

CFO statement



We turned in another set of record earnings despite challenging economic conditions in the second half. CFO Chng Sok Hui explains the salient aspects of the year's financial performance and the factors behind it.

Results demonstrate resilience of our franchise

Despite a tough operating environment in 2015, net profit rose to a record SGD 4.45 billion. Excluding one-time items, net profit rose 12% from the previous year to SGD 4.32 billion. Total income crossed the SGD 10 billion mark for the first time, growing 12% to SGD 10.8 billion with both net interest income and non-interest income reaching new highs. Return on equity improved from 10.9% to 11.2%.

The results underscored the breadth and resilience of our franchise as we successfully captured income opportunities and managed risks in a year marked by slower economic growth, weak commodity prices, financial market volatility and heightened asset quality concerns.

Macroeconomic factors had a material influence on our performance

A favourable operating environment – supported by quantitative easing from various central banks – in the first half of the year increasingly gave way to uncertainty emanating from China. The resultant movements in interest rates and

currencies had a material influence on our performance. While some of their effects were beneficial, others created challenges that we were able to successfully manage.

At home, benchmark interest rates used for pricing SGD loans rose steadily on expectations of higher US rates and from the adoption of a modest exchange rate policy by the Monetary Authority of Singapore. Interbank rates increased from 0.5% at the beginning of the year to 1.2% while swap offer rates rose by a similar magnitude to 1.7%. At the same time, we took effective steps to contain deposit costs. As a result, net interest margin rose nine basis points to 1.77%, which was the highest since 2012.

A convergence and subsequent reversal of offshore and onshore RMB rates – a consequence of China's monetary easing and currency depreciation – together with falling commodity prices resulted in an underlying 25% or SGD 13 billion contraction in trade loans. We were able to offset the decline with a 5% or SGD 11 billion increase in non-trade loans. We grew Singapore housing loans by 13% as we gained share in a quiet market by offering customers a more stable pricing mechanism than most competitors could. We also supported institutional banking customers borrowing for corporate restructuring, loan refinancing and infrastructure projects. As a result, we were able to keep overall loans stable in constant-currency terms during the year.

Central banks' policy actions in the early months of the year, some of which were unexpected, boosted risk appetite and contributed to especially strong performances in wealth management and treasury activities in the first half. This reversed in the second half as overall confidence became fragile after sharp declines in China's stock markets and an unexpected depreciation in August of the RMB. Lingering uncertainty over the timing and pace of US Fed tightening exacerbated the volatility in financial markets. As a result, the strong first-half growth in non-interest income moderated in the second half.

The 7% depreciation of SGD against USD during the year benefited our performance, contributing 3% points to reported income and earnings growth. It accounted for all of the year's reported loan growth of 3%.

Balance sheet strength maintained

We took steps to ensure that the high quality of our balance sheet was maintained in a more challenging operating environment.

Asset quality continued to be resilient. Non-performing loan formation was offset by recoveries, upgrades and write-offs of existing NPLs. The non-performing loan ratio was unchanged at 0.9%. We took specific allowance charges of 19 basis points of loans during the year, little changed from the previous year. Our allowance coverage of 148% was higher than many of our peers', reflecting the prudent level of cumulative general allowances at SGD 3.2 billion. If collateral was considered, the coverage was 303%.

We kept ample liquidity to support growth and meet contingencies. The loan-deposit ratio was comfortable at 88% even as higher-cost deposits were managed out. Deposits were supplemented by wholesale funding across a range of tenors, and included USD 1 billion of inaugural issuances of covered bonds with triple-A ratings from Moody's and Fitch. The liquidity coverage ratio in the fourth quarter of the year was 122%, well above the final regulatory requirement of 100% effective 2019. We also met the requirement for net stable funding ratio effective 2018.

Despite having one of the highest risk densities in the world at 60%, our fully-phased in Common Equity Tier-1 ratio of 12.4% was well above regulatory requirements. After factoring in recently announced rule changes by the Basel Committee (the "Standardised Approach – Counterparty Credit Risk" to be implemented in 2017 and the "Fundamental Review of the Trading Book – Revised Standardised Approach" to be implemented in 2019), our capital ratios will continue to remain comfortably above requirements. Our leverage ratio was 7.3%, way above the minimum requirement of 3% envisaged by the Basel Committee. We will continue to assess the impact of regulatory reforms currently undergoing consultation.

Like other banks, we will manage our exposures to contain the impact of risk-weighted asset inflation. We intend to

maintain our existing dividend policy, which is to pay sustainable dividends while maintaining capital ratios consistent with regulations and the expectations of rating agencies, investors and other stakeholders. Our payouts also take into account the long-term growth prospects of our businesses.

Net book value per diluted share increased 7% to SGD 15.82. The accretion in net book value was not reflected in the share price, which fell 19%, similar to domestic peers, as bank shares led a sell-down on the Singapore Exchange in the latter part of the year. DBS had a market capitalisation of SGD 42 billion at 31 December 2015.

Read more about asset quality on page 86, liquidity on page 96 and capital management on page 109.

Integrated and sustainability reporting

Our 2015 report is fully in line with the Integrated Reporting framework issued by the International Integrated Reporting Council in December 2014. The enhancements we made this year include improved disclosures for "material matters", "stakeholders outreach" and our management of resources.

Our Integrated Reporting reflects the integrated thinking behind our strategy and embedded into our business practices.

We use a balanced scorecard with key performance indicators to drive alignment of strategy and priorities throughout the organisation.

Read more about our balanced scorecard on page 27.

This report also marks a milestone in our commitment towards sustainability reporting. It has been prepared to the G4 Sustainability Reporting Guidelines issued by the Global Reporting Initiative or GRI. These efforts position us well for meeting the proposed requirements by the Singapore Exchange for sustainability reporting in 2017.

Refer to the GRI Index on page 196.

New impairment methodology

In 2018, International Financial Reporting Standard 9 will take effect. This new accounting standard will govern how reporting entities classify and measure financial instruments, take impairment (or allowance) charges and account for hedges.

At present, for impairment assessment, Singapore banks comply with the provisions of MAS Notice 612 where banks maintain, in addition to specific allowances, a prudent level of general allowances of at least 1% of uncollateralised exposures. This is an

intended departure from the incurred loss provisioning approach prescribed under FRS 39, and possible changes to the current regulatory specifications will determine how IFRS 9's expected credit loss (ECL) model is eventually implemented. Any such changes are unlikely to result in additional allowance charges for DBS at the point of adoption. The Group has begun preparations in the meantime, leveraging existing credit rating systems, models, processes and tools.

Read more about ECL in the Enhanced Disclosure Task Force disclosures on page 108.

Starting 2016 from a position of strength

Our performance in 2015 was achieved in the midst of slower economic growth and financial market volatility. It attests to the resilience of our franchise, which is underpinned by multiple business engines, a solid balance sheet and prudent risk management. We will remain vigilant to risks while staying nimble across our businesses and regional network to capture the many opportunities that Asia continues to offer. The region's economic fundamentals are sound and its long-term growth potential remains undimmed. Our foundations are secure and we enter 2016 from a position of strength.

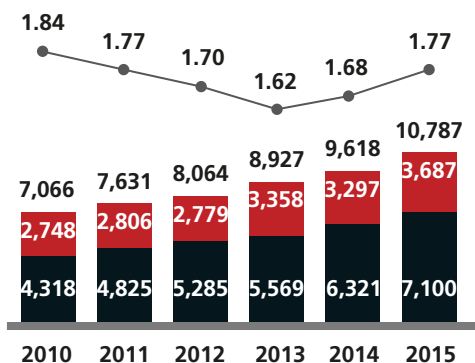
Financial performance summary

Total income

NIM (%)

(SGD m)

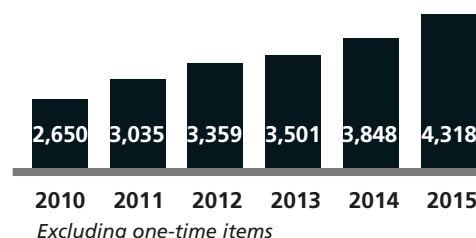
Non-interest income
Net interest income



Net profit

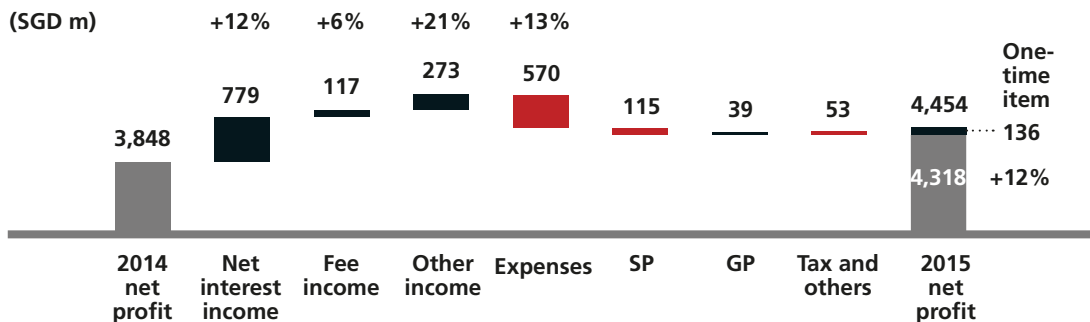
ROE (%)

(SGD m)



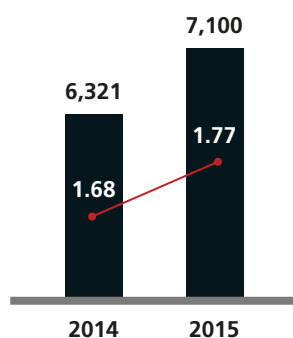
Impact on earnings

● Positive
● Negative

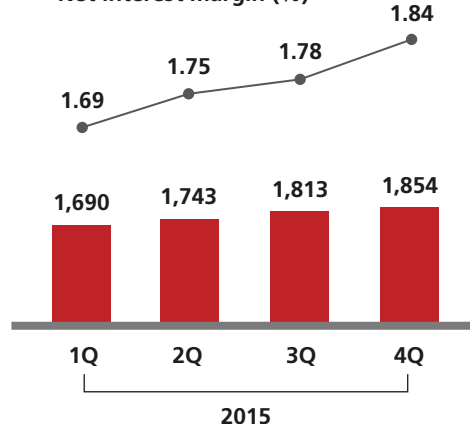


Net interest income

(SGD m)



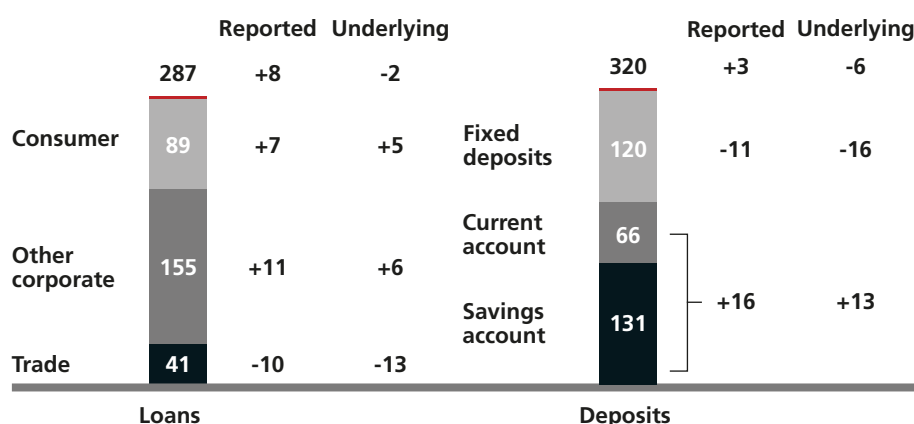
Net interest margin (%)



(SGD bn)

Change

Change



Net interest income increased 12% to SGD 7.1 billion as net interest margin for the full year rose nine basis points to 1.77%. We benefited from higher SGD loan yields as benchmark rates rose. We contained deposit costs by replacing higher-cost deposits with transactional accounts. Net interest margin rose progressively during the course of the year, from 1.69% in the first quarter to 1.84% in the fourth.

Gross loans rose by a reported 3% to SGD 287 billion but were little changed in constant-currency terms as a decline in trade loans was offset by higher consumer and corporate loans. Our market share of Singapore housing loans rose 2% points to 27% as customers refinanced loans from other banks with us due to our more stable pricing packages.

Deposits rose by a reported 1% to SGD 320 billion but declined 2% in constant-currency terms as fixed deposits were managed out. Savings and current accounts grew, reflecting the strength of our domestic savings deposit franchise as well as efforts to grow transactional accounts with corporate customers and institutional investors. Our market share of SGD savings deposits rose almost 1% point to 53%.

Non-interest income

Fee income

(SGD m)	2015	2014	% chg
Brokerage	180	173	4
Investment banking	165	219	(25)
Trade and transaction services	556	539	3
Loan-related	442	385	15
Cards	434	369	18
Wealth management	599	507	18
Others	76	83	(8)
Fee and commission income	2,452	2,275	8
Less: fee and commission expense	308	248	24
Total	2,144	2,027	6

Other non-interest income

(SGD m)	2015	2014	% chg
Net trading income	1,204	901	34
Net income from investment securities	203	274	(26)
Net gain on fixed assets	90	43	>100
Others	46	52	(12)
Total	1,543	1,270	21

Net fee income rose 6% to SGD 2.14 billion. The growth was broad-based. Wealth management fees increased 18% as a strong first half more than offset a slowdown in the second half when market volatility reduced investment appetite. Card fees also rose 18% from higher customer transactions in Singapore and Hong Kong, as well as from the consolidation of a credit card joint venture in Hong Kong. Loan-related fees increased 15% due to a larger number of sizeable transactions. Trade and transaction service fees grew 3% as growth in cash management was offset by lower income from trade. Investment banking fees fell 25% due to weaker second-half contributions as well as lumpy contributions in the previous year.

Other non-interest income grew 21% to SGD 1.54 billion. One-third of the increase was due to higher treasury customer flows. The remainder was mainly from surplus Singapore dollar deposits deployed into US dollar assets through funding swaps. Under accounting rules, interest income derived from funding swaps is accounted for under non-interest income.

Business unit and geography performance

Total income

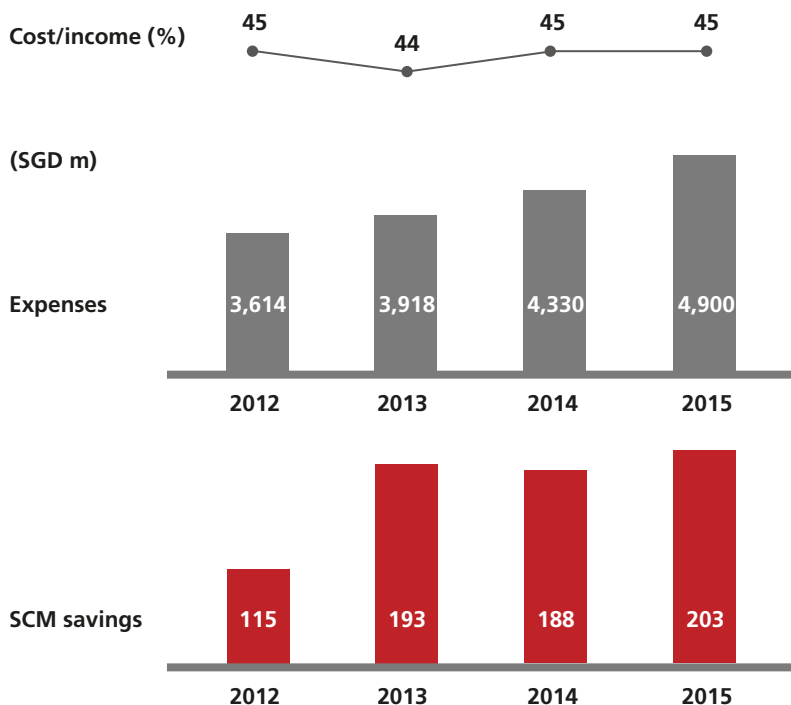
(SGD m)	2015	2014	% chg
By business unit			
Consumer Banking/ Wealth Management (CBG)	3,547	2,882	23
Institutional Banking (IBG)	5,290	4,967	7
Treasury	1,140	1,102	3
Others	810	667	21
Total	10,787	9,618	12
By country			
Singapore	6,676	5,950	12
Hong Kong	2,289	1,900	20
Rest of Greater China	1,019	950	7
South and South-east Asia	557	552	1
Rest of the World	246	266	(8)
Total	10,787	9,618	12

Read more about our business units' performance on page 30 and 33 and our countries' performance on page 38.

By business unit, total income for Consumer Banking / Wealth Management rose 23% to SGD 3.55 billion. Wealth Management segment income rose 29% to SGD 1.42 billion as assets under management grew 9% to SGD 146 billion. Income from the retail segment rose 20% to SGD 2.13 billion. Institutional Banking income increased 7% to SGD 5.29 billion despite a challenging environment in the second half. Higher income from lending activities and cash management was partially offset by lower trade finance income. Treasury income increased 3% to SGD 1.14 billion as a strong first half was offset by less favourable market conditions in the second half.

By geography, total income was led by double-digit percentage growth in Singapore and Hong Kong from higher net interest margin and a wide range of fee activities. Treasury customer activities and trading income in Singapore and property disposal gains in Hong Kong were also higher. Income in Rest of Greater China rose 7% as an increase in non-interest income activities more than offset the impact of lower net interest margin and trade loan volumes. South and South-east Asia income was little changed.

Expenses

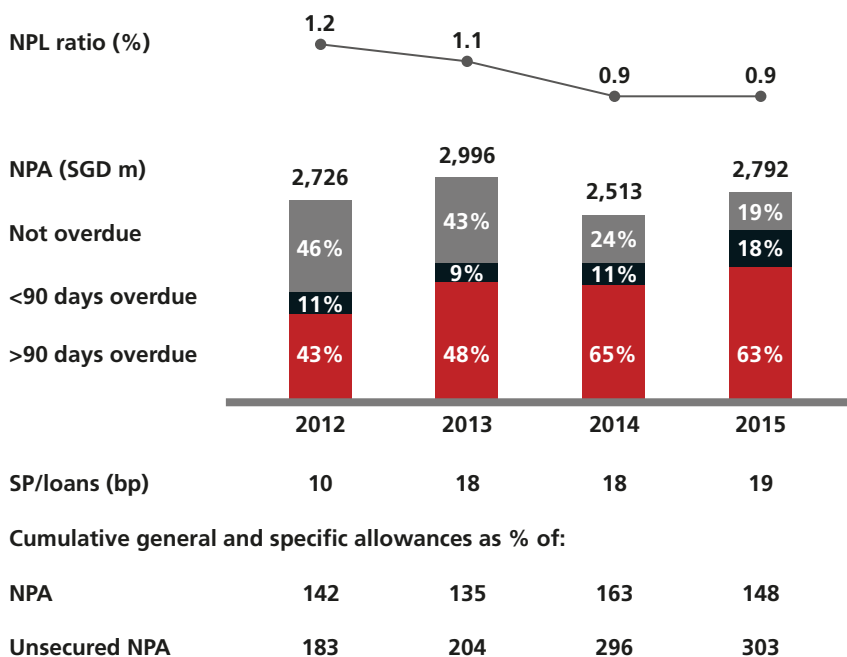


Expenses rose 13% to SGD 4.90 billion. The cost-income ratio was stable at 45%.

Three factors had a one-time impact on our expense (as well as income) growth: the acquisition of Soc-Gen private bank, which had been consolidated in October 2014; the consolidation of a credit joint venture in Hong Kong from 30 June 2014; and the 7% appreciation of the US dollar and Hong Kong dollar against the Singapore dollar. Adjusting for these effects, expenses would have risen 9%.

We had SGD 203 million of savings from a group-wide strategic cost management programme, which represented 4% of our cost base. The programme, which was initiated in 2012, aims to improve our operating efficiency by streamlining processes, managing sourcing costs and optimising our technology resources. These savings have created the capacity for us to invest in new areas, such as digital initiatives, while keeping the cost-income ratio at reasonable levels.

Allowances and asset quality



Non-performing assets rose 11% to SGD 2.8 billion. Most of the increase was accounted for by Singapore and Hong Kong.

Specific allowances for loans amounted to 19 basis points of loans, slightly higher than the previous year, when we had write-backs from significant loan resolutions. The allowance coverage of NPAs remained healthy at 148% and at 303% if collateral was considered.

Included in the calculation of allowance coverage are cumulative general allowances of SGD 3.2 billion, of which SGD 600 million are in excess of the amount that can be counted towards Tier-2 capital. This amount provides us with a strong cushion to offset against additional specific allowance charges without impacting our overall capital adequacy ratio.

We reviewed our commodities and China portfolios and were satisfied with their quality. We stress tested our oil and gas exposures at a price of USD 20 per barrel and found potential losses to be manageable.

Key performance indicators

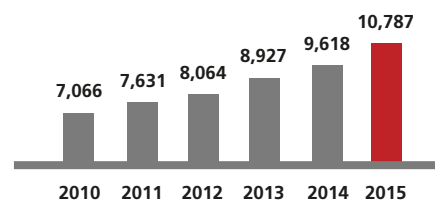
Shareholder KPIs

1. Grow income

Target: Deliver consistent income growth.

Outcome: 12% income growth to SGD 10.8 billion, exceeding SGD 10 billion for first time.

Income (SGD m)

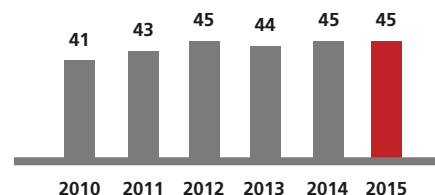


2. Manage expenses

Target: Be cost efficient while investing for growth, cost-income ratio target of 45% or better.

Outcome: Cost-income ratio in line with target of 45%. Continue to drive efficiency through strategic cost management efforts. Savings reinvested in headcount and new capabilities including digital initiatives.

Cost/income (%)

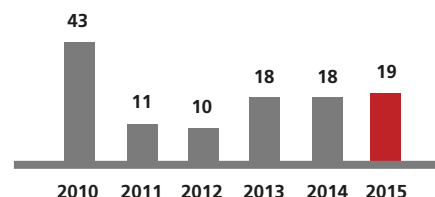


3. Manage portfolio risks

Target: Grow exposures prudently, aligned to risk appetite. Expect specific allowances to average 25 basis points (bp) of loans through the economic cycle.

Outcome: Specific allowances as a percentage of loans maintained at 19 bp.

Specific allowances/average loans (bp)

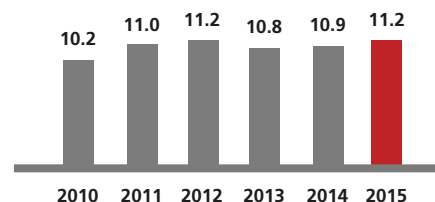


4. Improve returns

Target: Return on equity of 12% or better in a normalised interest rate environment.

Outcome: Return on equity rises to 11.2% in a challenging operating environment.

Return on equity (%)



Our 2015 priorities

Our balanced scorecard is based on our strategy and is cascaded throughout the organisation.

To create value for multiple stakeholders, the scorecard is divided into two parts of equal weighting. The first part of the scorecard comprises KPIs and strategic objectives set for the current year. The second part of the scorecard sets out the initiatives we intend to complete in the current year as part of our long-term journey towards achieving our strategic objectives.

Traditional KPIs

Shareholders

Achieve sustainable growth
Shareholder metrics measure both financial outcomes achieved for the year as well as risk-related KPIs to ensure that the Group's income growth is balanced against the level of risk taken, including control and compliance.

For more information, see page 22.

Customers

Position DBS as bank of choice
Customer metrics measure the Group's achievement in increasing customer satisfaction and depth of customer relationships.

For more information, see page 28.

Employees

Position DBS as employer of choice
Employee metrics measure the progress made in being an employer of choice, including employee engagement and people development.

For more information, see page 40.

Strategic priorities

Geographies

- Entrench leadership in Singapore
- Continue to expand Hong Kong franchise
- Rebalance geographic mix of our business

For more information, see page 38.

Regional businesses

- Build a leading SME banking business
- Strengthen wealth proposition
- Build out transaction banking and treasury customer business

For more information, see pages 30 and 35.

Enablers

- Place customers at the heart of the banking experience
- Focus on management processes, people and culture
- Strengthen technology and infrastructure platform

For more information, see pages 28 and 40.

Other areas of focus

- Making Banking Joyful agenda
- Bancassurance partnership
- Expansion plans for growth markets: China, India and Indonesia

For more information, see pages 8, 12 and 38.

Regulators

Contribute to the stability of the financial system

For more information, see page 20.

Society

Enhance the communities we serve

For more information, see page 44.

Customers

New digital technologies (mobile, social, big data) are powerful tools available to banks today. But we are not enamoured with technology for its own sake. Instead, we are focused on how we can create joyful banking experiences for customers. To do this, we place ourselves in their shoes, focus on their needs and ensure we know what the real “customer job to be done” is. We look at their journey with us from beginning to end, and apply human-centred design to develop relevant solutions. We believe that embedding ourselves in the customer journey and embracing digital form a potent combination that will make banking increasingly simple and seamless.

51%

SME customers in Singapore who open accounts online

**over
90%**

Remittances done digitally

**Live
simple**

We seek to seamlessly integrate banking into customers' everyday lives so that banking becomes simpler and they have more time to spend on people or things they care about.

At the start of the banking relationship

Today, retail, wealth and corporate customers can open accounts with us through their mobile devices, anytime, anywhere. We are digitalising our customer on-boarding processes to be simple and intuitive, by simplifying forms, pre-populating fields on behalf of customers, and automating the entire process so that starting a bank relationship can be done almost instantaneously.

The strategy is paying off and we are increasingly acquiring new customers digitally in SME, credit card and unsecured banking. Even in private banking, which is a high-touch business, the digital option has been well-received. In 2015, 16% of new wealth customers opened accounts with us digitally. 51% of SME customers in Singapore did the same through our Online Account Opening Service. Online account opening saves them significant time, with the process now taking 15 minutes compared to the industry average of one or two hours.

Day-to-day payments and transactions

We are investing in capabilities to simplify day-to-day banking. We are re-designing our operations to drive straight-through processing and instant fulfilment for customers. This also results in lower costs for us.

Simplifying day-to-day banking for customers is an ongoing journey, but we are already seeing success with some of our recent initiatives. For example, with DBS Remit, customers can instantly send funds across markets while on the go. This service has gained popularity and, today, over 90% of remittances are done digitally.

With DBS PayLah!, customers are able to make payments to friends and merchants easily with a few simple clicks on the phone. Our digital services allow customers to get instant approval for credit cards or receive an unsecured loan approval on-the-spot. In a first-of-its-kind service, SME owners are also able to apply for up to 11 types of loan products with no signatures required. They

can track the application in real time and obtain instant notifications on the progress of their loan application.

Stronger digital engagement to help customers with their decisions

We seek to seamlessly integrate banking into our customers' everyday lives so that banking becomes simpler, and they have more time to spend on people or things they care about.

With the DBS HomeConnect app, we engage customers during their house hunting process, giving them information such as the last transacted price, rentals and the nearest amenities, on their phones. The app contains a loan calculator to help customers work out the financing required. They can also contact a DBS loan specialist via the app.

SMEs in Singapore are able to access an online business community through our DBS BusinessClass app. The app connects them to 15,000 members and the brightest business minds in Asia. It also links them with tech start-ups to facilitate the adoption of new technologies to enhance productivity. We are currently regionalising the app to facilitate cross-border connections and support mass-scale virtual events.



DBS employees brainstorming on how to make banking simpler for customers



SMEs access an online business community through the DBS BusinessClass app

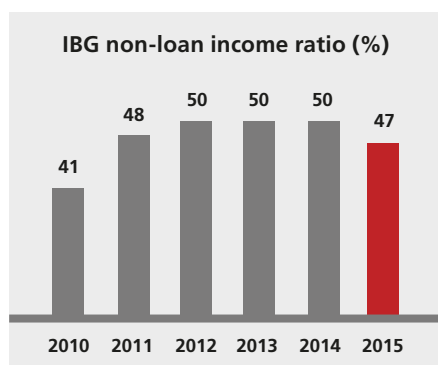
Institutional Banking

Institutional Banking Group (IBG) performed well in 2015, despite the macroeconomic headwinds in the second half of the year. The performance is testament to the strength and resilience of the franchise as IBG reaped the fruits of investments in product capabilities, industry knowledge, networks and cross-border expertise.

We place the customer at the centre of all we do, and are committed to help institutional clients and investors with their financial needs. We aim to build a sustainable annuity business to supplement our core lending business and have continued to drive initiatives to add value to our customers.

Financial performance

IBG's total income rose 7% to SGD 5.3 billion as net interest income grew 9% from improved net interest margin. Income from loans grew 14% to SGD 2.5 billion, largely from Singapore and Hong Kong customers for investments and corporate restructurings. Income from trade finance declined 14% due to the slowdown in China and depressed commodities pricing. Our focus on building quality deposits, coupled with cash mandates won in the year, resulted in strong cash management performance.



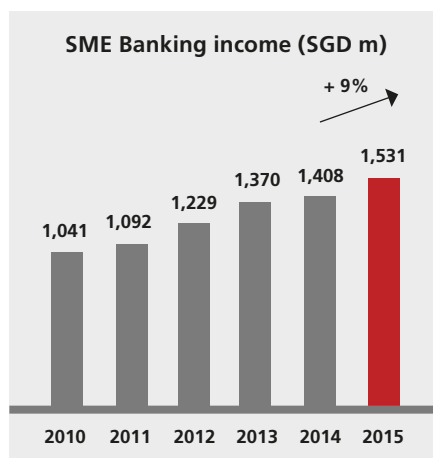
Non-interest income grew 3% to SGD 1.8 billion. Growth in fees from cash management and loan-related activities

was offset by declines in trade and investment banking income. Treasury customer income rose 4%. IBG's non-loan to total income ratio declined to 47%.

Allowances rose SGD 18 million to SGD 558 million as higher specific allowances were partially offset by lower general allowances.

IBG continued to deepen our wallet share with customers. Our relationship teams, organised by industry segments, are able to understand our customers' business and risks better. Our insights into the region have also helped us foster deeper conversations and relationships with clients. In a survey of more than 500 companies by Greenwich, a market intelligence provider, the number of large corporates in Asia using DBS as a core bank rose from 20% in 2014 to 25%.

Building a leading SME banking franchise by leveraging digital innovation to drive client acquisition and deepen existing relationships continued to be a focus area in 2015. Income from SME banking grew 9% to a record SGD 1.53 billion as growth in transaction deposits and fees offset the impact of lower treasury customer flows. We also acquired 17% more SME customers across the region.



Providing access to capital

We had another fruitful year working with our regional clients to raise new capital for investments and refinancing. We remained among the top three arrangers for syndicated loans across Asia (ex-Japan), with our involvement in 123 deals amounting

to USD 74.8 billion. DBS also topped the league tables for arrangers in Southeast Asia and Singapore, collectively accounting for 36% of Asia (ex-Japan) volumes.

In debt capital markets, we employed our extensive capabilities to assist clients to issue bonds in the most efficient market to minimise their funding costs. We successfully worked with several first-time issuers, such as Huawei, a global networking and telecommunications solutions provider, which successfully completed a 10-year USD 1 billion issue. We also led benchmark-sized deals for leading regional companies such as Lenovo, Bank of China and Stats ChipPAC in the USD, SGD and offshore RMB bond markets. In Asia ex-Japan bonds, we made an impressive leap and were ranked fourth compared to 10th in 2014. Despite intense competition, we widened our lead in the SGD bond market as our share grew from 35% to 41%.

We continued to be the leading equity and REIT house in Singapore, retaining our pole position in the league tables. We played a key role in milestone transactions such as Keppel Infrastructure Trust's maiden equity fund raising, which was for its merger with Cityspring Infrastructure Trust. We also successfully listed BHG Retail REIT, the only initial public offering on the mainboard of the Singapore Exchange in 2015. It is the first Chinese enterprise-sponsored retail REIT to be listed offshore.

Our expertise and knowledge of the market allowed us to secure roles as the sole financial advisor and/or underwriter in multiple transactions, where we supported Singapore-listed entities' equity fund raising for cross-border acquisitions and other expansion plans. Despite volatile market conditions, we strengthened our position and more than doubled our participation in Singapore transactions from 33% to 72%.

At the other end of the spectrum, we launched DBS mLoan, an innovative short term working capital loan for small businesses, which are often unable to access financing because a lack of audited accounts or personal income statements prevents banks from carrying out credit assessments. We use their electronically verifiable cash flows, such as card payments, and measure them against a payment and collection model to assess creditworthiness.



DBS Chairman Peter Seah, Singapore's High Commissioner to Australia Burhan Gafoor and DBS CEO Piyush Gupta at a client luncheon in Sydney to officially launch DBS' new Australia branch.

We are one of the first banks to offer a venture debt solution for tech start-ups at the growth stage of their life cycle. They can use it for working capital, fixed asset acquisitions and project financing, minimising dilution to their equity base.

Enabling cash flow optimisation

In 2015, global transaction banking income was little changed at SGD 1.6 billion. Our cash management, securities and fiduciary services and open account trade businesses all delivered strong double digit growth, offsetting a decline in documentary trade. Within trade, the shift towards open account trade resulted in higher margins and helped to mitigate the market driven decline seen in trade finance volumes.

Corporate treasurers seeking to improve the liquidity of their balance sheets tapped into our supply chain financing and account receivable purchasing solutions, which grew 24% in 2015. Our IDEAL digital platform made it easy for clients, their suppliers and buyers to integrate and take advantage of these facilities.

Our working capital management programme integrates our expertise in cash management and trade finance, providing advisory services to help clients improve working capital management and minimise funding costs. Our working capital advisory services provide clients with industry benchmarks, supply chain diagnostics

and solutions to achieve best-in-class working capital management practices. We worked on close to 40 mandates in 2015.

Helping customers manage financial risks

Treasury customer sales income from IBG customers increased 4% to SGD 829 million, despite the drop in RMB-related activities in the second half.

We helped clients structure treasury products to hedge their risks. In the offshore RMB market particularly, DBS has the infrastructure and capability to offer a wide range of products, enabling clients to minimise foreign exchange risk, manage investments denominated in RMB and gain access to a broad range of financing solutions.

Making banking easier

Our digital initiatives were well received by customers as more of them transacted online or on the go. We added 16,000 new accounts to our corporate banking mobile app IDEAL.

The number of corporate subscribers to DealOnline increased almost 30% from the previous year. DealOnline is our full-fledged electronic foreign exchange online platform, which offers auto pricing and dealing in foreign exchange, swaps, forwards and non-deliverable forward contracts.

SME customers in Singapore and Hong Kong can now apply for a business account online in just 15 minutes, while in India, they can open an account within the day. We are also the only bank in Singapore to offer virtual account opening for customers to complete the account opening process via a simple voice or video call without having to step into a branch.

SME customers in Hong Kong are able to apply for loans via a mobile app and receive in-principle approval within an hour. In Singapore, SMEs can apply for up to 11 types of loan products online. They can track the application in real time and obtain instant notifications on the progress of their loan application.

Facilitating regional connectivity

Our extensive network in Asia, as well as our presence in Japan, Korea, United Arab Emirates, United Kingdom and United States, enables us to connect corporates with opportunities in Asia. In 2015, we opened an office in Sydney to facilitate Australia-Asia business and investment flows.

We have completed several landmark cross-border transactions such as Bank of China's multi-currency, multi-market, first of its kind USD3.55 billion bond, in conjunction with China's One Belt One Road initiative.

Others included Formosa Group's USD 510 million bridge loan and USD 1.5 billion syndicated term loan to fund investments in Vietnam. We also provided a comprehensive financing solution to support the USD 1.8 billion acquisition of Singapore-based STATS ChipPac by Jiangsu Changjiang Electronics Technology.

Unlocking shareholder value

As companies seek to grow in new markets or diversify their revenue sources, they look for domestic or cross-border M&A opportunities. In addition to helping them structure comprehensive financing solutions to support their acquisitions, DBS also served as financial advisor in several M&A transactions that have unlocked shareholder value. These include the acquisition of Keppel Land by Keppel Corporation, the acquisition of Biosensors International Group by CITIC Private Equity, the merger of Ascendas and Jurong International with

SingBridge and Surbana, and the merger of Cityspring Infrastructure Trust with Keppel Infrastructure Trust, which created the largest infrastructure trust in Singapore.

Placing customers at the heart of the banking experience

We redesigned more than 30 customer experiences based on human-centred design principles. For example, we redesigned our transaction banking organisational structure with inputs from customers.

Through the DBS BusinessClass programme, an online social network for SMEs, we have facilitated more than 400 conversations and 20 networking events among the member base of 15,000 SMEs. The network also linked SMEs with tech start-ups to facilitate the adoption of new technologies to enhance productivity.



- Invest in enhancing our product and people capabilities. This includes deepening our industry coverage and scaling up our business with institutional investors, who value banks like DBS with strong balance sheets, credit ratings, Asian insights and the ability to tailor products to capitalise on regional market conditions
- Continue to use technology to acquire new customers, simplify the way customers transact and enhance the customer experience. Experiments underway include the use of data analytics to detect fraud in trade finance, the commercial adoption of distributed ledger technology to transmit electronic documents in place of physical documents, more options for SME owners to bank on the go, and a digital platform for the real-time distribution of structured investment products
- Accelerate our cash management business, which includes expanding the range of global cash management solutions such as domestic and international liquidity management and next-generation commercial cards
- Focus on growth markets such as forging strategic alliances in India and Indonesia; capturing China connectivity opportunities including financial liberalisation, "One Belt One Road" and overseas expansion by Chinese companies



Key 2015 awards



- Best Transaction Bank for Trade Finance Services, Global
- Most Innovative Investment Bank, Asia-Pacific



- Best Regional Specialist Awards, Supply Chain Solutions, Asia-Pacific
- Best REIT House, Asia



- Best Invoice Discount Management Deal, Global
- Best Debt Bank, Asia Pacific
- Best Corporate Digital Bank, Singapore



- Regional House of the Year



- Singapore Loan House



- Best Asia Commercial Bank
- Best Asia Investment Bank



- Best Transaction Services House, Asia

Consumer Banking

The performance of our consumer banking franchise was strong despite a challenging business environment in the second half of the year, speaking to the resilience of the franchise.



Key 2015 awards



- Best Retail Bank, Singapore



- Best Mortgage-Lending Bank, Singapore

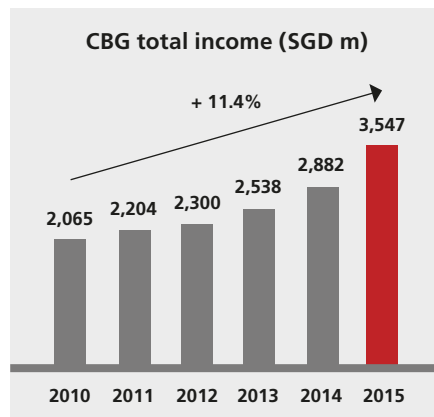


- Best Mobile Banking Experience, Asia-Pacific
- Best Digital Payment Experience, Asia-Pacific
- Best Digital Wallet Platform, Asia-Pacific



- Best App Content by a Consumer Brand (Gold), Southeast Asia
- Best User Experience (Gold), Southeast Asia

Financial performance



Consumer Banking Group's (CBG) total income rose 23% to SGD 3.5 billion, led by broad-based growth across wealth management, customer deposits, housing loans and other secured lending. Net interest income grew by 28%. Non-interest income from investment and bancassurance product sales grew at a strong 19%. We also continued to improve our cost-income ratio from 67% to 64%. Allowances grew in line with loan growth, and profit before tax was SGD 1.17 billion, 34% higher than a year ago.

In Singapore, we continued to win market share and are the leading player in customer deposits, housing loans and cards. Despite increased competition for deposits, we maintained our 53% market share for retail savings accounts in Singapore. In the bancassurance business, we grew 20%, making us one of the top players in the market.

In Hong Kong, total income increased 27% with strong broad-based growth across wealth management, bancassurance, cards and unsecured loans. We gained good traction in building sticky deposits with current and savings account balances growing at 25%. We also further strengthened our market position in the cards and unsecured loans business. In 2015, card sales increased 10%, ahead of market growth rates. Similarly, our unsecured loan portfolio grew at a healthy 17%.

We also continued to make good progress across growth markets, delivering strong double-digit income growth in Indonesia and Taiwan.

Accelerating digital innovation

As the pace of digital adoption increases, we are sparing no effort to deliver world class digital capabilities to our customers. We are upping the ante on not just the breadth of our digital offerings, but also on the holistic customer experience as they use our platforms. For example, we are one of the first banks in the region to build in-house design and user experience capabilities, which we incorporate as an integral part of our digital offerings.

Onboarding our customers digitally

We continue to see strong growth in our online and mobile banking customers. In Singapore, we have the largest base of online banking customers with over 2.5 million iBanking users and 1.25 million mBanking users. Our mobile activity continued to lead the industry in Singapore and mobile accounted for over 60% of our daily logins of over 400,000. Close to 70% of financial transactions took place through digital channels, across the region.

We launched digital account opening for new customers. This breakthrough initiative means new-to-bank customers can open accounts at their convenience, without having to visit a branch. We accelerated our digital acquisition initiative. In Singapore, almost 38% of credit card customers came through digitally, from 27% in the previous year. We also revamped our equity trading capabilities to deliver a more user-friendly trading experience for customers in Singapore and Hong Kong.

We also enhanced our mobility platform which allowed our relationship managers to access their sales management tools on the go. The deployment of a unique customer onboarding feature in Singapore and Taiwan has made the onboarding journey not only paperless, but also more seamless and efficient.



The launch of DBS Omni in Hong Kong offers our customers an innovative, yet simple and intuitive digital solution, enabling them to perform credit card transactions on the go, with the convenience of their mobile devices.

Transacting with us made easier

We continued to enhance our P2P payment capabilities through our mobile wallet DBS PayLah!, where we have a growing base of over 300,000 users. We were the first bank in Singapore to enable verification using thumbprint technology and brought the app to Apple Watch, making us the first wearable bank.

We revamped international remittances over the past few years. Our digital remittance services not only lead the market for convenience and speed, they also offer the most competitive pricing. Our focus on the end-to-end customer digital experience has led this business to grow from 320,000 annual transactions three years ago, to almost 2.1 million overseas remittance transactions in 2015.

We also continue to push our digital capabilities in our growth markets. We offer customers both mobile and internet banking capabilities in China, India and Taiwan, making it easier for them to transact on our platforms. We are continuing to see good digital traction among our Treasures customers and increased usage of our digital capabilities for forex transactions and unit trust purchases.

Engaging our customers

While we are seeing good traction and feedback on our digital capabilities, we are not standing still. We revamped iBanking and improved mBanking to provide relevant and customised offerings to our customers. Our Online Recommendation Engine allows us to target customer needs more accurately to provide more relevant offers. Complex rules and data points such as customer profiles, preferences and transaction patterns are used to improve relevance and productivity.

In September 2015, we piloted DBS FasTrack, a first-of-its-kind app to be

introduced by a bank in Singapore and more crucially, to help food and beverage businesses tackle many of their current challenges. DBS FasTrack provides a seamless ordering and payments solution for businesses while eliminating or drastically shortening customers' wait time. Businesses in turn can use the app to help enhance productivity and reduce manpower costs.

In Hong Kong, we launched the first-of-its-kind credit card app, DBS Omni. This revolutionary app has several market leading innovations, from budgeting, analysis of spends, to real-time reward redemption.

Focus on delivering an exceptional customer experience

While we innovate on our digital offerings, we understand our customers' need to continue to access our physical locations and have provided new and innovative ways for them to do so. We were the first bank in Singapore to roll out an SMS queue management system across our branches. Customers simply request for a queue number via SMS prior to visiting branches and receive notifications when their turn comes up. This gives them better flexibility to use the time they would otherwise have spent waiting in line. We also removed traditional queues and provided seats for our customers, making branch visits more comfortable.

During the year, we partnered popular retail chains in Singapore such as Cold Storage, Market Place, Jasons and Giant stores to increase our cash withdrawal points in addition to previously formed partnerships. Together with our ATM network, this brings our cash withdrawal touchpoints in Singapore to close to 2,000 – the most for any bank.

To meet the higher demand for new notes during the Lunar New Year season, we were the first bank to introduce pop-up ATMs. DBS placed 29 specially-configured pop-up ATMs at 10 community clubs islandwide to dispense new notes. The initiative was well-received by our customers, who took the opportunity to withdraw new notes outside branch operating hours.

Fulfilling customers' retirement and insurance needs

We officially announced our 15-year regional bancassurance partnership with Manulife Financial Asia at the beginning of 2016, making Manulife DBS' key provider of bancassurance solutions. Under the agreement, there will be a payment by Manulife to DBS of SGD 1.6 billion that will be accrued over the life of the partnership.

Through this partnership, DBS' customers will gain access to Manulife's best-in-class suite of life and health solutions. DBS and Manulife have also agreed to co-invest up to SGD 100 million over the next 15 years in digital technology and innovation enhancements. This joint fund will enable us to focus on developing innovative solutions to serve Asia's fast-growing consumer base, and help customers fulfil their retirement and insurance needs.

2016
FOCUS AREAS

- Continue to make significant improvement in customer experience across all our markets and customer segments
- Drive customer acquisition and deepen share of wallet, leveraging analytics and needs-based solutions and conversations
- Accelerate pace of digitisation – delivering real progress in acquisition, payments, mobile, analytics, wealth management, customer engagement and operating leverage
- Provide superior advice and planning to our customers in wealth planning, protection, and retirement needs
- Remain vigilant and be nimble to market changes

Wealth Management

The growth of our wealth management business continues, fuelled by the organic growth of emerging Asian new wealth and also by our successful execution of a wealth continuum, where we upgrade and segment our clients as they grow their wealth.



Key 2015 awards



- Best Private Bank for Innovation, Global



- Most Innovative Private Bank in the World



- Most Innovative Business Model, Global



- Best Asian Private Bank

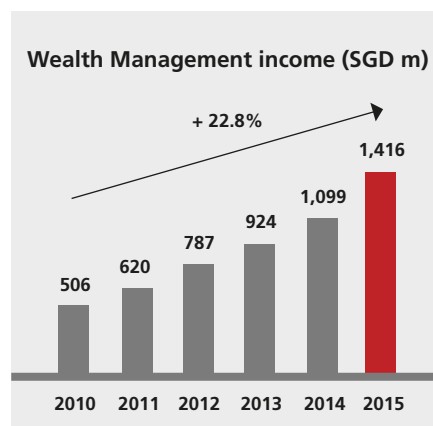


- Best Wealth Manager, Asia

Financial performance

The development of our wealth continuum continues at a healthy pace with income growing 29% to SGD 1.42 billion. The business now constitutes 40% of our consumer bank and 13% of the Group by income.

We expanded our affluent client base by 10%, with total wealth customer assets under management (AUM) at SGD 146 billion.



We are the only Asian bank among the top eight leading wealth managers in Asia by AUM. We are committed to growing our wealth business and as the safest bank in Asia, we are in a prime position to further capture market share.

Significant growth in high net worth client segment

We completed the acquisition of Societe Generale's Asian private banking business and select parts of its trust business in Singapore and Hong Kong in late 2014. With access to new clients and strong, experienced teams, the acquisition brought our business to greater heights and enabled us to access products and capabilities beyond Asia.

We enhanced the international dimension of our wealth business by including Societe Generale's expertise in structured products and strength in European research. Combined with DBS' robust investment advisory platform, full suite of banking facilities and deep insights into the Asian markets, we deliver a unique proposition

to our clients. This was reflected in a strong showing in our private banking segment which grew 30%.

Our Treasures Private Client business, which caters to high net worth individuals with investible assets of SGD 1.5 – 5 million, saw exponential growth of more than 40% and is the fastest growing wealth segment.

Focus on digital to enhance the customer experience

Our 2015 digital strategy was focused on enhancing the wealth customer experience. We are committed to delivering a next-generation client experience both in our advisory services and through the enhancement of our best-in-class digital wealth platform, iWealth. With the enhancement of our digital platforms, we were able to acquire more than 10,000 new clients online.

We deployed many new features on iWealth. These include eAppointment and Live Chat functionalities, and new capabilities such as real-time multi-currency transactions and Online Equity Trading. We received global recognition by MyPrivateBanking Research for having the best mobile app strategy and portfolio for the third year in a row. Online acquisitions through iWealth doubled during the year, with the platform now a significant contributor to the growth of new-to-bank wealth customers.

- Provide customers with industry-leading digital capabilities
- Focus on client acquisition and deepening of wallet share
- Stay ahead of the curve in a changing regulatory environment

POSB

Neighbours first, bankers second



As Singapore's oldest and most loved bank, POSB takes pride in serving generations of Singaporeans from all walks of life.

Today, POSB continues to stay true to its mission of being the "People's Bank", bringing value to all segments of the population – the young, families, seniors and the community at large.

POSB is deeply woven into the fabric of Singapore, and as our nation celebrated its 50th birthday in 2015, we rolled out a series of initiatives to engage our customers and members of the community to celebrate SG50.



For children and families



We brought back the iconic POSB National School Savings Campaign in conjunction with SG50. The original campaign, which was introduced in 1969 and ran through the 1970s and 80s, is remembered fondly by many customers. The deposits generated then helped fund the economic growth of Singapore, while cultivating values of saving and thrift among the youth.

We designed the new campaign to be fun and interactive. Within months of the launch, we achieved 100% participation from all primary schools in Singapore and received positive feedback.



To help parents plan for their children's future, we offered them an attractive interest rate of 2% p.a. on their Child Development Accounts. In addition, we introduced a joint POSBkids account, as well as a POSB Baby Bonus NETS Card, which allow them to enjoy discounts and privileges at various online, retail and dining merchants. All babies born in 2015 also received a limited edition "POSB Smiley Gift Bag" from the bank.



POSB and the People's Association (PA) marked their strong partnership with the seventh edition of POSB PAssion Run For Kids. A total of SGD 1.1 million was raised for the POSB PAssion Kids Fund, bringing the total amount raised to date to SGD 4.78 million. Over 126,000 children have benefitted. A deeper joint commitment was also made to enhance programmes to help children in Singapore achieve their aspirations. POSB and PA,

with the support of the National Library Board and the Ministry of Culture, Community & Youth, launched a book – "Our Homeland in 2065: Musings from Singapore's Children". The book contains stories written by children aged six to 13 to mark their aspirations, hopes and dreams for the nation in the next 50 years. These stories were collected through the "POSB PAssion KidsWrite Campaign" which received over 5,000 submissions.



For seniors



As the "People's Bank", our purpose goes beyond profits and this is embodied in the spirit of treating our customers as "Neighbours First, Bankers Second". POSB launched a financial literacy programme with community clubs to teach seniors basic financial management skills and how to access our digital banking services. One example was the North East Eldersurf Intergen Bootcamp, where we partnered the Infocomm Development Authority of Singapore and the North East Community Development Council to teach seniors about social media and email, as well as how to use self-service banking and SMS banking services among others.

To facilitate banking at POSB by the elderly, we hired over 80 active agers as part of the POSB Active Neighbours Programme. These seniors are employed on a part-time basis to assist their peers with banking transactions and encourage the use of self-service banking services. This programme has been well-received by our customers. It also gives our senior hires a sense of purpose as they are able to pick up new skills, interact with customers at work and bring value to the community they live in.



For the community



We continue to bring value to Singaporeans by offering them products and services to help them stretch their dollar.

In July 2015, POSB partnered EZ-Link and Transit Link to launch the "Fare Free Friday" campaign, offering commuters unlimited free MRT, LRT and bus rides every Friday till the end of the year. Commuters simply had to link EZ-Link's automatic top-up facility service to their all-in-one POSB Everyday Credit Card or PAssion POSB Debit Card.

Both the POSB Everyday Card and PAssion POSB Debit Card are the most popular cards in Singapore, with over a million cards issued in total. The POSB Everyday Card leads the way in partnering well-known brands to bring exciting and relevant offers. The PAssion POSB Debit Card is the first community debit card in Singapore that offers community and lifestyle benefits at community clubs, grocery stores and libraries, in addition to payment functionalities.



We also aim to build a more inclusive society by ensuring that our services are easy to use while taking into account the diverse needs of our customers. A recently launched initiative was the "POSB Talking ATM" in Singapore. Enhancements to 86 ATMs across our network enabled us to provide braille instructions and audio guidance to aid our visually impaired and elderly customers, helping them perform basic ATM transactions independently. As part of our initiative to upgrade our ATM user interfaces, we have also added new functionalities such as having additional language options and larger font sizes for easier reading.

Countries

Asia's financial centres of Singapore and Hong Kong anchor our regional network, which also encompasses our growth markets of China, Taiwan, India and Indonesia.



Singapore awards



- Best Bank



- Best Retail Bank



- Best Corporate Digital Bank

Hong Kong awards



- Best e-Bank



- Best Retail Bank



Singapore

Entrench leadership in Singapore

2015 Priority: Maintain leadership across customer segments and products, build digital capabilities and introduce innovative products and services to create a differentiated and seamless customer experience

Outcome: Achieved record income and net profit, reflecting the strength of our franchise

Our Singapore franchise turned in a strong performance. Helped by higher interest rates, our core domestic franchise achieved new highs in total income and net profit. Despite intense competition, we maintained our lead in saving accounts, housing loans, auto loans, credit cards, large corporate banking and capital markets. We also gained share in the bancassurance, unsecured loans and SME segment. These gains resulted from a relentless focus on customer experience and from efforts to expand our physical channels and digital offerings.

We focused on delivering an exceptional customer experience that is simple and relevant. We were the first bank to roll out an SMS queue management system across branches so that our customers need not spend time waiting in line. We also expanded our partnerships with retailers to increase cash withdrawal points to supplement our ATM network, giving

us the most number of cash withdrawal points in Singapore.

We enhanced our digital presence. We utilised data to provide relevant offers to our online banking customers. The payment capabilities of our mobile wallet DBS Paylah! were expanded and included the use of thumbprint technology for user verification for mobile devices. We were also the first to offer SME and retail customers the option of completing their account opening process remotely without stepping into a branch.

As a gateway to Asia, Singapore is the regional headquarters of leading companies and banks. We have dedicated country desks to support Asian and western multinationals as they expand into the region. We have also put to use our leadership in capital markets to enable them to raise funds through equity and debt offerings.



Hong Kong

Continue to expand the Hong Kong franchise

2015 Priority: Focus on profitability, leverage innovation and digital technologies to grow our market position across large corporate, SME and wealth segments, intermediate Greater China flows

Outcome: Double-digit income and net profit growth to record highs amid a challenging operating environment

Our Hong Kong franchise achieved another year of strong growth, demonstrating its resilience amid challenging conditions and volatile markets, which included a depreciation of the RMB and a slowdown in RMB trade activities.

Our nimbleness enabled us to capture opportunities in the domestic market and China-related flows in the corporate, SME and wealth management businesses. We were able to mitigate the decline in trade loans with growth in other businesses, including cash management,

syndicated finance, and investment and insurance products.

Wealth management income grew 30% during the year, boosted by favourable market conditions in the first half. Wealth customers grew in double-digit percentage terms. While treasury sales to corporates were affected by RMB depreciation, the decline was offset by higher sales to retail customers.

We further redefined the customer experience to distinguish ourselves in a



- Best SME Bank

Other market awards



- Best Consumer Bank (Foreign), China



- Best Foreign Cross-Border Cash Management Services in Taiwan as voted by small-, medium- and large-sized corporates



- Best Overall Treasury & Cash Management Bank, India
- Best Wealth Manager, Indonesia

highly competitive market. We launched a credit card app that allows customers to track their personal finances in a timely manner via mobile phones and instantly redeem cash rebates at selected merchants globally. SME customers can save significant time by opening accounts and accessing financial solutions online. We were the first bank in Hong Kong to launch a fintech accelerator programme and have continued to work with start-ups to introduce

innovative solutions to the market. We leveraged our network, product range and research to capitalise on the Chinese government's initiatives to encourage companies to expand outside China. We deepened relationships with Chinese enterprises that have cross-border operations, offering credit facilities as well as strategic advisory, capital market and treasury solutions, enabling us to achieve double-digit income growth from this segment.



Growth markets

Rebalance geographic mix of our business

2015 Priority: Build out our franchises in growth markets of China, Taiwan, India and Indonesia to achieve a more balanced geographic mix. Leverage growth and network countries to drive connectivity, supporting our customers as they expand across Asia

Outcome: In a challenging macroeconomic environment where credit costs increased, we underperformed in China and Indonesia, made some headway in Taiwan and started to see a turnaround in our India franchise.

Our growth markets of China, Taiwan, India and Indonesia, which accounted for 14% of the Group's income, grew a combined 4% in challenging macroeconomic conditions.

SME, and CBG/Wealth Management businesses. Our position as the foreign bank with the largest SME franchise has been helped by our extensive treasury and cash management capabilities.

China

China's growth slowed as it continued with efforts to transform the economy and liberalise the financial sector. As a result, total income from our China franchise was little changed. While trade loans and net interest margin fell, we compensated for this with growth in non-interest income from treasury, cash management and wealth management activities. We deepened relationships with leading corporates while pacing the growth of our SME business. While we set aside more allowances during the year, our prudent client selection process has ensured that our loan book remained healthy.

India

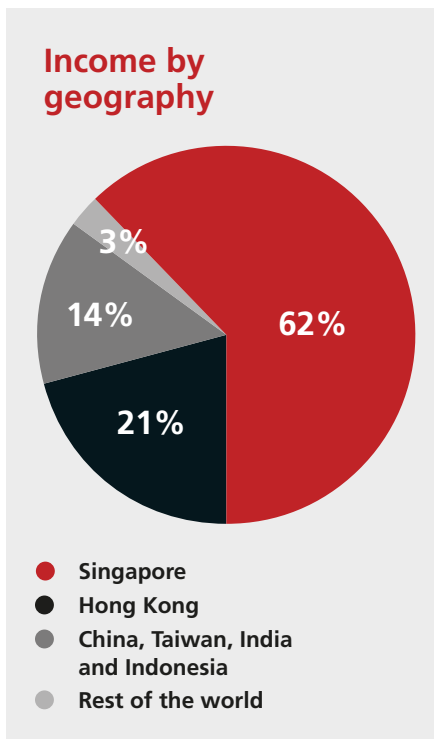
India's macroeconomic turnaround took a little longer than expected. Even though we have taken steps to grow our customer franchise, total income was little changed. Having addressed credit weaknesses in our portfolio and taken steps to strengthen our management and franchise capability over the past two years, we are now well positioned for growth.

Indonesia

The end of the commodity super cycle has affected many corporates in Indonesia. It contributed to a decline in total income and an increase in allowances during the year. Nevertheless, our Indonesia franchise remained resilient and we made headway in the trade, cash and wealth businesses. We are now the fifth largest foreign bank in the country.

Taiwan

Taiwan's economy was affected by falling domestic demand and exports. Despite the slowdown, we grew income by 13% as we continued to expand our corporate,



Other markets

During the year, we scaled up our London business, focusing on institutional investors, western MNCs and the private banking segments. We also set up a branch in Australia to intermediate business, trade and investment flows between Australia and Asia. Our franchises in South Korea and Japan continued to grow on the back of increased business activities.

Employees



**Live
purposeful**

We are committed to building a healthier, more diverse and future-ready workforce that will boost our ability to spearhead the transformation of banking in a fast-changing business environment.



Building a future ready workforce

- 15,000 training sessions each year
- 129,000 training days undertaken by DBS employees in 2015
- Three academies launched



Establishing a strong culture

- 79% of our employees are engaged based on 2015 My Voice Survey, higher than the APAC FSI (Financial Services Industry) score



Creating an inclusive and supportive environment

- 6,000 DBS employees participated in the iStep initiative to encourage exercise as part of healthy living
- Over two billion steps were collectively taken over 10 weeks as we had fun exercising
- DBS Cares programmes with SG50 initiatives such as SGD1,000 award for every employee ranked Vice President and below

DBS is committed to creating a collaborative work environment and equipping employees with the latest tools and technology. It is imperative to have highly engaged employees who feel valued and take pride in the growth of the business.

The overall well-being and continual development of our 22,000 employees will help DBS to fulfill our aspiration to make banking with us a joy.

Building a future ready workforce

Continued investment in our people is a key priority for us. With the increasing threats posed by fintechs, it is necessary for us to future-proof our employees and inculcate a digital mindset in them.

We grew our workforce by approximately 1,000, primarily in Institutional Banking and Consumer Banking, to support strategic initiatives and meet business needs. We also grew headcount to support our digital initiatives. We hired a more diverse group of people including user experience designers and data analysts. Our talent pool in compliance, governance and risk management has also grown to meet the requirements of the evolving regulatory landscape.

The newly established DBS Academy learning centres in Singapore, Indonesia and Taiwan set a new benchmark for innovative learning spaces and approaches in the region. The DBS Academy conducts close to 15,000 training sessions each year, including a growing number of digital courses.

In Singapore, we also work with the government on future-proofing our employees. Over and above the government's SkillsFuture programme to promote life-long learning, Singapore employees ranked up to Senior Associates are given SGD500 DBS SkillsFlex Credit annually. They can use this to attend 10,000 courses organised through the government's SkillsFuture programme as well as 50 external courses that DBS has specially designed with NTUC LearningHub, a leading training provider. The courses cover topics that are relevant to the rapidly changing landscape including social intelligence, computational thinking and new media literacy.

In 2015, the number of training days undertaken by DBS employees rose to 129,000 days, which was 27% more than 102,000 days in 2013. This covers functional, leadership and future skills building. More than 450 customised learning roadmaps were built to cater to the different learning needs of our

“We hope to equip our employees with the relevant knowledge and skill sets that will better prepare them to innovate and lead change in the industry. We want them to embrace a digital mindset through greater experimentation and experiential learning.”

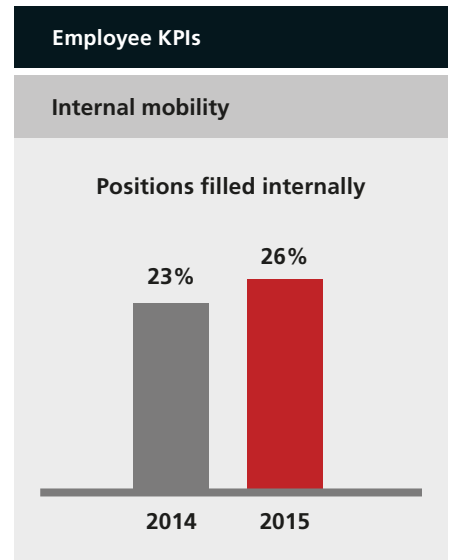
Chairman Peter Seah

employees. Employees can also personalise their own learning roadmaps, assess their individual career progression and utilise the opportunities available in DBS to help them to accelerate their careers. In 2015, employees underwent an average of 6.4 days of training.

We encourage employees to embrace a digital mindset through experiential learning and experimentation through programmes such as DBS Hackathons, where they work with start-ups to develop solutions to business challenges. As a start, more than 2,000 employees gained exposure to digital culture, agile methodology and other digital working concepts through human-centred design workshops and hackathons held across the region. In 2015, when the bank launched the DBS HotSpot Pre-accelerator, a three-month programme to help digital start-ups grow their concepts into prototypes, a few employees jumped on the opportunity to go on paid sabbatical to work on their prototypes.

Beyond this, employees also get to work with research and analytics experts from A*STAR, a government science and technology research agency, and Singapore Management University to develop innovative products and services. This has helped to fast track the adoption of analytics across the bank.

We also have a well-established internal mobility programme that enables our employees to broaden their exposure across businesses and markets. Since the launch of the programme in 2010, participation has been steadily increasing. In 2015, 26% of positions were filled via internal transfers. This continues to be a priority for us as we strongly believe in creating more well-rounded bankers and providing opportunities for career development.



DBS women leaders sharing their career growth experiences with our colleagues in a panel discussion conducted in our new amphitheatre, The Curve, at DBS Academy

To groom the next generation of leaders, we have in place a robust succession planning strategy to identify future leaders at all levels. We provide them with development opportunities and help them build a strong collaborative network. Our Leadership Institute, part of the DBS Academy, offers a series of programmes for employees at different stages of leadership development from aspiring to management leadership.

Establishing a strong culture

Our people are our best ambassadors and all employees play a part in making banking joyful for our customers. This shared purpose is bolstered by our PRIDE! values – Purpose-driven, Relationship-led, Innovative, Decisive and E!verything Fun.

We believe effective communications is core to aligning our employees to organisation goals and priorities. To ensure that our employees embrace the PRIDE! values and understand our business priorities, our CEO and senior management actively engage employees through various platforms across the year including staff briefings, interactive blogs and webcasts.

In August, over 4,400 employees across the region participated in a week-long online exchange where they engaged in over 730 topics around digital, customer experience and innovation. The insights garnered from the exchange helped us discover even more ways to live our values. Additionally, about 800 senior leaders attended the PRIDE! Leaders Programme, and a majority signed up as change leaders to help champion our PRIDE! values.

All these efforts have resulted in a strong engagement outcome for DBS. 79% of our employees are engaged based on the 2015

My Voice Survey conducted by Aon Hewitt. The survey also shows that 84% of our employees are purpose-driven and believe what they do makes a difference.

Creating an inclusive and supportive environment

We are committed to providing an inclusive work environment where every employee can develop professionally and personally. When it comes to gender diversity, we are ahead of peer commercial banks. 57% of our workforce are women. One-third of management positions are held by women.

We believe in being there for our people and supporting them with flexible benefits that meet their present and future needs. More recently we refocused our recognition and rewards programmes towards insuring for health and providing more choice to employees.

Employees can leverage the Flexi Work Arrangement programme to balance their professional and personal needs. Through iFlex@DBS, employees also receive a fixed sum of money every year to use for wellness activities including dental treatments or vacations.

We also believe that a healthier workforce is a more effective one. Since 2011, the bank has provided free annual health screenings for all employees. This enables staff to identify and address emerging health concerns early. DBS was also one of the first organisations in Singapore to pioneer the "Shield Companion Plan" – a medical plan that complements our employees' portable enhanced MediShield Plan. Under this scheme, the bank also pays a certain sum into employees' MediSave accounts to subsidise the premium for their portable medical plans.

This year, as part of the DBS Cares programme, we launched an integrated health management portal, iHealth@DBS, to promote holistic wellness among our employees. The portal connects seamlessly with mobile devices and wearables to provide our employees with greater insights into their overall well-being. The bank also launched a workout challenge, iStep Challenge, to get our employees to embrace healthy living in a fun way. Around 6,000 employees formed teams and took up the challenge to increase the number of steps they take each day.

Families are important to us and viewed as part of the extended DBS family. We organise annual events such as DBS Kids at Work and Family Day so that their loved ones can better appreciate how they are helping to shape the future of banking. Employees also receive birthday leave, which they can use to spend more time with their family or friends.

These initiatives go a long way in creating a fun and engaging environment for all of us at work. We continue to innovate and implement new ideas and concepts to strengthen our engagement with our employees.



Innovative learning facilities at the DBS Academy in Singapore – our employees having fun learning with crossword puzzles on a digital interactive screen.



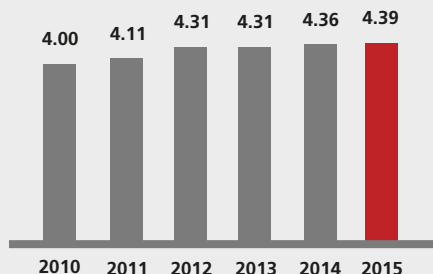
Our employees embracing healthy living and participating actively in iHealth programmes.

Employee KPIs

Employee Engagement Score

This year, we achieved an employee engagement score of 79%, higher than the APAC FSI (Financial Services Industry) score. As this is the first year we transitioned away from Gallup Q¹² score to the My Voice employee engagement index, our Q¹² grand mean score would have been 4.39 on a comparative basis. This placed us at the 96th percentile of all companies surveyed globally by Aon Hewitt.

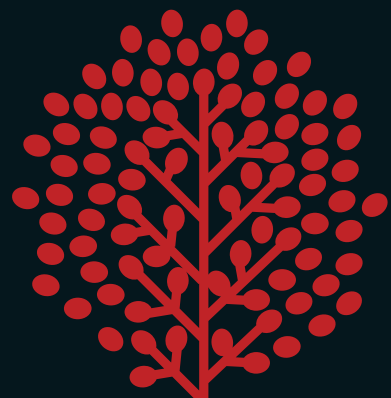
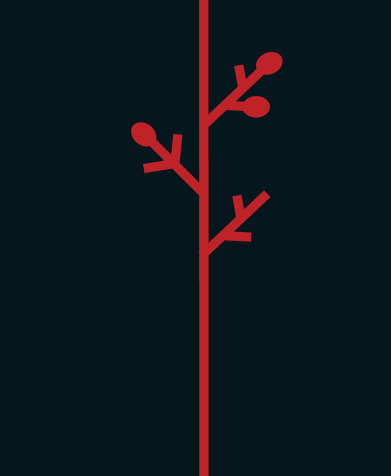

DBS Q¹² grand mean score



Making DBS a great place to work

Our retention rates are better than the industry average, with more people choosing to grow their careers with DBS. Our efforts to build a great workplace have paid off and we continue to be an employer of choice.

In 2015, DBS won 31 HR awards across our core markets in recognition of our outstanding programmes. Key awards include the Gallup Great Workplace Award, the Institute of Banking and Finance Singapore Inspire Award and HRM's Hays Award for Employer of Choice in Singapore. In the 2016 eFinancialCareers 'Ideal Employer' rankings, DBS is among the Top 10 companies that financial professionals in Asia want to work for.

Key Highlights in 2015	Key ongoing programmes & initiatives
	<p>Feel valued</p> <ul style="list-style-type: none"> • DBS Cares programmes with SG50 employee initiatives • iHealth programmes – shift away from insuring for illness to insuring for health • Initiatives that tie in with LESS – Live well, Eat well, Save well, Stay well • iStep – collaborative, digital experience to healthy living
	<p>Experience growth and progress</p> <ul style="list-style-type: none"> • Launch of new DBS Academy across Singapore, Indonesia and Taiwan • SkillsFlex – additional DBS funding for Singapore employees up to Senior Associate level (over and above SkillsFuture funding) • Digital masterclass and hackathons to drive digital mindset
	<p>Feel connected</p> <ul style="list-style-type: none"> • Jam session – launch of new, interactive townhall format for employees to engage with the leadership on strategic and important priorities at DBS • PRIDE! activities to embed the culture and core values at DBS • DBS Power Up – a mobile platform delivered to employees by HR that puts information, learning and communities in the hands of employees

Society and environment



**Live
responsible**

We believe in contributing to society by generating profits responsibly and creating social value. This ties in with our corporate value of being purpose-driven and creating impact beyond banking that touches real people, real businesses and real lives.



Responsible banking

We are committed to conducting business honestly and ethically, and have zero tolerance for financial crime. We adopt fair dealing practices and are committed to advancing responsible financing as part of our role in promoting sustainable development.



Creating social value

We seek to address the needs of society by staying true to our mission of being the "People's Bank", and championing social entrepreneurship in Asia.



Responsible citizenship

As a good corporate citizen, we seek to give back to society through our volunteerism movement "People of Purpose". We are conscious about managing our direct environmental footprint and seek to influence our supply chain towards sustainable practices.

Picture on the left: Vasham Kosa Sejahtera offers loans, training and agribusiness solutions to smallholder farmers in Indonesia. This social enterprise received a grant from the DBS Foundation in 2015.

Responsible banking

Combating financial crime

We do not tolerate the use of DBS' products or services in furtherance of financial crime, such as money laundering, financing of terrorism, fraud and bribery/corruption. Stakeholders can be assured that DBS engages in even-handed dealings.

For more information, see "CRO statement" on page 80 and "Compliance risk" on page 100.

Fair dealing

We are committed to:

- Being responsive to our customers' needs and requests
- Selling products and services that are suitable for them
- Ensuring our sales staff are trained to deal with customers fairly
- Communicating with our customers in a clear and transparent manner

Our customers are central to our business. It is important that they trust the products and services we provide.

We undertook key initiatives to strengthen our sales process, such as expanding customer fact-finding, product risk disclosures and customer product suitability checks.

Staff remuneration is predicated on a balanced scorecard approach, which ensures better alignment between the interests of our staff and customers. A significant portion of staff remuneration depends on our staff's ability to understand customers' needs, recommend suitable products, provide adequate disclosures and conduct the advisory and sales process professionally.

All our employees receive annual training on compliance and fair dealing, in addition to training on our product suite. They also undergo product knowledge and skills tests regularly. We place great emphasis on the oversight of our sales staff and hold their supervisors accountable for their coaching, monitoring and supervision.

To improve our products and services, we avail various channels to customers through which they can provide valuable feedback.

Responsible Financing

We recognise that our lending practices have a huge impact on society, and are committed to promoting sustainable development and shaping the expectations and behaviours of our employees and customers.

When making loans, we assess how our customers address material risks, including their exposure to environmental and social risks where relevant. In accordance with corporate policy, companies with business activities assessed to have material environmental and/or social risks require additional due diligence.

As part of the industry's push towards sustainable development, The Association of Banks in Singapore (ABS) released a set of industry guidelines to enhance the implementation of responsible financing. Developed in consultation with banks, including DBS, the guidelines underscore the sector's commitment to advancing responsible financing in a more structured and transparent manner. The guidelines will help achieve systematic environmental and social criteria integration into banks' lending decision-making, as well as provide higher levels of transparency and accountability. DBS is committed to fully implementing the ABS guidelines by 2017.

Creating social value

Being the "People's Bank"

We seek to provide access to financial services to all of our customers, including those with disabilities or other difficulties. We believe in empowering the community to make sound financial decisions to improve their lives, through enhancing their financial literacy.

For more information on our financial inclusion initiatives, see "POSB" on page 36.

Championing social entrepreneurship

Social enterprises (SEs) offer innovative and sustainable solutions to address the myriad social challenges associated with a rapidly growing Asia. The DBS Foundation was launched in 2014 to help grow SEs across the region. This resonates with our heritage as a development bank, and we can add value by leveraging our expertise serving SMEs.

DBS Foundation's three-pronged approach to supporting SEs

Spark



1. Reach & engage

Build awareness and advocacy for SEs

- Social Venture Challenge Asia
- Local forums, awards and workshops
- AsiaForGood.com



Prototype grant

Nurture



2. Innovate & incubate

Keep up with changing social needs through social innovation and incubation

- Incubation programmes and bootcamps
- Toolkits and case studies
- Skilled volunteering



Organisational grant

Scale



3. Grow & scale

Develop high potential SEs and enable success on a greater scale

- Accelerator programmes
- Market access and advisory
- Customised financial tools



Scale up grants



Buy Directly from Farmers is an e-commerce platform that connects farmers with consumers. This Taiwanese social enterprise received a grant from DBS Foundation in 2015.

Reach and engage

Awareness and advocacy of the sector is vital to getting early-stage SEs started.

We seek to inform the public and engage aspiring SEs across our key markets through outreach activities such as the DBS-NUS Social Venture Challenge Asia. In 2015, we received over 680 entries from 30 countries, offering solutions in areas such as education, web/mobile, healthcare and environment. Winners walked away with total seed money of SGD 150,000 to develop their business models. Besides boot camps and workshops that reached out to close to 10,000 participants, local forums were also held to create positive perceptions of SEs.

To help improve the visibility of SE businesses, we developed the "Portraits of Purpose" video series, showcasing social entrepreneurs from Singapore, India and Taiwan who made genuine impact with their work. Further, our consumer-facing digital platform AsiaForGood.com connects people to SEs, encourages socially conscious behaviour and empowers people to make informed choices about the way they live and buy. In 2015, our digital platforms earned a cumulative 2.5 million views from 350,000 unique visitors.

Innovate and incubate

SEs with ongoing operations continue to be sensitive to business realities and evolving social needs. We help promising SEs by providing them with both financial and non-financial support. Through our partner network across the region, we conducted incubation programmes as well as provided training and mentorship to over 65 mid-stage SEs in 2015.

Through the DBS Foundation SE Grant programme, we identify innovative SEs and provide grants to support their growth. In 2015, 16 SEs across seven countries were awarded grants amounting to SGD 1.02 million.

Grow and scale

We leverage our corporate resources and expertise to provide executive advisory services to support high potential SEs, thereby accelerating their growth and enhancing their impact. During the year, more than 300 skilled volunteers across the bank made a positive difference to SEs by offering consultation and mentorship for their operations and strategies. They also joined DBS scalathons – intensive brainstorming sessions on strategic business challenges faced by SEs.



Shanghai Bai Te Education, a DBS Foundation grantee, helps latch-key children of migrant workers and low income families in China.

Integrating SEs into DBS' culture and operations

We demonstrate commitment to SEs by providing banking solutions tailored to their needs and engaging them for our events and activities.

First launched in Singapore in 2008, the SE Banking Package allows SEs to open corporate accounts with no minimum deposit or balance. Apart from free transactions, the package also offers SEs unsecured business loans pegged at half the regular commercial rate. As at 31 December 2015, we had 398 customers under the SE Banking Package and SGD 1.74 million of unsecured SE business loans outstanding.

Responsible citizenship

"People of Purpose" – where volunteers lead

This year, instead of "one size fits all" volunteer programmes, we adopted a more targeted approach. We empowered our staff to adopt social causes they were interested in, and to develop solutions and plan activities directly relevant to their beneficiaries.



Our staff volunteer teams in Singapore helping the elderly who are living alone with their day-to-day chores, such as weekly grocery shopping, cooking traditional dishes and documenting recipes.

Over 100 volunteer leaders forged partnerships with community organisations, creating sustainable and long-term impact on the community. In 2015, more than 4,000 staff touched 16,000 lives in 27,000 hours of volunteering activities.



DBS Taiwan staff bonding and spending quality outdoor time with the physically challenged beneficiaries of Eden Social Welfare Foundation.

Managing our environmental footprint

Our most direct environmental impact is the carbon emissions from our office buildings and branches. Hence, we ensure our offices incorporate sustainable designs and practices.

We attained the Building and Construction (BCA) Greenmark certification and the WasteWi\$e Certificate – Excellence Level for all of our Singapore and Hong Kong office buildings respectively. In Taiwan, we are the first foreign bank to achieve the ISO 50001 certification for energy management.

For our branch network, we are the first bank in Singapore to be on board the BCA Green Mark Portfolio Programme, which seeks to encourage the adoption of energy-efficient designs, technologies and good environmental management systems among tenants. We target to achieve the Green Mark Certification for 20 retail branches by 2016.

While we embrace innovation and technology, IT waste management remains our priority. As part of our strategic cost management programme, we sold more than 8,000 decommissioned desktops and notebooks to a recycling vendor at the end of their four- or five-year refresh cycle.

We also started recycling corporate mobile phones with vendors who either resell, salvage reusable parts or otherwise dispose of them through a recycling company.

DBS is one of the first banks in Singapore to actively encourage customers to adopt electronic bank account statements instead of paper statements. We have also implemented paperless forms at our branches using iPads and e-forms tablets. We introduced good-as-new notes and e-red packets through DBS PayLah! to reduce the need for more new notes to be printed during the Lunar New Year.

E-storage solutions and recycling bins are readily available across all our office locations. All paper waste is disposed either directly or indirectly to recycling companies.

Regionally, key 2015 initiatives included replacing lightings with LEDs which have longer life spans and lower energy consumption. We continued to support the fight against climate change by observing "Earth Hour". We also rolled out meat-free meals in our staff canteens in Singapore to encourage staff to go meatless to reduce carbon footprint, and promoted the use of recyclable cups in our social hubs in Taiwan.

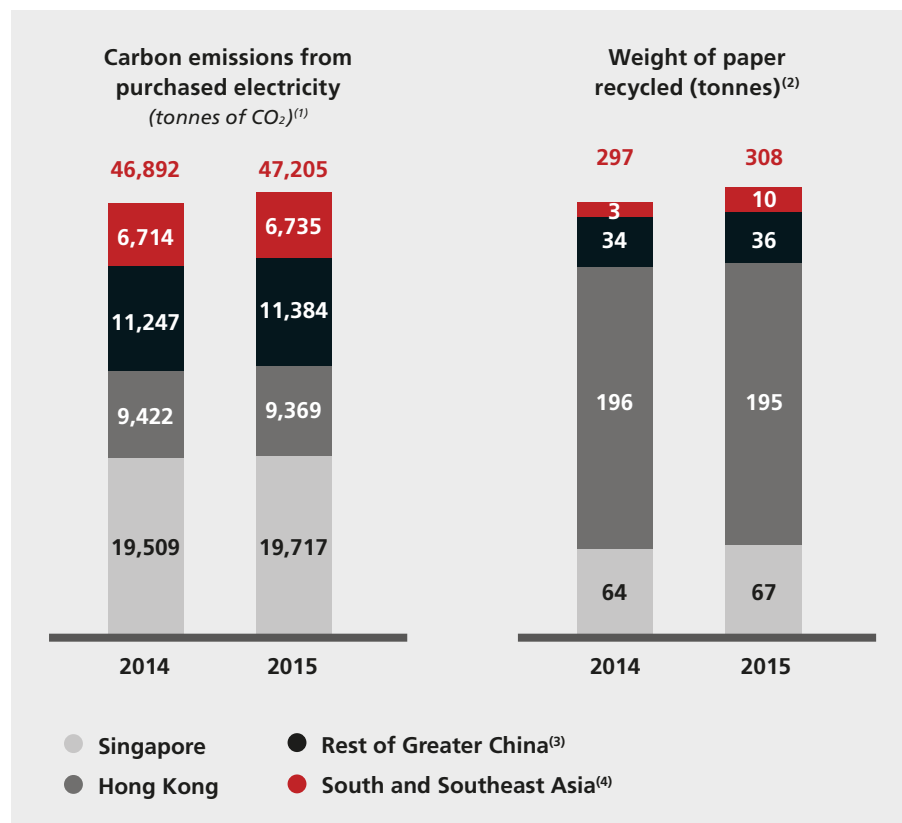
Sustainable sourcing

DBS procures products and services from more than 6,000 suppliers, predominantly in Singapore and Hong Kong. Approximately 80% of our expenditure are for professional, real estate, sales and marketing, IT outsourcing and corporate services.

In 2015, we developed the DBS Sustainable Sourcing Principles (SSP). These principles outline our values and expectations in four key areas - human rights, safety and health, environment sustainability and business integrity and ethics.

The SSP set out minimum standards of behaviour and seek to drive commitment to ethical improvements within our supply chain.

We conducted a one-time exercise to notify all our existing suppliers in Singapore of the SSP via mail. All new suppliers who engage with DBS are required to sign up to the SSP with effect from 1 October 2015 under a revised supplier registration process. The new suppliers SSP sign-up rate is more than 95% as at 31 December 2015. We plan to roll out the SSP to all our key markets in 2016.



(1) Based on relevant grid emission factor conversion for each country

(2) Based on weight of paper at recycling points

(3) Rest of Greater China includes branch and subsidiary operations in Mainland China and Taiwan

(4) South and Southeast Asia includes branch and subsidiary operations in India and Indonesia