

# Risk Management Approach and Risk Profile

The Group sees strong risk management capabilities as vital to the success of a well-managed bank. The Risk Management Group is the central resource for driving such capabilities in DBS, and complements the risk and control activities of other functions including Group Audit and Group Legal & Compliance.

More on risk management can be found in the following sections.

## **APPROACH TO RISK MANAGEMENT**

The key components of DBS's risk management approach are: strong risk governance, robust and comprehensive processes to identify, measure, control, monitor and report risks; sound assessments of capital adequacy relative to risks; and a rigorous system of internal control reviews involving internal and external auditors.

## **RISK GOVERNANCE**

Under the Group's risk management framework, the Board of Directors, through the Board Risk Management Committee oversees the establishment of robust enterprise-wide-risk management policies and processes, and sets risk limits to guide risk-taking within the Group.

Management is accountable to the Board for ensuring the effectiveness of risk management and adherence to the risk appetite and target rating established by the Board. To provide risk oversight, senior management risk committees are mandated to focus on specific risk areas. These oversight committees are the Risk Executive Committee, the Group Credit Risk Committee, the Group Market Risk Committee, the Group Operational Risk Committee, and the Group Commitments and Conflicts Committee.

On a day-to-day basis, business units have primary responsibility for risk management. In partnership with business units, independent control functions provide senior management with a timely assessment of key risk exposures and the associated management responses. These units also recommend risk appetite and control limits for approval in line with the risk management framework. There are detailed policies and procedures to identify, measure, analyse, and control risk across all locations where the Group has operations.

Additional information on specific risk areas can be found in the Notes to the Financial Statements and Basel II Pillar 3 Disclosures.