

Talent programmes

Our senior leaders are committed to building a strong leadership culture at DBS and take an active role in nurturing talent and the development of future leaders.

We introduced four new programmes in 2013 to groom recent diploma and degree holders who aspire to excel in retail banking, SME banking and customer service.

We identify the talent pool for more senior employees by using an all-round approach that includes the individual's performance, reviews by peers and subordinates, and external talent identification and management tools. For this pool, we designed and built new leadership programmes in 2013 to supplement existing ones.

Internal mobility

As part of the process to nurture talent from within, we have in place an internal mobility programme since 2010. Staff are strongly encouraged to leverage opportunities provided by the programme to work across departments, businesses and countries. Employees holding corporate ranks up to Assistant Vice-President who have worked two years in their current role can seek to be placed in a new role with two months' notice. For more senior employees, the corresponding periods are three years and three months. In 2013, more than one-quarter of our positions were filled by internal transfers.

We have a programme in place for senior employees with high potential to be rotated to different parts of the organisation. The rotations include assignments to lead major projects or stints with various businesses or countries. In 2013, one-third of such employees were given new job assignments or expanded roles.

Regulators

Containing systemic risk in the financial sector continues to be a significant concern among regulators globally. We are committed to maintaining financial system stability.

Our policies and processes aim to ensure compliance with both letter and spirit of laws and regulations in the countries we operate in. We inculcate a strong compliance culture, and our employees are required to attend regular training sessions to refresh and update their knowledge of compliance requirements. The principles of our compliance framework are outlined in the Corporate Governance report. We believe this approach supports our application for licences in markets, and for products and services. During the year, we were among the first two foreign banks to be given a licence to set up a sub-branch in the Shanghai Free Trade Zone. We will continue to adhere closely to various regulatory requirements as they develop.

We work closely with regulators and industry associations to ensure safety for our customers and their personal data. In 2013, we embarked on a campaign to encourage customers to upgrade their magnetic stripe credit cards to chip cards for enhanced security and at the same time enjoy improved customer benefits. The upgrade is an example of how implementing improved security measures can be combined with an enhanced client experience.

We also work with regulators and the industry to combat the growing threat of cybercrime. In 2013, we demonstrated our monitoring capabilities to regulators and government bodies as we worked with them to address this threat.

We aim to be consistent with the principles and standards set out by the Financial Stability Board (FSB) in relevant areas, including our remuneration policy and risk disclosures. We have adopted standards for our risk disclosures in this annual report to be in line

with the recommendations of the Enhanced Disclosure Task Force set up by the FSB.

Members of senior management continue to be active in regulatory and industry forums. We believe our insights from operating in the region can contribute to the formulation of financial standards and regulations, which can often have a global impact.

Society

POSB

POSB has served generations of Singaporeans since 1877 and is regarded as the "People's Bank". Over the years, the bank has evolved its products and services to meet the changing needs and lifestyle of customers. At the same time, POSB remains actively involved in grassroots activities, and engages the young to the seniors through community initiatives. In 2013, POSB supported more than 40 community events led by grassroots organisations.

POSB partners local community associations to organise programmes that inculcate the habit of regular savings among young people. In 2013, over 7,200 children from lower-income families benefited from them. We also collaborated with the Women's Initiative for Ageing Successfully, a non-profit group, to help seniors adapt to electronic banking as well as gain financial knowledge relevant for an active lifestyle. In 2013, 26% of our senior customers started using self-service banking machines and Internet banking, compared to 19% in 2011.

We also worked with special needs schools to educate students on basic life skills such as banking. We supported the National Library Board to promote a vibrant reading environment at four of its branches.

Since 2009, POSB has been strengthening community bonds through the POSB PASSion Run for Kids, which has raised more than



DBS employees creating a more conducive environment for hearing impaired students

SGD 3 million and benefited over 68,000 children in Singapore to date. In 2013, more than 8,500 people took part in the charity run.

CORPORATE SOCIAL RESPONSIBILITY – DBS FOUNDATION

Underlining our commitment to be a force for good in the communities we operate in, we announced the establishment of a SGD 50 million foundation in February 2014 to strengthen our corporate social responsibility efforts across Asia.

Since our inception as the Development Bank of Singapore, we have progressed over more than four decades alongside Singapore's development. The foundation will channel our efforts to contribute to the future development of Singapore and play a bigger role in the future of Asia.

Through the foundation, we will scale up our support for communities and social enterprises in Asia, and make a greater

impact in addressing the region's evolving social needs. The foundation will also provide relief and support to communities in times of need, for example, during natural disasters or crises.

Promoting social enterprises

Besides the DBS Foundation, we have ongoing corporate social responsibility efforts to champion social entrepreneurship. We seek to empower social enterprises to become commercially viable while pursuing their social objectives.

Our support for social enterprises is anchored around a three pronged framework: promoting the development of the social enterprise sector, supporting selected enterprises through funding and mentorship, and integrating social enterprises into our culture and operations.

We work closely with other organisations to promote the development of social enterprises. We partnered the National University of Singapore Enterprise to launch

the inaugural DBS-NUS Social Venture Challenge Asia to identify and support new social ventures across the region that have the potential to make a sustained and meaningful social impact. The response was overwhelming as we received more than 400 submissions from aspiring and existing social entrepreneurs from 20 countries. We also launched a similar programme in China in partnership with YouChange Foundation.

During the year, we supported more than 50 initiatives, including conferences, workshops and training programmes involving close to 20,000 participants from 200 social enterprises across Asia. For example, we worked with HUB Singapore – a group dedicated to bringing people, ideas and funding together to create a better future – to organise a series of boot camps for aspiring social entrepreneurs. Other partners we worked with in Singapore and the region included the Social Enterprise Association, Enactus, Social Innovation Park and Shujog.

We also leverage internal and external DBS events to showcase social enterprises. In Taiwan, we held the first Social Enterprises Fair at the National Dr. Sun Yat Sen Memorial Hall to promote social enterprises to the public, with DBS employees and their families as volunteers. In Singapore, we jointly organised the first-ever Social Enterprise Carnival at Marina Bay with the Ministry of Social and Family Development.

We also support selected enterprises with funding. Since 2012, we have provided close to SGD 2 million in grants to 59 social enterprises in Asia. The funds have enabled them to set up businesses or expand existing ones to provide employment opportunities to the disadvantaged. We also demonstrate our commitment to social enterprises by procuring their products and services.

We offer dedicated banking packages to social enterprises. First launched in Singapore in 2008, the DBS Social Enterprise Package is now available in Hong Kong, India, Indonesia, China and Taiwan. DBS is the only bank in Asia to offer a banking package for social enterprises that comes with transactional services that are virtually free. In Singapore, we also offer – as part of the DBS Social Enterprise Package –

unsecured business loans at a preferential annual interest rate that is half of regular commercial rates.

VOLUNTEERISM

DBS' support of social enterprises is extended to our employee volunteer programme. In Singapore, DBS staff and Thinkscope, an education provider, took a group of underprivileged children on heritage trails to learn about the rich and diverse culture of Singapore. In another initiative, Social Creatives, a visual arts group, and DBS staff created a more conducive learning environment for hearing impaired students through the painting of colourful murals at the Canossian School.

We partnered the Hong Kong House of Stories to conduct a series of activities that introduce the cultural heritage and history of Hong Kong to underprivileged children. In recognition of their community service, 89 volunteers from DBS Hong Kong received awards from the city's social welfare department.

OTHER COMMUNITY INITIATIVES

We are investing SGD 10 million over three years to make Marina Bay a vibrant locale

and a 'People's Bay' that everyone can enjoy. DBS Marina Regatta, Singapore's biggest water sports festival, brought 15,000 people to the bay over two weekends in 2013. It was bigger and better than the year before, and had a wide range of activities that included dragon boat races, a drum challenge, a cosplay festival and a music concert. More than 2,400 paddlers from close to 140 dragon boat teams participated, a 50% increase over the previous year.

In addition to DBS Marina Regatta, we organise popular events at the bay, including a monthly sailing programme and movie screenings.

CRISIS RELIEF EFFORTS

In response to the earthquake that hit Ya'an City, Sichuan in April 2013, DBS donated SGD 100,000 towards the relief effort through the Shanghai Charity Foundation. When typhoon Haiyan tore through the Philippines in November 2013, DBS responded swiftly and supported the crisis relief efforts by the Singapore Red Cross. We made available our self-service banking channels, including ATMs, Internet and mobile banking, for donations by our customers. In addition, we also rallied employees to support the victims of typhoon Haiyan by pledging a dollar-for-dollar match for their donations. Collectively, DBS, our customers and employees raised more than SGD 1.2 million.



DBS' support of social enterprises extends to our employee volunteer programme

ENVIRONMENT

As we move into new premises across the region, we are committed to adopting environmentally-sustainable practices and using eco-friendly materials in the planning, design and construction of the new buildings. Our efforts are well recognised and validated by the certifications awarded to us.

In Singapore, our headquarters and flagship branch at Marina Bay, and our premises in Changi, have been awarded Greenmark Gold certification by Singapore’s Building and Construction Authority. Our newest premises in Jurong also received Greenmark certification in 2013.

Under a scheme initiated by Hong Kong’s Environmental Protection Department to minimise the creation of waste, our offices at One Island East and Millennium City 6 were both awarded the Class of Excellence, and our office at Miramar Tower the Class of Good. In Taiwan, our headquarters meets the standards set by the Leadership in Energy and Environmental Design rating system.

We implemented several measures to reduce the consumption of electricity and water at our premises. They included introducing LED light bulbs, which are more energy-efficient than other lamps, motion-sensor lighting in restrooms, as well as reduced water flow in taps. Recycling bins are provided on every floor and social hub.

Waste recycled (tonnes)	2013
Paper	329
Aluminium	8.5
Plastics	4

In a concerted drive to go paperless, we have encouraged our customers to adopt electronic statements.

Given our sizable shareholder base, we distribute our annual reports on compact discs and have developed an online version that can be downloaded from our website or QR codes. Printed copies are available on request.

BUILDING A SUSTAINABLE BUSINESS

As a provider of financial capital, DBS plays a central role in creating long-term value in the markets we operate in. We recognise the importance of engaging all stakeholders, and being a force for good.

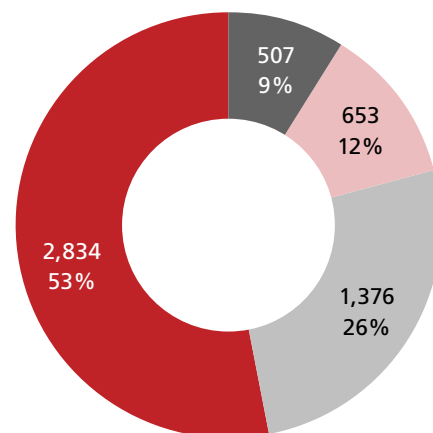
As an organisation, we are committed to environmental, social and governmental (ESG) standards. Our efforts have been recognised in an ESG index created by Bloomberg that was based on data for 2,700 banks worldwide. Our representation of women in our workforce puts us in the 83rd percentile of the index, while the broad-based composition of our Board places us in the 98th percentile for independent directors and the 95th percentile for women on the Board.

In a complex marketplace, we seek to focus on addressing sustainability issues that are material to us. We completed a materiality assessment of our ESG efforts in 2013. The assessment reviewed our practices and processes against external benchmarks such as the AA1000 Stakeholder Engagement Standard and the Global Reporting Initiative framework. The review is intended to help us channel our ESG efforts and improve the process.

DISTRIBUTING THE VALUE WE CREATED TO OUR STAKEHOLDERS

We define the value we create for stakeholders as pre-tax profit before discretionary bonuses. In 2013, the value we created amounted to SGD 5.37 billion. The chart shows how we distributed value to our stakeholders in 2013.

Value distribution (SGD m)



- Employees – Variable Compensation
- Society – Income Tax Expense
- Shareholders – Dividends
- Retained Earnings – reinvested in DBS Group

Shareholders received 26% of the value created directly in the form of dividends. Variable compensation distributed to employees accounted for 9%. The 12% attributable to society is based on the income and indirect taxes we paid and does not include other contributions such as the DBS Foundation and other corporate social responsibility efforts.

The remaining 53% of the value we generated was kept as retained earnings, which will be used to generate value for stakeholders in the future.