

REMUNERATION REPORT

At DBS, 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 while supporting our aim of driving business strategy and creating 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 Group 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. There has been no significant change made to our remuneration policy in 2014.

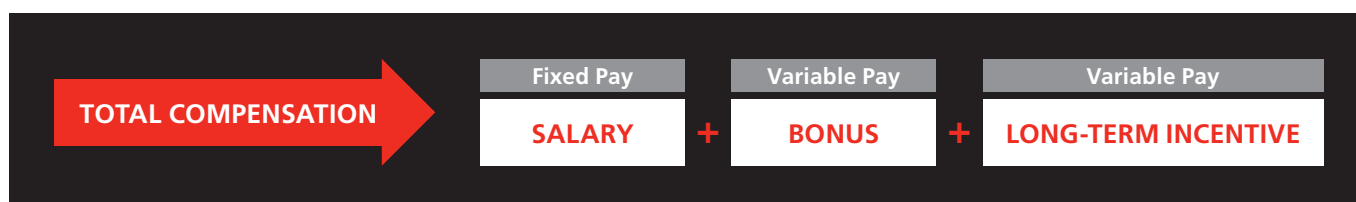
When formulating our remuneration strategy, consideration was given to align our remuneration approach with DBS PRIDE! values in order to drive desired behaviours and achieve the objectives set out in our balanced scorecard.

The three main thrusts of our remuneration strategy are designed to:

- Pay for performance measured against the balanced scorecard**
 We instill and drive a pay-for-performance culture, ensuring a close linkage between total compensation and our annual and long-term business objectives as measured through the balanced scorecard. In addition, we also calibrate the mix of fixed and variable pay to drive sustainable performance and alignment to DBS PRIDE! values, taking into account both the "what" and "how" of achieving KPIs.
- Provide market competitive pay**
 We provide a competitive total compensation package by benchmarking ourselves against other organisations of similar size and standing in the markets we operate in. To drive performance differentiation, total compensation for top performing employees is benchmarked against the upper quartile or higher in each market.
- Guard against excessive risk taking**
 We focus on achieving risk-adjusted returns that are consistent with our prudent risk and capital management, as well as emphasis on long-term sustainable outcomes. Our payout structure is designed to align incentive payments with the long-term performance of the company through deferral and claw-back arrangements.

2. Summary of Current Total Compensation Elements

An employee's total compensation is made up of the following elements:



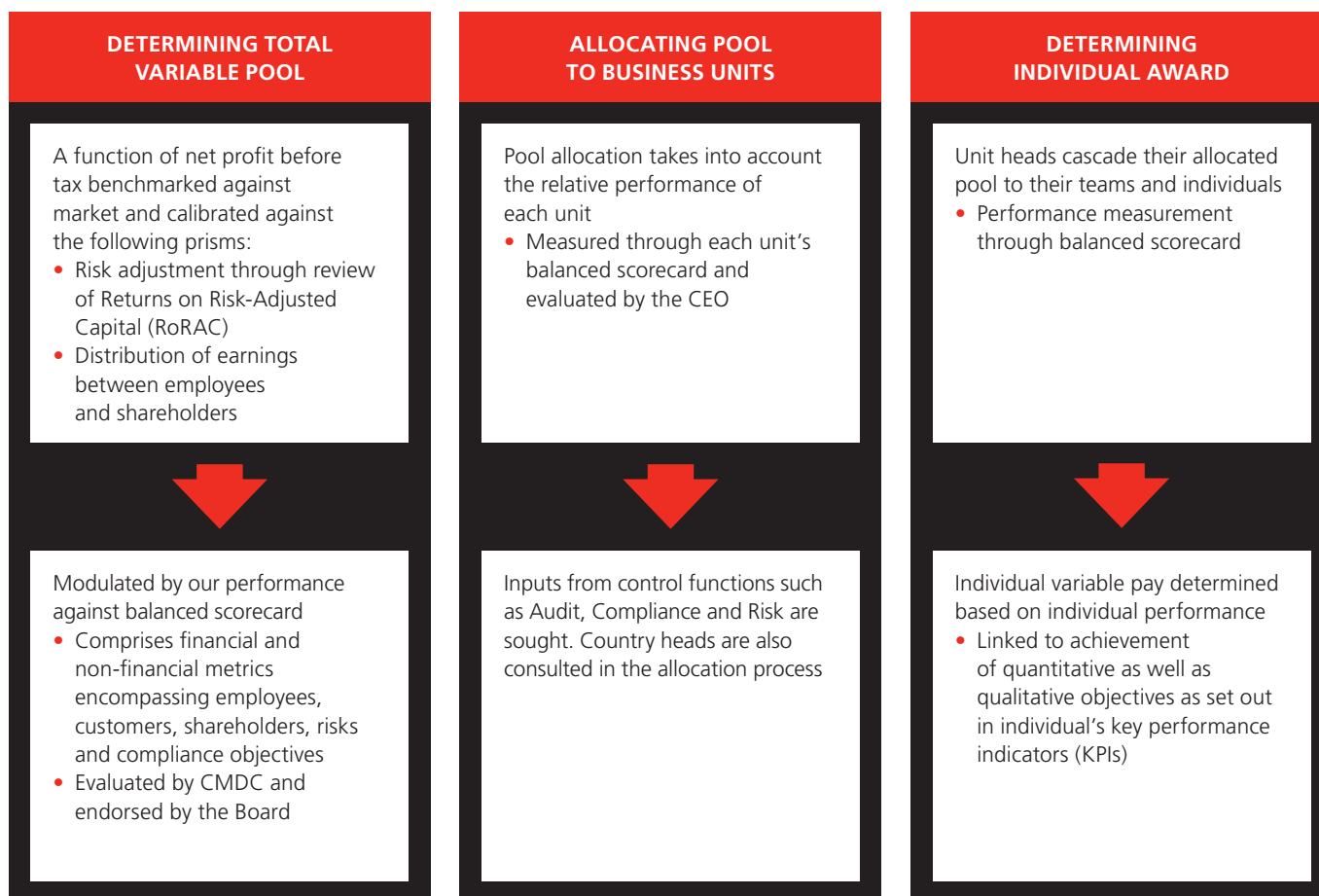
The table below provides a breakdown of total compensation elements, their purpose and link to our compensation strategy, and the policy governing their execution.

ELEMENTS	WHAT	WHY & LINKAGES TO STRATEGY	HOW
FIXED PAY	Salary	<ul style="list-style-type: none"> Attract and retain talent by ensuring our fixed pay is competitive vis-a-vis comparable institutions 	<ul style="list-style-type: none"> Set at an appropriate level taking into account market dynamics, skills, experience, responsibilities, competencies and performance of the employee Paid in cash monthly Typically reviewed annually

ELEMENTS	WHAT	WHY & LINKAGES TO STRATEGY	HOW
VARIABLE PAY	Cash Bonus & Long-Term Incentive	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Based on overall Group, 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% • Deferred remuneration is paid in restricted shares and comprises two elements: the main award and the retention award (constituting 20% of the shares given in the main award and designed to retain talent and compensate staff for the time value of deferral) • Deferred awards vest over four years • Unvested deferred share awards are subject to clawback

3. Determination of Variable Pay Pool

The variable pay pool is derived from a combination of a bottoms-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.

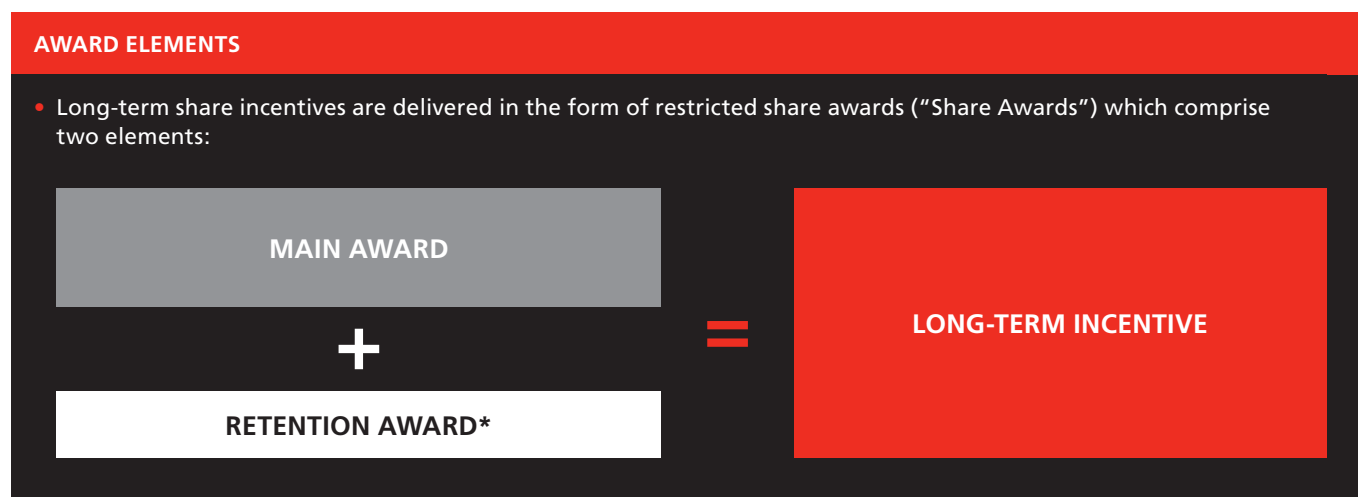


Control functions (Risk, Finance, Legal, Compliance and Audit) are measured independently from the business units they support to prevent any conflicts of interests. The remuneration of the Chief Risk Officer (CRO) and Group Head of Audit are endorsed by the Chairman of BRMC and AC respectively and subsequently endorsed 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. Long-term Share Incentives

PLAN OBJECTIVES	AWARD TYPES
<ul style="list-style-type: none"> • Foster a culture that aligns employees’ interests with shareholders • Enable employees to share in the bank’s performance • Talent retention 	<ul style="list-style-type: none"> • Annual Deferred Remuneration <ul style="list-style-type: none"> ▸ DBSH Share Plan (“Share Plan”) for Vice President & above ▸ DBSH Employee Share Plan (“ESP”) for Assistant Vice President & below • Awards as part of talent retention (“Special Award”)



* Constitutes 20% of Main Award under the Annual Deferred Remuneration

VESTING SCHEDULE	CLAWBACK OF UNVESTED AWARDS
<p>Main Award</p> <ul style="list-style-type: none"> • 33% vest two years after grant date • Another 33% vest three years after grant date • Remaining 34% vest four years after grant date <p>Retention Award</p> <ul style="list-style-type: none"> • 100% vest four years after grant date 	<p>Clawback will be triggered by</p> <ul style="list-style-type: none"> • 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

Prior to 2009, a DBSH Share Option Plan (SOP) was also part of long-term share incentives. The SOP expired on 19 June 2009 and was not extended nor replaced. The termination does not affect the rights of the holders of outstanding options.

Details of the SOP and Share Plan appear on pages 186 to 187 of the Annual Report.

5. Summary of 2014 Remuneration Outcomes

SENIOR MANAGEMENT AND MATERIAL RISK TAKERS

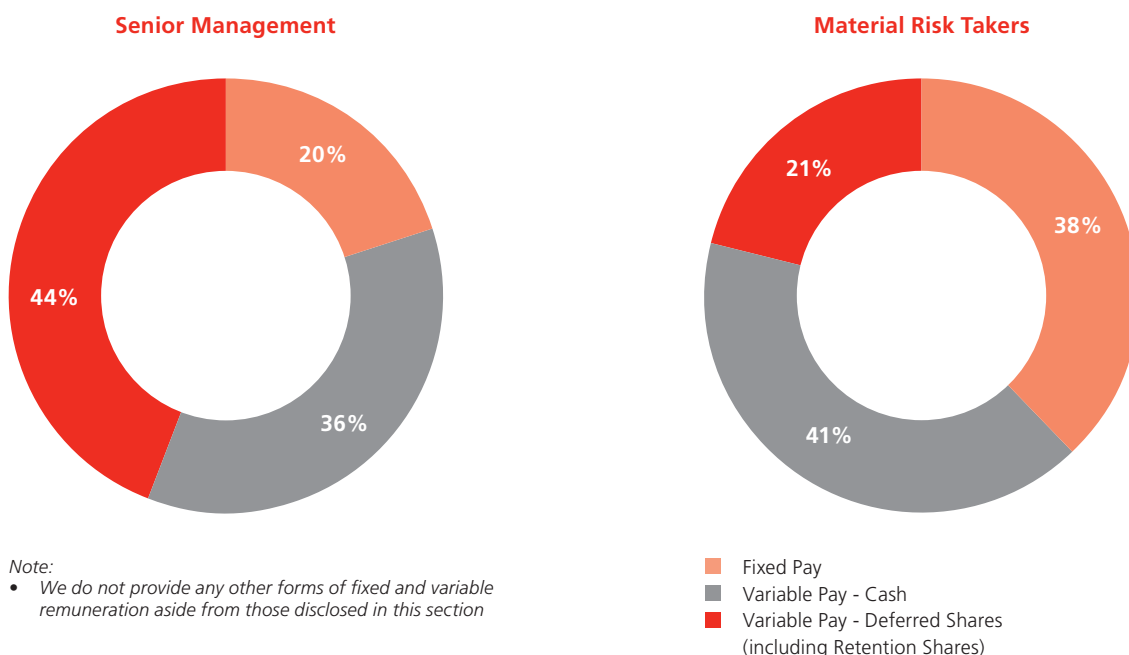
The balance between fixed and variable elements of total compensation changes according to performance, rank and function. This is in line with the FSB principle of ensuring that employee incentives remain focused on prudent risk-taking and effective control, depending on the employee's role.

It is aimed at incentivising employees whose decisions can have a material impact on DBS to adopt appropriate risk behaviours. These employees include senior management, key personnel at business units and senior control staff. We define this group of staff based on their roles, quantum of their variable remuneration and the ratio of their variable to fixed pay.

We have retained McLagan as our external compensation consultant to provide benchmarking data and compensation consulting services. McLagan and its consultants are independent and not related to us or any of our directors.

During the year, we recorded strong performance against the balanced scorecard. Notably, our earnings hit an all-time high despite external market headwinds, and have doubled in the past five years. We continued to entrench our leadership in Singapore, leverage the connectivity between China and Hong Kong, and build leading regional franchises in wealth management, SME and Global Transaction Services. We have also managed our portfolio risk prudently by aligning it to our risk appetite and strengthened the resiliency of our IT infrastructure and cybersecurity defences. Our overall performance against audit and compliance has therefore improved. We also continued to execute well to our longer-term strategic priorities.

The following charts show the mix of fixed and variable pay for senior management and material risk takers in respect of performance year 2014.



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

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.

Table 1: Guaranteed Bonuses, Sign-on Bonuses and Severance Payments

CATEGORY	SM	MRTs
Number of guaranteed bonuses	0	0
Number of sign-on bonuses	1	5
Number of severance payments	0	0
Total amounts of above payments made during the Financial Year (SGD '000)	2,435*	

* Due to data confidentiality, the total amount of payments for SM and MRTs have been aggregated for reporting

Table 2: Breakdown of Long-term Remuneration Awards

CATEGORY	SM %	MRTs %
Change in deferred remuneration awarded in current financial year⁽¹⁾	7 (7) ⁽⁴⁾	12 (10) ⁽⁴⁾
Change in amount of outstanding deferred remuneration from previous financial year⁽²⁾	33 ⁽³⁾ (32) ⁽⁴⁾	27 ⁽³⁾ (27) ⁽⁴⁾
Outstanding deferred remuneration (breakdown):		
Cash	0	0
Shares & share-linked instruments	100	100
Other forms of remuneration	0	0
Total	100	100
Outstanding deferred remuneration (performance adjustments):		
Of which exposed to ex-post adjustments	100	100
Reductions in current year due to ex-post adjustments (explicit)	–	–
Reductions in current year due to ex-post adjustments (implicit) ⁽²⁾	–	–
Outstanding retained remuneration (performance adjustments):		
Of which exposed to ex-post adjustments	–	–
Reductions in current year due to ex-post adjustments (explicit)	–	–
Reductions in current year due-to ex-post adjustments (implicit)	–	–
Headcount	20	273

(1) Value of DBSH ordinary shares (including retention shares) granted in respect of performance year 2014 vs. value of DBSH ordinary shares (including retention shares) granted in respect of performance year 2013. Share price taken at date of grant

(2) [No. of unvested DBSH ordinary shares as at 31 Dec 14 x share price as at 31 Dec 14] / [No. of unvested DBSH ordinary shares as at 31 Dec 13 x share price as at 31 Dec 13]

(3) The increase is due to the difference in share price between 31 Dec 2013 and 31 Dec 2014 and the higher number of shares granted in 2014 relative to shares vested in 2014

(4) Figures in parentheses show the change in deferred remuneration awarded if the same population of staff that fulfils the definition of SM and MRTs for both performance year 2013 and 2014 is used

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.

Other Provisions

We do not allow accelerated payment of deferred remuneration except in cases such as death in service. 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

Our CEO (Mr Piyush Gupta) has led DBS since November 2009. During his tenure, the fundamental construct of the bank has changed, and DBS is operating on a higher plane. In particular, in spite of the challenging global macroeconomic conditions of the past few years, DBS has delivered 22 consecutive quarters of year-on-year earnings growth. Since 2009, full-year income has grown by around 50% to SGD 9.6 billion while net profit has doubled to SGD 4 billion.

All this has been made possible through focused execution against a clearly-defined strategic roadmap. In the past five years, DBS has entrenched our leadership in Singapore, re-positioned Hong Kong, diversified our earnings base, and built leading regional franchises in Wealth, Small and Medium Enterprise Banking, Transaction Banking and Treasury Customer business. The bank's solid performance is underpinned by strong financial discipline and risk management.

Recognising that new technologies are revolutionising the way people bank, the CEO has also championed a strong digital/ innovation agenda within the bank. This has put DBS at the forefront of shaping the future of banking. By leveraging technology, we are making banking easier for our customers. These efforts have been recognised externally.

In addition, not only is our brand going from strength to strength, DBS is also increasingly standing out for our improved customer satisfaction as well as engaged workforce.

On the back of these achievements, the CMDC with the Board's endorsement has decided on the remuneration for the CEO after considering the following:

- Paying for performance, taking into account our strong performance and assessing the quality of execution against the balanced scorecard
- Competitiveness of the CEO's compensation package, taking into account our sustained performance despite external market headwinds
- Commitment to creating long-term value for all of our stakeholders, while delivering risk-adjusted returns which contribute towards sustainable shareholder value creation

**BREAKDOWN OF REMUNERATION FOR PERFORMANCE YEAR 2014
(1 JANUARY – 31 DECEMBER)**

	Salary Remuneration SGD	Cash Bonus ⁽¹⁾ SGD	Share Plan ⁽³⁾ SGD	Others ⁽²⁾ SGD	Total ⁽⁴⁾ SGD
Mr Piyush Gupta	1,200,000	3,791,000	5,074,000	55,545	10,120,545

(1) The amount has been accrued in 2014 financial statements

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

(3) At DBS, 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 1,014,800 which is similar in nature to the accrued dividends for deferred awards in those companies

(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

OTHER KEY EXECUTIVES

Although the Code and the Guidelines recommend that at least the top five key executives' remuneration be disclosed within bands of SGD 250,000 and in aggregate, the Board believes that such disclosure would be disadvantageous to our business interests, given the highly competitive conditions in the banking industry where poaching of executives is commonplace. Nonetheless, the aggregated total remuneration for our Senior Management (excluding the CEO) in 2014 amounts to SGD 53 million.