

DBS Group Holdings Ltd and its Subsidiaries

Directors' statement

for the financial year ended 31 December 2019

The Directors are pleased to present their statement to the Members, together with the audited balance sheet of DBS Group Holdings Ltd (the Company or DBSH) and the consolidated financial statements of the Company and its subsidiaries (the Group) for the financial year ended 31 December 2019. These have been prepared in accordance with the provisions of the Companies Act, Chapter 50 (the Companies Act) and the Singapore Financial Reporting Standards (International).

In the opinion of the Directors:

- (a) the balance sheet of the Company and the consolidated financial statements of the Group, together with the notes thereon as set out on pages 116 to 182, are drawn up so as to give a true and fair view of the financial position of the Company and the Group as at 31 December 2019, and the performance, changes in equity and cash flows of the Group for the financial year ended on that date; and
- (b) as at the date of this statement, there are reasonable grounds to believe that the Company and the Group will be able to pay their debts as and when they fall due.

Board of Directors

The Directors in office at the date of this statement are:

Mr Peter Seah (*Chairman*)
Mr Piyush Gupta (*Chief Executive Officer*)
Dr Bonghan Cho
Ms Euleen Goh
Mr Ho Tian Yee (*Lead Independent Director*)
Mr Olivier Lim
Mr Nihal Kaviratne
Mr Andre Sekulic
Mr Danny Teoh
Mr Tham Sai Choy
Mrs Ow Foong Pheng

Mr Peter Seah, Mr Ho Tian Yee, Mr Olivier Lim and Mrs Ow Foong Pheng will retire by rotation in accordance with Article 99 of the Company's Constitution at the forthcoming annual general meeting (AGM) and, being eligible, will offer themselves for re-election at the AGM.

Directors' interests in shares or debentures

Each of the following Directors who held office at the end of the financial year had, according to the register of directors' shareholdings required to be kept under Section 164 of the Companies Act, an interest in shares of the Company and related corporations as stated below:

	Holdings in which Directors have a direct interest		Holdings in which Directors are deemed to have an interest	
	As at 31 Dec 2019	As at 1 Jan 2019	As at 31 Dec 2019	As at 1 Jan 2019
DBSH ordinary shares				
Mr Peter Seah	242,127	220,661	-	-
Mr Piyush Gupta	1,522,502	1,169,560	318,000	318,000
Dr Bonghan Cho	1,930	-	-	-
Ms Euleen Goh	58,703	54,414	-	-
Mr Ho Tian Yee	48,140	44,229	-	-
Mr Olivier Lim	67,281	38,299	-	-
Mr Nihal Kaviratne	3,690	33,768	-	-
Mr Andre Sekulic	27,956	24,575	-	-
Mr Danny Teoh	45,589	41,726	19,099	19,099
Mr Tham Sai Choy	89,188	88,000	-	-
Mrs Ow Foong Pheng	25,839	25,839	-	-
Share awards (unvested) granted under the DBSH Share Plan				
Mr Piyush Gupta ⁽¹⁾	1,036,485	1,000,845	-	-
DBS Bank 4.7% non-cumulative non-convertible redeemable perpetual preference shares				
Ms Euleen Goh	3,000	3,000	-	-

(1) *Mr Piyush Gupta's share awards form part of his remuneration. Details of the DBSH Share Plan are set out in Note 39 of the Notes to the 2019 Company's financial statements*

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2020.

DBSH Share Plan

At the Annual General Meeting held on 25 April 2019, the DBSH Share Plan (which was first adopted on 18 September 1999) was extended for another ten years, from 18 September 2019 to 17 September 2029 (both dates inclusive). The DBSH Share Plan is administered by the Compensation and Management Development Committee (CMDC). As at the date of this statement, the members of the CMDC are Mr Andre Sekulic (Chairman), Mr Peter Seah, Ms Euleen Goh, Mr Olivier Lim and Mr Nihal Kaviratne.

Under the terms of the DBSH Share Plan:

- Awards over DBSH's ordinary shares may be granted to Group executives who hold such rank as may be determined by the CMDC from time to time. Awards may also be granted to (amongst others) executives of associated companies of DBSH who hold such rank as may be determined by the CMDC from time to time, and non-executive Directors of DBSH;
- Where time-based awards are granted, participants are awarded ordinary shares of DBSH or, at the CMDC's discretion, their equivalent cash value or a combination of both as part of their deferred bonus, at the end of the prescribed vesting periods. Awards are granted under the DBSH Share Plan at the absolute discretion of the CMDC. Dividends on unvested shares do not accrue to employees;
- Awards under the DBSH Share Plan may be granted at any time in the course of a financial year, and may lapse by reason of cessation of employment or misconduct of the participant, except in cases such as retirement, redundancy, ill health, injury, disability, death, bankruptcy of the participant, or by reason of the participant, being a non-executive Director, ceasing to be a Director, or in the event of a take-over, winding up or reconstruction of DBSH;
- Subject to the prevailing legislation and the rules of the Singapore Exchange, DBSH will have the flexibility to deliver ordinary shares of DBSH to participants upon vesting of their awards by way of an issue of new ordinary shares and/ or the transfer of existing ordinary shares (which may include ordinary shares held by the Company in treasury); and

- (e) The class and/ or number of ordinary shares of DBSH comprised in an award to the extent not yet vested, and/ or which may be granted to participants, are subject to adjustment by reason of any variation in the ordinary share capital of DBSH (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation, or distribution) or if DBSH makes a capital distribution or a declaration of a special dividend (whether in cash or in specie), upon the written confirmation of the auditor of DBSH that such adjustment (other than in the case of a capitalisation issue) is fair and reasonable.

During the financial year, time-based awards in respect of an aggregate of 6,287,763 ordinary shares were granted pursuant to the DBSH Share Plan to selected employees of the Group. In addition, during the financial year, certain non-executive Directors received an aggregate of 46,232 share awards which vested immediately upon grant. These share awards formed part of their directors' fees for 2018, which had been approved by the shareholders at DBSH's annual general meeting held on 25 April 2019.

Details of the share awards granted under the DBSH Share Plan to Directors of DBSH are as follows:

Directors of the Company	Share awards granted during the financial year under review	Share awards vested during the financial year under review
Mr Peter Seah	21,466	21,466
Mr Piyush Gupta	388,582 ⁽¹⁾	352,942
Dr Bonghan Cho	1,930	1,930
Ms Euleen Goh	4,289	4,289
Mr Ho Tian Yee	3,911	3,911
Mr Olivier Lim	2,982	2,982
Mr Nihal Kaviratne	3,222	3,222
Mr Andre Sekulic	3,381	3,381
Mr Danny Teoh	3,863	3,863
Mr Tham Sai Choy	1,188	1,188

- (1) *The share awards granted to Mr Piyush Gupta are time-based awards which will vest over a 4-year period. Of the 388,582 share awards: (a) 243,819 were granted in February 2019 and formed part of his remuneration for 2018; (b) 80,000 were granted as a one-time special recognition award in November 2019 in recognition of Mr Gupta's leadership, dedication and contributions to the Group for the past 10 years; and (c) 64,763 are retention shares arising from these grants that will vest at the end of the applicable 4-year period.*

Arrangements to enable Directors to acquire shares or debentures

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement, the object of which is to enable the Directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate, save as disclosed in this statement.

Audit Committee

The Audit Committee comprises non-executive Directors Mr Tham Sai Choy (Chairman), Mr Peter Seah, Dr Bonghan Cho, Mr Andre Sekulic and Mrs Ow Foong Pheng.

The Audit Committee performed its functions in accordance with the Companies Act, the SGX-ST Listing Manual, the Banking (Corporate Governance) Regulations 2005, the MAS Guidelines for Corporate Governance issued on 3 April 2013 and the Code of Corporate Governance 2018, which include, *inter alia*, the following:

- (i) Review, with the external auditor, its audit plan, audit report, evaluation of the internal accounting controls of DBS and assistance given by the management to the external auditor;
- (ii) Review the internal auditor's plans and the scope and results of audits;
- (iii) Review the Group's consolidated financial statements and financial announcements prior to submission to the Board;
- (iv) Review the adequacy, independence and effectiveness of the internal audit function;
- (v) Review the adequacy, effectiveness, independence and objectivity of the external auditor; and
- (vi) Review the assurance given by CEO and other key management personnel regarding the adequacy and effectiveness of the Group's internal controls.

Please refer to the Corporate Governance Report for further details on the activities of the Audit Committee during the financial year ended 31 December 2019.

The Audit Committee has considered the financial, business and professional relationships between PricewaterhouseCoopers (PwC) and the Group. It is of the view that these relationships would not affect the independence of PwC.

The Audit Committee has recommended, to the Board of Directors, the re-appointment of PwC as independent external auditor at the forthcoming AGM of the Company on 31 March 2020.

Independent Auditor

PricewaterhouseCoopers LLP has expressed its willingness to accept re-appointment as independent external auditor.

On behalf of the Directors



Mr Peter Seah



Mr Piyush Gupta

12 February 2020
Singapore