of DBS to report incidents and provides protection for those staff for these disclosures.

All employees of DBS are required to read and acknowledge the Code of Conduct on an annual basis. Members of the public may access the Code of Conduct on DBS' website, as well as write in via an electronic feedback form on the website. The Code of Conduct encourages employees of DBS to report their concerns to DBS' dedicated, independent investigation team within Group Compliance which handles whistle-blowing cases according to a well-defined protocol. Alternatively, in case of actual or potential conflict of interest or fear of retribution, employees of DBS may write in confidence to Human Resources, Group Audit, or even the CEO or the Chairman. In addition, employees of DBS have the option of using the DBS Speak Up service.

Whistle-blowing policy

DBS Speak Up is a hotline service run by an independent external party that gives employees of the Group the opportunity to speak up on misconduct and/ or wrong-doing by a DBS employee, customer, vendor or third party.

DBS Speak Up service includes:

- a dedicated hotline number, website, email address, fax number and postal address for reporting of suspected incidents of misconduct and wrongdoing;
- specialist call centre operators with knowledge of individual organisations;
- expert forensic investigators to analyse reports;
- timely reporting of incidents to dedicated representatives within an organisation; and
- recommendations on corrective action.

Accountability to our shareholders

Shareholder rights

DBS promotes fair and equitable treatment of all shareholders. All shareholders enjoy specific rights under the Singapore Companies Act and DBSH's Constitution. These rights include, among others, the right to participate in profit distributions and the right to attend and vote at general meetings. Ordinary shareholders are entitled to attend and vote at general meetings in person or by proxy. Indirect investors who hold DBSH shares through a nominee company or custodian bank or through a CPF agent bank ("Relevant Intermediaries") may attend and vote at general meetings by requesting their Relevant Intermediaries to appoint them as proxies.

DBS respects the equal information rights of all shareholders and is committed to the practice of fair, transparent and timely disclosure. All price-sensitive information is publicly released prior to any sessions with individual investors or analysts.

The Board provides shareholders with regular financial reports, which aim to give shareholders a balanced assessment of the Group's financial performance and position. The Board also ensures timely and full disclosure of material corporate developments to shareholders.

Engagement with shareholders

Our investor relations activities promote regular, effective and fair communication with shareholders. Separate briefing sessions were conducted for the media and analysts when quarterly results were released. All press statements and quarterly financial statements have been published on our website and the SGX website. A dedicated investor relations team supports the CEO and the CFO in maintaining a close and active dialogue with investors. The DBS website provides contact details for investors to submit their feedback and raise any questions.

During the year, we held over 450 meetings with equity investors and over 200 meetings with debt investors. We participated in 37 investor conferences and road shows. As a result of the Covid-19 pandemic, these engagements were largely conducted through virtual meetings and phone calls. These meetings provide a forum for management to explain DBS' strategy and financial performance, and solicit analysts' and investors' perceptions of DBS.

We have a disclosure policy to ensure that all disclosures of material information are timely, complete and accurate. The policy sets out how material information should be managed to prevent selective disclosure. Our Group Disclosure Committee (GDC) assists the CEO and the CFO in implementing the disclosure policy. The GDC's objectives are to: (a) periodically review DBS' disclosure policy and update it as needed, (b) ensure that all material disclosures are appropriate, complete and accurate, and (c) ensure selective or inadvertent disclosure of material information is avoided.

Conduct of shareholder meetings

This section describes DBS' usual practice for the conduct of general meetings prior to the onset of the Covid-19 pandemic in early 2020.

DBS encourages and values shareholder participation at its general meetings. The Chairman plays a pivotal role in fostering constructive dialogue between shareholders, Board members and management at general meetings. Resolutions requiring shareholders' approval are tabled separately for adoption at general meetings unless they are closely related and are more appropriately tabled together. The minutes of our general meetings may be accessed via our website.

DBS puts all resolutions at general meetings to a vote by electronic poll and announces the results by showing the number of votes cast for and against each resolution and the respective percentages. DBS appoints an independent external party as scrutineer for the electronic poll voting process. Prior to the commencement of a general meeting, the scrutineer would review the proxies and the electronic poll voting system as part of the proxy verification process. At the general meeting, mobile devices are used for poll voting and the results of the electronic poll voting are announced immediately after each resolution has been put to a vote. DBS maintains an audit trail of all votes cast at the general meeting. The outcome of the general meeting (including detailed results of the poll vote for each resolution) is promptly disclosed on SGXNET within the same day after the conclusion of that meeting.

Annual General Meetings (AGMs) provide shareholders with the opportunity to share their views and to meet the Board, including the chairpersons of the Board committees and certain members of senior management. Our external auditor is available to answer shareholders' queries. At each AGM, DBS' financial performance for the preceding year is presented to shareholders.

Conduct of AGM in 2021 amidst current Covid-19 pandemic

Due to prevailing Covid-19 restrictions, shareholders were not able to attend our 2021 AGM in person. Instead, we held our 2021 AGM by electronic means on 30 March 2021 and shareholders were invited to participate at our virtual 2021 AGM by (a) observing and/or listening to the 2021 AGM proceedings via live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of, or "live" at, the 2021 AGM; and (c) appointing the Chairman of the Meeting as proxy to vote on their behalf at the 2021 AGM. The Chairman, CEO and our Singapore-resident Directors were present in person at the virtual 2021 AGM proceedings, while the overseas Directors joined the 2021 AGM by way of video conference. We have disclosed, on our website and SGXNET, the names of the Directors and senior executives who attended the 2021 AGM held by way of electronic means as well as detailed records of the proceedings including responses to questions raised by shareholders in advance of the 2021 AGM.

Conduct of 2022 AGM

As a precautionary measure due to the current Covid-19 situation in Singapore, shareholders will not be able to attend the 2022 AGM in person. Instead, we will be holding our 2022 AGM by electronic means on 31 March 2022 and shareholders are invited to participate at our virtual 2022 AGM by (a) observing and/or listening to the 2022 AGM proceedings via live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of, or "live" at, the 2022 AGM; and (c) voting at the AGM (i) "live" by the shareholders themselves or their duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on their behalf at the AGM. Details of the steps for pre-registration, submission of questions and voting at the 2022 AGM by shareholders, including CPF and SRS investors, are set out in a separate announcement released on SGXNET on 9 March 2022. In view of the constantly evolving Covid-19 situation in Singapore, we may be required to change our arrangements for the AGM at short notice and shareholders should check SGXNET for the latest updates on the status of the 2022 AGM.

Awards won in 2021

We received several accolades for our corporate governance:

- At the Singapore Corporate Awards (special edition), we were one of the winners of the Corporate Excellence and Resilience Award
- We were runner-up in the Securities Investors Association (Singapore) Investors' Choice Awards 2021 for corporate governance in the big-cap companies' category.

Where to find key information on each Director?

In this Annual Report:

- *Pages 46 to 47 – Directors' independence status, appointment dates, meeting attendance and remuneration details*
- *Pages 191 to 195 – Directors' length of directorship, academic and professional qualifications and present and past directorships*
- *Pages 214 to 217 – Additional Information on Directors seeking re-election at the Annual General Meeting to be held on 31 March 2022*

At our website (www.dbs.com): Directors' biodata

REMUNERATION REPORT

We believe that our long-term success depends in large measure on the contributions of our employees. Our remuneration framework is designed to be consistent with market best practices, drive business strategy and create long-term shareholder value. Remuneration policies and practices as set out in the following report are governed by a set of sound principles which are in compliance with various regulatory requirements.

1 Objectives of DBS remuneration strategy

DBS' remuneration policy, which is applicable to DBS Bank and all our subsidiaries and overseas offices, seeks to ensure that we are able to attract, motivate and retain employees to deliver long-term shareholder returns, taking into consideration risk management principles and standards set out by the Financial Stability Board (FSB) and the Code of Corporate Governance.

When formulating our remuneration strategy, consideration was given to aligning our remuneration approach with DBS PRIDE!* values in order to drive desired behaviours and achieve the objectives set out in our balanced scorecard.

The following shows the three main thrusts of our remuneration strategy and how they are implemented within DBS:

Main thrusts	Details
Pay for performance as measured against balanced scorecard	• Instill and drive a pay-for-performance culture • Ensure close linkage between total compensation and our annual and long-term business objectives as measured by our balanced scorecard • Calibrate mix of fixed and variable pay to drive sustainable performance that is aligned to DBS PRIDE! values, taking into account both "what" and "how" key performance indicators (KPIs) are achieved
Provide market competitive pay	• Benchmark our total compensation against other organisations of similar size and standing in the markets we operate in • Drive performance differentiation by benchmarking total compensation for top performing employees against the upper quartile or higher in each market
Guard against excessive risk-taking	• Focus on achieving risk-adjusted returns that are consistent with prudent risk and capital management, as well as emphasise long-term sustainable outcomes • Design payout structure to align incentive payments with the long-term performance of the Group through deferral and clawback arrangements • Design sales incentive plans to encourage the right sales behaviour

* *Read more on DBS PRIDE! values on page 67.*

2 Summary of current total compensation elements

The table below provides a description of total compensation elements, their purpose and implementation:

Elements	Purpose	Details
Salary	• Attract and retain talent by ensuring our fixed pay is competitive against comparable institutions	• Set at an appropriate level, taking into account market dynamics as well as the skills, experience, responsibilities, competencies and performance of the employee • Typically reviewed annually
Cash bonus and deferred awards	• Provide a portion of total compensation that is performance-linked • Focus employees on the achievement of objectives which are aligned to value creation for our shareholders and multiple stakeholders • Align to time horizon of risk	• Based on DBS, business or support unit, and individual performance • Measured against a balanced scorecard which is agreed to at the start of the year • Awards in excess of a certain threshold are subject to a tiered deferral rate that ranges from 20% to 60% with a minimum deferred quantum

Country variations to the threshold and the form of deferrals may apply to address statutory requirements.

3 Determination of variable pay pool

The variable pay pool is derived from a combination of a bottom-up and top-down approach. It is underpinned by our aim to drive a pay-for-performance culture which is aligned to our risk framework.

Process	Details
Determining total variable pay pool	• A function of our overall balanced scorecard and benchmarked against market. The scorecard includes substantial risk and control metrics designed and evaluated by the control functions. Control functions therefore have a direct role in determining the size of the variable pay pool. The variable pay pool is further calibrated against the following prisms: – Risk adjustment through review of Return on Risk-Adjusted Capital (RoRAC) – Appropriate distribution of surplus earnings (after cost of equity) between employees and shareholders
Allocating pool to business units	• Pool allocation takes into account the relative performance of each unit against their balanced scorecard as evaluated by the CEO • Inputs from control functions such as Audit, Compliance and Risk are sought • Country Heads are also consulted in the allocation process
Determining individual award	• Unit heads cascade their allocated pool to their teams and individuals • Individual variable pay determined based on performance against goals and DBS PRIDE! values • Employees with disciplinary warning meted out may have their variable pay impacted

The performance of control functions (Audit, Compliance and Risk) are assessed independently from the business units they support to prevent any conflicts of interests. The remuneration of the Chief Risk Officer (CRO) and Group Head of Audit are endorsed by the Chairman of Board Risk Management Committee and Audit Committee respectively and subsequently approved by the Board.

Sales employees are incentivised to promote the development of mutually beneficial long-term relationships with their customers, rather than a sole focus on short-term gains. Non-financial metrics such as customer satisfaction and compliance with fair dealing principles are incorporated into their KPIs.

4 Deferred remuneration

Plan objectives	Details
• Foster a culture that aligns employees' interests with shareholders • Enable employees to share in DBS' performance • Help in talent retention	• Deferred remuneration is paid in restricted shares (DBSH Share Plan) and comprises two elements: the main award and retention award • The retention award constitutes 20% of the shares given in the main award and is designed to retain talent and compensate staff for the time value of deferral • Deferred awards vest over four years, and will lapse immediately upon termination of employment (including resignation) except in the event of ill health, injury, disability, redundancy, retirement or death • Special Award is sometimes awarded as part of talent retention

Vesting schedule	Malus of unvested awards and clawback of vested awards
Main Award • 33% vest two years after grant date • Another 33% vest three years after grant date • Remaining 34% vest four years after grant date **Retention Award** • 100% vest four years after grant date	Malus and/ or clawback will be triggered by • Material violation of risk limits • Material losses due to negligent risk-taking or inappropriate individual behaviour • Material restatement of DBS' financials due to inaccurate performance measures • Misconduct or fraud Vested and unvested awards are subject to clawback within seven years from the date of grant

Employees on sales incentive plans whose incentives exceed a certain threshold are also subject to deferrals which vest over three years and a 15% retention award.

Selected employees are awarded retention shares in light of market conditions and competition for talent. These retention shares are subject to DBS' usual four-year vesting period.

Read more about the Share Plan on page 109.

5 Summary of 2021 remuneration outcomes

Our remuneration is linked to how we perform against our balanced scorecard (see pages 28 to 33) which is aligned to long-term value creation for our stakeholders in a sustainable way (see pages 66 to 67). As our scores improved in the current financial year, our variable pay pool was better than the previous year. The Compensation and Management Development committee (CMDC) evaluated and approved the variable pay pool which was subsequently endorsed by the Board.

In 2020, an external management consulting firm, Oliver Wyman, was engaged to provide an independent review of the Group's compensation system and processes to ensure compliance with the FSB Principles for Sound Compensation Practices. A similar review is planned for 2022.

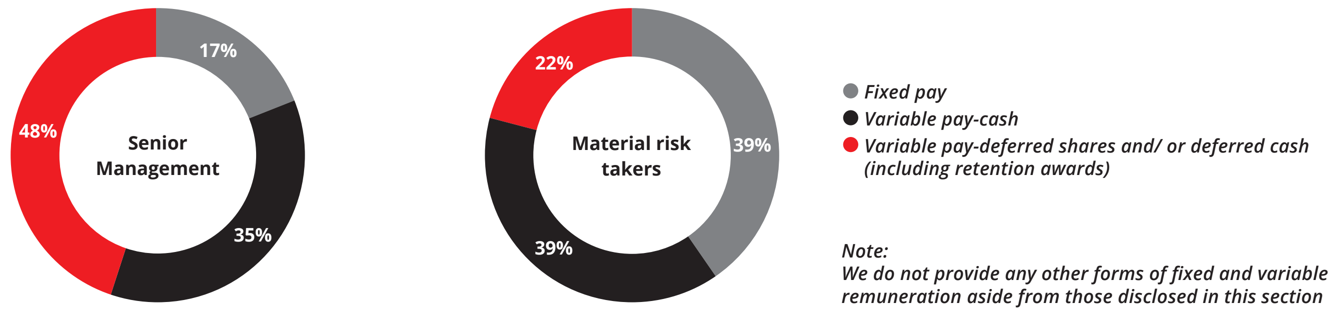
We used salary surveys conducted by an external compensation consultant, McLagan, as references for employee salary benchmarking purposes. McLagan and its consultants are independent and not related to us or any of our Directors.

Senior management and material risk takers

In line with the principles set out by FSB, a substantial portion of remuneration (more than 50%) for our Senior Management as well as material risk takers (i.e. other employees whose actions have a material impact on the risk exposure of the bank) are variable. The variable remuneration in excess of a certain threshold are subject to deferral, thus ensuring alignment to the time horizon of risks.

Our effective deferral rate for our Senior Management and material risk takers, on an aggregate basis, is usually above 30%. While regulatory guidance has suggested a 40% threshold, we believe that we remain aligned with the regulatory compensation principles as we currently operate with a vesting schedule of four years, which is longer than regulatory guidance of three years. There is also no vesting until two years after the grant date.

The following charts show the mix of fixed and variable pay for both groups for performance year 2021:



Note:
We do not provide any other forms of fixed and variable remuneration aside from those disclosed in this section

Our Senior Management's aggregate total remuneration in 2021 amounted to SGD 79.4 million, including the CEO's remuneration of SGD 13.6 million. Excluding the CEO's remuneration which has been separately disclosed, the median increase in total remuneration of the Senior Management who were members of the Group Management Committee for both 2020 and 2021 was 23.8%. The increase in 2021 relative to 2020 reflects a normalisation following a reduction taken in 2020 in response to the pandemic, and in recognition of the Group's strong performance for FY2021.

While corporate governance guidelines recommend that at least the top five key executives' remuneration be disclosed, the Board believes that it would be disadvantageous for us to do so because of the constant battle for talent in a highly competitive industry. This is consistent with banking industry practice in the local market. However, we do provide additional information on the average increase in remuneration of our Senior Management in the year as detailed above.

Breakdown of deferred remuneration awards

Category	Senior Management (1)	Material Risk Takers (2)
Total outstanding deferred remuneration(3): Cash Shares and share-linked instruments Other forms of remuneration **Total**	 0.7% 99.3% – **100.0%**	
Outstanding deferred and retained remuneration(3) (4): Of which exposed to ex-post adjustments Cash Shares and share-linked instruments Other forms of remuneration **Total**	 0.7% 99.3% – **100.0%**	
Total amendment during the year due to ex-post explicit adjustments(5): Cash Shares and share-linked instruments Other forms of remuneration **Total**	 – – – –	 – – – –
Total amendment during the year due to ex-post implicit adjustments(5): Cash Shares and share-linked instruments(6) Other forms of remuneration **Total**	 – 24.6% –	 – 27.1% –
Total deferred remuneration paid out in the financial year:	**31.1%**	**29.4%**
Headcount	**20**	**269**

(1) Senior Management (SM) is defined as the CEO and members of the Group Management Committee who have the authority and responsibility for DBS' overall direction and executing to strategy

(2) Material risk takers (MRTs) are defined as employees whose duties require them to take on material risk on our behalf in the course of their work. These can be either individual employees or a group of employees who may not pose a risk to DBS' financial soundness on an individual basis, but may present a material risk collectively

(3) Due to data confidentiality, the total amount of deferred and retained remuneration for SM and MRTs have been aggregated for reporting

(4) Retained remuneration refers to shares or share-linked instruments that are subject to a retention period under a share retention policy

(5) Examples of explicit ex-post adjustments include malus, clawbacks or similar reversal or downward revaluations of awards. Examples of implicit ex-post adjustments include fluctuations in the value of DBSH ordinary shares or performance units

(6) [No. of unvested DBSH ordinary shares as at 31 Dec 21 x share price as at 31 Dec 21] / [No. of unvested DBSH ordinary shares as at 31 Dec 20 x share price as at 31 Dec 20] -1

Guaranteed bonuses, sign-on bonuses and severance payments

Category	SM	MRTs
Number of guaranteed bonuses	0	0
Number of sign-on bonuses	0	1
Number of severance payments	0	0
Total amounts of above payments made during the Financial Year (SGD '000)	**0**	*****

** Due to data confidentiality, the total amount of payments will not be disclosed.*

Other provisions

We do not allow accelerated payment of deferred remuneration except in cases such as death in service or where legally required. There are no provisions for:

- Special executive retirement plans;
- Golden parachutes or special executive severance packages; and/ or
- Guaranteed bonuses beyond one year.

Chief Executive Officer

Since becoming CEO in November 2009, Piyush Gupta has transformed DBS into a leading bank with multiple engines of growth, solid digital leadership, and a dynamic culture that embraces innovation.

This led DBS to deliver its best year ever in 2021, not only in terms of financial performance but also across a range of key scorecard goals. For the year, DBS had record net profit of SGD 6.80 billion, up 44%. Return on equity, at 12.5%, was the second-highest in more than a decade.

This achievement was all the more remarkable given ongoing challenges in the operating environment. With Covid-19 in the second year, global interest rates remained at rock-bottom levels. China idiosyncratic risks also increased, following moves by the government to temper exuberance in the property market. Against this backdrop, DBS' sterling financial performance underlined the strength of our broad-based franchise and the success of multi-year transformation efforts.

Over the past year, DBS executed several inorganic transactions, including acquiring the consumer banking business of Citigroup in Taiwan and investing in Shenzhen Rural Commercial Bank. These initiatives will strengthen our franchise, and enable us to ride the crest of a structurally rising Asia. We also launched several new businesses such as DBS Digital Exchange, Partior and Climate Impact X, which harness emerging technologies, and will position us for the future.

Given our belief that the successful organisation of the future will have to operate very differently, DBS launched new ways of working. This included having some of our people working horizontally across functions to better serve customers and being more data-driven. Recognising that our employees want greater flexibility, we also introduced hybrid work models and flexi-work arrangements. Employee engagement scores improved to 86%, outperforming the Kincentric benchmark for the APAC Financial Services Industry.

During the year, DBS also continued to advance the sustainability agenda, both in terms of tackling climate change and addressing the growing social issues in our midst.

The bank's efforts were well-recognised, with not one but two global publications naming DBS as best in the world.

In recognition of Mr Gupta's 2021 performance, his present-year remuneration is as outlined below:

Breakdown of remuneration for performance year 2021 (1 January – 31 December)

	Salary remuneration SGD	Cash bonus(1) SGD	Share Plan(2) SGD	Others(3) SGD	Total(4) SGD
Mr Piyush Gupta	**1,200,000**	**5,165,000**	**7,135,000**	**75,462**	**13,575,462**

(1) The amount has been accrued in 2021 financial statements

(2) At DBS, ordinary dividends on unvested shares do not accrue to employees. For better comparability with other listed companies, this figure excludes the estimated value of retention shares amounting to SGD 1,427,000, which serve as a retention tool and compensate staff for the time value of deferral. This is also similar in nature to practices in those companies which provide accrual of dividends for deferred awards

(3) Represents non-cash component and comprises club, car and driver

(4) Refers to current year performance remuneration – includes fixed pay in current year, cash bonus received in following year and DBSH ordinary shares granted in following year

HOW WE CREATE VALUE – OUR BUSINESS MODEL

Our business model seeks to create value for stakeholders in a sustainable way.

Our strategy is clear and simple. It defines the businesses that we will do and will not do. We use our resources to build competitive advantages. We have put in place a governance framework to ensure effective execution and risk management. Further, we have a balanced scorecard to measure our performance and align compensation to desired behaviours.

Read more about how we use our resources on pages 68 to 69.

Our resources

- **Brand**
- **Customer relationships**
- **Intellectual capital**
- **Employees**
- **Financial**
- **Physical infrastructure**
- **Natural resources**
- **Societal relationships**

How we create value

Our strategy

Our strategy

Our strategy is predicated on Asia's megatrends, including the rising middle class, growing intra-regional trade, urbanisation, and the rapid adoption of technology that is fuelling new innovations.

We seek to intermediate trade and capital flows as well as support wealth creation in Asia. Our established and growing presence in Greater China, South Asia and Southeast Asia makes us a compelling Asian bank of choice.

In Singapore, we serve all customer segments. Outside Singapore, we traditionally serve corporates and mass affluent segments. We have begun to engage individuals and SMEs through digital and ecosystem strategies to extend our reach in growth markets.

Making Banking Joyful

We seek to "Make Banking Joyful" by leveraging digital technologies and embedding ourselves seamlessly into our customers' lives. We deliver simple, fast and contextual banking solutions and differentiated customer experiences by managing through journeys.

We architect our most critical customer processes horizontally and leverage data-driven operating models. This helps break silo-thinking and foster joint accountability across cross-functional teams. We deploy artificial intelligence/machine learning and experiment iteratively to maximise end-to-end customer and business outcomes, including increasing digital customer acquisition, transactions, and engagement.

We are here for the long term, with a view to enrich lives, transform businesses and drive sustainable outcomes.

Read more about our strategy on pages 8 to 11.

We periodically review our strategy, taking into account emerging megatrends, the operating environment and what our stakeholders are telling us. These are material matters that can impact our ability to create value.

Read more about our material matters and stakeholder engagement on pages 71 to 77.

Our businesses

We have three core business segments:

- Institutional Banking
- Consumer Banking / Wealth Management
- Treasury Markets

Read more about our businesses from pages 38 to 41 and 181.

Differentiating ourselves

Banking the Asian Way

We marry the professionalism of a best-in-class bank with an understanding of Asia's cultural nuances.

Asian relationships

We recognise that relationships have swings and roundabouts and stay by our clients through down cycles.

Asian service

Our service ethos is to be Respectful, Easy to deal with and Dependable.

Asian insights

We know Asia better; we provide unique Asian insights and create bespoke Asian products.

Asian innovation

We constantly innovate new ways of banking as we strive to make banking faster and simpler, while delivering contextualised and relevant Asian products and services.

Asian connectivity

We work in a collaborative manner across geographies and businesses, supporting our customers as they expand across Asia.

Technology and infrastructure

Over the years, we have invested in our people and skills, and re-architected our technological backbone to be digital to the core (i.e. microservices, cloud-native, resilient and scalable).

To further think and behave like big technology companies where we can respond to rapidly changing consumer demands with agility and scale, we have re-engineered our business and technology towards a platform operating model where business and technology work together with shared KPIs in an agile manner.

In addition, we have embraced design thinking to deliver customer-centric front-end applications.

Nimbleness and agility

We are of a "goldilocks" size – big enough to have meaningful scale yet nimble enough to quickly act on opportunities. We pivoted to manage through journeys to drive outcomes. This allows us to embed customer centricity, drive agility and increase internal collaboration by embracing experimentation, entrepreneurship and innovation.

Governing ourselves

Competent leadership

A strong, well-informed and fully-engaged board provides strategic direction to management. Management executes on strategy and drives performance and organisational synergies. A matrix reporting structure drives joint ownership between regional function heads and local country heads.

Read more about our leaders on pages 4 to 7.

Our PRIDE! values

Our PRIDE! values of Purpose-driven, Relationship-led, Innovative, Decisive and Everything Fun! define what we stand for, and anchor how we do business and work with one another.

We have translated these values into a set of 12 behaviors. These behaviors guide how we do business and how we interact with the community.

Effective internal controls

Our internal controls framework covers financial, operational, compliance and information technology controls, as well as risk management policies and systems.

Three lines of defence guard our operational excellence: identification and management of risks by units, independent oversight exercised by control functions, and independent assurance by Group Audit.

Read more about our internal controls on pages 56 to 59.

Building a sustainable franchise

We aim to build a company that is here for the long term. To do this, we believe in building a culture that is mindful of our risk, compliance, environmental and social responsibilities.

Rooted in our DNA is a sense of purpose and an innovative drive to create social value and achieve meaningful impact on our sustainability agenda.

Read more about our sustainability efforts on pages 68 to 69, and pages 102 to 103 and in our Sustainability Report.

We leverage technology and data to strengthen and augment our risk management processes and systems. We further create our own data governance framework setting out clear regulatory, legal and ethical boundaries to ensure that we use data in a respectful and responsible manner.

Read more about our governance efforts on pages 34 to 35.

Measuring ourselves

Balanced scorecard

We use a balanced scorecard approach to assess our performance, track the progress we have made in executing our strategy and determine remuneration.

The scorecard is divided into three parts and is balanced in the following ways:

- Between financial and non-financial performance indicators. Almost one-quarter of the total weighting is focused on control and compliance metrics. We have key performance indicators (KPIs) to track progress made on our digital transformation agenda and the value created from digitalisation
- Across multiple stakeholders
- Between current year targets and long-term strategic outcomes

The scorecard is updated yearly and approved by the board before being cascaded throughout the organisation, ensuring that the goals of every business, country and support function are aligned to those of the Group. Performance is assessed against the scorecard to determine remuneration, providing a clear line of sight between employee goals and organisational imperatives. We have achieved a well-established rhythm towards performance monitoring and our rewards are closely linked to scorecard outcomes.

Read more about our balanced scorecard on pages 28 to 33. Read more about our remuneration policy on pages 61 to 65.

Our stakeholders

- **Shareholders**
- **Customers**
- **Employees**
- **Society**
- **Regulators and policy makers**

HOW WE DEVELOP AND USE OUR RESOURCES

We utilise and enhance our resources to differentiate ourselves and maximise value creation for our stakeholders in the long run. Read more about how we distribute the value created to our stakeholders on page 70.

Resources	Indicators	2021	2020	Key highlights
Brand A strong brand is an important business driver and allows us to compete not just locally, but also regionally.	Brand value according to "Brand Finance Banking 500" report	**USD 8.7 bn** as of Feb 2022	**USD 7.8 bn** as of Feb 2021	In 2021, DBS was named "World's Best Bank" by Euromoney and "Global Bank of the Year" by Financial Times publication, The Banker. DBS was previously also named "Best Bank in the World" by Global Finance, achieving the unprecedented feat of having won the top award twice each from three leading global financial publications. We were named "World's Best Digital Bank" by Euromoney in 2021 – our third win – in recognition of our digital leadership. For 13 consecutive years (2009 to 2021), DBS has been accorded the "Safest Bank in Asia" award by Global Finance. We were also named the "World's Safest Commercial Bank" in 2021. DBS also retained the title of ASEAN's Most Valuable Bank Brand in Brand Finance's 2022 Banking 500 report. ***Read more about this on page 2.***
Customer relationships Putting customers at the heart of what we do helps differentiate ourselves in an industry as commoditised as banking, enabling us to build lasting relationships and deepen wallet share.	Customers – Institutional Banking – Consumer Banking/ Wealth Management Customer engagement measures(1) (1=worst, 5=best) – Wealth Management – Consumer Banking – SME Banking – Large Corporates Market Penetration ranking	**>340,000** **>11.8 m** **4.27** **4.27** **4.41** **2nd**	**>240,000** **>10.7 m** **4.22** **4.31** **4.32** **4th**	For our IBG business, our customer base increased by 100,000 with the amalgamation of Lakshmi Vilas Bank. For our CBG business, our customer base increased by 2 million with the amalgamation of Lakshmi Vilas bank. This is moderated by rationalising approximately 1 million wallets in India. We maintained strong customer engagement scores across segments and actively listened to the voice of our customers in order to improve customer journeys and digital innovations. For Asia-based large corporates, we improved our position from 4th to 2nd for market penetration across our core markets, amidst a tumultuous year when global business activity was hit by a resurgence of Covid-19. ***Read more about this on pages 38 to 43.***
Intellectual capital One key type of intellectual capital pertains to how we digitalise our business. Our digital transformation encompasses technology, customer journey thinking and a startup culture.	Number of data and analytics experts Number of software engineers Number of external application programming interfaces (APIs)	**>900** **>7,300** **>1,300**	**>800** **>6,600** **>1,000**	Our global tech talent enabled us to run more than 200 predictive data analytics models, which enhanced our digital resilience through automating capacity planning for critical systems. As part of our Big-to-Small strategy, we rolled out an array of new APIs to enable the automation of trade finance processes and to help better facilitate foreign exchange, booking, bulk rate and transaction status-related enquiries, for our IBG customers.
Employees An agile and engaged workforce enables us to be nimble and react quickly to opportunities.	Employees(2) Employee engagement score Voluntary attrition rate Training hours per employee	**>33,000** **86%** **14%** **39.2**	**>29,000** **84%** **8%** **38.9**	We continued to drive a learning culture to encourage employees to be data-driven, possess digital skills and pick up new skills to thrive in the new normal. Our group-wide voluntary attrition rate increased in line with market trends from 2020 but was comparable with pre-pandemic rates (2019). We launched a second edition of DBS FutureForward Week in 2021 with over 50 sessions organised for employees to future-proof themselves. We continue to make headway in the third year of our Transformational Leadership master plan, having further extended T-Sprints for the next 50 teams. We further enhanced our Building Great Managers programme to include new modules and launched a new social learning platform – T-Circles – to equip managers with the necessary skillsets to operate seamlessly in a hybrid working environment. ***Read more about "Employee well-being and managing talent" in the Sustainability Report.***
Financial Our strong capital base and diversified funding sources allow us to support our customers through good and bad times, and enable us to provide banking solutions competitively.	Shareholders' funds Customer deposits Wholesale debt issuance	**SGD 58 bn** **SGD 502 bn** **SGD 53 bn**	**SGD 55 bn** **SGD 465 bn** **SGD 43 bn**	Our shareholders' funds continued to grow from retained earnings. We also grew our customer deposits and diversified wholesale funding sources. ***Read more about the Group's financials in the CFO Statement on page 20.***
Infrastructure Our best-in-class digital and physical infrastructure allow us to be nimble and resilient.	**Digital infrastructure:** Rolling four-year cumulative expenditure(3) – Of which new build spending	**SGD 4.8 bn** **SGD 2.1 bn**	**SGD 4.5 bn** **SGD 2.0 bn**	In line with our technology strategy, we continued to invest in our technology platforms so that we become digital to the core. Our investments focus on the following strategic technology capabilities: Cloud, Artificial Intelligence/ Machine Learning, and Site Reliability Engineering to improve resilience, scalability, and cater for future volume growth, especially from digital channels. ***Read more about this on page 36.***
Natural resources We impact the natural environment directly in our operations, as well as indirectly through our customers and suppliers.	**Financing for sustainable development:** – Direct sustainable financing(4) – ESG bonds(6)	**SGD 20.5 bn** **SGD 23.5 bn**	**SGD 9.9 bn(5)** **SGD 9.7 bn**	We expanded our suite of sustainable financing solutions to corporate customers to better support them in pursuing sustainable projects and improving various other sustainability initiatives. ***Read more about "Responsible financing" and "Managing our environmental footprint" in the Sustainability Report.***
Societal relationships We recognise that not all returns can be found in financial statements and our licence to operate comes from society at large.	Customers under Social Enterprise (SE) Package Value of SE grants awarded Number of SEs nurtured Employee volunteering hours	**824** **SGD 3.0 m** **>180** **>100,000**	**692** **SGD 1.9 m** **>240** **57,000**	DBS Foundation continued to nurture SEs – businesses for impact – through the DBS Foundation Grant Programme and various capacity building initiatives. We provided a record amount in grant funding to 19 SEs through the 2021 grant programme. The grant funding is aimed at catalysing their growth, enabling the creation of greater social and environment impact. Our employees continued to serve the community through a hybrid of digital and in-person volunteering programmes. We continue to support community segments hardest hit by the pandemic, in addition to our efforts in the areas of education, environment and the elderly. ***Read more about the "Social entrepreneurship" and "Employee volunteerism" in the Sustainability Report.***

(1) Scale: 1 = worst and 5 = best. Source: Based on Customer Satisfaction Survey conducted by Aon Hewitt, Ipsos, and Qualtrics for Wealth Management; Ipsos and Qualtrics for Consumer Banking; Aon Solutions Singapore for SME banking, and Coalition Greenwich for Large Corporates Market Penetration ranking

(2) This figure refers to the total permanent, contract/ temporary employee headcount on DBS' payroll

(3) This relates to the overall digital infrastructure investment, which includes investments for new licence costs, IT initiatives and enhancements and investments to keep applications running

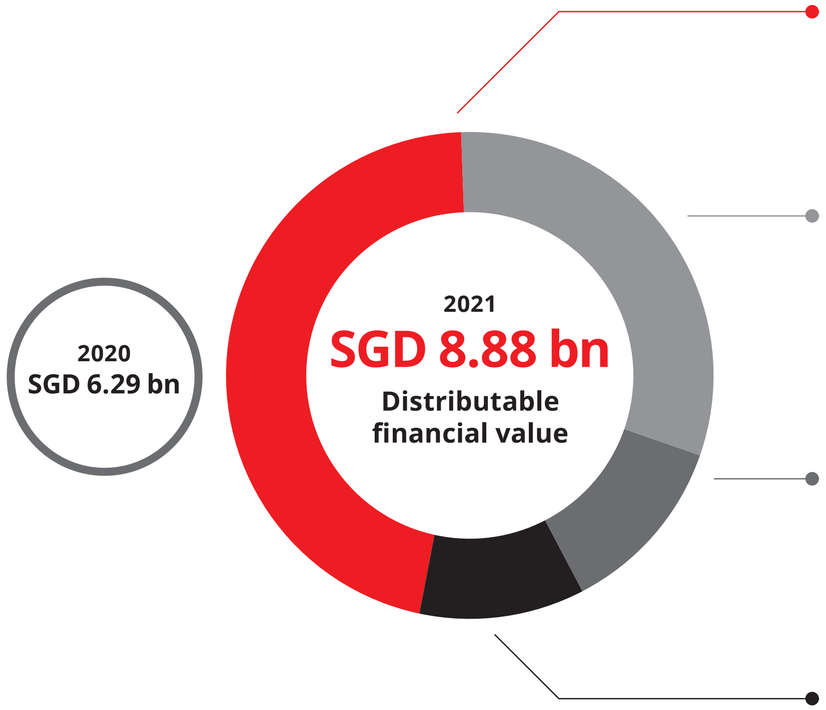
(4) This includes the total amount of sustainability-linked loans, green loans, renewable and clean energy-related loans, social and sustainable loans, committed in the year

(5) The 2020 direct sustainable financing amount is restated due to the omission of four sustainability transactions amounting to SGD 323 million in the year.

(6) This includes the total amount green bonds, social bonds, sustainable bonds, transition bonds, and sustainability-linked bonds where DBS is involved as an active bookrunner

HOW WE DISTRIBUTE VALUE CREATED

Distributable financial value



46%

Retained earnings

Retained for business growth

31%

Shareholders

Dividends paid to ordinary and preference shareholders and holders of perpetual capital securities

12%

Society

Contributions to society through direct and indirect taxes, and community investments including donations, in-kind contributions and the cost of managing DBS Foundation

11%

Employees

Discretionary bonus paid to employees through variable cash bonus and long-term incentives

We distribute value to our stakeholders in several ways: some in financial value, others in intangible benefits.

We define distributable financial value as net profit before discretionary bonus, taxes (direct and indirect) and community investments. In 2021, the distributable financial value amounted to SGD 8.88 billion (2020: SGD 6.29 billion).

In addition, we distribute non-financial value to our stakeholders in the following ways.

Customers

Delivering suitable products in an innovative, easily accessible and responsible way.

Read more about this on pages 38 to 43.

Employees

Re-designing hybrid work environment that is collaborative, dialling up engagement programmes, enhancing learning and development, as well as providing health and other benefits for our employees.

Read more about "Employee well-being and managing talent" in the Sustainability Report.

Society

Championing social enterprises, promoting financial inclusion, and supporting communities through volunteer programmes, donations, and other in-kind contributions.

Read more about "Social entrepreneurship" in the Sustainability Report.

Regulators

Engaging with local and global regulators and policy makers on reforms and new initiatives that help to maintain the integrity of the banking industry.

Read more about this on pages 76 to 77.

MATERIAL MATTERS

Material matters have the most impact on our ability to create long-term value as a bank. These matters influence how the Board and senior management steer the bank.

Identify

matters that may impact the execution of our strategy. This is a group-wide effort considering input from all business and support units, and incorporating feedback from stakeholders.

Read more about our stakeholder engagement on pages 76 to 77.

Prioritise

matters that most significantly impact our ability to successfully execute our strategy in delivering long-term value and influencing the decisions of key stakeholders.

Integrate

these matters that are material to value creation into our balanced scorecard to set objectives, drive behaviours, measure performance and determine the remuneration of our people.

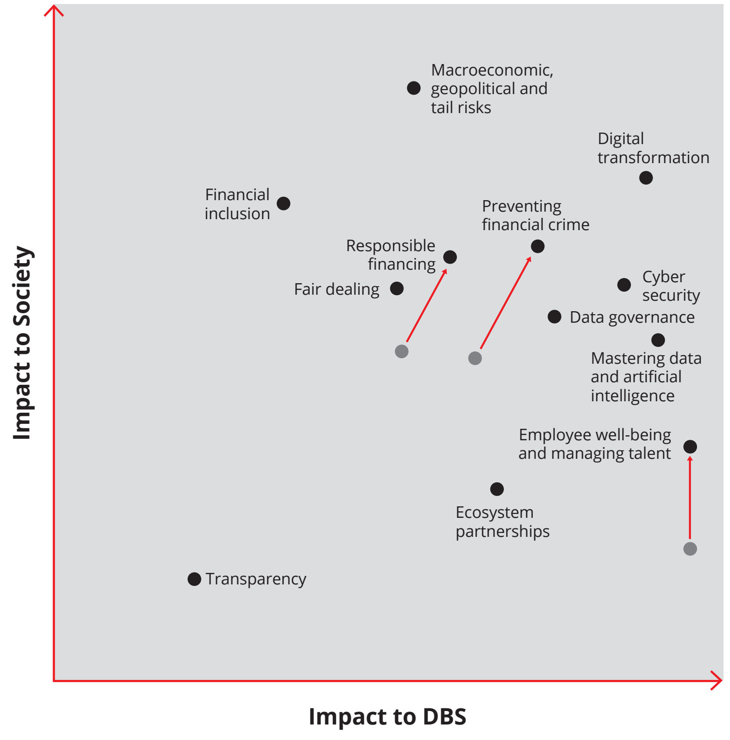
Read more about our balanced scorecard approach under "Our 2021 priorities" on pages 28 to 33.

In 2021, we re-validated the findings of our materiality assessment that had been completed in the prior year. The process included desktop research of external trends, data analysis, and regular dialogues with our key stakeholders through various platforms and feedback channels to gain insights and identify matters of key relevance to them.

"Responsible financing", "Employee well-being and managing talent", and "Preventing financial crime" were elevated in materiality. We consider these matters to be of increased importance as climate change, changing needs of employees, and the growing number of scams are key risks we need to sharpen our focus on.

Read more about material ESG matters in the Sustainability Report.

DBS 2021 Materiality matrix



Material matters	What are the risks?	Where do we see the opportunities?	What are we doing about it?
Macroeconomic, geopolitical and tail risks	Rising inflation driven by the gradual reopening of economies, impending interest rate hikes by central banks, and limited scope for fresh fiscal stimulus may lead to lower economic growth and increased vulnerability in the SME segment.	Higher interest rates will drive more fund-raising activities as corporates seek to lock in lower rates, and hedge against existing floating rate loans. In addition, the gradual reopening of economies will lead to more trade and travel. These open up opportunities for our capital markets, treasury, syndication, trade and retail businesses.	Our business franchise and balance sheet strength enabled us to swiftly capture regional opportunities as economies recovered. Business momentum was sustained throughout the year. Additionally, we had conservatively built up allowance reserves at the onset of the pandemic in 2020, which enabled us to benefit from asset quality improvements in 2021. We continued to invest in our long-term growth strategy. We acquired a 13% stake in Shenzhen Rural Commercial Bank and established a securities joint venture in China, while expanding on our digital capabilities in our core banking business. ***Read more in the "Letter from Chairman and CEO" on pages 8 to 11 and "CFO statement" on pages 20 to 27.***
Digital transformation	The pandemic has accelerated investments in digital transformation across all industries and increased the technological capabilities of all players. Customers are also becoming increasingly digitally-savvy, driving demand for digital innovations that offer greater convenience and an enhanced banking experience.	Our investments in new technologies and our digital transformation over the last nine years have enabled us to offer a differentiated experience to our customers, by making banking joyful. Banks that are able to deliver a seamless and differentiated experience will gain a greater wallet share of revenue.	We have pivoted to managing through journeys for our critical customer processes by organising horizontally across units and leveraging on data-driven operating models. This encourages greater accountability across teams and breaks silo thinking, enabling the bank to deliver a differentiated customer experience. ***Read more in "CIO statement" on pages 36 to 37, and "Our 2021 priorities" on pages 28 to 33.***
Mastering data and artificial intelligence (AI)	As banks rise to the challenge of meeting consumer demand for banking experiences that are intuitive, they will need to re-architect legacy technology and their data stack. Inability to manage this transition and derive benefits from AI technologies will result in loss of competitiveness and market share.	A clear strategy for data and AI delivered in our business operating model will help drive greater economic value through: (i) increased personalisation and improved experiences in customer and employee journeys; (ii) greater operational efficiencies and lower costs through higher automation; (iii) improved risk decisioning with new AI/ machine-learning models that leverage existing and new data sets; and (iv) more rapid innovation of new products/ services.	We have made AI central to our core strategy, and incorporated AI technologies into our management and operation processes. We have developed ALAN, an AI protocol platform, and integrated it with ADA, our data platform. These platforms enable our data scientists to shorten the cycle time required to build compliant AI models, and accelerate deployment of the models to improve our operations and decision-making, to deliver a differentiated customer experience. ***Read more in "CIO statement" on pages 36 to 37.***
Data governance	Rapid digitalisation has intensified data collection and data analytics use to drive new business initiatives. This has led to greater demand for enhanced standards of data protection and privacy. A weak data governance framework for data capturing, data quality and access will increase the risk of financial losses, regulatory fines and reputational damage.	Strong data governance programmes will deliver faster and sharper insights for decision-making, and enhance risk and fraud management to deliver positive business outcomes. In addition, it will enable intelligent use of data to build trust with our customers and deepen our relationships with them.	***Read more about "Data governance" in the Sustainability Report.***
Employee well-being and managing talent	The pandemic has permanently changed the way we live, learn and work. Employees seek flexibility in how they work – preferring a blend of working from home and in office. In addition, the prolonged pandemic has also impacted the mental well-being of the workforce. Companies unable to re-orientate their work practices and fail to pay greater attention to employee well-being will risk talent loss.	We believe that offering a conducive and collaborative hybrid work environment and employee engagement programmes, will help attract and retain the best talent for our workforce.	***Read more in "Employee well-being and managing talent" in the Sustainability Report.***
Ecosystem partnerships	E-commerce platforms are being adopted by corporates for supply chain management and by consumers for shopping and everyday needs. Parts of the revenue pool of financial services are shifting from traditional banking channels to digital platforms.	Banks that embed their financial services seamlessly within digital ecosystems will gain a disproportionate share of the revenue pool. Our extensive suite of application programming interfaces (APIs) positions us to provide seamless payment and financing solutions for e-commerce platforms, offering customers a differentiated experience.	We continue to build new partnerships with corporate supply chain ecosystems and consumer finance platforms to offer digital financing and payment solutions. In addition, we are leveraging blockchain and AI technologies, to collaborate in industry verticals and financial market infrastructure ecosystems. ***Read more in "2021 Priorities" on pages 28 to 33.***

Material matters	What are the risks?	Where do we see the opportunities?	What are we doing about it?
Responsible financing	We integrate environmental, social and governance (ESG) risks in our financing to promote sustainable economic growth and our long-term stability. We prioritise action on climate change given the urgency. Failure to do so may result in missed opportunities and in credit and reputational risks.	Responsible financing is paramount to supporting a green recovery and ensuring a just transition.	Determining suitable transition pathways for our customers enables us to build strong client relationships in sustainable financing and advance our net-zero commitment. ***Read more in "Responsible financing" in the Sustainability Report.***
Financial inclusion	The pandemic has widened the income and wealth gap, which marginalises certain segments of the community, weakens social cohesion and undermines prospects for an inclusive recovery.	Technology can make banking more inclusive and help communities achieve better financial health and well-being.	We are democratising access to financial solutions for the underbanked and addressing the financing gap for small businesses. ***Read more about "Consumer Banking/ Wealth Management" on pages 40 and 41 and "Financial inclusion" in the Sustainability Report.***
Preventing financial crime	Financial crime is a growing threat. It has evolved with the rapid advancement of digital technology and more efficient channels of fund transfers, resulting in heightened fraud and scam risks.	A robust governance framework and comprehensive data analytics and systems capability, prevent financial crimes and protects our customers and businesses.	***Read more in "CRO statement" on pages 34 and 35 and "Preventing financial crime" in the Sustainability Report.***
Cyber security	Business transactions have migrated online, while remote and hybrid work has become the new norm. New risks have emerged as cyber threat actors exploit gaps in the broadening technology environment, and amidst the changing business and operational environment.	A strong cyber security strategy builds confidence, and differentiates us in an increasingly digital space.	***Read more in "CRO statement" on pages 34 and 35 and "Cyber security" in the Sustainability Report.***
Fair dealing	Customers expect us to put their interests first by providing relevant information and appropriate recommendations in conducting our business.	Fair dealing is fundamental to our business, and we believe customers are more likely to bank with us when they trust we are fair and transparent.	***Read more about "Fair dealing" in the Sustainability Report.***
Transparency	Calls for more transparency in disclosure have been made to promote good governance, trust and decision-making. Failure to adequately respond may give rise to regulatory and reputation risks.	Greater transparency builds trust with customers, which helps grow share of wallet. It will also improve the speed of dispute resolution with customers and protect the reputation of the bank.	***Read more about "Corporate governance" on pages 44 to 60.***

WHAT OUR STAKEHOLDERS ARE TELLING US

Dialogue and collaboration with our key stakeholders provide insights into matters of relevance to them.

Our key stakeholders are those who most impact our strategy or are directly impacted by it. They comprise our investors, customers, employees, society, regulators and policy makers.

Regular stakeholder engagements provide us an understanding of the material matters they are most concerned with. These matters help us define our strategic priorities and guide our initiatives.

	Investors We provide timely and detailed disclosures for investors to make informed investment decisions on DBS. We also seek their perspectives on our financial performance and strategy.	**Customers** We interact with customers to better understand their requirements so that we can propose the right financial solutions for them.	**Employees** We communicate with our employees using multiple channels to ensure they are aligned with our strategic priorities. This also allows us to be up to date with their concerns.	**Society** We engage the community to better understand the role we can play to address the needs of society.	**Regulators and policy makers** We strive to be a good corporate citizen and long-term participant in our markets by providing input to and implementing public policies. More broadly, we seek to be a strong representative voice for Asia in industry and global forums.
How did we engage?	• Quarterly results briefings • One-on-one online meetings and group conference calls with over 380 investor discussions • Attended virtual roadshows and digital conferences	• Multiple channels, including digital banking, call centres and branches • Regular engagements with relationship managers and senior management • Active interaction and prompt follow-up to queries/ feedback received via social media platforms such as Facebook, LinkedIn and Twitter, as well as online communities on our corporate websites • Regular customer interactions via online customer journey workshops and satisfaction surveys	• "Tell Piyush" – an online forum where almost 390 employee questions and feedback were raised to the CEO • "DBS Open" – quarterly group-wide townhalls hosted by the CEO • Regular department townhalls and events held by senior management • DBS Cares Community Forums – employees learn and share more about taking care of their personal well-being • Regular pulse surveys and annual "MyVoice" employee engagement survey • "iHealth" and "RUOK" festivals with webinars to inspire and encourage employees	• Reaching out to social enterprises (SEs) to understand specific challenges arising from the pandemic, and facilitating industry knowledge sharing and dialogues regionally • Speaking with community partners and social service agencies • Connecting with government bodies and associations, including Singapore Centre for Social Enterprise and Community Chest • Maintaining strong partnerships with academics to support tackling real-world sustainability challenges together • Engaging communities within the heartlands and our neighbours through POSB	• Engaging in discussions with regulators, governments, and public agencies • Advising public agencies and sharing insights as an industry leader when called upon • Providing insights and thought leadership in support of regulators' efforts towards ensuring financial stability • Active participation in local, regional, and international industry forums on financial regulation
What are the key topics raised and feedback received?	1. Impact on business outlook and credit quality from reduced government support as economies progressively recover and borders reopen. Pressures from supply chain bottlenecks, China regulatory changes and the impact of rising interest rates attracted more interest in the second half of the year 2. High Common Equity Tier 1 (CET-1) level and the prospect for higher dividends 3. Environmental, social and governance (ESG) commitments and our progress towards targets. Particular interest in governance around environmental issues and how we work with customers to reduce their carbon footprints	1. Customer requests for working capital support to fuel their growth beyond the pandemic 2. Enhanced digital experience and security to make banking simpler, safer and more intuitive 3. Concerns over fee discipline impacted customer satisfaction 4. Growing interest in sustainable investing among private banking clients and increasing demand for products and solutions that cater to a sustainable lifestyle	1. Questions covering topics from overall corporate strategy and business, culture, technology and workplace management, employee compensation, benefits and welfare, to customer experience, were raised through "Tell Piyush" and quarterly townhalls 2. In our annual employee engagement survey, our best-performing indicators are reflected in the areas of Diversity and Inclusion, Learning and Development, Risk and Control Culture, and Brand 3. Engagement issues, such as survey follow-ups and managerial effectiveness, are among the other regular feedback received throughout the year	1. Challenges in adapting to new forms of digital interaction continue as in-person volunteering activities remain a challenge with pandemic restrictions in place across markets. The needs of the communities have also grown to include social and emotional ones, in addition to the immediate economic and medical challenges, particularly among the elderly. 2. SEs face a funding gap in their early scale up phase. They seek catalytic capital and strong partners to enable them to scale up their business to secure more traction as well as deepen their social and environment impact.	1. Maintaining stability of the financial system amid hybrid work arrangements by ensuring business resilience and continuing to provide innovative financial services. 2. Key regulatory and reporting issues surrounding the banking industry included: • Cyber security • Preventing financial crime • Data governance • Fair dealing and conduct 3. Regulatory risks and new regulatory frameworks that will be needed due to increasing competition with fintech/ tech platforms and to macro trends such as sustainability
How did we respond?	1. We provided detailed disclosures and commentary on business outlook, financial performance and credit quality. 2. We reiterated our policy to pay sustainable dividends that grow progressively with earnings, and also affirmed our CET-1 operating range. 3. We responded to investor queries through various engagements and highlighted our Sustainability Report which explains our three-pillar approach to ESG: responsible banking, responsible business practices, and impact beyond banking. The details on our approach to responsible financing and how we manage climate risk attracted the most interest. ***Read more in "CFO statement" on page 20 and "Stakeholder engagement" and "Selected ESG-related awards, indices and ratings" in the Sustainability Report.***	1. We approved over 4,200 loans totalling SGD 1.1 billion to SMEs, with over 95% of the loans going to micro and small businesses. 2. We made multiple enhancements across different fronts to elevate the customer experience and safeguard the interests of our customers. For example, we incorporated our customers' feedback in the design of the bank's products and services. Using customer journey maps, we reviewed our existing banking journeys end-to-end, and harnessed our digital leadership and data capabilities to close the gaps and protect against fraud and scams. We also launched the inaugural digital sustainability platform LiveBetter on our digital banking app to empower customers to lead more eco-friendly lifestyles. 3. We enabled clients to integrate a sustainable lens to their investments and create their own portfolio based on their personal interests and values. We also provided corporate customers with guidance on new financial products and services. Some examples include green- and sustainability-linked loans, sustainable bonds, and a suite of ESG-investment funds. ***Read more in "Institutional Banking" on page 38, "Consumer Banking/ Wealth Management" on page 40, "Responsible financing", "Sustainable Living", and "Financial inclusion" in the Sustainability Report.***	1. We refreshed the "Tell Piyush" forum in 2021 to improve user experience and enhance accessibility. Piyush personally addressed all questions and comments raised. Employees were also engaged regularly through quarterly pulse surveys to identify areas of concerns and/ or pain points. Where applicable, all issues and suggestions raised were directed to relevant departments and COO offices for follow-up. 2. We launched Life@DBS to streamline communication channels and share employee stories and activities, to inspire and build emotional connections between employees. 3. We strengthened the bank's open feedback culture through "Anytime Feedback". In 2021, we received over 120,000 feedback, of which 50,000 related to developmental feedback. ***Read more about "Employee well-being and managing talent" in the Sustainability Report.***	1. We encouraged our employees to embrace new creative ways of volunteering through an array of in-person and virtual volunteer programmes, overcoming limitations arising from the pandemic. 2. We provided a record SGD 3 million in grant funding to 19 SEs through the 2021 DBS Foundation Grant Programme. These SEs have demonstrated strong business traction and meaningful impact outcomes. With the grant, we aim to catalyse positive social and environmental change, and tackle issues spanning healthcare, nutrition, employability and income disparity, education, energy, environment protection and waste management - all of which are pertinent and increasingly prevalent today. ***Read more about "POSB" on page 42, "Social entrepreneurship" and "Employee volunteerism" in the Sustainability Report.***	1. We implemented additional controls and innovative solutions to address the risks of remote working, and enhanced our data surveillance to detect the removal of critical information. We deployed digital solutions to facilitate contact free banking for our customers. 2. We continued to leverage technology, data analytics and AI/ ML to combat money-laundering and protect customers from scams. We made further strides in our data governance capabilities and our financial advisory processes to ensure that the interests of our customers stay protected. 3. We drove technology-enabled business solutions, partnering with relevant regulators and industry players. These include: a) **DBS Digital Exchange** – a bank-grade platform for issuance, trading, and custody of digital assets including cryptocurrencies b) **Singapore Trade Data Exchange** – a digital infrastructure that facilitates trusted and secure sharing of data between supply chain ecosystem partners c) **Climate Impact X** – an online marketplace for trading high-quality carbon credits and kick starting the voluntary carbon market in Singapore d) **Partior** – a blockchain-based clearing and settlement platform that serves as a wholesale payment rail for digitised commercial bank money, enabling 24/7 instantaneous money movement globally with speed, certainty, and transparency ***Read more about "Risk management" on page 78, "Cyber security", "Preventing financial crime", "Data governance" and "Fair dealing" in the Sustainability Report***

RISK MANAGEMENT

The sections marked by a grey line in the left margin form part of the Group's audited financial statements. Please refer to Pillar 3 and Other Regulatory Disclosures for other risk disclosures.

1 Risk overview

Business and strategic risk

Overarching risk arising from adverse business and economic changes materially affect DBS' long-term objectives. This risk is managed separately under other governance processes.

Read more about this on page 71.

Credit risk

Risk arising from borrowers or counterparties failing to meet their debt or contractual obligations.

Read more about this on page 81.

Market risk

Risk arising from adverse changes in interest rates, foreign exchange rates, equity prices, credit spreads and commodity prices, as well as related factors.

Read more about this on page 88.

Liquidity risk

Risk that arises if DBS is unable to meet financial obligations when they are due.

Read more about this on page 90.

Operational risk

Risk arising from inadequate or failed internal processes, people or systems, or from external events. It includes legal risk, but excludes strategic and reputational risk.

Read more about this on page 94.

Reputational risk

Risk that arises if our shareholder value (including earnings and capital) is adversely affected by any negative stakeholder perception of DBS' image. This influences our ability to establish new relationships or services, service existing relationships and have continued access to sources of funding. Reputational risk usually occurs when the other risks are poorly managed.

Read more about this on page 96.

2 Risk-taking and our business segments

As we focus on Asia's markets, we are exposed to concentration risks within the region. We manage this by diversifying our risks across industries and individual exposures. In addition, DBS relies on the specialist knowledge of our regional markets and industry segments to effectively assess our risks. The chart below provides an overview of the risks arising from our business segments. The asset size of each business segment reflects its contribution to the balance sheet, and the risk-weighted assets (RWA) offer a risk-adjusted perspective.

Refer to Note 45 to the financial statements on page 181 for more information about DBS' business segments

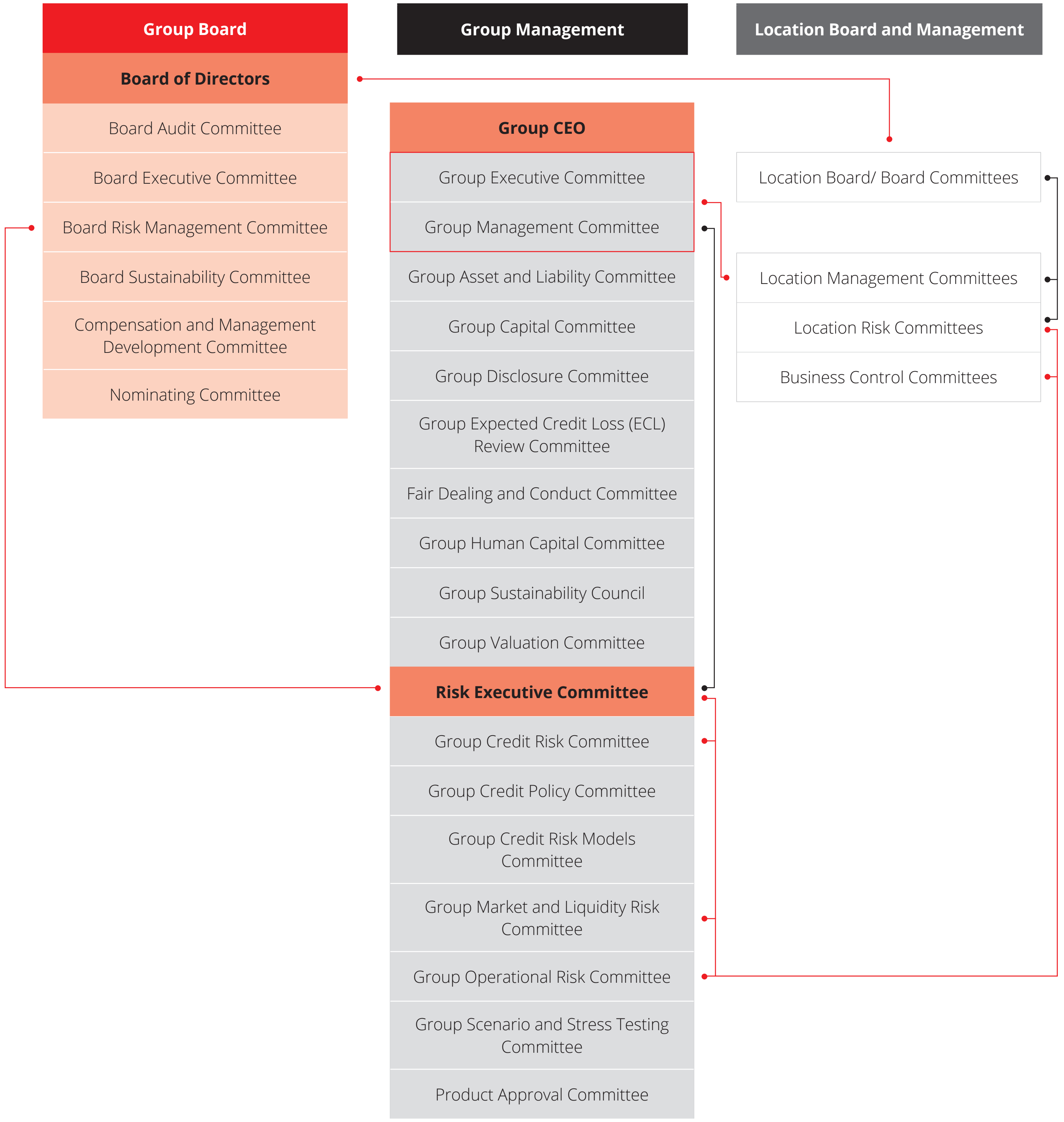
SGD million	Consumer Banking/ Wealth Management	Institutional Banking	Treasury Markets	Others[a]	Group
Assets[b]	127,268	313,180	163,554	76,709	680,711
Risk-weighted assets	50,252	220,012	44,532	27,895	342,691
% of RWA	**Consumer Banking/ Wealth Management**	**Institutional Banking**	**Treasury Markets**	**Others[a]**	**Group**
Credit risk	83	95	53	74	86
Market risk	0	0	42	18	7
Operational risk	17	5	5	8	7

(a) Encompasses assets/ RWA from capital and balance sheet management, funding and liquidity activities, DBS Vickers Group and The Islamic Bank of Asia Limited
(b) Before goodwill and intangibles

3 Risk governance

The Board oversees DBS' affairs and provides sound leadership for the CEO and management. Authorised by the Board, various Board committees oversee specific responsibilities based on clearly defined terms of reference.

Under our risk management approach, the Board, through the Board Risk Management Committee (BRMC), sets our Risk Appetite, oversees the establishment of enterprise-wide risk management policies and processes, and establishes risk appetite limits to guide DBS' risk-taking.



Group Board

Board of Directors
Board Audit Committee
Board Executive Committee
Board Risk Management Committee
Board Sustainability Committee
Compensation and Management Development Committee
Nominating Committee

Group Management

Group CEO
Group Executive Committee
Group Management Committee
Group Asset and Liability Committee
Group Capital Committee
Group Disclosure Committee
Group Expected Credit Loss (ECL) Review Committee
Fair Dealing and Conduct Committee
Group Human Capital Committee
Group Sustainability Council
Group Valuation Committee

Risk Executive Committee
Group Credit Risk Committee
Group Credit Policy Committee
Group Credit Risk Models Committee
Group Market and Liquidity Risk Committee
Group Operational Risk Committee
Group Scenario and Stress Testing Committee
Product Approval Committee

Location Board and Management

Location Board/ Board Committees
Location Management Committees
Location Risk Committees
Business Control Committees

Note: The lines reflect possible escalation protocols and are not reporting lines per se

The BRMC also oversees the identification, monitoring, management and reporting of credit, market, liquidity, operational and reputational risks. To facilitate the BRMC's risk oversight, the following risk management committees have been established.

Risk management committees	
Risk Executive Committee (Risk EXCO)	As the overall executive body regarding risk matters, the Risk EXCO oversees DBS' risk management.
Group Credit Risk Committee (GCRC) Group Credit Policy Committee (GCPC) Group Credit Risk Models Committee (GCRMC) Group Market and Liquidity Risk Committee (GMLRC) Group Operational Risk Committee (GORC) Group Scenario and Stress Testing Committee (GSSTC)	Each of the committees reports to the Risk EXCO, and serves as an executive forum to discuss and implement DBS' risk management. Key responsibilities: • Assess and approve risk-taking activities • Oversee DBS' risk management infrastructure, which includes frameworks, decision criteria, authorities, people, policies, standards, processes, information and systems • Approve risk policies such as model governance standards, stress testing scenarios, and the evaluation and endorsement of risk models • Assess and monitor specific credit concentration • Recommend stress-testing scenarios (including macroeconomic variable projections) and review the results The members in these committees comprise representatives from the Risk Management Group (RMG) as well as key business and support units.
Product Approval Committee (PAC)	The PAC provides group-wide oversight and direction for the approval of new product and outsourcing initiatives. It evaluates new product and outsourcing initiatives to ensure that they are in line with the Group's strategy and risk appetite.

Most of the above committees are supported by local risk committees in all major locations, where appropriate. These local risk committees oversee the local risk positions for all businesses and support units, ensuring that they keep within limits set by the Group risk committees. They also approve location-specific risk policies.

The Chief Risk Officer (CRO), who is a member of the Group Executive Committee and reports to the Chairman of the BRMC and the CEO, oversees the risk management function. The CRO is independent of business lines and is actively involved in key decision-making processes. He often engages with regulators to discuss risk matters, enabling a more holistic risk management perspective.

Working closely with the risk and business committees, the CRO is responsible for the following:

- Management of DBS' risks, including systems and processes to identify, approve, measure, monitor, control and report risks
- Engagement with senior management about material matters regarding all risk types
- Development of risk controls and mitigation processes
- Ensuring DBS' risk management is effective, and the Risk Appetite established by the Board is adhered to

4 Risk Appetite

DBS' Risk Appetite is set by the Board and governed by the Risk Appetite Policy, which articulates the risks that we are willing to accept. It also serves to reinforce our risk culture by setting a clear message from the 'tone from the top'. A strong organisational risk culture, complemented with a balanced incentive framework (refer to "Remuneration Report" section on page 61), helps to further embed our Risk Appetite.

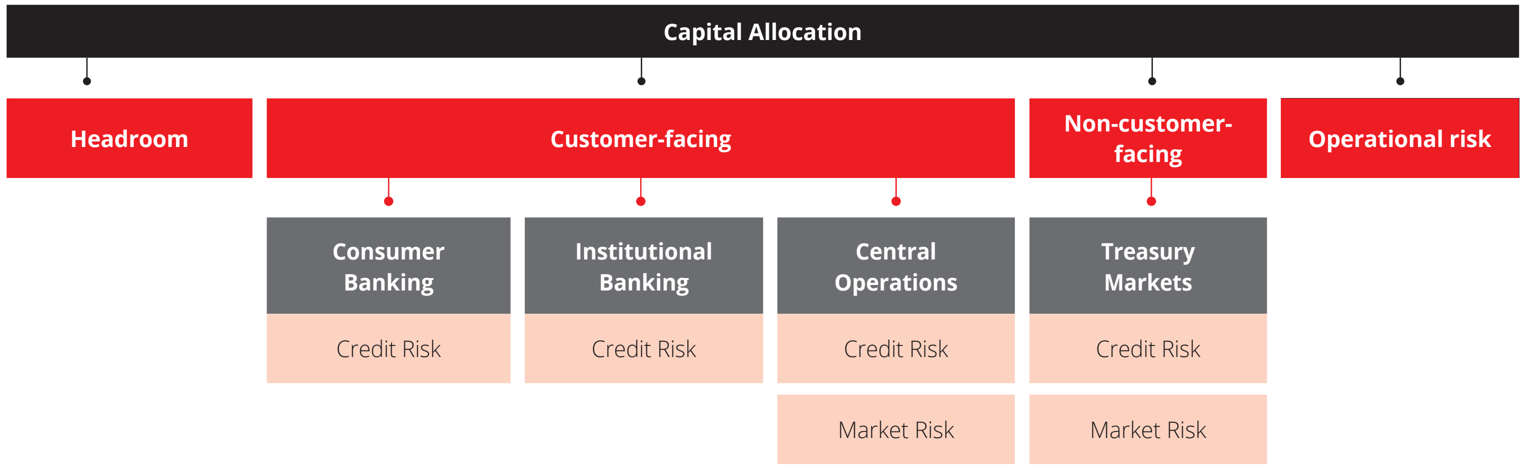
4.1 Risk thresholds and economic capital usage

Our Risk Appetite takes into account a spectrum of risk types and is implemented using thresholds, policies, processes and controls.

Setting thresholds is essential in making DBS' Risk Appetite an intrinsic part of our businesses as they help to keep all our risks within acceptable levels. Portfolio risk limits for the quantifiable risk types are established top down, and these are implemented using frameworks. As for the non-quantifiable risk types, these are managed using qualitative principles.

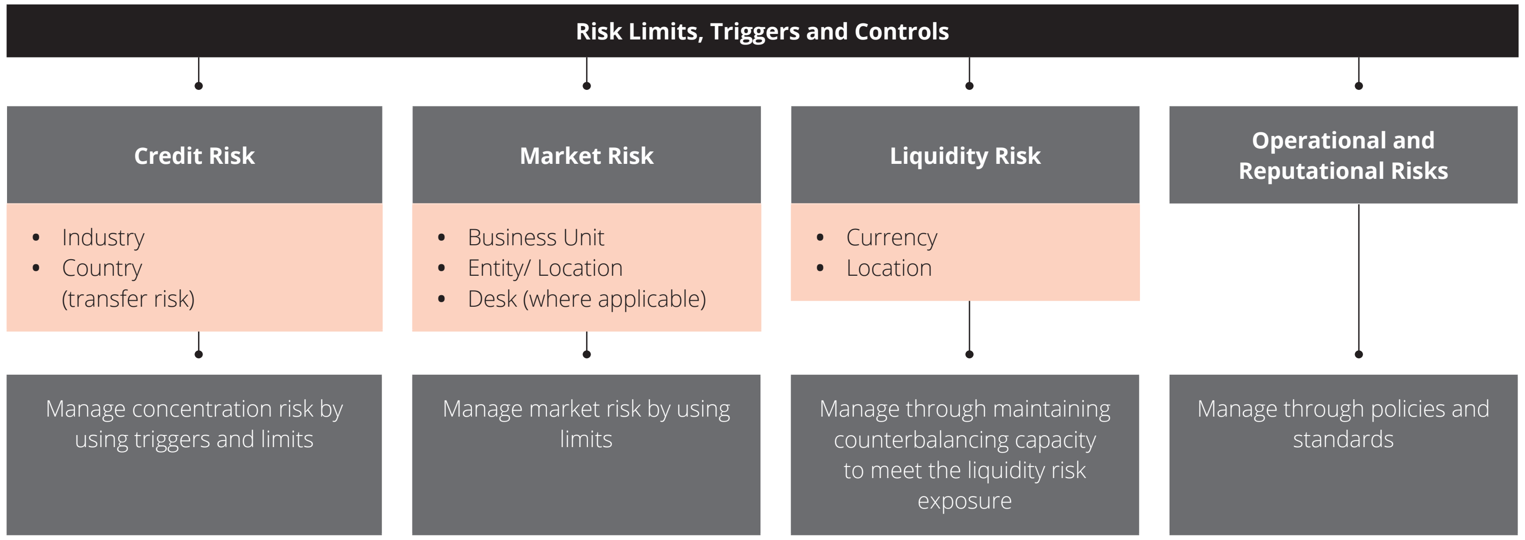
To ensure that the thresholds pertaining to our Risk Appetite are completely risk sensitive, we have adopted both economic capital (EC) and regulatory capital (RC) as our risk metrics. Additionally, both EC and RC are assessed as part of our Internal Capital Adequacy Assessment Process (ICAAP).

Our capital allocation structure monitors regulatory capital demand at the business unit level, while other quantitative or qualitative controls are used to manage risks at granular levels. The risk types that are managed using capital are credit, market and operational risks. The diagram on the next page shows how they are managed along the dimensions of customer-facing and non-customer-facing units.



As a commercial bank, DBS allocates more capital to our customer-facing units, as compared to non-customer-facing units. A buffer is also maintained for other risks, such as country, reputational, model risks, etc.

The following chart provides a broad overview of how our Risk Appetite permeates throughout DBS. Refer to Sections 5 through 9 for more information about each risk type.



4.2 Stress testing

Stress testing is an integral part of our risk management process. It includes both sensitivity analysis and scenario analysis, and is conducted regularly. In particular, the ICAAP (a group-wide exercise spanning different risk types) is performed annually. In addition, stress tests are carried out in response to microeconomic and macroeconomic conditions, or portfolio developments. Every stress test is documented and the results are reviewed by senior management and/or the BRMC.

Stress testing alerts senior management to our potential vulnerability to exceptional but plausible adverse events. As such, stress testing enables us to assess capital adequacy and identify potentially risky portfolio segments as well as inherent systematic risks. This then allows us to develop the right contingency plans, exit strategies and mitigating actions beforehand.

The ICAAP ensures our business plans are consistent with our Risk Appetite. This is done by comparing the projected demand for capital to the projected supply of capital under various scenarios, including severe macroeconomic stress.

5 Credit risk

The most significant measurable risk DBS faces - credit risk - arises from our daily activities in our various businesses. These activities include lending to retail, corporate and institutional customers. It includes the risk of lending, pre-settlement and settlement risk of foreign exchange, derivatives and debt securities.

Refer to Note 42.1 to the financial statements on page 172 for details on DBS' maximum exposure to credit risk.

5.1 Credit risk management at DBS

DBS' approach to credit risk management comprises the following building blocks:

Policies
Risk methodologies
Processes, systems and reports

Policies

The dimensions of credit risk and the scope of its application are defined in the Group Credit Risk Management Policy. Senior management sets the overall direction and policy for managing credit risk at the enterprise level.

The Group Core Credit Risk Policies (CCRPs) established for Consumer Banking/ Wealth Management and Institutional Banking set forth the principles by which DBS conducts its credit risk management and control activities. These policies, supplemented by a number of operational standards and guides, ensure consistency in identifying, assessing, underwriting, measuring, reporting and controlling credit risk across DBS, and provide guidance in the formulation of business-specific and/ or location-specific credit risk policies and standards.

The operational standards and guides are established to provide greater details on the implementation of the credit principles within the Group CCRPs and are adapted to reflect different credit environments and portfolio risk profiles. The CCRPs are approved by the GCPC.

Risk methodologies

Credit risk is managed by thoroughly understanding our corporate customers - the businesses they are in, as well as the economies in which they operate. It is also managed through statistical models and data analytics for retail customers.

The assignment of credit risk ratings and setting of lending limits are integral parts of DBS' credit risk management process, and we use an array of rating models for our corporate and retail portfolios. Most of these models are built internally using DBS' loss data, and the limits are driven by DBS' Risk Appetite Statement and the Target Market and Risk Acceptance Criteria (TM-RAC).

Wholesale borrowers are assessed individually, and further reviewed and evaluated by experienced credit risk managers who consider relevant credit risk factors in the final determination of the borrower's risk. For some portfolios within the SME segment, DBS also uses a programme-based approach to achieve a balanced management of risks and rewards. Retail exposures are assessed using credit score models, credit bureau records as well as internally and externally available customer behaviour records supplemented by our Risk Acceptance Criteria (RAC). Credit applications are proposed by the business units, and applications outside the RAC are independently assessed by the credit risk managers.

Refer to Section 5.3 on page 85 to read more about our internal credit risk models.

Pre-settlement credit risk for traded products arising from a counterparty potentially defaulting on its obligations is generally quantified by evaluation of the market price plus potential future exposure. This is used to calculate DBS' regulatory capital and is included within DBS' overall credit limits to counterparties for internal risk management.

We actively monitor and manage our exposure to counterparties for over-the-counter (OTC) derivative trades to protect our balance sheet in the event of a counterparty default. Counterparty risk exposures that may be adversely affected by market risk events are identified, reviewed and acted upon by management, and highlighted to the appropriate risk committees. Specific wrong-way risk arises when the credit exposure of a counterparty (from the traded product transaction) directly correlates with the probability of default of the counterparty. DBS has processes in place to guide the handling of specific wrong-way risk transactions, and its risk measurement metric takes into account the higher risks associated with such transactions.

Issuer default risk that may also arise from derivatives, notes and securities are generally measured based on jump-to-default computations.

Concentration risk management

For credit risk concentration, we use EC as our measurement tool as it combines the individual risk factors such as the probability of default (PD), loss given default (LGD) and exposure at default (EAD), in addition to industry correlation and portfolio concentration. EC thresholds are set to ensure that the allocated EC stays within our Risk Appetite. Concentration risk for retail is managed at two levels – product level where exposure limits are set up and segment level to manage the growth of high-risk segments. Governance processes are in place to ensure that these thresholds are monitored regularly, and appropriate actions are taken when the thresholds are breached.

DBS continually examines and reviews how we can enhance the scope of our thresholds and approaches to manage concentration risk.

Environmental, social and governance risks

Responsible financing, covering environmental, social and governance (ESG) issues, is a topic of increasing importance that affects investing and lending decisions across the bank. DBS recognises that our financing practices have a substantial impact on society and failure of our customers to appropriately manage ESG issues can directly impact their operations and long-term economic viability, and the communities and environment in which they operate.

The Board approves DBS' overall and specific risk governance frameworks and oversees an independent Group-wide risk management system, including responsible financing. DBS had established a Group Responsible Financing Standard that documents our overarching approach to responsible financing and additional assessment required when entering into transactions with elevated ESG risks. The requirements of this Standard represent the minimum standards for DBS and we have also sought alignment, where possible, with international standards and best practices. Where significant ESG issues are identified, escalation is required to the relevant Global Industry Specialist and IBG Sustainability for further guidance prior to approval by the Credit Approving Authority.

Refer more about "Responsible financing" in the Sustainability Report.

Country risk

Country risk refers to the risk of loss due to events in a specific country (or a group of countries). This includes political, exchange rate, economic, sovereign and transfer risks.

DBS manages country risk through the requirements of the Group CCRP and the said risk is part of our concentration risk management. The way we manage transfer risk at DBS is set out in our Country Risk Management Standard. This includes an internal transfer risk and sovereign risk rating system, where assessments are made independently of business decisions. Our transfer risk limits are set in accordance with the Group Risk Appetite Policy.

Transfer risk limits for priority countries are set based on country-specific strategic business considerations as well as the acceptable potential loss according to our Risk Appetite. Management actively evaluates and determines the appropriate level of transfer risk exposures for these countries taking into account the risks and rewards and whether they are in line with our strategic intent. Limits for all other non-priority countries are set using a model-based approach.

All transfer risk limits are approved by the BRMC.

Credit stress testing

DBS engages in various types of credit stress testing, and these are driven either by regulators or internal requirements and management.

Our credit stress tests are performed at the total portfolio or sub-portfolio level, and are generally conducted to assess the impact of changing economic conditions on asset quality, earnings performance, capital adequacy and liquidity. DBS' stress testing programme is comprehensive and covers a range of risks and business areas.

DBS typically performs the following types of credit stress testing at a minimum and others as necessary:

Pillar 1 credit stress testing	DBS conducts Pillar 1 credit stress testing regularly as required by regulators. Under Pillar 1 credit stress testing, DBS assesses the impact of a mild stress scenario (at least two consecutive quarters of zero GDP growth) on Internal Ratings-Based (IRB) estimates (i.e. PD, LGD and EAD) and the impact on regulatory capital. The purpose of the Pillar 1 credit stress test is to assess the robustness of internal credit risk models and the cushion above minimum regulatory capital.
Pillar 2 credit stress testing	DBS conducts Pillar 2 credit stress testing once a year as part of the ICAAP. Under Pillar 2 credit stress testing, DBS assesses the impact of stress scenarios, with different levels of severity, on asset quality, earnings performance as well as internal and regulatory capital. The results of the credit stress test form inputs to the capital planning process under ICAAP. The purpose of the Pillar 2 credit stress testing is to examine, in a rigorous and forward-looking manner, the possible events or changes in market conditions that could adversely impact DBS and to develop the appropriate action plan.
Industry-wide stress testing	DBS participates in the annual industry-wide stress test (IWST) conducted by the Monetary Authority of Singapore (MAS) to facilitate the ongoing assessment of Singapore's financial stability. Under the IWST, DBS is required to assess the impact of adverse scenarios, as defined by the regulator, on asset quality, earnings performance and capital adequacy.
Sensitivity and scenario analyses	DBS also conducts multiple independent sensitivity analyses and credit portfolio reviews based on various scenarios. The intent of these analyses and reviews is to identify vulnerabilities for the purpose of developing and executing mitigating actions.

Processes, systems and reports

DBS constantly invests in systems to support risk monitoring and reporting for our Institutional Banking and Consumer Banking/ Wealth Management businesses.

The end-to-end credit process is continually being reviewed and improved through various front-to-back initiatives involving business, operations, risk management and other key stakeholders. Day-to-day monitoring of credit exposures, portfolio performance and external environmental factors potentially affecting credit risk profiles is key to our philosophy of effective credit risk management.

In addition, credit trends, which may include industry analysis, early warning alerts and significant weak credits, are submitted to the various risk committees, allowing key strategies and action plans to be formulated and evaluated. Credit control functions also ensure that any credit risk taken complies with the credit risk policies and standards. These functions ensure that approved limits are activated, credit excesses and policy exceptions are appropriately endorsed, compliance with credit standards is carried out, and covenants established are monitored.

Independent risk management functions that report to the CRO are jointly responsible for developing and maintaining a robust credit stress testing programme. These units oversee the implementation of credit stress tests as well as the analysis of the results, of which management, various risk committees and regulators are informed.

Non-performing assets

DBS' credit facilities are classified as "Performing assets" or "Non-performing assets" (NPA), in accordance with the MAS Notice to Banks No. 612 "Credit Files, Grading and Provisioning" (MAS Notice 612 / MAS Notice 612A).

Credit exposures are categorised into one of the following five categories, according to our assessment of a borrower's ability to repay a credit facility from its normal sources of income and/ or the repayment behaviour of the borrower.

Classification grade	Description
Performing assets	
Pass	Indicates that the timely repayment of the outstanding credit facilities is not in doubt.
Special mention	Indicates that the borrower exhibits potential weaknesses that, if not corrected in a timely manner, may adversely affect future repayments and warrant close attention by DBS.
Classified or NPA	
Substandard	Indicates that the borrower exhibits definable weaknesses in its business, cash flow or financial position that may jeopardise repayment on existing terms.
Doubtful	Indicates that the borrower exhibits severe weaknesses such that the prospect of full recovery of the outstanding credit facilities is questionable and the prospect of a loss is high, but the exact amount remains undeterminable as yet.
Loss	Indicates that the outstanding credit facility is not collectable, and little or nothing can be done to recover the outstanding amount from any collateral or from the assets of the borrower generally.

A default is considered to have occurred with regard to a particular borrower when either or both of the following events have taken place:

- Subjective default: Borrower is considered to be unlikely to pay its credit obligations in full, without DBS taking action such as realising security (if held)
- Technical default: Borrower is more than 90 days past due on any credit obligation to DBS

For retail borrowers, the categorisation into the respective MAS loan grades is at the facility level and consistent with MAS Notice 612 / MAS Notice 612A.

Credit facilities are classified as restructured assets when we grant non-commercial concessions to a borrower because its financial position has deteriorated or is unable to meet the original repayment schedule. A restructured credit facility is classified into the appropriate non- performing grade based on the assessment of the borrower's financial condition and its ability to repay according to the restructured terms.

Such credit facilities are not returned to the performing status until there are reasonable grounds to conclude that the borrower will be able to service all future principal and interest payments on the credit facility in accordance with the restructured terms and MAS Notice 612 / MAS Notice 612A. Apart from what has been described, we do not grant concessions to borrowers in the normal course of business.

In addition, it is not within DBS' business model to acquire debts that have been restructured at inception (e.g. distressed debts).

Refer to Note 2.11 to the financial statements on page 127 for our accounting policies regarding specific and general allowances for credit losses.

In general, specific allowances are recognised for defaulting credit exposures rated substandard and below.

The breakdown of our NPA by loan grading and industry and the related amounts of specific allowances can be found in Note 42.2 to the financial statements on page 173. A breakdown of past due loans can also be found in the same note.

When required, we will take possession of all collateral and dispose them as soon as practicable. Realised proceeds are used to reduce outstanding indebtedness.

A breakdown of collateral held for NPA is shown in Note 42.2 to the financial statements on page 176.

Repossessed collateral is classified in the balance sheet as other assets. The amounts of such other assets for 2020 and 2021 were not material.

5.2 Credit risk mitigants

Collateral received

Where possible, DBS takes collateral as a secondary source of repayment. This includes, but is not limited to, cash, marketable securities, real estate, trade receivables, inventory, equipment, and other physical and/ or financial collateral. We may also take fixed and floating charges on the assets of borrowers.

Policies are in place to determine the eligibility of collateral for credit risk mitigation. Collateral is generally diversified and periodic valuations of collateral are required. Real estate constitutes the bulk of our collateral, while marketable securities and cash are immaterial.

For derivatives, repurchase agreements (repo) and other repo-style transactions with financial market counterparties, collateral arrangements are typically covered under market-standard documentation, such as International Swaps & Derivatives Association (ISDA) Agreements and Master Repurchase Agreements.

The collateral received is marked-to- market on a frequency that DBS and the counterparties have mutually agreed upon. This is governed by internal guidelines with respect to collateral eligibility. In the event of a default, the credit risk exposure is reduced by master-netting arrangements where DBS is allowed to offset what we owe a counterparty against what is due from that counterparty in a netting-eligible jurisdiction.

Refer to Note 14 to the financial statements on page 140 for further information on financial assets and liabilities subject to netting agreement but not offset on the balance sheet.

Collateral held against derivatives generally consists of cash in major currencies and highly rated government or quasi- government bonds. Exceptions may arise in certain countries, where due to domestic capital markets and business conditions, the bank may be required to accept less highly rated or liquid government bonds and currencies. Reverse repo-transactions are generally traded with large institutions with reasonably good credit standing. DBS takes haircuts against the underlying collateral of these transactions that commensurate with collateral quality to ensure credit risks are adequately mitigated.

In times of difficulty, we will review the customers' specific situation and circumstances to assist them in restructuring their financial obligations.

However, should the need arise, disposal and recovery processes are in place to dispose the collateral held. DBS maintains a panel of agents and solicitors to assist in the disposal of non-liquid assets and specialised equipment quickly.

Collateral posted

DBS is required to post additional collateral in the event of a rating downgrade. As at 31 December 2021, for a three-notch downgrade of its Standard & Poor's Ratings Services and Moody's Investors Services ratings, DBS will have to post additional collateral amounting to SGD 2 million (2020: SGD 11 million).

Other credit risk mitigants

DBS accepts guarantees as credit risk mitigants. Internal requirements for considering the eligibility of guarantors for credit risk mitigation are in place.

5.3 Internal credit risk models

DBS adopts rating systems for the different asset classes under the Internal Ratings - Based Approach (IRBA).

There is a robust governance process for the development, independent validation and approval of any credit risk model. The models go through a rigorous review process before they are endorsed by the GCRMC and Risk EXCO. They must also be approved by the BRMC before submission for regulatory approval. The key risk measures generated by the internal credit risk rating models to quantify regulatory capital include PD, LGD and EAD. For portfolios under the Foundation IRBA, internal estimates of PD are used while the supervisory LGD and EAD estimates are applied. For portfolios under the Advanced IRBA, internal estimates of PD, LGD and EAD are used. In addition, the ratings from the credit models act as the basis for underwriting credit risk, monitoring portfolio performance and determining business strategies.
The performance of the rating systems is monitored regularly and reported to the GCRMC, Risk EXCO and BRMC to ensure their ongoing effectiveness.

An independent risk unit conducts formal validations for the respective rating systems annually. The validation processes are also independently reviewed by Group Audit. These serve to highlight material deterioration in the rating systems for management attention.

5.3.1 Retail exposure models

Retail portfolios are categorised into the following asset classes under the Advanced IRBA: residential mortgages, qualifying revolving retail exposures and other retail exposures.

Within each asset class, exposures are managed on a portfolio basis. Each customer or account is assigned to a risk pool, considering factors such as borrower characteristics and collateral type. PD, EAD and LGD estimates are based on internal historical default, utilisation and realised losses within a defined period.

Product-specific credit risk elements such as underwriting criteria, scoring models, approving authorities and asset quality and business strategy reviews, as well as systems, processes and techniques to monitor portfolio performance, are in place. Credit risk models for secured and unsecured portfolios are also used to update the risk level of each loan on a monthly basis, reflecting the broad usage of risk models in portfolio quality reviews.

5.3.2 Wholesale exposure models

Wholesale exposures are under the Foundation IRBA for capital computation. They include sovereign, bank and corporate. Specialised lending exposures are under IRBA using supervisory slotting criteria.

Sovereign exposures are risk-rated using internal risk-rating models. Factors related to country-specific macroeconomic risk, political risk, social risk and liquidity risk are included in the sovereign rating models to assess the sovereign credit risk in an objective and systematic manner.

Bank exposures are assessed using the bank-rating model. The model considers both quantitative and qualitative factors such as capital levels and liquidity, asset quality and management strength.

Large corporate exposures are assessed using internal rating models. Factors considered in the risk assessment process include the counterparty's financial strength and qualitative factors such as industry risk, access to funding, market standing and management strength.

SME credit rating models consider risk factors such as those relating to the counterparty's financial strength, qualitative factors, as well as account performance.

Credit risk ratings under the IRBA portfolios are, at a minimum, reviewed by designated approvers on an annual basis unless credit conditions require more frequent assessment.

5.3.3 Specialised lending exposures

Specialised lending IRBA portfolios include income-producing real estate, project finance, object finance, and commodities finance. These adopt the supervisory slotting criteria specified under Annex 7v of MAS Notice 637, which are used to determine the risk weights to calculate credit risk-weighted exposures.

5.3.4 Securitisation exposures

We arrange securitisation transactions for our clients for fees. These transactions do not involve special-purpose entities that we control. For transactions that are not underwritten, no securitisation exposures are assumed as a direct consequence of arranging the transactions. Any decision to invest in any of such arranged transactions is subject to independent risk assessment.

Where DBS provides an underwriting commitment, any securitisation exposure that arises will be held in the trading book to be traded or sold down in accordance with our internal policy and risk limits. In addition, DBS does not provide implicit support for any transactions we structure or have invested in.

We invest in our clients' securitisation transactions from time to time. These may include securitisation transactions arranged by us or with other parties.

We may also act as a liquidity facility provider, working capital facility provider or swap counterparty. Such exposures require the approval of the independent risk function and are subject to regular risk reviews. We also have processes in place to monitor the credit risk of our securitisation exposures.

5.3.5 Credit exposures falling outside internal credit risk models

DBS applies the Standardised Approach (SA) for portfolios that are expected to transit to IRBA or for portfolios that are immaterial in terms of size and risk profile. These portfolios include:

- IRBA-transitioning retail and wholesale exposures
- IRBA-exempt retail exposures
- IRBA-exempt wholesale exposures

Any identified transitioning retail and/ or wholesale exposures are expected to adopt Advanced or Foundation IRBA, subject to approval by regulators. Prior to regulatory approval, these portfolios are under SA.

The portfolios under the SA are subject to our overall governance framework and credit risk management practices. DBS continues to monitor the size and risk profile of these portfolios and will enhance the relevant risk measurement processes if these risk exposures become material.

DBS uses external ratings for credit exposures under the SA where relevant, and we only accept ratings from Standard & Poor's, Moody's and Fitch in such cases. DBS follows the process prescribed in MAS Notice 637 to map the ratings to the relevant risk weights.

5.4. Credit risk in 2021

Concentration risk

DBS' geographic distribution of customer loans remains stable.

Singapore, our home market, continues to account for the largest share of our gross loans and advances to customers which contributed to 46% of our total portfolio. Growth was seen mainly in Singapore, Hong Kong and Rest of the World.

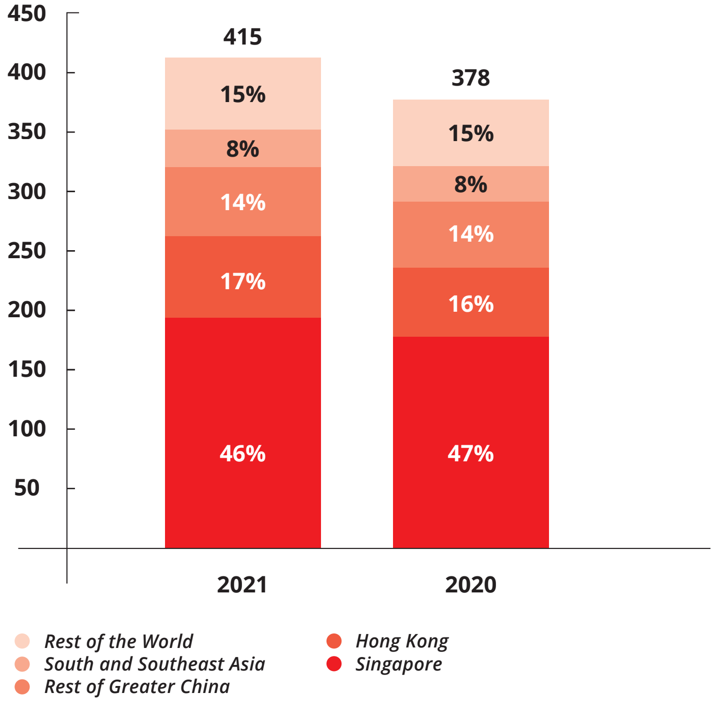
Our portfolio is well diversified across industry and business segments. Building and construction, general commerce and manufacturing remain the largest contributors in the wholesale portfolio, accounting for 47% of the total portfolio.

Non-performing assets

New non-performing asset (NPA) formation was offset by recoveries and write-offs. In absolute terms, our total NPA decreased by 13% from the previous year to SGD 5.85 billion and non-performing loans (NPL) ratio dropped to 1.3% in 2021.

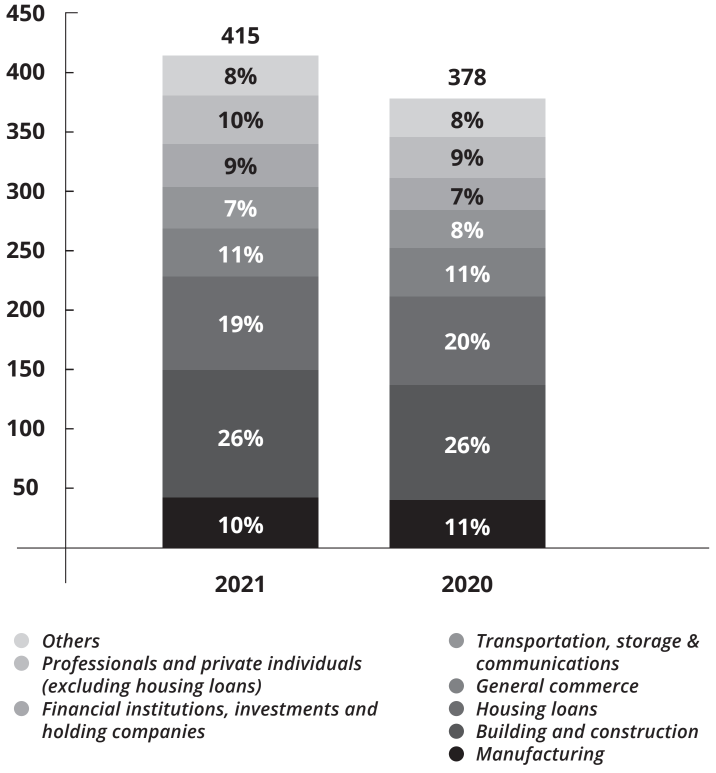
Refer to "CFO Statement" on page 20

Geographical Concentration (SGD billion)



Above refers to gross loans and advances to customers based on country of incorporation

Industry Concentration (SGD billion)



Above refers to gross loans and advances to customers based on MAS Industry Code

Refer to Note 42.4 to the financial statements on page 177 for DBS' breakdown of credit risk concentration.

Collateral received

The tables below provide breakdowns by loan-to-value (LTV) bands for the borrowings secured by real estate and other collateral from the various market segments.

Residential mortgage loans

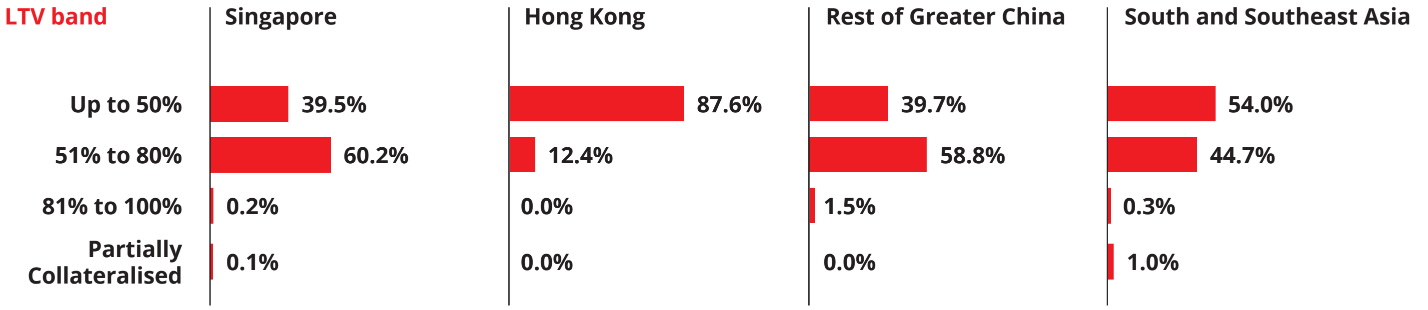
The LTV ratio is calculated using mortgage loans including undrawn commitments divided by the collateral value. Property valuations are determined using a combination of professional appraisals and housing price indices.

For Singapore mortgages, new loans are capped at LTV limits of up to 75% for private residential mortgages, since July 2018. In tandem with the increase in private property prices by 10.6% year on year, there was an approximate 5.5% shift in the proportion of mortgage exposure from the LTV > 50% to the up-to-50% LTV band.

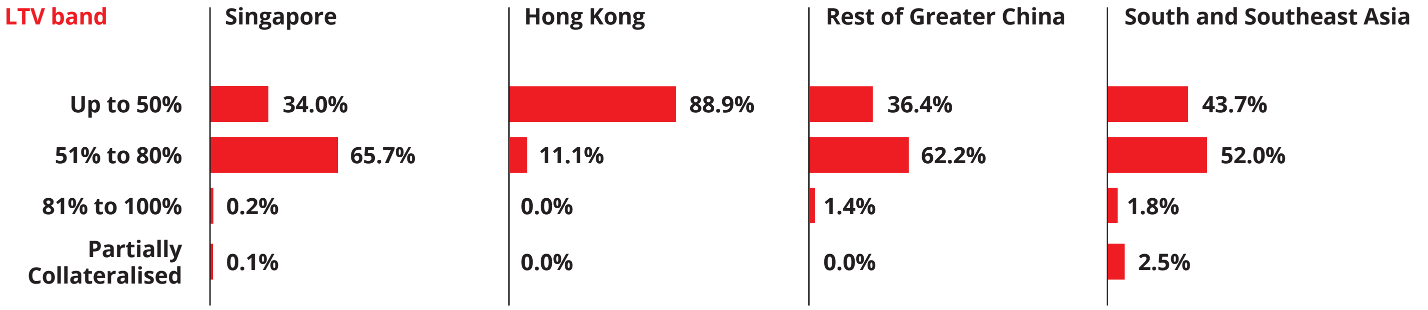
For Hong Kong mortgages, there was an approximate 1.3% increase in the proportion of mortgage exposure in the 51% to 80% LTV band due to higher proportion of matured/ closed mortgage accounts in the up to 50% LTV band. Hong Kong property price index increased by 4.2% in 2021.

Percentage of residential mortgage loans (breakdown by LTV band and geography)

As at 31 December 2021



As at 31 December 2020



Dec 2020 position excludes the loans and collateral of Lakshmi Vilas Bank (LVB) that was amalgamated with DBS Bank India Limited on 27 Nov 2020.

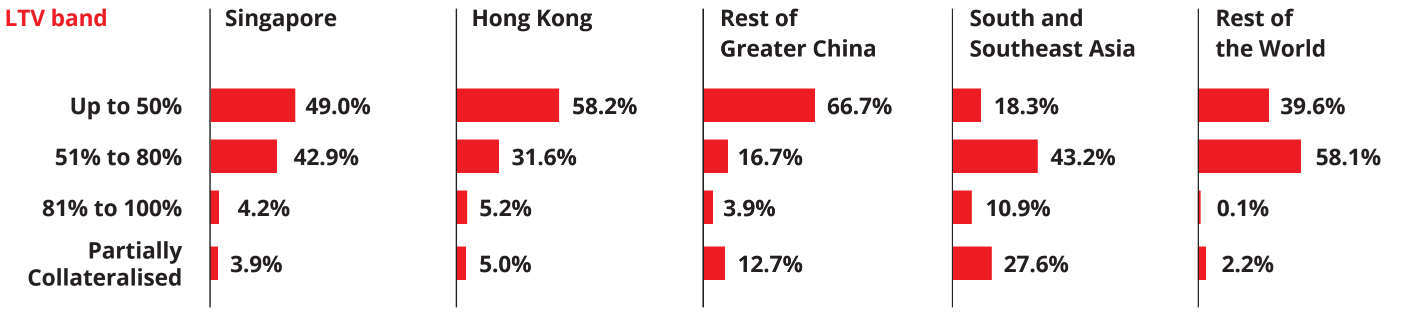
Loans and advances to corporates secured by real estate

These secured loans are extended for the purpose of acquisition and/ or development of real estate, as well as for general working capital. More than 90% of such loans are fully collateralised and majority of these loans have LTV < 80%. Our property loans are mainly concentrated in Singapore and Hong Kong, which together accounted for about 80% of the total property loans.

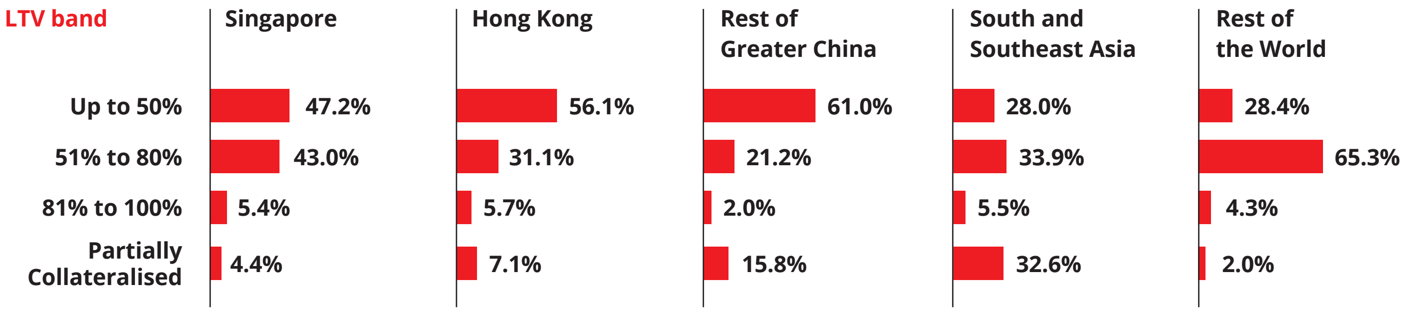
The LTV ratio is calculated as loans and advances divided by the value of collaterals that secure the same facility. Real estate forms a substantial portion of the collaterals; other collaterals such as cash, marketable securities, and bank guarantees are also included.

Percentage of loans and advances to corporates secured by real estate (breakdown by LTV band and geography)

As at 31 December 2021



As at 31 December 2020



Dec 2020 position excludes the loans and collateral of Lakshmi Vilas Bank (LVB) that was amalgamated with DBS Bank India Limited on 27 Nov 2020.

Loans and advances to banks
In line with market convention, loans and advances to banks are typically unsecured. DBS manages the risk of such exposures by keeping tight control of the exposure tenor and monitoring of their credit quality.

Derivatives counterparty credit risk by markets and settlement methods
We continue to manage our derivatives counterparty risk exposures with netting and collateral arrangements, thereby protecting our balance sheet in the event of a counterparty default.

A breakdown of our derivatives counterparty credit risk by markets (OTC versus exchange-traded) and settlement methods (cleared through a central counterparty versus settled bilaterally) can be found below.

Notional OTC and exchange-traded products

In notional terms, SGD million	As at 31 Dec 2021
OTC derivatives cleared through a central counterparty	1,234,846
OTC derivatives settled bilaterally	1,034,521
Total OTC derivatives	**2,269,367**
Exchange-traded derivatives	33,857
Total derivatives	**2,303,224**

Please refer to Note 36 to the financial statements on page 160 for the netting arrangements impact and a breakdown of the derivatives positions held by DBS.

6 Market risk

Our exposure to market risk is categorised into:

Trading portfolios: Arising from positions taken for (i) market-making, (ii) client facilitation and (iii) benefiting from market opportunities.

Non-trading portfolios: Arising from (i) our Institutional Banking and Consumer Banking/ Wealth Management assets and liabilities, (ii) debt securities and equities comprising investments held for yield and/ or long- term capital gains, (iii) strategic stakes in entities and (iv) structural foreign exchange risk arising mainly from our strategic investments, which are denominated in currencies other than the Singapore Dollar.

We use a variety of financial derivatives such as swaps, forwards and futures, and options for trading and hedging against market movements.

6.1 Market risk management at DBS

DBS' approach to market risk management comprises the following building blocks:

Policies
Risk methodologies
Processes, systems and reports

Policies
The Group Market Risk Management Policy sets our overall approach towards market risk management. This policy is supplemented with standards and guides, which facilitate the identification, measurement, control, monitoring and reporting of market risk in a consistent manner. They also set out the overall approach, requirements and controls governing market risk stress testing across DBS.

The criteria for determining the positions to be included in the trading book are stipulated in the Trading Book Policy Statement.

Risk methodologies
DBS utilises Value-at-Risk (VaR), a statistical risk measure, to estimate the potential loss from market movements. This measure uses historical simulation based on data for the previous 12 months. It assumes that historical changes in market values reflect the distribution of potential outcomes in the immediate future.

DBS limits and monitors market risk exposures using Expected Shortfall (ES) that is VaR calculated with a one-day holding period and an expected tail-loss methodology which approximates a 97.5% confidence interval.

ES is supplemented with other risk control metrics such as sensitivities to risk factors and loss triggers for management action.

DBS conducts backtesting to verify the predictiveness of the VaR model. Backtesting compares VaR calculated for positions at the close of each business day with the profit and loss (P&L) that arises from those positions on the following business day. The backtesting P&L excludes fees and commissions, revenues from intra-day trading, non-daily valuation adjustments and time effects.

For backtesting, VaR at the 99% confidence interval and over a one-day holding period is used. We adopt the standardised approach to compute market risk regulatory capital under MAS Notice 637 for the trading book positions. As such, VaR backtesting does not impact our regulatory capital for market risk.

There are limitations to VaR models; for example, past changes in market risk factors may not provide accurate predictions of future market movements, and the risk arising from adverse market events may not be considered.

To monitor DBS' vulnerability to unexpected but plausible extreme market risk-related events, we conduct multiple market risk stress tests regularly. These cover trading and non-trading portfolios and follow a combination of historical and hypothetical scenarios depicting risk-factor movement.

Economic Value of Equity (EVE) and Net Interest Income (NII) variability are the key risk metrics used to manage our assets and liabilities. EVE and NII variability measure how the economic value and earnings of the bank change under various stress scenarios. Credit risk arising from loans and receivables is managed under the credit risk management framework.

Interest rate risk in the banking book (IRRBB) arises from mismatches in the interest rate profiles of assets, liabilities and capital instruments. Estimating IRRBB requires the use of behavioural models and assumptions on certain parameters such as loan prepayment, fixed deposits early redemption and the duration of non- maturity deposits. DBS measures IRRBB on a monthly basis.

Processes, systems and reports
Robust internal control processes and systems have been designed and implemented to support our market risk management approach. DBS reviews these control processes and systems regularly, and these reviews allow senior management to assess their effectiveness.

The RMG Market and Liquidity Risk unit - an independent market risk management function reporting to the CRO - monitors, controls and analyses DBS' market risk daily. The unit comprises risk control, risk analytics, production and reporting teams.

6.2 Market risk in 2021

The main risk factors driving DBS' trading portfolios in 2021 were interest rates, foreign exchange, equities and credit spreads. The following table shows the period-end, average, high and low diversified ES, and ES by risk class for our trading portfolios. ES in 2021 was lower given the more benign financial market conditions as compared to the market volatilities witnessed during the onset of the Covid-19 pandemic in 2020.

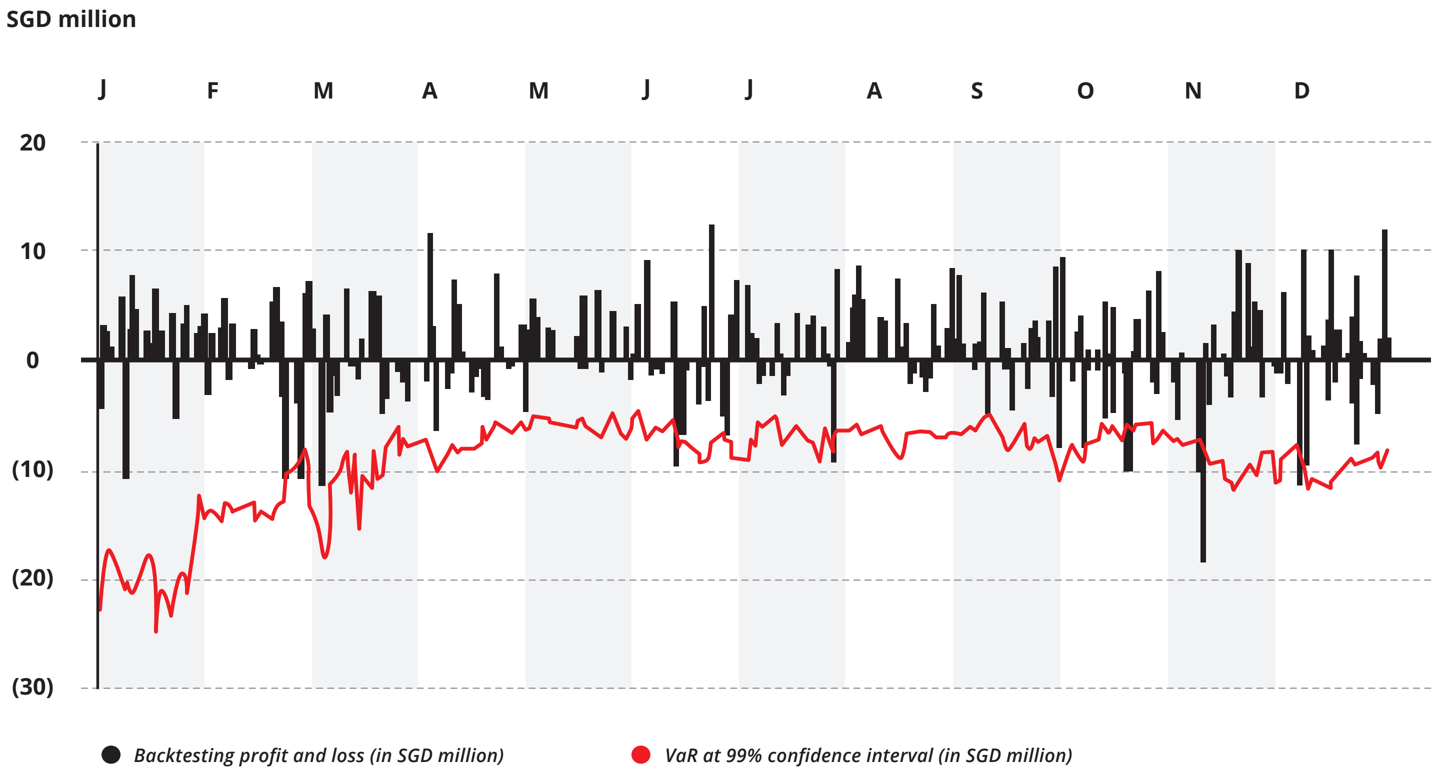
1 Jan 2021 to 31 Dec 2021				
SGD million	**As at 31 Dec 2021**	**Average**	**High**	**Low**
Diversified	8	9	21	5
Interest rates	6	9	18	5
Foreign exchange	1	4	9	1
Equity	2	4	9	1
Credit spread	5	7	21	3
Commodity	#	#	1	#

1 Jan 2020 to 31 Dec 2020(a)				
SGD million	**As at 31 Dec 2020**	**Average**	**High**	**Low**
Diversified	19	13	31	8
Interest rates	12	14	27	7
Foreign exchange	7	4	8	1
Equity	6	3	11	#
Credit spread	14	14	18	5
Commodity	#	#	1	#

 # Amount under SGD 500,000

(a) This excludes the positions from Lakshmi Vilas Bank (LVB) that was amalgamated with DBS Bank India Limited on 27 Nov 2020. Impact from LVB's positions to DBS' trading book was assessed to be insignificant.

DBS' trading portfolios experienced eight backtesting exceptions in 2021 and they occurred in February, June, July, October and November. The backtesting exceptions were mainly due to large movements in interest rates, credit spreads and equity volatilities.



In 2021, the key market risk drivers of our non-trading portfolios were interest rates (Singapore Dollar and US Dollar) and foreign exchange.The Net Interest Income (NII) of the non-trading book is assessed under various rate scenarios to determine the impact of interest rate movements on future earnings. Simulating using a 100 basis points parallel upward or downward shift in yield curves on DBS' banking book exposures, NII is estimated to increase by SGD 1,802 million and decrease by SGD 778 million respectively.

Foreign exchange risk in our non-trading portfolios was primarily from structural foreign exchange positions(a), arising mainly from our strategic investments and retained earnings in overseas branches and subsidiaries.

(a) Refer to Note 38.3 to the financial statements on page 166 for details on DBS' structural foreign exchange positions.

7 Liquidity risk

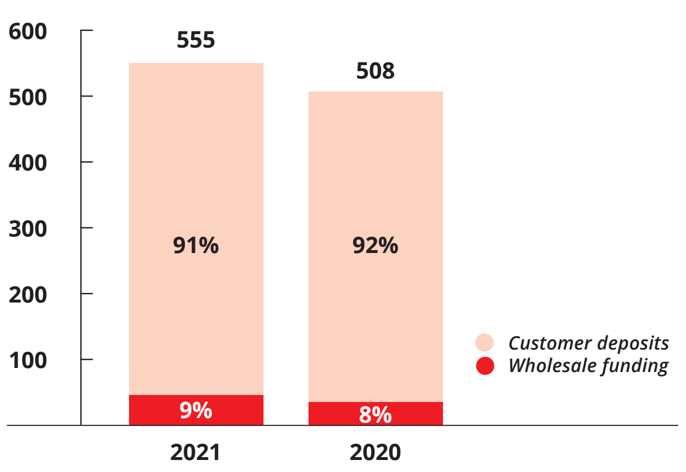
DBS' liquidity risk arises from our obligations to honour withdrawals of deposits, repayments of borrowed funds at maturity and our commitments to extend loans to our customers. We seek to manage our liquidity to ensure that our liquidity obligations will continue to be honoured under normal as well as adverse circumstances.

7.1 Liquidity risk management at DBS

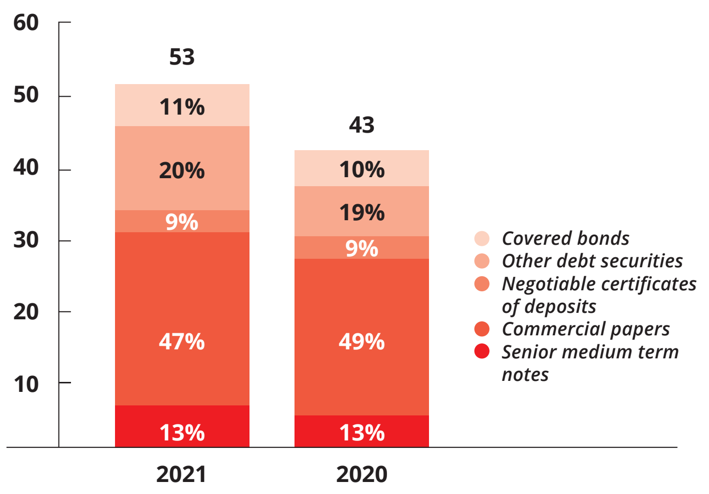
Liquidity management and funding strategy

DBS strives to develop a diversified funding base with access to funding sources across retail and wholesale channels. Our funding strategy is anchored on the strength of our core deposit franchise and is augmented by our established long-term funding capabilities.

Funding sources (SGD billion)



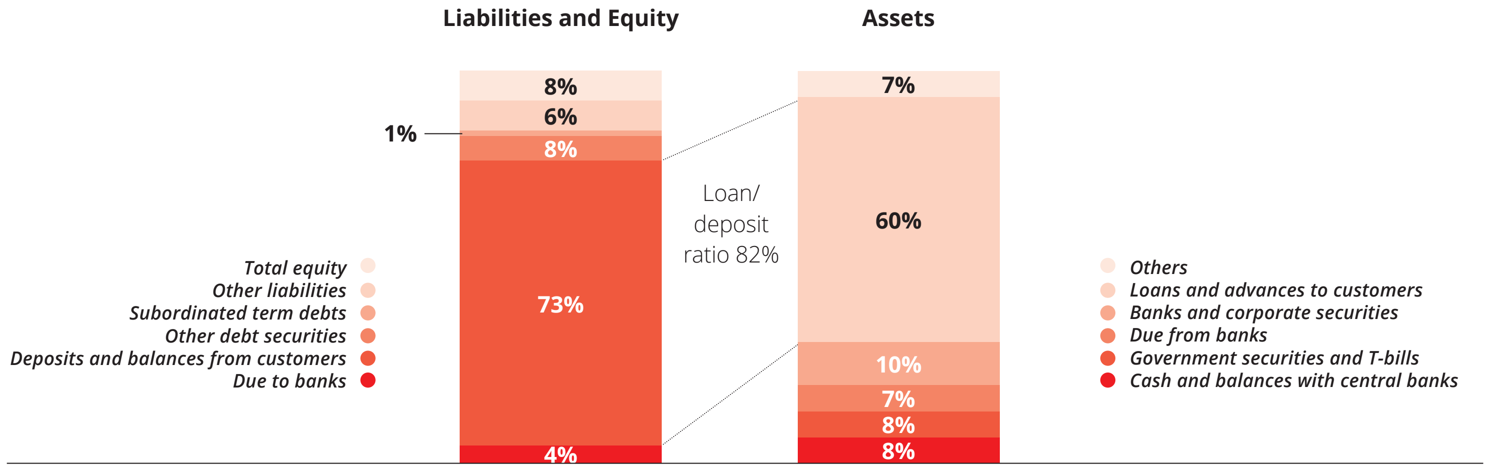
Wholesale Funding Breakdown (SGD billion)



Including Lakshmi Vilas Bank (LVB), Current Account Savings Account (CASA) as a proportion of customer deposits increased to 76% as at December 2021 versus 73% as at December 2020.

DBS aims to maintain continuous access to the investor base for capital and senior wholesale funding to support our commercial banking activities. We seek cost efficiencies over the long term and to broaden our investor base through proactive and frequent engagement. Capital instruments are primarily issued from DBS Group Holdings Ltd (DBSH) while covered bonds originate from DBS Bank Ltd. Senior notes are issued from both DBSH and the Bank as required.

The diagrams below show our asset funding structure as at 31 December 2021.



Refer to Note 30 to the financial statements on page 152 for more details of our wholesale funding sources and Note 43.1 on page 179 for the contractual maturity profile of our assets and liabilities.

Growth in the regional franchise generates price, volume, currency and tenor mismatches between our assets and liabilities. To this end, where practicable and transferable without loss in value, we make appropriate use of swap markets for relevant currencies, commensurate with the liquidity of each, in the conversion and deployment of surplus funds across locations.

As these swaps typically mature earlier than loans, we are exposed to potential cash flow mismatches arising from the risk that counterparties may not roll over maturing swaps to support our ongoing funding needs. This risk is mitigated by triggers set on the number of swaps transacted with the market and by conservative assumptions on the cash flow behaviour of swaps under our cash flow maturity gap analysis (refer to Section 7.2 on page 92).

In general, the term borrowing needs are managed centrally by the head office in consultation with our overseas locations, subject to relevant regulatory restrictions and to an appropriate level of presence and participation required by the respective local funding markets.

The Group Asset and Liability Committee and respective Location Asset and Liability Committees regularly review the composition and growth trajectories of the relevant balance sheets and refine our funding strategy according to business momentum, competitive factors and prevailing market conditions.

Approach to liquidity risk management

DBS' approach to liquidity risk management comprises the following building blocks:

- **Policies**
- **Risk methodologies**
- **Processes, systems and reports**

Policies

The Group Liquidity Risk Management Policy sets our overall approach towards liquidity risk management and describes the range of strategies we employ to manage our liquidity.

These strategies include maintaining an adequate counterbalancing capacity to address potential cash flow shortfalls and having diversified sources of liquidity.

DBS' counterbalancing capacity includes liquid assets, the capacity to borrow from the money markets (including the issuance of commercial papers and covered bonds), and forms of managerial interventions that improve liquidity. In the event of a potential or actual crisis, we have in place a set of liquidity contingency and recovery plans to ensure that we maintain adequate liquidity.

The Group Liquidity Risk Management Policy is supported by standards that establish the detailed requirements for liquidity risk identification, measurement, reporting and control within DBS. The set of policies, standards and supporting guides communicate these baseline requirements to ensure a consistent application throughout DBS.

Risk methodologies

The primary measure used to manage liquidity within the tolerance defined by the Board is cash flow maturity mismatch analysis.

This form of analysis is performed on a regular basis under normal and adverse scenarios. It assesses the adequacy of our counterbalancing capacity to fund or mitigate any cash flow shortfalls that may occur as forecasted in the cash flow movements across successive time bands. To ensure that liquidity is managed in line with our Risk Appetite, core parameters such as the types of scenarios, the survival period and the minimum level of liquid assets, are pre-specified for monitoring and control on a group-wide basis. Any occurrences of forecasted shortfalls that cannot be covered by our counterbalancing capacity will be escalated to the relevant committees for evaluation and action.

Liquidity risk stress testing is performed regularly using cash flow maturity mismatch analysis, and covers adverse scenarios including general market and idiosyncratic stress scenarios. Stress tests assess our vulnerability when liability run-offs increase, asset rollovers increase and/ or liquid asset buffers decrease. In addition, ad hoc stress tests are performed as part of our recovery planning and ICAAP exercises.

Liquidity risk control measures such as liquidity-related ratios and balance sheet analysis are complementary tools for cash flow maturity mismatch analysis, and they are performed regularly to obtain deeper insights and finer control over our liquidity profile across different locations.

The liquidity risk control measures also include concentration measures regarding top depositors, wholesale borrowing and swapped funds ratios.

Processes, systems and reports

Robust internal control processes and systems support our overall approach in identifying, measuring, aggregating, controlling and monitoring liquidity risk across DBS. Continuous improvement in data and reporting platforms has allowed most elements of internal liquidity risk reporting to be centralised.

The RMG Market and Liquidity Risk unit manages the day-to-day liquidity risk monitoring, control reporting and analysis.

7.2 Liquidity risk in 2021

DBS actively monitors and manages our liquidity profile through cash flow maturity mismatch analysis.

In forecasting cash flow under the analysis, behavioural profiling is necessary in cases where a product has indeterminate maturity or the contractual maturity does not realistically reflect the expected cash flow.

Two examples are maturity-indeterminate savings and current account deposits, which are generally viewed as sources of stable funding for commercial banks. In fact, they consistently exhibit stability even under historic periods of stress. A conservative view is adopted in the behavioural profiling of assets, liabilities and off-balance sheet commitments that have exhibited cash flow patterns that differ significantly from the contractual maturity profile shown under Note 43.1 of our financial statements on page 179.

The table below shows our behavioural net and cumulative maturity mismatch between assets and liabilities over a one-year period, in a normal scenario without incorporating growth projections. DBS' liquidity was observed to remain adequate in the maturity mismatch analysis. In 2021, the liquidity profile improved as excess liquidity from deposit growth is retained in short term funds.

SGD million[a]	Less than 1 week	1 week to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year
As at 31 Dec 2021[b] Net liquidity mismatch	37,477	20,619	(6,556)	13,624	7,136
Cumulative mismatch	37,477	58,096	51,540	65,164	72,300
As at 31 Dec 2020[b] [c] Net liquidity mismatch	26,191	12,542	6,407	9,742	6,158
Cumulative mismatch	26,191	38,733	45,140	54,882	61,040

(a) *Positive indicates a position of liquidity surplus. Negative indicates a liquidity shortfall that has to be funded*

(b) *As the behavioural assumptions used to determine the maturity mismatch between assets and liabilities are updated from time to time, the liquidity mismatches may not be directly comparable across past balance sheet dates*

(c) *This excludes the assets and liabilities of Lakshmi Vilas Bank (LVB) that was amalgamated with DBS Bank India Limited on 27 Nov 2020. Impact from LVB's positions was assessed to be insignificant*

7.3 Liquid assets

Liquid assets are assets that are readily available and can be easily monetised to meet obligations and expenses under times of stress.

Such assets are internally defined under the governance of the relevant oversight committees, taking into account the asset class, issuer type and credit rating, among other criteria, before they are reflected as available funds through cash flow maturity mismatch analysis. DBS' Treasury function expects to be able to operationally monetise our pool of liquid assets to meet liquidity shortfalls when the need arises. These liquid assets must be unencumbered and free of any legal, regulatory, contractual or other restrictions.

In practice, liquid assets are maintained in key locations and currencies to ensure that operating entities in such locations possess a degree of self-sufficiency to support business needs and guard against contingencies. The main portion of our liquid assets is centrally maintained in Singapore to support liquidity needs in smaller overseas subsidiaries and branches. Internally, DBS sets a requirement to maintain its pool of liquid assets above a minimum level as a source of contingent funds, taking into account regulatory recommended liquid asset levels as well as internally projected stress shortfalls under the cash flow maturity mismatch analysis.

The table below shows DBS' encumbered and unencumbered liquid assets by instrument and counterparty against other assets in the same category under the balance sheet. The figures are based on the carrying amount at the balance sheet date.

	Liquid assets				Others[d]	Total
SGD million	**Encumbered**	**Unencumbered**	**Total[1]**	**Average[c]**	**[2]**	**[1] + [2]**
As at 31 Dec 2021						
Cash and balances with central banks[a]	10,250	10,558	20,808	19,145	35,569	56,377
Due from banks[b]	-	8,366	8,366	12,314	43,011	51,377
Government securities and treasury bills	6,419	46,309	52,728	52,014	534	53,262
Banks and corporate securities	1,449	54,720	56,169	54,696	13,523	69,692
Total	**18,118**	**119,953**	**138,071**	**138,169**	**92,637**	**230,708**

(a) *Unencumbered balances with central banks comprise holdings that are unrestricted and available overnight. The encumbered portion represents the mandatory balances held with central banks, which includes a minimum cash balance (MCB) amount that may be available for use under a liquidity stress situation. The "Others" portion includes term placements with central banks*

(b) *Liquid assets comprise nostro accounts and eligible certificates of deposits*

(c) *Total liquid assets reflected on an average basis over the four quarters in 2021*

(d) *"Others" refer to assets that are not recognised as part of the available pool of liquid assets for liquidity management under stress due to (but not limited to) inadequate or non-rated credit quality, operational challenges in monetisation (e.g. holdings in physical scrips), and other considerations*

In addition to the above table, collateral received in reverse repo-transactions amounting to SGD 21,343 million were recognised for liquidity management under stress.

7.4 Liquidity Coverage Ratio (LCR)

Under MAS Notice to Banks No. 649 "Minimum Liquid Assets (MLA) and Liquidity Coverage Ratio (LCR)" (MAS Notice 649), DBS, as a Domestic Systemically Important Bank (D-SIB) incorporated and headquartered in Singapore, is required to comply with the LCR standards. Group LCR has been maintained well above the minimum LCR requirements of 100% for both all-currency and SGD.

DBS' LCR is sensitive to balance sheet movements resulting from commercial loan/ deposit activities, wholesale inter-bank lending/ borrowing, and to the maturity tenor changes of these positions as they fall into or out of the LCR 30-day tenor. In order to meet the LCR requirements, DBS holds a pool of unencumbered High Quality Liquid Assets (HQLA) comprising predominantly cash, balances with central banks and highly rated bonds issued by governments or supranational entities.

7.5 Net Stable Funding Ratio (NSFR)

DBS is subject to the Net Stable Funding Ratio (NSFR) under MAS Notice to Banks No. 652 "Net Stable Funding Ratio (NSFR)" (MAS Notice 652). Group NSFR has been maintained consistently above the minimum regulatory requirement of 100%.

NSFR aims to improve the resiliency of banks by promoting long term funding stability. We manage our NSFR by maintaining a stable balance sheet supported by a diversified funding base with access to funding sources across retail and wholesale channels.

8 Operational risk

Operational risk is inherent in our business activities and may arise from inadequate or failed internal processes, people, systems, or from external events. DBS' objective is to keep operational risk at appropriate levels, taking into account the markets we operate in, the characteristics of the businesses as well as our economic and regulatory environment.

8.1 Operational risk management at DBS

DBS' approach to operational risk management comprises the following building blocks:

Policies

Risk methodologies

Processes, systems and reports

Policies

The Group Operational Risk Management (ORM) Policy sets our overall approach for managing operational risk in a structured, systematic and consistent manner.

There are policies, standards, tools and programmes in place to govern ORM practices across DBS. These include corporate operational risk policies and standards that are owned by the respective corporate oversight and control functions. The key policies address risk areas relating to technology, compliance, fraud, money laundering, financing of terrorism and sanctions, new product, outsourcing and ecosystem partnership.

Risk methodologies

DBS adopts the standardised approach to compute operational risk regulatory capital.

To manage and control operational risk, we use various tools, including risk and control self-assessment, operational risk event management and key risk indicator monitoring.

DBS' three lines of defence adopt one common risk taxonomy, and a consistent risk assessment approach to managing operational risk. Risk and control self- assessment is conducted by each business or support unit to identify key operational risk and assess the effectiveness of internal controls. When control issues are identified, the units develop action plans and track the resolution of the issues.

Operational risk events are classified in accordance with Basel standards. Such events, including any significant incidents that may impact DBS' reputation, must be reported based on certain established thresholds. Key risk indicators with pre- defined escalation triggers are employed to facilitate risk monitoring in a forward- looking manner.

Additional methodologies are in place to address subject-specific risks, including, but not limited to, the following:

Technology risk

Information Technology (IT) risk is managed through an enterprise technology risk management approach. This covers risk identification, assessment, mitigation, monitoring and reporting. In addition, the appropriate governance, IT policies and standards, control processes and risk mitigation programmes are in place to support the risk management approach.

Cyber security risk

Cyber security risk is an important and continuous focus of the bank. DBS devotes significant attention and resources to protect and improve the security of its computer systems, software, networks and other technology assets against the emerging and evolving landscape. The bank manages cyber security risk, which cuts across all lines of business. The Chief Information Security Officer (CISO) oversees the cyber security function and the one-stop competency centre for all cyber security related matters, such as operational risks and data protection risks.

Compliance risk

Compliance risk refers to the risk of DBS not being able to successfully conduct our business because of any failure to comply with laws, regulatory requirements, industry codes or standards of business and professional conduct applicable to the financial sector.

This includes, in particular, laws and regulations applicable to the licensing and conducting of banking or other financial businesses, financial crime such as anti-money laundering (AML) and countering the financing of terrorism (CFT), fraud and bribery/ corruption. We maintain a compliance programme designed to identify, assess, measure, mitigate and report on such risks through a combination of policy and relevant systems and controls.

To counter financial crime and sanctions risks, DBS established minimum standards for our business and support units to manage our actual and/ or potential risk exposures. In addition, standards aimed to provide the end-to-end management for fraud and related issues at the unit and geographical levels, were implemented through the Fraud Management Programme. We implement surveillance and compliance testing controls where necessary to obtain assurance that the control framework is operating effectively.

DBS also provides relevant training and implements assurance processes. We strongly believe in the need to promote a strong compliance culture as well, and this is developed through the leadership of our Board and senior management.

New product, outsourcing and ecosystem partnership risks

Each new product, service, outsourcing arrangement or ecosystem partnership is subject to a risk review and sign-off process, where relevant risks are identified and assessed. Variations of existing products or services and existing outsourcing arrangements and ecosystem partnerships are also subject to a similar process.

Other mitigation programmes

A robust business continuity management programme is in place to ensure that essential banking services can continue in the event of unforeseen events or business disruptions. This includes a crisis management plan to enable quick response to manage incidents. Exercises are conducted annually, simulating different scenarios to test business continuity plans and crisis management protocol. The effectiveness of these exercises as well as DBS' business continuity readiness and our alignment to regulatory guidelines are communicated and attested by senior management to the BRMC annually.

Amid the Covid-19 pandemic, our business continuity plans were put to the test and kept the bank in good stead. We were able to quickly adapt and adjust to the pandemic to ensure minimal impact on our customers and assure the health and safety of our employees. We dialled up our work-from-home capabilities by leveraging technology and data, and proactively managed the operational risks which arose from new or revised processes as we moved towards a hybrid work arrangement.

To mitigate losses from specific risk events which are unexpected and significant, DBS effects group-wide insurance coverage under the Group Insurance Programme. These insurance policies relate to crime and professional indemnity, directors and officers liability, cyber risk, property damage and business interruption, general liability and terrorism.

Processes, systems and reports

Robust internal control processes and systems are integral to identifying, assessing, monitoring, managing and reporting operational risk.

All units are responsible for the day-to-day management of operational risk in their products, processes, systems and activities, in accordance with the various frameworks and policies. The RMG Operational Risk unit and other corporate oversight and control functions:

- Oversee and monitor the effectiveness of operational risk management
- Assess key operational risk issues with the units
- Report and/ or escalate key operational risks to risk committees with recommendations on appropriate risk mitigation strategies

DBS has in place an integrated governance, risk and compliance system with aligned risk assessment methodology, common taxonomy, and unified processes for the three lines of defence. We have in place an operational risk landscape profile which provides the Board and senior management with an integrated view of DBS' operational risk profile periodically, across key operational risk areas and business lines.

8.2 Operational risk in 2021

The total operational risk losses in 2021 increased to SGD 11 million (0.08% of DBS' total operating income), from SGD 6 million (0.04%) in 2020. The losses may be categorised into the following seven Basel risk event categories:

Basel risk event types	2021		2020	
	SGD million	%	SGD million	%
Execution, delivery and process management (EDPM)	9.58	86%	3.65	61%
External fraud	0.71	7%	1.2	20%
Business disruptions and system failures	0.16	1%	0.48	8%
Clients, products and business practices	0.49	5%	0.58	10%
Damage to physical assets	0.16	1%	0.04	1%
Internal fraud	0.02	0%	0	0%
Employment practices and workplace safety	0	0%	0	0%
Total[a]	**11.1**	**100%**	**6.0 [b]**	**100%**

Notes

(a) Reportable operational risk events are those with net loss greater than SGD 10,000 and are reported based on the date of detection

(b) This excludes the operational losses of Lakshmi Vilas Bank (LVB) that was amalgamated with DBS Bank India Limited on 27 Nov 2020

EDPM, which comprised mainly processing errors, accounted for the highest share of our total losses in 2021 and the increase was largely attributable to one risk incident.

9 Reputational risk

DBS views reputational risk as an outcome of any failure to manage risks in our day-to- day activities/ decisions, and from changes in the operating environment. These risks include:

- Financial risk (credit, market and liquidity risks)
- Inherent risk (operational and business/ strategic risks)

9.1 Reputational risk management at DBS

DBS' approach to reputational risk management comprises the following building blocks:

- **Policies**
- **Risk methodologies**
- **Processes, systems and reports**

Policies
DBS adopts a four-step approach for reputational risk management, which is to prevent, detect, escalate and respond to reputational risk events.

As reputational risk is a consequence of the failure to manage other risk types, the definitions and principles for managing such risks are articulated in the respective risk policies. These are reinforced by sound corporate values that reflect ethical behaviours and practices throughout DBS.

At DBS, we have policies in place to protect the consistency of our brand and to safeguard our corporate identity and reputation.

Risk methodologies
Under the various risk policies, we have established a number of mechanisms for ongoing risk monitoring.

These mechanisms take the form of risk limits, key risk indicators and other operating metrics, and include the periodic risk and control self-assessment process. Apart from observations from internal sources, alerts from external parties/ stakeholders also serve as an important source to detect potential reputational risk events. In addition, there are policies relating to media communications, social media and corporate social responsibility to protect DBS' reputation. There are also escalation and response mechanisms in place for managing reputational risk.

While the respective risk policies address the individual risk types, the Reputational Risk Policy focuses specifically on our stakeholders' perception of how well DBS manages its reputational risks. Stakeholders include customers, government agencies and regulators, investors, rating agencies, business alliances, vendors, trade unions, the media, the general public, the Board and senior management, and DBS' employees.

We recognise that creating a sense of shared value through engagement with key stakeholder groups is imperative for our brand and reputation.

Read more about our stakeholder engagement on page 76.

Processes, systems and reports
Our units are responsible for the day-to- day management of reputational risk, and ensure that processes and procedures are in place to identify, assess and respond to this risk. This includes social media monitoring to pick up adverse comments on DBS. Events affecting DBS' reputational risk are also included in our reporting of risk profiles to senior management and Board-level committees.

9.2 Reputational risk in 2021

DBS' priority is to prevent the occurrence of a reputational risk event, instead of taking mitigating action when it occurs. In relation to the two-day digital disruption in November 2021 which impacted the Bank's reputation, concerted efforts were made to recover the banking services as soon as possible and to keep customers updated on the recovery progress via various communication channels. Following the incident, management has initiated remedial measures to improve the resilience of our services and incident response, with due consideration given to regulatory requirements and expectations.

CAPITAL MANAGEMENT AND PLANNING

Objective

The Board of Directors (Board) is responsible for setting our capital management objective, which is to maintain a strong capital position consistent with regulatory requirements under the Monetary Authority of Singapore (MAS) Notice to Banks No. 637 "Notice on Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore" (MAS Notice 637) and the expectations of various stakeholders including customers, investors and rating agencies. The Board articulates this objective in the form of capital targets. This objective is pursued while delivering returns to shareholders and ensuring that adequate capital resources are available for business growth and investment opportunities as well as adverse situations, taking into consideration our strategic plans and risk appetite.

Our dividend policy is to pay sustainable dividends that grow progressively with earnings. With the lifting of regulatory restrictions on 28 July 2021, we reverted dividend to its pre-pandemic level of SGD 0.33 per ordinary share from the second quarter of FY2021. In line with our dividend policy, the Board has recommended a final dividend of SGD 0.36 per ordinary share, a 9% increase from the previous payout. This will bring the total ordinary dividend for the year to SGD 1.20 per share. Barring unforeseen circumstances, the annualised dividend going forward would be SGD 1.44 per share. The Scrip Dividend Scheme will not be applied to the final dividend.

Process

Our capital management objective is implemented via a capital management and planning process that is overseen by the Capital Committee. The Chief Financial Officer chairs the Capital Committee. The Capital Committee receives regular updates on our current and projected capital position. A key tool for capital planning is the annual Internal Capital Adequacy Assessment Process (ICAAP) through which we assess our projected capital supply and demand relative to regulatory requirements and our capital targets. The ICAAP generally has a three-year horizon and covers various scenarios, including stress scenarios of differing scope and severity.

Capital capacity is allocated on two dimensions: by business line and by entity. Capital allocations by business line are set as part of the budget process and monitored throughout the year. Return on regulatory capital is one of several metrics used to measure business performance. Capital allocations by entity seek to optimise the distribution of capital resources across entities, taking into account the capital adequacy requirements imposed on each subsidiary in its respective jurisdiction. Capital is allocated to ensure that each subsidiary is able to comply with regulatory requirements as it executes its business strategy in line with our strategy.

During the course of the year, these subsidiaries did not experience any impediments to the distribution of dividends.

Capital structure

We manage our capital structure in line with our capital management objective and seek to optimise the cost and flexibility offered by various capital resources. In order to achieve this, we assess the need and the opportunity to raise or retire capital. The following capital transactions were undertaken during the year.

Common Equity Tier 1 capital

- DBS Group Holdings Ltd, on 24 May 2021, issued 5,967,122 ordinary shares pursuant to the Scrip Dividend Scheme in respect of the 2020 final dividend. This added SGD 171 million to ordinary share capital.
- DBS Group Holdings Ltd, on 25 June 2021, issued 5,786,801 ordinary shares pursuant to the Scrip Dividend Scheme in respect of the interim dividend for the first quarter of the year ended 31 December 2021. This added SGD 171 million to ordinary share capital.
- The Scrip Dividend Scheme was not applied to the interim dividend for the second and third quarters of the year ended 31 December 2021.
- As at 31 December 2021, the number of treasury shares held by the Group was 20,872,531 (2020: 25,874,461), which was 0.81% (2020: 1.01%) of the total number of issued shares net of treasury shares. In response to the MAS' direction on 28 July 2021 to exercise continued prudence in discretionary distributions, the Group has not resumed share buybacks since its suspension at the end of March 2020.

Refer to Note 32 to the financial statements for details on the movement of share capital during the year.

Additional Tier 1 capital

- DBS Group Holdings Ltd, on 7 September 2021, redeemed USD 750 million 3.60% Non-Cumulative, Non-Convertible Perpetual Capital Securities First Callable in 2021.

Tier 2 capital

- DBS Group Holdings Ltd, on 3 March 2021, issued RMB 1,600 million 3.70% Subordinated Notes due 2031 and Callable in 2026.
- DBS Group Holdings Ltd, on 10 March 2021, issued USD 500 million 1.822% Subordinated Notes due 2031 and Callable in 2026.
- DBS Group Holdings Ltd, on 19 April 2021, redeemed HKD 1,500 million 3.24% Subordinated Notes

Refer to Notes 31, 32 and 33 to the financial statements as well as the Main Features of Capital Instruments document (https://www.dbs.com/investors/fixed-income/capital-instruments) for the terms of the capital instruments that are included in Eligible Total Capital.

The table below analyses the movement in Common Equity Tier 1, Additional Tier 1 and Tier 2 capital during the year.

Statement of changes in regulatory capital for the year ended 31 December 2021

	SGD million
Common Equity Tier 1 capital	
Opening amount	44,786
Issue of shares pursuant to Scrip Dividend Scheme	342
Profit for the year (attributable to shareholders)	6,805
Dividends paid to shareholders[1]	(2,734)
Cost of share-based payments	134
Purchase of treasury shares	(16)
Other CET1 movements, including other comprehensive income	(69)
Closing amount	49,248
Common Equity Tier 1 capital	49,248
Additional Tier 1 capital	
Opening amount	3,402
Redemption of Additional Tier 1 capital instruments and others	(1,010)
Closing amount	2,392
Tier 1 capital	51,640
Tier 2 capital	
Opening amount	5,749
Movements in Tier 2 capital instruments	666
Movement in allowances eligible as Tier 2 capital	152
Closing amount	6,567
Total capital	58,207

Note:
(1) Includes distributions paid on capital securities classified as equity

Capital adequacy ratios

As at 31 December 2021, our Common Equity Tier 1 (CET1) capital adequacy ratio (CAR) was 14.4% which was above our target ratio of around 13.0% ± 0.5%. Our CET1, Tier 1 and Total CAR comfortably exceeded the CAR requirements under MAS Notice 637 of 9.0%, 10.5% and 12.5% respectively (this includes the capital conservation buffer but excludes the countercyclical capital buffer).

As at 31 December 2021, our consolidated leverage ratio stood at 6.7%, well above the 3.0% minimum ratio set by the MAS effective 1 January 2018.

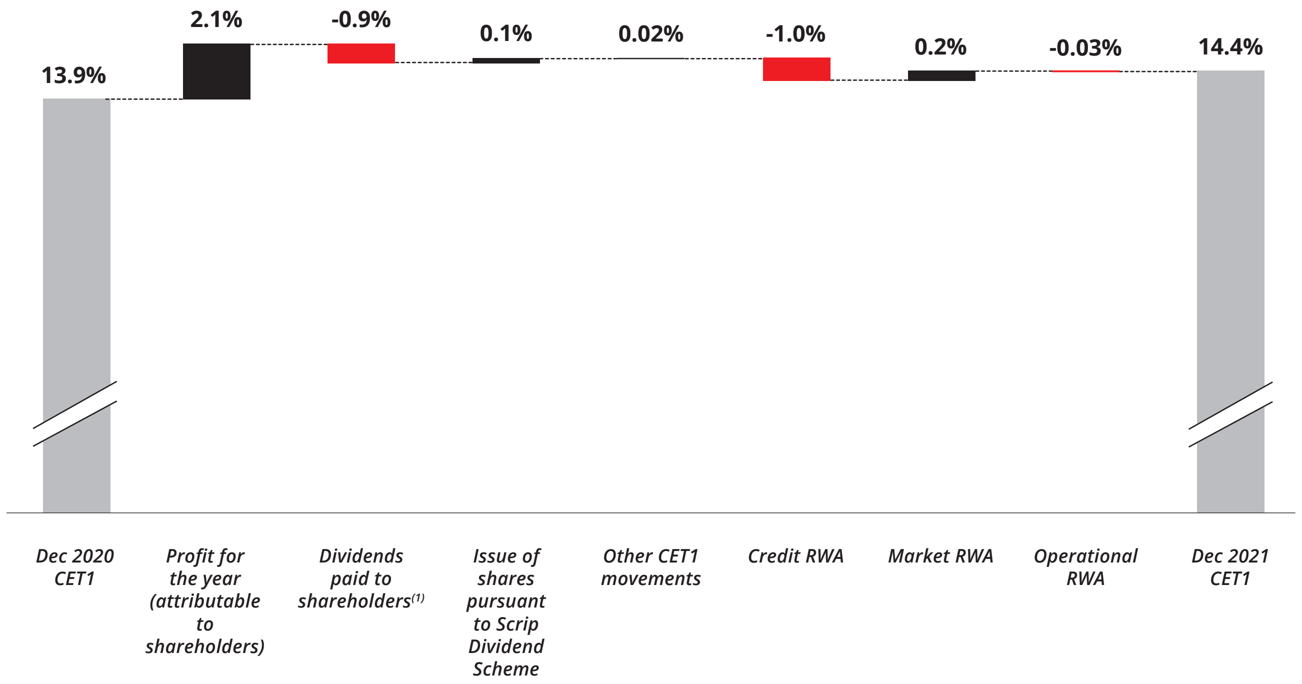
Refer to "Five-Year Summary" on page 190 for the historical trend of Tier 1 and Total CAR. Refer to the Group's Pillar 3 disclosures published on DBS website (https://www.dbs.com/investors/default.page) for details on our RWA.

SGD million	**2021**	**2020**
Common Equity Tier 1 capital	49,248	44,786
Tier 1 capital	51,640	48,188
Total capital	58,207	53,937
Risk-weighted assets (RWA)		
Credit RWA	294,665	269,249
Market RWA	23,448	27,932
Operational RWA	24,578	23,915
Total RWA	342,691	321,096
Capital Adequacy Ratio (CAR) (%)		
Common Equity Tier 1	14.4	13.9
Tier 1	15.1	15.0
Total	17.0	16.8
Minimum CAR including Buffer Requirements (%)[1]		
Common Equity Tier 1	9.1	9.1
Effective Tier 1	10.6	10.6
Effective Total	12.6	12.6
Of which: Buffer Requirements (%)		
Capital Conservation Buffer	2.5	2.5
Countercyclical Buffer	0.1	0.1

Note:
(1) Includes minimum Common Equity Tier 1, Tier 1 and Total CAR of 6.5%, 8.0% and 10.0% respectively

The chart below analyses the drivers of the movement in Common Equity Tier 1 (CET1) CAR during the year.

Group Common Equity Tier 1 (CET1) CAR



Note:
(1) Includes distributions paid on capital securities classified as equity

Regulatory change

The minimum CAR requirements based on MAS Notice 637 have been fully phased in from 1 January 2019 and are summarised in the table below.

From 1 January	**2019 and beyond**
Minimum CAR %	
Common Equity Tier 1 (a)	6.5
Capital Conservation Buffer (CCB) (b)	2.5
Common Equity Tier 1 including CCB (a) + (b)	9.0
Tier 1 including CCB	10.5
Total including CCB	12.5
Maximum Countercyclical Buffer (1)	2.5

Note:
(1) The countercyclical buffer is not an ongoing requirement and is only applied as and when specified by the relevant banking supervisors. The applicable magnitude will be a weighted average of the jurisdiction-specific countercyclical buffer requirements that are required by national authorities in jurisdictions to which a bank has private sector credit exposures. The Basel Committee expects jurisdictions to implement the countercyclical buffer during periods of excessive credit growth. Of the jurisdictions where we have material private sector credit exposures, Hong Kong has applied a countercyclical buffer of 2.5% from 1 January 2019, reducing to 2.0% from 14 October 2019 and 1.0% from 16 March 2020 and remained unchanged thereafter.

The MAS has designated DBS Bank as a domestic systemically important bank (D-SIB). Under the MAS' framework for identifying and supervising D-SIBs, the higher loss absorbency requirement for locally incorporated D-SIBs is met by the foregoing minimum ratios being two percentage points higher than those established by the Basel Committee. The Basel Committee has developed an indicator-based methodology for identifying global systemically important banks (G-SIBs) on which higher loss absorbency requirements will be imposed. While we are not a G-SIB, we are required to disclose the set of indicators which are included in the Group's Pillar 3 disclosures published on DBS website (https://www.dbs.com/investors/default.page).

On 7 May 2019, the MAS first released a consultation paper on "Proposed Implementation of the Final Basel III Reforms in Singapore", seeking feedback on proposed revisions to the capital requirements and leverage ratio requirements for Singapore-incorporated banks to align with the Basel III reforms. On 7 April 2020, the MAS announced that the implementation date of the Basel III reforms had been deferred by one year to 1 January 2023 to enable banks to prioritise their resources in response to COVID-19. On 25 March 2021, the MAS released a consultation paper on "Draft Standards for Credit Risk Capital and Output Floor Requirements for Singapore-incorporated banks" to seek further feedback. The revised standards are expected to take effect from 1 January 2023, with transitional arrangements provided for implementation of the output floor till 1 January 2028. On 13 September 2021, the MAS released a consultation paper on "Draft Standards for Market Risk Capital and Capital Reporting Requirements for Singapore-Incorporated Banks", seeking feedback on the draft standards. The MAS intends to implement the revised standards for market risk capital for supervisory reporting purposes from 1 January 2023, and for the purposes of compliance with capital adequacy and disclosure requirements from 1 January 2023 or later.

With effect from 1 July 2021, MAS Notice 637 was amended to specify that the transitional arrangements for the adoption of the standardised approach for counterparty credit risk ("SA-CCR") and the revised capital requirements for bank exposures to central counterparties will cease on 31 December 2021. It also reflects amendments setting out an alternative treatment for the measurement of derivatives exposures for leverage ratio calculation, using a modified version of SA-CCR as well as other amendments to implement technical revisions to the credit risk framework. Further amendments to MAS Notice 637 were made with effect from 18 August 2021 to implement the framework for the treatment of major stake investments in financial institutions at the Solo level.

With effect from 31 December 2021, MAS Notice 637 was amended to incorporate edits in relation to the insertion of a new charge to be held by the Housing and Development Board under the Prime Location Public Housing model. Further amendments effective from 1 January 2022 were also made to MAS Notice 637 to: (a) incorporate clarifications to the SA-CCR framework and the revised capital requirements for bank exposures to central counterparties, (b) implement revisions to the internal ratings-based approach application process and (c) implement technical revisions to the disclosure framework.

SUSTAINABILITY

Our 2021 Sustainability Report is prepared in accordance with, and taking reference from the Global Reporting Initiative, the Sustainability Accounting Standards Board, and recommendations of the Task Force on Climate-related Financial Disclosures.

Governance

The Board has overall responsibility for sustainability and integrates environmental, social and governance (ESG) matters in the formulation of DBS' strategy. The Board provides oversight on DBS' sustainability agenda and directs its efforts in managing material ESG matters, guided by the objective of creating long-term value by managing our business in a balanced and responsible way. Given heightened expectations among external stakeholders on DBS' sustainability agenda and commitments, a new Board Sustainability Committee was established to better focus on sustainability matters.

Board of Directors

Board Sustainability Committee
(chaired by the Group Chief Executive Officer)

Group Sustainability Council
(chaired by the Chief Sustainability Officer)

Institutional Banking | Consumer Banking | Treasury & Markets | Risk Management | Technology & Operations | Legal, Compliance & Secretariat | Human Resource | Group Strategic Marketing & Communications

Group Management Committee

Specialised function

Climate Steering Committee
(co-chaired by Group Chief Risk Officer, Group Head of Institutional Banking, and Chief Sustainability Officer)

Key sustainability awards

SEAL Business Sustainability Awards 2021 (Global)

Outstanding Leadership in Sustainability Transparency (Regional)

Best ESG Transaction Bank (Asia-Pacific)

President's Award for the Environment (Singapore)

Best Sustainable Bank (Singapore)

External ESG Ratings

MSCI	2021 ESG rating AA	2020: AA 2019: AA *Scale: AAA to CCC*
Sustainalytics	2021 Score 19.9 (low risk)	2020: 20.7 (Medium risk) 2019: 25.1 (Medium risk) *Scale: 0 to 100, with 100 being the highest risk*
CDP (formerly Climate Disclosure Project)	2021 Grade B	2020: B- 2019: B *Scale: A+ to F, with A+ being the best possible score*

Sustainability Highlights

Delivering on our climate commitment

Board Sustainability Committee
Established to enhance our governance process in relation to climate impact and broader ESG matters centred on our three sustainability pillars

34%
of our total IBG credit loan book was used to estimate our financed emission, compared to 9.6% in the previous year

9 priority sectors
were selected for us to focus on and develop granular sector-specific methodologies for, so as to better assess the impact of climate risk and support our clients in their sustainability transitions

01 Responsible banking

Our responsible banking practices support our customers' transition towards lower-carbon business models, enhance their access to ESG investments, and deliver customised retail solutions to meet their specific needs.

02 Responsible business practices

We believe in doing the right thing by our people and embedding environmental and societal factors in our business operations.

03 Impact beyond banking

We seek to be a force for good by championing social enterprises – businesses with a double bottom line – and supporting community causes such as those that are driving positive environmental and social impact.

Net-zero
commitment as the first Singapore bank to sign up to the Net-Zero Banking Alliance to realise a net-zero future by 2050 or sooner

2022
target year to achieve net-zero carbon emissions from our own operations

SGD 100 million
additional funding by DBS to further improve lives in Asia

SGD 20.5 billion
committed to sustainable financing deals, more than double the amount from the previous year

Net-zero energy building
the first in Singapore by a bank to be retrofitted for net-zero energy consumption

SGD 13.4 million
loans disbursed at preferential rates to social enterprises

SGD 23.5 billion
amount of ESG bonds raised where DBS is involved as an active bookrunner

Launched
Opportunity Marketplace
which uses artificial intelligence and machine learning to help employees better identify their career aspirations and skills needed

>100,000
employee volunteering hours serving the community

SUMMARY OF DISCLOSURES CORPORATE GOVERNANCE

This summary of disclosures describes our corporate governance practices with specific reference to the express disclosure requirements in the principles and provisions of the 2018 Code* pursuant to Rule 710 of the SGX Listing Manual and the Additional Guidelines*.

** defined on page 44*

Express disclosure requirements in the 2018 Code and the Additional Guidelines

Principles and provisions of the 2018 Code - Express disclosure requirements	Page reference in DBS Annual Report 2021
Provision 1.2 The induction, training and development provided to new and existing Directors.	Pages 50 and 51
Provision 1.3 Matters that require Board approval.	Page 56
Provision 1.4 Names of the members of the Board committees, the terms of reference of the Board committees, any delegation of the Board's authority to make decisions, and a summary of each Board committee's activities.	Pages 49 to 56
Provision 1.5 The number of meetings of the Board and Board committees held in the year, as well as the attendance of every Board member at these meetings.	Pages 46 to 47
Provision 2.4 The board diversity policy and progress made towards implementing the board diversity policy, including objectives.	Page 51
Provision 4.3 Process for the selection, appointment and re-appointment of Directors to the Board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates.	Page 50
Provision 4.4 Where the Board considers a Director to be independent in spite of the existence of a relationship which may affect his or her independence, the nature of the Director's relationship and the reasons for considering him or her as independent should be disclosed.	Page 50
Provision 4.5 The listed company directorships and principal commitments of each Director, and where a Director holds a significant number of such directorships and commitments, the NC's and Board's reasoned assessment of the ability of the director to diligently discharge his or her duties are disclosed.	Pages 50 to 51, and 191 to 195
Provision 5.2 How the assessments of the Board, its Board committees and each Director have been conducted, including the identity of any external facilitator and its connection, if any, with the Company or any of its Directors.	Page 50

Principles and provisions of the 2018 Code - Express disclosure requirements	Page reference in DBS Annual Report 2021
Provision 6.4 The engagement of any remuneration consultants and their independence.	Page 63
Principle 8 Clear disclosure of remuneration policies, level and mix of remuneration, and procedure for setting remuneration, and the relationship between remuneration, performance and value creation.	Pages 61 to 65
Provision 8.1 The policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of (a) each individual Director and the CEO; and (b) at least the top five key management personnel (who are not Directors or the CEO) in bands no wider than SGD 250,000 and in aggregate the total remuneration paid to these key management personnel.	For the CEO and management: pages 63 to 65 For non-executive Directors: pages 46 to 47
Provision 8.2 Names and remuneration of employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds SGD 100,000 during the year, in bands no wider than SGD 100,000. The disclosure states clearly the employee's relationship with the relevant Director or the CEO or substantial shareholder.	Page 56
Provision 8.3 All forms of remuneration and other payments and benefits, paid by the Company and its subsidiaries to Directors and key management personnel of the Company, and also details of employee share schemes.	For non-executive Directors: pages 46, 47, 55 and 56 For key management personnel: pages 63 to 65 For employee share schemes: pages 63, 109 and 110
Provision 9.2 Whether the Board has received assurance from (a) the CEO and the CFO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and (b) the CEO and the other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.	Pages 58 to 59
Provision 11.3 Directors' attendance at general meetings of shareholders held during the financial year.	Pages 46 to 47
Provision 12.1 The steps taken to solicit and understand the views of shareholders.	Pages 59 to 60
Provision 13.2 The strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.	Pages 76 to 77

Additional Guidelines – Express disclosure requirements	Page reference in DBS Annual Report 2021
Guideline 1.17 An assessment of how the induction, orientation and training provided to new and existing Directors meet the requirements set out by the NC to equip the Board and the respective Board committees with relevant knowledge and skills in order to perform their roles effectively.	Pages 50 and 51
Guideline 4.7 The names of the Directors submitted for appointment or re-appointment are accompanied by details and information to enable shareholders and the Board to make informed decisions. Such information, which accompanies the relevant resolution, includes: (a) date of last re-appointment; (b) professional qualifications; (c) any relationships including immediate family relationships between the candidate and the Directors, the Company or its substantial shareholders; (d) a separate list of all current directorships in other listed companies; (e) details of other principal commitments; and (f) any prior experience as a director of a listed issuer or as a director of a financial institution.	Pages 214 to 217
Guideline 4.11 The resignation or dismissal of the key appointment holders.	Page 45
Guideline 4.12 The identification of all Directors, including their designations (i.e. independent, non-executive, executive, etc.) and roles (as members or chairmen of the Board or Board committees).	Pages 49, 191 to 195
Guideline 9.9 The remuneration of any non-director with relevant expertise who has been appointed to the board risk committee.	Not applicable
Guideline 9.11 The Board's comments on the adequacy and effectiveness of the internal controls (including financial, operational, compliance and information technology controls, and risk management systems) are disclosed. A statement on whether the AC concurs with the Board's comment is disclosed. Where material weaknesses are identified by the Board or AC, the disclosure of the steps taken to address them.	Page 59
Guideline 10.19 The AC comments on whether the internal audit function is independent, effective and adequately resourced.	Page 53
Guideline 14.5 Material related party transactions.	Page 58

FINANCIAL STATEMENTS

DBS Group Holdings Ltd and its Subsidiaries

Notes to the Financial Statements

Income Statement

Balance Sheet: Assets

Balance Sheet: Liabilities

Balance Sheet: Share Capital and Reserves

Off-Balance Sheet Information

Additional Information

DBS Bank Ltd

DBS Group Holdings Ltd and its Subsidiaries

DIRECTORS' STATEMENT

for the financial year ended 31 December 2021

The Directors are pleased to present their statement to the Members, together with the audited balance sheet of DBS Group Holdings Ltd (the Company or DBSH) and the consolidated financial statements of the Company and its subsidiaries (the Group) for the financial year ended 31 December 2021. These have been prepared in accordance with the provisions of the Companies Act 1967 (the Companies Act) and the Singapore Financial Reporting Standards (International).

In the opinion of the Directors:

(a) the balance sheet of the Company and the consolidated financial statements of the Group, together with the notes thereon as set out on pages 118 to 183, are drawn up so as to give a true and fair view of the financial position of the Company and the Group as at 31 December 2021, and the performance, changes in equity and cash flows of the Group for the financial year ended on that date; and

(b) as at the date of this statement, there are reasonable grounds to believe that the Company and the Group will be able to pay their debts as and when they fall due.

Board of Directors

The Directors in office at the date of this statement are:

Mr Peter Seah *(Chairman)*
Mr Olivier Lim *(Lead Independent Director)*
Mr Piyush Gupta *(Chief Executive Officer)*
Dr Bonghan Cho
Mr Chng Kai Fong (Appointed 31 March 2021)
Mr Ho Tian Yee
Ms Punita Lal
Ms Judy Lee (Appointed 4 August 2021)
Mr Anthony Lim
Mr Tham Sai Choy

Mr Olivier Lim, Dr Bonghan Cho and Mr Tham Sai Choy will retire by rotation in accordance with Article 99 of the Company's Constitution at the forthcoming annual general meeting (AGM) and, being eligible, will offer themselves for re-election at the AGM.

Mr Chng Kai Fong and Ms Judy Lee will retire in accordance with Article 105 of the Company's Constitution at the forthcoming AGM and, being eligible, will offer themselves for re-election at the AGM.

Directors' interests in shares or debentures

Each of the following Directors who held office at the end of the financial year had, according to the register of directors' shareholdings required to be kept under Section 164 of the Companies Act, an interest in shares of the Company and related corporations as stated below:

	Holdings in which Directors have a direct interest		**Holdings in which Directors are deemed to have an interest**	
	As at 31 Dec 2021	**As at 1 Jan 2021**	**As at 31 Dec 2021**	**As at 1 Jan 2021**
DBSH ordinary shares				
Mr Peter Seah	296,008	274,186	–	–
Mr Olivier Lim	143,122	137,707	–	–
Mr Piyush Gupta	–	–	2,023,773	2,217,307
Dr Bonghan Cho	8,575	6,098	–	–
Mr Ho Tian Yee	59,109	55,611	–	–
Ms Punita Lal	1,542	–	–	–
Mr Anthony Lim	2,048	–	–	–
Mr Tham Sai Choy	99,464	95,419	–	–
Share awards (unvested) granted under the DBSH Share Plan				
Mr Piyush Gupta(1)	889,442	971,288	–	–

***(1)** Mr Piyush Gupta's share awards form part of his remuneration. Details of the DBSH Share Plan are set out in Note 39 of the Notes to the 2021 Company's financial statements*

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2022.

DBSH Share Plan

At the Annual General Meeting held on 25 April 2019, the DBSH Share Plan (which was first adopted on 18 September 1999) was extended for another ten years, from 18 September 2019 to 17 September 2029 (both dates inclusive). The DBSH Share Plan is administered by the Compensation and Management Development Committee (CMDC). As at the date of this statement, the members of the CMDC are Mr Anthony Lim (Chairman), Mr Peter Seah, Dr Bonghan Cho, Ms Punita Lal and Ms Judy Lee.

Under the terms of the DBSH Share Plan:

(a) Awards over DBSH's ordinary shares may be granted to Group executives who hold such rank as may be determined by the CMDC from time to time. Awards may also be granted to (amongst others) executives of associated companies of DBSH who hold such rank as may be determined by the CMDC from time to time, and non-executive Directors of DBSH;

(b) Where time-based awards are granted, participants are awarded ordinary shares of DBSH or, at the CMDC's discretion, their equivalent cash value or a combination of both as part of their deferred bonus, at the end of the prescribed vesting periods. Awards are granted under the DBSH Share Plan at the absolute discretion of the CMDC. Dividends on unvested shares do not accrue to employees;

(c) Awards under the DBSH Share Plan may be granted at any time in the course of a financial year, and may lapse by reason of cessation of employment or misconduct of the participant, except in cases such as retirement, redundancy, ill health, injury, disability, death, bankruptcy of the participant, or by reason of the participant, being a non-executive Director, ceasing to be a Director, or in the event of a take-over, winding up or reconstruction of DBSH;

(d) Subject to the prevailing legislation and the rules of the Singapore Exchange, DBSH will have the flexibility to deliver ordinary shares of DBSH to participants upon vesting of their awards by way of an issue of new ordinary shares and/ or the transfer of existing ordinary shares (which may include ordinary shares held by the Company in treasury); and

(e) The class and/ or number of ordinary shares of DBSH comprised in an award to the extent not yet vested, and/ or which may be granted to participants, are subject to adjustment by reason of any variation in the ordinary share capital of DBSH (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation, or distribution) or if DBSH makes a capital distribution or a declaration of a special dividend (whether in cash or in specie), upon the written confirmation of the auditor of DBSH that such adjustment (other than in the case of a capitalisation issue) is fair and reasonable.

During the financial year, time-based awards in respect of an aggregate of 5,344,115 ordinary shares were granted pursuant to the DBSH Share Plan to selected employees of the Group. In addition, during the financial year, certain non-executive Directors received an aggregate of 34,017 share awards which vested immediately upon grant. These share awards formed part of their directors' fees for 2020, which had been approved by the shareholders at DBSH's annual general meeting held on 30 March 2021.

Details of the share awards granted under the DBSH Share Plan to Directors of DBSH are as follows:

Directors of the Company	**Share awards granted during the financial year under review**	**Share awards vested during the financial year under review**
Mr Peter Seah	18,211	18,211
Mr Olivier Lim	3,669	3,669
Mr Piyush Gupta	208,993(1)	290,839
Dr Bonghan Cho	2,372	2,372
Mr Ho Tian Yee	2,776	2,776
Ms Punita Lal	1,523	1,523
Mr Anthony Lim	2,023	2,023
Mr Tham Sai Choy	3,443	3,443

(1) The share awards granted to Mr Piyush Gupta are time-based awards which will vest over a 4-year period. The 208,993 share awards were granted in February 2021 and formed part of his remuneration for 2020.

Arrangements to enable Directors to acquire shares or debentures

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement, the object of which is to enable the Directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate, save as disclosed in this statement.

Audit Committee

The Audit Committee comprises non-executive Directors Mr Tham Sai Choy (Chairman), Mr Peter Seah, Dr Bonghan Cho, Ms Punita Lal, Mr Chng Kai Fong and Ms Judy Lee.

The Audit Committee performed its functions in accordance with the Companies Act, the SGX-ST Listing Manual, the Banking (Corporate Governance) Regulations 2005, the MAS Guidelines for Corporate Governance issued on 9 November 2021 and the Code of Corporate Governance 2018, which include, *inter alia*, the following:

(i) Review, with the external auditor, its audit plan, audit report, evaluation of the internal accounting controls of the Group and assistance given by the management to the external auditor;

(ii) Review the internal auditor's plans and the scope and results of audits;

(iii) Review the Group's consolidated financial statements and financial announcements prior to submission to the Board;

(iv) Review the adequacy, independence and effectiveness of the internal audit function;

(v) Review the adequacy, effectiveness, independence and objectivity of the external auditor; and

(vi) Review the assurance given by CEO and other key management personnel regarding the adequacy and effectiveness of the Group's internal controls.

Please refer to the Corporate Governance Report for further details on the activities of the Audit Committee during the financial year ended 31 December 2021.

The Audit Committee has considered the financial, business and professional relationships between PricewaterhouseCoopers (PwC) and the Group. It is of the view that these relationships would not affect the independence of PwC.

The Audit Committee has recommended, to the Board of Directors, the re-appointment of PwC as independent external auditor at the forthcoming AGM of the Company on 31 March 2022.

Independent Auditor

PricewaterhouseCoopers LLP has expressed its willingness to accept re-appointment as independent external auditor.

On behalf of the Directors

Mr Peter Seah

Mr Piyush Gupta

11 February 2022
Singapore

INDEPENDENT AUDITOR'S REPORT

To the members of DBS Group Holdings Ltd

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the accompanying consolidated financial statements of DBS Group Holdings Ltd (the "Company") and its subsidiaries (the "Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the financial position of the Company and the consolidated financial position of the Group as at 31 December 2021 and of the consolidated financial performance, the consolidated changes in equity and the consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated income statement of the Group for the year ended 31 December 2021;
- the consolidated statement of comprehensive income of the Group for the year ended 31 December 2021;
- the balance sheets of the Group and of the Company as at 31 December 2021;
- the consolidated statement of changes in equity of the Group for the year then ended;
- the consolidated cash flow statement of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our audit approach

Overview

Materiality

- We determined the overall Group materiality based on 5% of the Group's profit before tax.

Group scoping

- Full scope audit procedures were performed over the Singapore Operations of DBS Bank Ltd. and DBS Bank (Hong Kong) Limited ("significant components").
- We identified DBS Bank Ltd. Hong Kong, Taipei and Seoul Branches, DBS Bank (China) Limited, PT Bank DBS Indonesia, DBS Bank (Taiwan) Ltd and DBS Bank India Limited as component entities where certain account balances were considered to be significant in size in relation to the Group ("other components"). Consequently, audit and specified procedures for the significant account balances of these components were performed to obtain sufficient and appropriate audit evidence.

Key audit matters

- Specific allowances for loans and advances to customers
- General allowances for credit losses (Stage 1 and 2 Expected Credit Loss)
- Goodwill
- Valuation of financial instruments held at fair value

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole, as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

How we determined overall Group materiality	5% of the Group's profit before tax
Rationale for benchmark applied	• We chose 'profit before tax' as, in our view, it is the benchmark against which performance of the Group is most commonly measured. • We selected 5% based on our professional judgement, noting that it is also within the range of commonly accepted profit-related thresholds.

In performing our audit, we allocated materiality levels to the significant components and other components of the Group. These are less than the overall Group materiality.

How we developed the audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates. The Group's financial reporting process is dependent on its Information Technology ("IT") systems. Our audit scope included testing the operating effectiveness of the controls over the integrity of key financial data processed through the IT systems that are relevant to financial reporting.

In establishing the overall Group audit approach, we determined the extent of audit procedures that were needed to be performed across the Group by us or by other PwC network firms, operating under our instruction, who are familiar with the local laws and regulations in each respective territory, (the "component auditors"). Where the work was performed by component auditors, we determined the level of involvement we needed to have in the procedures to be able to conclude whether sufficient and appropriate audit evidence had been obtained as a basis for our opinion on the financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 December 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Specific allowances for loans and advances to customers As at 31 December 2021, the specific allowances for loans and advances to customers of the Group was $2,545 million, the majority of which related to Institutional Banking Group ("IBG") customers. Specific allowances refer to loss allowances for credit-impaired exposures (i.e. Stage 3, per SFRS (I) 9). Expected Credit Losses ("ECL") on non-impaired exposures (i.e. Stage 1 and Stage 2) are set out under the 'General allowances for credit losses' key audit matter. We focused on this area because of the subjective judgements used by management in determining the necessity for, and estimating the size of, allowances against loans and advances. In particular, we focused on specific allowances for loans and advances to IBG customers because any assessment of impairment can be inherently subjective and involves significant judgement over both the timing of recognition of any impairment and the estimation of the size of such impairment. This includes: • the principal assumptions underlying the calculation of specific allowances for loans and advances to IBG customers where there is evidence of impairment losses (including the future profitability of the borrowers and the expected realisable value of collateral held); and • the classification of loans and advances in line with MAS Notice 612 ("MAS 612") and 612A ("MAS 612A"). We applied judgement in selecting samples focused on borrowers with exposures to certain sectors in view of continued heightened credit risks and the effects of the COVID-19 pandemic impacting the portfolio. (Refer also to Notes 3 and 18 to the financial statements.)	We assessed the design and evaluated the operating effectiveness of the controls over the specific allowances for loans and advances to IBG customers. These controls included: • oversight of credit risk by the Group Credit Risk Committee; • timely management review of credit risk; • the watchlist identification and monitoring process; • timely identification of impairment events; • classification of loans and advances in line with MAS 612 and MAS612A; and • the collateral monitoring and valuation processes. We determined that we could rely on these controls for the purposes of our audit. We inspected a sample of loans and advances to IBG customers to assess whether the classification of the loans and advances was in line with MAS 612 and MAS 612A and, where there was evidence of an impairment loss, whether it had been identified in a timely manner. This included, where relevant, how forbearance had been considered, with particular focus on the impact of COVID-19. Where impairment had been identified, for a sample of loans and advances, our work included: • considering the latest developments in relation to the borrower; • examining the forecasts of future cash flows prepared by management, including key assumptions in relation to the amount and timing of recoveries; • comparing the collateral valuation and other sources of repayment to support the calculation of the impairment against external evidence, where available, including independent valuation reports; • challenging management's assumptions; and • testing the calculations. For a sample of performing loans and advances to IBG customers which had not been identified by management as potentially impaired, considering the latest developments in relation to the borrower, we challenged management's assumptions on whether their classification was appropriate, using external evidence where available in respect of the relevant borrower. Based on procedures performed, we have assessed that the aggregate specific allowance for loans and advances is appropriate.

Key audit matter	How our audit addressed the key audit matter
General allowances for credit losses (Stage 1 and 2 Expected Credit Loss) SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9") requires an ECL impairment model which takes into account forward-looking information to reflect potential future economic events. In estimating ECL over future time periods, significant judgement is required. Further, the COVID-19 pandemic has meant assumptions regarding economic outlook, and the consequent impact on the Group's customers, are uncertain, increasing the degree of judgement required. We focused on the Group's measurement of general allowances on non-impaired exposures ($3,876 million). This covers both 'Stage 1' exposures (where there has not been a significant increase in credit risk), and 'Stage 2' exposures (where a significant increase in credit risk has been observed). The ECL framework implemented by the Group involves significant judgement and assumptions that relate to, amongst others: • adjustments to the Group's Basel credit models and parameters; • use of forward-looking and macro-economic information; • estimates for the expected lifetime of revolving credit facilities; • assessment of significant increase in credit risk; and • post model adjustments to account for limitations in the ECL models, for example the risk to the credit portfolio from the current COVID-19 pandemic. (Refer also to Notes 3 and 11 to the financial statements.)	We critically assessed management's assumptions and estimates relating to Stage 1 and Stage 2 ECL for retail and non-retail portfolios as at 31 December 2021. This included assessing refinements in methodologies made during the year. We tested the design and operating effectiveness of key controls focusing on: • involvement of governance committees, in reviewing and approving certain forward-looking macroeconomic assumptions, including post model adjustments which reflect the unprecedented and higher uncertainty in credit outlook as a result of COVID-19; • completeness and accuracy of external and internal data inputs into the ECL calculations; and • accuracy and timeliness of allocation of exposures into Stage 1 and Stage 2 based on quantitative and qualitative triggers. The Group's internal experts continue to perform independent model validation of selected aspects of the Group's ECL methodologies and assumptions each year. We reviewed their results as part of our work. We also involved specialists to review the ECL of selected credit portfolios to assess if the methodologies and estimates are appropriate. Through the course of our work, we challenged the rationale and calculation basis of post model adjustments. We also assessed the reasonableness of certain forward-looking economic inputs, as well as the overall ECL output, in light of credit conditions that may be expected to arise from the impact of COVID-19. Overall, we concluded that the Group's ECL on non-impaired exposures is appropriate.
Goodwill As at 31 December 2021, the Group had $5,362 million of goodwill as a result of acquisitions. We focused on this area as management makes significant judgements in estimating future cash flows when undertaking its annual goodwill impairment assessment. The key assumptions used in the discounted cash flow analyses relate to: • cash flow forecasts; • discount rate; and • long-term growth rate. (Refer also to Notes 3 and 27 to the financial statements.)	We assessed the appropriateness of management's identification of the Group's cash generating units and the process by which indicators of impairment were identified. During the year, the Group refined its goodwill calculation for its acquisition of Lakshmi Vilas Bank. We have reviewed and assessed the basis of calculating the goodwill amount, and reviewed management's goodwill impairment assessment as at 31 December 2021. For DBS Bank (Hong Kong) Limited's franchise (goodwill of $4,631 million as at 31 December 2021), we evaluated management's cash flow forecasts and the process by which they were developed. Together with valuation specialists in our team, we assessed discount rate and growth rate assumptions against the Group's own historical performance and available external industry and economic indicators. We reviewed management's sensitivity analysis over the key assumptions to determine whether any reasonably possible change in these assumptions would result in an impairment, and also performed our own stress analysis based on the circumstances in Hong Kong and considering the market outlook given the ongoing COVID-19 pandemic. We concur with management's assessment that goodwill balances are not impaired as at 31 December 2021.

Key audit matter	How our audit addressed the key audit matter
Valuation of financial instruments held at fair value Financial instruments held by the Group at fair value include derivative assets and liabilities, trading securities, certain debt instruments and other assets and liabilities designated at fair value. The Group's financial instruments are predominantly valued using quoted market prices ('Level 1') or market observable prices ('Level 2'). The valuations of 'Level 3' instruments rely on significant unobservable inputs. We considered the overall valuation of financial instruments (Level 1, 2 and 3) to be a key audit matter given the financial significance to the Group, the nature of the underlying products and the estimation involved to determine fair value. In determining fair value, management also make adjustments to recognise credit risk, funding costs, bid-offer spreads and, in some cases, parameter and model risk limitations. This is broadly consistent with the banking industry, albeit the methodology to calculate some of these adjustments is continuing to evolve. (Refer also to Notes 3 and 41 to the financial statements.)	We assessed the design and tested the operating effectiveness of the controls over the Group's financial instruments valuation processes. These included the controls over: • management's testing and approval of new models and revalidation of existing models; • the completeness and accuracy of pricing data inputs into valuation models; • monitoring of collateral disputes; and • governance mechanisms and monitoring over the valuation processes (including derivative valuation adjustments) by the Group Market and Liquidity Risk Committee and the Group Valuation Committee. We determined that we could rely on the controls for the purposes of our audit. In addition, we: • engaged our own specialists to use their own models and input sources to determine an independent estimate of fair value for a sample of the Group's Level 1 and Level 2 financial instruments. We compared these to the Group's calculations of fair value to assess individual material valuation differences or systemic bias; • assessed the reasonableness of the methodologies used and the assumptions made for a sample of financial instrument valuations with significant unobservable valuation inputs (Level 3 instruments); • performed procedures on collateral disputes to identify possible indicators of inappropriate valuations; • performed tests of inputs and assessed the methodology over fair value adjustments, in light of available market data and industry trends; and • considered the implications of global reforms to Interest Reference Rates ("IBOR Reform") in our assessment of fair value. Overall, we considered that the valuation of financial instruments held at fair value was within a reasonable range of outcomes.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the Annual Report ("the Other Sections") which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Antony Eldridge.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 11 February 2022

CONSOLIDATED INCOME STATEMENT

for the year ended 31 December 2021

In $ millions	Note	2021	2020
Interest income		**10,185**	12,208
Interest expense		**1,745**	3,132
Net interest income	4	**8,440**	9,076
Net fee and commission income	5	**3,524**	3,058
Net trading income	6	**1,791**	1,405
Net income from investment securities	7	**387**	963
Other income	8	**259**	90
Non-interest income		**5,961**	5,516
Total income		**14,401**	14,592
Employee benefits	9	**3,875**	3,550
Other expenses	10	**2,694**	2,608
Total expenses		**6,569**	6,158
Profit before allowances		**7,832**	8,434
Allowances for credit and other losses	11	**52**	3,066
Profit before tax		**7,780**	5,368
Income tax expense	12	**973**	612
Net profit		**6,807**	4,756
Attributable to:			
Shareholders		**6,805**	4,721
Non-controlling interests		**2**	35
		6,807	4,756
Basic and diluted earnings per ordinary share ($)	13	**2.61**	1.81

(The notes on pages 124 to 183 as well as the Risk Management section on pages 78 to 96 form part of these financial statements)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2021

In $ millions	2021	2020
Net profit	**6,807**	4,756
Other comprehensive income:		
Items that may be reclassified subsequently to income statement:		
Translation differences for foreign operations	**361**	(65)
Other comprehensive income of associates	**12**	(11)
Gains/ (losses) on debt instruments classified at fair value through other comprehensive income and cash flow hedge movements		
Net valuation taken to equity	**(757)**	1,215
Transferred to income statement	**(390)**	(636)
Taxation relating to components of other comprehensive income	**88**	(41)
Items that will not be reclassified to income statement:		
Gains/ (losses) on equity instruments classified at fair value through other comprehensive income (net of tax)	**122**	(225)
Fair value change from own credit risk on financial liabilities designated at fair value (net of tax)	**(32)**	25
Defined benefit plans remeasurements (net of tax)	**(11)**	–
Other comprehensive income, net of tax	**(607)**	262
Total comprehensive income	**6,200**	5,018
Attributable to:		
Shareholders	**6,194**	4,983
Non-controlling interests	**6**	35
	6,200	5,018

(The notes on pages 124 to 183 as well as the Risk Management section on pages 78 to 96 form part of these financial statements)

BALANCE SHEETS

as at 31 December 2021

In $ millions	Note	The Group 2021	The Group 2020	The Company 2021	The Company 2020
Assets					
Cash and balances with central banks	15	**56,377**	50,618	**–**	–
Government securities and treasury bills	16	**53,262**	51,700	**–**	–
Due from banks		**51,377**	50,867	**85**	51
Derivatives	36	**19,681**	31,108	**98**	184
Bank and corporate securities	17	**69,692**	65,456	**–**	–
Loans and advances to customers	18	**408,993**	371,171	**–**	–
Other assets	20	**15,895**	19,495	**1**	–
Associates and joint ventures	23	**2,172**	862	**–**	–
Subsidiaries	22	**–**	–	**31,344**	30,337
Properties and other fixed assets	26	**3,262**	3,338	**–**	–
Goodwill and intangibles	27	**5,362**	5,323	**–**	–
Total assets		**686,073**	649,938	**31,528**	30,572
Liabilities					
Due to banks		**30,209**	28,220	**–**	–
Deposits and balances from customers	28	**501,959**	464,850	**–**	–
Derivatives	36	**20,318**	32,904	**29**	12
Other liabilities	29	**18,667**	22,074	**75**	87
Due to subsidiaries		**–**	–	**719**	947
Other debt securities	30	**52,570**	43,277	**5,670**	4,048
Subordinated term debts	31	**4,636**	3,970	**4,636**	3,970
Total liabilities		**628,359**	595,295	**11,129**	9,064
Net assets		**57,714**	54,643	**20,399**	21,508
Equity					
Share capital	32	**11,383**	10,942	**11,425**	10,968
Other equity instruments	33	**2,392**	3,401	**2,392**	3,401
Other reserves	34	**3,810**	4,397	**131**	157
Revenue reserves	34	**39,941**	35,886	**6,451**	6,982
Shareholders' funds		**57,526**	54,626	**20,399**	21,508
Non-controlling interests		**188**	17	**–**	–
Total equity		**57,714**	54,643	**20,399**	21,508

(The notes on pages 124 to 183 as well as the Risk Management section on pages 78 to 96 form part of these financial statements)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2021

	Attributable to shareholders of the Company						
In $ millions	Share capital	Other equity instruments	Other reserves	Revenue reserves	Shareholders' funds	Non-controlling interests	Total equity
2021							
Balance at 1 January	**10,942**	**3,401**	**4,397**	**35,886**	**54,626**	**17**	**54,643**
Purchase of treasury shares	**(16)**	**–**	**–**	**–**	**(16)**	**–**	**(16)**
Draw-down of reserves upon vesting of performance shares	**115**	**–**	**(117)**	**–**	**(2)**	**–**	**(2)**
Redemption of perpetual capital securities	**–**	**(1,009)**	**–**	**1**	**(1,008)**	**–**	**(1,008)**
Cost of share-based payments	**–**	**–**	**134**	**–**	**134**	**–**	**134**
Issue of shares pursuant to Scrip Dividend Scheme	**342**	**–**	**–**	**(342)**	**–**	**–**	**–**
Dividends paid to shareholders[(a)]	**–**	**–**	**–**	**(2,392)**	**(2,392)**	**–**	**(2,392)**
Capital contribution from non-controlling interests	**–**	**–**	**3**	**–**	**3**	**152**	**155**
Other movements	**–**	**–**	**–**	**(13)**	**(13)**	**13**	**–**
Total comprehensive income	**–**	**–**	**(607)**	**6,801**	**6,194**	**6**	**6,200**
Balance at 31 December	**11,383**	**2,392**	**3,810**	**39,941**	**57,526**	**188**	**57,714**
2020							
Balance at 1 January	10,948	2,009	4,102	33,922	50,981	818	51,799
Purchase of treasury shares	(447)	–	–	–	(447)	–	(447)
Draw-down of reserves upon vesting of performance shares	162	–	(164)	–	(2)	–	(2)
Issue of perpetual capital securities	–	1,392	–	–	1,392	–	1,392
Redemption of preference shares issued by a subsidiary	–	–	–	(1)	(1)	(799)	(800)
Cost of share-based payments	–	–	131	–	131	–	131
Issue of shares pursuant to Scrip Dividend Scheme	279	–	–	(279)	–	–	–
Dividends paid to shareholders[(a)]	–	–	–	(2,411)	(2,411)	–	(2,411)
Dividends paid to non-controlling interests	–	–	–	–	–	(38)	(38)
Capital contribution from non-controlling interests	–	–	–	–	–	1	1
Total comprehensive income	–	–	328	4,655	4,983	35	5,018
Balance at 31 December	10,942	3,401	4,397	35,886	54,626	17	54,643

(a) Includes distributions paid on capital securities classified as equity (2021: $121 million; 2020: $100 million)

(The notes on pages 124 to 183 as well as the Risk Management section on pages 78 to 96 form part of these financial statements)

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2021

In $ millions	2021	2020
Cash flows from operating activities		
Profit before tax	**7,780**	5,368
Adjustments for non-cash and other items:		
Allowances for credit and other losses	**52**	3,066
Depreciation of properties and other fixed assets	**669**	648
Share of profits or losses of associates	**(213)**	(61)
Net gain on disposal, net of write-off of properties and other fixed assets	**13**	38
Net income from investment securities	**(387)**	(963)
Cost of share-based payments	**134**	131
Interest expense on subordinated term debts	**76**	64
Interest expense on lease liabilities	**30**	28
Profit before changes in operating assets and liabilities	**8,154**	8,319
Increase/ (Decrease) in:		
Due to banks	**598**	4,246
Deposits and balances from customers	**33,162**	57,164
Other liabilities	**(16,913)**	16,160
Other debt securities and borrowings	**9,149**	(14,250)
(Increase)/ Decrease in:		
Restricted balances with central banks	**(1,189)**	(1,818)
Government securities and treasury bills	**(1,168)**	(379)
Due from banks	**232**	(11,465)
Bank and corporate securities	**(3,277)**	(1,340)
Loans and advances to customers	**(35,518)**	(13,460)
Other assets	**15,199**	(17,108)
Tax paid	**(698)**	(1,188)
Net cash generated from operating activities (1)	**7,731**	24,881
Cash flows from investing activities		
Dividends from associates	**42**	31
Capital distribution from an associate	**10**	–
Acquisition of interests in associates and joint ventures	**(1,108)**	–
Proceeds from disposal of properties and other fixed assets	**22**	8
Purchase of properties and other fixed assets	**(567)**	(547)
Cash and cash equivalents acquired from Lakshmi Vilas Bank (LVB)	**–**	93
Net cash used in investing activities (2)	**(1,601)**	(415)

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2021

In $ millions	2021	2020
Cash flows from financing activities		
Issue of perpetual capital securities	**–**	1,392
Redemption of perpetual capital securities	**(1,008)**	–
Issue of subordinated term debts	**1,000**	–
Redemption of subordinated term debts	**(257)**	–
Interest paid on subordinated term debts	**(64)**	(66)
Redemption of preference shares issued by a subsidiary	**–**	(800)
Purchase of treasury shares	**(16)**	(447)
Dividends paid to non-controlling interests	**–**	(38)
Dividends paid to shareholders of the Company, net of scrip dividends[(a)]	**(2,392)**	(2,411)
Capital contribution by non-controlling interests	**155**	1
Net cash used in financing activities (3)	**(2,582)**	(2,369)
Exchange translation adjustments (4)	**940**	170
Net change in cash and cash equivalents (1)+(2)+(3)+(4)	**4,488**	22,267
Cash and cash equivalents at 1 January	**42,202**	19,935
Cash and cash equivalents at 31 December (Note 15)	**46,690**	42,202

(a) Includes distributions paid on capital securities classified as equity

(The notes on pages 124 to 183 as well as the Risk Management section on pages 78 to 96 form part of these financial statements)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

These Notes are integral to the financial statements.

The consolidated financial statements for the year ended 31 December 2021 were authorised for issue by the Directors on 11 February 2022.

1. Domicile and Activities

The Company, DBS Group Holdings Ltd, is incorporated and domiciled in the Republic of Singapore and has its registered office at 12 Marina Boulevard, Marina Bay Financial Centre Tower Three, Singapore 018982.

The Company is listed on the Singapore Exchange.

The Company is an investment holding, treasury and funding vehicle for the group. Its main subsidiary is DBS Bank Ltd. (the Bank), which is wholly owned and engaged in a range of commercial banking and financial services, principally in Asia.

The financial statements relate to the Company and its subsidiaries (the Group) and the Group's interests in associates and joint ventures.

2. Summary of Significant Accounting Policies

2.1 Basis of preparation

Compliance with Singapore Financial Reporting Standards (International) (SFRS(I))

The financial statements of the Company and the consolidated financial statements of the Group are prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)). As permitted by Section 201(10)(b) of the Companies Act (the Act), the Company's income statement has not been included in these financial statements.

The financial statements are presented in Singapore dollars and rounded to the nearest million, unless otherwise stated.

2.2 Significant estimates and judgement

The preparation of financial statements requires management to exercise judgement, use estimates and make assumptions in the application of policies and in reporting the amounts in the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from these estimates. Critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement and complexity, are disclosed in Note 3.

2.3 New or amended SFRS(I) and Interpretations effective for 2021 year-end

On 1 January 2021, the Group adopted 'Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: Interest Rate Benchmark Reform – Phase 2'. These amendments represent the second phase of SFRS(I) amendments ('Phase 2' amendments), which were issued due to global reform of interest rate benchmarks, such as Interbank Offered Rates (IBORs), including replacing them with Alternative Reference Rates (ARRs). In accordance with the transitional provisions, the amendments have been adopted retrospectively. There is no material impact to the Group's financial statements.

Further information is included in Note 37.

2.4 New SFRS(I) and Interpretations effective for future periods

The amendments and interpretations effective for future periods do not have a significant impact on the Group's financial statements.

A) General Accounting Policies

A summary of the significant group accounting policies is described further below starting with those relating to the entire financial statements, followed by those relating to the income statement, the balance sheet and other specific topics. This does not reflect the relative importance of these policies to the Group.

2.5 Group Accounting

Subsidiaries

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date control is transferred to the Group to the date control ceases.

The acquisition method is used to account for business combinations. Please refer to Note 2.13 for the Group's accounting policy on goodwill.

All intra-group transactions and balances are eliminated on consolidation.

Associates and Joint Ventures

Associates are entities over which the Group has significant influence but no control, where the Group generally holds a shareholding of between and including 20% and 50% of the voting rights.

Joint ventures are entities which the Group has joint control and rights to the net assets of the entity.

Investments in associates and joint ventures are initially recognised at cost. On acquisition, when the Group's share of the fair value of the identifiable net assets of the investment exceeds the cost of acquisition paid by the Group, the excess is recognised in profit and loss as part of the share of profit from associates and joint ventures.

Investments in associates and joint ventures are accounted for using the equity method. Under the equity method of accounting, these investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of post-acquisition profits or losses and the Group's share of other comprehensive income. Dividends received or receivable from the associates and joint ventures are recognised as a reduction of the carrying amount of the investments.

2.6 Foreign currency treatment

Functional and presentation currency

Items in the financial statements are measured using the functional currency of each entity in the Group, this being the currency of the primary economic environment in which the entity operates. The Group's financial statements are presented in Singapore dollars, which is the functional currency of the Company.

With effect from 1 January 2021, the functional currency of the Treasury Markets trading business in Singapore ("TM Singapore") changed prospectively from Singapore dollars to US dollars (USD).

The transition to the new USD functional currency on 1 January 2021 had no impact on the income statement or equity on transition date. The change in functional currency better reflects the increasing dominance of the USD in the business activities of TM Singapore.

Foreign currency transactions and balances

Transactions in foreign currencies are measured using the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the entity undertaking the transaction at the exchange rates at the balance sheet date. Foreign exchange differences arising from this translation are recognised in the income statement within "Net trading income".

Non-monetary assets and liabilities measured at cost in a foreign currency are translated using the exchange rates at the date of the transaction.

Non-monetary assets and liabilities measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined, which is generally the balance sheet date.

Unrealised foreign exchange differences arising from non-monetary financial assets and liabilities classified as fair value through profit or loss (FVPL) are recognised in the income statement as trading income.

Non-monetary financial assets that are classified at fair value through other comprehensive income (FVOCI) relates mainly to FVOCI equities. Please refer to Note 2.9 for the accounting treatment of FVOCI equities.

Subsidiaries and branches

The results and financial position of subsidiaries and branches whose functional currency is not Singapore dollars ("foreign operations") are translated into Singapore dollars in the following manner:

- Assets and liabilities are translated at the exchange rates at the balance sheet date;
- Income and expenses in the income statement are translated at exchange rates prevailing at each month-end, approximating the exchange rates at the dates of the transactions; and
- All resulting exchange differences are recognised in other comprehensive income and accumulated under capital reserves in equity. When a foreign operation is partially or fully disposed of, or when it is liquidated, such exchange differences are recognised in the income statement as part of the gain or loss.

For acquisitions prior to 1 January 2005, the foreign exchange rates at the respective dates of acquisition were used. Please refer to Note 27 for an overview of goodwill recorded. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.7 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to management.

In preparing the segment information, amounts for each business segment are shown after the allocation of certain centralised costs, funding income and the application of transfer pricing, where appropriate. Transactions between segments are recorded within the segment as if they are third party transactions and are eliminated on consolidation.

Please refer to Note 45 for further details on business and geographical segment reporting.

B) Income Statement

2.8 Income recognition

Interest income and interest expense

Interest is accrued on all interest-bearing financial assets and financial liabilities, regardless of their classification and measurement, except for limited transactions measured at FVPL where the economics are better reflected in "Net trading income".

Interest income and interest expense are recognised on a time-proportionate basis using the effective interest method. The calculation includes significant fees and transaction costs that are integral to the effective interest rate, as well as premiums or discounts.

Fee and commission income

The Group earns fee and commission income from a diverse range of products and services provided to its customers. Fee and commission income are recognised when the Group has satisfied its performance obligation in providing the promised products and services to the customer, and are recognised based on contractual rates agreed with customers, net of expected waivers based on historical experience, and net of expenses directly related to it. The Group generally satisfies its performance obligation and recognises the fee and commission income on the following basis:

- Transaction-based fee and commission income is recognised on the completion of the transaction. Such fees include underwriting fees, brokerage fees, bancassurance sales commission and variable service fees, and fees related to the completion of corporate finance transactions.
- For a service that is provided over a period of time, fee and commission income is generally recognised on equal proportion basis over the period during which the related service is provided or credit risk is undertaken. This basis of recognition most appropriately reflects the nature and pattern of provision of these services to the customers over time. Fees for these services can be billed to customers in advance or periodically over time. Such fees include the income from issuance of financial guarantees and bancassurance fixed service fees.

The Group does not provide any significant credit terms to customers for the above products and services.

Directly related expenses typically include brokerage fees paid, card-related expenses and sales commissions, but do not include expenses for services delivered over a period (such as service contracts) and other expenses that are not specifically related to fee and commission income transactions.

Dividend income

Dividend income is recognised when the right to receive payment is established. This is generally the ex-dividend date for listed equity securities, and the date when shareholders approve the dividend for unlisted equity securities. Dividend income arising from financial assets classified as FVPL is recognised in "Net trading income", while those arising from FVOCI financial assets is recognised in "Net income from investment securities".

Allowances for credit and other losses

Please refer to Note 2.11 for the accounting policy on impairment of financial assets.

C) Balance Sheet

2.9 Financial assets

Initial recognition

Purchases and sales of all financial assets are recognised on the date that the Group enters into the contractual arrangements with counterparties. When the Group acts as a trustee or in a fiduciary capacity for assets it does not directly control or benefit from, the assets and the corresponding income belonging to a customer are excluded from the financial statements.

Financial assets are initially recognised at fair value, which is generally the transaction price.

Classification and subsequent measurement

SFRS(I) 9 categorises debt-like financial assets based on the business model within which the assets are managed, and whether the assets constitute a "basic lending arrangement" where their contractual cash flows represent solely payments of principal and interest (SPPI). Interest is defined as consideration for the time value of money, credit risk, other basic lending risks and may include a profit margin.

The classification of the financial assets and the associated accounting treatment are as follows:

- Debt instruments are measured at **amortised cost** when they are in a "hold to collect" (HTC) business model and have contractual cash flows that are SPPI in nature. The objective of a HTC business model is to collect contractual principal and interest cash flows. Sales are incidental to the objective and expected to be either insignificant or infrequent. These assets consist primarily of loans in the "Consumer Banking/ Wealth Management" and "Institutional Banking" segments as well as debt securities from the "Others" segment.
- Debt instruments are measured at **fair value through other comprehensive income** (FVOCI) when they are in a "hold to collect & sell" (HTC & S) business model and have cash flows that are SPPI in nature. Both the collection of contractual cash flows and sales are integral to achieving the objective of the HTC & S business model. Assets measured at FVOCI comprise mainly of debt securities from "Treasury Markets" and the "Others" segment.

  Unrealised gains or losses on FVOCI debt instruments are recorded in other comprehensive income and accumulated in FVOCI revaluation reserves. When they are sold, the accumulated fair value adjustments in FVOCI are reclassified to the income statement as "Net income from investment securities".
- Debt instruments are measured at **fair value through profit or loss** (FVPL) when:

  i) the assets are not SPPI in nature;
  ii) the assets are not part of a "HTC" or "HTC & S" business model; or
  iii) the assets are designated at FVPL to eliminate or significantly reduce the measurement or recognition inconsistencies that would otherwise arise from measuring assets or liabilities on different bases.

  Assets measured at FVPL are mainly recorded in the "Treasury Markets" segment. Realised and unrealised gains or losses on FVPL financial assets are taken to the income statement in the period they arise.
- Subsequent changes in fair value of non-trading equity can be taken through profit or loss or comprehensive income, as elected. The Group generally elects its non-trading equity instruments to be classified as FVOCI. Other than dividend income, gains and losses on FVOCI equity instruments are recorded in other comprehensive income and accumulated in FVOCI revaluation reserves, and not reclassified to profit or loss upon derecognition.
- Derivatives (including derivatives embedded in financial liabilities but separated for accounting purposes) are also classified as held for trading unless they are designated as hedging instruments. Derivatives are classified as assets when the fair value is positive and as liabilities when the fair value is negative. Changes in the fair value of derivatives other than those designated as hedging instruments in cash flow or net investment hedges are included in "Net trading income".

Reclassification

Reclassification of financial assets are prohibited unless the Group changes its business model for managing financial assets. In practice, this is expected to be infrequent.

Determination of fair value

The fair value of financial assets is the price that would be received if the asset is sold in an orderly transaction between market participants at the measurement date. Fair value is generally estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. Where applicable, a valuation reserve or pricing adjustment is applied to arrive at the fair value. The determination of fair value is considered a significant accounting policy for the Group and further details are disclosed in Note 41.

Offsetting

Financial assets and liabilities are presented net when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle them on a net basis, or realise the asset and settle the liability simultaneously.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or when they have been transferred together with substantially all the risks and rewards of ownership.

The Group enters into certain transactions where it transfers financial assets recognised on its balance sheet but retains either all or a portion of the risks and rewards of the transferred financial assets. In such cases, the transferred financial assets are not derecognised from the balance sheet. Such transactions include repurchase agreements described in Note 2.12. They also include transactions where control over the financial asset is retained, for example, by a simultaneous transaction (such as options) with the same counterparty to which the asset is transferred. These are mainly transacted in the "Treasury Markets" segment. In such cases, the Group continues to recognise the asset to the extent of its continuing involvement which is the extent to which it is exposed to changes in the value of the transferred asset.

Please refer to Note 19 for disclosures on transferred financial assets.

2.10 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and non-restricted balances with central banks which are readily convertible into cash.

2.11 Impairment of financial assets at amortised cost and FVOCI

Expected Credit Losses (ECL)

ECL are recognised for all financial assets held at amortised cost, debt instruments measured at FVOCI, guarantees and undrawn credit commitments. It represents the present value of expected cash shortfalls over the residual term of a financial asset, guarantee or undrawn commitment.

At initial recognition, allowance is required for ECL resulting from possible default events that may occur within the next 12 months ('12-month ECL'). In the event of a significant increase in credit risk, allowance is required for ECL resulting from possible default events over the expected life of the instrument ('lifetime ECL').

The ECL recognised follows the three-stage model: financial instruments where 12-month ECL is recognised are considered Stage 1; financial instruments which experience a significant increase in credit risk are in Stage 2; and financial instruments with objective evidence of default or credit-impaired are in Stage 3.

- **Stage 1** – Financial instruments are classified as Stage 1 at initial recognition and will remain under Stage 1 unless they experience a significant increase in credit risk or become credit-impaired. 12-month ECL is recognised for these instruments.
- **Stage 2** – Financial instruments which experience a significant increase in credit risk (SICR) subsequent to initial recognition, but are not yet credit-impaired, will migrate from Stage 1 to Stage 2. Lifetime ECL is recognised for these instruments.

  Significant increase in credit risk (SICR): SICR is assessed by comparing the risk of default at reporting date to the risk of default at origination using a range of qualitative and quantitative factors.

  For wholesale exposures, a financial instrument is deemed to have experienced a significant increase in credit risk when:

  - the observed change in its probability of default (PD), as observed by downgrades in the Group's internal credit risk rating for this instrument between origination and reporting dates, is more than pre-specified thresholds; or
  - it is placed on internal credit watchlists for closer scrutiny of developing credit issues.

  For retail exposures, days past due is the main driver, supplemented with a PD-based criterion. In any event, all retail and wholesale exposures that are more than 30 days past due are presumed to have experienced a significant increase in credit risk, unless assessed otherwise, and are classified as Stage 2.

  Instruments in Stage 2 that no longer exhibit a significant increase in credit risk will be transferred back to Stage 1.

- **Stage 3** – Financial instruments that become credit-impaired with evidence of default, i.e. non-performing assets, are transferred to Stage 3. Please refer to Risk Management section for the definition of non-performing assets.

  Lifetime ECL is recognised for these assets. ECL for Stage 3 assets are also known as specific allowances.

  A Stage 3 exposure that is restructured can be upgraded to Stage 2 if there are reasonable grounds to conclude that the obligor is able to service future principal and interest payments in accordance with the restructured terms. Stage 3 financial assets are written-off, in whole or in part, when the Group has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of future recoveries.

Measurement of ECL
ECL are unbiased and probability-weighted estimates of credit losses determined by evaluating a range of possible outcomes, considering past events, current conditions and assessments of future economic conditions at the reporting date. The ECL associated with a financial instrument is typically a product of its probability of default (PD), loss given default (LGD) and exposure at default (EAD) discounted using the original effective interest rate to the reporting date.

Component	Description
PD	Point-in-time (based on current conditions, adjusted to take into account estimates of future conditions that will impact PD) estimate of the likelihood of default.
LGD	Estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including recoveries from collaterals.
EAD	Estimate of the expected credit exposure at time of default, taking into account repayments of principal and interest as well as expected drawdowns on undrawn credit commitments and potential pay-outs on guarantees issued.

The 12-month ECL is calculated by multiplying the 12-month PD, LGD and EAD. Lifetime ECL is calculated using the lifetime PD. The 12-month and lifetime PDs represent the probability of default occurring over the next 12 months and the remaining maturity of the instrument respectively.

In most instances, expected remaining maturity is the same as the remaining contractual life which represents the maximum contractual period over which the Group is exposed to the credit risk of the borrower. However, for some revolving products (e.g. credit cards), the expected remaining maturity may exceed the contractual maturity. In such instances, behavioural expected remaining life will be used.

ECL Modelling - Point-in-Time and Forward-Looking Adjustments
The Group leverages the models and parameters implemented under the Basel II Internal Ratings-Based (IRB) framework where possible, with appropriate modifications to meet SFRS(I) 9 requirements.

Other relevant historical information, loss experience or proxies will be utilised for portfolios without appropriate Basel models and parameters, with a view to maximise the use of available information that is reliable and supportable.

For the wholesale portfolios, credit cycle indices (CCIs) have been developed for the key industries and geographies. CCIs are summary measures that depict broad-based, sector-wide changes in credit risk, which are constructed by comparing the median expected default frequency of firms within each segment against a long-run average. Expected default frequency is in turn a market-based point-in-time default risk measure driven by the market value of firms' assets, asset volatility and leverage. CCIs are then used as inputs to convert the generally more through-the-cycle PDs derived from Basel models/ parameters into the point-in-time equivalents by adding the unaccounted portion of cyclical variations, as well as to incorporate forward-looking information. LGDs are determined using historical loss data, which are adjusted for both the latest and forecasted recovery experience.

The Group relies on a Monte Carlo simulation approach to consider over 100 probability-weighted forward-looking scenarios in estimating ECL. This involves simulations of many alternative CCI scenarios to arrive at an unbiased ECL estimate that are meant to cover all possible good and bad scenarios based on known estimates.

For retail portfolios, historical loss experience is used in conjunction with the forecast loss rates which take into account relevant macroeconomic variables, such as property prices and unemployment rates.

Expert credit judgement and post model adjustments
The measurement of ECL requires the application of expert credit judgement and post model adjustments. These include:

- assignment of credit risk ratings and determination of whether exposures should be placed on credit watchlists;
- assessment of whether a significant increase in credit risk has occurred;
- selecting and calibrating the ECL models such as CCIs;
- determining the expected remaining maturity of revolving products (e.g. overdrafts and credit cards);
- determination of the forecast loss rates; and
- application of thematic overlays based on emerging risk themes where potential risks may not be fully captured in the underlying modelled ECL. Such top-down additional modelled ECL was quantified by means of applying conditional probabilities on more severe scenarios materialising from emerging risk themes.

The Group has two thematic overlays as at 31 December 2021.

In addition to the base scenarios generated by the model, the Group has incorporated a stress scenario and assigned probabilities to the scenarios, in line with management's judgement of the likelihood of each scenario. The stress scenario assumes Covid-19 recovery being derailed by higher global inflation which triggers rate hikes and causes financial market dislocation.

An additional thematic overlay was introduced in 2021 to address pricing pressures and risks of asset stranding that the conventional energy sector could face as a result of a transition to a low-carbon economy. Probabilities were assigned to the scenarios in-line with management's judgement of the likelihood of each scenario.

Governance framework
The measurement of ECL is subject to a robust governance framework as described below.

- The Group ECL Review Committee (Review Committee) is the overarching committee for ECL related matters and comprises senior management and representatives from functions across the Group. Significant changes to ECL models and methodologies and the application of thematic overlays are subject to the oversight and approval of the Review Committee.
- The Review Committee is supported by the Group ECL Operating Committee (Operating Committee) which comprises cross functional representatives and subject matter experts. The Operating Committee recommends changes to ECL models, methodologies and thematic overlays to the Review Committee; provides oversight over system design, infrastructure and development; and establishes principles and significant policies pertaining to ECL. Group Credit Risk Models Committee oversees ECL models and credit risk models used by the Group.
- Location ECL committees are established for key overseas subsidiaries to govern and manage location-specific ECL reporting.
- ECL models are subject to independent validation by the Risk Management Group (RMG) as well as independent reviews by internal and external auditors. The validation and assurance processes cover the review of the underlying ECL methodology including its logic and conceptual soundness.

2.12 Repurchase agreements

Repurchase agreements (Repos) are arrangements where the Group sold the securities but are subject to a commitment to repurchase or redeem the securities at a pre-determined price. The securities are retained on the balance sheet as Group retains substantially all the risk and rewards of ownership and these securities are disclosed within "Financial assets pledged or transferred" (Note 19). The consideration received is recorded as financial liabilities in either "due to banks" or "deposits and balances from customers". Short-dated repos transacted as part of Treasury Markets activities are measured at FVPL.

Reverse repurchase agreements (Reverse repos) are arrangements where the Group purchased the securities but are subject to a commitment to resell or return the securities at a pre-determined price. The risk and rewards of ownership of the collateral are not acquired by the Group and are reflected as collateral received and recorded off-balance sheet. The consideration paid is recorded as financial assets as "cash and balances with central banks", "due from banks" or "loans and advances to customers". Short-dated reverse repos transacted as part of Treasury Markets activities are measured at FVPL.

2.13 Goodwill

Goodwill arising from business combinations generally represents the excess of the acquisition cost over the fair value of identifiable assets acquired and liabilities and contingent liabilities assumed on the acquisition date. Goodwill is stated at cost less impairment losses and is tested at least annually for impairment.

At the acquisition date, any goodwill acquired is allocated to each of the cash-generating units (CGU) or group of CGUs expected to benefit from the combination's synergies.

An impairment loss is recognised when the carrying amount of a CGU, or group of CGUs, including the goodwill, exceeds the applicable recoverable amount. The recoverable amount of a CGU or CGU group is the higher of the CGU's or CGU group's fair value less cost to sell and its value-in-use. An impairment loss on goodwill is recognised in the income statement and cannot be reversed in subsequent periods.

2.14 Properties and other fixed assets

Owned properties and other fixed assets
Properties (including investment properties) and other fixed assets are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated using the straight-line method to write down the costs of the assets to their estimated residual values over the estimated useful lives of the assets. No depreciation is recognised when the residual value is higher than the carrying amount.

Generally, the useful lives are as follows:

Leasehold land	100 years or over the remaining lease period, whichever is shorter. Leasehold land where the unexpired lease period is more than 100 years is not depreciated.
Buildings	30 to 50 years or over the remaining lease period, whichever is shorter.
Computer software	3 to 5 years
Office equipment, furniture and fittings	5 to 10 years
Leasehold improvements	Up to 20 years

Leased properties and other fixed assets
Lease liabilities are initially measured at the present value of lease payments to be made over the lease term at the lease commencement date. The associated right-of-use assets are measured at the amount that approximates the lease liability.

Lease liabilities are subsequently measured at amortised cost using the effective interest method. The right-of-use assets are depreciated over the lease term on a straight-line basis.

Extension options and termination options are included in the assessment of the lease term if the options are reasonably certain to be exercised or not exercised accordingly. If the Group changes its initial assessment, adjustments are made to the carrying amounts of the lease liabilities and right-of-use assets prospectively.

The recognition exceptions for short-term leases and leases of low-value assets are applied.

Please refer to Note 26 for the details of owned and leased properties and other fixed assets.

2.15 Financial liabilities

Initial recognition, classification and subsequent measurement
Financial liabilities are initially recognised at fair value. The Group generally classifies and measures its financial liabilities in accordance with the purpose for which the financial liabilities are incurred and managed. Accordingly:

- Financial liabilities are classified as **financial liabilities at fair value through profit or loss** if they are incurred for the purpose of repurchasing in the near term (**"held for trading"**), and this may include debt securities issued and short positions in securities for the purpose of ongoing market-making or trading. Financial liabilities at fair value through profit or loss can also be designated by management on initial recognition (**"designated at fair value through profit or loss"**) if doing so eliminates or significantly reduces measurement or recognition inconsistencies that would otherwise arise, or if the financial liability contains an embedded derivative that would otherwise need to be separately recorded, or if a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis. Financial liabilities in this classification are usually within the "Treasury Markets" segment.

Realised or unrealised gains or losses on financial liabilities held for trading and financial liabilities designated under the fair value option, except interest expense, are taken to "Net trading income" in the income statement in the period they arise.

The changes to the fair value of financial liabilities designated under the fair value option that are attributable to a reporting entity's own credit risk are taken to revenue reserves through other comprehensive income. These amounts are not transferred to the income statement even when realised.

- Derivative liabilities are treated consistently with derivative assets. Please refer to Note 2.9 for the accounting policy on derivatives.
- Other financial liabilities are carried at **amortised cost** using the effective interest method. These comprise predominantly the Group's "Deposits and balances from customers", "Due to banks" and "Other debt securities".

Where the classification and measurement of financial liabilities do not reflect the management of the financial liabilities, the Group may apply hedge accounting where permissible and relevant to better reflect the management of the financial liabilities. Please refer to Note 2.19 for details on hedging and hedge accounting.

Please refer to Note 14 for further details on the types of financial liabilities classified and measured as above.

Determination of fair value

The fair value of financial liabilities is the price that would be paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Please refer to Note 41 for further fair value disclosures.

Derecognition

A financial liability is derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

2.16 Loan commitments, letters of credit and financial guarantees

Loan commitments

Loan commitments are not recognised on the balance sheet and are disclosed in Note 35. Upon a loan draw-down, the amount of the loan is generally recognised as "Loans and advances to customers" on the Group's balance sheet.

Letters of credit

Letters of credit are recorded off-balance sheet as contingent liabilities upon issuance, and the corresponding payables to the beneficiaries and receivables from the applicants are recognised on the balance sheet upon acceptance of the underlying documents.

Financial guarantees

Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantees are given.

Financial guarantees are subsequently measured at the higher of:

- the amount of the ECL (Note 2.11); and
- the unamortised portion of the fees that were received on initial recognition.

Please refer to Note 2.8 for the principles for recognising the fees.

Off-balance sheet credit exposures are managed for credit risk in the same manner as financial assets.

Please refer to Note 2.11 on the Group's accounting policies on allowances for credit losses.

2.17 Provisions and other liabilities

Provisions for other liabilities of uncertain timing and amounts are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

2.18 Share capital and other instruments classified as equity

Ordinary shares, preference shares and other instruments which do not result in the Group having a contractual obligation to deliver cash or another financial asset, or to exchange financial assets or financial liabilities with the holder under conditions that are potentially unfavourable to the Group, are classified as equity. Distributions arising from such instruments are recognised in equity as there is no contractual obligation to pay distributions on these instruments. Incremental external costs directly attributable to the issuance of such instruments are accounted for as a deduction from equity.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid, including any directly attributable incremental cost is presented as a component within equity, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of the treasury shares is deducted against either the share capital account or retained earnings. When treasury shares are subsequently sold or reissued, any realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in other reserves.

For ordinary and preference shares, interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded during the financial year in which the dividends are approved by the shareholders at the Annual General Meeting.

D) Other Specific Topics

2.19 Hedging and hedge accounting

As part of the overall risk management of the Group, derivatives and other instruments are used to manage exposures to interest rate and foreign currency risks, including exposures arising from forecast transactions.

Where hedge accounting is not applied, the derivatives are treated in the same way as derivatives held for trading purposes, i.e. realised and unrealised gains and losses are recognised in "Net trading income". The Group applies hedge accounting for economic hedge relationships that meet the hedge accounting criteria. To qualify for hedge accounting, at the inception of each hedging relationship, the Group designates and documents the relationship between the hedging instrument and the hedged item; the risk management objective for undertaking the hedge transaction; and the methods used to assess the effectiveness of the hedge. At inception and on an on-going basis, the Group also assesses and measures the effectiveness of the hedging relationship between the hedging instrument and the hedged item.

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between hedging instrument and the hedged item. The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations as described below.

- **Fair value hedge**

  For a qualifying fair value hedge, the changes in the fair value of the hedging instruments are recorded in the income statement, together with any changes in the fair value of the hedged item attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item is amortised, using the effective interest method, to the income statement over its remaining maturity.

  However, where the hedged item is an equity instrument classified as FVOCI, changes in the fair value of the hedging instrument and the hedged item are both recorded in other comprehensive income and accumulated in FVOCI revaluation reserves. The amounts recorded in FVOCI revaluation reserves are not subsequently reclassified to the income statement.

- **Cash flow hedge**

  The effective portion of changes in the fair value of a derivative designated and qualifying as a cash flow hedge is recognised in other comprehensive income and accumulated under the cash flow hedge reserves in equity. This amount is reclassified to the income statement in the periods when the hedged forecast cash flows affect the income statement. The ineffective portion of the gain or loss is recognised immediately in the income statement under "Net trading income".

  When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in the cash flow hedge reserves remains until the forecast transaction is recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss in the cash flow hedge reserves is reclassified from equity to the income statement.

- **Net investment hedge**

  Hedges of net investments in the Group's foreign operations are accounted for in a manner similar to cash flow hedges. On disposal of the foreign operations, the cumulative gain or loss in the capital reserves is reclassified to the income statement as part of the gain or loss on disposal.

When designating the hedging instrument, the Group may elect to exclude the valuation components of currency basis spreads and forward points from the hedge relationship on a hedge-by-hedge basis.

The forward points and currency basis spreads which are excluded and recorded in other comprehensive income are:

- reclassified to the income statement when the forecast transaction occurs; or
- amortised to the income statement over the hedging tenor for time-period hedges. The amounts recorded in other comprehensive income are not subsequently reclassified to the income statement for hedges of FVOCI equities.

The Group has elected to apply the SFRS(I) 9 hedge accounting rules in full.

Please refer to Note 38 for further details relating to hedge accounting, including fair value, cash flow and net investment hedges.

2.20 Employee benefits

Employee benefits, which include base pay, cash bonuses, share-based compensation, contribution to defined contribution plans such as the Central Provident Fund and other staff-related allowances, are recognised in the income statement when incurred.

For defined contribution plans, contributions are made to publicly or privately administered funds on a mandatory, contractual or voluntary basis. Once the contributions have been paid, the Group has no further payment obligations.

Employee entitlement to annual leave is recognised when they accrue to employees. A provision is made for the estimated liability for annual unutilised leave as a result of services rendered by employees up to the balance sheet date.

2.21 Share-based compensation

Employee benefits also include share-based compensation, namely the DBSH Share Plan, the DBSH Employee Share Plan and the DBSH Employee Share Purchase Plan (the Plans). The details of the Plans are described in Note 39.

Equity instruments granted and ultimately vested under the Plans are recognised in the income statement based on the fair value of the equity instrument at the date of grant. The expense is amortised over the vesting period of each award, with a corresponding adjustment to the share plan reserves.

A trust has been set up for each share plan. The employee trust funds are consolidated and the DBSH shares held by the trust funds are accounted for as "treasury shares", which is presented as a deduction within equity. The trust deeds for DBSH Share Plan and DBSH Employee Share Plan expired on 27 January 2021, following which the Company directly undertakes the administration of these Plans.

2.22 Current and deferred taxes

Current income tax for current and prior periods is recognised as the amount expected to be paid or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Group considers uncertain tax positions generally at the level of the total tax liability to each tax authority for each period. The liability is determined based on the total amount of current tax expected to be paid, taking into account all tax uncertainties, using either an expected value approach or a single best estimate of the most likely outcome.

Tax assets and liabilities of the same type (current or deferred) are offset when a legal right of offset exists and settlement in this manner is intended. This applies generally when they arise from the same tax reporting group and relate to the same tax authority.

Deferred income tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted by the balance sheet date.

The amount of deferred tax assets recognised takes into account the likelihood the amount that can be used to offset payable taxes on future profits.

Deferred tax related to fair value re-measurement of FVOCI investments, which are recognised outside profit or loss, is also recognised outside profit or loss, i.e. in other comprehensive income and accumulated in the FVOCI revaluation reserves.

3. Critical Accounting Estimates

The Group's accounting policies and use of estimates are integral to the reported amounts in the financial statements. Certain accounting estimates require management's judgement in determining the appropriate methodology for valuation of assets and liabilities. Procedures are in place to ensure that methodologies are reviewed and revised as appropriate. The Group believes its estimates for determining the valuation of its assets and liabilities are appropriate.

The following is a brief description of the Group's critical accounting estimates that involve management's valuation judgement.

3.1 Impairment of financial assets

It is the Group's policy to recognise, through charges against profit, allowances in respect of estimated and inherent credit losses in its portfolio as described in Note 2.11.

ECLs are probability-weighted amounts determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessments of future economic conditions, which will necessarily involve the use of judgement.

The Covid-19 pandemic, related measures to control the spread of the virus and governmental support to mitigate the impact of the pandemic had a profound economic impact on the Group's key markets. A significant degree of judgement is thus required in estimating the ECLs in the current environment. Please refer to Note 2.11 for more details.

Please refer to Risk Management section for a further description of the Group's credit risk management framework, policies and procedures.

3.2 Fair value of financial instruments

The majority of the Group's financial instruments reported at fair value are based on quoted and observable market prices or on internally developed models that are based on independently sourced or verified market parameters.

The fair value of financial instruments without an observable market price in an active market may be determined using valuation models. The choice of model requires significant judgement for complex products especially those in the "Treasury Markets" segment.

Policies and procedures have been established to facilitate the exercise of judgement in determining the risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors used in the valuation process.

Please refer to Note 41 for further details on fair valuation and fair value hierarchy of the Group's financial instruments measured at fair value.

3.3 Goodwill impairment

The Group performs an impairment review to ensure that the carrying amount of a CGU to which goodwill is allocated does not exceed the recoverable amount of the CGU. Note 27 provides details of goodwill at the reporting date.

The recoverable amount represents the present value of the estimated future cash flows expected to arise from continuing operations. Therefore, in arriving at the recoverable amount, management exercises judgement in estimating the future cash flows, growth rate and discount rate.

3.4 Income taxes

The Group has exposure to income taxes in several jurisdictions. The Group recognises liabilities for expected tax issues based on reasonable estimate of whether additional tax will be due. Where uncertainty exists around the Group's tax position, appropriate provisions are provided based on the technical assessment of the cases. Where the final tax outcome of these positions is different from the provision provided, the differences will impact the income tax and deferred tax balances in the period in which the final tax is determined. Note 21 provides details of the Group's deferred tax assets/liabilities.

4. Net Interest Income

	The Group	
In $ millions	**2021**	**2020**
Cash and balances with central banks and Due from banks	**419**	645
Customer non-trade loans	**6,947**	8,062
Trade assets	**640**	1,017
Securities and others	**2,179**	2,484
Total interest income	**10,185**	12,208
Deposits and balances from customers	**1,184**	2,175
Other borrowings	**561**	957
Total interest expense	**1,745**	3,132
Net interest income	**8,440**	9,076
Comprising:		
Interest income from financial assets at FVPL	**547**	784
Interest income from financial assets at FVOCI	**457**	503
Interest income from financial assets at amortised cost	**9,181**	10,921
Interest expense from financial liabilities at FVPL	**(194)**	(229)
Interest expense from financial liabilities not at FVPL[a]	**(1,551)**	(2,903)
Total	**8,440**	9,076

(a) Includes interest expense of $30 million (2020: $28 million) on lease liabilities

5. Net Fee and Commission Income

	The Group	
In $ millions	**2021**	**2020**
Investment banking	**218**	148
Transaction services[a][b]	**925**	821
Loan-related	**413**	417
Cards[c]	**715**	641
Wealth management[a]	**1,786**	1,506
Fee and commission income	**4,057**	3,533
Less: fee and commission expense	**533**	475
Net fee and commission income[d]	**3,524**	3,058

(a) The institutional and retail brokerage fees previously presented under brokerage line have been reclassified to transaction services and wealth management lines respectively. Prior year's comparatives have been restated to conform with current year's presentation
(b) Includes trade & remittances, guarantees and deposit-related fees
(c) Card fees are net of interchange fees paid
(d) Includes net fee and commission income of $139 million (2020: $136 million), which was derived from the provision of trust and other fiduciary services during the year. Net fee and commission income earned from financial assets or liabilities not at fair value through profit or loss was $895 million (2020: $829 million) during the year

6. Net Trading Income

	The Group	
In $ millions	**2021**	**2020**
Net trading income[a]		
– Foreign exchange	**1,202**	852
– Interest rates, credit, equities and others[b]	**191**	1,226
Net (loss)/ gain from financial assets designated at fair value	**(7)**	8
Net gain/ (loss) from financial liabilities designated at fair value	**405**	(681)
Total	**1,791**	1,405

(a) Includes income from assets that are mandatorily classified at FVPL
(b) Includes dividend income of $300 million (2020: $231 million)

7. Net Income from Investment Securities

	The Group	
In $ millions	**2021**	**2020**
Debt securities		
– FVOCI	**140**	428
– Amortised cost	**98**	411
Equity securities at FVOCI[a]	**149**	124
Total[b]	**387**	963
Of which: net gains transferred from FVOCI revaluation reserves	**163**	476

(a) Dividend income
(b) Includes fair value impact of hedges for investment securities

8. Other Income

	The Group	
In $ millions	**2021**	**2020**
Net gain on disposal of properties and other fixed assets	**17**	8
Share of profits or losses of associates[a]	**213**	61
Others[b]	**29**	21
Total	**259**	90

(a) 2021 includes a gain of $104 million recognised on completion of the Shenzhen Rural Commercial Bank Corporation Limited transaction (Note 25.2)
(b) Includes net gains and losses from sale of loans carried at amortised cost and rental income from operating leases

9. Employee Benefits

	The Group	
In $ millions	**2021**	**2020**
Salaries and bonuses[a]	**3,251**	2,890
Contributions to defined contribution plans	**192**	181
Share-based expenses	**130**	128
Others	**302**	351
Total	**3,875**	3,550

(a) 2021 includes $25 million (2020: $172 million) of government grants recognised (deducted against salaries and bonuses)

10. Other Expenses

In $ millions	The Group 2021	2020
Computerisation expenses[(a)]	**1,080**	1,093
Occupancy expenses[(b)]	**416**	452
Revenue-related expenses	**376**	334
Others[(c)(d)]	**822**	729
Total	**2,694**	2,608

(a) Includes hire, depreciation and maintenance costs of computer hardware and software
(b) Includes depreciation of leased office and branch premises of $205 million (2020: $202 million) and amounts incurred in the maintenance of buildings
(c) Includes office administration expenses (e.g. printing, stationery, telecommunications, etc.), and legal and professional fees
(d) 2021 includes a $100 million Corporate Social Responsibility commitment to DBS Foundation and other charitable causes

In $ millions	The Group 2021	2020
Depreciation expenses		
– owned properties and other fixed assets	**431**	415
– leased properties and other fixed assets	**238**	233
Hire and maintenance costs of fixed assets, including building-related expenses	**379**	397
Audit fees[(a)] payable to external auditors[(b)]:		
– Auditors of the Company	**5**	4
– Associated firms of auditors of the Company	**5**	5
Non-audit related fees payable to external auditors[(b)]:		
– Auditors of the Company	**#**	1
– Associated firms of auditors of the Company	**1**	1

 # Amount under $500,000
(a) Includes audit related assurance fees
(b) PricewaterhouseCoopers network firms

11. Allowances for Credit and Other Losses

In $ millions	The Group 2021	2020
Specific allowances[(a)(b)]		
Loans and advances to customers (Note 18)	**471**	1,174
Investment securities (amortised cost)	**#**	–
Off-balance sheet credit exposures	**8**	39
Others	**20**	140
General allowances[(c)]	**(447)**	1,713
Total	**52**	3,066

 # Amount under $500,000
(a) Includes Stage 3 ECL
(b) Includes charge for non-credit exposures (2021: $1 million; 2020: $3 million)
(c) Refers to Stage 1 and 2 ECL

The table below shows the movements in specific and general allowances during the year for the Group.

In $ millions	The Group Balance at 1 January	Charge/ (Write-back) to income statement	Net write-off during the year	Amalgamation of LVB	Exchange and other movements	Balance at 31 December
2021						
Specific allowances						
Loans and advances to customers (Note 18)	**2,692**	**471**	**(641)**	**–**	**23**	**2,545**
Investment securities	**15**	**#**	**–**	**–**	**62**	**77**
Properties and other fixed assets	**19**	**–**	**–**	**–**	**1**	**20**
Off-balance sheet credit exposures	**96**	**8**	**–**	**–**	**(24)**	**80**
Others	**219**	**20**	**(18)**	**–**	**6**	**227**
Total specific allowances	**3,041**	**499**	**(659)**	**–**	**68**	**2,949**
Total general allowances for credit losses	**4,312**	**(447)**	**–**	**–**	**11**	**3,876**
Total allowances	**7,353**	**52**	**(659)**	**–**	**79**	**6,825**
2020						
Specific allowances						
Loans and advances to customers (Note 18)	2,305	1,174	(746)	–	(41)	2,692
Investment securities	15	–	–	–	#	15
Properties and other fixed assets	19	–	–	–	#	19
Off-balance sheet credit exposures	111	39	–	–	(54)	96
Others	80	140	(36)	–	35	219
Total specific allowances	2,530	1,353	(782)	–	(60)	3,041
Total general allowances for credit losses	2,511	1,713	–	96	(8)	4,312
Total allowances	5,041	3,066	(782)	96	(68)	7,353

 # Amount under $500,000

The following tables outline the changes in ECL under SFRS(I) 9 in 2021 and 2020 which are attributable to the following factors:

- Transfers between stages.
- Net portfolio changes, which are determined on an obligor basis i.e. originations with new obligors net of derecognitions of former obligors.
- Remeasurements, which include the impact of changes in model inputs or assumptions, partial repayments, additional drawdowns on existing facilities and changes in ECL following a transfer between stages.

	The Group			
	General allowances (Non-impaired)		Specific allowances (Impaired)	
In $ millions	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
2021				
Balance at 1 January	**2,507**	**1,805**	**3,014**	**7,326**
Changes in allowances recognised in opening balance that were transferred to/ (from)	**34**	**(191)**	**157**	**–**
– Stage 1	**(40)**	**40**	**–**	**–**
– Stage 2	**144**	**(144)**	**–**	**–**
– Stage 3	**(70)**	**(87)**	**157**	**–**
Net portfolio changes	**88**	**(63)**	**–**	**25**
Remeasurements	**(403)**	**88**	**341**	**26**
Net write-offs(a)	**–**	**–**	**(655)**	**(655)**
Exchange and other movements	**5**	**6**	**69**	**80**
Balance at 31 December	**2,231**	**1,645**	**2,926**	**6,802**
Charge in the income statement	**(281)**	**(166)**	**498**	**51**
2020				
Balance at 1 January	1,090	1,421	2,502	5,013
Changes in allowances recognised in opening balance that were transferred to/ (from)	106	(288)	182	–
– Stage 1	(38)	38	–	–
– Stage 2	163	(163)	–	–
– Stage 3	(19)	(163)	182	–
Net portfolio changes	68	(90)	–	(22)
Remeasurements	1,151	766	1,168	3,085
Net write-offs(a)	–	–	(777)	(777)
Amalgamation of LVB	96	–	–	96
Exchange and other movements	(4)	(4)	(61)	(69)
Balance at 31 December	2,507	1,805	3,014	7,326
Charge in the income statement	1,325	388	1,350	3,063

(a) Write-offs net of recoveries

The following table provides additional information on the financial instruments that are subject to ECL as at 31 December 2021 and 2020. FVPL assets and FVOCI equity instruments are not subject to ECL and therefore not reflected in the tables.

	The Group							
	Gross carrying value(c)				ECL balances			
In $ millions	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
2021								
Assets								
Loans and advances to customers								
– Retail	**122,964**	**724**	**651**	**124,339**	**528**	**125**	**144**	**797**
– Wholesale and others	**260,763**	**23,814**	**4,639**	**289,216**	**1,508**	**1,373**	**2,401**	**5,282**
Investment securities								
– Government securities and treasury bills(a)	**40,582**	**–**	**–**	**40,582**	**7**	**–**	**–**	**7**
– Bank and corporate debt securities(a)	**42,811**	**1,131**	**97**	**44,039**	**29**	**11**	**77**	**117**
Others(b)	**105,406**	**55**	**229**	**105,690**	**29**	**2**	**224**	**255**
Liabilities								
ECL on guarantees and other off-balance sheet exposures	**–**	**–**	**–**	**–**	**130**	**134**	**80**	**344**
Total ECL					**2,231**	**1,645**	**2,926**	**6,802**
2020								
Assets								
Loans and advances to customers								
– Retail	112,274	773	676	113,723	575	195	166	936
– Wholesale and others	236,914	20,280	5,383	262,577	1,727	1,410	2,526	5,663
Investment securities								
– Government securities and treasury bills(a)	39,062	–	–	39,062	9	–	–	9
– Bank and corporate debt securities(a)	44,593	1,170	38	45,801	28	23	15	66
Others(b)	105,810	120	226	106,156	28	3	211	242
Liabilities								
ECL on guarantees and other off-balance sheet exposures	–	–	–	–	140	174	96	410
Total ECL					2,507	1,805	3,014	7,326

(a) Includes loss allowances of $25 million (2020: $25 million) for debt securities that are classified as FVOCI
(b) Comprise of amounts in "Cash and balances with central banks", "Due from Banks" and "Other assets" that are subject to ECL
(c) Balances exclude off-balance sheet exposures

The table below shows the portfolio mix of the Loans and advances to customers – Wholesale and others presented in the gross carrying value table above by internal counterparty risk rating (CRR) and probability of default (PD) range:

		The Group	
In $ millions	**PD range (based on Basel 12-month PDs) (a)**	**Stage 1 exposures**	**Stage 2 exposures**
2021			
Loans and advances to customers			
– Wholesale and others		**260,763**	**23,814**
Of which (in percentage terms):			
CRR 1 – 6B	**0.01% - 0.99%**	**88%**	**38%**
CRR 7A – 7B	**1.26% - 2.30%**	**8%**	**22%**
CRR 8A – 9	**2.57% - 28.83%**	**2%**	**39%**
Others (not rated)	**NA**	**2%**	**1%**
Total		**100%**	**100%**

(a) Basel 12-month PDs are transformed to Point-in-Time and forward-looking PDs. Stage 2 exposures are also measured on lifetime basis

Sensitivity of ECL
The Group assessed ECL sensitivity for the wholesale and retail portfolios to changes in the allocation of exposures between Stages 1 and 2. ECL is estimated to reduce by $1,187 million (2020: $1,300 million) should all the exposures in Stage 2 return to Stage 1 and were assigned a lower 12-month ECL instead of lifetime ECL. The impact also reflects the higher PDs ascribed to Stage 2 exposures in addition to the recognition of lifetime instead of 12-month ECL.

As ECL estimation relies on multiple variables, no single analysis can fully demonstrate the sensitivity of the ECL to changes in macroeconomic variables.

Relief measures offered to customers
In response to the impact of Covid-19, various forms of relief measures, such as payment deferments, had been offered to eligible retail and corporate customers. Payment deferments were considered to be non-substantial modifications and accounted for as a continuation of the existing loan agreements.

In line with regulatory guidelines, customers' utilisation of relief measures does not automatically result in significant increase in credit risk and a transfer to Stage 2. The assessment of customer's risk of default continues to be performed comprehensively, taking into account the customer's ability to make payments based on the rescheduled payments and their creditworthiness in the long term.

12. Income Tax Expense

	The Group	
In $ millions	**2021**	**2020**
Current tax expense		
– Current year	**1,009**	730
– Prior years' provision	**(96)**	3
Deferred tax expense		
– Prior years' provision	**8**	3
– Origination/ (Reversal) of temporary differences	**52**	(124)
Total	**973**	612

The deferred tax expense/ (credit) in the income statement comprises the following temporary differences:

	The Group	
In $ millions	**2021**	**2020**
Accelerated tax depreciation	**19**	4
Allowances for credit and other losses	**66**	(106)
Other temporary differences	**(25)**	(19)
Deferred tax expense/ (credit) charged to income statement	**60**	(121)

The tax on the Group's profit before tax differs from the theoretical amount computed using the Singapore basic tax rate due to:

	The Group	
In $ millions	**2021**	**2020**
Profit before tax	**7,780**	5,368
Prima facie tax calculated at a tax rate of 17% (2020: 17%)	**1,322**	913
Effect of different tax rates in other countries	**48**	19
Effect of change in country's tax rate[(a)]	**–**	11
Net income not subject to tax	**(43)**	(111)
Net income taxed at concessionary rate	**(293)**	(287)
Expenses not deductible for tax	**26**	13
Others	**(87)**	54
Income tax expense charged to income statement	**973**	612

(a) 2020 relates to impact from revaluation of net deferred tax asset due to a cut in Indonesia's corporate tax rate

Deferred income tax relating to FVOCI financial assets and cash flow hedges of $82 million was credited (2020: $31 million debited) and own credit risk of $2 million was credited (2020: $2 million debited) directly to equity.

Please refer to Note 21 for further information on deferred tax assets/ liabilities.

13. Earnings Per Ordinary Share

		The Group	
Number of shares ('000)		**2021**	**2020**
Weighted average number of ordinary shares in issue (basic and diluted)	(a)	**2,562,334**	2,543,231

		The Group	
In $ millions		**2021**	**2020**
Profit attributable to shareholders		**6,805**	4,721
Less: Dividends on other equity instruments		**(109)**	(115)
Adjusted profit	(b)	**6,696**	4,606
Earnings per ordinary share ($)			
Basic and diluted	(b)/ (a)	**2.61**	1.81

14. Classification of Financial Instruments

In $ millions	The Group Mandatorily at FVPL[c]	FVPL designated	Amortised cost	FVOCI-Debt	FVOCI-Equity	Hedging derivatives	Total
2021							
Assets							
Cash and balances with central banks	–	–	52,475	3,902	–	–	56,377
Government securities and treasury bills	12,587	97	22,653	17,925	–	–	53,262
Due from banks	15,447	–	34,633	1,297	–	–	51,377
Derivatives	18,821	–	–	–	–	860	19,681
Bank and corporate securities	22,813	–	26,963	16,981	2,935	–	69,692
Loans and advances to customers	1,492	25	407,476	–	–	–	408,993
Other financial assets	–	–	15,268	–	–	–	15,268
Total financial assets	71,160	122	559,468	40,105	2,935	860	674,650
Other asset items outside the scope of SFRS(I) 9[a]							11,423
Total assets							686,073
Liabilities							
Due to banks	5,429	–	24,780	–	–	–	30,209
Deposits and balances from customers	–	229	501,730	–	–	–	501,959
Derivatives	19,079	–	–	–	–	1,239	20,318
Other financial liabilities	2,695	–	14,927	–	–	–	17,622
Other debt securities	126	10,600	41,844	–	–	–	52,570
Subordinated term debts	–	–	4,636	–	–	–	4,636
Total financial liabilities	27,329	10,829	587,917	–	–	1,239	627,314
Other liability items outside the scope of SFRS(I) 9[b]							1,045
Total liabilities							628,359
2020							
Assets							
Cash and balances with central banks	699	–	46,482	3,437	–	–	50,618
Government securities and treasury bills	12,596	45	21,689	17,370	–	–	51,700
Due from banks	11,332	–	38,288	1,247	–	–	50,867
Derivatives	30,576	–	–	–	–	532	31,108
Bank and corporate securities	17,348	–	26,674	19,080	2,354	–	65,456
Loans and advances to customers	1,120	350	369,701	–	–	–	371,171
Other financial assets	–	–	18,871	–	–	–	18,871
Total financial assets	73,671	395	521,705	41,134	2,354	532	639,791
Other asset items outside the scope of SFRS(I) 9[a]							10,147
Total assets							649,938
Liabilities							
Due to banks	1,823	–	26,397	–	–	–	28,220
Deposits and balances from customers	–	623	464,227	–	–	–	464,850
Derivatives	31,561	–	–	–	–	1,343	32,904
Other financial liabilities	1,525	–	19,699	–	–	–	21,224
Other debt securities	203	8,130	34,944	–	–	–	43,277
Subordinated term debts	–	–	3,970	–	–	–	3,970
Total financial liabilities	35,112	8,753	549,237	–	–	1,343	594,445
Other liability items outside the scope of SFRS(I) 9[b]							850
Total liabilities							595,295

(a) Includes associates and joint ventures, goodwill and intangibles, properties and other fixed assets, and deferred tax assets
(b) Includes current tax liabilities and deferred tax liabilities
(c) Includes assets and liabilities that are held for trading and debt-type financial assets that are not SPPI in nature

Financial assets and liabilities are presented net when there is a legally enforceable right to offset the recognised amounts, and there is intention to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets and liabilities offset on the balance sheet

As at 31 December 2021, "Loans and advances to customers" of $18 million (2020: $24 million) were set off against "Deposits and balances from customers" of $18 million (2020: $24 million) because contractually the Group has a legally enforceable right to set off these amounts, and intends to settle the loans and the deposits simultaneously at maturity or termination dates.

Financial assets and liabilities subject to netting agreements but not offset on the balance sheet

The Group enters into master netting arrangements with counterparties where it is appropriate and feasible to do so to mitigate counterparty risk. The credit risk associated with favourable contracts is reduced by a master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are settled on a net basis. Master netting arrangements do not result in an offset of financial assets and liabilities on the balance sheet, as the legal right to offset the transactions is conditional upon default.

These agreements include derivative master agreements (including the International Swaps and Derivatives Association (ISDA) Master Agreement), global master repurchase agreements and global securities lending agreements. The collaterals received and pledged under these agreements are generally conducted under terms that are in accordance with normal market practice. The agreements may allow rehypothecation of collateral received and there may be ongoing margin requirements to mitigate counterparty risk.

The disclosures set out in the tables below pertain to financial assets and liabilities that are not offset in the Group's balance sheet but are subject to master netting arrangements or similar agreements that cover similar financial instruments. The disclosures enable the understanding of both the gross and net amounts, as well as provide additional information on how such credit risk is mitigated.

	The Group					
				Related amounts not offset on balance sheet		
In $ millions	Carrying amounts on balance sheet	Not subject to enforceable netting agreement	Net amounts	Financial instruments	Financial collateral received/ pledged	Net amounts
2021						
Financial Assets						
Derivatives	19,681	4,656[a]	15,025	12,932[a]	1,035	1,058
Reverse repurchase agreements	29,466[b]	–	29,466	–	29,444	22
Securities borrowings	64[c]	–	64	–	61	3
Total	49,211	4,656	44,555	12,932	30,540	1,083
Financial Liabilities						
Derivatives	20,318	5,601[a]	14,717	12,932[a]	1,038	747
Repurchase agreements	5,666[d]	–	5,666	–	5,665	1
Securities lendings	41[e]	–	41	–	41	–
Short sale of securities	2,695[f]	2,176	519	–	519	–
Total	28,720	7,777	20,943	12,932	7,263	748
2020						
Financial Assets						
Derivatives	31,108	9,503[a]	21,605	19,623[a]	1,156	826
Reverse repurchase agreements	17,809[b]	–	17,809	–	17,807	2
Securities borrowings	570[c]	–	570	–	550	20
Total	49,487	9,503	39,984	19,623	19,513	848
Financial Liabilities						
Derivatives	32,904	7,674[a]	25,230	19,623[a]	4,648	959
Repurchase agreements	8,148[d]	–	8,148	–	8,147	1
Securities lendings	59[e]	–	59	–	53	6
Short sale of securities	1,525[f]	1,338	187	–	187	–
Total	42,636	9,012	33,624	19,623	13,035	966

(a) Related amounts under "Financial instruments" are prepared on the same basis as netting arrangements recognised for computation of Capital Adequacy Ratio (CAR) as set out under MAS Notice 637 (unaudited), which incorporates a conservative stance on enforceable netting. Accordingly, the amounts shown under "Not subject to enforceable netting agreement" are those where either no netting agreements exist or where the netting agreements have not been recognised for computation of CAR
(b) Reverse repurchase agreements are presented under separate line items on the balance sheet, namely "Cash and balances with central banks", "Due from banks" and "Loans and advances to customers"
(c) Cash collateral pledged under securities borrowings are presented under "Other assets" on the balance sheet
(d) Repurchase agreements are presented under separate line items on the balance sheet, namely "Due to banks" and "Deposits and balances from customers"
(e) Cash collateral received under securities lendings are presented under "Other liabilities" on the balance sheet
(f) Short sale of securities are presented under "Other liabilities" on the balance sheet

15. Cash and Balances with Central Banks

In $ millions	The Group 2021	2020
Cash on hand	2,140	2,411
Non-restricted balances with central banks	44,550	39,791
Cash and cash equivalents	46,690	42,202
Restricted balances with central banks(a)	9,687	8,416
Total(b)(c)	56,377	50,618

(a) Mandatory balances with central banks
(b) Includes financial assets (certificates of deposit) pledged or transferred of $563 million (2020: $542 million) (See Note 19)
(c) Balances are net of ECL

16. Government Securities and Treasury Bills

In $ millions	Mandatorily at FVPL	FVPL designated	The Group FVOCI	Amortised cost	Total
2021					
Singapore Government securities and treasury bills (Gross)(a)	4,609	–	1,025	5,730	11,364
Other government securities and treasury bills (Gross)(b)	7,978	97	16,900	16,927	41,902
Less: ECL(c)	–	–	–	4	4
Total	12,587	97	17,925	22,653	53,262
2020					
Singapore Government securities and treasury bills (Gross)(a)	5,070	–	1,646	6,892	13,608
Other government securities and treasury bills (Gross)(b)	7,526	45	15,724	14,800	38,095
Less: ECL(c)	–	–	–	3	3
Total	12,596	45	17,370	21,689	51,700

(a) Includes financial assets pledged or transferred of $2,092 million (2020: $1,360 million) (See Note 19)
(b) Includes financial assets pledged or transferred of $4,327 million (2020: $8,642 million) (See Note 19)
(c) ECL for FVOCI securities amounting to $3 million (2020: $6 million) are not shown in the table, as these securities are recorded at fair value

17. Bank and Corporate Securities

In $ millions	Mandatorily at FVPL	The Group FVOCI	Amortised cost	Total
2021				
Bank and corporate debt securities (Gross)(a)	9,844	16,981	27,058	53,883
Less: ECL(c)	–	–	95	95
Bank and corporate debt securities	9,844	16,981	26,963	53,788
Equity securities(b)	12,969	2,935	–	15,904
Total	22,813	19,916	26,963	69,692
2020				
Bank and corporate debt securities (Gross)(a)	8,355	19,080	26,721	54,156
Less: ECL(c)	–	–	47	47
Bank and corporate debt securities	8,355	19,080	26,674	54,109
Equity securities(b)	8,993	2,354	–	11,347
Total	17,348	21,434	26,674	65,456

(a) Includes financial assets pledged or transferred of $1,407 million (2020: $3,305 million) (See Note 19)
(b) Includes financial assets pledged or transferred of $42 million (2020: Nil) (See Note 19)
(c) ECL for FVOCI securities amounting to $22 million (2020: $19 million) are not shown in the table, as these securities are recorded at fair value

18. Loans and Advances to Customers

In $ millions	The Group 2021	2020
Gross	415,072	377,770
Less: Specific allowances(a)	2,545	2,692
General allowances(a)	3,534	3,907
Net total	408,993	371,171
Analysed by product		
Long-term loans	188,483	177,174
Short-term facilities	105,593	88,472
Housing loans	78,516	74,207
Trade loans	42,480	37,917
Gross loans	415,072	377,770
Analysed by currency		
Singapore dollar	159,305	151,110
Hong Kong dollar	49,685	42,289
US dollar	121,691	105,656
Chinese yuan	19,203	16,824
Others	65,188	61,891
Gross loans	415,072	377,770

(a) Balances refer to ECL under SFRS(I) 9 (Specific allowances: Stage 3 ECL; General allowances: Stage 1 and Stage 2 ECL)

Please refer to Note 42.4 for a breakdown of loans and advances to customers by geography and by industry.

The table below shows the movements in specific and general allowances for loans and advances to customers during the year.

	The Group					
In $ millions	**Balance at 1 January**	**Charge/ (Write-back) to income statement**	**Net write-off during the year**	**Amalgamation of LVB**	**Exchange and other movements**	**Balance at 31 December**
2021						
Specific allowances						
Manufacturing	**269**	**173**	**(97)**	**–**	**27**	**372**
Building and construction	**138**	**35**	**(25)**	**–**	**1**	**149**
Housing loans	**11**	**5**	**(1)**	**–**	**#**	**15**
General commerce	**564**	**184**	**(97)**	**–**	**11**	**662**
Transportation, storage and communications	**1,369**	**(102)**	**(273)**	**–**	**(23)**	**971**
Financial institutions, investment and holding companies	**23**	**27**	**–**	**–**	**#**	**50**
Professionals and private individuals (excluding housing loans)	**151**	**108**	**(143)**	**–**	**5**	**121**
Others	**167**	**41**	**(5)**	**–**	**2**	**205**
Total specific allowances	**2,692**	**471**	**(641)**	**–**	**23**	**2,545**
Total general allowances	**3,907**	**(382)**	**–**	**–**	**9**	**3,534**
Total allowances	**6,599**	**89**	**(641)**	**–**	**32**	**6,079**
2020						
Specific allowances						
Manufacturing	296	227	(248)	–	(6)	269
Building and construction	140	17	(17)	–	(2)	138
Housing loans	11	8	(8)	–	#	11
General commerce	313	322	(54)	–	(17)	564
Transportation, storage and communications	1,346	181	(139)	–	(19)	1,369
Financial institutions, investment and holding companies	19	4	–	–	#	23
Professionals and private individuals (excluding housing loans)	138	284	(274)	–	3	151
Others	42	131	(6)	–	#	167
Total specific allowances	2,305	1,174	(746)	–	(41)	2,692
Total general allowances	2,238	1,581	–	95	(7)	3,907
Total allowances	4,543	2,755	(746)	95	(48)	6,599

\# *Amount under $500,000*

Included in loans and advances to customers are loans designated at fair value, as follows:

	The Group	
In $ millions	**2021**	**2020**
Fair value designated loans and advances and related credit derivatives		
Maximum credit exposure	**25**	350
Credit derivatives – protection bought	**(25)**	(350)
Cumulative change in fair value arising from changes in credit risk	**(1)**	(8)
Cumulative change in fair value of related credit derivatives	**1**	8

Changes in fair value arising from changes in credit risk are determined as the amount of change in fair value that is not attributable to changes in market conditions that give rise to market risk. These changes in market conditions include changes in a benchmark interest rate, foreign exchange rate or index of prices or rates.

During the year, the amount of change in the fair value of the loans and advances attributable to credit risk was a gain of $7 million (2020: gain of $16 million). During the year, the amount of change in the fair value of the related credit derivatives was a loss of $7 million (2020: loss of $16 million).

19. Financial Assets Pledged or Transferred

The Group pledges or transfers financial assets to third parties in the ordinary course of business. Transferred assets continue to be recognised in the Group's financial statements when the Group retains substantially all their risks and rewards. Among these, as set out below, are securities pledged or transferred pursuant to repurchase or securities lending or collateral swap agreements and for derivative transactions under credit support agreements.

Derecognised assets that were subject to the Group's partial continuing involvement were not material in 2021 and 2020.

Securities and Certificates of deposit

Securities transferred under repurchase, securities lending and collateral swap arrangements are generally conducted under terms in line with normal market practice. The counterparty is typically allowed to sell or re-pledge the securities but has an obligation to return them at maturity. If the securities decrease in value, the Group may, in certain circumstances, be required to place additional collateral.

For repurchase agreements, the securities pledged or transferred continue to be recorded on the balance sheet while cash received in exchange is recorded as a financial liability. The Group also pledges assets to secure its short position in securities and to facilitate settlement operations. The fair value of the associated liabilities approximates their carrying amount of $4,488 million (2020: $5,184 million), which are recorded under "Due to banks", "Deposits and balances from customers" and "Other liabilities" on the balance sheet.

For securities lending and collateral swap transactions, the securities lent continue to be recorded on the balance sheet. As the Group mainly receives other financial assets in exchange, the associated liabilities are not recorded on the balance sheet.

In addition, the Group also pledges securities for derivative transactions under credit support agreements. These assets continue to be recorded on the balance sheet. As the related derivative assets and liabilities are managed on a portfolio basis, there is no direct relationship between the securities pledged and the associated liabilities. As such, the associated liabilities are not disclosed.

	The Group	
In $ millions	**2021**	**2020**
Financial assets pledged or transferred		
Singapore Government securities and treasury bills	**2,092**	1,360
Other government securities and treasury bills	**4,327**	8,642
Bank and corporate debt securities	**1,407**	3,305
Equity securities	**42**	–
Certificates of deposit	**563**	542
Total	**8,431**	13,849

Covered bonds

Pursuant to the Bank's Global Covered Bond Programme, selected pools of residential mortgages originated by the Bank have been assigned to a bankruptcy-remote structured entity, Bayfront Covered Bonds Pte Ltd (see Notes 22.2 and 30.4). These residential mortgages continue to be recognised on the Bank's balance sheet as the Bank remains exposed to the risks and rewards associated with them.

As at 31 December 2021, the carrying value of the covered bonds in issue was $5,689 million (2020: $4,545 million), while the carrying value of assets assigned was $9,237 million (2020: $11,498 million). The difference in values is attributable to an intended over-collateralisation required to maintain the credit ratings of the covered bonds in issue, and additional assets assigned to facilitate future issuances.

Other financial assets

The Group also enters into structured funding transactions where it retains the contractual rights to receive cash flows of financial assets extended to third parties but assumes a contractual obligation to pay these cash flows under the issued notes. The carrying amounts and fair values of these financial assets and liabilities both amounted to $25 million (2020: $350 million).

20. Other Assets

	The Group	
In $ millions	**2021**	**2020**
Accrued interest receivable	**1,274**	1,310
Deposits and prepayments	**584**	643
Receivables from securities business	**480**	602
Sundry debtors and others	**9,748**	10,645
Cash collateral pledged(a)	**3,182**	5,671
Deferred tax assets (Note 21)	**627**	624
Total(b)	**15,895**	19,495

(a) Mainly relates to cash collateral pledged in respect of derivative portfolios
(b) Balances are net of specific and general allowances

21. Deferred Tax Assets/ Liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority. The deferred tax assets and liabilities are determined after appropriate offsetting, as shown in "Other assets" (Note 20) and "Other liabilities" (Note 29) respectively.

Deferred tax assets and liabilities comprise the following temporary differences:

	The Group	
In $ millions	**2021**	**2020**
Deferred income tax assets		
Allowances for credit and other losses	**449**	484
FVOCI financial assets and cash flow hedges	**26**	12
Own credit risk	**3**	1
Other temporary differences	**382**	321
Sub-total	**860**	818
Amounts offset against deferred tax liabilities	**(233)**	(194)
Total	**627**	624
Deferred income tax liabilities		
Allowances for credit and other losses	**62**	35
Accelerated tax depreciation	**158**	138
FVOCI financial assets and cash flow hedges	**13**	81
Other temporary differences	**81**	50
Sub-total	**314**	304
Amounts offset against deferred tax assets	**(233)**	(194)
Total	**81**	110
Net deferred tax assets	**546**	514

22. Subsidiaries and Consolidated Structured Entities

	The Company	
In $ millions	**2021**	**2020**
Investment in subsidiaries(a)		
Ordinary shares	**17,682**	17,682
Additional Tier 1 instruments	**3,025**	4,812
Other equity instruments	**344**	344
	21,051	22,838
Due from subsidiaries		
Subordinated term debts	**6,398**	5,411
Other debt securities	**735**	763
Other receivables	**3,160**	1,325
	10,293	7,499
Total	**31,344**	30,337

(a) The carrying amounts of certain investments which are designated as hedged items in a fair value hedge are adjusted for fair value changes attributable to the hedged risks

22.1 Main operating subsidiaries

The main operating subsidiaries within the Group are listed below.

		The Group	
		Effective shareholding %	
Name of subsidiary	**Incorporated in**	**2021**	**2020**
Commercial Banking			
DBS Bank Ltd.	Singapore	**100**	100
DBS Bank (Hong Kong) Limited*	Hong Kong	**100**	100
DBS Bank (China) Limited*	China	**100**	100
DBS Bank (Taiwan) Limited*	Taiwan	**100**	100
PT Bank DBS Indonesia*	Indonesia	**99**	99
DBS Bank India Limited*	India	**100**	100
Other Financial Services			
DBS Vickers Securities Holdings Pte Ltd	Singapore	**100**	100
DBS Digital Exchange Pte. Ltd.(a)	Singapore	**90**	100
DBS Securities (China) Co. Ltd*	China	**51**	–

** Audited by PricewaterhouseCoopers network firms outside Singapore*
(a) Subsidiary held by DBS Finnovation Pte. Ltd., an investment holding company under DBS Bank Ltd.

The Group's main subsidiaries are regulated banks and non-bank financial institutions. Statutory, contractual or regulatory requirements as well as protective rights of non-controlling interests may restrict the ability of the Company to access and transfer assets freely to or from other entities within the Group and to settle liabilities of the Group. Since the Group did not have any material non-controlling interests as at the balance sheet dates, any protective rights associated with these did not give rise to significant restrictions in 2020 and 2021.

22.2 Consolidated structured entity

The structured entity consolidated by the Group is listed below.

Name of entity	**Purpose of consolidated structured entity**	**Incorporated in**
Bayfront Covered Bonds Pte Ltd	Covered bond guarantor	Singapore

Bayfront Covered Bonds Pte Ltd is a bankruptcy-remote structured entity established in conjunction with the Bank's USD 10 billion Global Covered Bond Programme (see Note 30.4). As part of the contractual structures that are integral to this programme, the Bank provides funding and hedging facilities to it.

23. Associates and Joint Ventures

	The Group	
In $ millions	**2021**	**2020**
Unquoted equity securities	**1,932**	835
Share of post-acquisition reserves	**240**	27
Total	**2,172**	862

The Group's share of income and expenses, assets and liabilities and off-balance sheet items of the associates and joint ventures at 31 December are as follows:

	The Group	
In $ millions	**2021**	**2020**
Income statement		
Share of income	**502**	325
Share of expenses	**(289)**	(264)
Balance sheet		
Share of total assets	**4,233**	2,554
Share of total liabilities	**2,061**	1,692
Off-balance sheet		
Share of contingent liabilities and commitments	**2,435**	#

\# *Amount under $500,000*

23.1 Main associates

The main associates of the Group are listed below.

		The Group Effective shareholding %	
Name of associate	**Incorporated in**	**2021**	**2020**
Unquoted			
Central Boulevard Development Pte Ltd**	Singapore	**33.3**	33.3
Shenzhen Rural Commercial Bank Corporation Limited* (a) (Note 25.2)	China	**13.0**	–

* *Audited by PricewaterhouseCoopers network firms outside Singapore*
** *Audited by other auditors*
(a) *The Group is able to exercise significant influence over the financial and operating policy decision through board representation*

As of 31 December 2021 and 31 December 2020, no associate and joint venture was individually material to the Group. As a non-controlling shareholder, the Group's ability to receive dividends is subject to agreement with other shareholders. The associates and joint ventures may also be subject to statutory, contractual or regulatory requirements restricting dividend payments or to repay loans or advances made.

The Group's share of commitments and contingent liabilities of the associates and joint ventures as well as its commitments to finance or otherwise provide resources to them are not material.

24. Unconsolidated Structured Entities

"Unconsolidated structured entities" are structured entities, as defined by SFRS(I) 12, that are not controlled by the Group. In the normal course of business, the Group enters into transactions with these structured entities to facilitate customer transactions and for specific investment opportunities.

While the economic exposures may be the same as those to other type of entities, SFRS(I) 12 specifically requires companies to disclose such exposures arising from transactions with unconsolidated structured entities. The table below reflects exposures to third party securitisation structures where the Group holds an interest in the normal course of business.

As is the case with other types of counterparties, the carrying amount from transactions with unconsolidated structured entities have been included in the Group's financial statements.

The risks arising from such transactions are subject to the Group's risk management practices.

The table below represents the Group's maximum exposure to loss which for on-balance sheet assets and liabilities is represented by the carrying amount, and does not reflect mitigating effects from the availability of netting arrangements and financial instruments that the Group may utilise to economically hedge the risks inherent in third party structured entities, or risk-reducing effects of collateral or other credit enhancements.

	The Group	
In $ millions	**2021**	**2020**
Derivatives	**6**	142
Corporate securities	**3,704**	3,627
Loans and advances to customers	**9**	14
Other assets	**2**	3
Total assets	**3,721**	3,786
Commitments	**549**	306
Maximum exposure to loss	**4,270**	4,092
Derivatives	**108**	10
Total liabilities	**108**	10

SFRS(I) 12 also requires additional disclosures where the Group acts as a sponsor to unconsolidated structured entities. The Group is deemed a sponsor of a structured entity if it plays a key role in establishing the entity, and has an on-going involvement with the structured entity or if the Group's name appears in the structured entity's name.

There are certain investment funds where the Group is the fund manager and the investors have no or limited removal rights over the fund manager. These funds are primarily subscribed by the investors. As of 31 December 2021, the Group did not hold any investment in these investment funds. The table below summarises the Group's involvement in the funds.

	The Group	
In $ millions	**2021**	**2020**
Total assets of the sponsored structured entities	**452**	–
Fee income earned from the sponsored structured entities	**4**	–

25. Acquisitions

25.1 Lakshmi Vilas Bank (LVB)

LVB has been amalgamated with DBS Bank India Limited (DBIL) with effect from 27 November 2020. The scheme of amalgamation is under the special powers of the Government of India and Reserve Bank of India under Section 45 of the Banking Regulation Act, 1949, India. The amalgamation provides stability to LVB's depositors, customers and employees following a period of uncertainty. It complements the Group's digibank strategy with an expanded network of 600 branches and 1,000 ATMs, an additional two million retail and 125,000 non-retail customers, as well as a strengthened deposit franchise.

The provisional goodwill from amalgamation of LVB was finalised at $190 million (2020: $153 million) in November 2021, being the difference between the fair value of its assets and liabilities of $3.89 billion (2020: $3.89 billion) and $4.08 billion (2020: $4.04 billion) respectively. The $37 million increase reflects the increase in fair values of pension and gratuity liabilities as of the acquisition date based on the updated actuary report. As at 26 November 2020, total loans transferred amounted to $2.12 billion, including net non-performing loans of $212 million and total deposits transferred amounted to $3.60 billion.

25.2 Shenzhen Rural Commercial Bank Corporation Limited

The Group announced on 20 April 2021 that it had entered into an agreement and have obtained approvals from Monetary Authority of Singapore and China Banking and Insurance Regulatory Commission, Shenzhen Office to subscribe for a 13% stake in Shenzhen Rural Commercial Bank Corporation Limited ("SZRCB") for CNY5.3 billion ($1.1 billion) ("the Investment").The purchase consideration was adjusted to CNY5.2 billion ($1.1 billion) following the dividend distribution of CNY10 cents per share by SZRCB in May 2021.

The Investment is classified as an associate and applies the equity method of accounting. The Group is able to exercise significant influence over the financial and operating policy decision through board representation.

The transaction was completed in October 2021 and a gain of $104 million was recognised, being the excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of investment. The gain is included in share of profits or losses of associates during the year. The Investment is in line with the Group's strategy of investing in its core markets and accelerates its expansion in the rapidly growing Greater Bay Area.

26. Properties and Other Fixed Assets

	The Group	
In $ millions	**2021**	**2020**
Owned properties and other fixed assets		
Investment properties	**40**	42
Owner-occupied properties	**423**	429
Software[a]	**1,042**	916
Other fixed assets	**380**	392
	1,885	1,779
Right-of-use assets		
Properties	**1,261**	1,425
Other fixed assets	**116**	134
	1,377	1,559
Total	**3,262**	3,338

(a) During the year, the additions to software were $399 million (2020: $377 million), disposals/ write-offs were $21 million (2020: $44 million) and depreciation expenses were $261 million (2020: $236 million)

27. Goodwill and Intangibles

The carrying amounts of the Group's goodwill and intangibles arising from business acquisitions are as follows:

	The Group	
In $ millions	**2021**	**2020**
DBS Bank (Hong Kong) Limited	**4,631**	4,631
Others[a]	**731**	692
Total	**5,362**	5,323

(a) 2021 includes goodwill relating to LVB of $192 million (2020: $153 million) following the amalgamation with DBS Bank India Limited

The carrying amounts of the CGUs are reviewed at least once a year to determine if the goodwill associated with them should be impaired. If a CGU's carrying amount exceeds its recoverable value, a goodwill impairment charge is recognised in the income statement.

The recoverable value is determined based on a value-in-use calculation. The CGU's five-year projected free cash flows, after taking into account the maintenance of capital adequacy requirements at target levels, are discounted by its cost of capital to derive its present value. To derive the value beyond the fifth year, a long-term growth rate is imputed to the fifth-year cash flow and then discounted by the cost of capital to derive the terminal value. The long-term growth rate used does not exceed the historical long-term growth rate of the market the CGU operates in. The recoverable value is the sum of the present value of the five-year cash flows and the terminal value.

A growth rate of 3.5% (2020: 3.5%) and discount rate of 9.0% (2020: 9.0%) were assumed in the value-in-use calculation for DBS Bank (Hong Kong) Limited's franchise.

The process of evaluating goodwill impairment involves management judgement and prudent estimates of various factors including future cash flows as well as the cost of capital and long-term growth rates. The results can be highly sensitive to the assumptions used. Key assumptions used to determine the recoverable amounts of the CGU, including growth rate and discount rate, are tested for sensitivity by applying a reasonably possible change to those assumptions. The reasonably possible changes in key assumptions did not result in an impairment of goodwill at 31 December 2021.

28. Deposits and Balances from Customers

In $ millions	The Group 2021	 2020
Analysed by currency		
Singapore dollar	**219,838**	204,469
US dollar	**174,338**	152,799
Hong Kong dollar	**31,067**	38,924
Chinese yuan	**20,995**	16,182
Others	**55,721**	52,476
Total	**501,959**	464,850
Analysed by product		
Savings accounts	**221,908**	195,802
Current accounts	**159,453**	142,029
Fixed deposits	**113,731**	123,583
Other deposits	**6,867**	3,436
Total	**501,959**	464,850

29. Other Liabilities

In $ millions	The Group 2021	 2020
Cash collateral received(a)	**1,951**	2,976
Accrued interest payable	**286**	396
Provision for loss in respect of off-balance sheet credit exposures	**344**	410
Payable in respect of securities business	**365**	487
Sundry creditors and others(b)	**10,459**	13,726
Lease liabilities(c)	**1,522**	1,704
Current tax liabilities	**964**	740
Short sale of securities	**2,695**	1,525
Deferred tax liabilities (Note 21)	**81**	110
Total	**18,667**	22,074

(a) Mainly relates to cash collateral received in respect of derivative portfolios

(b) Includes income received in advance of $960 million (2020: $1,066 million) arising from a 15-year regional distribution agreement entered with Manulife Financial Asia Limited, to be amortised on a straight-line basis. $107 million (2020: $107 million) of the Manulife income received in advance was recognised as fee income during the year. The regional distribution agreement was extended for one more year to 2031 via a contract addendum in 2021. The revised amortisation amounting to $96 million per annum arising from the change will take effect from 2022

(c) Total lease payments made during the year amounted to $261 million (2020: $258 million)

30. Other Debt Securities

In $ millions	Note	The Group 2021	 2020	The Company 2021	 2020
Negotiable certificates of deposit	30.1	**4,865**	3,738	**–**	–
Senior medium term notes	30.2	**6,540**	5,506	**5,400**	3,454
Commercial papers	30.3	**24,865**	21,345	**270**	594
Covered bonds	30.4	**5,689**	4,545	**–**	–
Other debt securities	30.5	**10,611**	8,143	**–**	–
Total		**52,570**	43,277	**5,670**	4,048
Due within 1 year		**38,056**	31,920	**2,119**	1,306
Due after 1 year(a)		**14,514**	11,357	**3,551**	2,742
Total		**52,570**	43,277	**5,670**	4,048

(a) Includes instruments in perpetuity

30.1 Negotiable certificates of deposit issued and outstanding are as follows:

In $ millions Currency	 Interest Rate and Interest Frequency	The Group 2021	 2020
Issued by the Bank and other subsidiaries			
AUD	0.03% to 0.33%, payable on maturity	**3,119**	3,209
CNY	2.42% to 2.84%, payable on maturity	**1,648**	79
HKD	3.80% to 3.83%, payable annually	**–**	37
HKD	Zero-coupon, payable on maturity	**–**	341
INR	Zero-coupon, payable on maturity	**–**	72
TWD	0.42%, payable on maturity	**98**	–
Total		**4,865**	3,738

The outstanding negotiable certificates of deposit as at 31 December 2021 were issued between 5 July 2021 and 30 December 2021 (2020: 16 March 2011 and 30 December 2020) and mature between 4 January 2022 and 20 October 2022 (2020: 4 January 2021 and 25 June 2021).

30.2 Senior medium term notes issued and outstanding as at 31 December are as follows:

In $ millions Currency	 Interest Rate and Interest Frequency	The Group 2021	 2020	The Company 2021	 2020
Issued by the Company					
AUD	0.85%, payable semi-annually	**292**	305	**294**	305
AUD	Floating rate note, payable quarterly	**441**	458	**441**	458
HKD	2.78% to 2.8%, payable annually	**156**	157	**156**	157
HKD	1.074%, payable semi-annually	**243**	–	**243**	–
SGD	2.78%, payable semi-annually	**–**	481	**–**	481
USD	1.169% to 3.422%, payable semi-annually	**3,184**	1,161	**3,185**	1,161
USD	Floating rate note, payable quarterly	**1,081**	892	**1,081**	892
Issued by the Bank and other subsidiaries					
AUD	Floating rate note, payable quarterly	**686**	1,425	**–**	–
CNY	4.55% to 4.7%, payable annually	**174**	607	**–**	–
SGD	Floating rate note, payable quarterly	**–**	20	**–**	–
USD	1.49%, payable semi-annually	**283**	–	**–**	–
Total		**6,540**	5,506	**5,400**	3,454

The outstanding senior medium term notes as at 31 December 2021 were issued between 13 January 2017 and 22 November 2021 (2020: 11 January 2016 and 17 July 2020) and mature between 13 January 2022 and 15 March 2027 (2020: 11 January 2021 and 24 January 2024).

30.3 The commercial papers were issued by the Bank under its USD 5 billion Euro Commercial Paper Programme and USD 20 billion US Commercial Paper Programme and by the Company under its USD 5 billion US Commercial Paper Programme. These are mainly zero-coupon papers. The outstanding notes as at 31 December 2021 were issued between 6 July 2021 and 31 December 2021 (2020: 11 June 2020 and 22 December 2020) and mature between 5 January 2022 and 9 September 2022 (2020: 4 January 2021 and 7 September 2021).

30.4 The covered bonds were issued by the Bank under its USD 10 billion Global Covered Bond Programme. A covered bond is a senior obligation of the Bank backed by a cover pool comprising assets that have been ring-fenced via contractual structures in a bankruptcy-remote structured entity, Bayfront Covered Bonds Pte Ltd. Bayfront Covered Bonds Pte Ltd provides an unconditional and irrevocable guarantee, which is secured by the cover pool, to the covered bond holders. Please refer to Note 19 for further details on the covered bonds.

The outstanding covered bonds as at 31 December 2021 were issued between 23 January 2017 and 17 November 2021 (2020: 23 January 2017 and 25 October 2019) and mature between 25 October 2022 and 26 October 2026 (2020: 27 November 2021 and 21 November 2024).

30.5 Other debt securities issued and outstanding as at 31 December are as follows:

In $ millions	The Group 2021	2020
Issued by the Bank and other subsidiaries		
Equity linked notes	**4,929**	2,641
Credit linked notes	**2,826**	2,550
Interest linked notes	**2,809**	2,891
Foreign exchange linked notes	**38**	52
Fixed rate bonds	**9**	9
Total	**10,611**	8,143

The outstanding securities (excluding perpetual securities) as at 31 December 2021 were issued between 1 March 2013 and 31 December 2021 (2020: 10 February 2012 and 31 December 2020) and mature between 3 January 2022 and 31 March 2061 (2020: 4 January 2021 and 28 October 2060).

31. Subordinated Term Debts

The following subordinated term debts issued by the Company are classified as liabilities. These term debt instruments have a junior or lower priority claim on the issuing entity's assets in the event of a default or liquidation.

The subordinated term debts issued by the Company include provisions for them to be written-off if and when the Monetary Authority of Singapore notifies the Company that a write-off of the instruments, or a public sector injection of capital (or equivalent support), is necessary, without which the Company or the Group would become non-viable. These instruments qualify as Tier 2 capital under the Monetary Authority of Singapore Notice on Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore (MAS Notice 637), on the basis that the Company is subject to the application of MAS Notice 637.

In $ millions	Note	Issue Date	Maturity Date	Interest Payment	The Group and The Company 2021	2020
Issued by the Company						
SGD 250m 3.80% Subordinated Notes due 2028 Callable in 2023	31.1	20 Jan 2016	20 Jan 2028	Jan/ Jul	**256**	263
JPY 10,000m 0.918% Subordinated Notes due 2026	31.2	8 Mar 2016	8 Mar 2026	Mar/ Sep	**118**	129
HKD 1,500m 3.24% Subordinated Notes due 2026 Callable in 2021	31.3	19 Apr 2016	19 Apr 2026	Jan/ Apr/ Jul/ Oct	**–**	257
AUD 750m 3-month BBSW+1.58% Subordinated Notes due 2028 Callable in 2023	31.4	16 Mar 2018	16 Mar 2028	Mar/ Jun/ Sep/ Dec	**735**	763
EUR 600m 1.50% Subordinated Notes due 2028 Callable in 2023	31.5	11 Apr 2018	11 Apr 2028	Apr	**917**	974
CNY 950m 5.25% Subordinated Notes due 2028 Callable in 2023	31.6	15 May 2018	15 May 2028	May/ Nov	**201**	193
USD 750m 4.52% Subordinated Notes due 2028 Callable in 2023	31.7	11 Jun 2018	11 Dec 2028	Jun/ Dec	**1,014**	992
JPY 7,300m 0.85% Subordinated Notes due 2028 Callable in 2023	31.8	25 Jun 2018	25 Jun 2028	Jun/ Dec	**86**	94
AUD 300m 3-month BBSW+1.90% Subordinated Notes due 2031 Callable in 2026	31.9	8 Oct 2020	8 Apr 2031	Jan/ Apr/ Jul/ Oct	**294**	305
CNY 1,600m 3.70% Subordinated Notes due 2031 Callable in 2026	31.10	3 Mar 2021	3 Mar 2031	Mar/ Sep	**339**	–
USD 500m 1.822% Subordinated Notes due 2031 Callable in 2026	31.11	10 Mar 2021	10 Mar 2031	Mar/ Sep	**676**	–
Total					**4,636**	3,970
Due within 1 year					**–**	–
Due after 1 year					**4,636**	3,970
Total					**4,636**	3,970

31.1 Interest on the notes is payable at 3.80% per annum up to 20 January 2023. Thereafter, the interest rate resets to the then-prevailing five-year Singapore Dollar Swap Offer Rate plus 1.10% per annum. Interest is paid semi-annually on 20 January and 20 July each year. The notes are redeemable on 20 January 2023 or on any interest payment date thereafter. Swaps have been entered into to exchange the fixed rate payments on the notes to floating rate payments.

31.2 Interest on the notes is payable semi-annually at 0.918% per annum on 8 March and 8 September each year. Swaps have been entered into to exchange the fixed rate payments on the notes to floating rate payments.

31.3 Interest on the notes is payable at 3.24% per annum up to 19 April 2021. Thereafter, the interest rate resets to the then-prevailing five-year Hong Kong Dollar Swap Rate plus 1.90% per annum. Interest is paid quarterly on 19 January, 19 April, 19 July and 19 October each year. Swaps have been entered into to exchange the fixed rate payments on the notes to floating rate payments. The notes were fully redeemed on 19 April 2021.

31.4 Interest on the notes is payable quarterly at 3-month Bank Bill Swap Rate (BBSW) plus 1.58% per annum on 16 March, 16 June, 16 September and 16 December each year. The notes are redeemable on 16 March 2023 or on any interest payment date thereafter.

31.5 Interest on the notes is payable at 1.50% per annum up to 11 April 2023. Thereafter, the interest rate resets to the then-prevailing five-year Euro Mid-Swap Rate plus 1.20% per annum. Interest is paid annually on 11 April each year. The notes are redeemable on 11 April 2023 or on any interest payment date thereafter.

31.6 Interest on the notes is payable semi-annually at 5.25% per annum on 15 May and 15 November each year. The notes are redeemable on 15 May 2023 or on any interest payment date thereafter.

31.7 Interest on the notes is payable at 4.52% per annum up to 11 December 2023. Thereafter, the interest rate resets to the then-prevailing five-year US Dollar Mid-Swap Rate plus 1.59% per annum. Interest is paid semi-annually on 11 June and 11 December each year. The notes are redeemable on 11 December 2023 or on any interest payment date thereafter.

31.8 Interest on the notes is payable at 0.85% per annum up to 25 June 2023. Thereafter, the interest rate resets to the then-prevailing six-month JPY London Interbank Offered Rate plus 0.74375% per annum. Interest is paid semi-annually on 25 June and 25 December each year. The notes are redeemable on 25 June 2023 or on any interest payment date thereafter. Swaps have been entered into to exchange the fixed rate payments on the notes to floating rate payments.

31.9 Interest on the notes is payable quarterly at 3-month Bank Bill Swap Rate (BBSW) plus 1.90% per annum on 8 January, 8 April, 8 July and 8 October each year. The notes are redeemable on 8 April 2026 or on any interest payment date thereafter.

31.10 Interest on the notes is payable semi-annually at 3.70% per annum on 3 March and 3 September each year. The notes are redeemable on 3 March 2026 or on any interest payment date thereafter.

31.11 Interest on the notes is payable at 1.822% per annum up to 10 March 2026. Thereafter, the interest rate resets to the then-prevailing five-year US Dollar Treasury Rate plus 1.10% per annum. Interest is paid semi-annually on 10 March and 10 September each year. The notes are redeemable on 10 March 2026 or on any interest payment date thereafter.

For more information on each instrument, please refer to the "Capital Disclosures" section (unaudited) published on the DBS website (https://www.dbs.com/investors/fixed-income/capital-instruments).

32. Share Capital

The Scrip Dividend Scheme ("Scheme") was re-introduced from the second-quarter interim dividend of financial year 2020. With the lifting of regulatory restrictions on 28 July 2021, the Scheme was not applied to the second and third-quarter interim dividend, as well as the final dividend of financial year 2021.

As at 31 December 2021, the number of treasury shares held by the Group is 20,872,531 (2020: 25,874,461), which is 0.81% (2020: 1.01%) of the total number of issued shares net of treasury shares.

Movements in the number of shares and carrying amount of share capital are as follows:

	The Group				The Company			
	Shares ('000)		In $ millions		Shares ('000)		In $ millions	
	2021	2020	2021	2020	2021	2020	2021	2020
Ordinary shares								
Balance at 1 January	**2,575,864**	2,563,936	**11,484**	11,205	**2,575,864**	2,563,936	**11,484**	11,205
Shares issued pursuant to Scrip Dividend Scheme	**11,754**	11,928	**342**	279	**11,754**	11,928	**342**	279
Balance at 31 December	**2,587,618**	2,575,864	**11,826**	11,484	**2,587,618**	2,575,864	**11,826**	11,484
Treasury shares								
Balance at 1 January	**(25,874)**	(10,331)	**(542)**	(257)	**(24,796)**	(9,815)	**(516)**	(244)
Purchase of treasury shares	**(534)**	(22,105)	**(16)**	(447)	**–**	(21,400)	**–**	(431)
Draw-down of reserves upon vesting of performance shares	**5,535**	6,562	**115**	162	**–**	–	**–**	–
Transfer of treasury shares	**–**	–	**–**	–	**5,520**	6,419	**115**	159
Balance at 31 December	**(20,873)**	(25,874)	**(443)**	(542)	**(19,276)**	(24,796)	**(401)**	(516)
Issued share capital at 31 December			**11,383**	10,942			**11,425**	10,968

33. Other Equity Instruments

The following perpetual capital securities issued by the Company are classified as other equity instruments. These instruments are subordinated to all liabilities of the Company and senior only to ordinary shareholders of the Company. Their terms require them to be written-off if and when the Monetary Authority of Singapore notifies the Company that a write-off of the instruments, or a public sector injection of capital (or equivalent support), is necessary, without which the Company or the Group would become non-viable. These instruments qualify as Additional Tier 1 capital under MAS Notice 637, on the basis that the Company is subject to the application of MAS Notice 637.

In $ millions	Note	Issue Date	Distribution Payment	The Group and The Company 2021	 2020
Issued by the Company					
USD 750m 3.60% Non-Cumulative, Non-Convertible Perpetual Capital Securities First Callable in 2021	33.1	7 Sep 2016	Mar/ Sep	**–**	1,009
SGD 1,000m 3.98% Non-Cumulative, Non-Convertible Perpetual Capital Securities First Callable in 2025	33.2	12 Sep 2018	Mar/ Sep	**1,000**	1,000
USD 1,000m 3.30% Non-Cumulative, Non-Convertible Perpetual Capital Securities First Callable in 2025	33.3	27 Feb 2020	Feb/ Aug	**1,392**	1,392
Total				**2,392**	3,401

33.1 Distributions are payable at 3.60% per annum up to 7 September 2021. Thereafter, the distribution rate resets every 5 years to the then-prevailing five-year US Dollar Swap Rate plus 2.39% per annum. Distributions are paid semi-annually on 7 March and 7 September each year, unless cancelled by the Company. The capital securities were fully redeemed on 7 September 2021.

33.2 Distributions are payable at 3.98% per annum up to 12 September 2025. Thereafter, the distribution rate resets every 7 years to the then-prevailing seven-year Singapore Dollar Swap Offer Rate plus 1.65% per annum. Distributions are paid semi-annually on 12 March and 12 September each year, unless cancelled by the Company. The capital securities are redeemable on 12 September 2025 or on any distribution payment date thereafter.

33.3 Distributions are payable at 3.30% per annum up to 27 February 2025. Thereafter, the distribution rate resets every 5 years to the then-prevailing five-year US Dollar Treasury Rate plus 1.915% per annum. Distributions are paid semi-annually on 27 February and 27 August each year, unless cancelled by the Company. The capital securities are redeemable on 27 February 2025 or on any distribution payment date thereafter.

For more information on each instrument, please refer to the "Capital Disclosures" section (unaudited) published on DBS website (https://www.dbs.com/investors/fixed-income/capital-instruments).

34. Other Reserves and Revenue Reserves

34.1 Other reserves

In $ millions	The Group 2021	 2020	The Company 2021	 2020
FVOCI revaluation reserves (bonds)	**(68)**	385	**–**	–
FVOCI revaluation reserves (equities)	**(56)**	(141)	**–**	–
Cash flow hedge reserves	**(210)**	386	**25**	68
General reserves	**95**	95	**–**	–
Capital reserves	**(331)**	(688)	**–**	–
Share plan reserves	**106**	89	**106**	89
Others	**4,274**	4,271	**–**	–
Total	**3,810**	4,397	**131**	157

Movements in other reserves during the year are as follows:

In $ millions	The Group FVOCI revaluation reserves (bonds)	FVOCI revaluation reserves (equities)	Cash flow hedge reserves	General reserves	Capital reserves(a)	Share plan reserves	Other reserves(b)	Total
2021								
Balance at 1 January	**385**	**(141)**	**386**	**95**	**(688)**	**89**	**4,271**	**4,397**
Net exchange translation adjustments	**–**	**–**	**–**	**–**	**357**	**–**	**–**	**357**
Share of associates' reserves	**–**	**2**	**10**	**–**	**–**	**–**	**–**	**12**
Cost of share-based payments	**–**	**–**	**–**	**–**	**–**	**134**	**–**	**134**
Draw-down of reserves upon vesting of performance shares	**–**	**–**	**–**	**–**	**–**	**(117)**	**–**	**(117)**
FVOCI financial assets and cash flow hedge movements:								
– net valuation taken to equity	**(313)**	**128**	**(444)**	**–**	**–**	**–**	**–**	**(629)**
– transferred to income statement	**(163)**	**–**	**(227)**	**–**	**–**	**–**	**–**	**(390)**
– taxation relating to components of other comprehensive income	**23**	**(6)**	**65**	**–**	**–**	**–**	**–**	**82**
Transfer to revenue reserves upon disposal of FVOCI equities	**–**	**(39)**	**–**	**–**	**–**	**–**	**–**	**(39)**
Capital contribution from non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**3**	**3**
Balance at 31 December	**(68)**	**(56)**	**(210)**	**95**	**(331)**	**106**	**4,274**	**3,810**
2020								
Balance at 1 January	88	(7)	156	95	(623)	122	4,271	4,102
Net exchange translation adjustments	–	–	–	–	(65)	–	–	(65)
Share of associates' reserves	–	–	(11)	–	–	–	–	(11)
Cost of share-based payments	–	–	–	–	–	131	–	131
Draw-down of reserves upon vesting of performance shares	–	–	–	–	–	(164)	–	(164)
FVOCI financial assets and cash flow hedge movements:								
– net valuation taken to equity	788	(235)	427	–	–	–	–	980
– transferred to income statement	(476)	–	(160)	–	–	–	–	(636)
– taxation relating to components of other comprehensive income	(15)	10	(26)	–	–	–	–	(31)
Transfer to revenue reserves upon disposal of FVOCI equities	–	91	–	–	–	–	–	91
Balance at 31 December	385	(141)	386	95	(688)	89	4,271	4,397

(a) Capital reserves include net exchange translation adjustments arising from translation differences on net investments in foreign subsidiaries, associates, joint ventures and branches or units with non-SGD functional currency, and the related foreign currency financial instruments designated as a hedge

(b) Other reserves mainly relate to share premium of the Bank prior to the restructuring of the Bank under the Company pursuant to a scheme of arrangement under Section 210 of the Singapore Companies Act on 26 June 1999

In $ millions	The Company Cash flow hedge reserves	Share plan reserves	Total
2021			
Balance at 1 January	**68**	**89**	**157**
Cost of share-based payments	**–**	**134**	**134**
Draw-down of reserves upon vesting of performance shares	**–**	**(117)**	**(117)**
Cash flow hedge movements:			
– net valuation taken to equity	**(22)**	**–**	**(22)**
– transferred to income statement	**(43)**	**–**	**(43)**
– taxation relating to components of other comprehensive income	**22**	**–**	**22**
Balance at 31 December	**25**	**106**	**131**
2020			
Balance at 1 January	51	122	173
Cost of share-based payments	–	131	131
Draw-down of reserves upon vesting of performance shares	–	(164)	(164)
Cash flow hedge movements:			
– net valuation taken to equity	54	–	54
– transferred to income statement	(21)	–	(21)
– taxation relating to components of other comprehensive income	(16)	–	(16)
Balance at 31 December	68	89	157

34.2 Revenue reserves

In $ millions	The Group 2021	2020
Balance at 1 January	**35,886**	33,922
Net profit attributable to shareholders	**6,805**	4,721
Other comprehensive income attributable to shareholders		
– Fair value change from own credit risk on financial liabilities designated at fair value (net of tax)	**(32)**	25
– Defined benefit plans remeasurements (net of tax)	**(11)**	–
– Transfer from FVOCI revaluation reserves upon disposal of FVOCI equities	**39**	(91)
Other movements	**(13)**	–
Sub-total	**42,674**	38,577
Less: Redemption of preference shares issued by a subsidiary	**–**	1
Less: Redemption of perpetual capital securities	**(1)**	–
Less: Final dividends on ordinary shares of $0.18 paid for the previous financial year (2020: $0.33 one-tier tax-exempt)	**459**	838
Interim dividends on ordinary shares of $0.84 paid for the current financial year (2020: $0.69 one-tier tax-exempt)	**2,154**	1,752
Dividends on other equity instruments	**121**	100
Balance at 31 December[a]	**39,941**	35,886

(a) Singapore banks are required to maintain a Minimum Regulatory Loss Allowance (MRLA) of at least 1% of the gross carrying amount of selected credit exposures net of collaterals per MAS Notice 612. For periods where Stage 1 and 2 ECL fall below MRLA, the shortfall is appropriated from retained earnings in the shareholders' funds into a non-distributable Regulatory Loss Allowance Reserve (RLAR) account (2021: Nil, 2020: Nil)

34.3 Proposed dividends

Proposed final one-tier tax-exempt dividends on ordinary shares of $0.36 per share has not been accounted for in the financial statements for the year ended 31 December 2021. This is to be approved at the Annual General Meeting on 31 March 2022.

35. Contingent Liabilities and Commitments

The Group issues guarantees, performance bonds and indemnities in the ordinary course of business. The majority of these facilities are offset by corresponding obligations of third parties.

Guarantees and performance bonds are generally written by the Group to support the performance of a customer to third parties. As the Group will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amount.

In $ millions	The Group 2021	2020
Guarantees on account of customers	**22,855**	18,530
Letters of credit and other obligations on account of customers	**11,224**	10,786
Undrawn credit commitments[a]	**330,914**	305,141
Forward starting transactions	**501**	1,691
Undisbursed and underwriting commitments in securities	**537**	3
Sub-total	**366,031**	336,151
Capital commitments	**72**	15
Total	**366,103**	336,166
Analysed by industry (excluding capital commitments)		
Manufacturing	**56,053**	50,508
Building and construction	**30,096**	27,232
Housing loans	**8,541**	6,852
General commerce	**55,336**	50,592
Transportation, storage and communications	**19,892**	17,630
Financial institutions, investment and holding companies	**40,027**	34,284
Professionals and private individuals (excluding housing loans)	**123,249**	116,951
Others	**32,837**	32,102
Total	**366,031**	336,151
Analysed by geography[b] (excluding capital commitments)		
Singapore	**145,379**	136,737
Hong Kong	**62,373**	55,399
Rest of Greater China	**47,738**	38,228
South and Southeast Asia	**29,963**	31,442
Rest of the World	**80,578**	74,345
Total	**366,031**	336,151

(a) Includes commitments that are unconditionally cancellable at any time by the Group (2021: $264,953 million; 2020: $251,200 million)
(b) Based on the location of incorporation of the counterparty or borrower

36. Financial Derivatives

Financial derivatives are financial instruments whose characteristics are derived from the underlying assets, or from interest and exchange rates or indices. These include forwards, swaps, futures and options. The following sections outline the nature and terms of the most common types of derivatives used by the Group.

Interest rate derivatives

Forward rate agreements give the buyer the ability to determine the underlying rate of interest for a specified period commencing on a specified future date (the settlement date). There is no exchange of principal and settlement is effected on the settlement date. The settlement amount is the difference between the contracted rate and the market rate prevailing on the settlement date.

Interest rate swaps involve the exchange of interest obligations with a counterparty for a specified period without exchanging the underlying (or notional) principal.

Interest rate futures are exchange-traded agreements to buy or sell a standard amount of a specified fixed income security or time deposit at an agreed interest rate on a standard future date.

Interest rate options give the buyer, on payment of a premium, the right but not the obligation, to fix the rate of interest on a future deposit or loan, for a specified period and commencing on a specified future date.

Interest rate caps and floors give the buyer the ability to fix the maximum or minimum rate of interest. There is no facility to deposit or draw down funds, instead the writer pays to the buyer the amount by which the market rate exceeds or is less than the cap rate or the floor rate respectively. This category includes combinations of interest rate caps and floors, which are known as interest rate collars.

Foreign exchange derivatives

Forward foreign exchange contracts are agreements to buy or sell fixed amounts of currency at agreed rates of exchange on a specified future date.

Cross currency swaps are agreements to exchange, and on termination of the swap, re-exchange principal amounts denominated in different currencies. Cross currency swaps may involve the exchange of interest payments in one specified currency for interest payments in another specified currency for a specified period.

Currency options give the buyer, on payment of a premium, the right but not the obligation, to buy or sell specified amounts of currency at agreed rates of exchange on or before a specified future date.

Equity derivatives

Equity options give the buyer, on payment of a premium, the right but not the obligation, either to purchase or sell a specified stock or stock index at a specified price or level on or before a specified date.

Equity swaps involve the exchange of a set of payments whereby one of these payments is based on an equity-linked return while the other is typically based on an interest reference rate.

Credit derivatives

Credit default swaps involve the transfer of credit risk of a reference asset from the protection buyer to the protection seller. The protection buyer makes one or more payments to the seller in exchange for an undertaking by the seller to make a payment to the buyer upon the occurrence of a predefined credit event.

Commodity derivatives

Commodity contracts are agreements between two parties to exchange cash flows which are dependent on the price of the underlying physical assets.

Commodity futures are exchange-traded agreements to buy or sell a standard amount of a commodity at an agreed price on a standard future date.

Commodity options give the buyer, on payment of a premium, the right but not the obligation, to buy or sell a specific amount of commodity at an agreed contract price on or before a specified date.

36.1 Trading derivatives

Most of the Group's derivatives relate to sales and trading activities. Sales activities include the structuring and marketing of derivatives to customers to enable them to take, transfer, modify or reduce current or expected risks. Trading activities are entered into principally for dealer's margin or for the purpose of generating a profit from short-term fluctuations in price.

Trading includes mainly market-making and warehousing to facilitate customer orders. Market-making involves quoting bid and offer prices to other market participants with the intention of generating revenues based on spread and volume. Warehousing involves holding on to positions in order to liquidate in an orderly fashion with timing of unwinding determined by market conditions and traders' views of markets as they evolve.

36.2 Hedging derivatives

The accounting treatment of the hedge derivative transactions varies according to the nature of the hedge and whether the hedge meets the specified criteria to qualify for hedge accounting. Derivatives transacted as economic hedges but do not qualify for hedge accounting are treated in the same way as derivative instruments held for trading purposes.

Please refer to Note 38 for more details on derivatives used for hedging.

The following table summarises the contractual or underlying principal amounts of derivative financial instruments held or issued for trading and hedging purposes outstanding at balance sheet date. They do not represent amounts at risk.

In the financial statements, trading derivative financial instruments are revalued on a gross position basis and the unrealised gains or losses are reflected as derivative assets or derivative liabilities. Derivative assets and liabilities arising from different transactions are only offset if the transactions are done with the same counterparty, a legal right of offset exists, and the parties intend to settle the cash flows on a net basis. There were no offset of derivative assets and liabilities in 2021 and 2020.

	The Group					
	2021			**2020**		
In $ millions	**Underlying notional**	**Assets**	**Liabilities**	**Underlying notional**	**Assets**	**Liabilities**
Derivatives held for trading						
Interest rate derivatives						
Forward rate agreements	**11,938**	**63**	**69**	28,403	13	21
Interest rate swaps	**1,298,345**	**9,072**	**8,978**	1,040,404	14,599	13,936
Interest rate futures	**20,306**	**15**	**3**	2,872	#	49
Interest rate options	**10,029**	**190**	**172**	9,570	153	255
Interest rate caps/ floors	**37,985**	**800**	**1,147**	37,614	832	1,294
Sub-total	**1,378,603**	**10,140**	**10,369**	1,118,863	15,597	15,555
Foreign exchange (FX) derivatives						
FX contracts	**508,961**	**3,403**	**3,554**	573,763	7,274	8,480
Currency swaps	**222,593**	**3,840**	**3,357**	233,437	6,366	5,742
Currency options	**72,669**	**237**	**288**	92,783	606	772
Sub-total	**804,223**	**7,480**	**7,199**	899,983	14,246	14,994
Equity derivatives						
Equity options and others	**16,451**	**350**	**1,106**	7,732	143	282
Equity swaps	**5,776**	**445**	**137**	4,723	122	248
Sub-total	**22,227**	**795**	**1,243**	12,455	265	530
Credit derivatives						
Credit default swaps and others	**24,265**	**351**	**222**	29,133	240	394
Sub-total	**24,265**	**351**	**222**	29,133	240	394
Commodity derivatives						
Commodity contracts	**1,406**	**29**	**23**	2,094	183	38
Commodity futures	**1,721**	**21**	**16**	956	34	35
Commodity options	**703**	**5**	**7**	1,447	11	15
Sub-total	**3,830**	**55**	**46**	4,497	228	88
Total derivatives held for trading	**2,233,148**	**18,821**	**19,079**	2,064,931	30,576	31,561
Derivatives held for hedging						
Interest rate swaps held for fair value hedge	**13,156**	**94**	**255**	15,666	135	555
Interest rate swaps held for cash flow hedge	**17,329**	**9**	**223**	85	4	–
FX contracts held for cash flow hedge	**6,743**	**69**	**44**	5,645	107	55
FX contracts held for hedge of net investment	**7,217**	**43**	**11**	659	8	8
Currency swaps held for fair value hedge	**425**	**1**	**17**	1,080	4	70
Currency swaps held for cash flow hedge	**23,151**	**635**	**689**	18,616	274	648
Currency swaps held for hedge of net investment	**2,055**	**9**	**–**	2,022	–	7
Total derivatives held for hedging	**70,076**	**860**	**1,239**	43,773	532	1,343
Total derivatives	**2,303,224**	**19,681**	**20,318**	2,108,704	31,108	32,904
Impact of netting arrangements recognised for computation of Capital Adequacy Ratio (CAR) (unaudited)		**(12,932)**	**(12,932)**		(19,623)	(19,623)
		6,749	**7,386**		11,485	13,281

\# *Amount under $500,000*

The derivative financial instruments are mainly booked in Singapore. The Group manages its credit exposures by entering into master netting agreements and collateral agreements with most of these counterparties. For those arrangements that comply with the regulatory requirements as set out in MAS Notice 637, the Group recognises the netting arrangements in the computation of its Capital Adequacy Ratios.

37. Interest Rate Benchmark Reform

In March 2021, the UK Financial Conduct Authority (FCA) announced the dates on which LIBOR would be discontinued. All GBP, CHF, EUR, JPY London Interbank Offered Rate (LIBOR) settings and the one-week and two-month USD LIBOR settings would lose representativeness or discontinue after 31 December 2021. The remaining USD LIBOR settings would lose representativeness or discontinue after 30 June 2023. In Singapore, as announced by the Steering Committee for SOR & SIBOR Transition to SORA (SC-STS) on 31 March 2021, Singapore Swap Offer Rate (SOR), which relies on USD LIBOR in its computation, would similarly be discontinued immediately after 30 June 2023 across all settings. The Singapore Interbank Offered Rate (SIBOR) would discontinue by end-2024, with 6-month SIBOR being discontinued immediately after 31 March 2022.

The Group's main interest rate benchmark exposures are USD LIBOR, SOR and SIBOR. USD LIBOR will be replaced by USD Secured Overnight Financing Rate (SOFR) while the replacement benchmark rate for SOR and SIBOR is Singapore Overnight Rate Average (SORA).

Changes in contractual cash flows of financial instruments

As described in Note 2.3, the Group adopted 'Phase 2' amendments on 1 January 2021. The 'Phase 2' amendments provide practical expedients that require changes in the contractual cash flows of financial instruments that result solely from IBOR reform and are economically equivalent to be accounted for by updating the effective interest rate, rather than recognising an immediate gain or loss in the income statement.

Hedge accounting

The SFRS(I) 9 requirements in respect of hedge accounting were amended in two phases. The first set of amendments ('Phase 1' amendments), which was adopted by the Group in 2020, provided temporary exceptions that allowed the continuation of hedge accounting for existing hedge relationships under the assumption that IBOR-based hedged cash flows are not altered as a result of uncertainty arising from IBOR reform. The uncertainty ends when the key terms of transition have been finalised i.e. the timing of the transition and adjustment spreads between an IBOR and its ARR have been finalised for affected contracts. As at 31 December 2021, the Group continues to apply these temporary exceptions for USD and SGD denominated hedging relationships.

The key assumption made when performing hedge accounting is that both the hedged item and hedging instrument will be amended from existing IBORs to new ARRs at the same time. Where actual differences between those dates arise, hedge ineffectiveness will be recorded in the income statement.

Significant judgement is also required to determine when uncertainty arising from IBOR reform ends and, hence, 'Phase 1' amendments cease to apply. Thereafter, 'Phase 2' amendments, adopted by the Group, require the Group to continue hedge accounting when changes to the hedging instrument, hedged item and hedged risk arise solely from IBOR reform. Hedge ineffectiveness (e.g. arising from mismatches of timing, or cash flows) continue to be recorded in the income statement.

How the Group is managing the transition to ARRs

A Group steering committee was established in 2019 to manage the impact of IBOR reform on the Group. The committee comprises senior representatives from Institutional Banking Group, Consumer Banking Group, Treasury Markets, Finance, Risk Management Group, Technology & Operations, Legal and Compliance and Group Strategic Marketing and Communications and is chaired by the Corporate Treasurer. The Terms of Reference of the committee are to review transition plans related to LIBOR and SOR discontinuation, SIBOR reform and other interest rate benchmark reform, to assess the Group's key risks across different scenarios, and to develop strategies to manage existing and new business in the context of these risks. Oversight of IBOR reform is provided by the Group Executive Committee and the Board Risk Management Committee.

As at 31 December 2021, changes required to systems, processes and models have been identified and have been substantially implemented. Substantially all contracts with interest rates that are pegged to GBP, CHF, EUR, JPY LIBOR or one-week and two-month tenors for USD LIBOR have been remediated. For contracts referencing SOR, SIBOR or the remaining USD LIBOR settings, the Group has begun its communication with relevant counterparties and contract remediation is ongoing.

The Group has identified that the risks arising from IBOR reform are:

- Risk of contractual disputes arising from the lack of legal clauses catering for the discontinuation of an interest rate benchmark, and its replacement with an ARR, or such clauses failing to operate as expected; and
- Risk of reputational harm due to poor customer management related to interest rate benchmark discontinuation, leading to loss of customer business.

These risks are mitigated through robust oversight by the Group steering committee. The Group will continue to identify and assess risks associated with IBOR reform.

Exposures impacted by IBOR reform

The table below provides an overview of significant IBOR-related exposure by interest rate benchmarks.

- The exposures disclosed are for positions with contractual maturities after the announced IBOR cessation dates[a].
- Non-derivative financial instruments are presented on the basis of their gross carrying amounts.
- Derivative financial instruments are presented by using their notional contract amounts and where derivatives have both pay and receive legs with exposure to IBOR reform, such as cross currency swaps, the notional contract amount is disclosed for both legs. As at 31 December 2021, there was $13,513 million of cross currency swaps where both the pay and receive legs are impacted by IBOR reform.

	The Group			
In $ millions	**SGD SOR**	**SGD SIBOR**	**USD LIBOR**	**Total**
2021				
Non-derivative financial assets[b]	**20,606**	**8,234**	**25,272**	**54,112**
Non-derivative financial liabilities[c]	**256**	**–**	**1,018**	**1,274**
Derivatives (notional)	**51,312**	**–**	**376,816**	**428,128**
Of which: hedging derivatives[d]	**125**	**–**	**3,791**	**3,916**

(a) The expected cessation date for USD LIBOR and SOR is 30 June 2023. 1-month and 3-month SIBOR will be discontinued by end of 2024 while 6-month SIBOR will be discontinued on 31 March 2022
(b) Relates mainly to "bank and corporates securities" and "loans and advances to customers"
(c) Relates mainly to "other debt securities" and "subordinated term debts"
(d) Relates to derivatives that are designated for hedge accounting. The extent of the hedged risk exposure is reflected in the notional amounts of the derivatives

38. Hedge Accounting

The Group enters into hedging transactions to manage exposures to interest rate and foreign currency risks. Hedge accounting is applied to minimise volatility in earnings arising from changes in interest rate and foreign exchange rates.

Please refer to Risk Management section for more information on market risk and the Group's risk management practices and Note 2.19 for the Group's accounting policy for hedge accounting.

38.1 Fair value hedge

In accordance with the risk management strategy in place, the Group enters into interest rate swaps to mitigate the risk of changes in interest rates on the fair value of the following:

- issued fixed rate debt;
- a portion of purchased fixed rate bonds; and
- some large exposures to corporate loans.

In such instances, the Group hedges the benchmark interest rate risk component which is an observable and reliably measurable component of interest rate risk. Specifically, the Group has designated fair value hedge relationships, on a hedge-by-hedge basis, to hedge against movements in the benchmark interest rate. This effectively results in the recognition of interest expense (for fixed rate liabilities), or interest income (for fixed rate assets) at floating rates. The Group also uses cross currency swaps when there is a need to hedge both interest rate and foreign exchange risks.

The Group manages all other risks arising from these exposures, such as credit risk, but hedge accounting is not applied for those risks.

The Group assesses prospective hedge effectiveness by comparing the changes in fair value of the hedged item resulting from movements in the benchmark interest rate with the changes in fair value of the interest rate swaps used to hedge the exposure. The Group determines the hedge ratio by comparing the notional of the derivative with the principal of the debt issued or the bond asset purchased, or the loan granted.

For all interest rate swaps used for hedging purposes, critical terms match or nearly match those of the underlying hedged items.

The Group has identified the following possible sources of ineffectiveness:

- the use of derivatives as a protection against interest rate risk creates an exposure to the derivative counterparty's credit risk which is not offset by the hedged item. This risk is minimised by entering into derivatives with high credit quality counterparties;
- the use of different discounting curves when measuring the fair value of the hedged items and hedging instruments. For derivatives the discounting curve used depends on collateralisation and the type of collateral used; and
- difference in the timing of settlement of hedging instruments and hedged items.

No other significant sources of ineffectiveness were identified in these hedge relationships.

The Group typically uses foreign currency denominated borrowings/ deposits to fund its investments in non-SGD denominated FVOCI equity instruments. To reduce the accounting mismatch on the borrowings/ deposits and FVOCI equity instruments because of foreign exchange rate movements, the Group designates the borrowings/ deposits as the hedging instruments in fair value hedges of the FVOCI equity instruments. The hedge ratio is determined by comparing the principal of the borrowings/ deposits with the investment costs of the FVOCI equity instruments. A potential source of ineffectiveness is a decrease in the fair value of the equity instruments below their investment costs.

The following table sets out the maturity profile of the hedging instruments used in fair value hedges. The amounts shown in the table reflect the notional amounts of derivatives and the carrying amounts of borrowings and deposits. Please refer to Note 36 for the carrying values of the derivatives.

		The Group			
In $ millions	**Type of risk hedged**	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
2021					
Derivatives (notional)					
Interest rate swaps	Interest rate	**1,815**	**10,957**	**384**	**13,156**
Currency swaps	Interest rate & Foreign exchange	**94**	**331**	**–**	**425**
Total derivatives		**1,909**	**11,288**	**384**	**13,581**
Non-derivative instruments (e.g. borrowings, deposits)	Foreign exchange	**1,875**	**–**	**–**	**1,875**
Total non-derivative instruments		**1,875**	**–**	**–**	**1,875**
2020					
Derivatives (notional)					
Interest rate swaps	Interest rate	3,987	10,880	799	15,666
Currency swaps	Interest rate & Foreign exchange	917	163	–	1,080
Total derivatives		4,904	11,043	799	16,746
Non-derivative instruments (e.g. borrowings, deposits)	Foreign exchange	1,550	–	–	1,550
Total non-derivative instruments		1,550	–	–	1,550

The table below provides information on hedged items relating to fair value hedges.

	The Group			
	2021		2020	
In $ millions	**Carrying amounts (including hedge adjustments)**	**Fair value hedge adjustments included in carrying amounts**	**Carrying amounts (including hedge adjustments)**	**Fair value hedge adjustments included in carrying amounts**
Assets				
Loans and advances to customers	**1,066**	**(1)**	1,561	6
Government securities and treasury bills(a)	**892**	**4**	2,384	15
Bank and corporate securities(a)	**7,531**	**(4)**	8,462	7
Liabilities				
Subordinated term debts	**460**	**7**	743	16
Other debt securities	**5,815**	**28**	5,751	142

(a) The carrying amounts of debt and equity instruments at fair value through other comprehensive income do not include fair value hedge adjustments as the hedged assets are measured at fair value. The accounting for the hedge relationship results in a transfer from other comprehensive income to the income statement for debt instruments

For the year ended 31 December 2021, the net gains on hedging instruments used to calculate hedge effectiveness was $167 million (2020: net losses of $312 million). The net losses on hedged items attributable to the hedged risk amounted to $166 million (2020: net gains of $307 million).

38.2 Cash flow hedge

The Group is predominantly exposed to variability in future cash flows due to interest rate movements and foreign currency fluctuations from the following:

- assets subject to repricing, reinvestment or refinancing risk;
- forecasted interest earnings denominated in foreign currency;
- issued floating or fixed rate foreign currency debt; and
- a portion of purchased floating or fixed rate foreign currency bonds.

In accordance with the Group risk management strategy, the Group enters into interest rate swaps, forward contracts or cross currency swaps to protect against the variability of cash flows due to changes in interest rates and/ or foreign currency exchange rates.

In such instances, cash flow hedge relationships are designated. These are applied on a hedge-by-hedge basis, except for cash flows from assets subject to repricing, reinvestment or refinancing risk, for which a portfolio cash flow hedge relationship is designated using interest rate swaps. A dynamic process is applied for this hedge as the portfolio composition can change e.g. due to maturities and new originations. The portfolio cash flow hedge relationships effectively extend the duration of the assets, such that the interest cash flows are transformed from a floating rate basis to a fixed rate basis.

The Group enters into forward contracts to hedge against variability in future cash flows arising from USD-denominated interest income.

The Group also enters into cross currency swaps to mitigate the risk of fluctuation of coupon and principal cash flows due to changes in foreign currency rates of issued foreign currency debt and a portion of purchased foreign currency bonds. Critical terms of the cross-currency swaps match or nearly match that of the issued foreign currency debt or purchased foreign currency bonds.

The Group manages all other risks derived by these exposures, such as credit risk, but they do not apply hedge accounting for these risks.

The Group assesses hedge effectiveness by comparing the changes in fair value of a hypothetical derivative reflecting the terms of the hedged item due to movements in the hedged risk with the changes in fair value of the derivatives used to hedge the exposure.

The Group determines the hedge ratio by comparing the notional of the derivatives with the assets subject to repricing/ reinvestment/ refinancing risk or amount of forecast earnings denominated in foreign currency or the principal of the debt securities issued or purchased foreign currency bonds.

The Group has identified the following possible sources of ineffectiveness in its cash flow hedge relationships:

- the use of derivatives as a protection against currency and interest rate risk creates an exposure to the derivative counterparty's credit risk which is not offset by the hedged item. This risk is minimised by entering into derivatives with high credit quality counterparties;
- difference in tenor of hedged items and hedging instruments;
- difference in timing of settlement of the hedging instrument and hedged item; and
- designation of off-market hedging instruments.

The following table sets out the maturity profile of the hedging instruments used in cash flow hedges. The amounts shown in the table reflect the notional amounts of derivatives. Please refer to Note 36 for the carrying values of the derivatives.

		The Group			
In $ millions	**Type of risk hedged**	**Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
2021					
Derivatives (notional)					
Interest rate swaps	Interest rate	**–**	**16,314**	**1,015**	**17,329**
Currency swaps	Interest rate & Foreign exchange	**4,005**	**18,056**	**1,090**	**23,151**
FX contracts	Foreign exchange	**6,423**	**320**	**–**	**6,743**
Total		**10,428**	**34,690**	**2,105**	**47,223**
2020					
Derivatives (notional)					
Interest rate swaps	Interest rate	–	85	–	85
Currency swaps	Interest rate & Foreign exchange	1,669	16,267	680	18,616
FX contracts	Foreign exchange	5,387	258	–	5,645
Total		7,056	16,610	680	24,346

The hedge ineffectiveness arising from these hedges was insignificant.

Please refer to Note 34 for information on the cash flow hedge reserves.

38.3 Net investment hedges

The Group manages currency risk of its net investment in foreign operations (or structural foreign exchange risk) using foreign currency borrowings, FX forwards, FX swaps and cross currency swaps.

Structural foreign exchange exposures are managed with the primary aim of ensuring that consolidated capital ratios are largely protected from the effect of fluctuations in foreign exchange rates against SGD.

Under the Group's hedging strategy, the carrying amount of these investments could be fully hedged, partially hedged or not hedged at all. The Group regularly reviews its hedging strategy, taking into account the long-term outlook of currency fundamentals and the impact of fluctuations in foreign exchange rates on capital adequacy ratios.

The table below analyses the currency exposure of the Group by functional currency.

	The Group		
In $ millions	**Net investments in foreign operations(a)**	**Financial instruments which hedge the net investments**	**Remaining unhedged currency exposures**
2021			
Hong Kong dollar	**9,934**	**2,298**	**7,636**
US dollar	**9,829**	**6,150**	**3,679**
Chinese yuan	**4,424**	**296**	**4,128**
Taiwan dollar	**2,190**	**684**	**1,506**
Others	**4,276**	**–**	**4,276**
Total	**30,653**	**9,428**	**21,225**
2020			
Hong Kong dollar	11,772	2,261	9,511
US dollar	2,990	–	2,990
Chinese yuan	2,730	283	2,447
Taiwan dollar	2,046	376	1,670
Others	4,011	–	4,011
Total	23,549	2,920	20,629

(a) Refers to net tangible assets of entities (e.g. subsidiaries, associates, joint ventures and overseas branches) or units with non-SGD functional currency

Please refer to Note 34 for information on the capital reserves. Capital reserves include the effect of translation differences on net investments in foreign entities (e.g. subsidiaries, associates, joint ventures and branches) or units with non-SGD functional currency and the related foreign currency financial instruments designated for hedge accounting.

39. Share-based Compensation Plans

As part of the Group's remuneration policy, the Group provides various share-based compensation plans to foster a culture that aligns employees' interests with shareholders', enable employees to share in the Bank's performance and enhance talent retention.

Main Scheme/ Plan **Note**

DBSH Share Plan (Share Plan)

- The Share Plan is granted to Group executives as determined by the Committee appointed to administer the Share Plan from time to time. 39.1
- Participants are awarded shares of the Company or, at the Committee's discretion, their equivalent cash value or a combination.
- Awards consist of main award and retention award (20%/ 15% of main award) for employees on bonus/ sales incentive plans respectively. Dividends on unvested shares do not accrue to employees.
- For employees on bonus plan, the main award vests from 2 to 4 years after grant i.e. 33% will vest 2 years after grant; another 33% will vest on the third year and the remaining 34% plus the retention award will vest 4 years after grant.
- For employees on sales incentive plans, the main award vests from 1 to 3 years after grant; i.e. 33% will vest 1 year after grant, another 33% will vest on the second year and the remaining 34% plus the retention award will vest 3 years after grant.
- There are no additional retention awards for shares granted to top performers and key employees as part of talent retention.
- The awards will lapse immediately upon termination of employment, except in the event of ill health, injury, disability, redundancy, retirement or death.
- The market price of shares on the grant date is used to estimate the fair value of the shares awarded. The fair value of the shares granted includes an adjustment to exclude the present value of future expected dividends to be paid during the vesting period.
- Vested and unvested shares are subject to clawback/ malus. Conditions that trigger such clawback/ malus are in the Remuneration Report section of the Annual Report.
- Shares are awarded to non-executive directors as part of director's remuneration. Details of these awards are disclosed in the Corporate Governance section of the Annual Report.

DBSH Employee Share Plan (ESP)

- The Committee has ceased granting shares under the ESP effective from financial year 2018 remuneration. Shares granted from prior years continue to be outstanding until the shares are fully vested. 39.1

DBSH Employee Share Purchase Plan (ESPP)

- The ESPP was implemented in 2019 in selective markets across the Group. All permanent employees who hold the rank of Vice President and below are eligible to participate in the scheme. 39.2
- The ESPP is a share ownership plan for eligible employees to own DBSH shares through monthly contributions via deductions from payroll or designated bank accounts.
- Participants contribute up to 10% of month salary (minimum S$50, capped at S$1,000) and the Group will match 25% of the participant's contributions to buy DBSH ordinary shares for a period of 12 months during each plan year.
- The matching shares bought from the Group's contribution will vest 24 months after the last contribution month for each plan year.
- The matching shares will lapse immediately upon termination of employment, except in the event of ill health, injury, disability, redundancy, retirement or death.

39.1 DBSH Share Plan and DBSH Employee Share Plan

The following table sets out the movements of the awards during the year.

	The Group			
	2021		2020	
Number of shares	**Share Plan**	**ESP**	**Share Plan**	**ESP**
Balance at 1 January	**17,248,786**	**526,003**	17,146,260	1,189,400
Granted	**5,378,132**	**–**	6,423,721	–
Vested	**(5,209,973)**	**(362,363)**	(5,992,525)	(627,270)
Forfeited/ others	**(311,653)**	**(17,836)**	(328,670)	(36,127)
Balance at 31 December	**17,105,292**	**145,804**	17,248,786	526,003
Weighted average fair value of the shares granted during the year	**$22.07**	**–**	$21.32	–

39.2 DBSH Employee Share Purchase Plan

The following table sets out the movements of the shares during the year.

	The Group	
Number of shares	**2021**	**2020**
Balance at 1 January	**1,015,478**	388,686
Granted	**534,378**	678,428
Vested[(a)]	**(15,238)**	(4,569)
Forfeited	**(131,178)**	(47,067)
Balance at 31 December	**1,403,440**	1,015,478
Weighted average fair value of the shares granted during the year	**$26.05**	$18.60

(a) Excludes shares vested but temporarily withheld under the regulatory requirement as of the reporting date. Such shares will be reported as vested in the period the shares being released to the employees

40. Related Party Transactions

40.1 Transactions between the Company and its subsidiaries, including consolidated structured entities, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this Note.

40.2 During the financial year, the Group had banking transactions with related parties, consisting of associates and joint ventures and key management personnel of the Group. These included the taking of deposits and extension of credit card and other loan facilities. These transactions were made in the ordinary course of business and carried out at arms-length commercial terms, and were not material.

In addition, key management personnel received remuneration for services rendered during the financial year. Non-cash benefits including performance shares were also granted.

40.3 Total compensation and fees to key management personnel[(a)] are as follows:

	The Group	
In $ millions	**2021**	**2020**
Short-term benefits[(b)]	**51**	45
Share-based payments[(c)]	**28**	29
Total	**79**	74
Of which: Company Directors' remuneration and fees	**17**	16

(a) Includes Company Directors and members of the Management Committee who have authority and responsibility in planning the activities and direction of the Group. The composition and number of Directors and Management Committee members may differ from year to year
(b) Includes cash bonus based on amount accrued during the year, to be paid in the following year
(c) Share-based payments are expensed over the vesting period in accordance with SFRS(I) 2

41. Fair Value of Financial Instruments

41.1 Valuation Process

The valuation processes within the Group are governed by the Valuation Policy, which is approved by the Board Audit Committee.

The Valuation Policy applies to all financial assets and liabilities that are measured at fair value, covering both market prices as well as model inputs. Financial assets and liabilities are marked directly using reliable and independent quoted market prices where available or by using reliable and independent market parameters (as model inputs) in conjunction with a valuation model.

Valuation models go through an assurance process carried out by the Risk Management Group (RMG), independent of the model developers. This assurance process covers the review of the underlying methodology including its logic and conceptual soundness together with the model inputs and outputs. Model assurances are conducted prior to implementation and subject to regular review or when there are significant changes arising from market or portfolio changes. Where necessary, the Group also imposes model reserves and other adjustments in determining fair value. Models are approved by the Group Market and Liquidity Risk Committee.

A process of independent price verification (IPV) is in place to establish the accuracy of the market parameters used when the marking is performed by the Front Office. The IPV process entails independent checks to compare traders' marks to independent sources such as broker/ dealer quotes or market consensus providers.

Where market parameters are sourced independently for the marking of financial assets and liabilities, or used as inputs into a valuation model, these are checked for reliability and accuracy, for example by reviewing large daily movements or by referencing other similar sources, or transactions.

Valuation adjustments and reserves are taken to account for close-out costs, model and market parameter uncertainty, and any other factor that may affect valuations. Valuation adjustment and reserve methodologies are approved by the Group Market and Liquidity Risk Committee and governed by the Valuation Policy.

The valuation adjustments and reserves include but are not limited to:

Model and Parameter Uncertainty Adjustments

Valuation uncertainties may occur during fair value measurement either due to uncertainties in the required input parameters or uncertainties in the modelling methods used in the valuation process. In such situations, adjustments may be necessary to take these factors into account.

For example, where market data such as prices or rates for an instrument are no longer observable after an extended period of time, these inputs used to value the financial instruments may no longer be relevant in the current market conditions. In such situations, adjustments may be necessary to address the pricing uncertainty arising from the use of stale market data inputs.

Credit Valuation Adjustments

Credit valuation adjustments are taken to reflect the impact on fair value of counterparty credit risk. Credit valuation adjustments are based upon the creditworthiness of the counterparties, magnitude of the current or potential exposure on the underlying transactions, netting and collateral arrangements, and the maturity of the underlying transactions.

Funding Valuation Adjustments

Funding valuation adjustments represent an estimate of the adjustment to fair value that a market participant would make in incorporating funding costs and benefits that arise in relation to uncollateralised derivatives positions.

Day 1 Profit or Loss (P&L) Reserve

In situations where the market for an instrument is not active and its fair value is established using a valuation model based on significant unobservable market parameters, the Day 1 P&L arising from the difference in transacted price and end-of-day model valuation is set aside as reserves. A market parameter is defined as being significant when its impact on the Day 1 P&L is greater than an internally determined threshold. The Day 1 P&L reserve is released to the income statement when the parameters become observable or when the transaction is closed out or amortised over the duration of the transaction. At year end, the unamortised Day 1 P&L was not material.

Bid-Offer Adjustments

The Group often holds, at varying points in time, both long or short positions in financial instruments which are valued using mid-market levels. Bid-offer adjustments are then made to account for close-out costs.

IBOR Transition Related Reserves

Fixings for most of the major currency IBORs would fall back to the respective Alternative Reference Rates (ARRs) plus a spread. Spread derivation details have been made known for most currencies. Valuation reserves have been set aside where derivation details are not known, and this leads to uncertainty in the forward rate estimation curves used for valuations.

41.2 Fair Value Hierarchy

The fair value hierarchy accords the highest level to observable inputs such as unadjusted quoted prices in active markets for identical assets or liabilities and the lowest level to unobservable inputs. The fair value measurement of each financial instrument is categorised in accordance with the same level of the fair value hierarchy as the input with the lowest level that is significant to the entire measurement. If unobservable inputs are deemed significant, the financial instrument will be categorised as Level 3.

Financial instruments that are valued using quoted prices in active markets are classified as Level 1 within the fair value hierarchy. These would include government and sovereign securities, listed equities and corporate debt securities which are actively traded. Derivatives contracts which are traded in an active exchange market are also classified as Level 1 of the valuation hierarchy.

Where fair value is determined using quoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group will determine the fair value based on valuation techniques that use market parameters as inputs including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data so that reliability of the fair value measurement is high. These would include corporate debt securities, repurchase, reverse repurchase agreements and most of the Group's OTC derivatives.

The Group classifies financial instruments as Level 3 when there is reliance on unobservable market parameters whether used directly to value a financial asset or liability, or used as inputs to a valuation model, attributing to a significant contribution to the instrument value. These would include all input parameters which are derived from historical data, for example, asset correlations or certain volatilities. Level 3 instruments also include unquoted equity securities which are measured based on the net asset value of the investments. In addition, Level 3 inputs include all stale quoted security prices and other approximations (e.g. bonds valued using credit default swap spreads).

The following tables present assets and liabilities measured at fair value, classified by level within the fair value hierarchy.

In $ millions	**Level 1**	**The Group** **Level 2**	**Level 3**	**Total**
2021				
Assets				
Financial assets at FVPL				
– Government securities and treasury bills	**8,425**	**4,259**	**–**	**12,684**
– Bank and corporate securities	**18,816**	**3,636**	**361**[(a)]	**22,813**
– Other financial assets	**–**	**16,964**	**–**	**16,964**
FVOCI financial assets				
– Government securities and treasury bills	**15,811**	**2,114**	**–**	**17,925**
– Bank and corporate securities	**17,251**	**2,235**	**430**[(b)]	**19,916**
– Other financial assets	**2**	**5,197**	**–**	**5,199**
Derivatives	**39**	**19,509**	**133**[(c)]	**19,681**
Liabilities				
Financial liabilities at FVPL				
– Other debt securities	**–**	**10,726**	**–**	**10,726**
– Other financial liabilities	**2,626**	**5,726**	**1**	**8,353**
Derivatives	**21**	**20,296**	**1**[(d)]	**20,318**

(a) Decrease in Level 3 balance was mainly due to maturity of a note which was priced using proxy valuation
(b) Increase in Level 3 balance was due to a new note which was priced using proxy valuation
(c) Increase in Level 3 balance was due to a total return swap whose underlying became illiquid
(d) Decrease in Level 3 balance was due to maturity of a total return swap whose underlying was priced using proxy valuation

In $ millions	**Level 1**	**The Group** **Level 2**	**Level 3**	**Total**
2020				
Assets				
Financial assets at FVPL				
– Government securities and treasury bills	8,901	3,740	–	12,641
– Bank and corporate securities	12,451	4,182	715	17,348
– Other financial assets	–	13,501	–	13,501
FVOCI financial assets				
– Government securities and treasury bills	15,223	2,147	–	17,370
– Bank and corporate securities	18,518	2,648	268	21,434
– Other financial assets	–	4,684	–	4,684
Derivatives	40	31,067	1	31,108
Liabilities				
Financial liabilities at FVPL				
– Other debt securities	–	8,333	–	8,333
– Other financial liabilities	1,483	2,488	–	3,971
Derivatives	103	32,712	89	32,904

The bank and corporate securities classified as Level 3 at 31 December 2021 comprised mainly securities which were marked using approximations and unquoted equity securities valued based on net asset value of the investments.

41.3 Own credit adjustments on financial liabilities designated at fair value through profit or loss

Changes in the fair value of financial liabilities designated at fair value through profit or loss related to the Group's own credit risk are recognised in other comprehensive income. As the Group does not hedge changes in own credit risk arising from financial liabilities, presenting the own credit movements within other comprehensive income does not create or increase an accounting mismatch in the income statement.

The change in fair value attributable to changes in own credit risk has been determined as the amount of change in fair value that is attributable to changes in funding spreads above benchmark interest rates. Fair value changes arising from factors other than the Group's own credit risk are insignificant.

The cumulative amounts attributable to changes in own credit risk for these financial liabilities as at 31 December 2021 was a loss of $49 million (2020: loss of $25 million).

Realised losses attributable to changes in own credit risk as at 31 December 2021 was a loss of $22 million (2020: loss of $15 million).

41.4 Financial assets & liabilities not carried at fair value

For financial assets and liabilities not carried at fair value in the financial statements, the Group has ascertained that their fair values were not materially different from their carrying amounts at year-end.

For cash and balances with central banks, due from banks, loans and advances to customers, as well as due to banks and deposits and balances from customers, the basis of arriving at fair values is by discounting cash flows using the relevant market interest rates for the respective currencies.

For investment debt securities, subordinated term debts and other debts issued, fair values are determined based on independent market quotes, where available. Where market prices are not available, fair values are estimated using discounted cash flow method.

The fair value of variable interest-bearing as well as short-term financial instruments accounted for at amortised cost is assumed to be approximated by their carrying amounts.

42. Credit Risk

42.1 Maximum exposure to credit risk

The following table shows the exposure to credit risk of on-balance sheet and off-balance sheet financial instruments, before taking into account any collateral held, other credit enhancements and netting arrangements. For on-balance sheet financial assets, the maximum credit exposure is the carrying amounts. For contingent liabilities, the maximum exposure to credit risk is the amount the Group would have to pay if the instrument is called upon. For undrawn facilities, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers.

	The Group	
In $ millions	**2021**	**2020**
On-balance sheet		
Cash and balances with central banks (excluding cash on hand)	**54,237**	48,207
Government securities and treasury bills	**53,262**	51,700
Due from banks	**51,377**	50,867
Derivatives	**19,681**	31,108
Bank and corporate debt securities	**53,788**	54,109
Loans and advances to customers	**408,993**	371,171
Other assets (excluding deferred tax assets)	**15,268**	18,871
	656,606	626,033
Off-balance sheet		
Contingent liabilities and commitments (excluding capital commitments)	**366,031**	336,151
Total	**1,022,637**	962,184

The Group's exposures to credit risk, measured using the expected gross credit exposures that will arise upon a default of the end obligor are as shown in the Group's Pillar 3 Disclosures (unaudited). These exposures, which include both on-balance sheet and off-balance sheet financial instruments, are shown without taking into account any collateral held or netting arrangements.

Analysis of Collateral

Whilst the Group's maximum exposure to credit risk is the carrying amount of the assets or, in the case of off-balance sheet instruments, the amount guaranteed, committed, accepted or endorsed, the likely exposure may be lower due to offsetting collateral, credit guarantees and other actions taken to mitigate the Group's exposure.

The description of collateral for each class of financial asset is set out below.

Balances with central banks, Government securities and treasury bills, Due from banks and Bank and corporate debt securities

Collateral is generally not sought for these assets.

Derivatives

The Group maintains collateral agreements and enters into master netting agreements with most of the counterparties for derivative transactions. Please refer to Note 36 for the impact of netting arrangements recognised for the computation of Capital Adequacy Ratio (CAR).

Loans and advances to customers, Contingent liabilities and commitments

Certain loans and advances to customers, contingent liabilities and commitments are typically collateralised to a substantial extent. In particular, residential mortgage exposures are generally fully secured by residential properties. Income-producing real estate, which is a sub-set of the Specialised Lending exposure, is fully secured by the underlying assets financed.

The extent to which credit exposures are covered by Basel eligible collateral, besides real estate, after the application of the requisite regulatory haircuts, is shown in the Group's Pillar 3 Disclosures (unaudited). The amounts are a sub-set of the actual collateral arrangements entered by the Group as Basel imposes strict legal and operational standards before collateral can be admitted as credit risk mitigants. As a result, certain collateral arrangements which do not meet its criteria will not be included. Certain collateral types which are not permitted as credit risk mitigants for credit exposures under the Standardised Approach are also excluded.

42.2 Loans and advances to customers

	The Group	
In $ millions	**2021**	**2020**
Loans and advances to customers		
Performing Loans		
– Neither past due nor impaired (i)	**408,018**	369,783
Pass	**404,050**	365,354
Special Mention	**3,968**	4,429
– Past due but not impaired (ii)	**1,764**	1,928
Non-Performing Loans		
– Impaired (iii)	**5,290**	6,059
Total gross loans	**415,072**	377,770

(i) Neither past due nor impaired loans by grading and industry

The credit quality of the portfolio of loans and advances that are neither past due nor impaired can be assessed by reference to the loan gradings in MAS Notice 612/ MAS Notice 612A.

	The Group		
In $ millions	**Pass**	**Special Mention**	**Total**
2021			
Manufacturing	**40,600**	**369**	**40,969**
Building and construction	**106,343**	**768**	**107,111**
Housing loans	**77,869**	**–**	**77,869**
General commerce	**42,977**	**619**	**43,596**
Transportation, storage and communications	**28,744**	**354**	**29,098**
Financial institutions, investment and holding companies	**36,910**	**36**	**36,946**
Professionals and private individuals (excluding housing loans)	**39,049**	**58**	**39,107**
Others	**31,558**	**1,764**	**33,322**
Total	**404,050**	**3,968**	**408,018**
2020			
Manufacturing	38,414	576	38,990
Building and construction	96,099	424	96,523
Housing loans	73,535	–	73,535
General commerce	38,876	690	39,566
Transportation, storage and communications	27,829	934	28,763
Financial institutions, investment and holding companies	28,094	161	28,255
Professionals and private individuals (excluding housing loans)	32,665	79	32,744
Others	29,842	1,565	31,407
Total	365,354	4,429	369,783

(ii) Past due but not impaired loans by past due period and industry

In $ millions	The Group Less than 30 days past due	30 to 59 days past due	60 to 90 days past due	Total
2021				
Manufacturing	**42**	**10**	**5**	**57**
Building and construction	**40**	**34**	**3**	**77**
Housing loans	**373**	**47**	**19**	**439**
General commerce	**103**	**27**	**5**	**135**
Transportation, storage and communications	**40**	**32**	**1**	**73**
Financial institutions, investment and holding companies	**190**	**59**	**1**	**250**
Professionals and private individuals (excluding housing loans)	**494**	**53**	**41**	**588**
Others	**134**	**5**	**6**	**145**
Total	**1,416**	**267**	**81**	**1,764**
2020				
Manufacturing	118	16	5	139
Building and construction	67	14	8	89
Housing loans	370	53	27	450
General commerce	115	12	5	132
Transportation, storage and communications	80	3	123	206
Financial institutions, investment and holding companies	99	–	48	147
Professionals and private individuals (excluding housing loans)	261	61	47	369
Others	73	36	287	396
Total	1,183	195	550	1,928

(iii) Non-performing assets (NPAs)

In $ millions	The Group 2021	2020
Balance at 1 January	**6,686**	5,773
Institutional Banking & Others		
– New NPAs	**1,006**	1,945
– Upgrades	**(7)**	(24)
– Net repayments	**(1,338)**	(556)
– Write-offs	**(533)**	(573)
Consumer Banking/ Wealth Management (net movement)	**(47)**	(24)
Amalgamation of LVB	**–**	212
Exchange differences	**82**	(67)
Balance at 31 December	**5,849**	6,686

Non-performing assets by grading and industry

	The Group							
	NPAs				Specific allowances			
In $ millions	Sub-standard	Doubtful	Loss	Total	Sub-standard	Doubtful	Loss	Total
2021								
Manufacturing	**326**	**364**	**115**	**805**	**61**	**196**	**115**	**372**
Building and construction	**309**	**50**	**86**	**445**	**40**	**23**	**86**	**149**
Housing loans	**192**	**3**	**13**	**208**	**1**	**1**	**13**	**15**
General commerce	**268**	**269**	**374**	**911**	**45**	**243**	**374**	**662**
Transportation, storage and communications	**1,006**	**217**	**569**	**1,792**	**225**	**177**	**569**	**971**
Financial institutions, investment and holding companies	**32**	**37**	**24**	**93**	**6**	**20**	**24**	**50**
Professional and private individuals (excluding housing loans)	**376**	**29**	**14**	**419**	**80**	**27**	**14**	**121**
Others	**339**	**223**	**55**	**617**	**27**	**123**	**55**	**205**
Total non-performing loans	**2,848**	**1,192**	**1,250**	**5,290**	**485**	**810**	**1,250**	**2,545**
Debt securities, contingent liabilities and others	**198**	**119**	**242**	**559**	**37**	**102**	**242**	**381**
Total	**3,046**	**1,311**	**1,492**	**5,849**	**522**	**912**	**1,492**	**2,926**
Of which: restructured assets	**953**	**473**	**146**	**1,572**	**245**	**265**	**146**	**656**
2020								
Manufacturing	308	326	39	673	58	172	39	269
Building and construction	242	12	98	352	28	12	98	138
Housing loans	194	17	11	222	-	-	11	11
General commerce	363	514	94	971	31	439	94	564
Transportation, storage and communications	1,346	400	902	2,648	145	322	902	1,369
Financial institutions, investment and holding companies	21	19	7	47	7	9	7	23
Professional and private individuals (excluding housing loans)	403	45	17	465	93	41	17	151
Others	388	256	37	681	15	115	37	167
Total non-performing loans	3,265	1,589	1,205	6,059	377	1,110	1,205	2,692
Debt securities, contingent liabilities and others	238	291	98	627	20	204	98	322
Total	3,503	1,880	1,303	6,686	397	1,314	1,303	3,014
Of which: restructured assets	918	438	207	1,563	220	253	207	680

Non-performing assets by geography[a]

In $ millions	The Group NPAs	 Specific allowances
2021		
Singapore	2,873	1,434
Hong Kong	686	421
Rest of Greater China	343	78
South and Southeast Asia	1,151	555
Rest of the World	237	57
Total non-performing loans	5,290	2,545
Debt securities, contingent liabilities and others	559	381
Total	5,849	2,926
2020		
Singapore	3,624	1,681
Hong Kong	678	358
Rest of Greater China	381	82
South and Southeast Asia	1,092	511
Rest of the World	284	60
Total non-performing loans	6,059	2,692
Debt securities, contingent liabilities and others	627	322
Total	6,686	3,014

(a) Based on the location of incorporation of the borrower

Non-performing assets by past due period

In $ millions	The Group 2021	 2020
Not overdue	1,415	1,148
Within 90 days	390	515
Over 90 to 180 days	209	384
Over 180 days	3,835	4,639
Total past due assets	4,434	5,538
Total	5,849	6,686

Secured non-performing assets by collateral type

In $ millions	The Group 2021	 2020
Properties	1,112	1,373
Shares and debentures	42	143
Cash deposits	9	8
Others	1,507	1,598
Total	2,670	3,122

Past due non-performing assets by industry

In $ millions	The Group 2021	 2020
Manufacturing	646	545
Building and construction	378	289
Housing loans	169	182
General commerce	873	940
Transportation, storage and communications	1,323	2,497
Financial institutions, investment and holding companies	90	46
Professional and private individuals (excluding housing loans)	162	188
Others	472	524
Total non-performing loans	4,113	5,211
Debt securities, contingent liabilities and others	321	327
Total	4,434	5,538

Past due non-performing assets by geography[a]

In $ millions	The Group 2021	 2020
Singapore	2,182	3,234
Hong Kong	589	612
Rest of Greater China	229	289
South and Southeast Asia	1,041	1,027
Rest of the World	72	49
Total non-performing loans	4,113	5,211
Debt securities, contingent liabilities and others	321	327
Total	4,434	5,538

(a) Based on the location of incorporation of the borrower

42.3 Credit quality of Government securities and treasury bills and Bank and corporate debt securities

The table below presents an analysis of Government securities and treasury bills and Bank and corporate debt securities for the Group by external rating bands.

Analysed by external ratings In $ millions	The Group Singapore Government securities and treasury bills (Gross)	 Other government securities and treasury bills (Gross)	 Bank and corporate debt securities (Gross)
2021			
AAA	11,364	8,580	16,893
AA- to AA+	–	11,631	4,859
A- to A+	–	15,466	11,356
Lower than A-	–	6,225	8,363
Unrated	–	–	12,412
Total	11,364	41,902	53,883
2020			
AAA	13,608	5,986	19,953
AA- to AA+	–	11,097	4,541
A- to A+	–	14,257	9,061
Lower than A-	–	6,755	7,174
Unrated	–	–	13,427
Total	13,608	38,095	54,156

42.4 Credit risk by geography and industry

Analysed by geography[a] In $ millions	The Group Government securities and treasury bills (Gross)	 Due from banks (Gross)	 Derivatives	 Bank and corporate debt securities (Gross)	 Loans and advances to customers (Gross)	 Total
2021						
Singapore	11,364	5,221	1,370	15,470	191,831	225,256
Hong Kong	4,586	7,889	1,168	1,222	70,216	85,081
Rest of Greater China	4,734	9,633	1,740	7,210	59,150	82,467
South and Southeast Asia	6,225	3,648	950	4,023	30,784	45,630
Rest of the World	26,357	24,993	14,453	25,958	63,091	154,852
Total	53,266	51,384	19,681	53,883	415,072	593,286
2020						
Singapore	13,608	1,183	3,048	15,292	176,402	209,533
Hong Kong	3,872	2,333	1,763	1,212	59,093	68,273
Rest of Greater China	4,467	19,051	3,672	5,764	53,278	86,232
South and Southeast Asia	6,757	3,819	1,456	4,760	30,362	47,154
Rest of the World	22,999	24,485	21,169	27,128	58,635	154,416
Total	51,703	50,871	31,108	54,156	377,770	565,608

(a) Based on the location of incorporation of the issuer (for debt securities), counterparty (for derivatives), borrower (for loans) or the issuing bank in the case of bank backed export financing

Analysed by industry **In $ millions**	**Government securities and treasury bills (Gross)**	**Due from banks (Gross)**	**Derivatives**	**Bank and corporate debt securities (Gross)**	**Loans and advances to customers (Gross)**	**Total**
			The Group			
2021						
Manufacturing	–	–	341	3,604	41,831	45,776
Building and construction	–	–	645	5,366	107,633	113,644
Housing loans	–	–	–	–	78,516	78,516
General commerce	–	–	112	2,066	44,642	46,820
Transportation, storage and communications	–	–	310	4,379	30,963	35,652
Financial institutions, investment and holding companies	–	51,384	16,608	23,860	37,289	129,141
Government	53,266	–	–	–	–	53,266
Professionals and private individuals (excluding housing loans)	–	–	350	–	40,114	40,464
Others	–	–	1,315	14,608	34,084	50,007
Total	53,266	51,384	19,681	53,883	415,072	593,286
2020						
Manufacturing	–	–	494	3,136	39,802	43,432
Building and construction	–	–	1,363	5,400	96,964	103,727
Housing loans	–	–	–	–	74,207	74,207
General commerce	–	–	266	2,438	40,669	43,373
Transportation, storage and communications	–	–	754	3,688	31,617	36,059
Financial institutions, investment and holding companies	–	50,871	26,372	25,657	28,449	131,349
Government	51,703	–	–	–	–	51,703
Professionals and private individuals (excluding housing loans)	–	–	528	–	33,578	34,106
Others	–	–	1,331	13,837	32,484	47,652
Total	51,703	50,871	31,108	54,156	377,770	565,608

43. Liquidity Risk

43.1 Contractual maturity profile of assets and liabilities

The table below analyses assets and liabilities of the Group as at 31 December based on the remaining period as at balance sheet date to the contractual maturity date.

In $ millions	**Less than 7 days**	**1 week to 1 month**	**1 to 3 months**	**3 to 12 months**	**1 to 3 years**	**3 to 5 years**	**More than 5 years**	**No specific maturity**	**Total**
					The Group				
2021									
Cash and balances with central banks	18,190	17,173	17,904	1,973	1,137	–	–	–	56,377
Government securities and treasury bills	823	2,416	5,252	6,575	12,445	8,259	17,492	–	53,262
Due from banks	23,025	9,950	8,200	9,613	589	–	–	–	51,377
Derivatives[a]	19,681	–	–	–	–	–	–	–	19,681
Bank and corporate securities	–	885	2,161	7,989	17,097	11,247	14,409	15,904	69,692
Loans and advances to customers	39,873	66,763	38,870	62,213	80,655	49,279	71,340	–	408,993
Other assets	10,206	718	1,371	2,082	135	22	23	1,338	15,895
Associates and joint ventures	–	–	–	–	–	–	–	2,172	2,172
Properties and other fixed assets	–	–	–	–	–	–	–	3,262	3,262
Goodwill and intangibles	–	–	–	–	–	–	–	5,362	5,362
Total assets	111,798	97,905	73,758	90,445	112,058	68,807	103,264	28,038	686,073
Due to banks	12,093	7,523	3,670	2,155	4,767	1	–	–	30,209
Deposits and balances from customers	407,760	33,002	35,031	22,995	1,616	769	786	–	501,959
Derivatives[a]	20,318	–	–	–	–	–	–	–	20,318
Other liabilities	8,137	1,136	2,443	2,831	379	143	312	3,286	18,667
Other debt securities	1,277	6,648	15,840	14,291	5,090	3,795	3,406	2,223	52,570
Subordinated term debts	–	–	–	–	–	118	4,518	–	4,636
Total liabilities	449,585	48,309	56,984	42,272	11,852	4,826	9,022	5,509	628,359
Non-controlling interests	–	–	–	–	–	–	–	188	188
Shareholders' funds	–	–	–	–	–	–	–	57,526	57,526
Total equity	–	–	–	–	–	–	–	57,714	57,714
2020									
Cash and balances with central banks	19,214	11,620	17,494	1,719	571	–	–	–	50,618
Government securities and treasury bills	292	2,771	4,324	6,505	13,111	6,888	17,809	–	51,700
Due from banks	20,497	5,859	10,238	13,322	901	50	–	–	50,867
Derivatives[a]	31,108	–	–	–	–	–	–	–	31,108
Bank and corporate securities	–	570	2,648	8,453	19,985	10,071	12,382	11,347	65,456
Loans and advances to customers	30,105	57,867	37,890	51,681	77,472	46,539	69,617	–	371,171
Other assets	13,232	1,216	1,413	2,338	94	17	16	1,169	19,495
Associates and joint ventures	–	–	–	–	–	–	–	862	862
Properties and other fixed assets	–	–	–	–	–	–	–	3,338	3,338
Goodwill and intangibles	–	–	–	–	–	–	–	5,323	5,323
Total assets	114,448	79,903	74,007	84,018	112,134	63,565	99,824	22,039	649,938
Due to banks	16,780	6,423	2,350	237	2,430	–	–	–	28,220
Deposits and balances from customers	363,707	30,737	42,340	24,192	2,174	311	1,389	–	464,850
Derivatives[a]	32,904	–	–	–	–	–	–	–	32,904
Other liabilities	12,435	1,087	2,111	2,077	532	331	788	2,713	22,074
Other debt securities	1,801	4,920	11,341	13,858	4,869	2,333	2,637	1,518	43,277
Subordinated term debts	–	–	–	–	–	–	3,970	–	3,970
Total liabilities	427,627	43,167	58,142	40,364	10,005	2,975	8,784	4,231	595,295
Non-controlling interests	–	–	–	–	–	–	–	17	17
Shareholders' funds	–	–	–	–	–	–	–	54,626	54,626
Total equity	–	–	–	–	–	–	–	54,643	54,643

(a) ***Derivative financial assets and liabilities are included in the "Less than 7 days" bucket as they are mainly held for trading. Please refer to the tables in Note 38 for the maturity profile of hedging derivatives***

The above table includes disclosure of the contractual maturity of financial liabilities, which approximates the same analysis on an undiscounted basis, as total future interest payments are not material relative to the principal amounts. Assets and liabilities (including non-maturing savings/ current deposits) are represented on a contractual basis or in a period when it can legally be withdrawn. The cash flows of assets and liabilities may behave differently from their contractual terms.

43.2 Contingent liabilities and commitments

The table below shows the Group's contingent liabilities and commitments based on the remaining period as at the balance sheet date to contractual expiry date.

			The Group		
In $ millions	**Less than 1 year**	**1 to 3 years**	**3 to 5 years**	**Over 5 years**	**Total**
2021					
Guarantees, letters of credit and other contingent liabilities	**34,079**	**–**	**–**	**–**	**34,079**
Undrawn credit commitments[a] and other facilities	**288,383**	**21,699**	**18,224**	**3,646**	**331,952**
Capital commitments	**16**	**37**	**19**	**–**	**72**
Total	**322,478**	**21,736**	**18,243**	**3,646**	**366,103**
2020					
Guarantees, letters of credit and other contingent liabilities	29,316	–	–	–	29,316
Undrawn credit commitments[a] and other facilities	269,568	18,547	15,296	3,424	306,835
Capital commitments	14	1	–	–	15
Total	298,898	18,548	15,296	3,424	336,166

(a) Includes commitments that are unconditionally cancellable at any time by the Group

The Group expects that not all of the contingent liabilities will be called upon and not all of the undrawn credit commitments will be drawn before expiry.

44. Capital Management

The Board is responsible for setting the Group's capital management objective, which is to maintain a strong capital position consistent with regulatory requirements under the MAS Notice 637 and the expectations of various stakeholders, including customers, investors and rating agencies. The Board articulates this objective in the form of capital targets. This objective is pursued while delivering returns to shareholders and ensuring that adequate capital resources are available for business growth and investment opportunities as well as adverse situations, taking into consideration the Group's strategic plans and risk appetite.

The Group's capital management objective is implemented via a capital management and planning process that is overseen by the Capital Committee. The Chief Financial Officer chairs the Capital Committee. The Capital Committee receives regular updates on the Group's current and projected capital positions. A key tool for capital planning is the annual Internal Capital Adequacy Assessment Process (ICAAP) through which the Group assesses its forecast capital supply and demand relative to regulatory requirements and internal capital targets. The ICAAP generally has a three-year horizon and covers various scenarios, including stress scenarios of differing scope and severity.

The Group is subject to and has complied with the capital adequacy requirements set out in the MAS Notice 637, which effects the Basel Committee on Banking Supervision's capital adequacy framework in Singapore, throughout the year. The Group's capital adequacy ratios as at 31 December 2021 and 2020 have been subject to an external limited assurance review, pursuant to the MAS Notice 609 "Auditor's Report and Additional Information to be submitted with Annual Accounts".

For more information, please refer to the Group's Pillar 3 disclosures published on DBS website (https://www.dbs.com/investors/default.page).

45. Segment Reporting

45.1 Business segment reporting

The business segment results are prepared based on the Group's internal management reporting which reflects the organisation's management structure. As the activities of the Group are highly integrated, internal allocation has been made in preparing the segment information. Amounts for each business segment are shown after the allocation of certain centralised costs, funding income and the application of transfer pricing, where appropriate. Transactions between segments are recorded within the segment as if they are third party transactions and are eliminated on consolidation.

The Group's various business segments are described below.

Consumer Banking/ Wealth Management

Consumer Banking/ Wealth Management provides individual customers with a diverse range of banking and related financial services. The products and services available to customers include current and savings accounts, fixed deposits, loans and home finance, cards, payments, investment and insurance products.

Institutional Banking

Institutional Banking provides financial services and products to institutional clients including bank and non-bank financial institutions, government-linked companies, large corporates and small and medium-sized businesses. The business focuses on broadening and deepening customer relationships. Products and services comprise the full range of credit facilities from short-term working capital financing to specialised lending. It also provides global transactional services such as cash management, trade finance and securities and fiduciary services, treasury and markets products, corporate finance and advisory banking as well as capital markets solutions.

Treasury Markets

Treasury Markets' activities primarily include structuring, market-making and trading across a broad range of treasury products.

Income from sale of treasury products offered to customers of Consumer Banking/ Wealth Management and Institutional Banking is not reflected in the Treasury Markets segment, but in the respective customer segments.

Others

The Others segment encompasses the results of corporate decisions that are not attributed to business segments as well as the contribution of LVB as its activities have not been aligned with the Group's segment definitions. It includes earnings on capital deployed into high quality assets, earnings from non-core asset sales and certain other head office items such as centrally raised allowances. DBS Vickers Securities is also included in this segment.

The following table analyses the results, total assets and total liabilities of the Group by business segment.

	The Group				
In $ millions	**Consumer Banking/ Wealth Management**	**Institutional Banking**	**Treasury Markets[a]**	**Others**	**Total**
2021					
Net interest income	**2,548**	**3,999**	**783**	**1,110**	**8,440**
Net fee and commission income	**2,186**	**1,282**	**–**	**56**	**3,524**
Other non-interest income	**588**	**703**	**726**	**420**	**2,437**
Total income	**5,322**	**5,984**	**1,509**	**1,586**	**14,401**
Total expenses	**3,353**	**2,086**	**647**	**483**	**6,569**
Allowances for credit and other losses	**46**	**141**	**(5)**	**(130)**	**52**
Profit before tax	**1,923**	**3,757**	**867**	**1,233**	**7,780**
Income tax expense and non-controlling interest					**975**
Net profit attributable to shareholders					**6,805**
Total assets before goodwill and intangibles	**127,268**	**313,180**	**163,554**	**76,709**	**680,711**
Goodwill and intangibles					**5,362**
Total assets					**686,073**
Total liabilities	**267,870**	**211,613**	**88,840**	**60,036**	**628,359**
Capital expenditure	**125**	**23**	**19**	**400**	**567**
Depreciation	**42**	**7**	**3**	**617**	**669**
2020					
Net interest income	3,339	3,995	840	902	9,076
Net fee and commission income	1,869	1,160	–	29	3,058
Other non-interest income	559	590	596	713	2,458
Total income	5,767	5,745	1,436	1,644	14,592
Total expenses	3,288	1,987	634	249	6,158
Allowances for credit and other losses	456	1,485	14	1,111	3,066
Profit before tax	2,023	2,273	788	284	5,368
Income tax expense and non-controlling interest					647
Net profit attributable to shareholders					4,721
Total assets before goodwill and intangibles	116,845	292,850	160,638	74,282	644,615
Goodwill and intangibles					5,323
Total assets					649,938
Total liabilities	253,893	223,598	66,593	51,211	595,295
Capital expenditure	108	26	19	394	547
Depreciation	47	10	3	588	648

(a) With effect from 1 January 2021, the functional currency of the Treasury Markets trading business in Singapore has been changed prospectively from Singapore dollars to US dollars. The wholesale assets and liabilities have been aligned to the new operating model. The change has no impact to the overall profit or loss and financial position of the Group

45.2 Geographical segment reporting

The performance by geography is classified based on the location in which income and assets are recorded; with head office items such as centrally raised credit allowances reflected in Singapore. Hong Kong comprises mainly DBS Bank (HK) Limited and DBS HK branch. Rest of Greater China comprises mainly DBS Bank (China) Ltd, DBS Bank (Taiwan) Ltd and DBS Taipei branch. South and Southeast Asia comprises mainly PT Bank DBS Indonesia, DBS Bank India Limited (including LVB balances post-amalgamation) and DBS Labuan branch. All results are prepared in accordance with SFRS(I).

	The Group					
In $ millions	**Singapore**	**Hong Kong**	**Rest of Greater China**	**South and Southeast Asia**	**Rest of the World**	**Total**
2021						
Net interest income	**5,159**	**1,392**	**755**	**704**	**430**	**8,440**
Net fee and commission income	**2,228**	**776**	**202**	**241**	**77**	**3,524**
Other non-interest income	**1,558**	**312**	**381**	**178**	**8**	**2,437**
Total income	**8,945**	**2,480**	**1,338**	**1,123**	**515**	**14,401**
Total expenses	**3,823**	**1,057**	**822**	**747**	**120**	**6,569**
Allowances for credit and other losses	**(14)**	**7**	**59**	**80**	**(80)**	**52**
Profit before tax	**5,136**	**1,416**	**457**	**296**	**475**	**7,780**
Income tax expense and non-controlling interest	**507**	**226**	**47**	**60**	**135**	**975**
Net profit attributable to shareholders	**4,629**	**1,190**	**410**	**236**	**340**	**6,805**
Total assets before goodwill and intangibles	**449,547**	**106,187**	**58,926**	**26,645**	**39,406**	**680,711**
Goodwill and intangibles	**5,133**	**29**	**–**	**200**	**–**	**5,362**
Total assets	**454,680**	**106,216**	**58,926**	**26,845**	**39,406**	**686,073**
Non-current assets[a]	**3,818**	**688**	**498**	**403**	**27**	**5,434**
2020						
Net interest income	5,751	1,607	721	677	320	9,076
Net fee and commission income	1,935	661	188	205	69	3,058
Other non-interest income	1,673	266	200	219	100	2,458
Total income	9,359	2,534	1,109	1,101	489	14,592
Total expenses	3,604	1,059	738	646	111	6,158
Allowances for credit and other losses	2,074	332	179	308	173	3,066
Profit before tax	3,681	1,143	192	147	205	5,368
Income tax expense and non-controlling interest	364	180	21	43	39	647
Net profit attributable to shareholders	3,317	963	171	104	166	4,721
Total assets before goodwill and intangibles	424,727	99,406	55,734	25,371	39,377	644,615
Goodwill and intangibles	5,133	29	–	161	–	5,323
Total assets	429,860	99,435	55,734	25,532	39,377	649,938
Non-current assets[a]	2,682	723	323	446	26	4,200

(a) Includes investments in associates and joint ventures, properties and other fixed assets

46. Subsequent Events

46.1 Acquisition of consumer banking business of Citigroup Inc in Taiwan

The Group announced on 28 January 2022 that it has agreed to acquire the consumer banking business of Citigroup Inc (Citi) in Taiwan (Citi Consumer Taiwan) via a transfer of assets and liabilities, and will pay Citi cash for the net assets of Citi Consumer Taiwan plus a premium of $956 million (TWD 19.8 billion). The acquisition is in line with the Group's strategy to scale up its investment and accelerates its expansion in Taiwan.

46.2 Operational risk penalty for digital disruption

On 7 February 2022, an operational risk penalty associated with the digital disruption in November 2021 was imposed on the main subsidiary of the Company, DBS Bank Ltd ('the Bank"). MAS has required the Bank to apply a multiplier of 1.5 times to its risk-weighted assets for operational risk which translates to an additional $930 million in regulatory capital.

The additional capital requirement will be reviewed when MAS is satisfied that the Bank has addressed the identified shortcomings.

INCOME STATEMENT

for the year ended 31 December 2021

		Bank	
In $ millions	**Note**	**2021**	**2020**
Income			
Interest income		**7,117**	9,201
Interest expense		**1,109**	2,761
Net interest income		**6,008**	6,440
Net fee and commission income		**2,441**	2,140
Net trading income		**1,286**	938
Net income from investment securities		**320**	858
Other income	2	**530**	387
Non-interest income		**4,577**	4,323
Total income		**10,585**	10,763
Employee benefits		**2,366**	2,177
Other expenses		**1,749**	1,704
Total expenses		**4,115**	3,881
Profit before allowances		**6,470**	6,882
Allowances for credit and other losses		**(118)**	2,323
Profit before tax		**6,588**	4,559
Income tax expense		**713**	408
Net profit attributable to shareholders		**5,875**	4,151

(see notes on pages 187 to 189 which form part of these financial statements)

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2021

	Bank	
In $ millions	**2021**	**2020**
Net profit	**5,875**	4,151
Other comprehensive income:		
Items that may be reclassified subsequently to income statement:		
Translation differences for foreign operations	**27**	(13)
Gains/ (losses) on debt instruments classified at fair value through other comprehensive income and cash flow hedge movements		
Net valuation taken to equity	**(578)**	879
Transferred to income statement	**(249)**	(478)
Taxation relating to components of other comprehensive income	**35**	(10)
Items that will not be reclassified to income statement:		
Gains/ (losses) on equity instruments classified at fair value through other comprehensive income (net of tax)	**111**	(240)
Fair value change from own credit risk on financial liabilities designated at fair value (net of tax)	**(32)**	25
Other comprehensive income, net of tax	**(686)**	163
Total comprehensive income attributable to shareholders	**5,189**	4,314

(see notes on pages 187 to 189 which form part of these financial statements)

BALANCE SHEET

as at 31 December 2021

In $ millions	Note	Bank 2021	 2020
Assets			
Cash and balances with central banks		**48,688**	39,388
Government securities and treasury bills		**37,816**	36,682
Due from banks		**43,857**	44,643
Derivatives		**18,364**	27,959
Bank and corporate securities		**63,380**	59,944
Loans and advances to customers		**325,734**	302,587
Other assets		**11,532**	14,936
Associates and joint ventures		**1,272**	186
Subsidiaries	3	**28,545**	31,860
Due from holding company		**718**	911
Properties and other fixed assets		**1,806**	1,849
Goodwill and intangibles		**334**	334
Total assets		**582,046**	561,279
Liabilities			
Due to banks		**24,087**	23,586
Deposits and balances from customers		**387,824**	350,079
Derivatives		**18,880**	29,537
Other liabilities		**12,858**	16,800
Other debt securities		**45,066**	38,081
Due to holding company		**8,776**	6,031
Due to subsidiaries		**34,439**	48,288
Total liabilities		**531,930**	512,402
Net assets		**50,116**	48,877
Equity			
Share capital	4	**24,452**	24,452
Other equity instruments	5	**2,396**	4,209
Other reserves	6	**(425)**	264
Revenue reserves	6	**23,693**	19,952
Shareholders' funds		**50,116**	48,877

(see notes on pages 187 to 189 which form part of these financial statements)

NOTES TO THE SUPPLEMENTARY FINANCIAL STATEMENTS

for the year ended 31 December 2021

The supplementary financial statements of DBS Bank Ltd (the Bank) are extracted from the Audited Statutory Financial Statements of DBS Bank Ltd and its subsidiaries (the Bank Group) for the financial year ended 31 December 2021. The statutory financial statements of the Bank and the Bank Group which contained an unqualified audit report, will be delivered to the Accounting & Corporate Regulatory Authority in accordance with the Singapore Companies Act.

1. Summary of Significant Accounting Policies

The accounting policies applied by the Bank and the Bank Group are consistent with those applied by the Group as disclosed in Note 2 of the "Notes to the Financial Statements" (Notes) in the Group's Consolidated Financial Statements.

2. Other Income

Other income includes the following:

In $ millions	2021	2020
Dividends from subsidiaries	**475**	341
Dividends from associates	**16**	6
Total	**491**	347

3. Subsidiaries

In $ millions	2021	2020
Investment in subsidiaries[a]		
Ordinary shares	**12,958**	12,782
Due from subsidiaries		
Other receivables	**15,587**	19,078
Total	**28,545**	31,860

(a) The carrying amounts of certain investments which are designated as hedged items in a fair value hedge are adjusted for fair value changes attributable to the hedged risks

4. Share Capital

	Shares ('000) 2021	 2020	In $ millions 2021	 2020
Ordinary shares				
Balance at 1 January	**2,626,196**	2,626,196	**24,452**	23,653
Redemption of preference shares	**–**	–	**–**	799
Balance at 31 December	**2,626,196**	2,626,196	**24,452**	24,452
Non-cumulative preference shares				
Balance at 1 January				
SGD 800m 4.70% Non-Cumulative, Non-Convertible, Non-Voting, Preference Shares Callable in 2020	**–**	8,000	**–**	799
Redemption of preference shares	**–**	(8,000)	**–**	(799)
Balance at 31 December	**–**	–	**–**	–
Issued share capital at 31 December			**24,452**	24,452

5. Other Equity Instruments

The following perpetual capital securities issued by the Bank are classified as other equity instruments. These instruments are subordinated to all liabilities of the Bank and senior only to ordinary shareholders of the Bank. Their terms require them to be written-off if and when the Monetary Authority of Singapore notifies the Bank that a write-off of the instruments, or a public sector injection of capital (or equivalent support), is necessary, without which the Bank Group or the DBSH Group (DBSH and its subsidiaries) would become non-viable. These instruments qualify as Additional Tier 1 capital under MAS Notice 637.

In $ millions	Issue Date	Distribution Payment	2021	2020
Issued by the Bank				
SGD 550m 3.85% Non-Cumulative, Non-Convertible Perpetual Capital Securities First Callable in 2021	1 Sep 2016	Sep	**–**	550
USD 185m 4.0% Non-Cumulative, Non-Convertible Perpetual Capital Securities First Callable in 2021	1 Sep 2016	Sep	**–**	252
USD 750m 3.60% Non-Cumulative, Non-Convertible Perpetual Capital Securities First Callable in 2021	7 Sep 2016	Mar/ Sep	**–**	1,011
SGD 1,000m 3.98% Non-Cumulative, Non-Convertible Perpetual Capital Securities First Callable in 2025	12 Sep 2018	Mar/ Sep	**1,000**	1,000
USD 1,000m 3.30% Non-Cumulative, Non-Convertible Perpetual Capital Securities First Callable in 2025	27 Feb 2020	Feb/ Aug	**1,396**	1,396
Total			**2,396**	4,209

6. Other Reserves and Revenue Reserves

6.1 Other reserves

In $ millions	2021	2020
FVOCI revaluation reserves (bonds)	**(79)**	281
FVOCI revaluation reserves (equities)	**(114)**	(190)
Cash flow hedge reserves	**(187)**	245
Capital reserves	**(45)**	(72)
Total	**(425)**	264

Movements in other reserves of the Bank during the year are as follows:

In $ millions	FVOCI revaluation reserves (bonds)	FVOCI revaluation reserves (equities)	Cash flow hedge reserves	Capital reserves[(a)]	Total
2021					
Balance at 1 January	**281**	**(190)**	**245**	**(72)**	**264**
Net exchange translation adjustments	**–**	**–**	**–**	**27**	**27**
FVOCI financial assets and cash flow hedge movements:					
– net valuation taken to equity	**(280)**	**117**	**(298)**	**–**	**(461)**
– transferred to income statement	**(97)**	**–**	**(152)**	**–**	**(249)**
– taxation relating to components of other comprehensive income	**17**	**(6)**	**18**	**–**	**29**
Transfer to revenue reserves upon disposal of FVOCI equities	**–**	**(35)**	**–**	**–**	**(35)**
Balance at 31 December	**(79)**	**(114)**	**(187)**	**(45)**	**(425)**
2020					
Balance at 1 January	59	(38)	76	(59)	38
Net exchange translation adjustments	–	–	–	(13)	(13)
FVOCI financial assets and cash flow hedge movements:					
– net valuation taken to equity	611	(250)	268	–	629
– transferred to income statement	(378)	–	(100)	–	(478)
– taxation relating to components of other comprehensive income	(11)	10	1	–	–
Transfer to revenue reserves upon disposal of FVOCI equities	–	88	–	–	88
Balance at 31 December	281	(190)	245	(72)	264

(a) *Capital reserves include net exchange translation adjustments arising from translation differences on net investments in foreign branches or units with non-SGD functional currency and the related foreign currency instruments designated as a hedge*

6.2 Revenue reserves

In $ millions	2021	2020
Balance at 1 January	**19,952**	19,425
Redemption of perpetual capital securities	**6**	–
Redemption of preference shares	**–**	(800)
Net profit attributable to shareholders	**5,875**	4,151
Other comprehensive income attributable to shareholders		
– Transfer from FVOCI revaluation reserves upon disposal of FVOCI equities	**35**	(88)
– Fair value change from own credit risk on financial liabilities designated at fair value (net of tax)	**(32)**	25
Sub-total	**25,836**	22,713
Less: Dividends paid to holding company	**2,143**	2,723
Dividends paid on preference shares	**–**	38
Balance at 31 December[(a)]	**23,693**	19,952

(a) *Singapore banks are required to maintain a Minimum Regulatory Loss Allowance (MRLA) of at least 1% of the gross carrying amount of selected credit exposures net of collaterals per MAS Notice 612. For periods where Stage 1 and 2 ECL fall below MRLA, the shortfall is appropriated from retained earnings in the shareholders' funds into a non-distributable Regulatory Loss Allowance Reserve (RLAR) account. The RLAR was nil as at 31 December 2021 (2020: Nil)*

DBS Group Holdings and its Subsidiaries

FIVE-YEAR SUMMARY

Group	2021	2020	2019	2018	2017
Selected income statement items ($ millions)					
Total income	**14,297**	14,592	14,544	13,183	11,924
Profit before allowances	**7,828**	8,434	8,286	7,385	6,794
Allowances	**52**	3,066	703	710	1,544
Profit before tax	**7,776**	5,368	7,583	6,675	5,250
Net profit excluding one-time items	**6,801**	4,721	6,391	5,625	4,390
One-time items(1)	**4**	–	–	(48)	(19)
Net profit	**6,805**	4,721	6,391	5,577	4,371
Selected balance sheet items ($ millions)					
Total assets	**686,073**	649,938	578,946	550,751	517,711
Customer loans	**408,993**	371,171	357,884	345,003	323,099
Total liabilities	**628,359**	595,295	527,147	500,876	467,909
Customer deposits	**501,959**	464,850	404,289	393,785	373,634
Total shareholders' funds	**57,526**	54,626	50,981	49,045	47,458
Per ordinary share ($)					
Earnings excluding one-time items	**2.61**	1.81	2.46	2.16	1.69
Earnings	**2.61**	1.81	2.46	2.15	1.69
Net asset value	**21.47**	20.08	19.17	18.12	17.85
Dividends(2)	**1.20**	0.87	1.23	1.20	1.43
Selected financial ratios (%)					
Dividend cover for ordinary shares (number of times)(2)	**2.17**	2.08	2.00	1.79	1.17
Net interest margin	**1.45**	1.62	1.89	1.85	1.75
Cost-to-income(3)	**45.2**	42.2	43.0	44.0	43.0
Return on assets(3)	**1.02**	0.75	1.13	1.05	0.89
Return on equity(3) (4)	**12.5**	9.1	13.2	12.1	9.7
Loan/ deposit ratio	**81.5**	79.8	88.5	87.6	86.5
Non-performing loan rate	**1.3**	1.6	1.5	1.5	1.7
Loss allowance coverage(5)	**116**	110	94	98	85
Capital adequacy					
Common Equity Tier 1	**14.4**	13.9	14.1	13.9	14.3
Tier 1	**15.1**	15.0	15.0	15.1	15.1
Total	**17.0**	16.8	16.7	16.9	15.9
Basel III fully phased-in Common Equity Tier 1(6)	**14.4**	13.9	14.1	13.9	13.9

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(1) One-time items include gain recognised on completion of Shenzhen Rural Commerical Bank acquisition, Corporate Social Responsibility commitment to DBS Foundation and other charitable causes, impact from remeasurement of deferred taxes due to a change in the applicable tax rate arising from the conversion of India Branch to a wholly-owned subsidiary, gains from divestment of subsidiary, general allowances and ANZ integration costs

(2) 2017 includes special dividend of $0.50

(3) Excludes one-time items

(4) Calculated based on net profit attributable to the shareholders net of dividends on preference shares and other equity instruments. Non-controlling interests, preference shares and other equity instruments are not included as equity in the computation of return of equity

(5) Computation for 2019 and 2018 includes regulatory loss allowance reserves

(6) Calculated by dividing Common Equity Tier 1 capital after all regulatory adjustments (e.g. goodwill) applicable from 1 January 2018 by RWA as at each reporting date

BOARD OF DIRECTORS as at 10 February 2022

Peter Seah Lim Huat,
75

Chairman

Non-Executive and Non-Independent Director

Bachelor of Business Administration (Honours)
National University of Singapore

Date of first appointment as Director:	16 November 2009
Date of appointment as Chairman:	1 May 2010
Date of last re-election as Director:	30 April 2020
Length of service as Director:	12 years 3 months

Present directorships:

Other listed companies

• Singapore Airlines Limited	Chairman

Other principal commitments

• DBS Bank Ltd.	Chairman
• DBS Bank (Hong Kong) Limited	Chairman
• GIC Private Limited	Director
• STT Communications Ltd	Deputy Chairman
• Fullerton Financial Holdings Pte. Ltd.	Deputy Chairman
• LaSalle College of the Arts Limited	Chairman
• Council of Presidential Advisers	Member

Past directorships in listed companies held over the preceding five years:

• Level 3 Communications Inc	Director

Piyush Gupta,
62

Chief Executive Officer

Executive Director

Post Graduate Diploma in Management
Indian Institute of Management, Ahmedabad, India

Bachelor of Arts, Economics
University of Delhi, India

Date of first appointment as Director:	9 November 2009
Date of last re-election as Director:	30 March 2021
Length of service as Director:	12 years 3 months

Present directorships:

Other listed companies

Nil

Other principal commitments

• DBS Bank Ltd.	Chief Executive Officer & Director
• DBS Bank (Hong Kong) Limited	Vice Chairman
• Verified Impact Exchange Holdings Pte. Ltd.	Chairman
• Dr Goh Keng Swee Scholarship Fund	Director
• Institute of International Finance, Washington	Vice Chairman
• National Research Foundation, Singapore	Board Member
• Enterprise Singapore	Board Member
• The Association of Banks in Singapore	Vice Chairman
• The Institute of Banking & Finance	Council Member
• Singapore Indian Development Association (SINDA)	Term Trustee
• Singapore Management University	Member, Board of Trustees
• MasterCard Asia Pacific Advisory Board	Board Member
• BirdLife International, UK	Co-Chairman, Global Advisory Group
• Indian Business-leaders Roundtable under Singapore Indian Development Association (SINDA)	Member, Managing Council
• Advisory Council on the Ethical Use of Artificial Intelligence (AI) and Data, Singapore	Council Member
• Council for Board Diversity, Singapore	Council Member
• Bretton Woods Committee, USA	Member, Advisory Council
• World Business Council for Sustainable Development, Switzerland	Vice Chairman, Executive Committee Member
• CNBC ESG Council, USA	Council Member
• International Business Leaders' Advisory Council for the Mayor of Shanghai (IBLAC)	

Past directorships in listed companies held over the preceding five years:

Nil

Olivier Lim Tse Ghow, 57

Non-Executive and Lead Independent Director

Bachelor of Engineering (First Class Honours), Civil Engineering
Imperial College, London, UK

Date of first appointment as Director:	7 November 2017
Date of appointment as Lead Independent Director:	29 April 2020
Date of last re-election as Director:	30 April 2020
Length of service as Director:	4 years 3 months

Present directorships:

Other listed companies

• Raffles Medical Group Ltd	Director

Other principal commitments

• DBS Bank Ltd.	Director
• DBS Foundation Ltd.	Director
• Certis CISCO Security Pte. Ltd.	Chairman
• JTC Corporation	Board Member
• PropertyGuru Pte. Ltd.	Chairman
• Securities Industry Council	Member
• Singapore Management University	Member, Board of Trustees

Past directorships in listed companies held over the preceding five years:

• Banyan Tree Holdings Limited	Director

Chng Kai Fong, 43

Non-Executive and Non-Independent Director

Sloan Masters Programme with a Master of Science in Management
Stanford University, USA

Master of Engineering and Bachelor of Arts (First Class Honours)
University of Cambridge, UK

Date of first appointment as Director:	31 March 2021
Date of last re-election as Director:	Not applicable
Length of service as Director:	11 months

Present directorships:

Other listed companies

Nil

Other principal commitments

• DBS Bank Ltd.	Director
• The Smart Nation and Digital Government Group	Second Permanent Secretary
• Singapore Symphonia Company Limited	Director
• Shell Gas & Power Development B.V.	Advisory Board Member, New Energies Advisory Board
• Singapore University of Technology and Design	Member, Board of Trustees
• The Government Technology Agency of Singapore	Board Member

Past directorships in listed companies held over the preceding five years:

Nil

Bonghan Cho, 57

Non-Executive and Independent Director

Ph.D and MS in Computer Science, specialising in Artificial Intelligence
University of Southern California, USA

Bachelor of Science in Computer Science and Statistics
Seoul National University, South Korea

Date of first appointment as Director:	26 April 2018
Date of last re-election as Director:	25 April 2019
Length of service as Director:	3 years 10 months

Present directorships:

Other listed companies

Nil

Other principal commitments

• DBS Bank Ltd.	Director
• Equalkey Corporation	Founder & Chief Executive Officer
• AMO Labs Pte. Ltd.	Member, Advisory Board

Past directorships in listed companies held over the preceding five years:

Nil

Ho Tian Yee, 69

Non-Executive and Non-Independent Director

Master of Business Administration
University of Chicago, USA

Bachelor of Arts (Honours), Economics (CNAA)
Portsmouth University, UK

Date of first appointment as Director:	29 April 2011
Date of last re-election as Director:	30 April 2020
Length of service as Director:	10 years 10 months

Present directorships:

Other listed companies

Nil

Other principal commitments

• DBS Bank Ltd.	Director
• Fullerton Fund Management Company Ltd	Chairman
• Fullerton Investment Management (Shanghai) Co., Ltd.	Chairman
• FFMC Holdings Pte. Ltd.	Chairman
• Mount Alvernia Hospital	Chairman
• Pavilion Capital Holdings Pte. Ltd.	Director
• Seviora Holdings Pte. Ltd.	Director
• Blue Edge Advisors Pte. Ltd.	Investment Advisor
• Urban Redevelopment Authority	Member, Finance Investment Committee

Past directorships in listed companies held over the preceding five years:

• AusNet Services Ltd	Director

Punita Lal, 59

Non-Executive and Independent Director

Master of Business Administration
Indian Institute of Management, Calcutta, India

Bachelor of Arts, Economics (Honours)
St. Stephen's College, Delhi, India

Date of first appointment as Director:	1 April 2020
Date of last re-election as Director:	30 March 2021
Length of service as Director:	1 year 10 months

Present directorships:

Other listed companies

• Cipla Limited	Director

Other principal commitments

• DBS Bank Ltd.	Director
• Life Style International Private Limited	Director
• Capillary Technologies International Pte. Ltd.	Advisor
• Carlsberg A/S	Observer, Global Supervisory Board

Past directorships in listed companies held over the preceding five years:

• CEAT Limited	Director
• Entertainment Network (India) Ltd	Director

Judy Lee, 54

Non-Executive and Independent Director

Master of Business Administration
The Wharton School of the University of Pennsylvania, USA

Bachelor of Science, Finance & International Business
Stern Business School, New York University, USA

Advanced Management Program
Women on Boards – Corporate Director Program
Harvard Business School, USA

Date of first appointment as Director:	4 August 2021
Date of last re-election as Director:	Not applicable
Length of service as Director:	6 months

Present directorships:

Other listed companies

• Commercial Bank of Ceylon PLC	Director

Other principal commitments

• DBS Bank Ltd.	Director
• Dragonfly LLC	Managing Director & Co-Founder
• Dragonfly Advisors Pte. Ltd.	Managing Director
• Dragonfly Capital Ventures LLC	Chief Executive Officer
• SMRT Corporation Ltd	Director
• Temasek Lifesciences Accelerator Pte. Ltd.	Director
• Stern School of Business, New York University	Member, Executive Board
• Break Some Glass Inc., WomenExecs on Boards	Vice President (volunteer, non-profit Harvard Business School Alumni network)

Past directorships in listed companies held over the preceding five years:
Nil

Anthony Lim Weng Kin, 63

Non-Executive and Independent Director

Bachelor of Science
National University of Singapore

Advanced Management Program
Harvard Business School, USA

Date of first appointment as Director:	1 April 2020
Date of last re-election as Director:	30 March 2021
Length of service as Director:	1 year 10 months

Present directorships:

Other listed companies

• CapitaLand Investment Limited	Director

Other principal commitments

• DBS Bank Ltd.	Director
• CapitaLand Hope Foundation	Director
• Institute of International Education (IIE) Scholar Rescue Fund	Member, Selection Committee
• Ministry of Foreign Affairs, Singapore	Non-Resident Ambassador to Colombia

Past directorships in listed companies held over the preceding five years:

• CapitaLand Limited(1)	Director
• Vista Oil & Gas S.A.B. de C.V.	Director

(1) *CapitaLand Limited was delisted from the official list of the Singapore Exchange Securities Trading Limited on 21 September 2021*

Tham Sai Choy, 62

Non-Executive and Independent Director

Bachelor of Arts (Honours) in Economics
University of Leeds, UK

Fellow
Institute of Chartered Accountants in England and Wales
Institute of Singapore Chartered Accountants
Singapore Institute of Directors

Date of first appointment as Director:	3 September 2018
Date of last re-election as Director:	25 April 2019
Length of service as Director:	3 years 5 months

Present directorships:

Other listed companies

• Keppel Corporation Limited	Director

Other principal commitments

• DBS Bank Ltd.	Director
• DBS Bank (China) Limited	Director
• DBS Foundation Ltd.	Director
• Nanyang Polytechnic	Board Member
• Mount Alvernia Hospital	Board Member
• Singapore International Arbitration Centre	Director
• E M Services Private Limited	Chairman
• Keppel Offshore & Marine Ltd	Director

Past directorships in listed companies held over the preceding five years:
Nil

GROUP MANAGEMENT COMMITTEE

The Group Management Committee comprises 20 members, including members of the Group Executive Committee.

Piyush Gupta*

Chief Executive Officer
Piyush has been the Chief Executive Officer and Director of DBS Group since 2009. Prior to joining DBS, Piyush had a 27-year career at Citigroup, where his last position was Chief Executive Officer for Southeast Asia, Australia and New Zealand. Piyush is Vice-Chairman of the Institute of International Finance, Washington, and the World Business Council for Sustainable Development (WBCSD) Executive Committee. In addition, he is a member of Singapore's Advisory Council on the Ethical Use of AI and Data, Singapore Management University's Board of Trustees, and Bretton Woods Committee's Advisory Council.

Piyush sits on the boards of Enterprise Singapore, National Research Foundation Singapore, and the Council for Board Diversity established by Singapore's Ministry of Social and Family Development. He is a term trustee of the Singapore Indian Development Association. Previously, he was a member of the Singapore Emerging Stronger Taskforce, aimed at defining Singapore's future in a post-Covid world, the UN Secretary General's Task Force on Digital Financing of the Sustainable Development Goals, and the McKinsey Advisory Council.

Piyush was named one of the world's top 100 best-performing chief executives in Harvard Business Review's 2019 edition of "The CEO 100". In 2020, he was awarded the Public Service Star by the President of Singapore for his meritorious service to the nation. He was named Global Indian of the Year by the Economic Times in 2021, Outstanding Chief Executive of the Year by Singapore Business Awards in 2016, and Singapore Business Leader of the Year by CNBC in 2014.

Chng Sok Hui*

Chief Financial Officer
Sok Hui is the Chief Financial Officer of DBS Group. Prior to this appointment in October 2008, she was Group Head of Risk Management for six years. She is the Chairman of the DBS Bank India Board, a board member of the Singapore Exchange (Chair of Risk Committee) as well as the Changi Airport Group (Chair of Audit Committee). Additionally, she serves as a member on the CareShield Life Council.

Sok Hui previously served, for six years each, on the boards of Inland Revenue Authority of Singapore, Housing & Development Board, and Accounting Standards Council. She was also the Supervisor of DBS China Board for 10 years and a past board member of the Bank of the Philippine Islands.

Sok Hui is a Chartered Financial Analyst, a Certified Financial Risk Manager, an IBF Distinguished Fellow and a Fellow Chartered Accountant of Singapore. She was the recipient of several awards including AsiaRisk's Risk Manager of the Year (2002), Asian Banker's Inaugural Risk Manager of the Year (2012), "Best CFO" at the Singapore Corporate Awards (2013) and "Accountant of the Year" at the inaugural Singapore Accountancy Awards (2014). She is a member of the International Women's Forum (Singapore).

Eng-Kwok Seat Moey

Capital Markets
Seat Moey is Group Head of Capital Markets. With more than 30 years of experience in investment banking, she oversees and supervises several teams on advisory and corporate finance, as well as structuring and execution of all equity transactions including corporate equity fund raising, REITs/ Business Trusts and IPOs. Seat Moey's extensive experience also includes structuring and originating debt and equity-linked debt issues and structured finance. She is the Chair of the DBS Digital Exchange which offers trading services for various digital assets, including security tokens and cryptocurrencies. She also has oversight of the bank's award-winning securities business, DBS Vickers Securities.

Seat Moey was instrumental in the development of the REITs industry in Singapore and the region, having advised on numerous industry-first structures. She also played an integral role in growing DBS' capital markets franchise beyond Singapore through a number of regional landmark transactions. Under her leadership, DBS continues to lead the market in Singapore and Asia ex-Japan, ranking first in regional and Singapore league tables.

Philip Fernandez

Corporate Treasurer
Philip is Group Corporate Treasurer, responsible for DBS' balance sheet, capital, wholesale funding, duration management and structural FX globally. He leads DBS Group's IBOR transition programme and chairs the corresponding ABS industry workgroup for corporate loans. He became Corporate Treasurer 13 years ago and in total has more than 30 years of experience in financial services in Singapore and London. Philip was awarded the Institute of Banking and Finance's Distinguished Fellow award for Financial Markets in 2021 and was previously named "Bank Treasurer of the Year" by The Asset. Prior to heading Corporate Treasury, he was DBS' co-head of Market Risk for five years. Philip is a Singaporean who holds an M.A. from Cambridge University where he studied Engineering and Management under a DBS scholarship. Previously, he was also an adjunct associate professor at the Singapore Management University for six years, where he specialised in quantitative finance.

Neil Ge

China
Neil is Chief Executive Officer of DBS Bank (China) Limited. A seasoned banker, he has more than 30 years of experience in corporate and investment banking, equities, fixed income and derivatives. He also has breadth of international experience, having worked in a myriad of markets including Shanghai, Beijing, Hong Kong, Tokyo and New York. Prior to DBS, Neil was the Managing Director of Credit Suisse's Shanghai office.

Derrick Goh

Audit
Derrick is the Group Head of Audit, responsible for strengthening the bank's controls, risks and governance. Previously, Derrick led the Treasures and Treasures Private Client Wealth Management business regionally. He also led POSB where he helped to deepen its community outreach. His other roles at DBS include Regional Chief Operating Officer and Chief Financial Officer of Institutional Banking Group and Head of Finance, Group Planning and Analytics.

Derrick has 30 years of experience in finance and banking. Before DBS, he spent 11 years at American Express in senior finance roles in Paris, London, New York and Singapore. He currently serves the community as a Member of Parliament for Nee Soon GRC and on the Boards of GovTech Singapore and HomeTeamNS.

Han Kwee Juan

Strategy & Planning
Kwee Juan is Group Head of Strategy and Planning. In this role, he works with the Group CEO and Group Management Committee to develop strategies to drive growth and valuation for shareholders. He also oversees strategic reviews and execution of these strategies across the Group.

Kwee Juan leads the bank's transformation agenda. He develops change management programmes to deliver transformation outcomes across the Group in data and artificial intelligence, managing through journeys, customer experience, innovation and future of work.

His portfolio also encompasses responsibility for developing and driving new business models through ecosystems partnerships for corporate and retail customers; identifying and creating new joint ventures to develop new revenue streams through banking solutions; and ultimately to grow value in the Group's joint venture investments.

Lam Chee Kin

Legal, Compliance & Secretariat
Chee Kin oversees the legal and regulatory risk of DBS across legal entities, segments and geographies. A lawyer by profession, he has particular expertise in financial services regulation, and financial markets product and business structuring. Chee Kin has held legal and compliance portfolios in Standard Chartered, JPMorgan, Rajah & Tann and Allen & Gledhill. He also had a stint as Chief Operating Officer for Southeast Asia at J.P Morgan.

Chee Kin currently serves on the Advisory Board to the Singapore Management University School of Law and the Advisory Panel to the NUS Centre for Banking and Finance Law.

Lee Yan Hong

Human Resources
Yan Hong is Managing Director and Head of Group Human Resources. Her human capital management experience spans over 30 years, across a spectrum of industries, specialisations, coverage and geographies. At DBS, Yan Hong drives the overall strategic people agenda of the Group and is recognised for taking a proactive approach in building best practices in human resources, setting the direction and spearheading various functions and initiatives in the organisational growth of the Bank. Under her leadership, DBS has won a number of global and regional accolades, including being certified by Kincentric as Regional Best Employer in Asia Pacific, as well as Country Best Employer in Singapore and other markets for several years. For the fifth year running, DBS has been named to the Bloomberg Gender-Equality Index. In addition, DBS has also been awarded by the Singapore Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) for fair and progressive employment practices as well as empowering employees to achieve work-life excellence. Yan Hong was a steering committee member for Applied Study in Polytechnics and ITE Review (ASPIRE) looking to enhance career and progression prospects for tertiary students in Singapore. She currently serves as committee member at the Human Resource Skills Council for Workforce Singapore and Human Capital Leadership Institute CHRO Advisory Panel.

Lim Him Chuan

Taiwan
Him Chuan is Chief Executive Officer of DBS Bank Taiwan. Prior to this, he was the Group Head of Product Management for DBS' Global Transaction Services, responsible for the bank's cash management and trade finance businesses. Under his leadership, the business registered robust growth with a strong focus on product digitalisation and significant improvements in the Greenwich Customer Satisfaction survey.

Prior to that, he was Chief Operating Officer for DBS' Institutional Banking Group and International Markets, leading various strategic business, customer and employee journey change programmes. He was also Head of Group Audit where he successfully transformed Group Audit into a multi-disciplinary professional services team, which won the Singapore Internal Audit Excellence Award in 2012. In recognition of his contributions to the Singapore financial services industry as well his industry thought leadership, Him Chuan was conferred the title of Singapore Institute of Banking and Finance Fellow in 2014.

Sim S Lim*

Consumer Banking/
Wealth Management
Sim is Group Head of Consumer Banking and Wealth Management. Previously, he was DBS' first country head with dedicated oversight of Singapore for eight years. In the role, he focused on delivering greater synergy and value across the bank's Singapore franchise. Sim has been in the industry for over 38 years and has assumed career responsibilities in Asia, North America and the Middle East.

Before DBS, Sim was President and CEO of Nikko Citigroup Limited. During this time, he was also a board member of Nikko Citi Holdings Inc, and oversaw corporate and investment banking, institutional brokerage, as well as fixed income and equity trading for Citigroup in Japan. In his time abroad, Sim also served as Chairman of Citibank Hong Kong, and non-executive Chairman of Citibank Berhad Malaysia.

He currently chairs DBS Vickers Securities, and was also appointed Chairman of Singapore's Building & Construction Authority in April 2021. He also sits on the boards of DBS Securities (Japan) Ltd and ST Engineering. In March 2018, he was appointed Singapore (Non-Resident) High Commissioner to Republic of Nigeria.

Andrew Ng*

Treasury & Markets
Andrew is Head of Treasury and Markets. He is also the Chairman and Director of DBS Bank Taiwan, and Director of DBS China. Andrew's experience in the treasury business spans over 34 years, comprising senior positions in Asia and Western markets. Since 2006, Andrew has been instrumental in leading DBS Treasury and Market's expansion in the region. In addition, he helped build a pan-Asia trading platform on different asset classes and established a region-wide local currencies derivative capability for the bank. He has also expanded DBS' capabilities in generic and exotic derivatives.

Prior to joining DBS, he was Executive Director at Canadian Imperial Bank of Commerce (CIBC) from 1995 to 1999 where he set up CIBC's trading platform and derivative capabilities on Asian currencies. He was also previously North Asia Head of Trading at Chase Manhattan Bank N.A. and Treasurer of Chase Manhattan Bank Taipei.

Jimmy Ng*

Chief Information Officer/
Technology & Operations
Jimmy is Group Chief Information Officer and Head of Group Technology & Operations. Managing more than 10,000 technology and 5,000 operations professionals globally, he plays a leading role in the development and execution of the bank's technology strategy.

Prior to this, Jimmy was Deputy Head of Group Technology & Operations, where he oversaw the bank's first technology development centre outside Singapore – DBS Asia Hub 2 in Hyderabad. He also oversaw DBS' Middle Office Technology and Enterprise Architecture/ Site Reliability Engineering. Jimmy was also previously DBS' Group Head of Audit, and before that, Head of Singapore Consumer Banking Operations where he harnessed state-of-the-art data analytics and machine-learning techniques to develop and implement new auditing approaches, and overhauled DBS' ATM/ Self Service Banking management.

Karen Ngui

Strategic Marketing & Communications
Karen is Head of Group Strategic Marketing and Communications, and Board member of DBS Foundation. She is responsible for corporate communications, brand management, strategic marketing, internal communications and sponsorships. She also oversees the bank's sustainability efforts in corporate volunteerism and champions social enterprises through the DBS Foundation. She leads media and issues management efforts across the DBS Group. In addition, she is responsible for managing and enhancing the bank's brand positioning across all businesses and markets, including Singapore, Greater China, South and Southeast Asia.

She has over 30 years of experience in corporate branding, marketing and communications for financial institutions, and joined DBS from Standard Chartered Bank where she was Global Head, Brand Management and Strategic Marketing.

Sebastian Paredes*

Hong Kong
Sebastian is Chief Executive Officer of DBS Bank (Hong Kong) and Non-Executive Director of DBS Bank (China) Limited. With over 30 years of experience in the industry, Sebastian has found much success in building franchises across various markets. His experience in laying the groundwork across regions has led him to manage complex situations during times of economic volatility. Formerly President Director of P.T Bank Danamon, Indonesia, Sebastian solidified the bank's position in retail, SME and commercial banking and created opportunities for new businesses in consumer finance and micro lending. Sebastian also spent 20 years at Citigroup as Country Head of Ecuador, Honduras, Turkey and Israel, and was also the Chief Executive Officer of Sub-Saharan Africa.

Shee Tse Koon*

Singapore
Tse Koon is Country Head of DBS Singapore. Prior to this, he was Group Head of Strategy and Planning where he oversaw regional strategy across the Bank. Tse Koon has close to 30 years of experience in the banking industry. He started his career at Standard Chartered and has held senior positions in a diverse range of roles across various front and back office functions. He has worked in several countries in Asia, the Middle East and the United Kingdom. Prior to joining DBS, he was the CEO of Standard Chartered in Indonesia. Before that, he was Head of Governance (Europe, Middle East, Africa & Americas) and also Senior Executive Officer (Standard Chartered, Dubai International Financial Centre), based in the United Arab Emirates; as well as Chief Information Officer and Head of Technology and Operations for Standard Chartered in Singapore. He has also held the position of Regional Head of Trade, based in Singapore, and the role of Executive Assistant to one of Standard Chartered's Group Executive Directors, based in the UK. Tse Koon had also served as non-executive director on the boards of Standard Chartered Bank Zimbabwe and Standard Chartered Capital Saudi Arabia.

Tse Koon has been a member of the Board of Commissioners for PT Bank DBS Indonesia since May 2020. In addition, he currently serves as a member of the Board of Directors for NETS Pte Ltd as well as the Board of Governors for the Singapore International Foundation and Nanyang Polytechnic.

Soh Kian Tiong*

Chief Risk Officer
Kian Tiong is the Chief Risk Officer of DBS Group and has more than 25 years of experience in the banking and finance industry. He was previously DBS' Chief Credit Officer for the bank's Greater China operations where he oversaw credit and risk functions in Hong Kong, Mainland China and Taiwan.

Prior to this, he was Group Head of DBS' Financial Institutions Group, responsible for relationships with banks and non-bank financial institutions, comprising insurance companies, funds, securities companies, supranationals and central banks, spanning US, Europe and most parts of Asia. He also oversaw the relationship coverage of Singapore government-related entities such as GIC, Temasek and Singapore universities, among others.

In recognition of his leadership and commitment in developing the financial industry, Kian Tiong was conferred the IBF Fellow award in 2017 by the Institute of Banking and Finance Singapore.

Surojit Shome

India
Surojit is the Chief Executive Officer of DBS Bank India Limited. Surojit has over 30 years of banking experience across corporate and investment banking, capital markets and consumer banking. Before he joined DBS, he was Chief Executive Officer of Rabobank in India. Prior to that, he worked for over 19 years at Citibank in various roles across consumer and wholesale banking. He subsequently headed the investment banking division at Lehman Brothers in India.

Surojit holds a post-graduate management degree in marketing and finance from Xavier School of Management (XLRI), Jamshedpur and a Bachelor of Science degree in Economics, Mathematics and Statistics from Presidency College, Kolkata. Surojit has also attended the Executive Development Program at The Wharton School in 2004 and the Rabobank Senior Leadership Program at the Harvard Business School in 2011.

Paulus Sutisna

Indonesia
Paulus is President Director of PT Bank DBS Indonesia with more than 30 years of banking experience. He is responsible for driving business growth in Indonesia. Previously, he was Head of Client Management of Global Banking at HSBC Indonesia. Prior to that, he was at Citibank for 24 years in various roles, including Managing Director and Head of the Multinational Franchise in Indonesia. He also worked in Citi Amsterdam from 1999 to 2002.

Paulus completed his studies in Computer Science from University of Technology Sydney, Australia. He received SWA Magazine's "Best CEO Award" and Infobank Magazine's "Indonesia's Top 100 Bankers Award" in 2017. In 2019 and 2021, Warta Ekonomi named him one of "Indonesia's Most Admired CEOs". In 2020, he was also named by one of the leading business publications, Warta Ekonomi as "Indonesia Financial Top Leader". Infobank, a leading banking publication in Indonesia, named him "Banker of the Year 2021".

Tan Su Shan*

Institutional Banking
Su Shan is Group Head of Institutional Banking at DBS and President Commissioner for PT Bank DBS Indonesia. She was previously Group Head of Consumer Banking and Wealth Management at DBS for almost a decade.

In 2019, The Asset named Su Shan as one of six women in Asia likely to influence and feature prominently in shaping the banking and associated financial services industry in Asia. In 2018, she was nominated by Forbes Magazine as a "Top 25 emergent Asian Woman Business leader". In 2014, she became the first Singaporean to be recognised as the world's "Best Leader in Private Banking" by The Banker/ Private Wealth Management, a wealth publication by the Financial Times Group. She has also served as a Nominated Member of Parliament in Singapore.

Su Shan is an independent board director of Mapletree North Asia Commercial Trust and Aetos Holdings, both Temasek Linked entities, as well as a board member of Central Provident Fund Board (CPF Board). On the education front, she is an advisor to Hwa Chong Institution and Lincoln College at Oxford University. She was also the Founder President of the Financial Women's Association in Singapore, a non-profit organisation she founded and pioneered in 2001, to help develop and mentor women in the financial industry.

*Those marked by * are also in the Group Executive Committee*

INTERNATIONAL PRESENCE

Singapore

DBS Bank Ltd ("DBS Bank")
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: (65) 6878 8888

AXS Pte. Ltd.
61 Mohamed Sultan Road
#01-11 Sultan Link
Singapore 239001
Tel: (65) 6560 2727
Fax: (65) 6636 4550

27.65% owned by DBS Bank and 60.07% owned by Primefield Company Pte Ltd, a wholly-owned subsidiary of DBS Bank

DBS Nominees (Private) Limited
10 Toh Guan Road, #04-11
DBS Asia Gateway
Singapore 608838
Tel: (65) 6878 8888
Fax: (65) 6338 8936

DBS Trustee Limited
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: (65) 6878 8888

DBS Vickers Securities (Singapore) Pte Ltd
12 Marina Boulevard #10-01
Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: (65) 6327 2288

DBSN Services Pte. Ltd.
10 Toh Guan Road, #04-11
DBS Asia Gateway
Singapore 608838
Tel: (65) 6878 8888
Fax: (65) 6338 8936

DBS Digital Exchange Pte. Ltd.
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: (65) 6878 8888

90% owned by DBS Finnovation Pte. Ltd., a wholly-owned subsidiary of DBS Bank

Australia

DBS Bank Australia Branch
Suite 1901, Level 19, Chifley Tower
2 Chifley Square, Sydney NSW 2000
Australia
Tel: (61 2) 8823 9300
Fax: (61 2) 8823 9301

China

DBS Bank (China) Limited
Units 1301, 1306, 1701 & 1801 DBS Bank Tower
No. 1318 Lujiazui Ring Road
Pudong New Area, Shanghai 200120
People's Republic of China
Tel: (86 21) 3896 8888
Fax: (86 21) 3896 8989

DBS Securities (China) Co., Ltd.
Unit 01 - 07, 29F, BFC Block S1
600 Zhongshan No.2 Road (E)
Huangpu, Shanghai
People's Republic of China
Tel: (86 21) 3856 2888
Fax: (86 21) 6315 0977

51% owned by DBS Bank

Hong Kong

DBS Bank (Hong Kong) Limited
11th Floor, The Center
99 Queen's Road Central
Hong Kong
Tel: (852) 2290 8888

DBS Bank Hong Kong Branch
18th Floor, The Center
99 Queen's Road Central
Hong Kong
Tel: (852) 3668 1900
Fax: (852) 2596 0577

DBS Asia Capital Limited
73rd Floor, The Center
99 Queen's Road Central
Hong Kong
Tel: (852) 3668 1148
Fax: (852) 2868 0250

DBS Vickers (Hong Kong) Limited
16/F One Island East
18 Westlands Road Island East
Hong Kong
Tel: (852) 3668 3288
Fax: (852) 2523 6055

India

DBS Bank India Limited
Ground Floor Nos.11 & 12
Capitol Point, Baba Kharak Singh Marg
Connaught Place, Delhi 110 001
India
Tel: (91 11) 6653 8888
Fax: (91 11) 6653 8899

DBS Asia Hub 2 Private Limited
17th Floor, Skyview 20 Building, M/s. Divija
Commercial Properties Private Limited
Survey No. 83/1, Raidurg Village, Serilingampally
Mandal, Ranga Reddy District, Hyderabad
Telangana
India
Tel: (91 40) 6752 2222

Indonesia

PT Bank DBS Indonesia
DBS Bank Tower
32nd – 37th Floor, Ciputra World 1
Jalan Prof. Dr. Satrio Kav. 3-5
Jakarta 12940
Indonesia
Tel: (62 21) 2988 5000
Fax: (62 21) 2988 5005

99% owned by DBS Bank

PT DBS Vickers Sekuritas Indonesia
DBS Bank Tower
32nd Floor, Ciputra World 1
Jalan Prof. Dr. Satrio Kav. 3-5
Jakarta 12940
Indonesia
Tel: (62 21) 3003 4950 / 4951

85% owned by DBS Vickers Securities Holdings Pte Ltd ("DBSV"), a wholly-owned subsidiary of DBS Bank and 14% owned by DBS Vickers Securities (Singapore) Pte Ltd, a wholly-owned subsidiary of DBSV

Japan

DBS Bank Tokyo Branch
Otemachi First Square East Tower 15F
5-1, Otemachi 1-chome
Chiyoda-ku, Tokyo 100-0004
Japan
Tel: (81 3) 3213 4411
Fax: (81 3) 3213 4415

DBS Securities (Japan)
Company Limited
Otemachi First Square East Tower 15F
5-1, Otemachi 1-chome
Chiyoda-ku, Tokyo 100-0004
Japan
Tel: (81 3) 3213 4660
Fax: (81 3) 3213 4415

Korea

DBS Bank Seoul Branch
18th Floor, Seoul Finance Center
136 Sejong-daero Jung-Gu, Seoul
Republic of Korea 04520
Tel: (822) 6322 2660
Fax: (822) 732 7953

Macau

DBS Bank (Hong Kong) Limited
Macau Branch
Nos. 5 a 7E da Rua de Santa Clara
Edif, Ribeiro
Loja C e D., Macau
Tel: (853) 2832 9338
Fax: (853) 2832 3711

Malaysia

DBS Bank Kuala Lumpur
Representative Office
#08-01, Menara Keck Seng
203 Jalan Bukit Bintang
55100 Kuala Lumpur
Malaysia
Tel: (60 3) 2116 3888
Fax: (60 3) 2116 3901

DBS Bank Labuan Branch
Level 10 (A) Main Office Tower
Financial Park Labuan
Jalan Merdeka
87000 F.T. Labuan
Malaysia
Tel: (60 87) 595 500
Fax: (60 87) 423 376

Myanmar

DBS Bank Yangon
Representative Office
#1002 Level 10, Sakura Tower
339 Bogyoke Aung San Road
Kyauktada Township, Yangon
Myanmar
Tel: (95 1) 255 299
Fax: (95 1) 255 239

The Philippines

DBS Bank Manila
Representative Office
22F, The Enterprise Center, Tower 1 Ayala
Avenue corner Paseo de Roxas Makati City
The Philippines
Tel: (632) 8869 3876
Fax: (632) 7750 2144

Taiwan

DBS Bank (Taiwan) Ltd
15F & 17F
Nos. 32 & 36 Songren Road
Xinyi District, Taipei City 110
Taiwan R.O.C
Tel: (886 2) 6612 9889
Fax: (886 2) 6612 9285

DBS Bank Taipei Branch
15F Nos. 32 & 17F
No. 36 Songren Road
Xinyi District, Taipei City 110
Taiwan R.O.C
Tel: (886 2) 2722 8988
Fax: (886 2) 6638 3707

Thailand

DBS Bank Bangkok
Representative Office
989 Siam Piwat Tower Building 15th Floor
Rama 1 Road, Pathumwan
Bangkok 10330
Thailand
Tel: (66 2) 658 1400-1
Fax: (66 2) 658 1402

DBS Vickers Securities
(Thailand) Co., Ltd.
989 Siam Piwat Tower Building 9th
14th – 15th Floor
Rama 1 Road, Pathumwan
Bangkok 10330
Thailand
Tel: (66 2) 857 7000

United Arab Emirates

DBS Bank Ltd (DIFC Branch)
Units 608-610, Level 6, Gate Precinct
Building 5, Dubai International Financial Centre
P.O. Box 506538
Dubai, UAE
Tel: (971) 4364 1800
Fax: (971) 4364 1801

United Kingdom

DBS Bank London Branch
One London Wall
London EC2Y 5EB
UK
Tel: (44 20) 7489 6591
Fax: (44 20) 7489 5850

United States of America

DBS Bank Los Angeles
Representative Office
300 South Grand Ave
Suite 3075
Los Angeles CA 90071
USA
Tel: (1 213) 627 0222
Fax: (1 213) 627 0228

DBS Vickers Securities (USA), Inc.
777 Third Ave, Suite 1701
New York, NY 10017
USA
Tel: (1 212) 826 1888

Vietnam

DBS Bank Hanoi
Representative Office
Room 1404 14th Floor, Pacific Place
83B Ly Thuong Kiet Street Hanoi
Vietnam
Tel: (84 24) 3946 1688
Fax: (84 24) 3946 1689

DBS Bank Ho Chi Minh City Branch
11th Floor, Saigon Centre
65 Le Loi Boulevard District 1
Ho Chi Minh City
Vietnam
Tel: (84 28) 3914 7888
Fax: (84 28) 3914 4488

AWARDS AND ACCOLADES WON

GLOBAL

World's Best Bank
Euromoney

Global Bank of the Year
The Banker

World's Best Digital Bank
Euromoney

Most Innovative in Digital Banking
The Banker

World's Safest Commercial Bank
Global Finance

Cash Management Survey: Global Best Service Overall (Non-FIs): #1, 2018 – 2021
Euromoney

Leader in Trade for Digitalisation
Global Trade Review

Outstanding Leadership in Sustainable Project Finance – Global
Global Finance

Outstanding Leadership in Green Bonds – Global
Global Finance

Investment Bank of the Year for Emerging Markets
The Banker

Most Innovative Private Bank in the World
Global Finance

Gender Equality Index – Index Constituent, 2018 – 2022
Bloomberg

The Sustainability Yearbook – Index Constituent
S&P

FTSE4Good – Index Constituent, 2017 – 2021
FTSE Russell

Behind the Login: Best Digital Portal for Wealth Clients (DBS digibank)
Cutter Wealth

Winner: Finance Apps (DBS PayLah!)
Shorty Awards

FutureEdge 50 Honoree (DBS Digital Exchange)
IDG

Honoree: Video (Branded Entertainment) – CSR (DBS SPARKS Season 2)
Webby Awards

Purpose Driven Communications – Highly Commended (DBS Towards Zero Food Waste)
Reuters Next

Modern Intranet of the Year (DBS Intranet)
Digital Workplace Group

REGIONAL

Best Bank, Asia
Euromoney

Asia's Safest Bank, 2009 – 2021
Global Finance

Best Investment Bank (Asia-Pacific), 2019 – 2021
Global Finance

Best Asian Investment Bank
GlobalCapital Asia

Best Financial Adviser, Asia-Pacific
IJGlobal

Best Loan Adviser
The Asset

SME Financier of the Year – Asia (Silver)
SME Finance Forum

Best Asian Private Bank, 2020 – 2021
Asiamoney

Best Private Bank for Family Offices Asia
The Banker/ Professional Wealth Management

Most Innovative In-House Legal Team Asia-Pacific, 2020 – 2021
Financial Times

Real Estate Survey: Asia-Pacific Banks (Overall): #1
Euromoney

Asia Pacific Best Employer, 2020 – 2021
Kincentric

SINGAPORE

Best Bank, Singapore
Asiamoney, The Banker, Euromoney, FinanceAsia, Global Finance

Best Digital Bank, Singapore
Asiamoney, The Asset, Global Finance (Corporate + Consumer)

Corporate Excellence and Resilience Award
Singapore Corporate Awards

Best Sustainable Bank, Singapore
FinanceAsia

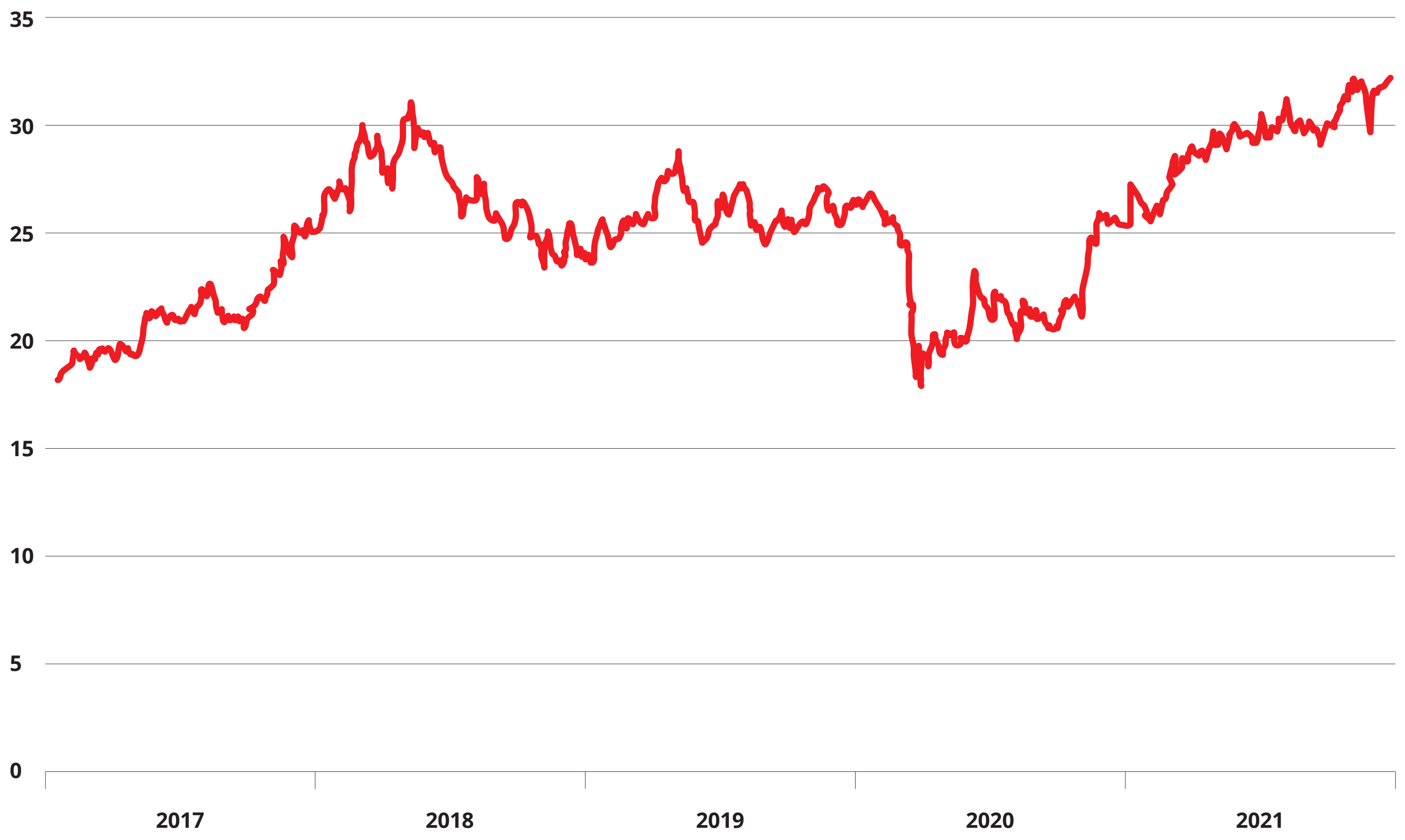
President's Award for the Environment
Ministry of Sustainability and the Environment

Charity Platinum Award
Community Chest

Work-life Excellence Award
Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP)

Singapore Good Design Mark
Design Business Chamber Singapore

SHARE PRICE



	2017	2018	2019	2020	2021
Share Price (SGD)					
High	25.30	30.84	28.40	26.40	**32.78**
Low	17.32	22.80	23.09	16.88	**25.04**
Close	24.85	23.69	25.88	25.04	**32.66**
Average	20.80	26.36	25.42	21.96	**29.56**
Financial Ratios*					
Gross dividend yield (%)(1)	4.5	4.6	4.8	4.0	**4.1**
Price-to-earnings ratio (number of times)(2)	12.3	12.2	10.3	12.1	**11.3**
Price-to-book ratio (number of times)(3)	1.2	1.5	1.3	1.1	**1.4**

(1) *Based on ordinary dividends declared/ recommended for the financial year*
(2) *Earnings exclude one-time items*
(3) *Based on year-end book value*
* *Calculated based on average share price for the calendar year*

FINANCIAL CALENDAR

2022

14 February
2021 Full Year Results

31 March
23rd Annual General Meeting

29 April
2022 First Quarter trading update

On or about 22 April
Payment date of Final Dividend on Ordinary Shares for the financial year ended 31 December 2021*

4 August
2022 Second Quarter/ First Half Results

3 November
2022 Third Quarter trading update

2023

February
2022 Full Year Results

* *Subject to shareholders' approval at the 23rd Annual General Meeting*

SHAREHOLDING STATISTICS as at 10 February 2022

Class of Shares – Ordinary shares
Voting Rights – One vote per share
Total number of issued ordinary shares – 2,568,342,107 (excluding treasury shares)
Treasury Shares – 19,275,518 (representing 0.75% of the total number of issued ordinary shares, excluding treasury shares)

Size of Shareholdings	**No. of Shareholders**	**%***	**No. of Shares**	**%***
1 – 99	10,981	13.22	318,148	0.01
100 – 1,000	36,706	44.19	17,102,526	0.67
1,001 – 10,000	30,871	37.17	94,917,028	3.69
10,001 – 1,000,000	4,477	5.39	147,358,610	5.74
1,000,001 & above	28	0.03	2,308,645,795	89.89
Total	83,063	100.00	2,568,342,107	100.00

Location of Shareholders				
Singapore	79,709	95.96	2,551,066,948	99.33
Malaysia	2,155	2.60	11,449,374	0.44
Overseas	1,199	1.44	5,825,785	0.23
Total	83,063	100.00	2,568,342,107	100.00

Twenty largest shareholders (as shown in the register of members and depository register)

	Name of Shareholders	**No. of Shares**	**%***
1	CITIBANK NOMINEES SINGAPORE PTE LTD	503,322,111	19.60
2	MAJU HOLDINGS PTE. LTD.	458,899,869	17.87
3	DBSN SERVICES PTE LTD	301,674,375	11.75
4	TEMASEK HOLDINGS (PRIVATE) LIMITED	284,145,301	11.06
5	HSBC (SINGAPORE) NOMINEES PTE LTD	233,416,826	9.09
6	RAFFLES NOMINEES (PTE) LIMITED	232,438,443	9.05
7	DBS NOMINEES PTE LTD	187,473,649	7.30
8	BPSS NOMINEES SINGAPORE (PTE.) LTD.	23,023,189	0.90
9	LEE FOUNDATION	11,512,813	0.45
10	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	10,404,270	0.41
11	UNITED OVERSEAS BANK NOMINEES PTE LTD	9,335,874	0.36
12	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	7,157,116	0.28
13	OCBC NOMINEES SINGAPORE PTE LTD	5,481,575	0.21
14	DB NOMINEES (SINGAPORE) PTE LTD	5,327,072	0.21
15	OCBC SECURITIES PRIVATE LTD	4,871,338	0.19
16	PHILLIP SECURITIES PTE LTD	4,573,108	0.18
17	MRS LEE LI MING NEE ONG	4,403,670	0.17
18	MERRILL LYNCH (SINGAPORE) PTE LTD	3,550,876	0.14
19	UOB KAY HIAN PTE LTD	2,754,871	0.11
20	IFAST FINANCIAL PTE LTD	2,383,245	0.09
	TOTAL	**2,296,149,591**	**89.42**

* *Percentage is calculated based on the total number of issued ordinary shares, excluding treasury shares*

Substantial shareholders

	No. of Shares			**%***
	Direct	**Deemed**	**Total**	
Maju Holdings Pte. Ltd.	458,899,869	–	458,899,869	17.87
Temasek Holdings (Private) Limited	284,145,301	476,774,056	760,919,357	29.63

* *Percentage is calculated based on the total number of issued ordinary shares, excluding treasury shares*

1. Maju Holdings Pte. Ltd. ("Maju") is a wholly-owned subsidiary of Temasek Holdings (Private) Limited ("Temasek").
2. Temasek, a company wholly-owned by the Minister for Finance, is deemed to be interested in all the ordinary shares held by Maju.
3. In addition, Temasek is deemed to be interested in 17,874,187 ordinary shares in which its other subsidiaries have or are deemed to have an interest pursuant to Section 4 of the Securities and Futures Act 2001.

As at 10 February 2022, approximately 70.23% of the issued ordinary shares of DBS Group Holdings Ltd are held by the public and, therefore, Rule 723 of the SGX Listing Manual is complied with.

NOTICE OF ANNUAL GENERAL MEETING

DBS GROUP HOLDINGS LTD
(Incorporated in the Republic of Singapore)
Company Registration No.: 199901152M

To: All shareholders of DBS Group Holdings Ltd

NOTICE IS HEREBY GIVEN that the 23rd Annual General Meeting of the shareholders of DBS Group Holdings Ltd (the "Company" or "DBSH") will be convened and held by way of electronic means on Thursday, 31 March 2022 at 2.00 p.m. (Singapore time) to transact the following business:

Routine Business	**Ordinary Resolution No.**
To receive and adopt the Directors' Statement and Audited Financial Statements for the year ended 31 December 2021 and the Auditor's Report thereon.	Resolution 1
To declare a one-tier tax exempt Final Dividend of 36 cents per ordinary share for the year ended 31 December 2021. [2020: Final Dividend of 18 cents per ordinary share, one tier tax exempt]	Resolution 2
To approve the amount of SGD 4,266,264 proposed as non-executive Directors' remuneration for the year ended 31 December 2021. [2020: SGD 4,101,074]	Resolution 3
To re-appoint Messrs PricewaterhouseCoopers LLP as Auditor of the Company and to authorise the Directors to fix its remuneration.	Resolution 4
To re-elect the following Directors, who are retiring under article 99 of the Company's Constitution and who, being eligible, offer themselves for re-election: (a) Dr Bonghan Cho (b) Mr Olivier Lim Tse Ghow (c) Mr Tham Sai Choy ***Key information on Dr Cho, Mr Lim and Mr Tham can be found on pages 192 to 193, 195 and 214 to 217 respectively of the 2021 Annual Report.***	 Resolution 5 Resolution 6 Resolution 7
To re-elect the following Directors, who are retiring under article 105 of the Company's Constitution and who, being eligible, offer themselves for re-election: (a) Mr Chng Kai Fong (b) Ms Judy Lee ***Key information on Mr Chng and Ms Lee can be found on pages 192, 194 and 214 to 217 respectively of the 2021 Annual Report.***	 Resolution 8 Resolution 9

Special Business	**Ordinary Resolution No.**
To consider and, if thought fit, to pass the following Resolutions which will be proposed as ORDINARY RESOLUTIONS:	
That authority be and is hereby given to the Directors of the Company to offer and grant awards in accordance with the provisions of the DBSH Share Plan and to allot and issue from time to time such number of ordinary shares of the Company ("Ordinary Shares") as may be required to be issued pursuant to the vesting of awards under the DBSH Share Plan, PROVIDED ALWAYS THAT: (a) the aggregate number of new Ordinary Shares issued and/ or to be issued pursuant to the DBSH Share Plan (including the California sub-plan to the DBSH Share Plan) shall not exceed 5% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company from time to time; and	Resolution 10
(b) the aggregate number of new Ordinary Shares under awards to be granted pursuant to the DBSH Share Plan (including the California sub-plan to the DBSH Share Plan) during the period commencing from the date of this Annual General Meeting of the Company and ending on the date of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, shall not exceed 1% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company from time to time, and in this Resolution, "subsidiary holdings" has the meaning given to it in the Listing Manual of the Singapore Exchange Securities Trading Limited.	Resolution 10
That authority be and is hereby given to the Directors of the Company to offer and grant awards and to allot and issue from time to time such number of ordinary shares of the Company as may be required to be issued pursuant to the vesting of such awards, to participants who are residents of the state of California in the United States of America, in accordance with the provisions of the DBSH Share Plan and the California sub-plan to the DBSH Share Plan.	Resolution 11
That authority be and is hereby given to the Directors of the Company to: (a) (i) issue shares of the Company ("shares") whether by way of rights, bonus or otherwise; and/ or (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that: (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company (as calculated in accordance with paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall be less than 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company (as calculated in accordance with paragraph (2) below); (2) (subject to such manner of calculation and adjustments as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time this Resolution is passed, after adjusting for: (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time this Resolution is passed; and (ii) any subsequent bonus issue, consolidation or subdivision of shares, and, in paragraph (1) above and this paragraph (2), "subsidiary holdings" has the meaning given to it in the Listing Manual of the SGX-ST; (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.	Resolution 12

Special Business	Ordinary Resolution No.
That authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of new ordinary shares of the Company as may be required to be allotted and issued pursuant to the DBSH Scrip Dividend Scheme.	Resolution 13
That: (a) for the purposes of Sections 76C and 76E of the Companies Act 1967 (the "Companies Act"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares of the Company ("Ordinary Shares") not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of: (i) market purchase(s) on the Singapore Exchange Securities Trading Limited ("SGX-ST") and/ or any other securities exchange on which the Ordinary Shares may for the time being be listed and quoted ("Other Exchange"); and/ or (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act, and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate"); (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of: (i) the date on which the next Annual General Meeting of the Company is held; (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and (iii) the date on which purchases and acquisitions of Ordinary Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; (c) in this Resolution: "Average Closing Price" means the average of the closing market prices of an Ordinary Share over the last five market days on which transactions in the Ordinary Shares on the SGX-ST or, as the case may be, Other Exchange were recorded, immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs during the relevant five-day period and the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase; "date of the making of the offer" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Ordinary Shares from Shareholders, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the basis set out below) for each Ordinary Share and the relevant terms of the equal access scheme for effecting the off-market purchase; "Maximum Percentage" means that number of issued Ordinary Shares representing 2% of the issued Ordinary Shares as at the date of the passing of this Resolution (excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of the SGX-ST)); and "Maximum Price" in relation to an Ordinary Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed: (i) in the case of a market purchase of an Ordinary Share, 105% of the Average Closing Price of the Ordinary Shares; and (ii) in the case of an off-market purchase of an Ordinary Share, 105% of the Average Closing Price of the Ordinary Shares; and	Resolution 14
(d) the Directors of the Company and/ or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they, he and/ or she may consider expedient or necessary to give effect to the transactions contemplated and/ or authorised by this Resolution.	Resolution 14

By Order of the Board

Teoh Chia-Yin/ Marc Tan
Joint Group Secretaries
DBS Group Holdings Ltd

9 March 2022
Singapore

Notes:

(1) *The Annual General Meeting is being convened, and will be held, by way of electronic means pursuant to the Covid-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Notice of Annual General Meeting will accordingly be sent to members by electronic means via publication on the Company's website at the URL https://www.dbs.com/investors/agm-and-egm/default.page and on the SGX website at the URL https://www.sgx.com/securities/company-announcements. For convenience, printed copies of the Notice of Annual General Meeting will also be sent by post to members.*

(2) *Alternative arrangements relating to:*
- *(a) attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio-visual webcast or "live" audio-only stream);*
- *(b) submission of questions to the Chairman of the Meeting in advance of, or "live" at, the Annual General Meeting, and addressing of substantial and relevant questions in advance of, or "live" at, the Annual General Meeting; and*
- *(c) voting at the Annual General Meeting (i) "live" by the member or his/ her/ its duly appointed proxy(ies) (other than the Chairman of the Meeting) via electronic means; or (ii) by appointing the Chairman of the Meeting as proxy to vote on the member's behalf at the Annual General Meeting,*

are set out in the accompanying Company's announcement dated 9 March 2022. This announcement may be accessed at the Company's website at the URL https://www.dbs.com/investors/agm-and-egm/default.page and on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

(3) ***As a precautionary measure due to the current Covid-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member who wishes to exercise his/ her/ its voting rights at the Annual General Meeting may:***
- ***(a) (where the member is an individual) vote "live" via electronic means at the Annual General Meeting, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the Annual General Meeting on his/ her/ its behalf; or***
- ***(b) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/ her/ its proxy to vote on his/ her/ its behalf at the Annual General Meeting.***

The accompanying proxy form for the Annual General Meeting may be downloaded from the Company's website at the URL https://www.dbs.com/investors/agm-and-egm/default.page and from the SGX website at the URL https://www.sgx.com/securities/company-announcements. For convenience, printed copies of the proxy form will also be sent by post to members.

(4)
- *(a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.*
- *(b) A member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.*

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

(5) *A proxy need not be a member of the Company.*

(6) *The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:*
- *(a) if submitted by post, be lodged with the Company's Polling Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or*
- *(b) if submitted electronically, be submitted:*
  - *(i) via email to the Company's Polling Agent at DBSAGM2022@boardroomlimited.com; or*
  - *(ii) via the pre-registration website at the URL https://go.dbs.com/agm2022,*

in each case, at least 72 hours before the time appointed for holding the Annual General Meeting. A member who wishes to submit an instrument of proxy can either use the printed copy of the proxy form which is sent to him/ her/ it by post or download a copy of the proxy form from the Company's website or the SGX website, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and submitting it via email to the email address provided above or via the pre-registration website at the URL provided above.

Due to the current Covid-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email or via the pre-registration website.

(7) *CPF and SRS investors:*
- *(a) may vote "live" via electronic means at the Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or*
- *(b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 21 March 2022.*

(8) *The 2021 Annual Report and the Letter to Shareholders dated 9 March 2022 (in relation to the proposed renewal of the share purchase mandate) have been published and may be accessed at the Company's website as follows:*
- *(a) the 2021 Annual Report may be accessed at the URL https://www.dbs.com/investors/financials/group-annual-reports by clicking on the hyperlinks "New Initiatives, New Growth" or "PDF" under the "2021" section of "Group Annual Reports"; and*
- *(b) the Letter to Shareholders dated 9 March 2022 may be accessed at the URL https://www.dbs.com/investors/agm-and-egm/default.page by clicking on the hyperlink "Letter to Shareholders dated 9 March 2022" under "9 March 2022".*

The above documents may also be accessed on the SGX website at the URL https://www.sgx.com/securities/company-announcements. Members may request for printed copies of these documents by completing and submitting the Request Form accompanying the printed copies of the Notice of Annual General Meeting and the proxy form sent by post to members.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) to attend, speak and vote at the Annual General Meeting and/ or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/ or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) for the Purposes; and (iii) agrees to provide the Company with written evidence of such prior consent upon reasonable request.

Explanatory notes

Routine Business

Ordinary Resolution 2: Declaration of final dividend on ordinary shares

Resolution 2 is to approve the declaration of a final dividend of 36 cents per ordinary share. Please refer to page 97 of the Capital Management and Planning section in the 2021 Annual Report for an explanation of DBSH's dividend policy.

Ordinary Resolution 3: Non-executive Directors' remuneration for 2021

Resolution 3 is to approve the payment of an aggregate amount of SGD 4,266,264 as remuneration for the non-executive Directors of the Company for the year ended 31 December 2021 ("FY2021"). If approved, each of the non-executive Directors (with the exception of Ms Euleen Goh, Mr Andre Sekulic, Mrs Ow Foong Pheng and Mr Chng Kai Fong) will receive 70% of his or her Directors' fees in cash and 30% of his or her Directors' fees in the form of share awards granted pursuant to the DBSH Share Plan. The share awards will not be subject to a vesting period, but will be subject to a selling moratorium whereby each non-executive Director will be required to hold the equivalent of one year's basic retainer for the duration of his or her tenure as a Director, and for one year after the date he or she steps down as a Director. The actual number of shares to be awarded will be determined by reference to the volume-weighted average price of a share on the SGX-ST over the 10 trading days immediately prior to (and excluding) the date of the forthcoming Annual General Meeting, rounded down to the nearest share, and any residual balance will be paid in cash. The Directors' fees for Ms Euleen Goh and Mr Andre Sekulic, both of whom retired from office by rotation at the 22nd Annual General Meeting held on 30 March 2021 ("2021 AGM") and did not offer themselves for re-election, will be paid to them in cash. The Directors' fees for Mrs Ow Foong Pheng (who stepped down as a Director immediately following the conclusion of the 2021 AGM) and Mr Chng Kai Fong will be paid in cash to a government agency, the Directorship & Consultancy Appointments Council.

Although the non-executive Directors' fee structure for FY2021 remains unchanged from that for the year ended 31 December 2020 ("FY2020"), the amount of non-executive Directors' remuneration for FY2021 is approximately 4% higher than that for FY2020. The higher remuneration for FY2021 is mainly attributable to the following reasons: (i) each of the Board Chairman and the non-executive Directors who were in office at the 2021 AGM received a lower basic retainer fee of SGD 90,000 for FY2020 (instead of the full SGD 100,000) as they had volunteered to take a 10% reduction in their FY2020 basic retainer fees in a show of solidarity with the nation and DBS' stakeholders during the Covid-19 pandemic; (ii) the Board Chairman received a lower Board Chairman's fee of SGD 1,305,000 for FY2020 (instead of the full SGD 1,450,000) as he had also volunteered to take an additional 10% reduction in his Board Chairman's fees; and (iii) higher attendance fees due to the increased number of Board and Board committee meetings held in FY2021 and the increased in-person attendance at such meetings in FY2021.

Please refer to pages 46, 47, 55 and 56 of the Corporate Governance Report in the 2021 Annual Report for more details on the non-executive Directors' remuneration for FY2021.

Ordinary Resolutions 5, 6 and 7: Re-election of Directors retiring under article 99

(a) Dr Bonghan Cho, upon re-election as a Director of the Company, will remain as a member of each of the Audit Committee, Compensation and Management Development Committee and Nominating Committee, and will be considered independent.

(b) Mr Olivier Lim Tse Ghow, upon re-election as a Director of the Company, will remain as Chairman of the Board Risk Management Committee, and as a member of each of the Board Executive Committee and Nominating Committee, and will be considered independent. In addition, Mr Lim will remain as the Lead Independent Director.

(c) Mr Tham Sai Choy, upon re-election as a Director of the Company, will remain as Chairman of each of the Audit Committee and Nominating Committee, and as a member of each of the Board Risk Management Committee and Board Sustainability Committee, and will be considered independent.

Ordinary Resolutions 8 and 9: Re-election of Directors retiring under article 105

(a) Mr Chng Kai Fong, upon re-election as a Director of the Company, will remain as a member of each of the Audit Committee, Nominating Committee and Board Sustainability Committee. Mr Chng is considered non-independent of the substantial shareholder as he is a senior civil servant. Mr Chng is a non-executive Director and has no management or business relationships with the Company.

(b) Ms Judy Lee, upon re-election as a Director of the Company, will remain as a member of each of the Audit Committee, Board Risk Management Committee, Compensation and Management Development Committee and Board Sustainability Committee, and will be considered independent.

Special Business

Ordinary Resolution 10: DBSH Share Plan

Resolution 10 is to empower the Directors to offer and grant awards and to allot and issue ordinary shares of the Company pursuant to the DBSH Share Plan, provided that (a) the maximum number of ordinary shares which may be issued under the DBSH Share Plan (including the California sub-plan to the DBSH Share Plan) is limited to 5% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) from time to time; and (b) the aggregate number of new ordinary shares under awards which may be granted pursuant to the DBSH Share Plan (including the California sub-plan to the DBSH Share Plan) from this Annual General Meeting to the next Annual General Meeting shall not exceed 1% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings) from time to time.

Ordinary Resolution 11: California Sub-Plan to DBSH Share Plan

Resolution 11 is to empower the Directors to offer and grant awards and to allot and issue ordinary shares of the Company pursuant to the DBSH Share Plan to participants who are residents of the state of California in the United States of America, subject to the terms of the California sub-plan (the "California Sub-Plan") to the DBSH Share Plan, provided that (a) the maximum aggregate number of ordinary shares which may be issued under the California Sub-Plan is limited to 1,000,000 ordinary shares, subject to any lower limitations required under the DBSH Share Plan; (b) the California Sub-Plan will terminate on, and no further awards will be granted under the California Sub-Plan after, the tenth anniversary of its approval by the Board of Directors of the Company on 15 February 2019; and (c) the awards granted under the California Sub-Plan will be subject to adjustment upon certain changes in the capitalisation of the Company. In addition, the California Sub-Plan imposes additional restrictions on participants residing in California other than those contemplated under the DBSH Share Plan.

Ordinary Resolution 12: Share Issue Mandate

Resolution 12 is to empower the Directors to issue shares of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding in total 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company, of which the number of shares that may be issued other than on a *pro rata* basis to shareholders must be less than 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings).

For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company at the time that Resolution 12 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which were issued and are outstanding or subsisting at the time that Resolution 12 is passed; and (b) any subsequent bonus issue, consolidation or subdivision of shares. As at 10 February 2022 (the "Latest Practicable Date"), the Company had 19,275,518 treasury shares and no subsidiary holdings.

Ordinary Resolution 13: DBSH Scrip Dividend Scheme

Resolution 13 is to empower the Directors, should they choose to apply the DBSH Scrip Dividend Scheme (the "Scheme") to a qualifying dividend, to issue such number of new ordinary shares of the Company as may be required to be issued pursuant to the Scheme to members who, in respect of a qualifying dividend, have elected to receive scrip in lieu of the cash amount of that qualifying dividend. If the Directors should decide to apply the Scheme to a qualifying dividend, the current intention is that no discount will be given for the scrip shares.

Ordinary Resolution 14: Renewal of the Share Purchase Mandate

Resolution 14 is to renew the mandate to allow the Company to purchase or otherwise acquire its issued ordinary shares, on the terms and subject to the conditions set out in the Resolution.

The Company may use its internal or external sources of funds or a combination of both to finance its purchase or acquisition of the ordinary shares of the Company ("Ordinary Shares"). The amount of financing required for the Company to purchase or acquire its Ordinary Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on whether the Ordinary Shares are purchased or acquired out of capital or profits, the number of Ordinary Shares purchased or acquired and the price at which such Ordinary Shares were purchased or acquired.

Based on the existing issued and paid-up Ordinary Shares as at the Latest Practicable Date and excluding any Ordinary Shares held in treasury, the purchase by the Company of 2% of its issued Ordinary Shares will result in the purchase or acquisition of 51,366,842 Ordinary Shares.

Assuming that the Company purchases or acquires 51,366,842 Ordinary Shares at the Maximum Price, in the case of both market and off-market purchases, of SGD 38.16 for one Ordinary Share (being the price equivalent to 5% above the average closing prices of the Ordinary Shares traded on the SGX-ST over the last five market days on which transactions were recorded immediately preceding the Latest Practicable Date), the maximum amount of funds required is approximately SGD 2.0 billion.

The financial effects of the purchase or acquisition of such Ordinary Shares by the Company pursuant to the proposed Share Purchase Mandate on the financial statements of the Group and the Company for the financial year ended 31 December 2021 based on these and other assumptions are set out in paragraph 2.7 of the Letter to Shareholders dated 9 March 2022 (the "Letter").

Please refer to the Letter for further details.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION as at 10 February 2022

Name of Director	**Chng Kai Fong**	**Bonghan Cho**	**Judy Lee**	**Olivier Lim Tse Ghow**	**Tham Sai Choy**
Date of appointment	**31 March 2021**	**26 April 2018**	**4 August 2021**	**7 November 2017**	**3 September 2018**
Date of last re-appointment (if applicable)	**Not applicable**	**25 April 2019**	**Not applicable**	**30 April 2020**	**25 April 2019**
Age	**43**	**57**	**54**	**57**	**62**
Country of principal residence	**Singapore**	**Republic of Korea**	**Singapore**	**Singapore**	**Singapore**
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board had considered the Nominating Committee's recommendation and assessment on (i) Mr Chng's experience, skillsets, contributions and commitment in the discharge of his duties as a Director of DBS Group Holdings Ltd, as well as (ii) the size, composition and diversity of skillsets on the Board, and is satisfied that Mr Chng will continue to contribute meaningfully to the Board.	The Board had considered the Nominating Committee's recommendation and assessment on (i) Dr Cho's experience, skillsets, contributions and commitment in the discharge of his duties as a Director of DBS Group Holdings Ltd, as well as (ii) the size, composition and diversity of skillsets on the Board, and is satisfied that Dr Cho will continue to contribute meaningfully to the Board.	The Board had considered the Nominating Committee's recommendation and assessment on (i) Ms Lee's experience, skillsets, contributions and commitment in the discharge of her duties as a Director of DBS Group Holdings Ltd, as well as (ii) the size, composition and diversity of skillsets on the Board, and is satisfied that Ms Lee will continue to contribute meaningfully to the Board.	The Board had considered the Nominating Committee's recommendation and assessment on (i) Mr Lim's experience, skillsets, contributions and commitment in the discharge of his duties as a Director of DBS Group Holdings Ltd, as well as (ii) the size, composition and diversity of skillsets on the Board, and is satisfied that Mr Lim will continue to contribute meaningfully to the Board.	The Board had considered the Nominating Committee's recommendation and assessment on (i) Mr Tham's experience, skillsets, contributions and commitment in the discharge of his duties as a Director of DBS Group Holdings Ltd, as well as (ii) the size, composition and diversity of skillsets on the Board, and is satisfied that Mr Tham will continue to contribute meaningfully to the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive and Non-Independent Director Member of the Audit Committee Member of the Nominating Committee	Non-Executive and Independent Director Member of the Audit Committee Member of the Nominating Committee Member of the Compensation and Management Development Committee	Non-Executive and Independent Director Member of the Audit Committee Member of the Board Risk Management Committee Member of the Compensation and Management Development Committee	Lead Independent Director Chairman of the Board Risk Management Committee Member of the Board Executive Committee Member of the Nominating Committee	Non-Executive and Independent Director Chairman of the Audit Committee Chairman of the Nominating Committee Member of the Board Risk Management Committee
Professional qualifications	Sloan Masters Programme with a Master of Science in Management, Stanford University, USA Master of Engineering and Bachelor of Arts (First Class Honours), University of Cambridge, UK	Ph.D and MS in Computer Science, specialising in Artificial Intelligence, University of Southern California Bachelor of Science in Computer Science and Statistics, Seoul National University	Master of Business Administration, The Wharton School of the University of Pennsylvania, USA Bachelor of Science, Finance & International Business, Stern Business School, New York University, USA Advanced Management Program, Harvard Business School, USA Women on Boards – Corporate Director Program, Harvard Business School, USA	Bachelor of Engineering (First Class Honours), Civil Engineering, Imperial College, London, UK	Bachelor of Arts (Honours) in Economics, University of Leeds, UK Fellow – Institute of Chartered Accountants in England and Wales – Institute of Singapore Chartered Accountants – Singapore Institute of Directors
Working experience and occupation(s) during the past 10 years	October 2017 to October 2021 Managing Director, Singapore Economic Development Board June 2013 to September 2017 Principal Private Secretary to Prime Minister, Prime Minister's Office (PMO) July 2012 to May 2013 Director, Ministry of Trade and Industry August 2011 to July 2012 Post-Graduate studies (Sloan Masters Programme) at Stanford University, USA Mr Chng is currently the Second Permanent Secretary for The Smart Nation and Digital Government Group under the PMO. Please refer to his present directorships provided below for further information.	January 2014 to December 2015 Executive Vice President & Chief Innovation Officer, Samsung Fire & Marine Insurance, Seoul, Korea April 2008 to December 2013 Group Deputy Chief Executive Officer & Chief Information Officer, Hana Financial Holdings, Seoul, Korea April 2008 to December 2013 President & Chief Executive Officer, Hana INS, Seoul, Korea Dr Cho is currently the Chief Executive Officer of Equalkey Corporation.	2014 to 2016 Executive Vice President & Board Director, Solar Frontier K.K. 2004 to 2015 Adjunct Professor, Singapore Management University Ms Lee is currently the Managing Director & Co-Founder of Dragonfly LLC, as well as the Chief Executive Officer of Dragonfly Capital Ventures LLC. She also serves as an Independent Director of various companies. Please refer to her present directorships provided below for further information.	CapitaLand Limited from 2003 to 2014, including the following roles: Group Deputy Chief Executive Officer – January 2013 to September 2014 Chief Investment Officer – February 2012 to January 2013 Senior Vice President, Strategy Corporate Development – August 2011 to February 2012 Mr Lim currently serves as an Independent Director/Chairman of various companies. Please refer to his present directorships provided below for further information.	KPMG Singapore from 1 October 1990 to 31 July 2017, including the following roles: Managing Partner – 2010 to 2016 Chairman, KPMG Asia Pacific – 2013 to 2017 Mr Tham currently serves as a Director of various companies. Please refer to his present directorships provided below for further information.
Shareholding interest in the listed issuer and its subsidiaries	No	Yes 8,575 ordinary shares in DBS Group Holdings Ltd	No	Yes 143,122 ordinary shares in DBS Group Holdings Ltd	Yes 99,464 ordinary shares in DBS Group Holdings Ltd
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Yes. Mr Chng, who is a senior civil servant, is employed by the Singapore government, which is the ultimate owner of Temasek Holdings (Private) Limited, the substantial shareholder of DBS Group Holdings Ltd.	Nil	Nil	Nil	Nil

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* *Mr Chng Kai Fong, Ms Judy Lee and Mr Tham Sai Choy were appointed as members of the Board Sustainability Committee on 11 February 2022.*

* *Mr Chng Kai Fong, Ms Judy Lee and Mr Tham Sai Choy were appointed as members of the Board Sustainability Committee on 11 February 2022.*

Name of Director	Chng Kai Fong	Bonghan Cho	Judy Lee	Olivier Lim Tse Ghow	Tham Sai Choy
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes	Yes
Other Principal Commitments* Including Directorships ** "Principal Commitments" has the same meaning as defined in the Code of Corporate Governance 2018.*					
Past (for the last 5 years)	1. Singapore Economic Development Board, Managing Director 2. EDB Investments Pte Ltd, Director 3. EDBI Pte. Ltd., Director 4. Manakin Investments Pte. Ltd., Director 5. Singapore Israel Industrial Research and Development Foundation, Director 6. Agency for Science, Technology and Research (A*STAR), Board Member 7. Singapore Management University (Lee Kong Chian School of Business), Advisory Board Member 8. Prime Minister's Office, Principal Private Secretary to Prime Minister	Nil	Nil	1. Banyan Tree Holdings Limited, Director 2. Frasers Property Australia Pty Ltd, Chairman 3. globalORE Pte. Ltd., Chairman 4. NorthLight School, Director	1. Singapore Accountancy Commission 2. KPMG LLP and related partnerships and companies in Singapore, Malaysia and Indonesia 3. KPMG International Cooperative (Switzerland) and a related company in BVI 4. Accounting and Corporate Regulatory Authority, Board Member 5. Housing and Development Board, Board Member 6. Singapore Institute of Directors, Chairman
Present	Other listed companies: Nil Other principal commitments: 1. DBS Bank Ltd., Director 2. The Smart Nation and Digital Government Group, Second Permanent Secretary 3. Singapore Symphonia Company Limited, Director 4. Shell Gas & Power Development B.V., Advisory Board Member of New Energies Advisory Board 5. Singapore University of Technology and Design, Member, Board of Trustees 6. The Government Technology Agency of Singapore, Board Member	Other listed companies: Nil Other principal commitments: 1. DBS Bank Ltd., Director 2. Equalkey Corporation, Founder & Chief Executive Officer 3. AMO Labs Pte. Ltd., Member, Advisory Board	Other listed companies: 1. Commercial Bank of Ceylon PLC, Director Other principal commitments: 2. DBS Bank Ltd., Director 3. Dragonfly LLC, Managing Director & Co-Founder 4. Dragonfly Advisors Pte. Ltd., Managing Director 5. Dragonfly Capital Ventures LLC, Chief Executive Officer 6. SMRT Corporation Ltd, Director 7. Stern School of Business, New York University, Member, Executive Board 8. Temasek Lifesciences Accelerator Pte. Ltd., Director 9. Break Some Glass Inc., WomenExecs on Boards, Vice President (volunteer, non-profit Harvard Business School Alumni network)	Other listed companies: 1. Raffles Medical Group Ltd, Director Other principal commitments: 2. DBS Bank Ltd., Director 3. DBS Foundation Ltd., Director 4. Certis CISCO Security Pte. Ltd., Chairman 5. JTC Corporation, Board Member 6. PropertyGuru Pte. Ltd., Chairman 7. Securities Industry Council, Member 8. Singapore Management University, Member, Board of Trustees	Other listed companies: 1. Keppel Corporation Limited, Director Other principal commitments: 2. DBS Bank Ltd., Director 3. DBS Bank (China) Limited, Director 4. DBS Foundation Ltd., Director 5. Nanyang Polytechnic, Board Member 6. Mount Alvernia Hospital, Board Member 7. Singapore International Arbitration Centre, Director 8. E M Services Private Limited, Chairman 9. Keppel Offshore & Marine Ltd, Director
Information required under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual	There is no change to the responses previously disclosed by Mr Chng Kai Fong under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No". The Appendix 7.4.1 information in respect of Mr Chng's appointment as Director was announced on 26 March 2021. Mr Chng was appointed as a non-executive and non-independent Director of DBS Group Holdings Ltd and DBS Bank Ltd on 31 March 2021 ("DBS Director"). DBS is a financial institution regulated in multiple jurisdictions, and may from time to time be subject to various public or non-public regulatory actions which have different degrees of materiality. These can vary from regulatory requests for information as part of normal supervisory activity, to production orders by law enforcement, to formal regulatory investigations or penalties. To the best of Mr Chng's knowledge and belief, none of these actions which occurred since he was appointed as a DBS Director are material.	There is no change to the responses previously disclosed by Dr Bonghan Cho (in DBS Group Holdings Ltd's 2018 Annual Report issued on 28 March 2019) under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No". Dr Cho was appointed as an independent Director of DBS Group Holdings Ltd and DBS Bank Ltd on 26 April 2018 ("DBS Director"). DBS is a financial institution regulated in multiple jurisdictions, and may from time to time be subject to various public or non-public regulatory actions which have different degrees of materiality. These can vary from regulatory requests for information as part of normal supervisory activity, to production orders by law enforcement, to formal regulatory investigations or penalties. To the best of Dr Cho's knowledge and belief, none of these actions which occurred since he was appointed as a DBS Director are material.	There is no change to the responses previously disclosed by Ms Judy Lee under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No". The Appendix 7.4.1 information in respect of Ms Lee's appointment as Director was announced on 4 August 2021. Ms Lee was appointed as an independent Director of DBS Group Holdings Ltd and DBS Bank Ltd on 4 August 2021 ("DBS Director"). DBS is a financial institution regulated in multiple jurisdictions, and may from time to time be subject to various public or non-public regulatory actions which have different degrees of materiality. These can vary from regulatory requests for information as part of normal supervisory activity, to production orders by law enforcement, to formal regulatory investigations or penalties. To the best of Ms Lee's knowledge and belief, none of these actions which occurred since she was appointed as a DBS Director are material.	There is no change to the responses previously disclosed by Mr Olivier Lim (in DBS Group Holdings Ltd's 2019 Annual Report issued on 9 March 2020) under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No". Mr Lim was appointed as an independent Director of DBS Group Holdings Ltd and DBS Bank Ltd on 7 November 2017 ("DBS Director"). DBS is a financial institution regulated in multiple jurisdictions, and may from time to time be subject to various public or non-public regulatory actions which have different degrees of materiality. These can vary from regulatory requests for information as part of normal supervisory activity, to production orders by law enforcement, to formal regulatory investigations or penalties. To the best of Mr Lim's knowledge and belief, none of these actions which occurred since he was appointed as a DBS Director are material.	There is no change to the responses previously disclosed by Mr Tham Sai Choy (in DBS Group Holdings Ltd's 2018 Annual Report issued on 28 March 2019) under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No". Mr Tham was appointed as an independent Director of DBS Group Holdings Ltd and DBS Bank Ltd on 3 September 2018 ("DBS Director"). DBS is a financial institution regulated in multiple jurisdictions, and may from time to time be subject to various public or non-public regulatory actions which have different degrees of materiality. These can vary from regulatory requests for information as part of normal supervisory activity, to production orders by law enforcement, to formal regulatory investigations or penalties. To the best of Mr Tham's knowledge and belief, none of these actions which occurred since he was appointed as a DBS Director are material.

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PROXY FORM

DBS GROUP HOLDINGS LTD
(Incorporated in the Republic of Singapore)
Company Registration No.: 199901152M

Annual General Meeting

IMPORTANT:

1. *The Annual General Meeting is being convened, and will be held, by way of electronic means pursuant to the Covid-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Notice of Annual General Meeting will accordingly be sent to members by electronic means via publication on the Company's website at the URL https://www.dbs.com/investors/agm-and-egm/default.page and on the SGX website at the URL https://www.sgx.com/securities/company-announcements. For convenience, printed copies of the Notice of Annual General Meeting will also be sent by post to members.*
2. ***As a precautionary measure due to the current Covid-19 situation in Singapore, a member will not be able to attend the Annual General Meeting in person. A member who wishes to exercise his/ her/ its voting rights at the Annual General Meeting may:***
   - ***(a) (where the member is an individual) vote "live" via electronic means at the Annual General Meeting, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the Annual General Meeting on his/ her/ its behalf; or***
   - ***(b) (whether the member is an individual or a corporate) appoint the Chairman of the Meeting as his/ her/ its proxy to vote on his/ her/ its behalf at the Annual General Meeting.***
3. *A member who wishes to appoint a proxy(ies) (other than the Chairman of the Meeting) to vote "live" via electronic means at the AGM on his/ her/ its behalf must, in addition to completing and submitting an instrument appointing a proxy(ies), pre-register his/ her/ its proxy(ies) at the pre-registration website which is accessible at the URL https://go.dbs.com/agm2022, by **2.00 p.m**. on **28 March 2022.***
4. *Please read the notes overleaf which contain instructions on, inter alia, the appointment of a proxy(ies).*
5. *This proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF and SRS investors. CPF and SRS investors:*
   - *(a) may vote "live" via electronic means at the Annual General Meeting if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or*
   - *(b) may appoint the Chairman of the Meeting as proxy to vote on their behalf at the Annual General Meeting, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 21 March 2022.*
6. *By submitting an instrument appointing a proxy(ies), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 9 March 2022.*

*I/ We ______________________________ (*NRIC/ Passport/ Co. Reg. No. ______________________________)

of ____

being a *Member/ Members of DBS Group Holdings Ltd (the "Company") hereby appoint

Name	Email Address	NRIC/ Passport No.	Proportion of Shareholding (%)

*and/ or

as *my/ our proxy/ proxies to attend, speak and vote for *me/ us and on *my/ our behalf at the 23rd Annual General Meeting of the Company to be convened and held by way of electronic means on **Thursday, 31 March 2022** at **2.00 p.m. (Singapore time)** and at any adjournment thereof in the following manner:

No.	Ordinary Resolutions	For	Against	Abstain
	Routine Business			
1	Adoption of Directors' Statement, Audited Financial Statements and Auditor's Report			
2	Declaration of Final Dividend on Ordinary Shares			
3	Approval of proposed non-executive Directors' remuneration of SGD 4,266,264 for FY2021			
4	Re-appointment of PricewaterhouseCoopers LLP as Auditor and authorisation for Directors to fix its remuneration			
5	Re-election of Dr Bonghan Cho as a Director retiring under article 99			
6	Re-election of Mr Olivier Lim Tse Ghow as a Director retiring under article 99			
7	Re-election of Mr Tham Sai Choy as a Director retiring under article 99			
8	Re-election of Mr Chng Kai Fong as a Director retiring under article 105			
9	Re-election of Ms Judy Lee as a Director retiring under article 105			
	Special Business			
10	Authority to grant awards and issue shares under the DBSH Share Plan			
11	Authority to grant awards and issue shares under the California Sub-Plan to the DBSH Share Plan			
12	General authority to issue shares and to make or grant convertible instruments subject to limits			
13	Authority to issue shares pursuant to the DBSH Scrip Dividend Scheme			
14	Approval of the proposed renewal of the Share Purchase Mandate			

If you wish your proxy/ proxies to cast all your votes **For** or **Against** a resolution, please tick with "✓" in the **For** or **Against** box provided in respect of that resolution. Alternatively, please indicate the number of votes **For** or **Against** in the **For** or **Against** box provided in respect of that resolution. If you wish your proxy/ proxies to **Abstain** from voting on a resolution, please tick with "✓" in the **Abstain** box provided in respect of that resolution. Alternatively, please indicate the number of shares that your proxy/ proxies is directed to **Abstain** from voting in the **Abstain** box provided in respect of that resolution. **In any other case, the proxy/ proxies may vote or abstain as the proxy/ proxies deem(s) fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the Annual General Meeting.**

Voting will be conducted by poll.

Dated this __________ day of__________ 2022.

No. of Ordinary Shares held	

____
Signature or Common Seal of Member(s)

____
Contact number/ email address of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF.
**** delete as appropriate***

Notes:

(1) Please insert the total number of ordinary shares ("Ordinary Shares") held by you. If you have Ordinary Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Ordinary Shares. If you have Ordinary Shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of Ordinary Shares. If you have Ordinary Shares entered against your name in the Depository Register and Ordinary Shares registered in your name in the Register of Members, you should insert the aggregate number of Ordinary Shares.

(2) This proxy form may be downloaded from the Company's website at the URL https://www.dbs.com/investors/agm-and-egm/default.page and from the SGX website at the URL https://www.sgx.com/securities/company-announcements. For convenience, printed copies of this proxy form will also be sent by post to members.

(3) (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

(4) A proxy need not be a member of the Company.

(5) The instrument appointing a proxy(ies) must be submitted to the Company in the following manner:

(a) if submitted by post, be lodged with the Company's Polling Agent, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

(b) if submitted electronically, be submitted:

(i) via email to the Company's Polling Agent at DBSAGM2022@boardroomlimited.com; or

(ii) via the pre-registration website at the URL https://go.dbs.com/agm2022,

in each case, at least 72 hours before the time appointed for holding the Annual General Meeting. A member who wishes to submit an instrument of proxy can either use the printed copy of the proxy form which is sent to him/ her/ it by post or download a copy of the proxy form from the Company's website or the SGX website, and complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and submitting it via email to the email address provided above or via the pre-registration website at the URL provided above.

Due to the current Covid-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email or via the pre-registration website.

(6) The instrument appointing a proxy(ies) must be under the hand of the appointer or of his/ her attorney duly authorised in writing or, where it is executed by a corporation, be executed either under its seal or under the hand of an officer or attorney duly authorised.

(7) The Company shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed or illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument appointing a proxy(ies) (including any related attachment). In addition, in the case of members whose Ordinary Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy(ies) if such members are not shown to have Ordinary Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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Postage will be paid by addressee. For posting in Singapore only.

BUSINESS REPLY SERVICE
PERMIT NO. 09452

DBS GROUP HOLDINGS LTD
C/O BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD.
1 HARBOURFRONT AVENUE, #14-07 KEPPEL BAY TOWER
SINGAPORE 098632

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CORPORATE INFORMATION

Board of Directors

Peter Seah
Chairman
Piyush Gupta
Chief Executive Officer
Olivier Lim
Lead Independent Director
Chng Kai Fong
(appointed on 31 March 2021)
Bonghan Cho
Ho Tian Yee
Punita Lal
Judy Lee
(appointed on 4 August 2021)
Anthony Lim
Tham Sai Choy

Audit Committee

Tham Sai Choy
(Chairman)
Chng Kai Fong
(appointed on 31 March 2021)
Bonghan Cho
Punita Lal
(appointed on 31 March 2021)
Judy Lee
(appointed on 4 August 2021)
Peter Seah

Nominating Committee

Tham Sai Choy
(Chairman)
Olivier Lim
Lead Independent Director
Chng Kai Fong
(appointed on 31 March 2021)
Bonghan Cho
Punita Lal
Peter Seah

Board Risk Management Committee

Olivier Lim
(appointed as Chairman on 31 March 2021)
Ho Tian Yee
Judy Lee
(appointed on 4 August 2021)
Anthony Lim
Peter Seah
Tham Sai Choy

Board Executive Committee

Peter Seah
(Chairman)
Anthony Lim
Olivier Lim

Compensation and Management Development Committee

Anthony Lim
(appointed as Chairman on 31 March 2021)
Bonghan Cho
Punita Lal
Judy Lee
(appointed on 4 August 2021)
Peter Seah

Board Sustainability Committee

(Established on 11 February 2022)

Piyush Gupta
(Chairman)
Chng Kai Fong
Judy Lee
Tham Sai Choy

Joint Group Secretaries

Teoh Chia-Yin
Marc Tan

Group Executive Committee

Piyush Gupta
Chief Executive Officer
Chng Sok Hui
Chief Financial Officer
Sim S Lim
Consumer Banking/ Wealth Management
Andrew Ng
Treasury & Markets
Jimmy Ng
Chief Information Officer
Sebastian Paredes
Hong Kong
Shee Tse Koon
Singapore
Soh Kian Tiong
Chief Risk Officer
Tan Su Shan
Institutional Banking

Group Management Committee

Includes the Group Executive Committee and the following:

Eng-Kwok Seat Moey
Capital Markets
Philip Fernandez
Corporate Treasury
Neil Ge
China
Derrick Goh
Audit
Han Kwee Juan
Strategy & Planning
Lam Chee Kin
Legal, Compliance & Secretariat
Lee Yan Hong
Human Resources
Lim Him Chuan
Taiwan
Karen Ngui
Strategic Marketing & Communications
Surojit Shome
India
Paulus Sutisna
Indonesia

Registrar

Tricor Barbinder Share Registration Services
(a division of Tricor Singapore Pte. Ltd.)
80 Robinson Road, #02-00
Singapore 068898
Tel: (65) 6236 3333
Fax: (65) 6236 3405

Auditor

PricewaterhouseCoopers LLP
7 Straits View, Marina One
East Tower, Level 12
Singapore 018936

Partner in charge of the Audit

Antony Eldridge
Appointed on 30 March 2021
(DBS Group Holdings Ltd and DBS Bank Ltd.)

Registered Office

12 Marina Boulevard
Marina Bay Financial Centre
Tower 3, Singapore 018982
Tel: (65) 6878 8888
Website: www.dbs.com

Investor Relations

Email: investor@dbs.com

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